July

2024

East and North Hertfordshire
NHS Trust

Annual Report and Accounts 2023-24

Contents

Performance Report

Introduction 3
Performance Overview 5
Performance Analysis 25

Accountability Report

Corporate Governance Report 72
Remuneration and Staff Report 106
Parliamentary Accountability and Audit Report 126

Annual Accounts for 2023/24 131

Performance Report

Introduction

Hello, my name is Anita Day, and I am proud to be the chair of East and North Hertfordshire NHS Trust.

Welcome to the Trust's annual report and accounts for 2023-24.

Firstly, I would like to thank all who work for the Trust, for all that you have done over the last year, and for making me so welcome when I joined in February of this year.

Working together for patients

I am inspired every day by the work I see from our staff, partners, volunteers and charity. As you can see from this report, our focus is and will continue to be on improving patient care, patient experience and access to services – aligned with our vision to be trusted to provide consistently outstanding care and exemplary service.

Our values of include, respect and improve drive how we work – including and listening to our patients and partners, showing respect to what matters to our patients, and constantly driving for improvement to deliver the best care we can for our communities.

We continue to work closely with our colleagues across Hertfordshire and West Essex to improve access to care – improving care closer to home, working hard to reduce our waiting lists and ensuring access for those who need emergency and urgent care.

Our partnership with the University of Hertfordshire continues to grow, with students from a number of professions completing placements as part of our Trust family, and several of our staff working in partnership and professorship roles. This means our patients benefit from developments in research and innovation.

Thank you for your continued support

Your continued support of our hospitals' charity has allowed us to provide enhanced services and care to our patients, and to better support our staff.

Our second Rainbow Run last June cemented this event as a local favourite – with participants of all ages running a colourful course in Stevenage and raising £32,000.

And our ever popular abseil showed that over 100 people are prepared to face their fears in the name of a good cause – raising £55,000. One participant was an incredible 83 years old!

These are just two of the events that our fantastic charity team have organised over the last year – thank you for your continued support.

The enhancements that your generous donations provide range from cooling caps for cancer patients, toys and entertainment for our youngest paediatric patients, and a forthcoming terrace for our most critically ill patients to have access to safe outdoor space. Thank you.

I would also like to say a huge thank you to all of our volunteers who provide invaluable support in giving their time. Our volunteers carry out such a wide range of roles in the Trust it is impossible to list them all – from our award-winning Butterfly Service for those at the end of their life, to our newest volunteer Forget-Me-Not service which works with patients with dementia, and all the roles supporting our patients with wayfinding, eating support and in so many other ways.

Our Board

Finally, I would like to thank our former chair Ellen Schroder, who left in November 2023 to chair the Board at Great Ormond Street Hospital for Children NHS Foundation Trust, and also Karen McConnell for her time as acting chair for three months.

The Board was also joined by Nina Janda who joined us as an associate non-executive in September. Welcome.

Anita Day

Chair

19 July 2024

Performance Overview

The purpose of this section of the report is to provide summary information regarding the Trust, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. This section includes:

- The Chief executive's statement
- An overview of the Trust, its strategic objectives, organisational structure, services provided and population served
- Summary of the Trust's performance (covering clinical, operational, financial and workforce)
- Statement on adopting Going Concern basis

The second section of the performance report provides more detailed analysis of the Trust's performance over the period.

The financial performance figures included in this report relate to the Trust as a single entity and do not materially differ to the Group.

Chief Executive's Statement

Firstly, I would like to thank everyone who works at the Trust for your continued hard work and commitment in the last year – including those from our partner and contracted organisations, and our students.

Quality

The Trust continues to put quality at the heart of its work, and I am pleased to report on a number of key achievements.

In December, at Lister Hospital the Trust launched a new 24/7 service to ensure patients, relatives and carers can get a second opinion if they are concerned about a patient's care when in hospital. The Call 4 Concern service is a patient safety initiative which recognises that relatives and carers know their loved ones the best and will be able to tell when their condition is changing for the worse. The service involves a separate team of clinicians visiting the patient to assess them and discuss concerns raised.

In March, the Trust took delivery of three new state-of-the-art radiotherapy machines, providing faster treatment with improved accuracy and convenience for patients receiving treatment at the Mount Vernon Cancer Centre (MVCC) in Northwood. The new machines can image and treat cancer patients faster, delivering high-quality image-guided radiotherapy with advanced technology.

A full, unannounced inspection at Lister Hospital by the Care Quality Commission in June reported on improvements in our maternity unit – and removed the inadequate rating, highlighting the work with the Lister Maternity Voices Partnership as an area of outstanding practice. Of all the services inspected, there are no longer any areas which are rated inadequate. The Trust recognises the need for further efforts to improve the overall “requires improvement” rating, in particular in our urgent and emergency care services – progress is outlined below.

The CQC also published the results of their 2023 Maternity Survey in February – showing that 97% of women have confidence and trust in the staff who looked after them during labour and birth – 2% higher than the national average. The Trust was also the most improved Trust when comparing overall positive score changes compared the last survey (2022).

People

Recognising the work and achievements of our staff is a priority for the Trust. In July 2023 we once again held our annual staff awards event, fully funded by our East and North Hertfordshire Hospitals’ Charity through generous sponsorship partnerships. And in January 2024 the new monthly Values into Practice (VIP) Awards were launched, recognising those staff who have gone above and beyond in demonstrating our values of include, respect and improve.

Our staff also shine on the national stage, including recognition in awards by the Royal College of Physicians, the Chamber of Commerce, the Nursing Times, and the FAB NHS Awards amongst many others.

In March, it was encouraging that our staff survey results showed improvement in each of the NHS People Promise domains, with more staff than ever telling us their views. There remains work to do to ensure that our people are able to raise concerns in a psychologically safe environment and around inclusivity of all of our staff – these areas will be a focus for 2024/25.

Our staff networks continue to thrive – with a refreshed focus including our renamed ENHable network for staff with disabilities, and our REACH network (formerly the BAME network). The newest addition is the Admin Community – reflecting the importance of those in administrative roles in working towards our vision of exemplary service.

Seamless Services

Improvements have been made in the urgent and emergency care pathways – including extended opening times for the Same Day Emergency Care (SDEC) unit and adding a surgical SDEC service – reducing the need for admissions and freeing up beds. Increased capacity in our diagnostic services has reduced the length of time for emergency patients waiting for scans, and we have improved ambulance handover processes resulting in quicker transfers into the emergency department.

The opening of our Lister Adult Urgent Treatment Centre in January has proved a success, with around 90 patients attending each day, and with 99% seen, treated and discharged within 4 hours – in line with the Urgent Treatment Centre at the New QEII Hospital.

The new hybrid vascular theatre with state-of-the-art facilities is nearing completion, which will allow patients from across Hertfordshire and west Essex to undergo complex procedures.

Work has also begun on the elective care hub in St Albans, which will see patients from our Trust, The Princess Alexandra NHS Trust and West Hertfordshire Teaching Hospitals NHS Trust for high volume, low complexity procedures.

Continuous Improvement

The Trust partnership with the world-renowned Virginia Mason Institute begin in 2023, and work is underway to embed the ENH Production System. A new Kaizen Promotion Office

has been established with training underway for staff in evidence-based improvement methodology and a number of improvement projects underway based on lean principles.

The Trust continues to focus on becoming more sustainable. The Trust received a government grant of over £1 million has enabled us to begin installing energy efficient LED lighting in every ward, theatre, clinic and office at Lister Hospital. In March the Trust was also awarded a grant of £750,000 from the National Energy Efficiency Fund, to install solar panels at Lister. Both these initiatives will have a significant impact on reducing carbon emissions and cutting energy costs.

A digital Patient Hub online app was launched in autumn 2023, allowing patients to see information about their outpatient appointments, view letters and patient information leaflets, and cancel and change appointments. A number of specialties are now using the hub, and more will be added throughout 2024/25.

Adam Sewell-Jones

Chief Executive

19 July 2024

About the Trust

East and North Hertfordshire NHS Trust was created in April 2000, following the merger of two former NHS Trusts serving the east and north Hertfordshire areas. Today, the Trust provides a wide range of acute and tertiary care services from four hospitals, namely: the Lister in Stevenage; the New Queen Elizabeth Hospital II (QEII) in Welwyn Garden City; Hertford County in Hertford; and the Mount Vernon Cancer Centre in Northwood, within the London Borough of Hillingdon.

Since October 2014, the Lister has been the Trust's main hospital for specialist inpatient and emergency care. The New QEII hospital, which was commissioned by the East and North Hertfordshire Clinical Commissioning Group, opened fully from June 2015 and provides outpatient, diagnostic and antenatal services, along with an urgent care centre. Hertford County also provides outpatient and diagnostic services. The Mount Vernon cancer centre provides tertiary cancer services including radiotherapy, chemotherapy and immunology services.

The Trust owns the freehold for each of the Lister and Hertford County; the New QEII is operated on behalf of the NHS by Community Health Partnerships and the Mount Vernon Cancer centre operates out of facilities owned by the Hillingdon Hospitals NHS Foundation Trust.

The area served by the Trust for acute hospital care covers a population of just over 600,000 people and includes south, east and north Hertfordshire, as well as parts of Bedfordshire. The Mount Vernon Cancer Centre provides specialist cancer services to some three million people from across Hertfordshire, Bedfordshire, Luton, north-west London and parts of the Thames Valley. The Trust's main catchment is a mixture of urban and rural areas that are in close proximity to London. The population is generally healthy and affluent compared to England averages, although there are some pockets of deprivation – most notably in parts of Cheshunt, Hatfield, Letchworth, Stevenage and Welwyn Garden City. From early 2020 to

mid-2021, the Trust saw a consistent reduction in mortality, with rates that were consistently lower than our national peers. There followed a gradual upward trend until early 2023, followed by a strong downturn. While both these trends have been mirrored nationally, the Trust has consistently remained well positioned compared to our national peers.

The birth rate is slightly lower than the England average, with the Trust's core catchment population forecast to rise by approximately 6% in the years to 2030; the most significant growth is expected in people aged 65 and over (25%) with this age group also more likely to have the greatest impact in terms of health needs. Black and minority ethnic groups (i.e. non-white British) make up approximately 10% of the population in east and north Hertfordshire. In addition, it is expected that just under 17,000 new houses are planned to be built in the Trust's core catchment area by 2030.

Through the Lister, QEII and Hertford County, the Trust provides a wide range of acute inpatient, outpatient, diagnostic, ambulatory and urgent care services – including an emergency department and maternity care – as well as regional and sub-regional services in renal medicine, urology and plastic surgery. Approximately 6,937 staff are employed by the Trust. The Trust's annual turnover is approximately £ 658.58million.

Organisational Structure

The Trust has a clinical operational structure of four Divisions consisting of Planned Care; Unplanned Care; Women's and Children; and Cancer. Prior to this the Trust had two operational Divisions: Planned Care, and Unplanned Care.

Supporting the clinical divisions are corporate teams covering areas including: finance and planning, digital; medical practice, education and research; nursing practice; strategy; estates and facilities; transformation, and workforce and organisational development.

Hertfordshire and West Essex ICS

East and North Hertfordshire NHS Trust is part of the Hertfordshire and West Essex Integrated Care System (ICS), which took on statutory responsibilities for the strategic commissioning of healthcare in the area from July 2022. Within the ICS, the Trust is actively collaborating with colleagues in other health and care organisations through being an active partner in the east and north Hertfordshire Health and Care Partnership (HCP).

Through the work of the HCP, the Trust is involved in projects to ensure that services and care are co-ordinated and integrated for our local population, which includes the development of a community heart failure service to support people to be cared for safely within the community.

The Trust is also working with other hospitals within the ICS to deliver care for our patients, including collaboration to create a vascular hub on the Lister site and an elective hub hosted by West Hertfordshire Teaching Hospitals NHS Trust on the St Alban's site.

Further information can be found on the ICS's website: https://hertsandwestessexics.org.uk/.

Strategy overview and objectives

The Trust's Vision is "To be trusted to provide consistently outstanding care and exemplary service".

The Trust has four guiding themes that shape its annual objectives:

- Quality – Consistently deliver quality standards, targeting health inequalities and involving patients in their care.

- Thriving People – Support our people to thrive by recruiting and retaining the best, and creating an environment of learning, autonomy and accountability.

- Seamless Services – Deliver seamless care for patients through effective collaboration and coordination of services within the Trust and with our partners.

- Continuous Improvement – Continuously improve services by adopting good practice, maximising efficiency and productivity and exploiting transformation opportunities.

These themes and objectives are underpinned by our Trust Values: Include, Respect and Improve.

Within the context of this framework, the Trust has again concentrated its delivery activity across eight high impact strategic transformation programmes. These have included a focus upon seeking to embed the fundamentals of care programme across aspects of clinical practice, alongside ensuring that high quality Growing Together conversations are experienced by staff across the organisation.

The Trust has continued to place strong emphasis around enhancing the productivity, efficiency and effectiveness of our surgical pathways and outpatient services. Our strong Elective Recovery Fund performance is illustrative of the significant increase in elective throughput across the year.

A key area of development for the Trust during 2023/24 has been the work to identify an expert strategic partner to collaborate with us in designing and implementing a continuous improvement methodology. Following a robust procurement process the Trust has entered into a multi-year agreement with the Virginia Mason Institute as its preferred partner. Significant work has already taken place to begin to build the internal capability and skills that will be required to develop the 'ENH Production system' and an ambitious programme of work has been set out for 2024/25.

Work did continue as far as possible on the Mount Vernon Cancer Centre (MVCC) Strategic Review, led by NHS England (NHSE). This work is in response to the strategic decision that the future of the MVCC was best served by becoming part of a tertiary cancer centre. University College Hospitals London (UCLH) was selected in January 2020 as the preferred provider by a panel of stakeholders following expressions of interest. Work has continued throughout 2023/24 with UCLH, the Trust, NHSE and key stakeholders, including HealthWatch, to develop a recommended future clinical model for MVCC, which best meets future patient and service needs.

Due diligence assessment has taken place. UCLH put in an Expression of Interest for capital funding as part of the New Hospitals Programme, for the re-provision of the cancer services at the Watford General Hospital site. This also included funding for networked radiotherapy in the north of the MVCC catchment – improving access to radiotherapy for patients in the north of the MVCC catchment areas has been a long-term strategic objective of the Trust. A decision on the capital funding has not yet been made.

Nevertheless, the Trust has continued to make significant investments into existing services at the Mount Vernon site to ensure that services are delivered safely in the short and medium term. In this context the Trust has purchased three new Linear Accelerators this

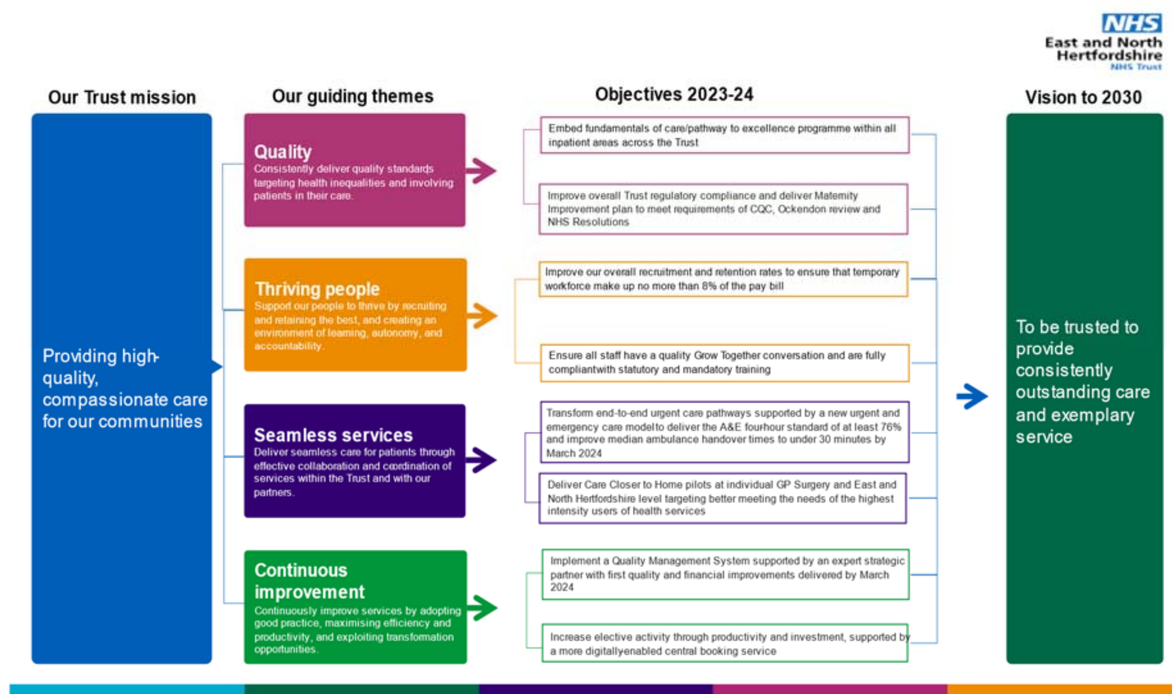
year and has made considerable progress in implementing a fabric improvement programme that is expected to total £10.1m when completed in 2024/25.

The Trust has further invested in expanding its planned service capacity moving forward with the construction of a new hybrid theatre. This improvement quality investment will go live in the early months of 2024/25, and this will help to boost capacity and quality of services provided through the Hertfordshire and West Essex Vascular Surgery Network.

The Trust has continued to work with system partners more locally through the East & North Hertfordshire Integrated Care Partnership (ICP). This reinforces the Trust's commitment to play a leading role in working with our partners to develop integrated pathways of care for our local community and collaborate to find ways to enhance corporate efficiency and reduce back-office costs. The ICP Partnership Board includes representation from our county council, primary care and mental health colleagues, who will together oversee the strategic development of the ICP, informed by input from our people, patients and community. During the course of 2023/24 the Trust has worked closely with its place partners to extend the scope of virtual hospital arrangements and implement a new heart failure service model.

Our 2023/24 strategic objectives

2023/24 marked the second year in a new approach to the identification, prioritisation, cascade and delivery of the organisation's strategic objectives. This followed an extensive refresh in 2022/23 of our overarching Trust strategy which concluded with the publication of our ten-year Integrated Business Plan. This model has been supported by significant organisational change, led initially through the refresh of our Trust values and behaviours of Include, Respect and Improve. The cascade and alignment of strategic priorities across the Trust is strengthened though our annual Grow Together conversations involving every team and staff member, with progress in this area positively reflected in this year's national staff survey results.



Our transformational journey continues, with a redesign of our Divisional target operating model due to be launched in April 2024/25. These changes include increased autonomy and accountability within our new Care Groups, each supported through a clinically led triumvirate leadership team.

Progress will be further supported through the introduction of our new improvement method – the East and North Herts Production System (ENH PS), which as it rolls out Trust-wide during 2024/25, will enable incremental continuous improvements to be led and delivered by those that do the work, where the work is done.

Fundamentals of Care / Pathway to Excellence

The Clinical Excellence Accreditation Framework (CEAF) was revised in April 2023 and now contains two parts. Part one is aligned to the CQC compliance standards and includes 71 fundamental standards of care, with part two including standards relating to clinical excellence. Wards only progress to part two of the framework when a minimum of 85% of all fundamental standards are achieved. All 71 fundamental standards of care must be achieved, and the 'clinical excellence' part of accreditation completed, before a ward can become accredited at either bronze, silver or gold level. Once accredited, wards will need to continue to demonstrate sustained improvement to maintain their accreditation status.

There was a phased approach to launching the revised framework with inpatient wards separated into two cohorts. This phased approach enabled focused advice and support to be provided to wards with weekly drop-in sessions and monthly divisional meetings to discuss progress, next steps and actions required.

Cohort 1, comprising 12 inpatient wards, commenced the CEAF in April 2023. During the pre-assessment period between April-July wards had the opportunity to work to improve fundamental standards of care. The formal assessment period then took place between August-October, where the independent assessment team evaluated compliance by observing practice, talking to staff and patients, and reviewing documentation, performance data and the CEAF staff survey responses. Individual ward reports were then prepared detailing the assessment and outcome for each standard, to share with the CEAF panel.

The CEAF panel, chaired by the Chief Nurse, met in January 2024 to review Cohort 1 wards where it was agreed, Barley ward had provided evidence that they were meeting at least 85% of the fundamental standards of care. The ward team was able to demonstrate high quality and compassionate care towards patients. The panel observed how Barley ward performed distinctively better in fundamental standards relating to persons centred care, dignity and respect, safe care and treatment and nutrition and hydration. The ward team has now commenced work on part two, 'clinical excellence' standards, which includes adopting research and quality improvement, shared decision making and staff recognition into day-to-day practice.

The following units, AMU-1, SSU, ACU, Ward 6A, 6B, 7A, 8A, 10B, were assessed and are required to continue to work on their improvement plans with ongoing regular meetings with the ward managers focussing on common challenges and support. A range of specialist teams have been invited to join these forums to share their expertise.

Ward 5A, 5B, 7B are required to commence a more formal action plan where fortnightly action tracker meetings provide the opportunity to ensure wards are supported, in a collaborative approach, to improve compliance against fundamental standards of care which are not being achieved.

Throughout the CEAF process the following cases of good practice have been shared, to encourage and support learning across all inpatient areas-

- Medicines management project: installing intravenous medication cupboards in each bay.
- Communication with patient families: establishing a call log and arranging a call back to ensure patient next of kin and relatives are receiving necessary updates.
- Task allocation board: allocation of roles and responsibilities each shift to ensure effective safe care and treatment.

Cohort 2, comprising all 12 remaining inpatient wards (excluding maternity), commenced the CEAF process in July 2023. Their pre-assessment period ran from July - October, and their formal assessment period took place between November - January 2024. As soon as all independent assessments have been returned, individual ward reports will be prepared detailing the assessment and outcome for each standard. The CEAF panel was due meet in April 2024 to agree the outcome for the Cohort 2 wards.

Significant progress has been achieved to embed fundamental standards of care within all inpatient areas across the Trust and there is an expectation that further wards from cohort 2 will achieve 85% compliance and progress to part 2 of the framework following the next panel review in April. Meanwhile cohort 1 wards who remain on an improvement plan or formal action plan will be reviewed in May where compliance is anticipated to reflect additional improvements. This work reflects an on-going objective, with a rolling timeline for implementation, achievement, and sustainability across all ward areas.

Staff Survey

The Trust's objective was to improve overall staff experience as measured by the staff survey. The Trust focused on staff engagement and morale throughout 23-24 and in response to the previous year results a 'team talk' framework designed for teams to explore themes specific to their department and create local plans for improvement, throughout the year these were presented to the Trust's People Committee with action plan updates presented by the divisional leaders.

The staff survey results published in February 2024 demonstrated consistency in response rate from our workforce of 45% (2994), meaning the results are reliable and valid. The Trust showed statistical improvement in 5 of the 7 NHS People Promise domains and achieve Positive improvement across 83 questions, 17 scored worse and the rest were the same as last year.

We do celebrate where we improve and are taking a relentless focus in 2024/25 on ‘morale’, ‘voice that counts’ and ‘compassionate and inclusive. Divisional plans of improvement will be available in May 2024 with a commitment to publishing these on our local intranet for staff visibility.

Temporary Workforce

At the start of the year, the Trust set up its structured programme known as ‘Great for 8(%)’ which introduced a range of measures and inputs to better control the cost of our workforce through reducing the percentage of the pay bill on temporary staffing (bank and agency) to 8%.

The programme had four main workstreams and defined high impact actions under each. These included targeted vacancy reduction – specifically for areas of high-cost agency, enhancing the bank and agency control environment, improved staff deployment systems and practices, and improved absence management including sickness days lost. A governance structure was set in place to monitor progress with reporting going to both Finance, Performance and Planning Committee and People Committee.

The 8% target was derived from the workforce plan submitted at the start of the year which had assumed a reduction of over 100 full time equivalents (FTE) over the year. However, workforce establishment grew by 134 FTE in large part due to the investment in the urgent and emergency care pathways, as well as to meet increased activity in certain specialties to support elective recovery plans.

In addition, the Trust needed to increase its temporary workforce to manage the impact of industrial action which continued throughout the year. Without this impact, the Trust has predicted that the percentage of pay bill would have been 8.8% as at the end of February 2024. The actual position at the end of February 2024 was 12.4%, down from 15.9% in March 2023. Over the year the average bank percentage came down from 9.5% to 9.1% and agency came down from 3.6% to 3%, therefore temporary staffing reductions were demonstrated over the year despite the establishment changes and industrial action.

Key developments and achievements of the programme include:

- 17 FTE reduction in agency utilisation with several ‘hard to recruit’ substantive medical posts secured.
- The Trust remains free of ‘off-framework’ agency.
- Analysis completed of ‘above price cap’ agency usage suggests all breaches are within current market rates.
- Service led meetings are in place to triangulate budget, vacancy and temporary staffing data.
- 22-point health roster improvement plan for the organisation is underway reporting through to workforce utilisation and deployment group.
- A care support workers spend reviews in place with daily roster oversight with clinical professional judgement.

- A resource control panel is in operation as a gateway for substantive and temporary placement ensuring criteria is consistently applied.
- Turnover has reduced from 11.6% to 9.8%.

Urgent & Emergency Care

To improve performance against the 4-hour standard, the Trust embarked on a multi-project programme, based on ideas generated from front-line staff, to develop a new emergency care model. The national 4-hour standard requires 76% of patients arriving at the Emergency Department (ED) to be admitted to hospital, transferred to a more appropriate care setting, or discharged home within 4 hours. In April 2023 the Trust's 4-hour performance was 64.2%. The ambition of the programme was to transform emergency care pathways to provide alternatives to the ED where appropriate, thereby reducing the volume of patients in ED and improving patient flow and experience.

With the support of Hertfordshire and West Essex Integrated Care Board (HWE ICB) funding, a new Adult Urgent Treatment Centre (UTC) opened in January 2024 on the Lister Hospital site. The service is open from 8am to 10pm, 7 days per week and can treat a range of minor illnesses and minor injuries for adults aged 16 years and over. In the first 7 weeks of opening the UTC treated over 2,500 patients with the average time from arrival to discharge of 1h 43 minutes. Plans are in development to expand the service to include children (under 16 years) which will enable the Lister UTC to fully mirror the successful model at the New QEII Hospital.

Acute Medical Services (AMS) reset their service model to increase the flow through the department, resulting in a 148% increase in transfers from the Acute Medical Unit to either a patient's preferred place of discharge or to an inpatient bed. The medical Same Day Emergency Care (SDEC) opening hours were also extended until 10pm to provide additional

capacity for patients who had either been directed to the medical team by their GP, or who were identified as requiring medical team intervention by the ED.

A Surgical Assessment Unit (SAU) was formally re-established in January 2024 having been stood down during the COVID pandemic. The service, designed by the clinical leads, is dedicated for the assessment of emergency surgical patients who may be referred directly by their GP or who have presented to the ED and referred to surgical specialties for further assessment and possible inpatient admission. Since opening, the SAU has cared for over 1,000 patients. The service also supports a surgical SDEC which will continue to expand its capacity in line with recruitment of workforce.

In addition to alternative services, the ED has revised their nursing and medical workforce rosters to ensure the staffing model aligns with expected peak times in patient arrivals to the department. The new rosters came into effect in January 2024 and continue to be embedded across all staffing groups, providing more support during peak hours. Work is also ongoing to increase diagnostic capacity with an additional (A computerised tomography (CT) machine expected to open for ED patients and inpatients from April 2024).

All Urgent and Emergency Care (UEC) services are operating under a model of continuous improvement led by the front-line teams with processes constantly reviewed to identify areas of opportunity. The ED has reviewed and refined their streaming and triage models to ensure patients are directed to the most appropriate service at the earliest opportunity. Further areas of development and improvement will be identified and driven in 2024/25 by the clinical and operational teams.

In March 2024 the Trust’s 4-hour performance standard increased to 73.18%. Many of the improvement initiatives did not commence until January 2024, therefore, it is anticipated that as new pathways and services embed performance will continue to improve in this area, but this will remain under close observation.

Care Closer to Home

The East and North Hertfordshire Health and Care Partnership (ENH HCP) developed the ‘care closer to home’ strategy in 2022/23 to provide the strategic direction for how integrated pathways and services would be delivered in the future, ensuring equity across the whole of East and North Hertfordshire. Its mission was to develop a co-ordinated, high-quality, and joined-up range of services that met the local needs of people, reduced pressure on the health and care system, and improved working conditions for staff.

Central to this strategy was the development of Integrated Neighbourhood Teams (INT’s) involving a radical shift to a more co-ordinated, integrated, and proactive model of health and care for residents across East and North Hertfordshire. INTs will use population health data to target specific cohorts of people, and use risk stratification to target those residents most at risk of poor outcomes. The model places people at the centre, with wrap-around individualised care and services that focus on key ‘touch’ points including local authority (e.g. care homes, schools, libraries), primary care (e.g. general practice, pharmacy, opticians), and VCFSE (e.g. community organisations, Age UK, HILS, community centres, churches etc.). Multidisciplinary services and skill mix will involve a core, integrated community and primary care team led by complex care coordinators, with specialist support from secondary care, public health, mental health, and voluntary sector co-opted in as required.

INT development formed part of wider work undertaken to ensure the East and North Hertfordshire Healthcare Partnership Strategy objectives strongly correlated with the priorities and ambitions outlined in the Hertfordshire and West Essex Integrated Care

Strategy. This programme aligns with the ICB Strategic Delivery Plan involving a new primary care target operating model and an increasing ambition to drive change at local neighbourhood team level; using an established infrastructure at place that naturally lends itself to support the desired service wrap-around approach.

To support roll-out it was agreed to run proof-of-concept pilots involving initial vanguard PCN's in Welwyn Garden City and Hoddesdon Broxbourne. This incremental approach would allow learning to be shared across other PCNs which will ultimately enable INT's to adopt and spread core components of the new model at pace, whilst allowing flexibility based on local population health needs and existing service provision to ultimately define the final detail. There are now five PCN's involved with recent expansion to include Hitchin and Whitwell and Stevenage North and South.The ICB aim is for all INT's to be operationalised by October 2024/25.

This programme has involved significant organisational change for all partners involved and requires moving away from an historical NHS internal market competition to one of collaboration. The time taken to ensure strong clinical engagement has been necessary to support embedding of new ways of working, which has resulted in delays to the overall programme timelines. Work to understand and co-design the model for co-opting secondary care into INTs has not yet started, though it is anticipated this will evolve during 2024/25. This will be assisted by a recent system level agreement to prioritise resident and patient cohorts from frailty, end of life and dementia pathways and services.

Quality Management System

In August 2023 the Trust commenced a three-year improvement partnership with the Virginia Mason Institute (VMI), a US-based healthcare system who have developed an internationally recognised and proven system for successfully establishing an organisational culture for continuous improvement. Our journey began in September with a cultural readiness assessment process led by VMI, which involved feedback from over six hundred staff following a range of interviews, engagement events, observations, and surveys. Learning from this process assessed the Trust's current state for improvement using a scientific method across a range of technical, cultural and leadership themes essential for fostering a successful learning and improving organisation. This feedback subsequently informed the development of our implementation plan which was signed off in December 2024 by the Trust Guiding Team, our executive governance and leadership oversight group.

To support the design and ongoing roll-out of our new continuous improvement method, which we have called the East and North Hertfordshire Production System (ENH PS), we brought together existing improvement teams under one new Kaizen Promotion Office (KPO). Kaizen is a compound of two Japanese words that broadly translate as 'good change' or continuous improvement'. The KPO will oversee and maintain the purity of the improvement method in how it is applied, as well as supporting wider training, education and coaching in the new way of working.

The underlying foundations of ENH PS is by focusing on value and eliminating waste, we will improve quality and safety for our patients and staff and reduce costs. It represents a long-term philosophy and set of working practices that puts the patient first, aspires toward harm free care and focuses on improvement which is led and delivered by those who do the work, where the work is done.

The KPO commenced an intensive Advanced Process Improvement Training programme delivered by VMI in early January 2024, and this accreditation process will continue over eighteen months. The team are already using their initial learning and applying new tools and techniques (i.e. waste walks and 5S) alongside front-line staff across a range of areas.

The scale and pace of this work will increase as the KPO and frontline teams unlearn old ways of working and become more fluent and confident in the new method.

In March 2024 we held our first large improvement event called a Rapid Process Improvement Workshop (RPIW), this was the first time we applied the new tools and techniques from our ENH PS to deliver improvement across a large Trust-wide process. We focused on recruitment following feedback from staff and recruiting managers. An RPIW is designed around the Plan-Do-Study-Act method and includes a rigorous twelve-week preparation schedule ahead of the event itself. Significant work was undertaken by the KPO involving the real-time observation and analysis of recruitment processes from the perspective of users and staff. This information was then used to highlight areas of opportunity and focus during the RPIW, with the team subsequently generating and testing a range of ideas for improvement during the week that will be captured within an implementation plan. This includes agreed targets to reduce the overall lead time for recruitment processes, as well as a new defect rate, used as an overarching marker of quality in any given process.

As part of ENH PS, the Resourcing team, supported by KPO, will now be invited to share their progress against their implementation plan at thirty, sixty and ninety days back to the organisation via a new Report Out communication method. This ensures accountability for delivery is maintained at a local level and agreed changes are embedded and supported through new techniques involving standard work and daily management.

The implementation plan for 2024/25 involves an incremental roll-out and expansion of ENH PS leadership training and daily management techniques across the organisation, to support teams to know their service, run their service and improve their service.

Elective Hub Model

In 2022/23 the Hertfordshire and West Essex ICS successfully bid for national capital funding to support the development of a system-wide elective surgical hub. Based at St Alban's City Hospital and operated by West Herts Teaching Hospitals, the hub will provide vital surgical capacity for the ICS to recover elective services and keep pace with future demand. Focused on high volume, low complexity surgery the hub will deliver ring-fenced elective capacity accessible to the whole system.

ICS partners, including the Trust have established a programme board to support the rapid development of the business case and joint operating model. Building work planned to enable the hub to be operational during 2024/25.

Elective Activity Productivity and Efficiency

The Trust's strategic objective to increase elective activity in line with the national recovery programme, incorporates improvement work within both outpatients (OPD) and theatres. Overall performance places ENHT in the top 10 hospitals nationally and as at December elective activity levels were recorded at 121% compared to pre-pandemic levels. This achievement is against the backdrop of the national industrial action which has taken place on 11 occasions during 2023/24, necessitating appointments are either not booked or require rescheduling for a later date due to workforce cover issues.

Compared to other NHS acute hospitals in England the trust compares favourably on the utilisation of theatre time (83%) performance against a peer average of 81% and the number of patients the Trust sees per every operating theatre list (2.6 ACPL). 86.6% of operations take place in a day case setting meaning that patient can go home on the same day.

The Trust continues to focus on maximising available operating time to ensure that patients on the waiting list are seen faster. Activity plans are developed in collaboration with all surgical specialties to maximise core capacity, reduce late starts and embed a mantra of 'Right Place, Right Procedure'.

Digital and pre-operative assessment teams (POA) are collaborating on a project to digitise a health questionnaire form used to determine the level of POA input required and support improved triage of patients. The digitalisation will remove the existing manual process providing a more efficient data capture method.

The Trust continues to perform well on key outpatient metrics compared to other hospitals nationally. Over 25% of outpatient appointments continue to be delivered remotely since the COVID pandemic leading to fewer patient journeys to the hospital and less reliance on transport services. This results in an overall positive contribution to the Trusts' Carbon Net Zero target.

Patient Initiated Follow Up (PIFU) offers patients alternative ways to their traditional follow up care and as a result each month 1500 patients are offered this alternative. This has meant that less patients have missed their appointments as these are arranged at a time of need and convenience to the patient.

The implementation of a new digital patient engagement portal (PEP) allows patients to view, accept, and where necessary change, appointments to a convenient time for them and supports improvements in our missed outpatient appointment rate. PEP has been launched in four specialities with a full launch planned in the second half of 2024. For those specialities that are already live, 75% of patients contacted are accessing appointment letters digitally.

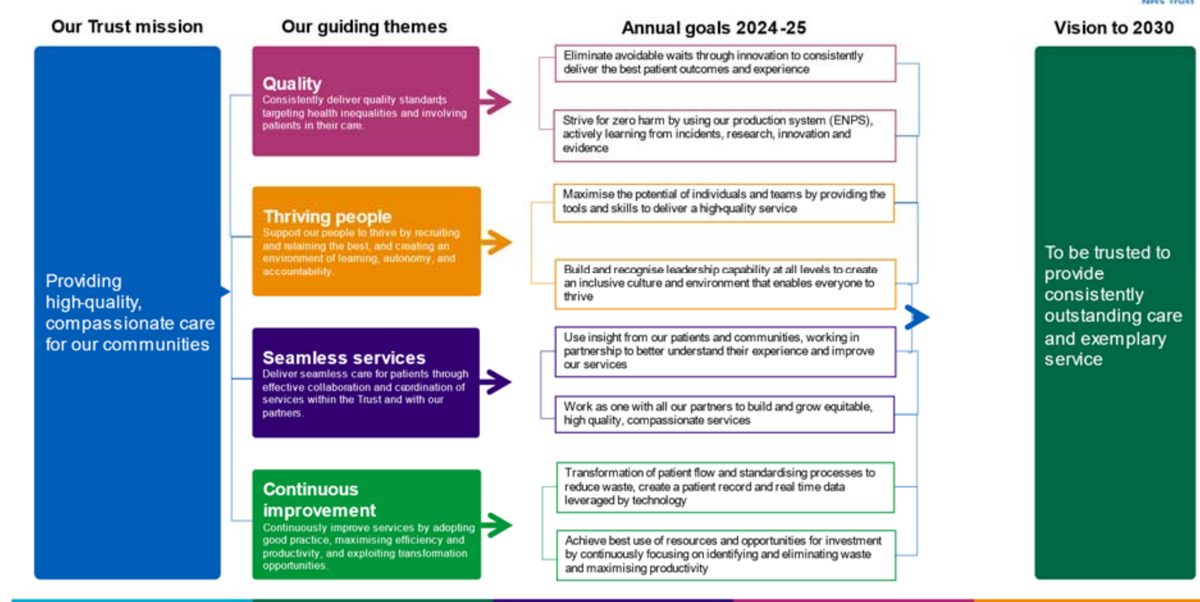
A new dashboard is being developed to allow the patient contact centre teams to pro-actively fill available capacity using digital processes rather than manually reviewing capacity. Over time, this will support an increase in the number of patients attending appointments per clinic.

The Trust will continue to build on our excellent performance in this area and we plan to further increase our ambitions in terms of the level of activity delivered compared to pre-pandemic during 2024/25.

Our 2024/25 Objectives

The Trust's 2024/25 strategic objectives build on our continued successful local recovery which in the previous year saw the Trust reported amongst the top ten providers in levels of elective activity delivered compared to pre-pandemic, with steady progress achieved towards urgent and emergency care targets, significant improvements in maternity care, widespread positive changes within our national staff survey results and solid financial performance delivery.

We continue to develop our strategic goal development, prioritisation and deployment process with this year's approach supported by proven learning and expertise from VMI, our improvement partner. This has brought a deeper level of thinking to connecting our multi-year plans to agreeing the highest priority work for the organisation in the year ahead. This work links in with our East and North Hertfordshire Production System, with several objectives linking to new multi-year Value Streams using A3 thinking, with improvements delivered and sustained through a series of Rapid Process Improvement Workshops and Kaizen Event.



Performance Appraisal

Across the course of 2023/24 the Trust has worked hard to achieve NHS performance priorities. This has reflected a continued upon delivering high quality and responsive emergency care services recognising the importance of both reducing Emergency Department waiting times for both patients and ambulances. The Trust has made very significant capacity investments to help deliver improvement.

In addition, the Trust has continued to expand capacity to deliver elective services to both reduce the total number of patients waiting for treatment and the length of time that they wait. As a result the Trust has been able to deliver much higher levels of day-case, inpatient elective and outpatient activity in 2023/24 than the previous year. This expansion will be continued into 2024/25, together with a drive to reduce waiting times further in line with national targets.

The key performance headlines from the year are:

Financial performance:

- The Trust has performed well within a challenging financial performance and delivery environment throughout the 2023/24 financial year. Strong elective activity performance and the delivery of a challenging £33.1m savings programme has allowed the Trust to deliver on its financial responsibilities whilst facing significant challenges and other material cost pressures over the course of the year.

- The adjusted financial performance for the Trust totalled a £3.2m surplus.

Operational performance:

- In 2023/24 we welcomed 184,926 patient attendances to our emergency departments, we cared for 52,012 inpatients and saw 610,180 patients in our outpatient settings.

Unfortunately, due to the high incidence of industrial action this year there were higher than average levels of cancellations and the industrial action contributed to longer waits for elective care.

- The focus in 2023/24 has been on elective recovery and work towards the achievement of elective and non-elective operational performance targets. This includes the development of and delivery against the elective recovery plan, including eradication of patient waits over 104 weeks from referral to treatment. The Trust delivered on this metric with the exception of community paediatrics. For this specialty The Trust is working with system and national leads to develop new community pathways with the aim of providing a more consistent and shortened pathway with particular reference to those with neurodiversity. During this year, the Trust met the delivery target for waiting times of less than 78 weeks from referral to treatment for the majority of patients, where the patient was available and fit for treatment with the exception of some trauma and orthopaedics (T&O) patients.

- The Trust has continued to incrementally improve its performance against the four-hour non-elective wait time standard. Nationally the target was set at 76% for all patients by March 2024 and the Trust achieved 73.18%. Despite the underperformance this is 10% higher than the Trust's performance against the four-hour standard this time last year, against the backdrop of 13.5% more attendances to Emergency Department (ED) in-month. This has been delivered through a large Urgent Treatment Centre (UTC) improvement programme and significant investment to include operationalisation of an UTC, Surgical Assessment Unit and greater use of community models such as the virtual hospital.

- There has been a real and sustained improvement in ambulance handover times due to an acute focus reset, increased Same-Day Emergency Care (SDEC) direct admission and improved system working. By March 2024, the target was to not have any ambulance delays over 30 minutes. The Trust achieved 66.1%

- Delivery against the cancer targets has continued as a priority and remains a strong performer for the organisation. The Trust continues to focus on the reduction of the proportion of patients waiting over 62 days and working with system partners to reduce delays due to late referrals into the Trust. This year saw a change in focus of cancer operational standards away from two week waits and a focus on faster diagnosis. The Trust has been nationally recognised for its early adopter work on the timed pathway analyser which has enabled a sustained compliance against the faster diagnosis standard of 75%.

- Diagnostic turnaround times remain a challenge for the organisation across all modalities. Additional pressure has been experienced due to an increase in both cancer referrals and urgent and emergency care (UEC) demand requiring imaging. Detailed capacity and demand modelling has been completed at Trust level which sees all modalities, except MRI, deliver DM01 compliance by March 2025. Community Diagnostic Centre (CDC) performance was on track with agreed trajectories for 2023/24 across all the radiology areas of CDC. Cardiology CDC fell below trajectories as a result of poor GP uptake, workforce pressures and delays in commencement of the service.

- Stroke performance nationally is monitored on the calendar year rather than the financial year. The Trust has improved on its performance and is now at a B rating due to the amount of work and attention to detail by the teams. The Trust will continue to work on actions with the aspiration to achieve an A rating.

Quality and safety performance:

- In terms of the Trust's mortality performance over the period, this remained favourable when benchmarked. The Trust continues to work hard on minimising mortality and learning from deaths, which can be seen in the two key performance indicators:
  - Hospital Standardised Mortality Ratio (HSMR) – 86.26 for the 12 months to January 2024, which statistically is in the first quartile of Trusts.
  - Summary Hospital-level Mortality Indicator (SHMI) – 0.9194 for the 12 months to November 2023, which places the Trust within Band 2, the 'as expected' range. Our position relative to our national peers stands at 21st out of all acute non-specialist Trusts (119).

- During 2023-24, the Trust transitioned from investigating incidents under the Serious Incident (SI) Framework to the Patient Safety Incident Response Framework (PSIRF). PSIRF is the national approach devised by NHS England to developing and maintaining effective systems and processes for responding to patient safety incidents for the purpose of learning and improving patient safety nationally. It replaces the SI framework and removes the classification of an SI. Prior to our PSIRF transition, between April - November 2023, whilst operating under the SI framework, the Trust formally declared 43 Serious Incidents (SIs).

- In 2023/24, 763 formal complaints were received across all services (a slight increase since 2022/23 whereby 750 received). There was also a total of 4657 PALS enquiries received (a significant increase from 3499 the previous year).

- Two MRSA cases were reported in 2023/24, this is one more than 2022/23.

People performance:

- By the end of February 2024, the Trust had over 1,884 nursing and midwifery staff in post, supported by a successful overseas recruitment campaign and active domestic recruitment.

- The Trust also achieved a 0.4% reduction in agency spend as a percentage of whole-time equivalent (WTE) staff.

- Throughout 2023/24, the percentage of staff on annual leave, sick leave and parenting leave remained within set tolerance levels, which is a positive indication of effective leave management.

Statement on adopting Going Concern basis

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.

In accordance with IAS 1 (the requirements for presentation, structure and content of financial statements), management has made an assessment of the Trust's ability to continue as a going concern. In making this assessment management has taken into

account the Trust's income and expenditure plan for 2024/25, and the current cash position of the Trust. Whilst the Trust does forecast a small surplus of £1.0m, this is set within the context of a balanced financial plan for the Hertfordshire and West Essex ICS, of which it is a part. The system plan is supported by an ICS financial recovery board that works to support both system and individual organisation plan delivery.

The Trust's current cash plan for 2024/25 is not reliant on Department of Health and Social Care (DHSC) funding for cash financing with a forecast cash balance of £64.0m at 31st March 2024. The Board concludes there to be no material uncertainty around going concern for the period to 31 July 2024.

In light of these considerations, and having made appropriate enquiries, the Directors have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the foreseeable future.

As directed by the Department of Health and Social Care Group Accounting Manual 2023-24, the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future in the public sector. On this basis, the Trust has adopted the going concern basis for preparing the accounts.

Performance Analysis

This section provides a more detailed analysis and explanation of the performance of the Trust during the year. Information covered includes:

- Key performance indicators, including how performance against them is monitored and their link to risk and uncertainties.
- An in-depth review of the Trust's clinical, quality and safety, operational, financial and workforce performance.
- Statements relating to social matters (human rights, anti-corruption and anti-bribery matters).
- A sustainability summary statement.

Key performance indicators

The Trust's key performance metrics are collated on a monthly basis into an 'integrated performance report', which is reviewed by the Board and a number of its committees. This report allows effective triangulation between the data from different parts of the organisation. Ultimately, the Trust's key metrics are those that demonstrate quality and safety performance (such as infection prevention and control, incidents and complaints data), operational performance (including national performance standards such as the Emergency Department 4 hour standard and referral to treatment targets), financial performance (month end position against plan and the factors affecting that performance) and workforce performance metrics (including recruitment and retention rates, training and appraisals compliance and staff survey responses).

Risks in relation to achieving these targets are recorded and monitored through the Trust's risk management process, and ultimately the Board Assurance Framework if it is deemed that there is a risk to the Trust's strategic objectives.

Delivery against our Trust objectives

Summary information about the delivery against the Trust's 2023/24 objectives can be found in the strategy and objectives sections earlier in the report.

Care Quality Commission

The Trust is required to register with the Care Quality Commission (CQC) and its current registration status is 'requires improvement'. The CQC has not taken enforcement action against the Trust during 2023/24.

On 20 and 21 June 2023, the CQC carried out an unannounced inspection of acute services at the Lister Hospital including Urgent and Emergency Services, Medical Care, Surgery and Maternity Services. This was followed by an announced Well Led inspection which was carried out on 2 and 3 August 2023.

In 2022, the CQC rated our Maternity Service as 'Inadequate' and served the Trust with a section 29A notice. Following a repeat inspection, the Maternity Service is now rated as 'Requires Improvement' and the section 29A has been removed because all requirements have been met.

The Trust has participated in other planned reviews by the CQC during 2023/24 relating to the following areas:

- IR(ME)R on 27 November 2023. CQC inspectors conducted a virtual announced inspection of compliance with the Ionising Radiation (Medical Exposure) Regulations 2017 (IR(ME)R) of the radiotherapy service at the Mount Vernon Cancer Centre.
- InHealth mobile van CT (A computerized tomography (CT) service on 7 August 2023.

During 2023/24 the Trust has continued to review the quality assurance framework. Actions to embed cultural change in good governance standards include the review of reporting requirements and the reach of shared learning platforms where good practice is identified.

In-depth performance review

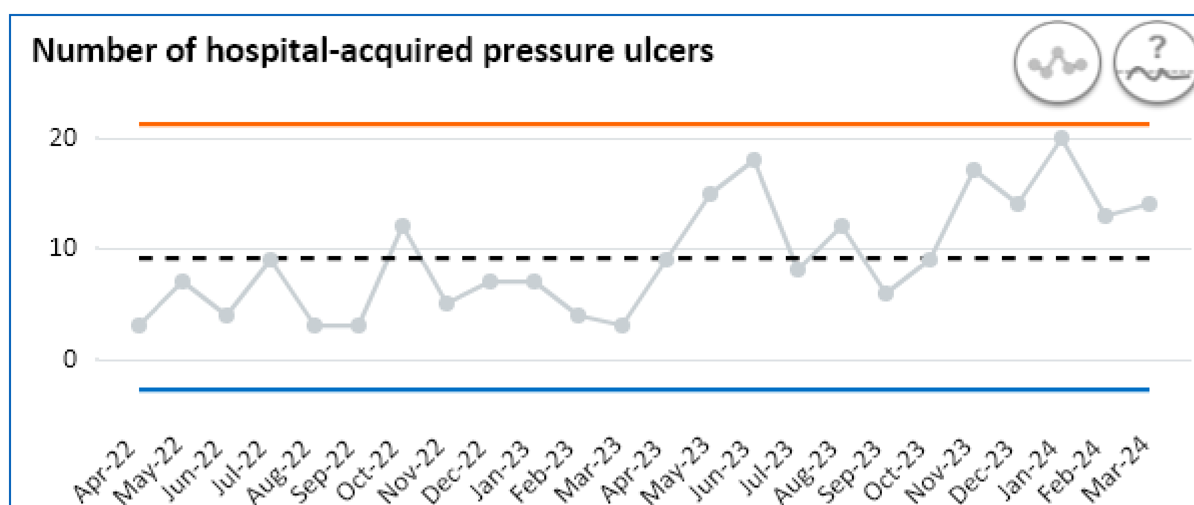
This section of the annual report sets out in more detail the Trust's performance in 2023/24 in relation to key areas including clinical, operational, financial and workforce performance.

Quality and Safety

The following subsections look in more detail at some specific areas of focus in relation to quality and safety

1. Reducing pressure ulcers (PU)

The Trust has reported 146 Hospital Acquired Pressure Ulcers (HAPU) for 2023-24 which is a 30.4% increase from our previous year's data, due to a change in the National Wound Care Strategy Program (NWCSP) recommendations for reporting.



Every HAPU is investigated by a Tissue Viability Nurse (TVN) to enable identification of gaps in care so that learning can be identified and improvements delivered. A Root Cause Analysis (RCA) investigation is performed at the time of validation and outcomes are fed back directly to ward staff. Our most prevalent themes are Device care (26.7%), skin inspection (20.5%) and repositioning 13%.

2023/24 priorities update:

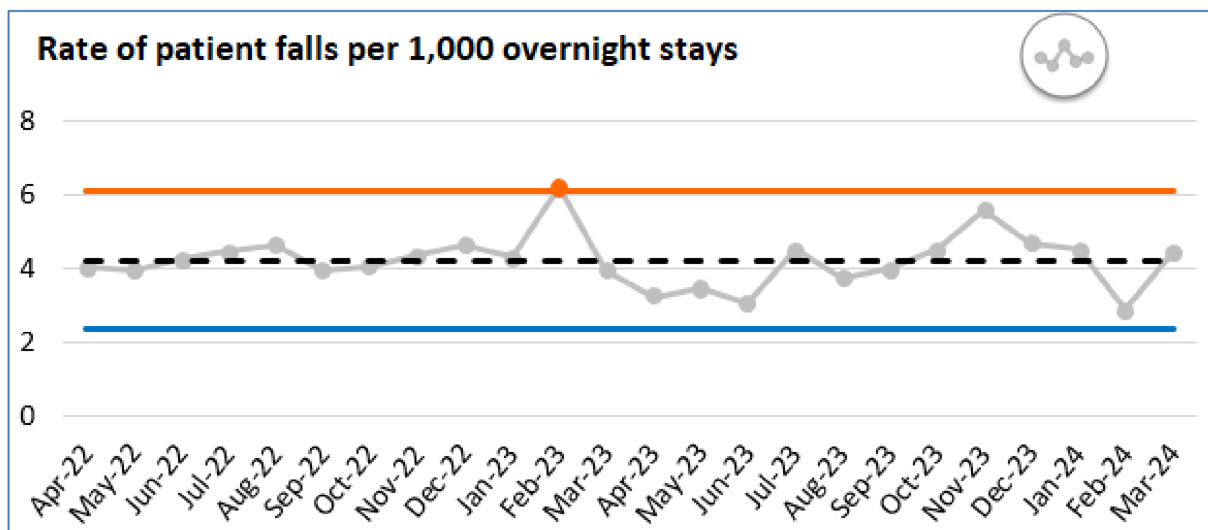
1. The reduction of medical device related HAPU within Critical Care has been sustained as has reduced further from 34 PU (Pressure Ulcer) per year to 27.
2. Ward 10B is supported with their HAPU Quality improvement project, which is showing good results, 2022-23 = 17 PU and 2023-24 = 9 PUs.

3. Ongoing engagement in the Commissioning for Quality and Innovation (**CQUIN**) programme has validated that there is gradual continuous improvement in the timely risk assessment and care planning to prevent HAPU in adults setting. Compliance at Q1 =54%; Q2 =59%; Q3 =66%; Q4 =64% and Timeliness at Q1 =67%; Q2 =69%; Q3 =86%; Q4 = 64%.
4. From April 2023 we implemented the new PU clinical pathway and recommendations from The National Wound Care Strategy Programme as advised by NHS. This included changes to the categorisation of and reporting of some PU and the implementation of a new PU risk assessment tool.

The Tissue Viability Team has identified the priorities for improvement work over the coming year.

1. Roll out of PISRF (The Patient Safety Incident Response Framework) with Ward Leaders taking the lead in the validation of PUs and After-Action Reviews, while the Tissue Viability team provides support.
2. Themes identified as causes of HAPU and earmarked for improvement works are repositioning, skin inspection and equipment provision.
3. Encompass the risk assessment tool as per NWCSP (The National Wound Care Strategy Programme) recommendations and to align with ICS. This is planned for when the Trust swaps to the new digital patient information system.

In 2023-2024, the Trust's average falls rate per 1000 bed days was 4.0. This is an improvement from the previous year's rate of 4.3. The Trust's falls rate per 1000 bed days remains low compared to the national average of 6.6 (NHSE).



In 2023/24, we recorded 695 inpatient falls. This is 12.8% lower than the previous year. Falls with serious harm is also lower this year (15) comparted to the previous year (18).

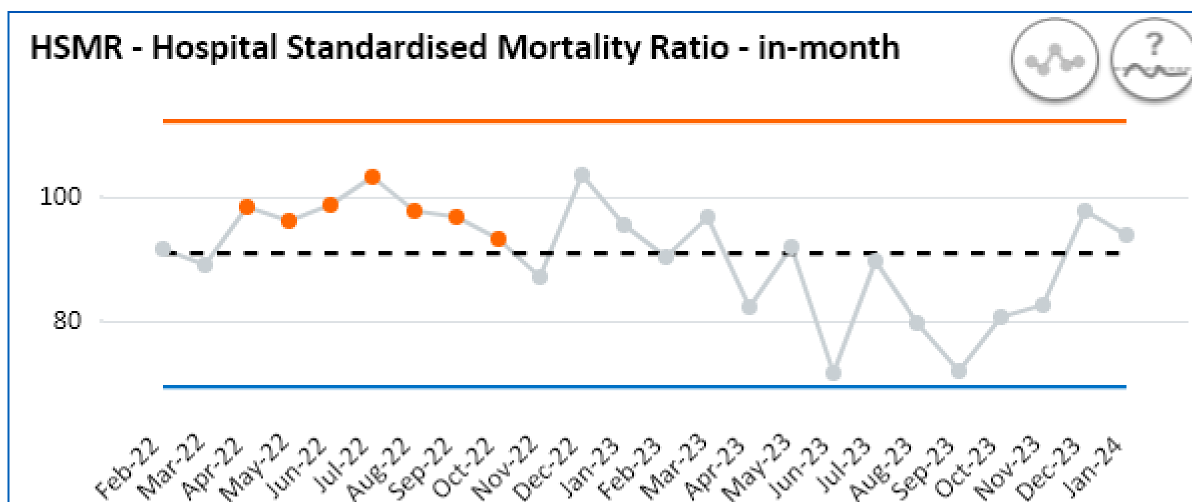
Quality improvement remains the focus surrounding falls, targeting areas with high incidence of falls. The digitisation of falls documentation was embraced by the Trust and yields a positive outcome where we have now a sustaining average of 92% compared to 72% at the start of the digitisation program. As the Trust implements the Patient Safety Incident Response Framework (PSIRF), we are adapting the way we respond to falls incidents and applying a range of system-based approaches to learning and improvement.

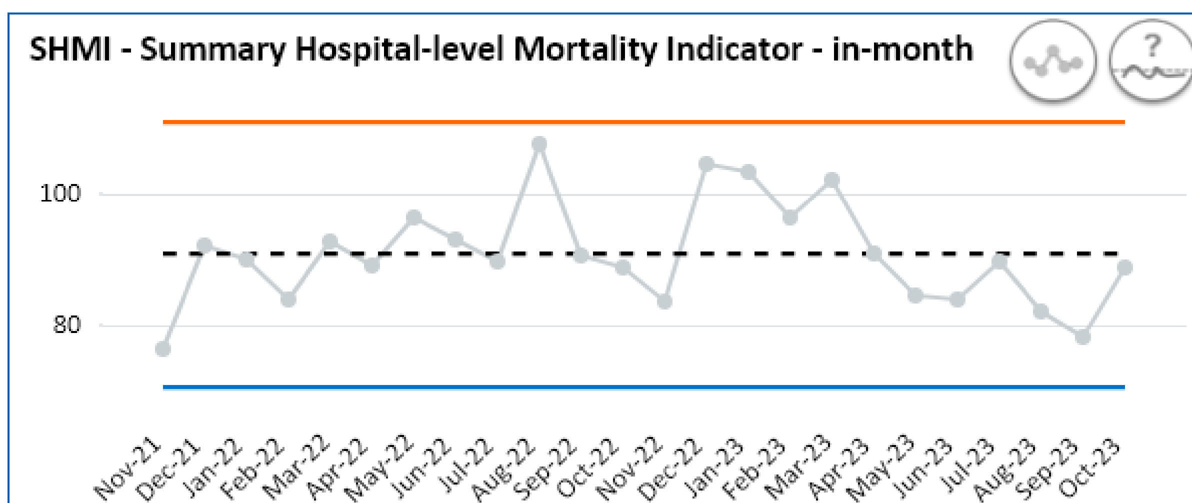
2. Mortality rates and learning from deaths

Mortality rates

The Trust continues to work hard on minimising mortality and learning from deaths, which can be seen in the two key performance indicators:

- Hospital Standardised Mortality Ratio (HSMR) – 86.26 for the 12 months to January 2024, which statistically is in the first quartile of Trusts (i.e. Lower mortality rates).
- Summary Hospital-level Mortality Indicator (SHMI) – 0.9194 for the 12 months to November 2023, which places the Trust within Band 2, the 'as expected' range. Our position relative to our national peers stands at 21st out of all acute 119 non-specialist Trusts.

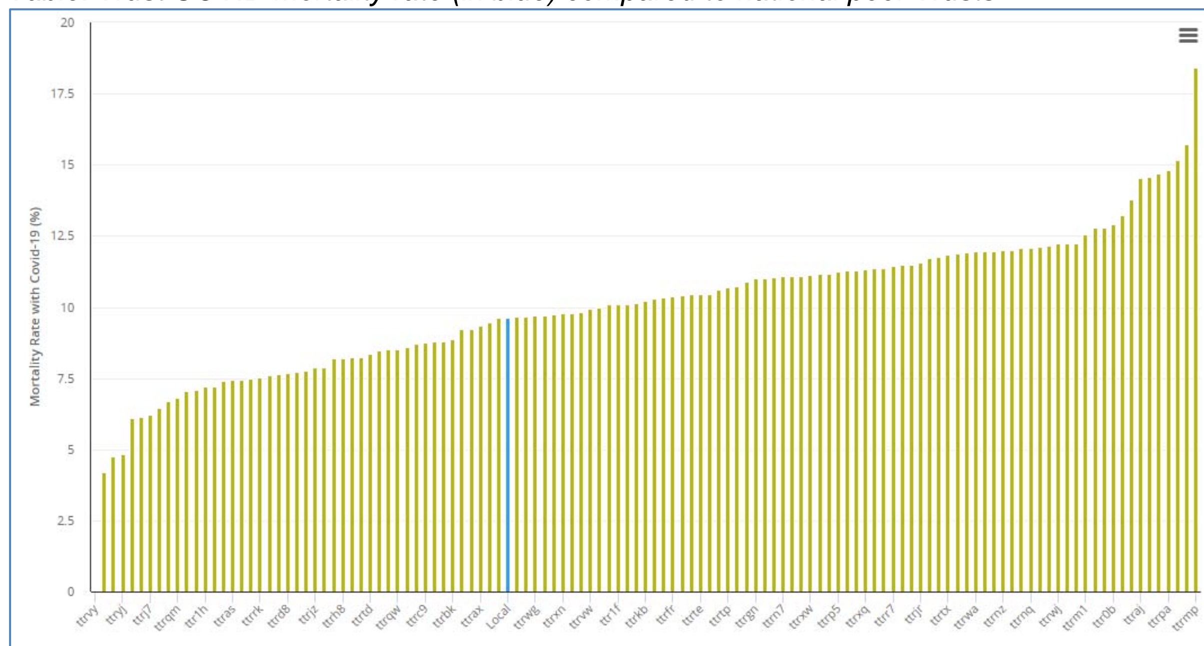




COVID

The multi-layered effects of the COVID pandemic made meaningful analysis and comparisons regarding mortality data challenging. For example, in-patient numbers and case-mix varied during the pandemic. The Trust remained well-placed versus our national peers.

Table: Trust COVID mortality rate (in blue) compared to national peer Trusts



While COVID deaths have reduced significantly, since the end of the summer 2021 there has been a consistent but lower number of deaths. The majority of these deaths are either of very elderly, frail patients or those with significant/complex co-morbidities.

COVID Deaths 1 Apr-23 to 31 Mar-24	Definition
105	Patients who had a positive test or were clinically coded as COVID. These deaths are reported to NHS Digital so underpin our publicly reported mortality rates.
73	Patients who had a laboratory confirmed positive COVID test and died within 28 days of the first positive specimen date. This is the Public Health England national reporting definition.

Learning from deaths

The Trust is committed to continuously seeking ways to strengthen our governance and quality improvement initiatives to support our learning from deaths framework.

While our mortality rates have remained strong, it has been increasingly recognised that while monitoring these rates has a role to play in mortality governance, there is limited correlation between these, and the quality of care provided by organisations.

In order to learn from deaths and improve the quality of our care, we recognise that it is vital that we have a robust process for reviewing the care received by our patients at the end of their life.

In July 2022 we adopted the SJR*Plus* format for mortality review, developed by the "Better Tomorrow" Future NHS collaborative, which has since transferred to Aqua (Advancing Quality Alliance). This brought our approach to mortality review in line with an increasing number of trusts across the country who use systems based on the original RCP (The Royal College of Physicians) structured judgement review programme published in 2016. The new approach is now well embedded, with individual outputs and thematic review outputs shared

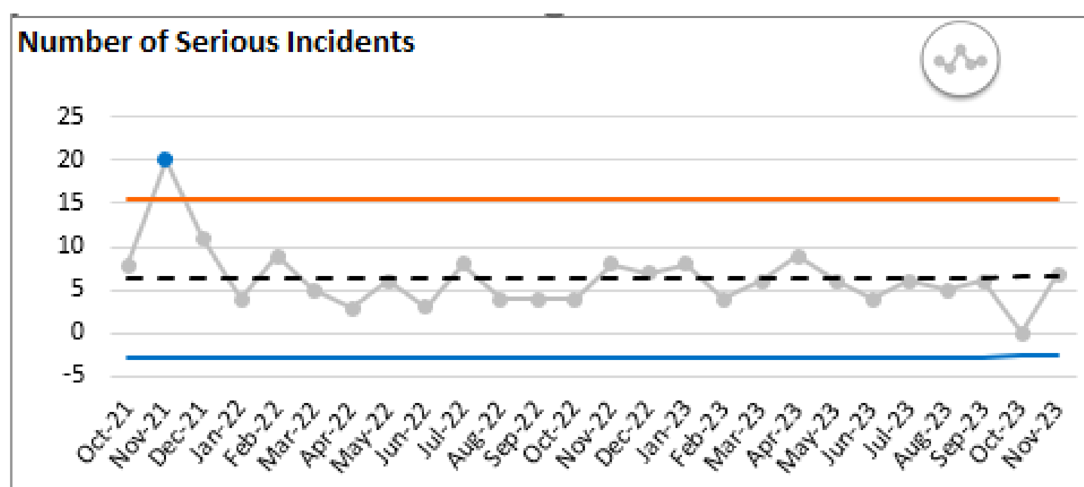
across the Trust, and where appropriate with the ICB (integrated care boards) and wider community. We continue to look for new ways of using our data to promote learning and drive quality improvement.

As our first Learning from Deaths Strategy covering 2022-2024 draws to a close, we will seek to align the next iteration with emerging wider NHS and Trust strategic aims, to provide additional focus for our ongoing development and quality improvement work.

3. Serious Incidents and Never Events

During 2023-24, the Trust transitioned from investigating incidents under the Serious Incident (SI) Framework to the Patient Safety Incident Response Framework (PSIRF). PSIRF is the national approach devised by NHS England to developing and maintaining effective systems and processes for responding to patient safety incidents for the purpose of learning and improving patient safety nationally. It replaces the SI framework and removes the classification of an SI.

Prior to our PSIRF transition, between April - November 2023, whilst operating under the SI framework, the Trust formally declared 43 Serious Incidents (SIs).



Of the SIs declared between April – November 2023, the top three themes were violence and aggression (8), treatment (8) and diagnosis (6). These were also common themes seen in SIs declared the previous year (2022-23). In 2022-23 the top category of SIs declared was 'care'. When the Trust moved the incident reporting system from Datix to ENHance in February 2023, the incident category of 'care' was consciously removed because it was considered too broad and non-specific. Thus, it is not used in the 2023/24 data. Of the SI investigations undertaken between April – November 2023 there were two large thematic reviews; One focussed on paediatric audiology services and once focused on the management of patients with challenging behaviour / mental health concerns. Of the SIs declared between April – November 2023 there was only one obstetric-related incident that met the criteria for a Healthcare Safety Investigation Branch (HSIB) investigation.

In November 2023 the Trust transitioned away from the SI framework and into the PSIRF. The PSIRF embeds patient safety incident responses within a wider system of improvement and prompts a significant cultural shift towards systemic patient safety management. It focuses on proportionate responses being deployed to patient safety incidents with the focus on learning and improving whilst also engaging and involving those affected. The Trust developed a Patient Safety Incident Response policy and plan which were approved by the Board on 5 July 2023. Within our plan we identified our top local priority areas as

communication, early recognition and management of deteriorating patients, reducing avoidable harms, recognition and management of challenging behaviours and reducing patient safety risks from long waiting times. These were defined more specifically in the table below which also details the planned learning or improvement response.

Patient safety incident type or issue	Planned response	Anticipated improvement route
Improving safety communication through building a culture of safety and co-production	Learning response pathway	Create local safety actions and feed these into the safety improvement plan
Early recognition, reliability and managing acutely unwell/deteriorating patient	Improvement response pathway (learning response pathway by exception)	Inform ongoing improvement efforts
Reducing avoidable harm for pressure ulcers, critical medications, falls, medication errors and VTE	Improvement response pathway (learning response pathway by exception)	Inform ongoing improvement efforts
Recognition & management of challenging behaviours/ Violence and aggression	Learning response pathway	Create local safety actions and feed these into the safety improvement plan
Reducing patient safety risks from long waiting times from admission to discharge	Learning response pathway	Create local safety actions and feed these into the safety improvement plan

During 2023/24 the Trust declared 2 Never Events. These are serious, largely preventable patient safety incidents that should not occur if existing national guidance or all appropriate safety recommendations are in place. It is of note that both of the Never Events were classified as minimum or no harm and occurred in different specialties and different areas of the hospital.

The first one was a wrong site surgery/procedure involving a nerve block (local anaesthesia) in main theatres. This was reviewed under the SI framework and the findings informed a range of learning and actions including reminder and refresh of ‘stop before you block posters’ and when the site of nerve block insertion is away from site of surgery, additional marking (e.g. on the patient’s back) to serve as visual reminder. In addition, if the decision is made to change any part of the procedure (in this case there was a change from epidural to paravertebral nerve block), then the sign in, stop before you block and time out should be repeated.

The second Never Event was an injection in the wrong eye in Ophthalmology. It was investigated under PSIRF as a Patient Safety Incident Investigation (PSII). All Never Events are nationally mandated to be reviewed as a PSII. The learning review is being undertaken by a ‘learning response team’ comprising of a Patient Safety Manager, Divisional Quality Manager, Deputy Divisional Medical Director and Matron. The learning response is ongoing and is using SEIPS framework (Systems Engineering Initiative for Patient Safety) and also human factors methodology. In addition, the team have had discussions with staff, reviewed

audits, undertaken observational work in the area and engaged with the patient affected to capture their insight. Whilst the review is still in progress, some early areas for improvement include lack of LoCSSIP, lack of site marking, and multiple interruptions in the clinical area. In addition, notable good practice has been identified including patient identifier checks including allergies, ease of documentation in paper records regarding laterality and good pre-procedure laterality checks prior to the patient entering the treatment room.

Since adopting the PSIRF, the Trust has commissioned four Patient Safety Incident Investigations (PSIIs). These are;

1. HOHA bacteraemia possibly due to delayed discharge and poor cannula care
2. Intra-vitreal injection in the wrong eye (Never Event as detailed above)
3. Baby delivered by emergency caesarean section and required to be transferred out for cooling (HSIB investigating)
4. Death from pulmonary embolism following upper limb fracture

Under the PSIRF, a PSII is undertaken when an incident or near-miss indicates significant patient safety risks and potential for new learning and is aligned to both a national and local criteria. The aim of a PSII is to provide an understanding of how an organisation's systems and processes contributed to a patient safety incident. They examine systems factors and use human factors methodology to identify areas for improvement and systems learning.

Adult and children's safeguarding services

Safeguarding adults and children remains an integral priority for all Trust services. The Trust is committed to ensuring that our statutory safeguarding responsibilities are routinely carried out as outlined in the Care Act (2014), Children's Act (1989 and 2004), Working Together to Safeguard Children (2018) and the Mental Capacity Act (2005).

The Trust safeguarding team members along with the chief nurse (who is the executive lead for safeguarding) continue to be members of the Hertfordshire wide safeguarding partnerships for both adults and children. We are also involved in the workings of the various subcommittees associated with these partnerships thus continuing our longstanding emphasis on a multi-agency approach to safeguarding through effective collaboration with our key partner agencies.

During 2023/24 through a grant provided by the police and crime commissioner's office we employed a domestic violence adviser and a sexual violence advisor to work alongside our children's sexual violence advisor. We continued to make enhancements to our electronic patient records system to insure prompt and efficient communication of safeguarding management plans directly to our patient facing staff. A key development during the year was the introduction of a discharge passport to enhance communication with care providers in the community for patients who are reliant on others to meet their care needs. During Q4 of 2023/24 our safeguarding team developed an improved 'was not brought system' to monitor and escalate safeguarding concerns for individuals under the age of 18 years or individuals with a learning disability who are not being taken to hospital outpatient appointments. A practitioner within the Trust children's safeguarding team developed a child exploitation pathway which has been adopted by other NHS organisations. During 2023 we set up a revised safeguarding champion's forum in the organisation. All safeguarding related policies are in date and published on the Trust intranet for our staff to reference. Currently our Children's, Adults and Maternity safeguarding teams are staffed to funded establishment.

Both children's and adult safeguarding referrals have continued to rise and remain above pre-Covid levels this is likely to be a result of improved detection and escalation of concern by frontline staff brought about through staff education and the employment of specialist

practitioners in domestic abuse and sexual violence who work alongside our patient-facing staff. The incidence of domestic abuse is noted to be high amongst residents living in the Trust's catchment area and accounted for 24% of all safeguarding concerns escalated by our frontline staff during 2023-24. 701 applications for deprivation of liberty safeguards were made in 2023 which represents a 23% increase when compared to 2022.

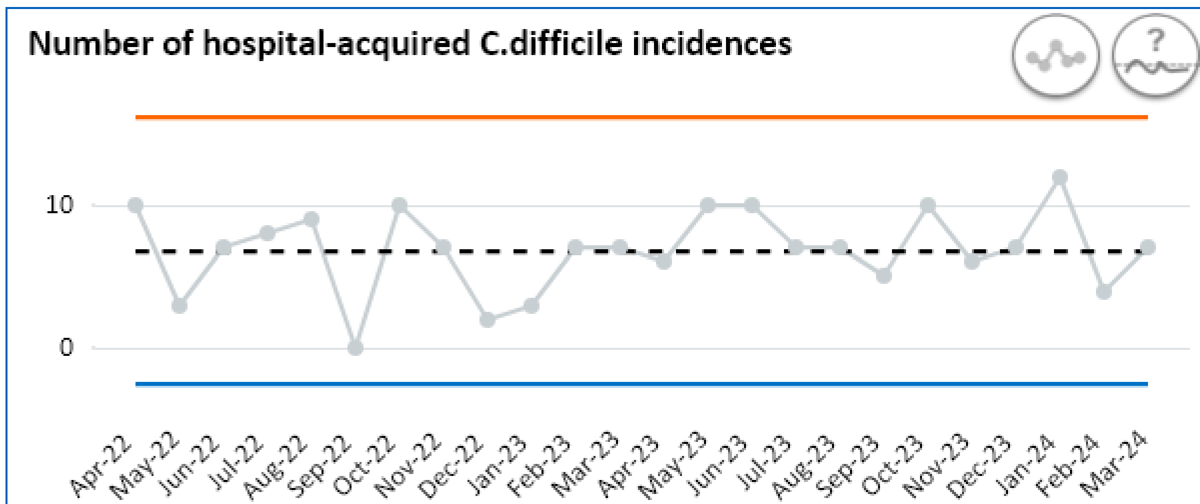
The Trust's safeguarding committee through its associated clinical governance processes continues to ensure that learning from various types of safeguarding reviews are incorporated into practice and that the business of safeguarding is communicated to the Trust Board.

4. Infection prevention and control (IPC)

Non-COVID key infection control performance indicators for 2023/24

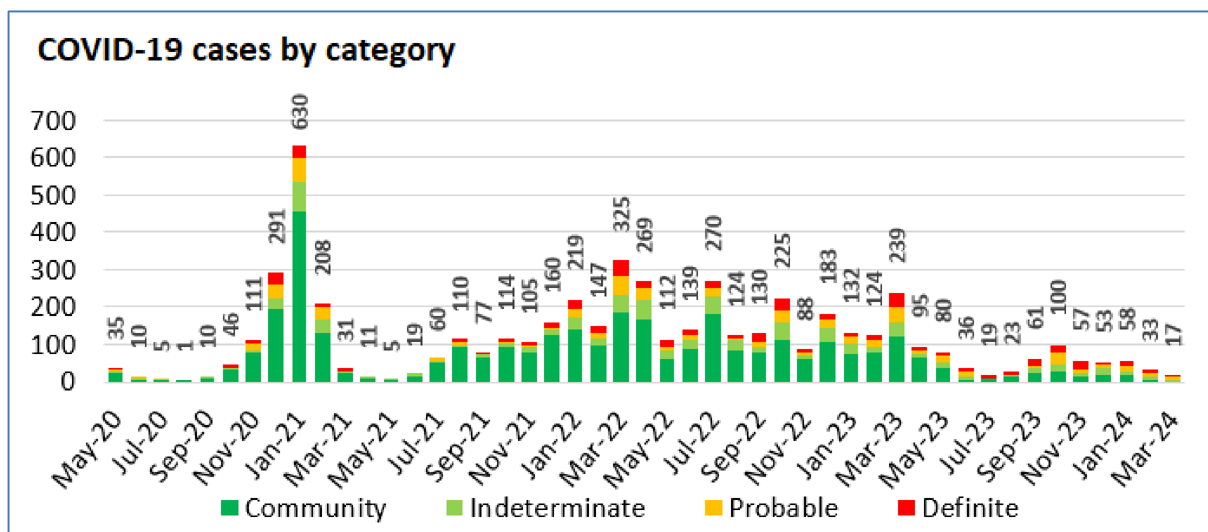
Month	*C.difficile* 23-24	MRSA BSI 23-24	MSSA 23-24	*E.coli BSI* 23-24	*Pseudomonas aeruginosa* BSI 23-24	*Klebsiella spp BSI* 23-24	Carbapenemase Producing Organisms (CPOs) 23-24
April	6	1	1	1	2	0	0
May	10	0	1	3	2	2	0
June	10	0	3	6	0	3	0
July	7	0	2	6	0	0	0
August	7	0	2	7	0	2	0
September	5	0	1	2	0	1	0
October	10	0	5	6	1	4	0
November	6	1	1	4	1	3	0
December	7	0	3	7	0	0	0
January	12	0	2	3	1	2	0
February	4	0	2	7	0	2	0
March	4				1		0
	Total	Total	Total	Total	Total	Total	Total
	88	2	23	52	8	19	0
	Threshold number 2023 - 2024	Threshold number 2023 -2024	Threshold number 2023 -2024	Threshold number 2023 -2024	Threshold number 2023 -2024	Threshold number 2023 -2024	Threshold number 2023 -2024
	58	0	N/A	44	10	18	0

There was a reduction in Blood Stream Infection (BSI) related to E.coli and Pseudomonas compared to the previous financial year, and a slight increase of one case of MRSA and Klebsiella BSIs respectively. The IPC (The Infection Prevention and Control) team have done a tremendous job of delivering the 3Cs (clean hands, clean equipment, clean environment) to all inpatient, outpatient and renal satellite units, which emphasises aseptic technique principles as essential skills in preventing blood stream infection. Fundamental IPC measures, based on the guidance from the National Infection Prevention & Control Manual (NIPCM), have been taught and re-emphasised Trust wide. Transmission based precautions have been widely encouraged for all aspects of patient care, following a return to pre-COVID practices. Moreover, hand hygiene competency training continues to be delivered by the IPC team to all staff groups, both clinical and non-clinical. To date, well over 3,500 staff have competed the hand hygiene competency to date; significantly positively influencing hand hygiene throughout the organisation.



A post infection review to ascertain timely learning remains the process that the IPC team adopt to support education and training. Intrinsic risk factors of our patient demographic are shown to increase the likelihood of patients developing *C diff* infection when introduced to antimicrobials. The IPC team is working with the pharmacy team, consultant microbiologist and medical clinical leads to review the micro guide according to body systems with the aim of providing appropriate treatment regimen and reducing C diffogenic antimicrobials if clinically safe to do so. Regular IPC team engagement with the divisions to support timely sample and isolation to prevent cross transmission remains a focus.

<u>COVID key infection control performance indicators for 2023/24</u>



There was a marked reduction in COVID cases compared to the previous years including a relatively smaller number of outbreaks identified in this financial year. For any cluster of hospital onset probable and definite COVID cases within the outbreak definition, the IPC team have been following all the outbreak measures to contain the spread of infection.

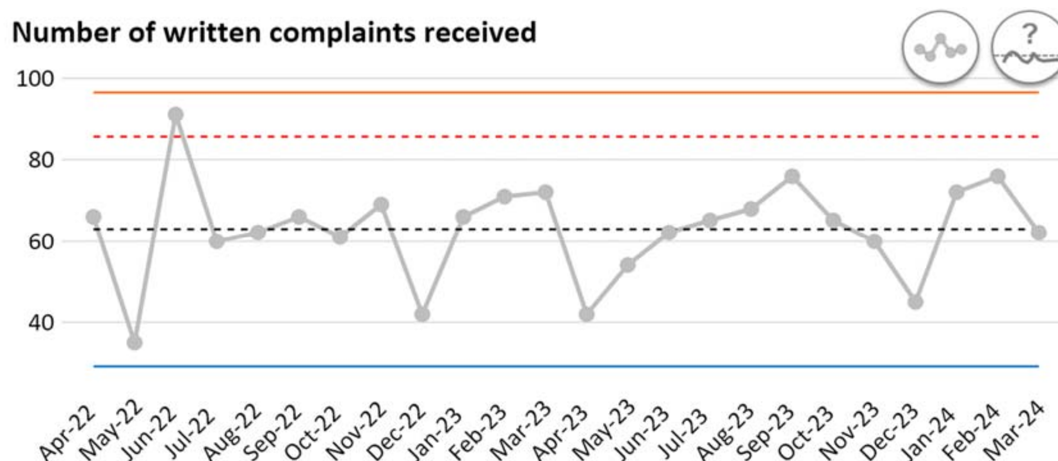
Patient Experience

In 2023/24 22,363 patients responded to our friends and family test (FFT) survey, an improvement on the previous year of 19,733. The Trust's FFT responses for inpatient and day cases are consistently higher than the national average for both the response rate and the proportion of patients who would recommend the Trust to their friends and family.

Throughout 2023/24 the Trust has re-established a consistent supportive network for our unpaid, paid and young carers. Providing growth on the current initiatives and expanding the provision with new and exciting ideas.

The Trust actively encourages feedback from patients and carers as this enables good practice to be shared and changes made to improve services. The Trust has a Patient and Carer Experience Programme Board (PACE programme) which includes patient and carer representatives. Sharing stories and experiences Trust-wide to ensure consistent learning and improvement within each Division.

In 2023/24, 750 formal complaints were received across all services (a slight decrease since 2021/22 where 777 were received). There were also a total of 3499 PALS enquiries received (a slight reduction from 3614 the previous year).



Key themes from our Patient Advisory Liaison Service (PALS) are related to delays in appointments, poor communication and delayed/poor care/treatment.

Initiatives to improve patient and carer experience during the year included:

- Introducing a quarterly carers forum. This includes a face-to-face quarterly meeting and also and evening online session to provide inclusive options for carers.
- An elderly care ward have taken a proactive approach to improving communication with carers through a Quality Improvement project. Feedback from carers highlighted that carers are not consistently receiving timely updates.
- From April 2023 to March 2024 the Forget-Me-Not volunteers have given over 918 hours of their time, equating to 24 working weeks to provide 924 support visits.
- Alerts on the hospital digital system so carers and cared for can be identified when using any of the hospital services.
- Promotion of local resolution meetings when a formal complaint is raised to provide compassionate resolution when difficult experiences have been shared.

Operational Performance

- In 2023/24 we welcomed 184,926 patient attendances to our emergency departments (up 2.4%); we cared for 52,012 inpatients (up 3.2%) and saw 610,180 patients in outpatient settings (up 3.3%). Unfortunately, due to the high incidence of industrial action this year there were higher than usual levels of cancellations and the industrial action contributed to longer waits for elective care.

- The focus in 2023/24 has been on elective recovery and working towards the achievement of elective and non-elective performance targets. This includes the development of and delivery against our elective recovery plan, including eradication of patient waits over 104 weeks from referral to treatment. The Trust delivered on this metric for all patients with the exception of the specialty of Community Paediatrics. For this specialty, The Trust is working with system and national leads to develop new community pathways with the aim of providing a more consistent and shortened pathway with particular reference to children with neurodiversity. During this year, the Trust met the delivery target for waiting times of less than 78 weeks from referral to treatment for the vast majority of patients, where the patient was available and fit for treatment - with the exception of a very small number of surgical patients.
- The Trust has continued to incrementally improve its performance against the four-hour non-elective waiting time standard. Nationally the target was set at 76% for all patients by March 2024 and the Trust achieved 73.18%. Despite the underperformance, this is 10% higher than the Trust's performance against the four-hour standard this time last year, against the backdrop of 13.5% more attendances to ED in-month. This has been delivered through a large Urgent and Emergency Care (UEC) improvement programme including significant investment to open an Urgent Treatment Centre and Surgical Assessment Unit at Lister Hospital; and greater use of community models such as the virtual hospital.
- There has been a sustained improvement in ambulance handover times due to changing the way we manage patient flow between the Emergency Department (ED), the Assessment Unit and inpatient wards, increased direct admission to Same-Day Emergency Care (SDEC), and improved system working. We achieved our objective of improving median ambulance handover time to under 30 minutes by March 2024.
- Delivery against the cancer targets has continued as a priority and remains strong. The end of year performance was 83.4% for the Trust against a target of 85% for 62-day urgent referral to treatment. The Trust continues to focus on the reduction of the proportion of patients waiting over 62 days and working with system partners to reduce delays due to late referrals into the Trust. This year saw a change in focus of cancer operational standards away from two week waits and a focus on faster diagnosis. The Trust has been nationally recognised for its early adopter work on the timed pathway analyser which has enabled a sustained compliance against the Faster Diagnosis Standard that 75% of patients will be diagnosed or have cancer ruled out within 28 days of being referred urgently by their GP for suspected cancer.
- Diagnostic turnaround times remain a challenge for the organisation across all imaging modalities. Additional pressure has been experienced due to an increase in both cancer referrals and urgent and emergency care (UEC) demand requiring imaging. The Trust has undertaken detailed capacity and demand modelling with recovery trajectories that should deliver compliance for all modalities other than MRI by March 2025. Community Diagnostic Centre (CDC) performance has been on track with agreed trajectories for 2023/24 across all the radiology areas of CDC. Cardiology CDC fell below trajectories as a result of delays in commencement of the service, workforce pressures and lower than anticipated GP uptake.
- Stroke performance nationally is monitored on the calendar year rather than the financial year. The Trust has improved its performance, moving from a D to a B rating. The Trust will continue to work hard to achieve the top A rating.

In-depth performance review

Operational Performance

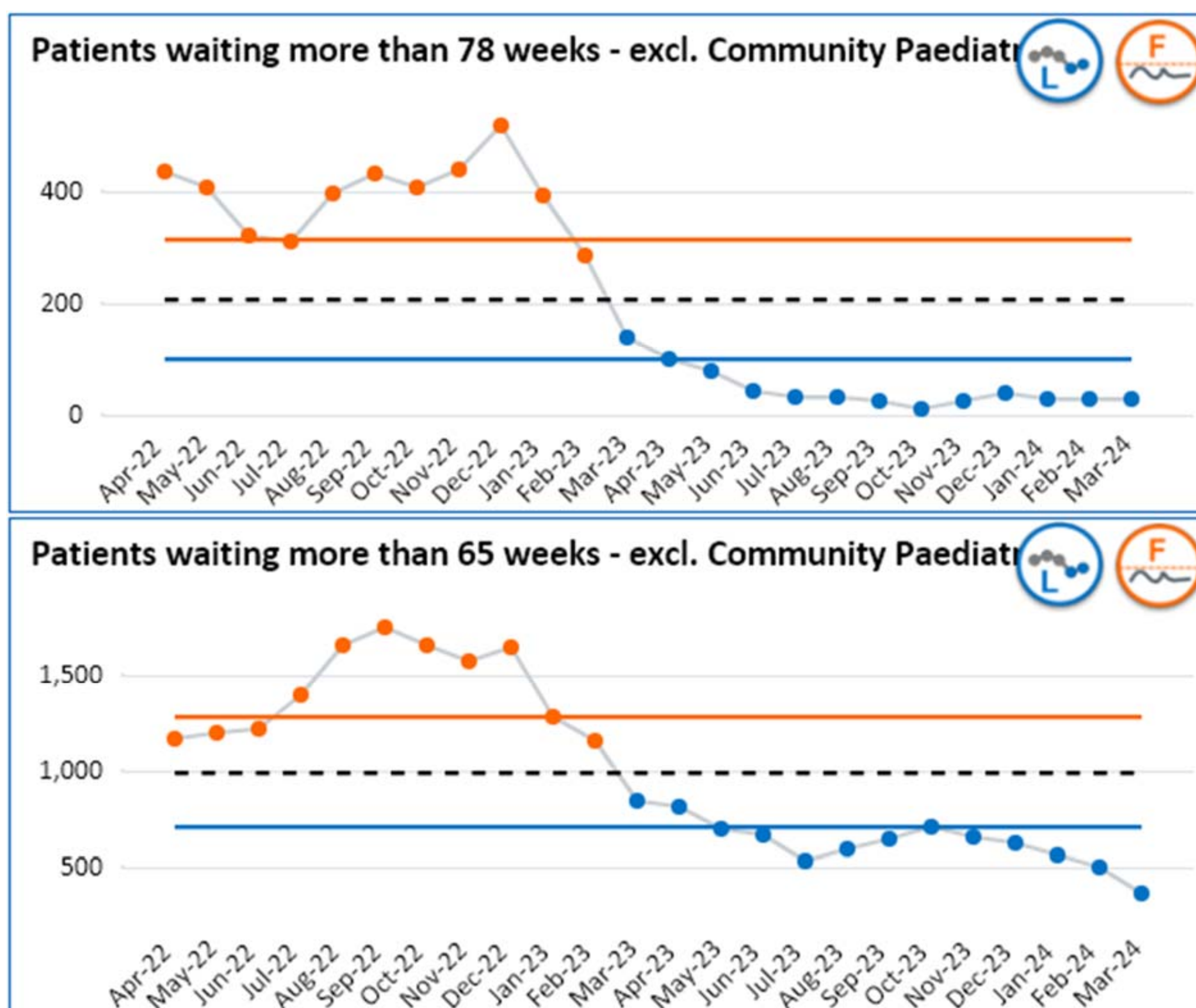
A summary of performance against the key metrics is provided below.

Referral To Treatment (RTT)

Nationally the drive was to eradicate any waits over 78 weeks, with a push to getting waiting times below 65 weeks. The Trust through a variety of actions including recruitment, efficiency gains, additional clinical sessions, contact, validation, and robust waiting list management has improved waiting times.

Community paediatric waiting times nationally have remained a concern with a clear gap between demand and capacity. The Trust has been working closely with system partners to really understand the demand and the reason for the increase, impact of covid and streamline the pathways to ensure equitable access for all children within the system.

Excluding Community Paediatrics, the Trust ended the year with just 29 patients (0.05% of patients on a waiting list) waiting over 78 weeks due to patient choice, complexity or capacity.



At the end of the 2023/24 financial year, the majority of services were able to meet the new target waiting time of 65 weeks. However, capacity remains challenging in Trauma & Orthopaedics, Gastroenterology, Pain Management, Ophthalmology, Oral Surgery and Urology.

To support the delivery of the contact and validation target (90% of patients waiting over 12 weeks who have not had an appointment in the last 12 weeks and don't have an appointment booked in the next four weeks), 72,500 text messages were sent asking if patients wanted to remain on the waiting list. The response rate was 75%, with almost 5,000 patients requesting discharge (6.8%).

In addition, as part of national patient choice requirements, 3,069 patients who were waiting more than 40 weeks for treatment and who did not have a future booking were invited to sign up to the national Patient Initiated Digital Mutual Aid System (PIDMAS) in October 2023. The Trust received 125 responses (4.1%) confirming they would be happy to potentially go elsewhere for treatment. However, 90 of these patients had treatment at ENHT before they could be offered an appointment elsewhere, 22 were not suitable for PIDMAS in the event, and the ICB could not find suitable capacity within the region for the other 13 patients.

Urgent Care Pathways

The national four-hour standard recovery trajectory requires 76% of patients arriving at the Emergency Department (ED) to be admitted to hospital, transferred to a more appropriate care setting, or discharged home within four hours. In April 2023 the Trust's four-hour performance was 64.2%.

To improve performance against the four-hour standard, the Trust embarked on a multi-project programme to develop a new emergency care model.

The ambition of the programme was to transform emergency care pathways to provide alternative(s) to the ED where appropriate, thereby reducing the volume of patients in ED and improving patient flow and experience.

With the support of Hertfordshire and West Essex Integrated Care Board (HWE ICB) funding, a new Adult Urgent Treatment Centre (UTC) opened in January 2024 on the Lister Hospital site. The service is open from 8am to 10pm, 7 days per week and can treat a range of illnesses and injuries for adults aged 16 years and over that would otherwise have gone to ED. In the first seven weeks of opening, the UTC treated more than 2,500 patients, with the average time from arrival to discharge of 1 hour 43 minutes. Plans are in development to expand the service to include children (under 16 years) which will enable the Lister UTC to fully mirror the successful model at the New QEII Hospital.

Acute Medical Services (AMS) reset their service model to increase the flow through the department, resulting in a 148% increase in transfers from the Acute Medical Unit to either a patient's preferred place of discharge or to an inpatient bed. The Medical Same Day Emergency Care (SDEC) opening hours were also extended until 10pm to provide additional capacity for patients who had either been directed to the medical team by their GP, or who were identified as requiring medical team intervention by the ED.

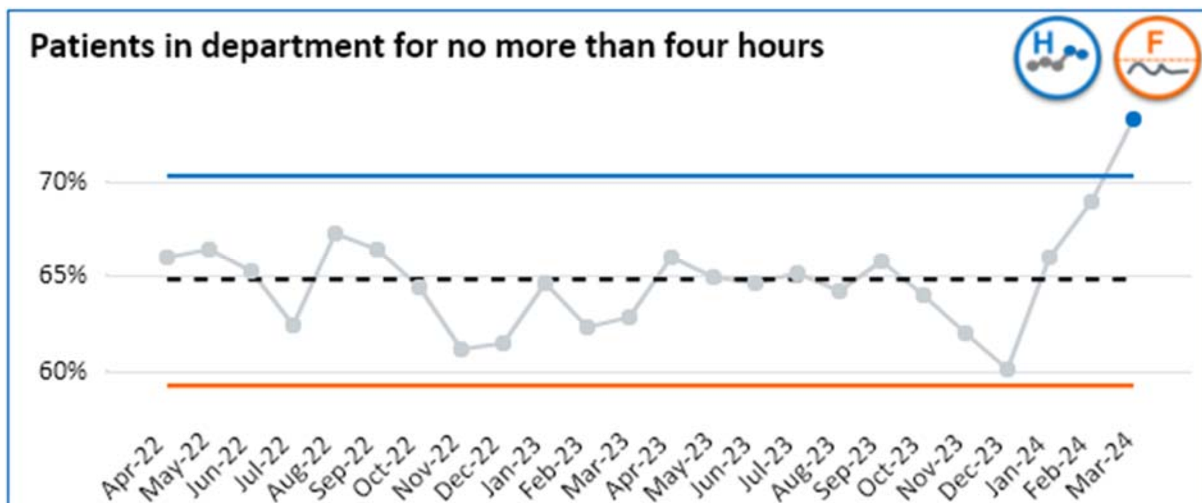
A Surgical Assessment Unit (SAU) was formally re-established in January 2024, having been stood down during the COVID-19 pandemic. This is a dedicated service for the assessment of emergency surgical patients who may be referred directly by their GP or who have presented to the ED and referred to surgical specialties for further assessment and possible inpatient admission. Since opening, the SAU has cared for over 1,000 patients. The service also supports a Surgical Same Day Emergency Care (SDEC) provision, which will continue to expand its capacity in line with recruitment of workforce.

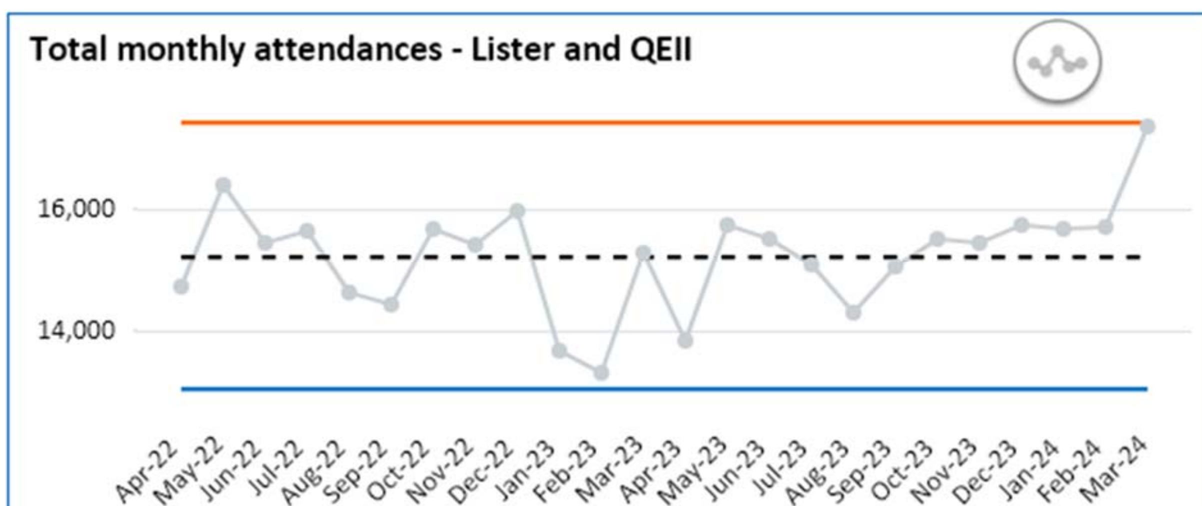
In addition to alternative services, the ED has revised nursing and medical workforce rosters to ensure the staffing model aligns with expected peak times in patient arrivals to the

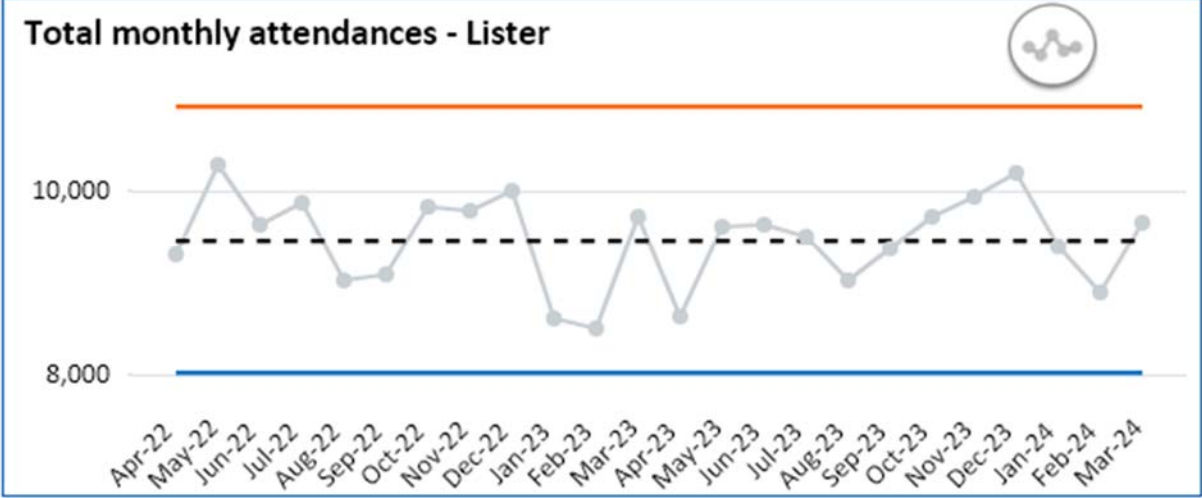
department. The new rosters came into effect in January 2024 and continue to be embedded across all staffing groups, providing more support during peak hours. Work is also ongoing to increase diagnostic capacity with an additional CT machine expected to open for ED patients and inpatients in early 2024/5.

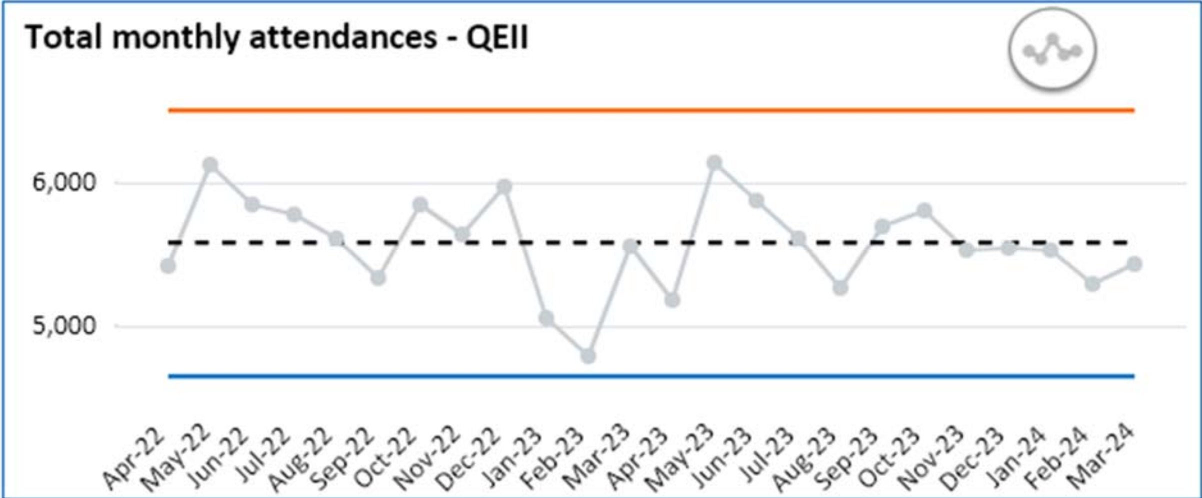
Paediatric ED has also been part of the ED improvement programme and further focus on new space for time to triage during peak times, development of the Children's Clinical Decision Unit (CDU) and redesign of the medical workforce roster to align with expected peak demand is forecast to improve paediatric ED four-hour performance further in 2024/25. All Urgent and Emergency Care (UEC) services are operating a model of continuous improvement, with processes constantly reviewed to identify areas of opportunity. The ED has reviewed and refined streaming and triage models to ensure patients are directed to the most appropriate service at the earliest opportunity. Further areas of development and improvement will be identified and supported in 2024/25.

In March 2024, the Trust's four-hour performance improved to 73.18%. Many of the improvement initiatives did not commence until January 2024. It is anticipated that as new pathways and services embed, performance will continue to improve in this area in line with the target of 78% for 2024/25.



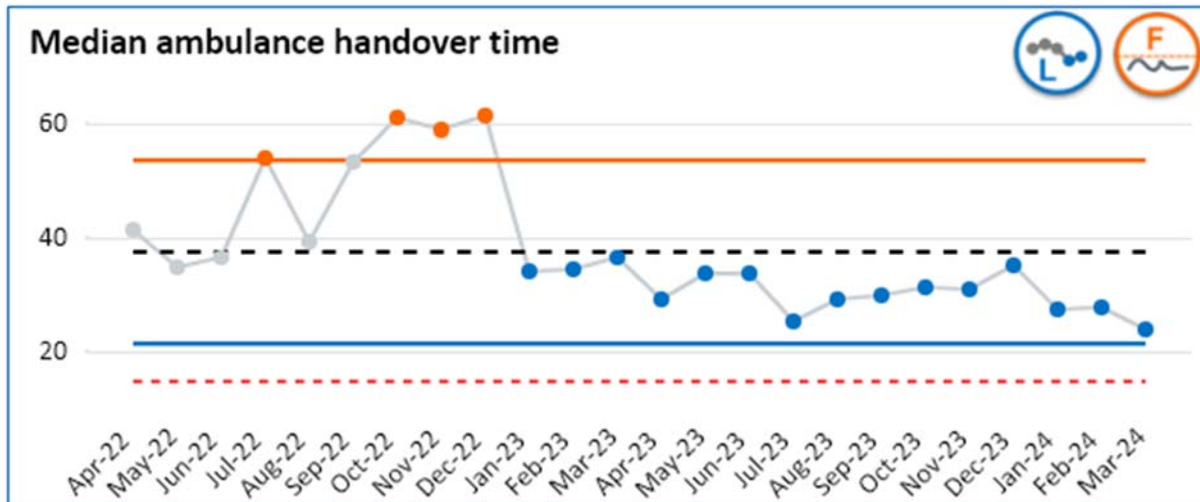






Ambulance handover

The Trust with East of England Ambulance Service Trust (EEAST) and other partners including Hertfordshire Community Trust, primary care, and other acute providers, worked hard to significantly reduce handover time for those patients brought to the department by ambulance. The target is 65% handover within 15 minutes. Despite an increasing number of conveyances, the Trust through its actions and work on the urgent care pathways has significantly improved ambulance handover times enabling ambulances to get back out into the community and patients arriving to the department getting the care they require in a faster timeframe.



Cancer performance

In the 2023/24 financial year, the national Cancer Waiting Times standards were streamlined from eight separate to three combined standards. These new standards are:

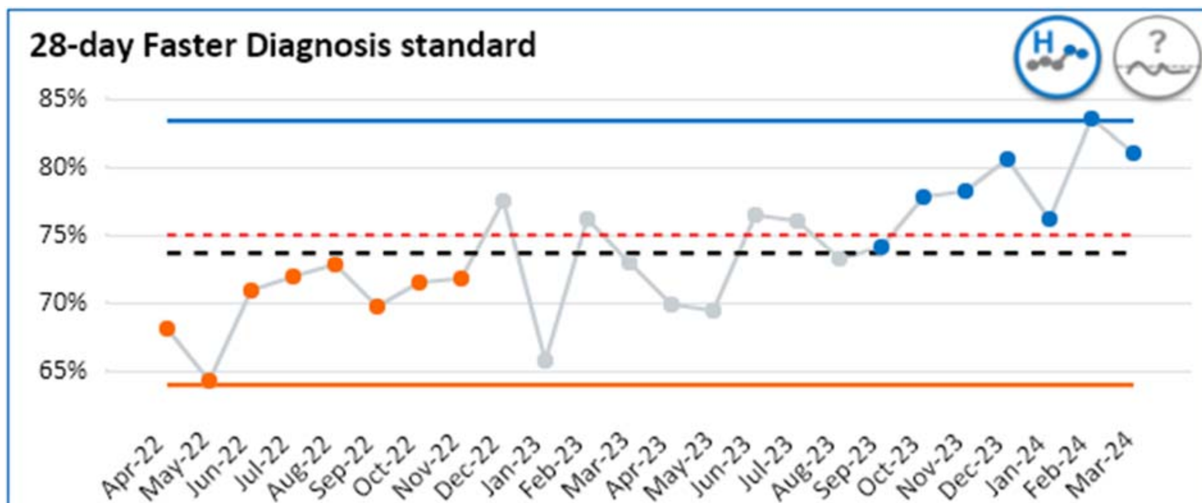
- the 28-day Faster Diagnosis standard,
- the 31-day decision to treat to treatment standard,
- the 62-day referral to treatment standard.

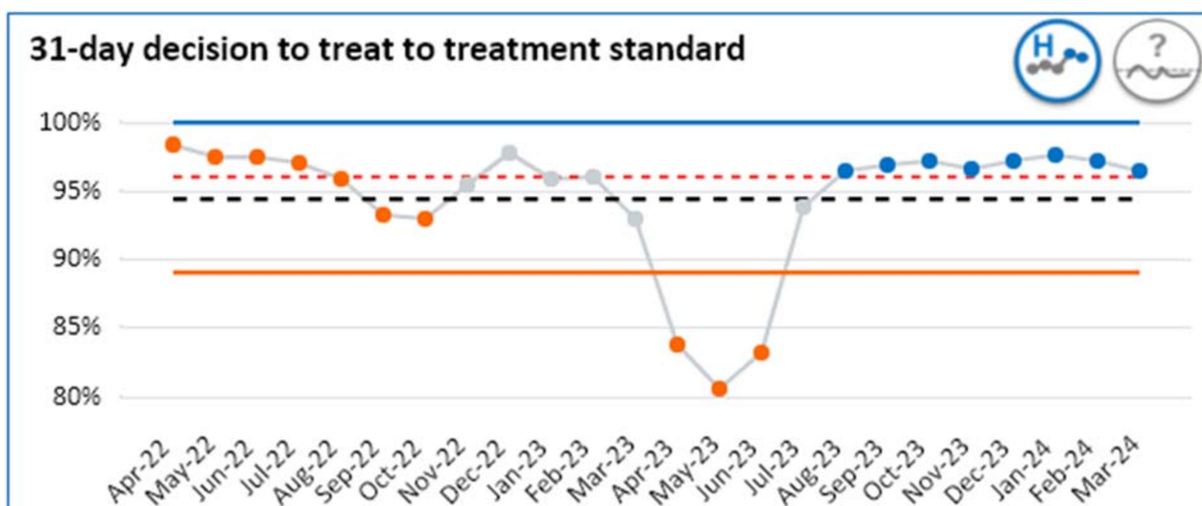
While cancer performance was not sustained fully over the course of 2023/24, our performance remains one of the best regionally. Factors for underperformance include high numbers of two week wait referrals putting substantial pressure on capacity in Endoscopy, Radiology and Histopathology; late referrals from other local providers; patient choice, and industrial action. These all have remedial plans in place to prioritise all cancer pathways to avoid delays in 2024/25. A 'Two Week Wait' referral is a request from your General Practitioner (GP) to ask the hospital for an urgent appointment for you, because you have symptoms that might indicate that you have cancer.

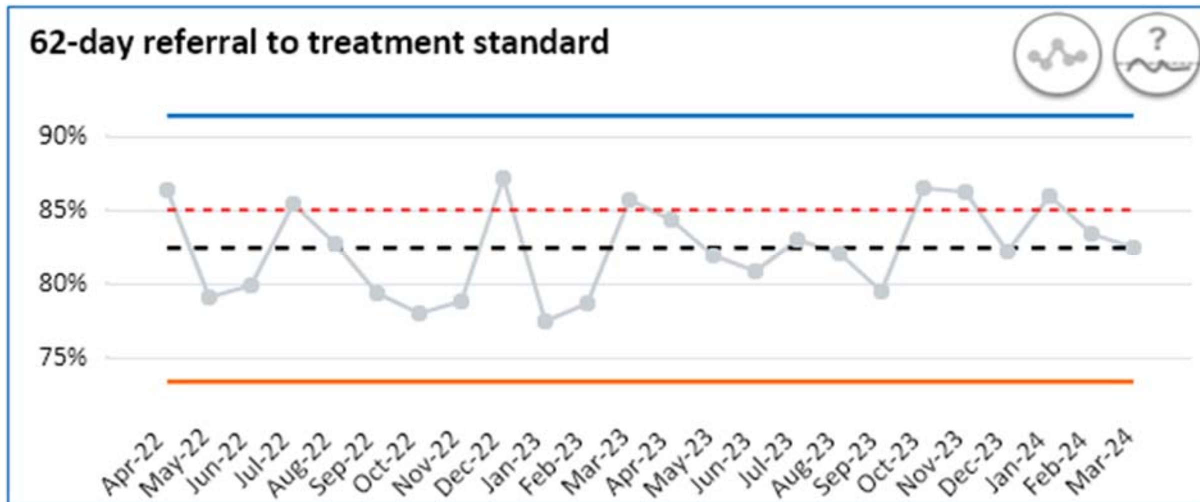
31-day subsequent performance for chemotherapy and radiotherapy was consistently sustained for the year, despite a few months' dip in performance for radiotherapy as a result of increased downtime from aging linear accelerator (linac) machines, coupled with workforce shortages. The linac machines have now been replaced, with new Ethos technology and staffing is fully established.

The Trust's 28-day faster diagnosis performance has improved during 2023/24, exceeding the target 75% consistently during the latter 6 months.

The Elective Intensive Support Team supported pathway analysis for all Tumour Sites so the Trust can clearly identify delays and make changes to improve the end-to-end pathway. The Trust's early adoption of the pathway analyser work has been recognised nationally and the cancer team has been asked to share good practice with other Trusts.



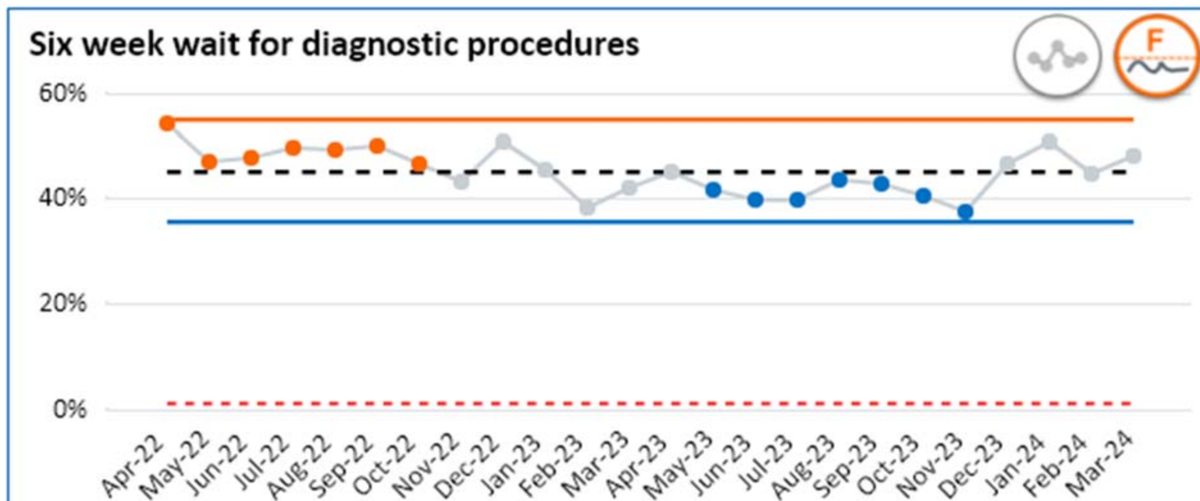




Diagnostics

Standard: less than 1% of patients should wait 6 weeks or more for a diagnostic test

As mentioned previously in the report, the demand on services has exceeded capacity plans for the majority of 2023/24 as a result of urgent and cancer referrals. This has resulted in an inability to meet the diagnostic performance standard this year. The Trust has undertaken detailed capacity and demand modelling with recovery trajectories that should deliver compliance for all modalities other than MRI by March 2025.



Stroke performance

The Trust's performance continues to improve and is now at level B (where A: best, D: worst) for the second consecutive quarter.

The initial scanning of patients with suspected stroke remains at the highest possible score meaning that stroke can be diagnosed, and appropriate treatment commenced as early as possible.
Stroke cases continue to increase over the average monthly baseline set by the Sentinel Stroke National Audit Programme (SSNAP) of 63. Most recently in Feb 2024 we saw 91 confirmed strokes. A high number of patients require care at Addenbrookes and Charing Cross. Flow through the pathway is reduced during winter when stroke beds may be

occupied by medical patients. Further work is required to protect dedicated stroke beds during peak times in ED and manage repatriation of out of area referrals.

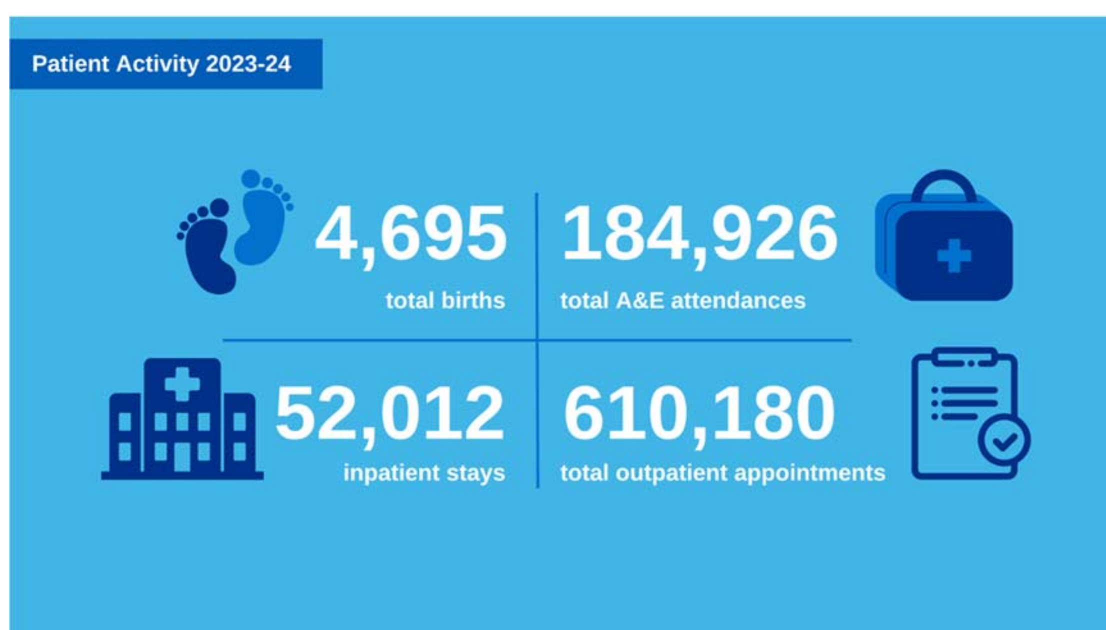
There have been improvements in the provision of both occupational therapists and physiotherapists. Speech and language therapy input continues to be an area of concern and the Trust with system partners is reviewing different models of care and delivery to mitigate staffing shortfalls.

Period	Jan-Mar 2023	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023
SSNAP level	D	C	B	B
SSNAP score	57.0	65.0	70.3	73.0
Case ascertainment band	A	A	A	A
Audit compliance band	A	A	B	A
Combined Total key Indicator level	D	C	B	B
Combined Total key Indicator score	57.0	65.0	74.0	73.0
Number of records completed	204	206	215	252

Other positive developments to note:

- Thrombolysis in Acute Stroke Collaborative (TASC) project underway from January 2024 in partnership with NHS Elect, to support improvement in Thrombolysis performance rate to 14% and additional benefits in supporting overall flow within the stroke wards.
- Stroke Video Triage Pilot: positive feedback on the benefits.
- Digital NerveCentre project is ongoing to support MDT working and goal setting to improve SSNAP data collection.
- Radiology is consistently meeting targets to scan patients within 1-hour of clock start. However, progression to achieve scanning under 15 minutes would enable thrombolysis with a median time of less than 40 mins, which is currently a challenge.

<u>Patient Activity 2023/24:</u>



Financial Performance

The Trust reported a surplus of £3.2million against a planned £2.5m deficit position.

The Trust's financial performance during 2023/24 needs to be set within the context of the overall NHS funding framework. This year NHS providers have continued to receive fixed block allocations of core funding, with a move to variable funding for elective activity paid through the Elective Recovery Funding (ERF) mechanism. COVID allocations intended to allow the Trust to mitigate against anticipated pandemic impacts, including income shortfalls, compliance with enhanced infection control measures and to support increased levels of staff absences impacting upon operational performance were removed and replaced by a small recurrent uplift to contract values in 2023/24. For the Trust in 2023/24 the COVID uplift totalled £2.6million. A significant reduction compared with the previous year (£11.7 million).

The material reduction in COVID income funding received in 2023/24 necessitated the Trust setting a significant cost improvement programme (CIP) for the financial year to remove additional cost levels that had become embedded within expenditure baselines during the course of the pandemic. The Trust CIP plan for 2023/24 totalled £33.1m. During the course of the year the Trust has reported positive performance against this target. The ability of the Trust to access ERF by delivering elective activity at a marginal rate has been a defining feature of financial performance for the Trust across 2023/24.

2023/24 saw a significant impact and disruption in the form of continued and sustained industrial action across nursing and doctor staffing groups. The Trust remained agile to successfully minimise safety and financial impacts of during these periods. The financial impact of which has seen the Trust receive additional funding via direct funding and the adjustment to the Trusts variable activity baseline target.

In addition, the Trust has experienced a further range of additional unplanned cost pressures during the course of the year that have supplemented this challenging financial environment. Staffing costs have remained higher than planned throughout the year with particular focal points being medical staffing and CSW's. Medical staffing costs have increased significantly across the period, £18m (17.6%), reflecting the impact of increased costs to deliver elective activity as well as the planned increase to manage of urgent and emergency care pressures.

Further key features of financial performance during 2023/24 were:

- Income from patient care activities

Income from patient care activities increased from £566.6 million in 2022/23 to £609.6 million in 2023/24 (£43 million / a 7.6% increase). The overwhelming element of this increase represents the effect of additional allocations to support both the expected cost uplift impact on the Trust for 2023/24 and resources required to deliver key service priorities for the year. The elective recovery fund mechanism remained in place during 2023/24 to incentivise the expanded delivery of planned services. Elective performance remained strong throughout the year allowing the Trust to secure additional funding through the ERF mechanism. The Trust increased the amount of income earned through this course, rising from £19.9m in 2022/23 to £30.6m in 2023/24. Industrial action throughout the year did have a significant impact on the Trust's ability to deliver its planned activity levels, the financial impact of this however, was mitigated by additional payments from NHS England.

- Other income receipts

A continuation of the improvement of other income receipts has been reported throughout 2023/24 following a significant reduction following the COVID pandemic. Research and

Development (R&D) income increased by £0.5m to £6.5m, and private patient income also increased significantly by £1.3m to £5.8m in 2023/24. Furthermore, increased activity and during 2023/24 has meant increased patient and visitor footfall that has helped to boost both car parking and catering income levels by a combined £0.8m.

- Spend on Pay (including temporary staff)

Pay costs increased year on year by £25.9 million from £387.1 million to £413.0million. The majority of the increase was driven by national pay awards (£19.4 million) and increased costs (£4.2 million) related to supporting increased activity across the Trust year-on-year. Additional pay expenditure was incurred as the Trust responded to the need to deliver significantly increased levels of elective activity delivering additional ERF revenue. Industrial action throughout the year has driven an additional £2.3m of pay costs to maintain a continuous and safe service.

Expenditure on temporary staff increased marginally year on year by £0.8 million from £48.2 million to £49 million. Increases related to the Trust's need to expand elective recovery activity was partially offset by a reduction in the level of sickness absence across the Trust.

- Spend on Non-Pay

Expenditure on non-pay (excluding financing costs) increased year on year by £21.2 million from £218.8 million to £240.1 million. This increase is driven by £21.3m of high-cost drugs inflation, £1.8m utilities inflation, £2.3m CNST and £4.4m general inflation. The increased activity in year to deliver elective targets led to a further £1.4m of non-pay expenditure and a £6.8m increase in impairments is driven by a non-recurrent reduction in 23/24.

- Capital investment / donated equipment.

The Trust expended £39.7 million on capital investments in 2023/24 including lease remeasurements. Significant investment was made establishing a new vascular surgery theatre on the Lister site to enable an expansion of activity delivery. In addition the Trust continued with its requirement to the site with progressing its backlog maintenance programme as well as incurring expenditure in respect of both scheduled medical equipment replacement and also the enhancement of the Trust's digital infrastructure. The Trust was able to secure additional capital allocations within the year to invest in the replacement of LINACs at the Mount Vernon site as well as progressing the green agenda with LED lighting.

- Cash

The Trust's cash balance has decreased by £9.7 million from £76.0 million to £66.3 million. The decrease in cash is primarily a consequence of the in-year capital purchase of property, plant and equipment.

- IFRS 16 impact

During the course of the year the Trust had right of use asset additions of £0.6m and remeasurement of existing assets of £1.46m. At 31 March 2024 the Trust's Right of Use (ROU) asset net book value was £95.1m reduced from 102.1m as at 31 March 2023.

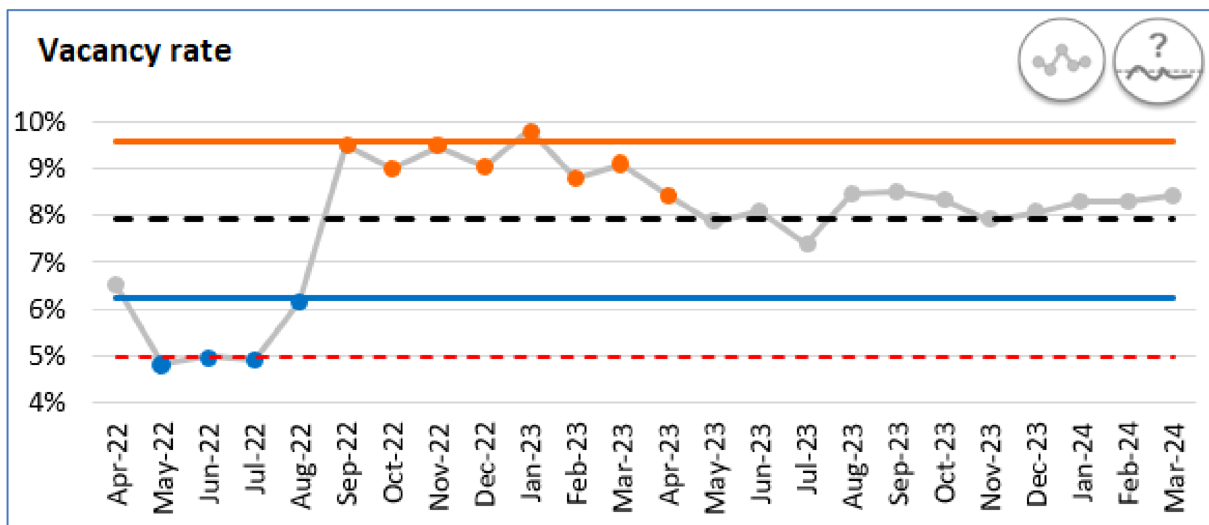
People Performance

The Trust continues to deliver against the key objective set out within its People Strategy and the four pillars of: work, grow, thrive and care, which link to the NHS People Promise.

Work Together

Recruitment

During the 2023/24 period, the Trust made significant strides in recruitment efforts across all staff groups, culminating in an overall vacancy rate of 8.3%, particularly notable successes were seen in Nursing and Midwifery qualified and medical staff groups, with vacancy rates of 8.3% and 2.1% respectively, reflecting significant progress towards the Trust's ambition for a 'drive for 5%' overall vacancy rate.



By the end of February 2024, the Trust had over 1,884 nursing and midwifery staff in post, supported by a successful overseas recruitment campaign and active domestic recruitment initiatives. The Trust met its international nurse recruitment target for 2023-24 as well as supporting 54 newly qualified nurses into substantive positions.

Notably, the Trust received recognition for its international recruitment efforts and commitment to providing high-quality pastoral care to internationally educated nurses and midwives, being awarded the NHS Pastoral Care Quality Award.

Furthermore, the Trust achieved numerous successes in recruiting 'hard to fill' medical roles throughout the year, resulting in the highest number of doctors in post since July 2023, with 997 doctors now in post.

Inclusive recruitment practices remain a key priority for the Trust, with the implementation of the inclusion ambassador scheme ensuring equity and accessibility to roles. This initiative champions equality, diversity, and inclusion throughout the selection process, reinforcing the Trust's commitment to fostering a diverse and inclusive workforce.

Temporary Staffing

Throughout the 2023/24 period, the Trust maintained strong performance in managing bank and agency staffing. The bank to agency ratio averaged 89% (bank), with agency placements at 11%, comfortably below the NHSE agency ceiling target. The Trust also achieved a 0.4% reduction in agency spends as a proportion of whole-time equivalent (WTE) staff.

Bank spends as a percentage of total WTE averaged 9.1%, showing improvement compared to the previous year. Similarly, agency spend averaged 3.0% of total WTE spend and agency price cap breaches reduces by over a 100 (on average) throughout the year – both improvements on 2022/23.

Notably, the Trust maintained its top-ranking position for agency spend across the ICB (Integrated Care Board) region for the third consecutive year.

The Trust continues to oversee a temporary staffing workstream across the ICB, ensuring consistent governance processes and transparent cost controls for all staff groups. Additionally, efforts are underway to establish a doctor's shared bank within the ICB by May 2025.

In Quarter 3 of 2023/24, the Trust achieved savings of £89,947 under the ICB-wide contract, in collaboration with West Hertfordshire, Princess Alexandra, and Hertfordshire Community Trust, through the NHS Professionals managed service compared to the previous standalone contract. These initiatives demonstrate the Trust's commitment to efficient staffing utilisation and cost-effective solutions.

Electronic Rostering

Currently, 91% of clinical staff (agenda for change) and 89% of medical staff are on rosters, providing a comprehensive overview across the organisation and facilitating better deployment and decision-making for managers.

Throughout 2023/24, the percentage of staff on annual leave, sick leave, and parenting leave remained within set tolerance levels, which is a positive indication of effective leave management.

In terms of rostering, 62% of rosters were approved more than six weeks in advance of the start date, marking a 2% improvement from the previous year and work remains ongoing to continue improving the approval rate.

Key priorities going forward include aligning establishment and budgets within the roster system, providing ongoing face-to-face training, and launching self-rostering on a unit-by-unit basis.

Furthermore, 90% of the consultant workforce are on the roster system, with implementation activities ongoing to transition the remaining medical workforce onto the system by December 2024. These initiatives aim to enhance efficiency and effectiveness in staff deployment and roster management across the organisation.

Medical Workforce

The medical workforce team retained a 65% success rate for publishing work schedules and rotas on time as contractually required to junior doctors. The variants arising are primarily due to external factors, and receiving late and incorrect information from Health Education England. The increase in the number of less than full time trainees is an increasing pressure point for the team, as each less than full time (LTFT) trainee requires a bespoke rota to be built. Vacancies within the team, and new starters have also led to the decrease in this percentage. There have also been a number of new rota requests from the departments, which can also delay this.

The Local Clinical Excellence Awards (LCEA) for 2022/23 were deployed as per national guidance and are due to be paid in March 2024 to all eligible consultants.

Job Planning summary of 23/24

Following the move to 'L2P', all job plans are now on this system. Due to the subsequent calculation inconsistencies on the system, a focus for the team has been to support Clinical Directors and Clinicians to complete and sign off retrospective job plans from 2022 and 2023. The number of outstanding job plans has been greatly reduced across the year with 33 job plans outstanding from 126 at March 2024. Work continues with the support of the Medical Director's office to ensure job plans are signed off prospectively, and all outstanding job plans are completed at the earliest opportunity.

Local Negotiating Committee and Junior Doctor Forum

The Junior Doctor Forum (JDF) continues to be provide opportunity for discussion with our Junior Doctor workforce and this year expanded the remit to include Locally Employed Doctors to enable several issues raised to be resolved and worked on.

Medical policies

Medical Revalidations and Appraisals policy was approved and signed off by the (local negotiating committees) LNC, Medical Revalidations and Appraisal continued to be a focus and the Trust averaged 86% for medical appraisals completed in 2023/24. The implementation of using Premier IT for all medical appraisals has been positive, however increasing numbers of locally employed doctors requires additional resource for the medical revalidation and appraisal team. There has been a focus on ensuring the Trust has the necessary number of trained appraisers to be able to appraise all doctors, and recruitment and training of 16 new medical appraisers occurred throughout 2023/2024 and will continue to bridge the shortfall in this area.

An acting down policy has been agreed in principle and awaits confirmation of agreed acting down payrates to enable implementation of the policy. "Acting Down" refers to situations where a doctor, normally as a result of an emergency or a crisis, is required to undertake duties usually performed by a more junior medical employee.

People Services

Since its launch in November 2022, our people team virtual assistant, 'Enquire,' has seen a significant increase in engagement and usage throughout the organisation. With over 1,000 users accessing the platform each month, Enquire boasts a remarkable 96% recognition rate, surpassing industry standards by 8%.

Moreover, Enquire has attracted external interest, with several NHS organisations purchasing the HR library to implement within their own organisations. This reflects the effectiveness and value of implementing digital solutions in enhancing HR processes and support across healthcare settings.

Enquire was selected as a finalist in the HSJ Digital Awards 2023, highlighting its innovation and impact in the healthcare sector for people services, this recognition further validates the success and potential in revolutionising people digital systems.

GrowTogether

Clinical and Medical Education

During 2023/24 the Trust has continued its focus on providing exceptional clinical Learning environments for our students and trainees. Our focus remains to increase the numbers of registered staff within the organisation through training, in line with the NHS Long term workforce plan.

Educational placement capacity for domestically trained students remains high, and while in 2023/24 we had a regular cohort of international nurses undergoing training to register with the Nursing and Midwifery Council (NMC), we expect that this will reduce significantly in 2024/25, as we focus on domestically trained nurses.

In 2023/24, the Trust was awarded the National Preceptorship for Nursing Quality Mark, which demonstrates excellence in supporting our newly qualified nurses. Newly qualified nurses entering our workforce are enrolled on our preceptorship programme designed to give our staff the best chance to succeed from the start of their career. In January 2024 we had 119 preceptees at various stages of the programme. One of our Trust team was also awarded Preceptor of the Year award at the 2023 Nursing Times workforce awards

We also a saw continued Increase in our Clinical Support Workers undertaking apprenticeships at the Trust (193 in total), a significant increase on our numbers in previous years. A proportion of these staff progress on to Nurse Associate programmes and then degree Nursing apprenticeship or top up programmes, with an intake of approximately 50 staff per year.

For more than 20 years we have been a teaching hospital partner with University of Cambridge and University College London (UCL) offering clinical placements and clinical skills training to undergraduate medical students across the Trust. In 2023/24, we hosted over 100 medical students from University College London (UCL) and almost 200 medical students from University of Cambridge on placement each year from years 4, 5 and 6 of their studies.

Core Staff training and Development

Our single Learning Management System (LMS), the ENH Academy, continues to be the single point of access for essential Training including mandatory training and non-mandatory training.

In 2023/24 upgrades have been made to the system and we have seen the use of the system extend to support areas such as induction and onboarding guides, buddying support for new staff, skills boosters (short bitesize) training for new and existing staff, opportunities to add details of external learning , qualifications including a safeguarding passport on the system. Further work is ongoing to include staff competency frameworks assessments and a management competency framework being introduced in 2024/25.

Compliance with mandatory training elements across the Trust has improved in 2023/24 and is on target at 90%.

Talent Management & Leadership Development

Grow Together, our approach to ensuring continuous feedback is provided to colleagues, remains fully embedded within the Trust. The process culminates each year with ('Grow Together Review appraisal) being undertaken for all staff within a defined April – August window. Built into this is a system to support talent, career conversations and succession planning. Active recruitment of Grow together Champions in each locality continues to support staff compliance with appraisal reviews. In the 2023 staff survey over 80% of staff indicated that they had undertaken an appraisal in the last year, with all indicators relating to appraisals showing an improvement.

We also continue to support our current and future leaders with a comprehensive programme of leadership development, individual and team coaching and mentorship. These range from bespoke programme design and 'bitesize' sessions to masters level 7 programmes.

These programmes utilise various access options including apprenticeships, Continued Professional Development (CPD) funding and regional East of England or Integrated care board (ICB) contributory funding. These include NHS Leadership programmes, RCN, Kings Fund and Ashridge Business School programmes.

The Trust's *Healthy Leadership Rhythm which* creates a series of required leadership, team and culture initiatives and establishes them as concurrent practices, further enhances our approach to healthy conversations and feedback. These remain ongoing and an integral part of our development opportunities, with Kindness and Civility embedded in our Induction and onboarding programme for new staff and those in leadership roles.

Future workforce

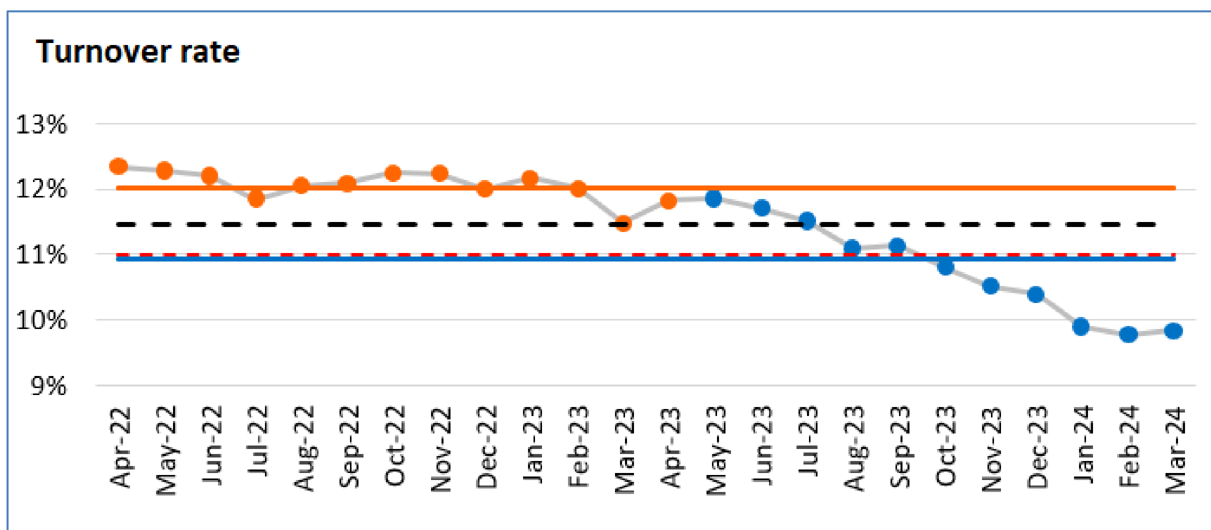
In 2023/24 the Trust had over 375 staff undertaking apprenticeships both in clinical and in non-clinical roles (level 2-7). Working with partners we have been able to expand the range of apprenticeships we can offer staff with our first physiotherapy degree apprentice starting at the University of Hertfordshire in September 2023. In 2023 we also celebrated Learning at work week and National Apprenticeship week, where the Trust showcased the apprenticeship opportunities available to our staff.

The Trust has been able to offer around 286 work experience placements to young people in and around Hertfordshire since September 2022, as part of its widening participation programme. This includes Trust staff (our ambassadors) visiting schools and colleges to support career events. We now have 52 members of staff that have signed up as ENHT ambassadors to help support school / college events, with over 30 school visits and events having taken place in 23/24.

Thrive Together

Retention

The overall turnover rate in March 2023 was 11.5% and has remained steady for most of the year having slowed following "the Great Resignation" seen across the NHS during 2021/22. The main reasons for voluntarily leaving is consistent with previous years with 30% of staff stating voluntary resignation (other), Relocation (21%) and Work/life Balance (17%).



Staff survey

The staff survey results published in February 2024 demonstrated consistency in response rate from our workforce of 45% (2994), meaning the results are reliable and valid. The Trust showed statistical improvement in 5 of the 7 NHS People Promise domains and achieve positive improvement across 83 questions, 17 scored worse and the rest were the same as last year.

We continue to celebrate where we improve and are taking a relentless focus in 2024/25 on 'morale', 'voice that counts' and 'compassionate and inclusive', divisional plans of improvement will be available in May 2024 with a commitment to publishing these on our local intranet for staff visibility.

We continue to deliver our plans arising from mandated equality reports (WRES/WDES, Gender Pay and EDS2022) and link these to the NHS people promises and have published our up-to-date public sector duty equality data on our internet homepages.

Inclusion and engagement

A board development programme 'cultural intelligence' happened during the year and our Civility Matters video and team talks have been focused on people's development and understanding to make us more inclusive. Our values refresh also included wide engagement with our workforce and has been further embedded through teams developing their own team and behaviour charters.

The Trust continued to focus on increased representation in leadership and decision-making roles and the number of colleagues in roles 8a and above has increased marginally with more success in recruitment and promotion for black, Asian and minority ethnic consultants [20] during the year.

The Trust ran its big week of thanks to celebrate the contribution of all our staff with fun engagement and information giving sessions, staff celebration with food and culminated in the staff awards.

Flexible Working

Following two pilot in front line areas, we are now 18 months on and have anecdotal feedback from a leadership walkaround that using self-rostering has made a tangible difference to how the staff in one ward can more easily manage life and work commitments more easily, the team reported that it took over six months to embed and in this area positive results show in staff survey, absence and turnover rates. During the coming year, further pilots will roll out with full support to succeed and be reported on in the 2024/25 annual report.

Care Together

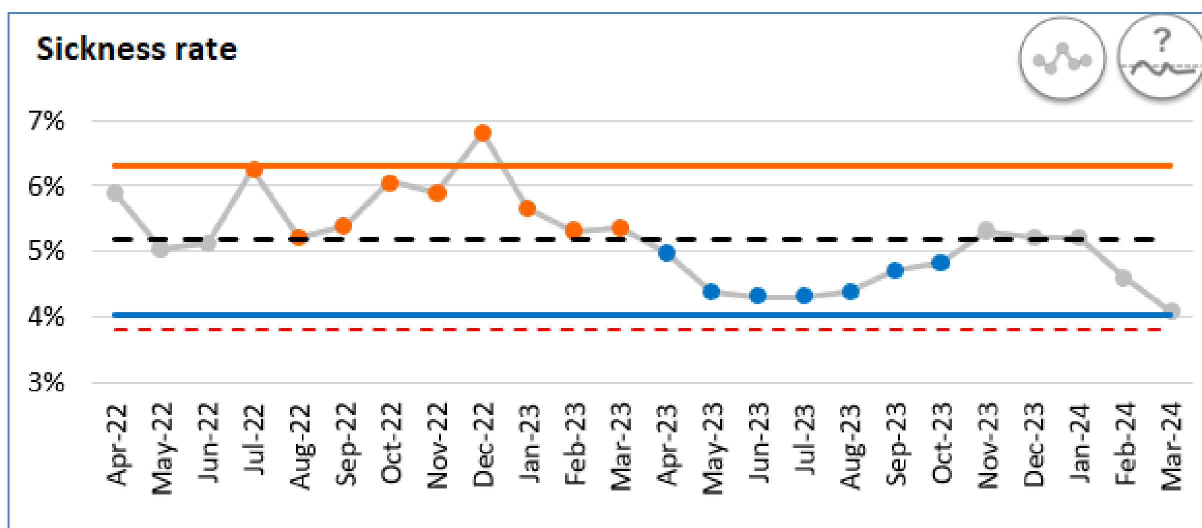
From April 2023 funding for cost of living ceased and staff have managed to continue to operate the staff shop from donations and volunteers and continue to offer hydration and catering offers in partnership with the site catering providers.

A monthly 'staff recognition' scheme launched using Trust values to recognise individuals or teams, the annual staff award event continues to receive charity support with suppliers sponsoring the event to maximise value for money

Health at Work

The Health at Work Service have coordinated a comprehensive range of services to proactively prevent health and wellbeing problems, promote physical and psychological safety, provide accessible, early support and treatment when health problems occur.

Health at Work have provided advice to promote health and reduce sickness absence, referrals for physiotherapy and priority access to mental health support. Immunisations have been provided to protect colleagues and those they care for from infection.



Wellbeing is promoted by the network of wellbeing champions, mental health first aiders, wellbeing events, webinars and on the intranet. Team and individual reflection sessions have provided regular opportunities for colleagues to explore the emotional aspects of their role, and the menopause network has been a popular new peer support group.

East and North Hertfordshire Hospitals Charity

2023/24 was a fantastic year for East and North Hertfordshire Hospitals' Charity with them receiving a record-breaking number of donations from the local community. The charity would like to thank their incredible supporters, volunteers and NHS colleagues for their generosity, kindness and unwavering support.

Highlights from the year include winning five local and national awards; completing the Safe Space project to help children in mental health crisis; refurbishing the parents' rooms on the neonatal ward and delivering a range of thank you initiatives for our staff.

Digital Performance 2023/24

There was a focus this year on concluding the 10-year Electronic Patient Record (EPR) Strategy for the Trust and aligning it with England Frontline digitisation programme for all Trusts to have an EPR operating to a defined standard by March 2025, which has recently moved to March 2026.

The Trust has worked with its current EPR provider Dedalus to secure an upgrade to the Trusts current EPR Lorenzo which is now transitioning as part of its roadmap to Dedalus flagship product ORBIS U, which is used in over 1,000 hospitals across Europe. Dedalus will work with the trust Digital and Clinical teams to bring its expertise gained in Europe to improve the flows in our Hospitals and provide our clinicians with patient information when and where they need it on a secure computer or mobile device.

The EPR investment was approved at the January 2024 Board and deployment will start in April 2024. The Trust is planning to digitise its Inpatient and outpatient pathways by June 2025 and continue on to complete a full digitisation of the Trust by June 2026.

The Trust has worked closely with digital colleagues across the ICS to link its systems up to the Herts and West Essex shared care records. This means that patient information such as discharge letters, diagnostic results and Emergency Department (ED) information can be shared securely with clinical colleagues at other providers in HWE who are directly delivering patient care. As the new EPR is deployed more data will be shared.

The Trust also implemented a Patient Hub in 23/24 which provides a portal to patients to receive letters for outpatient appointments. The portal is accessible via a text message from the Trust or though the NHS app. The patient hub has been rolled out by speciality and over the next year the Trust will be adding more functionality aligned with the new EPR including cancellation, booking and discharge letters.

East & North Herts is part of an Imaging Network (Image East) with 4 Other Trusts in the East of England. The network allows Radiologists to collaborate on protocols and training, the major delivery in 2023/24 was the Digital stream. The Trusts in the Network including ENH have implemented an image share to allow patient's Radiology images (MRI, X-Ray, CT) to be shared when a patient moves between Trusts. A system to allow GPs and Hospital doctors to decide which diagnostic is best for a patient is also deployed.

Imaging is also the first adopter of Artificial intelligence (AI) within the Trust. AI is now able to read chest X-Rays to a high level of accuracy speeding up the time for a patient getting results significantly and freeing up Clinicians time. The AI is accredited by NHS standards and currently all AI radiology reports are checked by a Radiologist whilst the technology is in its early stages.

Whilst the Trust is deploying a number of new systems it is important that the underlying infrastructure is robust, over the past years the Trust has been upgrading its nearly 5,000 computers to ensure they are patched to the latest security standards and performance, an activity which is continually ongoing. The trust has also invested in improving its backup facilities and resilience and hardened Cyber security on some of its sites along with a significant upgrade to wifi.

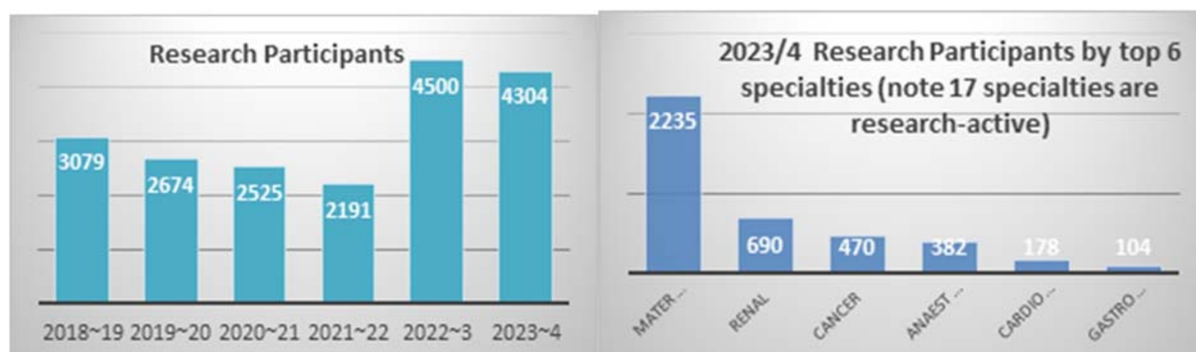
Research and Development

Patients are at the heart of why we do research

We believe being research-active has two main benefits; patients have the direct benefit of research participation, and secondly all patients, whether they are a research participant or not, will have a better experience and improved outcomes because of the indirect benefit of the organisation being research active.

In 2023/24 the Trust recruited a total of 4,304 research participants. Across the East of England the Trust has the second highest research activity after the Cambridge University Hospitals NHS Foundation Trust and the highest in the Hertfordshire and West Essex Integrated Care System. We are grateful to all those who chose to volunteer to take part in a research study has research enables the NHS to meeting the changing health needs of those we serve.

Research trends over the last six years and top six research areas are given below.



During 2023/4 the top six areas of highest research activity were maternity (2,235), renal (690), cancer (470), anaesthesia (382), cardiovascular (178) and gastroenterology (104). Other areas of research included nursing research, robotic surgery, biomarker development and the use of data and artificial intelligence.

The Trust is part of the National Institute for Health and Care Research (NIHR) and supports research of national and international importance. We work in partnership with the University of Hertfordshire, the life science industry and non-commercial research funders to enhance patient and experience through research and innovation. All research at the Trust is approved by a designated NHS research ethics committee.

Embedding research into practice for the benefit of patients

- **Developing new knowledge** Anticoagulants (blood thinners) are used in some patients to reduce the risk of clots forming which can lead to stroke. However, these medications can significantly increase the risk of bleeding. Our Cardiology team were the highest recruiters 42 research studies which identified the optimum use of a new anticoagulant (Asundexian) in patients with atrial fibrillation (irregular and often abnormally fast heart rate).

- **Development of new treatments (e.g. for breast cancer)** Thanks to the oncology research team, Mount Vernon became the first cancer centre in the UK to treat a patient with Trodelvy, a new treatment for metastatic triple negative breast cancer. The cancer patient Carly Francis, said: "*I'm incredibly grateful to the team who acted so quickly to enable me early access to this new treatment.*"

- **Enhancing the delivery of a service** Patients whose kidneys do not work properly have a procedure known as dialysis to remove waste products and excess fluid from the blood. Our renal research team found that the amount of dialysis patients receive could be safely reduced for some people. This benefits patients because they have to spend less time in hospital. It also good for the environment because less dialysis means less patient travel and less electricity use.

- **Development of a new service** Our Gastroenterology team provide treatment to people with health issues of the digestive system including oesophagus, stomach and intestines. The team created a novel approach to detecting oesophageal cancer through the innovative Cytosponge approach - a 'Sponge on a string' test that samples cells from the oesophagus without the need for gastroscopy (a tube into the stomach and previous standard of care). The use of Cytosponge can help with early detection and treatment of oesophageal cancer with improved health outcomes and cost savings.

- **Embedding research for all patients** As a research active organisation we want to see research embedded as an expectation and we achieved this within our maternity

services. Group B Streptococcus (GBS) is a bacterium present in the vagina of approximately 1 in 4 pregnant women. Giving women antibiotics in labour reduces the risk of their babies developing GBS infection but it is not routinely done. As part of a research study our maternity service offered GBS3 testing to every pregnant woman. A total of 3,600 women have taken up this offer, with 2,220 in 2023/24.

Providing leadership to support a system approach for research and the use of research to enhance or redesign of services

- **The East and North Hertfordshire Healthcare Partnership (HCP)** The Trust set up and leads a group to work at place to firstly support research and innovation across the HCP area and secondly to promote the use of research evidence and innovation for service enhancement and development. Members include NHS providers, Hertfordshire County Council, University of Hertfordshire, National Institute for Health and care Research. Innovation Horizon scans produced via Heath Innovation East (e.g. diabetes, heart failure) which feeds into service design. ENH HCP 'Deep Dive' review process now includes research, innovation and evaluation as part of the internal requirements.

- **The Hertfordshire and West Essex Integrated Care System** (HWE ICS) The Trust provides leadership and operational capacity through a seconded role (Head of Research and Innovation). The 2023/4 goal being to develop and implement a strategy that seeks to ensure that research, innovation and evaluation are used to better meet the needs of the health and social care system and enable the delivery of the HWE ICS five year forward plan. This enables the HWE ICS to meet its duty to promote and use research and innovation.

Supporting inclusion

We know that race, ethnicity, age, and sex can all impact how different people respond to the same medicine or vaccine. This is why diversity among clinical trial participants is so important. The Trust has provided leadership and capacity to secure external funding from NHS England to work with system partners, especially Healthwatch Hertfordshire and the University of Hertfordshire, to identify ways in which to understand and identify how to make research more inclusive. Work to date has found that firstly awareness of research opportunities was poor, with people calling for greater promotion of opportunities, particularly outside of health and care settings, secondly practical barriers can prevent people from participating, including employment, financial concerns, travel and location and time commitments and thirdly the accessibility of NHS research was a concern, including issues around language, communication and digital exclusion. Work is underway to address these barriers.

Public involvement and research participation

We continually ask research participants about their experience using the standard National Institute for Health and Social care Research survey. During 2023/24 we had responses from 114 adults and their feedback is summarised below:

Questions	Response
1. The information that I received prepared me for my experience on the study	94% Agree or Strongly Agree
2. I feel I have been kept updated about the research	72% Agree or Strongly Agree
3. I know how I will receive the results of the research	74% Yes or Yes to some

	extent
4. I know how to contact the research team if I have any questions or concerns	92% Yes or Yes to some extent
5. The researchers have valued my taking part in the research	95% Yes or Yes to some extent
6. Research staff have always treated me with courtesy and respect	97% Yes or Yes to some extent
7. I would consider taking part in research again	90% Yes or Yes to some extent

The responses also provide data on ethnic group, summarised below:

Ethnic group (as described in the survey question)	**Responses (n)**	**Responses (%)**
White/English/Welsh/Scottish/Northern Irish/British	90	81.1%
White/Any other White background	7	6.3%
White/Irish	6	5.4%
Black / African / Caribbean / Black British/ African	3	2.7%
Asian/ Asian British/ Indian	2	1.8%
Asian/ Asian British/ Any other Asian background	2	1.8%
Black / African / Caribbean / Black British/ Caribbean	1	0.9%
Total	**111**	**100.0%**

Although the information on the ethnic groups is based on a non-random sample of low overall number (i.e. 2.6% of the 2023/4 research participants) the ethnic composition of research participants is broadly similar to that of the populations served by the Trust.

Research participants also provided written comments, summarised below.

What was positive about your research experience?

- *Welcoming and friendly practice nurse. The sense of being able to do something positive for the future healthcare of others.*
- *The research staff are excellent, caring and take the time to explain what is happening and are always available on the phone.*
- *X was very grateful for my support & always thanked me for volunteering to take part in the study. I felt appreciated.*
- *Felt I was helping people in the future through my experience.*
- *Giving something back to help others in the future.*

What would have made your research experience better?

- *Access to a website about research programme.*
- *To have a newsletter (can be e-format to be kept updated about the programme note this might be available after completing the survey)*
- *Receive updates from the research team without me having to call every other day.*
- *That the research office was easier to find in the maze that is the Lister Hospital!*
- *Biscuits after the blood taking! No, in seriousness I don't know anything they could have done better.*

Looking forward

We are tremendously proud of our research this year. The UK government has set out a vision to improve the lives of patients all over the UK and around the world by putting clinical research at the heart of patient care across the NHS, making participation as easy as possible and ensuring all health and care staff feel empowered to support research.

The Trust is committed to delivering on this compelling and ambitious vision which will unleash the true potential of clinical research right across the UK, to address long standing health inequalities and improve the lives of us all, both now and in the future.

Social matters

Stakeholder engagement

A programme of regular briefings with members of parliament is in place, with a blend of face-to-face and written briefings taking place on a quarterly basis covering Trust performance and relevant issues.

The Trust continues to attend meetings of the Hertfordshire Health Overview and Scrutiny Committee, and provide briefings on topics of interest or concern.

Patient groups continue to drive improvement across the Trust in particular in renal services via the Lister Area Kidney Patients Association (LAKPA), and with the Lister Maternity Voices Partnership. The relationship with the latter was highlighted by the Care Quality Commission as being of outstanding practice.

The Chief Nurse and Chief Executive meet quarterly with representatives from Healthwatch Hertfordshire, and a quarterly meeting is held to discuss partnership opportunities and priorities with the University of Hertfordshire.

In October the Trust hosted the Virginia Mason Institute who delivered workshops for staff and NHS Partners across the Hertfordshire and West Essex Integrated Care System, including patient partners.

A carers network has been established, allowing carers to have a voice and highlight areas of potential improvement.

Public membership

A quarterly newsletter is shared with the Trust's 477 members, including information about services, improvements and opportunities to get involved. Our members have been involved in taking part in surveys, assessments of the physical environment of the Trust, in our patient and carer experience group and in our annual general meeting.

Annual general Meeting (AGM) 2023

The Trust held its AGM in September 2023 as a virtual event, with the offer of spaces to attend in person. The 2023 AGM can be viewed here on YouTube.

Work with GPs

The Trust continues to deliver a successful GP query helpline, providing a link between primary care and our clinicians – with an average of 100 queries per month.

A fortnightly GP email bulletin continues to share service updates, changes, and improvements with our GP community and to seek views on how the Trust could develop further support for GPs.

Monthly online patient case forums allow GPs to discuss particular anonymised cases with specialty consultants.

Risk Profile

As of 31 March 2024, the Trust had 12 principal risks defined on the Board Assurance Framework (BAF) (set out below) each with key controls, assurance levels, gaps in controls and assurance and mitigating action identified. The BAF sets out the principal risks identified by the Board to delivering the Trust's strategy. The BAF underwent a review in April 2023 with one new risk added (autonomy and accountability) and one risk amended to focus on digital transformation.

Risk no	Strategic Risk	Oversight and Assurance Committee
Strategic priority 1: Consistently deliver quality standards, targeting health inequalities and involving patients in their care		
1	**Workforce requirements**	Quality & Safety
2	**Population/stakeholder expectations**	Quality & Safety
3	**Financial constraints**	Finance, Performance & Planning
Strategic priority 2: Support our people to thrive by recruiting and retaining the best, and creating an environment of learning, autonomy, and accountability		
4	**Workforce shortages and skills mix**	People
5	**Culture, leadership and engagement**	People
6	**Autonomy and accountability**	Finance, Performance & Planning
Strategic priority 3: Deliver seamless care for patients through effective collaboration and co-ordination of services within the Trust and with our partners		
7	**Immature place and system collaborative processes and culture**	Finance, Performance & Planning
8	**Improving performance and flow**	Finance, Performance & Planning

9	**Trust and system financial flows and efficiency**	Finance, Performance & Planning
Strategic priority 4: Continuously improve services by adopting good practice, maximising efficiency and productivity, and exploiting transformation opportunities		
10	**Digital transformation**	Finance, Performance & Planning
11	**Enabling Innovation**	People
12	**Clinical engagement**	Quality & Safety

At 31 March 2024 no BAF risks remained rated a '20'. The highest risk score was '16'. This is the first time in the last four years where there is not a 20 rated risk on the BAF at the end of the financial year. This compared to one risk in 2022-23 (Risk 3: Financial Constraints), one risk rated '20' in 2021/22 (Risk 1: Operational Performance) and two risks rated '20' at the end of 2020/21 (Risk 4: Capital and Risk 10: Estates and Facilities).
No risk scores increased. In 2023/24, one risk scores reduced: Risk 3 (Financial constraints) reduced from '20' to '12'. Five of the 12 BAF risks were red-rated (scoring 15 and above) at the end of the financial year - risks 5, 6, 7, 8 and 10 set out above. Two of these five are new risks identified at the start of the year. Two of the remaining five risks are system-related risks.

The Board and its committees receive regular reports on BAF risks to assure that the mitigations are operating (where this is within the Trust's ability to do so) and that those mitigations are effective or further actions are identified. In addition, the Audit and Risk Committee monitors progress and the efficacy of the BAF.

Statements Relating To Social Matters

The Trust takes very seriously its legal requirements in relation to human rights, as well as anti-corruption and anti-bribery activities.

Respect for human rights and anti-fraud, bribery, and corruption matters

We are committed to taking all necessary steps to counter fraud, bribery, and corruption within the NHS, through continuing to develop an open and honest culture. A clear Anti-Fraud and Bribery policy is in place at the Trust, which was reviewed and approved by the Trust's Audit Committee in October 2023. The policy is due for review before October 2026. The policy reflects current guidance and reference to the NHS Counter Fraud Authority Strategy released in June 2023.

At the time of writing, the Trust is anticipating reporting an overall outcome of green for the 2023/24 Counter Fraud Functional Standard Return, which is a self-assessment against the NHS Counter Fraud Authority (NHSCFA) Requirements of the Government Functional Standard GovS 013: Counter fraud; however, this rating may be subject to change upon submission.

TIAA Ltd. are contracted as the Trust's counter fraud provider and are responsible for taking forward all anti-fraud work locally and in accordance with the national Counter Fraud

Functional Standard. They report directly to the Chief Finance Officer, as the Trust's Accountable Officer for fraud.

Equality of service delivery

The Trust is committed to ensuring equality of service delivery throughout the organisation and to ensuring the Public Sector Equality Duty (PSED) is fulfilled more broadly. We are committed to provide a comprehensive service to all irrespective of age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Public Sector Equality Duty (PSED) main aims and objectives are:

- To eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
- To advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- To foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

To promote cross-professional boundaries and hierarchy working, the Trust Board has been engaged in a 12 month Reciprocal Mentoring for Inclusion with colleagues across the Trust from all professional groups.

Continuing with cross-professional working, we now have EDS support groups to support the gathering of data, action plans and their implementation.

The Trust engaged with colleagues from national, regional and system partners to address inequalities and eliminate discrimination, recognising the importance of partnership working and collaboration to advance the equity and inclusion agenda.

The Trust continued to review its policies and procedures as well as mark and celebrate diversity. Trust services aspire to improve, prevent, diagnose, and treat both physical and mental health problems with equitable regard, and creating a work environment that promotes good health. Furthermore, wider social duty to promote equality through the services and to pay particular attention to groups or sections of society where improvements in health and life expectancy are not keeping pace with the rest of the population.

We now need to work to ensure protected characteristics information is readily available to assist our analysis of our patient population and their experience when receiving care at ENHT.

The Trust Board approved a new Equality and Inclusion Strategy and established more robust mechanisms and use of data to monitor and measure performance of our key objectives in relation to action plans derived from the Workforce Disability Equality Standard, Workforce Race Equality Standard, Gender Pay Gap, and new Equality Delivery System (EDS2022).

The Trust has established an internal Inclusion Ambassadors' scheme that aims to foster diversity and representation at band 8A+ interviews within the Trust. The Trust endeavours to achieve a just and restorative culture, paying particular attention to promoting and growing compassion in the workplace, modelled by leaders whilst still maintain accountability. As part of this approach the Trust works with partners such as local union representatives, the

Freedom to Speak Up Guardian, employee engagement leads, and health and wellbeing leads and staff network chairs and leads.

Sustainability statement

Task Force on Climate Financial Disclosure (TFCFD)

Due to the patient focussed objectives of the Trust, the Trust does not fully comply with the Task Force on Climate Financial Disclosure. However, good progress is being made as evidenced below;

- All climate related risk are identified and added to the Trust's risk register.
- Risks are reviewed on a monthly basis via the Trust Risk Management Group Meeting and reported up to the Trust's Quality & Safety Committee.
- Both climate-related risks and strategy are reported and monitored on a bi-annual basis at the Trust Sustainability Board and reported up to the Trust Finance, Planning and Performance Committee (FPPC).
- The Trust is currently refreshing its Green Plan, which is due to submission to the Integrated Care System (ICS Sustainability Working Group) January 2025. The refresh will incorporate updated strategic direction / key actions, along with revised metrics and local targets to achieve the net-zero targets 2040 (direct) and 2045 (indirect).

Sustainability: 2 years on.

In January 2022 Trust formally adopted its Green Plan (2021-24), a live strategy outlining our aims, objectives, and delivery plans for sustainable development.

The Green Plan sets out the Trust's carbon emission targets and resource use reduction targets in line with the Greener NHS' Net Zero NHS' national ambitions and the UK Climate Act (2008).

Two years on the Trust continues to work towards the NHS Long Term plan of achieving Net Zero by 2040, through embedding sustainability at the heart of decision making across the Trust. A key project within this work has been the production of the Trust decarbonisation strategy completed in October 2023. The decarbonisation strategy outlines a roadmap for the Trust to follow and ultimately operate a Net Zero estate through structural fabric improvements, installing low carbon heating sources and explore future carbon offset initiatives.

In addition to the decarbonisation strategy, work continues to progress, albeit at varying rates. The eight key areas within the plan remain the same and continue to progress through individual workstreams.

These eight workstreams are listed below:

Corporate approach

Our people

Greenspace and biodiversity

Procurement

Sustainable care models

Estates & facilities

Climate Adaptation

Travel and logistics

The Corporate Approach and Our People workstreams have merged to form the Green Ambassadors Network. Key commitments outlined under these individual workstreams have been consolidated with progress being monitored via the monthly Green Ambassadors forum.

The remaining workstreams apart from Climate adaptation and Procurement, have dedicated leads supported by small task and finish groups. Climate adaptation and Procurement workstreams are being led by the Integrated Care System (ICS), however these are in early stages of development.

Workstream updates are monitored via the Trust Sustainability Board, and Finance People and Performance Committee on a quarterly basis.

The complexity of attempting to deliver a 16-year, multi-work stream, unfunded programme underpinned by a 3-year strategy (the Green Plan) remains a significant challenge for the trust. Net Carbon Zero is the most significant non-clinical policy agenda in the NHS, and the policy and protocols are developing and evolving alongside expected delivery.

There are significant opportunities and challenges associated with delivering the Green Plan, despite it being a strategy in its infancy.

What we have achieved over 2023 -24.

Green Ambassadors Network (GA) (combined Our People and Corporate Approach).

- GA Network established (30 members).
- Appointed Net Zero Board lead.
- Established Sustainability Board with Chair and Deputy Chair.
- Trust Green Plan features on the Trust Corporate Induction Programme.
- Ongoing communications led promotion of green initiatives (national and local).
- Refresh of Sustainability Awareness Training in progress.

Sustainable care models

- Glove Reduction Campaign.
- Nitrous Oxide reduction demand and capacity in progress.
- Desflurane anaesthetic gas removed from both Lister and Mount Vernon site.

- Hospital@Home modelling and assessment made using the Sustainability in Quality Improvement (SusQI) framework. Opportunities identified show reduced carbon impact and cost saving.

Travel and logistics
- 9 x electric vehicle charging point have gone-live, locations includes Maternity, Estates Office and Treatment Centre.
- EV charging workplace scheme established for all staff.
- 5 Electric vehicles (fleet) lease signed – due arrival June 2024.
- Stream (track and trace logistics software) installed for fleet vehicles – next step to map travel routes – aim to reduce emissions related to business travel.

Estates & Facilities
- Decarbonisation Strategy completed (October 2023), Decarbonisation plan in development.
- Developed a carbon footprint dashboard, albeit monitoring electricity and gas only.
- Building Management System (BMS) platform upgrade onto IQ-Vision, enabling improved controllability of mechanical and electrical equipment.
- Trust awarded £1.8million from National Energy Efficiency Fund (NEEF) for LED rollout on Lister-site. Upon completion (end April 2024) – 762 C02 tonnes saved per year, predicted 64% energy reduction equating to annual savings of £1,005,355 on electricity.
- Trust awarded £750,000 (NEEF) for solar panel installation, 14,000 panels installation progressing - Endoscopy, Maternity, Treatment Centre, and Strathmore Wing. Once fully installed a 108 C02 tonnes will be saved per year.
- Reusable Sharps System site-wide installation completed.

Greenspace and biodiversity
- Hertfordshire County Council and the Trust supported the Green Space and Biodiversity think tank which was, hosted by the Trust. A key focus is progressing a clean air initiative trial in 2024.
- The Trust mapped the Green Space across the Lister Hospital to create a 'Green Space' baseline so further creation can be recorded to improve our external spaces for staff.

Procurement
- This is at the early stages of development, being led by the Integrated Care System (ICS).

Climate Adaptation
- This is at the early stages of development, being led by the Integrated Care System (ICS).

Carbon emissions and reporting

Climate change poses a major threat to our health as well as our planet. The environment is changing and that change is accelerating. This climate crisis has direct and immediate consequences for our patients, the public and the NHS. The NHS contributes 4-5% of England's carbon footprint and there are significant opportunities to reduce this impact and contribute to the UK national ambition for net zero by 2050.

A number of influencing factors contribute towards our overall footprint. A key impact over the last five years has been the general increase in clinical activity with both Emergency Department and patient admissions. This has an impact throughout the Trust increasing the use of utilities, equipment and travel. As previously mentioned, the Trust has taken a major

step towards taking action against climate change with the development of our decarbonisation strategy. This provides the Trust with a clear plan of action in how to achieve Net Zero by 2040.

The Trust is responsible for mandatory collection of data, monitoring and reporting against targets across the programme at national, regional and system level to the NHS Greener NHS, via the following frameworks:

- NHS Estates Net Zero Carbon Delivery Plan.
- Net Zero travel and transport strategy.
- Greener NHS Data Collection.

External sustainability reporting requirements.

Other than Green Plan guidance, the following documents set out sustainability reporting requirements for NHS bodies:

- The NHS standard contract for NHS providers.
- The Group Accounting Manual for DHSC bodies.
- The Foundation Trust Annual Reporting Manual for foundation trusts.

"There are currently no requirements for NHS Trusts or Integrated care boards (*ICBs) to develop and publish their own carbon footprints*. The time and resources spent on footprinting needs to be proportionate and should not distract from taking action. Organisations that have the capacity and skills may choose to focus on footprinting their organisation, while other organisations may need to focus resources on taking action to reduce emissions".

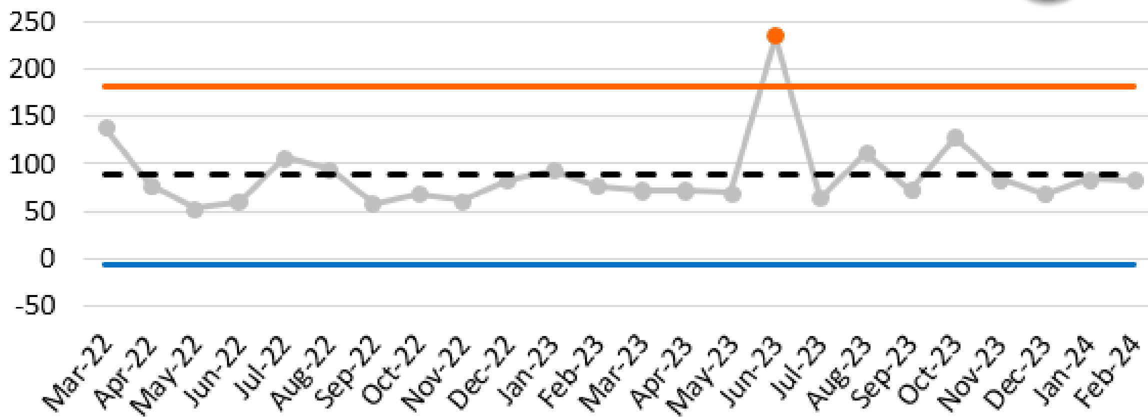
"All Trusts should be annually reporting on progress towards delivering against their Green Plans, as set out in the Green Plan guidance. From 2023/24 NHS England will report annual emissions estimates for the whole NHS via the NHSE annual report and accounts".

(National Greener NHS Team (NHS England) February 2024.)

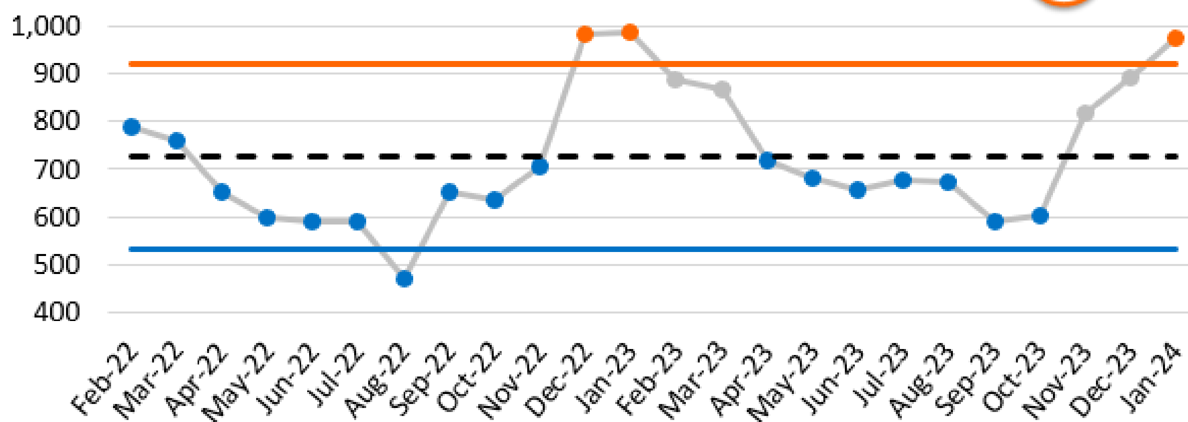
The essential focus for Trusts is to achieve key actions outlined in the 'Should do' and 'Could do' checklist, which underpins the Green Plan guidance to achieving Net Zero. Our Trust has progressed extremely well against this checklist as highlighted above against the respective workstreams.

Carbon footprint – internal monitoring

The Trust has developed a methodology for data collection that can be used to calculate its annual carbon footprint, based on monitoring emissions from electrical and gas only. These data flows are continually analysed to identify trends and provide the Trust with the ability to create bespoke action plans to mitigate against potential inconsistencies.



C02 emissions from electricity (graph 1.)
Peak in emissions June-July due to Energy Centre down-time, resulting in increased reliance from main-grid.



C02 emissions from gas (graph 2.)
Shows seasonal variation, higher usage over winter months.

Developing such a dashboard will enable the Trust to better align with its Green Plan and its aim of becoming Net Zero by 2040. Being able to analyse trends within these data flows can be invaluable in implementing targeted carbon efficiency projects.

As the Trust continues to invest capital and secure further external government funding in energy efficiency projects, the Trust is expecting to be able to track accurately the reduction in carbon emissions. This will allow the Trust to measure whether it is projected to achieve its annual carbon emissions reduction targets.

The Trust was successful in applying for such external government funding by being awarded approximately £1.8million to install LED lighting, achieving 100% coverage across the Lister Hospital and the installation of solar panels. The funding was received by a joint venture between the Department for Energy Security and Net Zero and the Department of Health and Social Care, where all Trusts in the UK were invited to bid. These two projects

are critical for the acceleration of the Trust's Green Plan objectives and will set an example for future energy efficiency projects.

As the Trust looks to the future one of the main areas of focus with regards to carbon emissions is the need to decarbonise its estates. This is simply meant by adopting newer low carbon technologies to provide heating and moving away from the conventional and currently in use fossil fuel systems.

This challenge requires a significant amount of investment given the current infrastructure and building age in operation, however the Trust is working with its energy partner to develop a roadmap that will outline the key steps that need to be achieved. This roadmap will align with the annual estates capital budget and ensure all decisions that are made with regards to upgrades across the estate support the delivery of this roadmap.

Waste reporting

2023/2024 has seen several changes within the waste disposal service throughout the Trust. Service improvement, efficiency, cost-effectiveness, and sustainability have been the key drivers for this year's activities.

The mobilisation of the Sharpsmart total waste management contract on 1st June 2023 has seen considerable progress toward and achievement of some of the key aims stated in the 2022-23 Annual Report.

National targets	**Trust achievement**
To achieve 0% waste to landfill across all waste streams by end 2023.	This target was achieved ahead of schedule - 1st June 2023 and continues to be maintained. This includes both clinical and non-clinical waste.
To achieve the clinical waste segregation targets set in the NHS England Clinical Waste strategy (20% incineration waste; 20% AT/Infectious waste;60% offensive waste.)*	Monthly monitoring via contract review meeting, using May 2023 baseline data. Target achieved at the Treatment Centre. Remaining areas continue to show steady improvement towards achieving the target.
To ensure full compliance with Healthcare Technical Memorandum 07-01 – Safe and Sustainable Management of Healthcare Waste.	Work is continuing to ensure that all wards and departments have appropriate waste disposal signage, bin labels and guidance materials in place to simplify waste segregation decisions and ensure compliance. Sharpsmart carry out a programme of technical/trend audits to measure compliance and provide feedback to ward and department teams, providing guidance and training where necessary.
To minimise, reduce and avoid waste where possible, encouraging the organisation to move away from waste disposal to resource management.	Whilst the overall quantity of non-clinical waste disposed of increased, there has been an increase in the quantity of waste recycled as a result of the change in non-clinical waste contractor. In 2022-23, 26% of non-clinical waste was recycled. Year to date shows that 45% of non-clinical waste has been recycled.

*AT – alternative treatment

Sharpsmart reusable sharps containers installation.

The aim of this project is to contribute to the Trust's aim to eliminate single use plastics and to reduce the quantity of clinical waste requiring high temperature incineration (HTI). Single use sharps containers and their contents are subject to destruction via HTI. The installation of this system at Lister Hospital, Lister Treatment Centre, Hertford County Hospital, QEII Hospital and Chiltern Kidney Centre was completed at the end of February 2024. We look forward to reporting progress on this waste stream.

Accountability Report

The accountability report consists of three sections:

- Corporate governance report
- Remuneration and staff report
- Parliamentary accountability and audit report

I can confirm that these have been prepared in adherence with the reporting framework.

Adam Sewell-Jones, Chief Executive
Date: 19 July 2024

Corporate Governance Report

This part of the annual report consists of:

- The Directors' report
- Statement of the Accountable Officer's responsibilities
- The Governance Statement

Directors' Report

The Trust Board

The Trust Board plays a key role in setting the values, aims and strategic direction for our Trust. They also review our performance against our objectives as well as national targets in areas including quality and safety, operational performance and financial sustainability. It is their responsibility to make sure we have the financial and human resources we need to provide our services. Led by an independent chair and composed of a mixture of both executive and independent non-executive members, the Board has a collective responsibility for the performance of the organisation.

The purpose of NHS Boards is to govern effectively, and in so doing build patient, public and stakeholder confidence that their health and healthcare is in safe hands. The Board does this by:

- Playing a central role in defining and then monitoring the implementation of the Trust's values and strategy,
- Promoting the desired culture for the organisation (and ensuring this is aligned with the strategic direction and values of the Trust),
- Monitoring resource requirements and performance,
- Monitoring strategic risks and considering mitigations,
- Ensuring effective engagement with stakeholders, and
- Ensuring that workforce policies and practices are consistent with the Trusts' values.

The Board has resolved that certain powers and decisions may only be exercised by the Board at its formal meetings. These powers and decisions are set out in the Trust's standing orders, scheme of reservation and delegation and standing financial instructions, which also sets out the decisions that can be undertaken by the Board committees and specific individuals. These are reviewed on an annual basis.

The Board met in formal public session on seven occasions during 2023/24. Members of the public were able to attend the Board in person. The Board met on a further five occasions for Board Development sessions.

The Trust Chair and Chief Executive continue to monitor the size and the balance of skills and experience of the Board to ensure it is appropriate for the requirements of the business and the future direction of the Trust.

As of 31 March 2024, the Board consists of a non-executive chair, five non-executive directors and five executive directors – the Chief Executive, Medical Director, Chief Nurse, Director of Finance and Chief Operating Officer. In addition, an associate non-executive director and four further executive directors – the Chief People Officer, Chief Information Officer, Director of Improvement and Director of Estates & Facilities – participate in board meetings, but do not have voting rights. The executive and non-executive members function as a team, working closely together, although with different responsibilities.

During 2023/24, there were two personnel change in terms of the Trust's non-executive director Board members. The Trust Chair, Ellen Schroder, stepped down as Trust Chair in October 2023 to take up the role of Trust Chair at Great Ormond Street Hospital, with the Vice-Chair, Karen McConnell, becoming Acting Chair until a permanent Chair was appointed. Anita Day was appointed Chair of the Board and started in February 2024. In addition, an associate non-executive director, Nina Janda, joined the Board, which has increased non-executive director capacity.

The Chair continues to review the skills and experience required from the non-executive directors for the challenges ahead and an additional associate non-executive director post was advertised in March 2024, which will start later in 2024.

During 2023/24 there was one change to the executive director team. Dr Michael Chilvers chose to step down from his role as Medical Director and Dr Justin Daniels was appointed as the new Medical Director starting in April 2023. Dr Chilvers continued as a consultant anaesthetist at the Trust.

The Chair and non-executive directors are appointed by NHS England, on behalf of the Secretary of State for Health and Social Care (associate non-executive directors can be appointed following local recruitment policies). The normal term of office served by the chair and non-executive directors prior to April 2023 was either two or four years, renewable for a further four-year period with a maximum term of 10 years. Since April 2023 all new appointments reflect the new NHS Trusts Code of Governance with three-year terms renewable for a further three-year period with a maximum term of six years, unless exceptionally reasons justify an extension.

The Chair and non-executive directors appoint the Trust's Chief Executive. Together with the Chief Executive, the Chair and non-executive directors appoint all other executive directors and determine their remuneration.

The executive directors are appointed by the Board on permanent contracts. All executive and non-executive directors undergo an annual performance evaluation and appraisal. The Chair conducts the annual performance evaluation and appraisal of the Chief Executive and non-executive directors. The Chief Executive, in turn, conducts the annual performance evaluation and appraisal of the Trust's executive directors. The Chair is appraised by NHS England. Each Board member is required to meet the Fit and Proper Persons test. This is undertaken on appointment and reviewed annually and includes a self-declaration process. Board performance is evaluated further through focussed discussions at Board development days, meetings, observation, annual evaluation of the Board committees and an ongoing in-year review of the board assurance framework and delivery of the Trust's strategic objectives.

The role of the NHS Trust Chair

The Chair's role is key in creating the conditions for overall board and individual director effectiveness, with her main responsibilities being:

- Providing leadership to the Board, ensuring its effectiveness in all aspects of its role, and taking responsibility for setting its agenda.
- Helping to shape and set the culture of the Board, which should serve as an example for the rest of the organisation to follow.
- Fostering effective relations with stakeholders, both internal and external to the Trust.
- Arranging the regular evaluation of the performance of the Board, its committees and individual directors, including the Chief Executive.

- Facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.

The role of Non-Executive Directors

Non-executive directors work alongside other non-executives and executive directors as an equal member of the Board. They share responsibility with the other directors for the decisions made by the Board. Non-executive directors use their skills and personal experience, including as members of their communities, to:

- Contribute to the formulation plans and strategy – bringing independence, external perspectives, skills, and challenge to strategy development.
- Ensure accountability – holding the executive to account for the delivery of strategy; providing purposeful, constructive scrutiny and challenge; chairing or participating as a member of key committees that support accountability; being accountable individually and collectively for the effectiveness of the Board.
- Shape culture and capability – actively supporting and promoting a healthy culture for the organisation; providing visible leadership in developing a healthy culture so that staff recognise non-executive directors as a safe point of access to the Board for raising concerns; championing an open, honest and transparent culture within the organisation.
- Review process, structures and intelligence – satisfying themselves of the integrity of reporting mechanisms, and financial and quality intelligence including getting out and about, observing and talking to patients and staff; providing analysis and constructive challenge to information on organisational and operational performance.
- Support engagement – ensuring that the Board acts in the best interests of patients, the public and other stakeholders; being available to staff if there are unresolved concerns; showing commitment to working with key partners.

The time commitment required of the Chair is two to three days per week and of non-executive directors is two to three days per month. To add most value, non-executive duties should not extend into operational matters – which are the responsibility of the Chief Executive and their executive director colleagues.

To support engagement with the wider organisation and the two-way flow of information, each non–executive director has been linked with a division or corporate area to work more closely with. Additionally the non-executive directors have a range of individual roles and responsibilities that are agreed with the Trust Chair often in response to national guidance and recommendations. These lead roles were reviewed and updated by the Chair in September 2023 and before that in September 2022.

The Trust Board 2023/24

This section of the annual report provides details of Board members as well as of other non-voting directors, including the Board committee membership during 2023/24.

Key to principal committee membership:
ARC – Audit and Risk Committee
RC – Remuneration Committee
FPPC – Finance, Performance and Planning Committee
QSC – Quality and Safety Committee
PC – People Committee
CTC – Charity Trustee Committee

Notes regarding committee attendance:

1. Any Board member is welcome to attend any Board committee, whether a designated member or not; and many do so on a regular basis. The exceptions for this are the Chair does not attend ARC and only non-executive directors and invited executives attend RC.

2. The Board members have been deemed as having attended a meeting if they attended for a majority of the agenda items. Partial attendance at a meeting is also recorded but not reported here.

3. This report includes attendance at the statutory/mandatory Board or Committee meetings. Namely, the Board of Directors, Audit and Risk Committee and Remuneration and Appointments Committee.

The Board carried out a review of the effectiveness of the Board and its committees for 2023-24 between January to March 2024 and the results were presented at each relevant committee as well as at a Board Seminar on 3 April 2024. Further information can be found in the Annual Governance Statement. The new Chair reviewed the balance and appropriateness of the Board membership in February 2024 and concluded that additional capacity was needed on the Board. Therefore, an additional associate non-executive director role was advertised in March 2024 who will join the Trust Board later in 2024.

Board members

Anita Day, Trust Chair (from 1 February 2024)
Anita is a chartered accountant, with board experience in the private, public and third sectors.

Her NHS career includes time as a non-executive director at both Nottingham University Hospitals NHS Trust and Worcestershire Acute Hospitals NHS Trust, and most recently as chair of Worcestershire Acute Hospitals NHS Trust.

She is also a non-executive member of the Lincolnshire Integrated Care Board, where her particular areas of focus are workforce strategy, health inequalities and digital transformation.

Committee membership: RC

Ellen Schroder, Trust Chair (until 31 October 2023)
Ellen Schroder became Chair of the Trust on 1st April 2016 and was reappointed for a second term on 1st April 2020. She was previously Vice Chair and Lay Member of the Camden Clinical Commissioning Group and before that, a Non-Executive Director of Imperial College Healthcare NHS Trust and its predecessor St Mary's NHS Trust where she chaired both the Audit and Finance Committees. On finishing at the Trust, Ellen took up the role of Chair of the Trust at Great Ormond Street Hospital.

Ellen holds various non-executive positions including chairing the PFI companies which built Amersham and part of High Wycombe hospitals. She is also a Trustee of the Radcliffe Trust, one of the oldest charities in the UK. Her professional career covered 25 years in the City, working in corporate finance for the investment banks Dresdner Kleinwort Benson and Wood Gundy Inc.

Committee membership: QSC, CTC, RC

Karen McConnell, Non-Executive Director and Vice Chair
Karen, who lives in St Ippolyts (near Hitchin), studied Bacteriology at Newcastle University before joining the Northern Regional Health Authority as a finance trainee in 1983. In 1985

she joined the Audit Commission where she completed her accountancy training. Karen held a variety of senior positions at the Audit Commission, including her role as a district auditor and regional director, before leading the Audit Practice and its 900 staff through the transition of outsourcing the Commission's work to the private sector during 2011 and 2012. Karen was appointed as the Comptroller and Auditor General (C&AG) for Jersey in January 2013 and completed her 7 year term in December 2019. In her role as C&AG she provided the States of Jersey with independent assurance that the public finances of Jersey were being regulated, controlled and accounted for in accordance with the law. Karen is the Independent expert on the National Audit Office's Code Programme Board and acts as an adviser to Public Sector Audit Appointments Limited.

Karen was the Acting Chair of the Trust Board between 1 November 2023 to 31 January 2024, between Ellen Schroder stepping down on 31 October 2023 and Anita Day starting on 1 February 2024.

Committee membership: FPPC (Chair), ARC, RC

Val Moore, Non-Executive Director

Val Moore, who lives in Cambridge, worked in several roles for the National Institute for Health and Care Excellence (NICE) between 2006 and 2015 – most recently as its implementation programme director. Originally trained as a science and physical education teacher, Val moved into the NHS in 1990 working in health promotion prior to taking up roles including as executive director in the former Cambridgeshire Health Authority and then regional director for the Health Development Agency (1999 to 2006). Val is the Citizen Lead for Cambridgeshire and Peterborough Adopting Innovation Hub and was a Trustee of Living Sport until July 2023.

Committee membership: (Chair), QSC, CTC, RC

Jonathan Silver, Non-Executive Director

Jonathan, who lives in Aldenham, studied operational research and accountancy at Strathclyde University, graduating in 1978. On qualifying as a chartered accountant with Grant Thornton in 1981, he moved to Fisons plc. After five years, Jonathan joined Laird plc – which was a global technology company providing systems, components and solutions that protect electronics from electromagnetic interference and heat, and that enable connectivity in wireless applications and antennae systems. Following 29 years with Laird, the last 21 of which had been as its chief financial officer and main board director, Jonathan retired in 2015.

He is a Non-Executive Director and Audit Committee Chairman of Henderson High Income PLC, a Non-Executive Director and Audit Committee Chairman of Baillie Gifford China Growth Trust PLC and a Non-Executive Director and Audit Committee Chairman and Senior Independent Director of Spirent Communications PLC. Jonathan is also a Non-Executive Director of ENH Pharma Ltd, the Trust's wholly owned subsidiary company.

Committee membership: ARC (Chair), RC (Chair), FPPC

Peter Carter OBE, Non-Executive Director

Peter Carter was Chief Executive of the Royal College of Nursing (RCN) from 2007 to 2015. Prior to that he was Chief Executive of the CNWL NHS Trust for 12 years. Peter is a fellow of the RCN, an Honorary fellow of the Royal College of GPs, an Ad Eundem of the Royal College of Surgeons of Ireland. In 2011 he was awarded the inaugural Presidents medal of the Royal College of Psychiatrists.

During his time at the RCN, the College achieved recognition in the Sunday Times top 100 companies to work for and achieved the gold award for Investors in people. He was a member of the 'Crown Commission' that led to the implementation of Non-Medical prescribing. He is a published author and has appeared in TV documentaries and has been interviewed many times on TV and radio. He has twice been the subject of the BBC TV programme Hardtalk.

Committee membership: QSC, RC

David Buckle, Non-Executive Director

A GP in Woodley, Berkshire for over 30 years, David also has had a long career in clinical leadership and, subsequently, medical management. In 2015, he was appointed as the medical director for the Herts Valleys Clinical Commissioning Group before retiring in early 2018. David was a non-executive director for the Berkshire Healthcare NHS Foundation Trust where he chaired the Quality committee and is now a Non-executive for Salisbury Hospital Foundation Trust.

David has been a member of the Society for the Assistance of Medical Families for over three decades, becoming a director of this charity in 2017 before being voted its President in May 2018. He is also a trustee and Vice-Chair for the Stroke Association, the country's largest stroke charity.

Committee membership: QSC (Chair), CTC (Chair), ARC (until February 2024), RC

Nina Janda, Associate Non-Executive Director (non-voting Board member)

Nina joined the Trust Board in September 2023. Nina lives in St Albans and has spent much of her career establishing teams and organisations that have focused on using data analytics to transform patient care and operational processes across a number of health systems including the NHS, Europe, Australia and the USA. This has included developing and driving an international division at Dr Foster Intelligence and founding a unique global program that compared and improved health outcomes across 10 countries. In 2018, Nina became the CEO of Global Health Data @Work, a non-profit organisation, funded by global hospitals with the purpose of working collaboratively to transform their health systems.

Committee membership: PC, FPPC, RC

Adam Sewell-Jones, Chief Executive

Adam has worked in the NHS since 1992 and is passionate about continuously improving services for patients. Having joined as a trainee accountant, he qualified as a Chartered Management Accountant and held a number of finance and operational management roles in Trusts in London and Essex. At Basildon and Thurrock University Hospitals NHS Foundation Trust he held the positions of Director of Finance and Continuous Improvement, Chief Operating Officer and Deputy Chief Executive.

He then went on to hold national leadership roles as Director of Provider Sustainability, Director of Improvement and Regional Director for the South West of England. In these roles he led a number of national programmes including the Virginia Mason NHS partnership, the Vital Signs programme, the Culture and Leadership programme and the Aspiring CEO programme, as well as national policies for improvement and leadership development.

Prior to joining the Trust Adam was the Chief Executive of Newham Hospital in East London. He also remains a faculty member of the Good Governance Institute.

Meeting membership core attendee: QSC, FPPC, RC

Martin Armstrong, Director of Finance and Deputy Chief Executive
Martin started his NHS career as a national financial management trainee in 1994 at the South Tees Community and Mental Health NHS Trust. Since that time, he has worked in several financial management roles in the North-east, London and the South-east – including at the Princess Alexandra Hospital as its deputy director of finance from 2003 to 2007, followed by becoming its director of performance from 2007 to 2009. Martin's most recent role before joining the Trust in October 2016 was director of finance, information and performance at the North Middlesex University Hospital Trust. Martin was appointed Deputy Chief Executive in April 2020.

Committee membership attendee core attendee: FPPC, ARC

Justin Daniels, Medical Director (from 17 April 2023)
Justin joined East and North Hertfordshire NHS Trust as Medical Director in April 2023.

Justin is a Consultant Paediatrician who works both as a generalist and subspecialises in caring for children with HIV. He worked at North Middlesex University Hospital (NMUH) as a consultant for 17 years, leading on child protection and then becoming the clinical and subsequently divisional director. He became the associate medical director at NMUH in 2020. During his time at North Middlesex he completed the Nye Bevan course run by NHS leadership. He was seconded in 2022 to Barking, Havering and Redbridge University Hospitals NHS Trust as deputy Chief Medical Officer.

At ENHT he continues to work clinically. In addition, he serves on one of NICE's technology appraisal committees appraising new high cost treatment options for the NHS.

Committee membership core attendee: PC, FPPC, QSC

Michael Chilvers, Medical Director (until 16 April 2023)
Michael has been a consultant in the Trust since 1999, in the specialty of anaesthesia and critical care. He has trained in Nottingham, Brisbane and London – including The Royal Free, University College London Hospitals, Great Ormond Street and Harefield Hospital. Michael was appointed as medical director in December 2017 and prior to this was divisional chair of the Trust's surgery division for five years.

Committee membership core attendee: PC, FPPC, QSC

Theresa Murphy, Chief Nurse
Theresa has over 30 years' experience in complex health and care settings.

Theresa began her career as a senior nurse in critical care, transplantation and acute medicine and has been the chief nursing officer in a range of organisations including Portsmouth University Hospital Trust, North Middlesex University Hospital, The Hillingdon Hospital Foundation Trust and The London Clinic. After becoming a registered general nurse in 1987, Theresa trained in neuroscience, transplant nursing and critical care.

Theresa holds an LLB and was a London scholar for Florence Nightingale Foundation; she is currently studying for an MA in leadership and has previously attended Oxford University for global executive studies.

Theresa is passionate about patient focused care and advancing clinical practice.

Committee membership core attendee: QSC, CTC

Lucy Davies, Chief Operating Officer

Lucy joined the NHS as a graduate management trainee and progressed through roles in operations, performance and transformation. Lucy has significant experience in developing teams and leading change at team, division, trust and system level.

Lucy joined the East and North Hertfordshire NHS Trust in April 2022 from Royal National Orthopaedic Hospital NHS Trust, where she led cultural change and operational improvement as Chief Operating Officer and Director of Strategy & Improvement. Lucy also led an innovative programme of mutual aid for North Central London Integrated Care System as part of its elective recovery programme.

Lucy is a mum to two teenage boys and lives in north London.

Committee membership core attendee: FPPC

<u>Thomas Pounds, Chief People Officer (non-voting Board member)</u>
Thomas worked previously in the Trust as the Deputy Director of Workforce and Organisational Development. Thomas began his career in the NHS in 2003, working for NHS Professionals. He joined the East and North Hertfordshire NHS Trust team in 2015 as Head of Temporary Staffing and Medical Resourcing. He then progressed to Deputy Director of Workforce and Organisational Development, leading key strategic work including the Integrated Care System bank network agreement which helped to save the NHS millions in agency costs. Thomas was appointed as the Chief People Officer in April 2021 and is the executive lead for East and North Hertfordshire Hospitals' Charity.

Thomas is a Chartered Fellow of the CIPD and is passionate about the delivery of the organisation's People Strategy to create an inclusive workplace where our people can work, grow, thrive and care together.

Committee membership core attendee: PC, RC, CTC, FPPC,

<u>Mark Stanton, Chief Information Officer (non-voting Board member)</u>
Mark joined the Trust from Dudley Group NHS Foundation Trust in April 2019 – where he was Executive Chief Information Officer (CIO) for 4 years, delivering a successful digital programme including an electronic patient record system. Prior to joining the NHS, Mark held a number of senior IT roles within global private sector businesses including General Motors Europe, Siemens, GEC, BUPA and InHealth Group. Mark's early career was managing large-scale data centres before moving to consultancy – with the last 10 years spent in executive CIO-level roles. Mark's focus is to support the Trust in moving to a fit for purpose digital environment that supports our staff to deliver safe patient care and improve outcomes whilst integrating us into the wider health and social care economy.

Committee membership core attendee: FPPC

<u>Kevin O'Hart, Chief Kaizen Officer (non-voting Board member)</u>
Kevin moved from an early career in finance and capital markets and qualified as a registered nurse in 2000. He has since worked clinically in a number of NHS trusts including University College Hospitals London and East Suffolk and North Essex NHS Foundation Trust.

Kevin initially joined East and North Hertfordshire NHS Trust as programme management office director in April 2017, before moving into a new position as Director of Improvement in November 2019. More recently to reflect the development of our new single improvement method called the East and North Herts Production System, Kevin was appointed as Chief Kaizen Officer in January 2024.

With an extensive and varied clinical background, Kevin has held a number of senior corporate roles in nursing, quality, governance and risk with more recent experience focusing on project management and transformation, at both sub-board and executive level. Kevin joined the Trust Board in July 2022.

Committee membership core attendee: FPPC

Kevin Howell, Director of Estates and Facilities (non-voting Board member)
Kevin joined the Trust in January 2020. With nearly 40 years' experience in the NHS, Kevin has held several senior and executive Estates and facilities roles in the London area – including the PRU Hospital, Barnet and Chase Farm, Watford, North Middlesex and St Georges. He has led on the development of two new hospitals and a new midwifery led unit in north London. Kevin joined the Trust Board in July 2022.

Kevin leads on the development and implementation of the Estates and Facilities Strategy. The role encompasses hard Facilities Management services (engineering and building), soft Facilities Management services (cleaning and catering), security and electro biomedical engineering (medical devices).

Kevin's passion is ensuring the safety of patients, visitors and staff whilst under our care, ensuring a sustainable future for the trust.

Committee membership: FPPC, QSC.

Name	Title	Appointment Date	Term(s) of Office	Term of Office ends
Anita Day	Trust Chair	1 February 2024	Three Years	31 January 2027
Ellen Schroder	Trust Chair	1 April 2016	Four Years + Four Years	31 October 2023
Karen McConnell	Non-Executive Director (Vice-Chair)	7 January 2019	Four Years + Four Years	6 January 2027
	Acting Trust Chair	1 November 2023	Until the new Chair started	31 January 2024
Val Moore	Non-Executive Director	1 September 2016	Four Years + Four Years	31 August 2024
Jonathan Silver	Non-Executive Director Designate*	16 October 2017	N/A	N/A
	Non-Executive Director	1 February 2018	Two Years + Four Years + 6 months extension	31 July 2024
Peter Carter	Non-Executive Director	3 September 2018	Four Years + Four Years	2 September 2026
David Buckle	Non-Executive Director Associate*	17 September 2018	N/A	N/A
	Non-Executive Director	8 September 2022	Four years	7 September 2026
Nina Janda	Non-Executive Director	1 September 2023	Two years	31 August 2025

	Associate*			
Adam Sewell-Jones	Chief Executive	1 January 2022	N/A	N/A
Martin Armstrong	Finance Director & Deputy Chief Executive	31 October 2016	N/A	N/A
Michael Chilvers	Medical Director	15 December 2017	N/A	16 April 2023
Justin Daniels	Medical Director	17 April 2023	N/A	N/A
Theresa Murphy	Chief Nurse	2 September 2022	N/A	N/A
Lucy Davies	Chief Operating Officer	19 April 2022	N/A	N/A
Tom Pounds	Chief People Officer*	1 April 2021	N/A	N/A
Mark Stanton	Chief Information Officer*	9 February 2021	N/A	N/A
Kevin O'Hart	Chief Kaizen Officer*	1 July 2022	N/A	N/A
Kevin Howell	Director of Estates & Facilities*	1 July 2022	N/A	N/A

*****_Attends and participates in Trust Board meetings, but without voting rights_

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.

Declarations of Interests of the Board of Directors

The Board of Directors undertake a review of their conflicts of interest on at least an annual basis, as well as ensuring any interests that arise in year are declared as and when appropriate. Every member of the Board reviewed and updated their declarations during 2023-24.

At each meeting of the Board and at the sub committees of the Board a standing item also requires all Executive and Non-Executive Directors to make known any interest in relation to the agenda items, including any changes to a previously declared interest that is relevant to an agenda item.

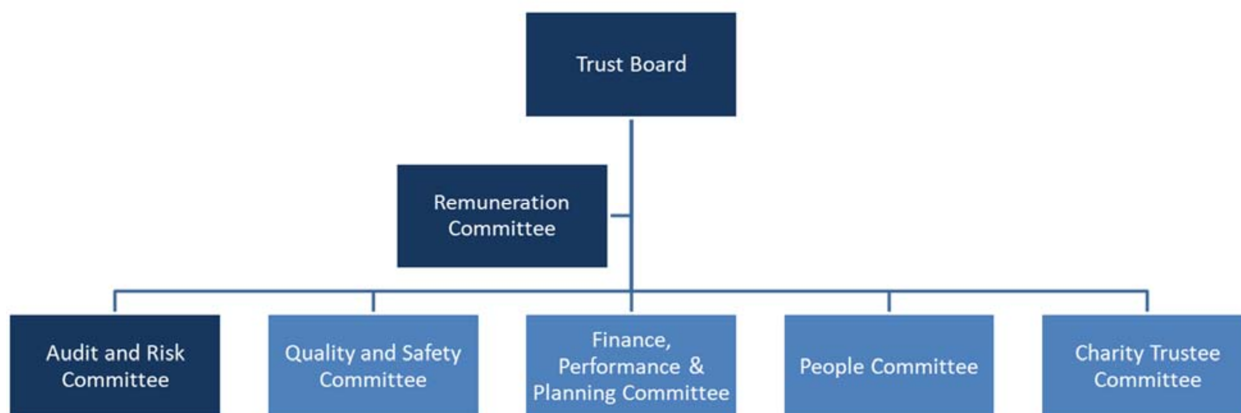
The Register of Interests is published on the Trust's website (here: https://www.enherts-tr.nhs.uk/about/board/introduction/).

Members of the public can also gain access by contacting the Trust Secretary:

Stuart Dalton, Trust Secretary
Trust Management Offices, Corey Mill Lane
Stevenage, SG1 4AB
Email: Boardcommittees.enh-tr@nhs.net

Governance structure

The Trust Board has a number of formal board assurance committees (see the diagram below for the committee structure on 31 March 2024) that are supported by a system of line accountability through executive directors, often supported by further operational assurance groups. Each Board assurance committee provides a summary report to the next Trust Board meeting. An internal review of each committee is undertaken annually to ensure that it continues to meet its terms of reference and operate effectively.



Statutory

Non-statutory

Executive directors are accountable to the Board committees. Each director has governance and assurance structures in place to deliver the respective areas of their responsibility.

Attendance of Directors at Board Meetings 2023-24

Trust Board member	3 May 23	5 July 23	6 Sept 23	1 Nov 23	6 Dec 23*	17 Jan 24	6 Mar 24	Total attendance
Anita Day, Chair of the Trust Board							✓	1 out of 1
Ellen Schroder, Chair of the Trust Board	✓	✓	✓	✓				4 out of 4
Karen McConnell, Vice-Chair of the Trust Board (Acting Chair 1 November 2023 to 31 January 2024)	✓	✓	✓	✓	✓	✓	Ap	6 out of 7
Val Moore, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Peter Carter, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Jonathan Silver, Non-Executive Director	✓	✓	Ap	✓	✓	✓	✓	6 out of 7
David Buckle, Non-Executive Director	✓	✓	✓	✓	Ap	✓	✓	6 out of 7
Nina Janda, Associate Non-Executive Director				Ap	✓	✓	✓	3 out of 4
Adam Sewell-Jones, Chief Executive	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Martin Armstrong, Deputy Chief Executive & Director of Finance	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Justin Daniels, Medical Director	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Lucy Davies, Chief Operating Officer	✓	✓	Ap	✓	✓	✓	✓	6 out of 7
Thomas Pounds, Chief People Officer	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Mark Stanton, Chief Information Officer	✓	✓	✓	✓	✓	✓	✓	7 out of 7
Theresa Murphy, Chief Nurse	✓	✓	✓	Ap	✓	✓	✓	6 out of 7
Kevin Howell, Director of Estates and Facilities	✓	✓	Ap	✓	✓	✓	✓	6 out of 7
Kevin O'Hart, Chief	✓	✓	✓	✓	✓	✓	✓	7 out of 7

6 Dec-23: Extraordinary Board*
Ap: Apologies

Attendance of Members at Remuneration Committee Meetings 2023-24

The *Remuneration Committee* approves the remuneration and terms of service for Very Senior Managers and monitors the level and structure of remuneration for senior

management below Executive Directors. All Non-Executive Directors are members of the Remuneration Committee.

Remuneration Committee member	3 May 23	5 July 23	9 Aug 23*	1 Nov 23	21 Feb 24*	**Total attendance**
Jonathan Silver, Chair and Non-Executive Director	✓	✓	Ap	✓	✓	4 out of 5
Ellen Schroder, Chair of the Trust Board	✓	✓	✓			3 out of 3
Karen McConnell, Vice-Chair of the Trust Board	✓	✓	✓	✓	✓	5 out of 5
Val Moore, Non-Executive Director	✓	✓	✓	✓	✓	5 out of 5
Peter Carter, Non-Executive Director	✓	✓	✓	✓	Ap	4 out of 5
David Buckle, Non-Executive Director	✓	✓	Ap	✓	Ap	3 out of 5
Nina Janda, Associate Non-Executive Director				Ap	✓	1 out of 2

9 August 2023 and 21 February 2024 were extraordinary meetings
Ap: Apologies

Attendance of Members at Audit and Risk Committee Meetings 2023-24

The *Audit and Risk Committee* holds the executive to account for the effectiveness of governance systems and the processes for managing risk. The Audit and Risk Committee has a membership of the three non-executive directors.

Audit & Risk Committee member	3 Apr 23	17 May 23	26 June 23	11 July 23	10 Oct 23	19 Jan 24	**Total attendance**
Jonathan Silver, Chair and Non-Executive Director	✓	✓	✓	Ap	✓	✓	5 out of 6
Karen McConnell, Non-Executive Director	✓	✓	Ap	✓	✓		4 out of 5
David Buckle, Non-Executive Director	✓	Ap	✓	✓	Ap	✓	4 out of 6

Ap: Apologies

The following non-statutory committees have also been established by the Board:

The *Quality and Safety Committee* meets monthly (excluding August and February) and has a membership of three non-executive directors. The purpose of the Quality and Safety Committee (QSC) is to ensure that appropriate arrangements are in place for measuring and

monitoring quality and safety including clinical governance, clinical effectiveness and outcomes, research governance, information governance, health & safety, patient and public safety, compliance with CQC regulation and some workforce issues relating to workforce capability and development, such as education and talent management, or where there is a clear and direct link to quality and safety issues. The Committee is responsible for assuring the Board that these arrangements are robust and effective and support the delivery of the Trust's Clinical Strategy and Quality Strategy.

The *Finance, Performance and Planning Committee* meets monthly (excluding August) and has a membership of three non-executive directors. The purpose of the Committee is to provide assurance to the Board that appropriate arrangements are in place to support the delivery of the financial, operational and planning objectives which contribute to the delivery of the Trust Strategy. Through this work, the Committee plays a key role in ensuring the sustainability of the Trust.

The *People Committee* meets bi-monthly and has a membership of three non-executive directors. The Committee started in May 2022. The Committee provides assurance to the Board that appropriate arrangements are in place to deliver the Trust's People Strategy and enhance equality, diversity and inclusion for the Trust's staff.

The *Charity Trustee Committee* provides stewardship of the Trust's charitable funds on behalf of the Board, which is the corporate trustee, and is responsible for the Charity's strategy.

Information governance

The information governance functions have historically been distributed across functions both corporate and divisional departments. A review of information governance during the year concluded that governance could be improved by the functions being combined into one team. In quarter 3 2023/24 a new Cyber and information governance function was established in the Chief Information Officer's directorate led by a new role of Head of Information Governance and Cyber security. A review of all processes and reporting is taking place. This activity will include the ten data security and protection standards. The Trust's Information Governance Steering Group has oversight of information governance, meeting bi-monthly.

The Trust achieved a status of 'Approaching Standards' for its 2022/23 Data Security and Protection Toolkit (DSPT) submission. This was due to two mandatory requirements not being met, 1. The completion of an independent audit of the DSPT and 2. The 95% target for staff taking their annual NHS data security awareness training. For 2024/25 the DSPT has changed this training requirement. The new requirement is to ensure that staff have an 'appropriate understanding of information governance and cyber security'. Work is progressing with the Communications Team to publish data security awareness materials.

A DSP Toolkit internal audit provided an 'unsatisfactory' finding. This was due to relevant evidence not being provided to the auditors. The DSP information remains largely the same and previous years received at least reasonable assurance however the information was not provided to the auditors on time so whilst disappointing this is not assessed as a significant control issue but rather a significant assurance error. This has also been resolved by recruitment of a new Head of Information Governance. To rectify the lack of assurance an additional DSP interim audit took place which did not find significant issues. This is evidenced by the NHS England's DSP Toolkit rating for the Trust changing from Standards not met to now stating Approaching Standards.

In September 2024, the DSPT will be changing to adopt the National Cyber Security Centre's Cyber Assessment Framework (CAF) as its basis for cyber security and IG assurance. We have been informed that guidance and webinars will be arranged to help understand the content, approach and expectations.

The reporting of data breaches has increased due to greater staff awareness as a result of guidance from the IG Team. Five incidents were reported to the ICO in this financial year. Three of the incidents did not result in any detriment to the data subject. A set of recommendations were provided in all cases to help prevent similar incidents occurring.

Disclosures set out in the NHS Trust Code of Governance

The Trust has applied the principles of the NHS Trust Code of Governance on a comply or explain basis. The NHS Trust Code of Governance came into force from 1 April 2023. However, prior to this the Trust already aimed to comply with the relevant principles of the NHS Foundation Trust Code of Governance and the UK Corporate Governance Code. The new NHS Trust Code is modelled on the 2018 version of the UK Corporate Governance Code. NHS England recognises that departure from the specific provisions of the Code may be justified in particular circumstances, and reasons for any non-compliance with the Code should be explained. This "comply or explain" approach has been in successful operation for many years in the private sector and within the NHS foundation trust sector. There are no provisions within the NHS Trust Code of Governance that the Trust did not comply with during 2023/24 apart from those set out below. The NHS Trust Code of Governance also sets out a number of disclosure requirements and these are provided below.

Code of Governance compliance statement

The Trust has applied the principles of the NHS Trust Code of Governance on a comply or explain basis. The Board considers that it complies with the main and supporting principles of the Code of Governance.

In relation to the more detailed provisions of the Code of Governance, the Trust is compliant with the provisions, with the following exceptions:

A2.2: *The Trust's strategy requires a "formally agreed statement" with reference to the ICP's strategy and the Trust's role within system.*

The Trust's current strategy was developed and approved prior to the ICB strategy being produced. The Trust has committed to do this in our next strategy refresh.

A2.5: Ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and performance. Metrics should disaggregate by ethnicity and deprivation where relevant.

For the first element, significant work has gone into developing effective metrics and the Trust is compliant. Integrated Performance reports go to every Board meeting. For the second element, we have made progress on disaggregating performance data by both ethnicity and socioeconomic status, although with regard to the ethnicity data, like many organisations, we are not yet content with the quality of our baseline data.

C5.2: Directors involved in recruitment are required to do equality, diversity and inclusion training, including unconscious bias training.

All directors (executive and non-executive) have undertaken equality, diversity and inclusion training. Executive directors have undertaken cultural competence training which covered

unconscious bias. In addition, all executives and some non-executive directors have undertaken reciprocal mentoring training which covered unconscious bias. Not all non-executives, due to the part-time nature of their roles and outside commitments, were able to take part in the multiple day reciprocal mentoring sessions. When the opportunity arises, unconscious bias training will be delivered to the remaining non-executive directors.

Table of supporting explanation for required disclosures

Reference	**Summary of requirement**	**Disclosure**
A2.1	Describe the Trust's contribution to the objectives of ICP and ICB and place-based partnerships	See sections: Hertfordshire and West Essex ICS Strategy overview and objectives
A2.1	Annual Report (AR) describes how sustainability has been addressed	See Sustainability statement section
A2.3	AR explains the Board's activities in promoting the wellbeing of the workforce	See People performance section and Developing Workforce Safeguards section in the Annual Governance Statement.
A2.8	AR explains how the interests of stakeholders are considered in discussions/decision-making.	An "Impact section" was added to Board and Committee coversheet template in 2022. In the guidance for staff completing the section, it states staff should include "Significant impact examples: Equality; Patient & clinical/staff engagement"
A2.8	AR sets out how the organisation's governance processes oversees collaboration with other organisations	See sections: Hertfordshire and West Essex ICS Strategy overview and objectives The Trust is working with the ICB and partners on developing the governance for HCPs.
B2.6 and 2.7	AR identifies NEDs who are 'independent'	See the Board members section for the length of time on the Board for each NED. It is recognised that some Non-Executive directors have served over six years on the Board, but none have served over nine years. The Board considers all of the current Non-Executive Directors (NEDs), including the Chair, to be independent, including those who have served over six years. All appointments to the Board are the result of open competition. To maximise independence, all new appointments and re-appointments since 1 April 2023 have and will continue to be for three year terms and not extending beyond six years in total, without exceptional reason in line with the new Code of Governance and with NHS England agreement. Independence is kept under review and is based

		on whether each Director is independent in character, judgment and behaviour. The Chair holds meetings with the Non-executive Directors without the Executive Directors being present.
C4.2	Along with the description of each Director's skills, expertise and experience, the AR should include a statement about its balance, appropriateness for requirements of Trust	This is covered in "The Trust Board 2023/24" section of the report above.
C4.7	AR well-led external review requirement to declare any connection with the Trust or individual directors	There has been no well-led review in 2023-24. The last well-led review concluded in 2022-23. Both the current Chair and the Chief Executive are members of faculty of the Good Governance Institute which carried out the most recent well-led review. Neither were involved in the procurement decision-making. The current Chair was not in post at the time of the well-led review.
C4.13	AR report on Remuneration Committee to cover: Approach to succession-planning Policy on diversity and inclusion Ethnicity of Board and senior mgrs Gender balance of snr mgt and direct reports	These are all covered in annual cycle for the Remuneration Committee, apart from the equality policy which goes to People Committee.
D2.4	AR explains how the Audit Committee/Audit Panel: has assessed the independence and effectiveness of the external audit process and significant issues relating to financial statements	The audit committee typically assesses the independence and effectiveness of the external audit process through various means, such as reviewing the auditor's qualifications, performance, and objectivity, as well as evaluating the adequacy of audit procedures and the auditor's communication with management. Significant issues relating to financial statements are addressed through thorough examination and discussion, ensuring transparency and compliance with regulatory standards.
D2.6	Directors assert the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	The Annual Report is emailed to Board members prior to approval and this duty is highlighted to Board members. The Annual Report is also considered by Board members at a Board Seminar (due to submission timescales).
D2.8	The Board "should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report."	Internal audit reviews risk management annually – see the annual governance statement section. The Trust's Risk Strategy was reviewed and approved by the Board in May 2023. A Board Seminar reviewed risk, including risk appetite in April 2024, including considering the ICB's risk appetite.

External auditor

In compliance with the requirements of the NHS Shared Business Services Framework, the Trust opted to reappoint BDO LLP as the Trust's external auditors from 2022/23 on the expiry of the initial contract (and subsequent extensions) at the end of March 2020. Since the start of the previous contract, BDO LLP has acted as external auditor for the Trust each year since 2015/16.

The external auditors attend the Trust's Audit Committee meetings and maintain regular dialogue with the Audit Committee Chair and Director of Finance to discuss audit and other issues promptly.

Internal auditor

The Trust's internal auditor (a function that is currently outsourced) is responsible for undertaking internal audit functions on behalf of the Trust. The head of internal audit reports to each meeting of the Trust's Audit Committee on the audit activity undertaken. 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; therefore, it can only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The summary of the internal audit work is included in the annual governance statement.

TIAA were appointed as the Trust's internal auditors for two years from 2020/2. The Trust took up the option to extend the contract for a further two years.

Statement of the Chief Executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS England, in exercise of powers conferred on the NHS Trust Development Authority, 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: Adam Sewell-Jones, Chief Executive

Date: 19 July 2024

East and North Hertfordshire NHS Trust Annual Governance Statement 2023/24

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of East and North Hertfordshire 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 East and North Hertfordshire NHS Trust for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Directors set the policy framework and strategy and provides leadership for the management of risk across the organisation. In 2023/24 the Chief Nurse was the Executive Lead for risk management with the Head of Corporate Governance leading on the Board Assurance Framework (BAF). The executive team lead on the areas of risk within their portfolios and are nominated as the lead for specific strategic risks on our Board Assurance Framework.

The Board Assurance Framework (BAF) identifies the principal risks to the achievement of the Trust's strategic objectives, together with the key controls and assurances and any gaps in those controls and assurances. Through this framework the Board gains assurance from the appropriate Executive Director that risks are being appropriately managed throughout the organisation. This is reviewed bi-monthly by the Executive Director Lead for each risk and jointly through the Board Committees. The BAF is considered by the Audit and Risk Committee, relevant Board Committee and at every other public meeting of the Board. This is supported by the Directors detailed reports to the Board and its committees, which include workforce, finance, operational performance and quality and safety.

During 2023/24 the Board reviewed and updated the Risk Management Strategy, including amending the risk appetite. We have made progress in implementing our Risk Management Strategy, Board Assurance Framework and Accountability Framework structure to ensure these provide clear and comprehensive risk management and fully support the corporate governance systems. During 2023/2024 the Board and Audit and Risk Committee have regularly reviewed progress of risk management.

The operational responsibility for risk management is managed by the relevant clinical division or corporate directorate. The Risk Management Group, chaired by the Deputy Chief Executive oversees corporate risk and reports to the Trust Management Group. A process of review, challenge and escalation of divisional and corporate directorate risks, as contained in the risk register, is now conducted through the Risk Management Group. This provides

check and challenge on the accuracy of risk scoring and enables easier identification and escalation of the biggest corporate risks.

Areas of high risk are escalated to the Audit and Risk Committee, Quality and Safety Committee (QSC), Finance, Performance and Planning Committee (FPPC), People Committee and the Trust Board. The Board Committees have continued to strengthen their scrutiny of the risks through the use of spotlight reviews into specific areas.

The Board receives support and training on risk management with dedicated BAF sessions at Board Seminar in April 2023 and April 2024 and a BAF training session in December 2022 and on risk strategy in October 2022. The Compliance and Risk Team provide support and training to staff and leadership teams on risk management and the risk register. The Health, Safety and Security Team provide mandatory training on health, safety and security and fire to all staff across the organisation.

During 2023/24 the Board had five development sessions to consider key areas of strategic significance, including our strategic priorities, CQC, system-working, performance, culture and patient safety. The expectation is that these sessions provide strategic focus to the organisation, enabling it to proactively respond to and support the achievement of strategic priorities for the local health economy in ways which are commercially and clinically effective for the Trust.

The Trust Chair and Chief Executive continue to monitor the size and the balance of skills and experience of the Board to ensure it is appropriate for the requirements of the business and the future direction of the Trust. There has been two changes to the non-executive director team. During 2023/24, the Trust Chair, Ellen Schroder, stepped down as Trust Chair to take up the role of Trust Chair at Great Ormond Street Hospital, with the Vice-Chair, Karen McConnell, becoming Acting Chair until a permanent Chair was appointed. Anita Day was appointed Chair of the Board. In addition, an Associate non-executive director, Nina Janda, joined the Board, which has increased non-executive director capacity. There has been one change to the executive director team. Dr Michael Chilvers chose to step down from his role as Medical Director and Dr Justin Daniels was appointed as the new Medical Director.

We recognise the importance of investing in our staff and supporting their well-being to ensure high-quality care and better outcomes for our patients. We continue to develop our continuous Improvement models with the support from our quality improvement and transformation teams, providing simple, easy to understand models for staff at every level of the organisation to adopt and use. All of which seek to develop our people capability and drive ownership and continuous improvement through services. The Quality Improvement Team has continued to support the quality improvement priorities.

We seek to learn from good practice in a number of ways including from internal and external reviews, clinical audit programme, incidents, feedback from complaints and patient and carer experiences, and feedback from staff. Good practice in risk management, sharing good practice and learning the lessons is shared with all staff though governance half days, monthly patient safety newsletters, Trust daily bulletins, staff forums and the organisational development programme. The Trust oversight of risk management is achieved through an annual Trust Board risk appetite review, an executive monthly Risk Management Group, Division and Corporate publication of new and emerging risks and planned mitigations. Local services share oversight of risks through risk clinics, quality newsletters, posters, virtual staff meetings, messages of the week and safety huddles. In addition, to support identifying learning from serious incidents as soon as possible, bi-weekly serious incident review panels and divisional risk clinics are held to support the management and scrutiny of organisational risk.

The risk and control framework

We recognise that the provision of healthcare and the activities associated with the treatment and care of patients, employment of staff, maintenance of Trust sites and managing finances incur risks and the need to ensure there are proactive systems in place to effectively identify and manage its risks with the aim of protecting patients, staff and members of the public as well as its assets.

Our risk management strategy aims to provide the framework and outline the processes needed to support the Trust in delivering its strategic and other objectives by identifying and managing risks. Our aim is to ensure that the effective management of risk is an integral part of everyday management by having comprehensive risk management systems in place with clear responsibility and accountability arrangements throughout the Trust.

The approach to risk management includes clinical and non-clinical risk and aims to ensure that risk management is clearly and consistently integrated and not managed in silos. By achieving this we can:

- Keep our patients, staff and visitors safe and ensure high standards of patient care.
- Protect the reputation, assets and finances of the Trust.
- Anticipate changing internal and external circumstances and respond by adapting and remaining resilient.
- Remain compliant (as a minimum) with health and safety regulations, insurance, accreditation and legal requirements.

We do this by:

- Demonstrating the application of risk management principles in all activities of the Trust.
- Clearly defining the roles, responsibilities and reporting lines within the Trust for risk management.
- Making sure all staff understand the importance of effective risk management.
- Maintaining a comprehensive register of both clinical and non-clinical risks and reviewing the same on a periodical basis.
- Ensuring effective controls are in place to mitigate the risk and rectify gaps in control.
- Ensuring effective and documented procedures exist for the control of risk and provision of suitable information, training and supervision.
- Ensuring the Trust has appropriate Business Continuity arrangements in place.

The Risk Register is populated with risks arising from sources throughout the organisation, specifically:

- Business and Service Delivery Plans – i.e., principal risks to the Trust achieving key performance standards or safe service delivery.
- Adverse Incident Forms – if it is apparent from an adverse event form, or subsequent investigation into the adverse event, that there is a significant risk then it will be transferred to the risk register.
- Health & Safety Risk Assessments – Health and Safety risk assessments are a legal obligation for the Trust, and managers are responsible for ensuring these assessments are undertaken. Any risk identified from these assessments will be included on the Risk Register.
- Local Risk Assessments – where local assessments have identified risks.
- External Assessment/ Audit – significant risks identified by any internal / external audit e.g., Care Quality Commission, NHS Resolution, Health & Safety Executive notices, will be placed on the Risk Register.

- External Guidance/ Alerts – NICE, Quality Strategies, etc. that are not yet implemented.
- Results of Feedback – Learning from our patients and the public, whether through analysis or learning resulting from complaints, claims, surveys, observation of practices etc.

Where appropriate, through consultation and direct involvement with the Trust, public stakeholders are involved in managing risks which impact on them. For example, we have patient representation on our Patient and Carer Experience Group and active patient forums in a number of our specialities.

We have in place established risk assessment tools for all identified risks. These enable staff to quantify risks in their respective areas and decide what action, if any, needs to be taken with a view to reducing or eliminating those risks. A common risk score matrix is used by the Trust with risks logged onto 'local' and 'corporate' risk registers.

The Internal Auditor annual review of risk management and the Board Assurance Framework concluded a 'reasonable assurance' rating which demonstrates progress since the year before.

Consistent improvements have been made to corporate risk management during the year. The Risk Management Group (RMG) is now well established and the group are having a positive impact on how risks are managed at a local level, with reductions seen in the overall total number of risks on the risk register (circa 800 in 2022/23 to below 600 in 2023/24), together with more appropriate and consistent risk scoring and effective controls and assurances in place to mitigate risk. Risks on the Corporate Risk Register (CRR) have been aligned with the Board Assurance Framework and the CRR is used as a tool for managing the highest risks and monitoring actions and plans against them.

The process for escalating and de-escalating risks onto the CRR has been strengthened through the work of the Risk Management Group.

Led by the Compliance and Risk team, targeted risk clinics and training continued through 2023/24 and will remain a priority focus for 2024/25. The Compliance and Risk team together with the RMG continue to facilitate a cultural change to using risk registers proactively to support change and improvement.

Board Assurance and Reporting

Our Trust Board has four established committees to discharge its responsibilities on Board assurance. These are the Audit and Risk Committee, Quality and Safety Committee, the Finance Performance and Planning Committee and People Committee. These are constituted as key assurance mechanisms and an annual review of each of the committees is undertaken to ensure they continue to meet their terms of reference and the new requirements of the Code of Governance and requirements of the Provider Licence that applied from 1 April 2023. They are each chaired by a Non-Executive Director. In addition, the Board has the Charity Trustee Committee to provide assurance and support for its responsibility as a Corporate Trustee. Directors' attendance at the Board and its Committees is recorded and monitored. Attendance at the Board and statutory committees are reported in Corporate Governance section of the Annual Report. A review of attendance during 2023/24 identified some attendance improvements to the People Committee, which was then discussed at the April 2024 Board Seminar that considered the findings of the 2023-24 annual Board and committees' effectiveness review.

The assurance process as described below is reviewed by the Trust's Audit and Risk Committee which provides an independent and objective review of the Trust's systems of internal control to the Trust Board and in doing so holds the Executive to account for the effectiveness of governance systems and the processes for managing risk.

The Finance, Performance and Planning Committee (FPPC) supports the governance structures and provides assurance to the Board that appropriate arrangements are in place to support the delivery of the financial, operational and planning objectives which contribute to the delivery of the Trust Strategy. Through this work, the Committee plays a key role in ensuring the sustainability of the Trust.

The Quality and Safety Committee (QSC) ensures that appropriate arrangements are in place for measuring and monitoring quality and safety including clinical governance, clinical effectiveness and outcomes, research governance, information governance, health and safety, patient and public safety, compliance with regulation (including CQC) and some workforce issues such as organisational culture and education and talent management. The Committee is responsible for assuring the Board that these arrangements are robust and effective and support the delivery of the Trust's Clinical Strategy 2019-2024 and Quality Strategy.

The People Committee provides assurance to the Board that appropriate arrangements are in place to deliver the Trust's People Strategy and improve equality and inclusion for the Trust's people.

Each Executive Director is accountable to the Board and Board Committees for their defined areas of responsibility and has clear assurance systems and structures in place; these are reviewed annually with each Director.

The Accountability Framework is embedded into practice supported by an integrated performance report and enhanced business intelligence. Performance Review Meetings support the Accountability framework. The Integrated Performance Report includes the key performance measures for the Trust. The relevant sections of the report are reviewed at every QSC, FPPC and People Committee and Trust Board meeting. This provides the lead director an opportunity to highlight any risk issues relating to the metrics. In addition, the Committees receive detailed reports and deep dives/spotlight reviews into specific issues, and local and national data to support its scrutiny under strategy, culture and accountability. The framework and decision making is supported by business intelligence.

The quality and safety structures support the delivery of the Quality Strategy and priorities for valuing the basics, quality governance and risk, keeping our patients safe and patient experience. Progress is monitored by the Quality and Safety Committee.

Review of Board and Committee effectiveness

The Board carried out a review of the effectiveness of the Board and its committees for 2023-24 between January to March 2024 and the results were presented at each relevant committee as well as at a Board Seminar on 3 April 2024. Significant improvements identified included extending the length of the Board and People Committee to allow more time for robust discussions and improving the escalation and referral methodology between committees and to Board by introducing a final agenda item on escalations and referrals for all committees and tracking progress via committee action logs.

Principal Strategic Risks

The BAF underwent a review in April 2023 with one new risk added (autonomy and accountability) and one risk amended to focus on digital transformation.

The Trust at the end of 2023/24 had 12 principal risks defined on the Board Assurance Framework each with key controls, assurance levels, gaps in controls and assurance and mitigating action identified. In addition, the risks on the corporate risk register (the top operational, non-strategic risks) are mapped onto the BAF.

At 31 March 2024 no BAF risks remained rated a ‘20’. The highest risk score was ‘16’. This is the first time in the last four years where there is not a 20 rated risk on the BAF at the end of the financial year. This compared to one risk in 2022-23 (Risk 3: Financial Constraints), one risk rated ‘20’ in 2021/22 (Risk 1: Operational Performance) and two risks rated ‘20’ at the end of 2020/21 (Risk 4: Capital and Risk 10: Estates and Facilities).

No risk scores increased. In 2023/24, one risk score reduced: Risk 3 (Financial constraints) reduced from ‘20’ to ‘12’. Five of the 12 BAF risks were red-rated (scoring 15 and above) at the end of the financial year - risks 5, 6, 7, 8 and 10 set out above. Two of these five are new risks identified at the start of the year (Risk 6: Autonomy and accountability and Risk 10: Digital Transformation). Two of the remaining five risks are system-related risks (Risk 7: Immature place and system collaborative processes and culture and Risk 8: Improving performance and flow).

The Board and the lead committees for BAF risks receive reports at every other meeting on progress with the BAF to assure that the mitigations are operating (where this is within the Trust’s ability to do so) and that those mitigations are effective or further actions are identified. During 2023/24 the Audit and Risk Committee undertook a deep dive review of specific risks on the BAF.

Principal risks to compliance with the NHS Provider Licence section 4 (governance)

No principal risks have been identified to compliance with NHS provider licence condition 4. This condition covers the effectiveness of governance structures, the responsibilities of directors and committees, the reporting lines and accountabilities between the Board, its committees and the executive team.

Developing Workforce Safeguards

Ensuring effective workforce planning, deployment of staff and safe staffing levels remains a priority. The Trust has built up workforce plans from specialty level which focus on the long-term sustainability of the services. This work has informed the over-arching Trust workforce plan which sets out the target for substantive and temporary workforce over the next five years. The plan is now being adapted to meet the priorities of the NHS workforce plan of train, retain, reform. This includes the continued development of internal development pathways such as nurse associate roles as well as an expansion of apprenticeship opportunities.

We are also developing new roles and new ways of work an example being the introduction of anaesthetic associates while continuously developing how we work across the system to improve our patient pathways. We have focused heavily on retention of our workforce and have exceeded our target.

Key improvements have included developing management capability, providing a high quality and long-term induction programme and focusing on the learning and development needs of our workforce. The plan is reviewed by the People Committee and Finance, Performance and Planning Committee (FPPC). Nursing establishment reviews take place

annually to ensure service needs are met with oversight and approval at the Quality and Safety Committee (QSC) and at Board.

The Trust's workforce performance relates to standards set both nationally and locally, which are reviewed with due consideration to risk through a combination of:

- Regular performance management meetings between members of the executive team and each division.
- Exception reporting via the Trust's Trust Management Group, which meets bi-weekly.
- Monthly meetings via the Trust Board's People committee and FPPC, as well as through the committee's monthly report to the Trust Board.

CQC registration requirements

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust's current registration status is 'requires improvement' following inspections in the summer of 2023.

In 2022 The CQC rated the Trust's Maternity Service as 'Inadequate' and served the Trust with a section 29A notice. Following a follow-up inspection, the Maternity Service is now rated as 'Requires Improvement' and the section 29A has been removed because all requirements have been met.

Conflicts of Interest

The Trust introduced an online Declaration of Interests system in April 2022 for the first time that makes both declaring interests easier and monitoring compliance more effective. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance. In addition, the website provides a separate Board register of interests. Work during the year has shown that more awareness is needed amongst staff of the importance of ensuring interests, gifts and hospitality are declared on the new system and this raising awareness and reporting progress to the Audit and Risk Committee continues. The online system helps significantly in tracking compliance and progress.

NHS Pensions

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

The Trust auto enrols all staff every three years into the pension scheme where they have opted out. Letters are sent out to affected staff that informs staff they will be auto enrolled or they can opt out again. All deductions around pensions follow NHS guidance for that particular pension scheme. For example, under agenda for change with the percentage for differing pay bands.

Equality, diversity and human rights legislation compliance

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

Since 1 April 2015, all NHS organisations were required to demonstrate how they are addressing race equality issues in a range of staffing areas through the nine-point Workforce Race Equality Standard metric. This standard has been embedded within current practice. The Trust Board approved a new Equality, Diversity and Inclusion Strategy in March 2024.

Climate and a Green Plan

The Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Board annually reviews progress against the Green Plan.

Quality governance

The Trust's quality and safety governance structure and arrangements enable the Trust to maintain and continually improve quality from 'ward to board'. There are clearly defined corporate and local indicators for quality and safety that are now displayed with the Trust Quality Management system 'ENHance'. This structure delivers the well-led CQC framework and provides clear assurance from wards upwards, and from the board to the clinical areas.

Quality governance has a number of elements. These include the QSC which reports to the Board. The QSC is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety, including identifying potential risks to the quality of clinical care. The Board relies on the committee to provide advice on clinical quality, patient safety and risk, and for assurance on areas of clinical governance and audit. It focuses on promoting a culture of openness and organisational learning. On behalf of the Board, the QSC reviews compliance and receives assurance in meeting regulatory standards set by the CQC. Performance is also monitored via FPPC and Performance Review Meetings.

The Chief Nurse is the nominated Trust Executive for the Quality Report. The Board has agreed that the Quality Report will be considered and recommended by the QSC. QSC was also responsible for deliberating on priorities for inclusion in the Quality Report which are set out in this Annual Report.

The nature of a complex health setting means even the best control and assurance systems do not identify all issues. The Trust continues to work hard on addressing minimising surprise issues and tackling any non-compliance with governance standards.

The CQC rated the Trust as Requires Improvement, with CQC's report published in November 2023. Services reviewed included Urgent & Emergency Care, Medicine, Surgery and Maternity. Following an extensive targeted improvement programme, the Trust's Maternity Service previous inadequate rating and formal section 29A notice were removed. There is ongoing work to ensure all areas of improvement required by the CQC inspection are being actioned. Weekly improvement forums are in place to achieve the delivery of identified 'must do' and 'should do' regulatory requirements by August 2024.

There were two never events during 2023-24 and the learning responses to these are undertaken through using an evidence based SEIPS framework (Systems Engineering Initiative for Patient Safety). The Trust has transitioned from investigating incidents under the Serious Incident (SI) Framework to the Patient Safety Incident Response Framework (PSIRF), and in November 2023 an ENHT Patient Safety Incident Response Framework Policy and Plan was published.

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

The Trust reported a surplus of £3.2 million against a planned £2.5m deficit position. This performance saw the Trust recover from a deficit of £6.1m in 2022/23 to meet the duty to break even.

The NHS financial framework for 2023/24 continued to be significantly impacted by arrangements put in place to promote the recovery of core services and productivity following the COVID pandemic. Following a sector wide exercise in 2022/23 a 'baseline reset' adjustment was implemented to correct material issues with contract values and allocations as well as absorb reduced COVID funding into core allocations.

Funding received by the Trust was allocated under a combination of fixed block arrangements (non-elective) and variable activity payments (elective) to incentivise restoration of services and progress meeting operational key performance indicators. Variable funding for elective activity above target flowed into the system and Trust via the Elective Recovery funding (ERF) mechanism.

2023/24 saw a significant service and financial disruption resulting from continued and sustained industrial action across nursing and doctor staffing groups. The Trust worked hard to minimise the safety and financial effects of this disruption. The financial impact of the action, which resulted in both additional staffing costs and lost income due to the delivery of lower than planned elective activity, was mitigated by the receipt of both additional funding and also changes to the ERF variable activity baseline.

Progress against the delivery of the financial plan was monitored by the Finance, Performance and Planning Committee (FPPC) and reported to Board. The Trust continued to build upon the themes from the prior year 'Financial Reset' programme to focus on mitigating and improving areas of adverse performance.

Operating within a financially challenged system, the Trust worked with Hertfordshire and West Essex ICS to engage and deliver in a number of ICS wide workstreams designed to deliver efficiencies and recovery the system wide financial position. Ultimately the Trust was able to deliver a financial outturn position that supported the achievement of an overall balanced position for the system as a whole.

As a part of ICS wide workstreams the Trust implemented a number of controls within the Deficit Control Regime, including the required double lock expenditure approval process as required by the NHS England Outturn Variance protocol.

Within this difficult financial context in 2023/24 the Trust was successful in maintaining investment in key strategic priorities. This included additional resources to support improved urgent and emergency care delivery, which included the mandatory opening of an onsite urgent treatment centre. The result of which has been a significant improvement in the Trusts A&E performance over the last quarter of the year.
.
The Trust utilised its revised Cost Improvement Programme (CIP) delivery protocol to identify and over deliver against its challenging £33.1m efficiency target for 2023/24. Delivery against this value was underpinned by the Trusts excellent performance at elective activity restoration and ability to secure additional funding through the Elective Recovery Fun (ERF). Throughout the year the Trust has consistently remained in the top ten trusts in the country for ERF delivery.

The Trust's annual Internal Audit programme provides an independent review of our key financial controls and this year they have reviewed our systems and processes for our core financial systems and provided reasonable assurance.

NHS Improvement undertook a Use of Resources assessment in August 2019 and rated the Trust as 'requires improvement.' This has not been reviewed in this reporting year. The Trust continued to utilise the embedded Executive Programme Board structure intended to co-ordinate the delivery of key transformation activities which will contribute to the achievement of improved value for money arrangements. Furthermore, the Trust has focussed upon improving the quality of business intelligence reporting available across the Trust as a means of improving the quality of business and financial decision making. During 2023/24 the Trust introduced improved governance arrangements and processes in the creation, approval and documentation of business cases, this has seen a significant improvement in the Trust's assurance over management of resources within the capital programme.

The Trust recognises that the ongoing achievement of its targeted cost improvement plans represent a key element in the delivery of ongoing financial balance. To this end the Trust acknowledges the need to build savings and efficiency plans that have strong recurring foundations and are not overly reliant upon one off benefits. The Trust has responded to this requirement with a growing emphasis and focus upon making sustained productivity improvements. This has been underpinned to the development of regular productivity reports to the FPPC, enhanced productivity opportunity analytics and the agreement of productivity improvement schemes supported by its Project Management Office (PMO). The outputs of these activities have then been used to design and underpin the 2024/25 financial and savings plan.

Information governance

The information governance functions have historically been distributed across functions both corporate and divisional departments. A review of information governance during the year concluded that governance could be improved by the functions being combined into one team. In quarter 3 2023/24 a new Cyber and information governance function was established in the Chief Information Officer's directorate led by a new role of Head of Information Governance and Cyber security. A review of all processes and reporting is taking place. This activity will include the ten data security and protection standards. The Trust's Information Governance Steering Group has oversight of information governance, meeting bi-monthly.

The Trust achieved a status of 'Approaching Standards' for its 2022/23 Data Security and Protection Toolkit (DSPT) submission. This was due to two mandatory requirements not being met, 1. The completion of an independent audit of the DSPT and 2. The 95% target for staff taking their annual NHS data security awareness training. For 2024/25 the DSPT has changed this training requirement. The new requirement is to ensure that staff have an 'appropriate understanding of information governance and cyber security'. Work is progressing with the Communications Team to publish data security awareness materials.

A DSP Toolkit internal audit provided an 'unsatisfactory' finding. This was due to relevant evidence not being provided to the auditors. The DSP information remains largely the same and previous years received at least reasonable assurance however the information was not provided to the auditors on time so whilst disappointing this is not assessed as a significant control issue but rather a significant assurance error. This has also been resolved by recruitment of a new Head of Information Governance. To rectify the lack of assurance an additional DSP interim audit took place which did not find significant issues. This is evidenced by the NHS England's DSP Toolkit rating for the Trust changing from Standards not met to now stating Approaching Standards.

In September 2024, the DSPT will be changing to adopt the National Cyber Security Centre's Cyber Assessment Framework (CAF) as its basis for cyber security and IG assurance. We have been informed that guidance and webinars will be arranged to help understand the content, approach and expectations.

The reporting of data breaches has increased due to greater staff awareness as a result of guidance from the IG Team. Five incidents were reported to the ICO in this financial year. Three of the incidents did not result in any detriment to the data subject. A set of recommendations were provided in all cases to help prevent similar incidents occurring.

Data quality and governance

Data quality assurance at the Trust is supported by the Data Quality Strategy and Data Quality Policy. These two documents set out the ten key principles to support the production and assurance of high-quality data and its management across the organisation.

To ensure good quality data, the Trust upholds the five data quality principles: Accuracy, Completeness, Reliability, Relevance and Timeliness.

The strategy is built around the aspiration of 'get it right first time' when recording data (good quality data is everyone's responsibility) and defines responsibilities for specific roles across the organisation for its delivery. The strategy is implemented through the Data Quality Steering Group and supported by a rolling monthly audit and governance programme. The Audit Committee receives a bi-monthly update on all the key workstreams to help provide assurance to the board, continue to improve data quality, to progress and improve patient experience, service delivery and patient flow.

Key workstreams include supporting the Trust's Demand and Capacity programme, future development of the Data Quality key performance indicators dashboard, routine monitoring of the Ethnicity Capture and Monitoring dashboard and supporting the specialty operational teams.

The quality and accuracy of elective waiting time data

The Trust assures the quality and accuracy of elective waiting time data using waiting lists, also known as Patient Tracking Lists (PTLs) available on Qlikview, the Trust's business intelligence system. The Trust has a team of Referral To Treatment (RTT) validators who have specific service and pathway expertise to ensure the waiting list is compliant with national rules. They review and correct the pathways where appropriate for patients waiting to start first definitive treatment on the RTT waiting list. In addition, there is a Validation Dashboard on Qlikview which provides daily oversight of the validation status of the RTT PTL. It identifies any potential Data Quality (DQ) issues and also when the patient pathway was last validated. These data quality cohorts are mirrored in the nationally available LUNA system that measures PTL data quality across all the trusts in the country. A monthly validation report is reviewed by the Access Board.

Emergency Planning

The Trust has a rating of "Substantially Compliant" against the NHS England Emergency Preparedness, Resilience and Response (EPRR) Core Standards Assurance rating in 2023/2024.

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, 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 and Risk Committee and Quality and Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit (HoIA) provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of Internal Audit's work.

For the 12 months ended 31 March 2024, the head of internal audit opinion for East and North Hertfordshire NHS Trust is as follows:

"TIAA is satisfied that, for the areas reviewed during the year, East and North Hertfordshire NHS Trust has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by East and North Hertfordshire NHS Trust from its various sources of assurance."

Internal audit carried out 16 reviews during 2023/24. Two audit reviews produced a substantial assurance rating; eleven produced a reasonable assurance rating; two produced a limited assurance rating and one was rated as 'unsatisfactory'. The unsatisfactory opinion was for the DSP Toolkit submission. The DSP information remains largely the same and previous years received at least reasonable assurance however the information was not provided to the auditors on time so whilst disappointing this is not assessed as a significant control issue but rather a significant assurance error. This has also been resolved by recruitment of a new Head of Information Governance. To rectify the lack of assurance an additional DSP interim audit took place which did not find significant issues. This is evidenced by the DSP Toolkit has been changed from Standards not met to now stating Approaching Standards. The two limited assurance reviews were: Planned preventative maintenance and Adherence to Trust policy for starters and leavers. Robust actions have been agreed for the limited assurance audit reviews and the implementation of these actions is monitored closely by the Audit and Risk Committee.

The processes adopted to maintain and review the effectiveness of the system of internal control include:

- The Board regularly reviews the Trust's objectives and receives reports on key matters of concern. The Board provides oversight of risks relating to the Trust's Strategy and supporting enabling strategies.
- The Audit and Risk Committee provides an independent and objective review of the Trust's system of internal control, integrated governance and risk management.
- The Board Assurance Framework provides evidence of the process of the effectiveness of controls that manages the principal risks to the organisation. Risks noted on the Board

Assurance Framework are reviewed by the Finance, Performance and Planning Committee, People Committee and Quality and Safety Committee as appropriate to their areas of focus and overall responsibility is retained by the Board.

- Internal auditors review the board assurance framework and the effectiveness of the system of internal control as part of the internal audit work to assist in the review of effectiveness. The internal auditors reviewed the assurance framework and concluded that our assurance framework meets the requirements set out in NHS guidance, is visibly used by the Board and clearly reflects the risks discussed by the Board.
- The Board, Audit and Risk Committee, Quality and Safety Committee, the Risk Management Group and the Trust Management Group advise me on the implications of the results of my review of the effectiveness of the system of internal control.
- All the relevant committees within the corporate governance structure have a timetable of meetings and a reporting structure to enable issues to be escalated.
- The Quality and Safety Committee provides assurance on the progress of all areas of quality, safety and compliance and associated risks within its terms of reference.
- The Finance, Performance and Planning Committee highlights the major financial, performance and strategy risks to the Board and refers potential risks to quality to the Quality and Safety Committee for further scrutiny, while providing proactive risk management within the areas of activity covered by its own remit.
- The People Committee provides oversight of the related plans and risks relating to the workforce.
- Clinical Audit – the annual clinical audit programme is reviewed and approved through the Clinical Effectiveness Committee and progress is monitored through the Divisions and Quality and Safety Committee. The Audit and Risk Committee receives the annual self-assessment against the assurance framework.
- Internal Audit, through its annual audit plan, provides assurance and comment on matters related to internal control.
- The annual review of the Trust's Standing Orders, Scheme of Reservation and Delegation and the Standing Financial Instructions which was carried out in May 2023 and changes approved by the Board.
- The Board has appointed a Senior Information Risk Owner, who is supported by the Data Protection Officer and an Information Governance Steering Group, to provide information governance assurance via the Data Security and Protection toolkit submission and IGSoC.
- The Board endeavours to ensure that all senior staff, clinical and other, through various meetings and review processes, including attending the Board Committees as required are held to account in all areas for delivery against finance, performance, people, quality, governance and risk issues. The Accountability Framework Structure and Integrated Performance Report support this.
- We commission and support external reviews and expertise to review and strengthen our governance. Examples include a well-led review that reported to Board in March 2023 and for risk management. This has provided assurance and additional recommendations, which have been progressed.
- We provide programme and enhanced governance support to areas under pressure or where additional support is required. Examples include Maternity, Community Paediatrics and Audiology.
- We have Authorised Engineers who provide an independent review of our compliance and effective management of safety against a number of statutory requirements including water, electrical, fire, decontamination, ventilation and medical gases.
- Executive Directors, Senior Managers of the Trust and identified risk leads are proactively engaged in maintaining and reviewing the effectiveness of the system of internal control. This is supported by positive engagement with CQC and recent Internal Audit reports.

Conclusion

My review has established that East and North Hertfordshire NHS Trust have a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. No significant internal control issues have been identified. I am satisfied that all internal control issues raised have been, or are being addressed, with action plans produced and that these will be monitored through the governance structures and are reflected in the statement above.

Signed:

Adam Sewell-Jones, Chief Executive Date: 19 July 2024

Modern Slavery Act Statement

The Modern Slavery Act 2015 establishes a duty for commercial organisations with a turnover in excess of £36 million to prepare an annual slavery and human trafficking statement. This is a statement of steps taken to ensure that slavery or human trafficking is not taking place in its business or its supply claims.

The Trust's income from government sources is publicly funded and outside the scope of these requirements. The Trust does not receive income from non-governmental sources e.g. private patients, in excess of £36 million and hence does not qualify as a commercial organisation for the purpose of the requirements of making this statement under the Modern Slavery Act 2015.

Equally, clearly the Trust is opposed to any actions that could be construed as slavery or human trafficking. Referrals for suspected victims of modern-day slavery are managed by the Trust's safeguarding team and duty social worker through a process in keeping with HMSP adult victim referral pathway. Suspected victims of modern-day slavery must not be discharged until a management plan is agreed with the duty social worker or a registered nurse practitioner working for the Trust's safeguarding adults team.

Remuneration and Staff Report

This part of the Annual Report looks at the following areas:

- Remuneration Report
- Staff Report

Remuneration Report

This section covers:

- Remuneration policy (includes fair pay disclosure for 2023/24)
- Remuneration tables
- Pension entitlement table
- Pension benefits table

Remuneration policy

The Trust's Remuneration and Appointments Committee agrees the remuneration package and conditions of service for the Chief Executive and executive directors. In addition, when undertaking its nomination responsibilities, the Committee reviews the structure, size and composition (including skills, knowledge and experience) required of the Board of Directors compared to its current position and makes recommendations for change when appropriate. It also considers succession planning arrangements for directors and other senior executives.

The Remuneration and Appointments Committee is a committee of the Trust Board, consisting of the Chair and all the non-executive directors. It is chaired by Mr Jonathan Silver (who is also the chair of the Audit Committee). The Committee is supported by the Chief Executive, Chief People Officer and the Trust Secretary. The Remuneration and Appointments Committee aims to meet four times a year but will schedule additional meetings if needed. It met five times in total during 2023/24. Details of directors' remuneration are given later in this section of the report.

Every year, the Board's Remuneration and Appointments Committee considers the performance and contribution of each director against their portfolio and to the organisation. This is carried out in parallel with due consideration of remuneration for individual posts within regional and national markets. To support this work, the Remuneration and Appointments Committee considers the latest benchmarking data produced by NHS England regarding foundation and non-foundation Trust executive salaries.

Executive Director pay is based on the following agreed principles;

- What they bring to the role – their experience, capability.
- Their marketability and importance to the organisation – their previous salary history, how in demand they are by other organisations and how important they are to the Trust.
- The 'going rate' for the job and what it means for the person you wish to appoint or retain.
- Performance against objectives and delivery in year.
- Fulfilling all requirements under the CQC 'fit and proper persons test'.

The Committee also pays due consideration to what is happening in the financial environment and with its other employees when determining executive director's remuneration. Remuneration for executive directors does not include any performance-

related bonuses and none of them receive personal pension contributions other than their entitlement under the NHS pension scheme.

Executive directors are appointed through open competition in accordance with the Trust's recruitment and selection policies and procedures and NHS guidance, including the requirement for external assessors as appropriate and involvement of a non-executive director. All the Trust's executive directors hold permanent contracts. The notice period for executive directors is six months. There are no arrangements for termination payments or compensation for early termination of contract. The Trust is also not liable for any compensation payments to former senior managers or amounts payable to third parties for the services of a senior manager.

The remuneration and terms of office of non-executive directors are those set out by NHS England. In September 2019 NHS England published a structure to align remuneration for chairs and non-executive directors of NHS Trusts and NHS foundation Trusts. These recommendations have been implemented by the Trust. The level of remuneration is paid for a minimum of two and a half days per month for non-executive directors and three and a half days per week for the Trust's Chair. Pay awards agreed nationally for other staff groups working at the Trust and the wider NHS, including staff on Agenda for Change contracts, medical and dental staff and very senior managers are determined by the Senior Salaries Review Body, which looks at senior salaries and pay conditions across the public sector.

This information is not subject to audit by the Trust's auditors, BDO LLP.

Staff sharing scenarios

The Trust contributes to a third of the cost several staff members as part running of the Integrated Care Partnership (ICP). This is include a contribution to an executive director salary for Sam Tappenden who is the Development Director for the ICP.

Remuneration tables

Name and title	2023/24							2022/23						
	Salary	Expense payments (taxable) total	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Compensation for loss of office	TOTAL	Salary	Expense payments (taxable) total	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Compensation for loss of office	TOTAL
	(bands of £5,000)	Rounded to nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	Rounded to nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)
	£000	£00	£000	£000	£000	£000	£000	£000	£00	£000	£000	£000	£000	£000
Executive directors														
Adam Sewell-Jones Chief Executive	205-210	1	0	0	252.5-255	0	460-465	195-200	24	0	0	0	0	200-205
Martin Armstrong Director of Finance	165-170	0	0	0	0	0	165-170	155-160	22	0	0	2.5-5	0	160-165
Rachael Corser (to 11.09.22) Director of Nursing	0	0	0	0	0	0	0	60-65	8	0	0	7.5-10	0	65-70
Theresa Murphy (from 02.09.22) Director of Nursing	140-145	0	0	0	40-42.5	0	180-185	75-80	0	0	0	0	0	75-80
Michael Chilvers (to 16.04.23) Medical Director	10-15	0	0	0	0	0	10-15	205-210	0	0	0	0	0	205-210
Justin Daniels (from 17.04.23) * Medical Director	190-195	1	0	0	110-112.5	0	300-305	0	0	0	0	0	0	0
Julie Smith (to 01.05.22) Chief Operating Officer	0	0	0	0	0	0	0	10-15	1	0	0	0	0	10-15
Lucy Davies (from 19.04.22) Chief Operating Officer	145-150	0	0	0	0	0	145-150	130-135	0	0	0	87.5-90	0	220-225

Thomas Pounds	130-135	4	0	0	0	0	130-135	125-130	23	0	0	37.5-40	0	165-170
Chief People Officer													
Mark Stanton	135-140	0	0	0	32.5-35	0	165-170	125-130	23	0	0	30-32.5	0	160-165
Chief Information Officer													
Kevin O' Hart (from 01.07.22)	125-130	0	0	0	5-7.5	0	135-140	90-95	17	0	0	0	0	90-95
Director of Improvement													
Kevin Howell (from 01.07.22)	160-165	0	0	0	0	0	160-165	115-120	18	0	0	0	0	120-125
Director of Estates & Facilities													

Name and title	2023/24						2022/23					
	Salary	Expense payments (taxable) total	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	TOTAL	Salary	Expense payments (taxable) total	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	TOTAL
	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	Rounded to the nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£00	£000	£000	£000	£000	£000	£00	£000	£000	£000	£000
Non-executive directors												
Ellen Schroder (to 01.11.23)	30-35	0	0	0	0	30-35	50-55	0	0	0	0	50-55
Chair												
Anita Day (from 02.01.24)	10-15	3	0	0	0	10-15	0	0	0	0	0	0
Chair												
Val Moore	10-15	5	0	0	0	10-15	10-15	5	0	0	0	10-15
Jonathan Silver	10-15	0	0	0	0	10-15	10-15	0	0	0	0	10-15

Peter Carter	10-15	0	0	0	0	10-15	10-15	0	0	0	0	10-15
Nina Janda (from 01.09.23)	5-10	1	0	0	0	5-10	0	0	0	0	0	0
David Buckle	10-15	0	0	0	0	10-15	10-15	0	0	0	0	10-15
Karen McConnell	20-25	0	0	0	0	20-25	10-15	0	0	0	0	10-15
Biraj Parmar (to 07.09.22)	0	0	0	0	0	0	5-10	0	0	0	0	5-10

Notes to the remuneration table for executive and non-executive directors

- The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less, the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual. The Trust's contribution to directors' pensions was 14.3% of salary for 2023/24 (this was topped up to 20.6% by NHSE) (20.6% in 2022/23). In summary, the figures calculated in the *All pension related benefits* column take in to account several factors, the principal one being the total maximum income that the person would receive covering the following 20-year period if they retired at the end of the financial year in question.
- Benefits-in-kind relate to taxable benefit available to NHS staff for the reimbursement of regular car user allowance, lease cars and removal expenses for new starters. During 2010/11 the Trust introduced a HM Treasury-approved salary sacrifice scheme for vehicles. Available to all staff, the scheme has been utilised by some of the executive directors, which has the effect of reducing the salary paid during 2022/23 and 2023/24.
- Salary sacrifice amounts have not been included in the current or prior year figures.
- * The amount of remuneration for Justin Daniels that relates to his non-managerial role is £60,611.88 (£130,273.87 relates to his managerial role).

The single total figure of remuneration for Directors is subject to audit by the Trust's auditors, BDO LLP.

Pension benefits

Name and title*	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2024	Lump sum at pension age related to accrued pension at 31 March 2024	Cash equivalent transfer value at 1 April 2023	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2024	Employer's contribution to stakeholder pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£000
Adam Sewell-Jones*	10-12.5	27.5-30	55-60	155-160	950	238	1,308	0
Chief Executive								
Martin Armstrong	0	35-37.5	50-55	135-140	919	121	1,152	0
Director of Finance								
Theresa Murphy	2.5-5	0-2.5	55-60	155-160	1,136	151	1,421	0
Director of Nursing								
Michael Chilvers* (to 16.04.23)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medical Director								
Justin Daniels (from 17.04.23)*	2.5-5	62.5-65	65-70	180-185	1,140	238	1,526	0
Medical Director								
Lucy Davies	0	32.5-35	55-60	160-165	1,105	150	1,386	0
Chief Operating Officer								
Thomas Pounds	0	27.5-30	30-35	85-90	423	302	633	0
Chief People Officer								
Mark Stanton*	0-2.5	0	20-25	0	268	63	374	0
Chief Information Officer								
Kevin O'Hart*	0	27.5-30	35-40	90-95	634	88	802	0
Director of Improvement								
Kevin Howell	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Director of Estates & Facilities								

- Michael Chilvers left the pension scheme with effect from 1st April 2019.
- Adam Sewell-Jones opted back into the pension scheme April 2023.
- Kevin Howell opted out of the pension scheme prior to joining the Trust board on 1st July 2022.
- There is no mandatory lump sum available for Mark Stanton.
- Justin Daniels joined the Trust during the year.
- Martin Armstrong, Lucy Davies, Thomas Pounds and Kevin O'Hart have all been affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted for a zero.

Notes to pensions table

As non-executive members of the Board do not receive pensionable remuneration, there are no entries in respect of pensions for these individuals. A cash-equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued

benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures.

Real increase in CETV reflects the increase in CETV funded effectively by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement).

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement. During the year, the Government announced that public sector pension schemes will be required to provide indexation on the Guaranteed Minimum Pension element of the pension. NHS Pensions has updated the methodology used to calculate CETV values as at 31 March 2020. The impact of the change in methodology is included within the reported real increase in CETV for the current and prior year.

On 1 April 2015, the government made changes to public service pension schemes which treated members differently based on their age. The public service pensions remedy puts this right and removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022. Part 1 of the remedy closed the 1995/2008 Scheme on 31 March 2022, with active members becoming members of the 2015 Scheme on 1 April 2022. For Part 2 of the remedy, eligible members had their membership during the remedy period in the 2015 Scheme moved back into the 1995/2008 Scheme on 1 October 2023. This is called 'rollback'.

This information is subject to audit by the Trust's auditors, BDO LLP.

Payments to past directors

There were no such payments in 2023/24. This information is subject to audit by the Trust's auditors, BDO LLP.

Pay multiples (fair pay disclosure) for 2023/24

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.
The mid-point of the banded remuneration of the highest paid director in the Trust in 2023/24 was £197,500 (2022/23 – £207,500). This was 5.1 times (2022/23 – 5.9 times) the median remuneration of the workforce, which was £39,016 (2022/23 – £35,068).

Regarding the ratio of highest paid director to median remuneration of the workforce, as the median pay has increased this has resulted in a slightly lower ratio.

This information is subject to audit by the Trust's auditors, BDO LLP.

Further fair pay disclosures required for 2023/24

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director / member in East and North Hertfordshire NHS Trust in the financial year 2023/24 was £195k - £200k (2022/23, £205k-£210k). The relationship to the remuneration of the organisation's workforce is disclosed in the below table along with the percentage change in remuneration of highest paid director.

Percentage change in salary in respect of highest paid director	23/24 Increase / (decrease)	22/23 Increase / (decrease)
Change in salary and allowances from the previous year in		
respect of the highest paid director:	-4.82%	2.47%
Change in performance pay and bonuses from the previous		
year in respect of the highest paid director:	N/A	N/A
Average change in salary and allowance from the previous		
year in respect of all employees (excluding highest paid director):	10.54%	2.19%
Average change in performace pay and bonuses from the previous		
year in respect of all employees (excluding highest paid director):	N/A	N/A

2023-24	25th percentile	Median	75th percentile
Total remuneration (£)	28,456.86	39,016.46	51,688.00
Salary component of total remuneration (£)	28,415.74	38,836.27	51,306.01
Pay ratio information	6.94	5.06	3.82
2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	25,318.92	35,068.13	47,672.00
Salary component of total remuneration (£)	25,278.24	34,864.26	47,169.64
Pay ratio information	8.20	5.92	4.35

Year	25th percentile total remuneration ratio	25th percentile salary ratio	Median total remuneration ratio	Median salary ratio	75th percentile total remuneration ratio	75th percentile salary ratio
23/24	6.94	6.95	5.06	5.09	3.82	3.85
22/23	8.20	8.21	5.92	5.95	4.35	4.40

In 2023/24, 60 employees (2022/23, 16 employees) received remuneration in excess of the

highest paid director. Remuneration ranged from £10,000 to £336,232 per annum (for 2022/23, – the reported range was £10,000 to £303,231).

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

This information is subject to audit by the Trust's auditors, BDO LLP.

Staff report

This section covers:
- Staff numbers and costs
- Staff composition
- Sickness absence data
- Staff turnover percentage
- Staff engagement
- Staff policies regarding equality and diversity
- Trade Union Facility Reporting Time
- Other employee matters
- Expenditure on consultancy
- Off-payroll engagements
- Exit packages

Staff numbers and costs

The table below summarises the Trust's workforce by category stated as full-time equivalents (FTEs), not headcount.

Average number of employees	2023/24			2022/23
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	985.5	53	1038.6	996
Administration and estates	1,668.0	116	1784.3	1,779
Healthcare assistants and other support staff	930.6	181	1112.1	1,076
Nursing, midwifery and health visiting staff	1,860.2	230	2090.3	2,053
Scientific, therapeutic and technical staff	487.1	56	543.2	524
Healthcare science staff	174.9	0	174.9	174
Total average numbers	**6,106**	**637**	**6,743**	**6,602**
Of which:				
Number of employees (WTE) engaged on capital projects	6	-	6	10

Please note – the analysis of staff numbers in the table above has been audited by the Trust's auditors, BDO LLP.

The table below summarises the Trust's employee benefits costs.

Staff costs	2023/24			2022/23
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	287,275	-	**287,275**	269,050
Social security costs	32,660	-	**32,660**	29,065
Apprenticeship levy	1,485	-	**1,485**	1,291
Employer's contributions to NHS pensions	46,809	-	**46,809**	43,291
Pension cost - other	93	-	**93**	107
Termination costs	-	-	**-**	-
Temporary staffing costs	-	49,046	**49,046**	48,175
Recoveries in respect of seconded staff	(4,524)	-	**(4,524)**	(3,509)
External financing				
Costs capitalised as part of assets	328	-	**328**	332

Staff composition

The table below summarises the composition of the Trust's workforce by gender.

Gender	Headcount March 2024	FTE March 2024
Female	5231	4559.09
Male	1706	1628.18
Total	**6937**	**6187.27**

The composition of the Trust Board by gender is as follows:

Gender	Headcount March 2024
Female	6
Male	10

Sickness absence data

Sickness absence rates have been between 4.1% and 5.5% during 2023/24 with the highest rates around wintertime, peaking at 5.5% in November 2023.

The absence rate for the 12-month period ending March 2024 was 4.6%.

Trust sickness absence by month:

Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
5.0%	4.4%	4.3%	4.3%	4.4%	4.7%	4.7%	5.5%	5.2%	5.2%	4.6%	4.1%

The three highest levels of absence are attributable to Anxiety/Stress/Depression followed by Cold/Cough/Flu then Chest and Respiratory problems. We will continue to promote a range of support for staff to remain well in work and encourage proper rest periods, taking of annual leave and continue to locally triangulate absence data with staff survey results, patient complaints and staff complaints to identify areas that may require higher levels of development and support to create healthy workplaces in those team areas.

Staff turnover percentage

The Trust's staff turnover percentages are captured as part of a separate publication – NHS Digital's workforce statistics. This publication can be accessed via the following link:

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Staff Engagement

The table below shows the Trust's staff engagement score over the last five years, as recorded in the NHS staff survey. The engagement score for 2023 shows an increase in staff responding, and an increase in the overall staff engagement score.

	2017	2018	2019	2020	2021	2022	2023
Score	6.7	6.8	6.9	6.9	6.8	6.7	6.8
Number of responses	1608	2373	2600	2641	2640	2955	2994

Staff policies regarding equality and diversity

Trust staff and candidates for roles with disabilities are supported in recruitment through the Trust's compliance with the two tick accreditation and throughout their employment with the newly developed reasonable adjustment passport.

In August 2020 the Trust introduced the role of inclusion ambassadors in the appointment process for all posts graded at Band 8a and above. Currently, we have 30 inclusion ambassadors actively participating in the scheme and have additional training sessions planned to broaden our pool. Over the past year, inclusion ambassadors have contributed to 98 out of 114 appointments to roles at 8a and above, marking a 2% rise in roles where an ambassador was involved compared to the previous year. To foster collaboration among ambassadors, inclusion ambassador forums have been established, and we aim to continue growing the program throughout the year.

Further information regarding Trust policies and the approach to equality and diversity is available in the performance report section

Trade Union Facility Reporting Time

The Trust is required to publish the following information relating to Trade Union Facility Time:

Table 1 - Relevant Union officials

What was the total number of our employees who were relevant union officials during the period April 2023 to March 2024.

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
14	6187.27

**March 2024*

Table 2 – Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	
1 – 50%	12
51 - 99%	
100%	2

Table 3 Percentage of pay bill spend on facility time

Provide the total cost of facility time	£165,541*
Provide the total pay bill	£412,703,629
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.04

**estimate*

Table 4 Paid trade union activities

Time spent on paid trade union activities as a percentage of total pay facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	100%

Other employee matters

Other employee matters are outlined in the People performance analysis section of the report.

Expenditure on consultancy

In 2023/24 £584,917.51 was spent on consultancy costs.

Off-payroll engagements

The Trust is required to report arrangements where individuals, earning over £245 per day, are paid through their own companies (and so are responsible for their own tax and NI arrangements).

Table 1: Length of all highly paid off-payroll engagements

For all off-payroll engagements as of 31 March 2024, for more than £245 per day:

	Number
Number of existing engagements as of 31 March 2024	0
Of which the number have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	0
For between two and three years at the time of reporting	0
For between three and four years at the time of reporting	0
For four or more years at the time of reporting	0

Table 2: Off-payroll workers engaged at any point during the financial year

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

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

Table 3: Off-payroll board member/senior official engagements

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

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

Reporting of compensation schemes - exit packages 2023/24

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
	Number	£000	Number	£000	Number	£000
<£10,000	-	-	12	£33	12	£33
£10,001 to £25,000	1	£13	4	£57	5	£70
£25,001 to 50,000	-	-	-	-	-	-
£50,001 to £100,000	3	£231	-	-	3	£231
£100,001 to £150,000	-	-	-	-	-	-
Total number of exit packages by type / total resource cost (£)	4	£244	16	£90	20	£334

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Pensions Scheme. Exit costs in this note are the full costs of departures agreed in the year. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the prior year.

There were no other departures where special payments have been made in 2023/24.

Reporting of compensation schemes - exit packages 22/23

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
<£10,000	-	-	11	£47	11	£47	-	-
£10,001 to £25,000	-	-	3	£51	3	£51	1	13
£25,001 to 50,000	-	-	1	£33	1	£33	-	-
£50,001 to £100,000	-	-	1	£75	1	£75	-	-
£100,001 to £150,000	-	-	-	-	-	-	-	-
Total number of exit packages by type / total resource cost (£)	-	-	16	£206	16			

						£206	1	£13

Exit packages: other (non-compulsory) departure payments	2023/24		2022/23	
	Payments agreed		Payments agreed	
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	3	123
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	16	90	13	70
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	1	13
Total	16	90	17	206
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the number in Note 6.1 which will be the number of individuals.

Non-contractual payments requiring HMT approval includes any non-contractual severance payment made following judicial mediation.

This information is subject to audit by the Trust's auditors, BDO LLP.

Parliamentary accountability and audit report

This part of the annual report looks at the following areas:

- Fees and charges
- Remote contingent liabilities
- Losses and special payments
- Gifts
- Statement of directors' responsibilities in respect of the accounts
- Independent auditor's report to the directors of East and North Hertfordshire NHS Trust

Fees and charges

As outlined in note 5.3 of the annual accounts, the Trust does not undertake any activities for the sole purpose of generating income of over £1 million.

Remote contingent liabilities

There were no remote contingent liabilities during 2023-24.

Losses and special payments

The Trust is required to declare if it has had any loss, made any special payments, or made a gift more than £300,000. The Trust has included information on losses and special payments in note 29 of the financial statements.

During 2023/24 the Trust has no individual case of Losses and Special Payments in year that exceeded £300,000.

Gifts

There were no gifts during 2023-24.

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.

Date: 19 July 2024 Adam Sewell-Jones, Chief Executive

Date: 19 July 2024 Martin Armstrong, Finance Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EAST AND NORTH HERTFORDSHIRE NHS TRUST

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of East and North Hertfordshire NHS Trust and group as at 31 March 2024 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the Department of Health and Social Care's Group Accounting Manual 2023-24; and
- have been prepared in accordance with the National Health Service Act 2006.

We have audited the financial statements of East and North Hertfordshire NHS Trust (the Trust) and its subsidiary (the group) for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, Statements of Changes in Equity and Statements of Cash Flows and notes to the financial statements, including material accounting information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as interpreted and adapted by HM Treasury's Financial Reporting Manual for 2023-24 as contained in the Department of Health and Social Care's Group Accounting Manual 2023-24.

Basis for opinion on financial statements

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 and the group 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 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 Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's and the group'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 Accountable Officer with respect to going concern are described in the relevant sections of this report.

Other information

The Accountable Officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on information in the Remuneration and Staff Report

We have audited the information in the Remuneration and Staff Report that is subject to audit, being the information described in that report as having been audited.

In our opinion the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Department of Health and Social Care's Group Accounting Manual 2023-24.

Matters on which we are required to report by exception

Use of Resources

We are required to report to you if, in our opinion, we identify any significant weaknesses in the arrangements that have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have completed our work on the Trust's arrangements. We have nothing to report in this regard.

Other matters on which we report by exception

Report to the Secretary of State

We are required report to you if:

- in our opinion the Annual Governance statement does not comply with the guidance issued by NHS Improvement; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters except on 27 May 2020 we reported to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014. This was in relation to the Trust's planned cumulative deficit for the year ended 31 March 2024. This decision resulted in the Trust breaching its breakeven duty. The Trust subsequently reported a cumulative deficit of £73.969 million in its financial statements for the year ended 31 March 2024.

Responsibilities of the chief executive as accountable officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the accountable officer of the Trust, the Chief Executive is the accountable officer for the Trust and is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 accountable officer is 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 either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

As explained in the Statement of the Chief Executive's responsibilities as the accountable officer of the Trust, as the accountable officer of the Trust, the Chief Executive is responsible for ensuring that value for money is achieved from the resources available to the Trust.

Auditor's responsibilities for the audit of the financial statements

In respect of our 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Our procedures included the following:

- inquiring of management, the Trust's head of internal audit, the Trust's local counter fraud specialist and those charged with governance, including obtaining and reviewing supporting documentation in respect of the Trust's policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Trust's controls relating to Managing Public Money requirements;
- discussing among the engagement team and involving relevant internal and or external specialists, including internal forensics specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: revenue recognition, expenditure recognition, and posting of unusual journals;
- obtaining an understanding of the Trust's framework of authority as well as other legal and regulatory frameworks that the Trust operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Trust. The key laws and regulations we considered in this context included the National Health Service Act 2006 as amended by the Health and Social Care Act 2012, which requires that each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. Other relevant laws and regulations identified include VAT and PAYE legislation; and
- Other risk assessment procedures performed relating to fraud, non-compliance with laws and regulations and regularity.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Trust Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of fraud in revenue recognition, gaining an understanding of the Trust's internal control environment for recognising block contract income, including the adequacy of underlying documentation with commissioners, and for ensuring that non-block contract income is appropriately recognised in accordance with IFRS 15; substantively testing a sample of non-block income recognised throughout the year to evidence of services provided during the year; substantively testing a sample of deferred income balances to ensure that they related solely to non-block contract income for which performance obligations were not met during the financial year; substantively selecting receipts and invoices before and after year end and substantively testing a sample of block income to supporting documentation to ensure classification of block income and non-block is appropriate; and
- in addressing the risk of fraud in relation to expenditure recognition, substantively selecting items of expenditure around year end based on a lower threshold that reflects the level of risk and testing an increased sample of payable accruals at year end to ensure that they are based on goods and services received prior to year end and, where amounts are estimated, the amounts accrued are accurate.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 21 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. 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 have undertaken our work in accordance with the Code of Audit Practice issued by the National Audit Office, having regard to the guidance issued by the Comptroller and Auditor General.

Auditor's other responsibilities

As set out in the Other matters on which we report by exception section of our report there are certain other matters which we are required to report by exception.

Certificate

We certify that we have completed the audit of East and North Hertfordshire NHS Trust for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the Board of Directors of East and North Hertfordshire NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014.

Our audit work has been undertaken so that we might state to the Directors of 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 and the Board of Directors of the Trust, as a body, for our audit work, this report, or for the opinions we have formed.

Ciaran McLaughlin
Key Audit Partner

For and on behalf of BDO LLP, local auditor
Ipswich, UK

19 July 2024
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

East And North Hertfordshire NHS Trust

Annual accounts for the year ended 31 March 2024

Consolidated Statement of Comprehensive Income

		Group	
		2023/24	2022/23
	Note	£000	£000
Operating income from patient care activities	3	609,608	566,603
Other operating income	4	48,976	43,997
Operating expenses	6, 8	(653,125)	(606,237)
Operating surplus from continuing operations		**5,459**	**4,363**
Finance income	10	3,365	1,406
Finance expenses	11	(4,335)	(3,171)
PDC dividends payable		(5,273)	(5,121)
Net finance costs		**(6,243)**	**(6,886)**
Corporation tax expense		(292)	(258)
Deficit for the year		**(1,076)**	**(2,781)**
Will not be reclassified to income and expenditure:			
Impairments	7	(6,877)	(8,340)
Revaluations	14	1,104	7,833
Other reserve movements		6	-
Total comprehensive expense for the period		**(6,843)**	**(3,288)**

Statements of Financial Position

	Note	Group 31 March 2024 £000	Group 31 March 2023 £000	Trust 31 March 2024 £000	Trust 31 March 2023 £000
Non-current assets					
Intangible assets	12,13	24,882	27,454	24,882	27,449
Property, plant and equipment	14,15	253,762	239,346	253,699	239,267
Right of use assets	17	100,166	108,376	100,166	108,376
Other investments / financial assets	18	-	-	1,000	1,000
Receivables	20	2,421	2,562	2,421	2,562
Total non-current assets		**381,231**	**377,738**	**382,168**	**378,654**
Current assets					
Inventories	19	8,757	8,135	7,474	6,859
Receivables	20	40,595	29,722	39,847	29,060
Cash and cash equivalents	21	66,324	76,028	64,355	73,962
Total current assets		**115,676**	**113,885**	**111,676**	**109,881**
Current liabilities					
Trade and other payables	22	(96,310)	(85,287)	(96,453)	(85,047)
Borrowings	24	(10,826)	(10,403)	(10,826)	(10,403)
Other financial liabilities		(209)	(200)	(209)	(200)
Provisions	25	(9,149)	(7,987)	(9,149)	(7,987)
Other liabilities	23	(7,488)	(7,665)	(7,488)	(7,665)
Total current liabilities		**(123,982)**	**(111,542)**	**(124,125)**	**(111,302)**
Total assets less current liabilities		**372,925**	**380,081**	**369,719**	**377,233**
Non-current liabilities					
Trade and other payables	22	(3,394)	(3,597)	(3,394)	(3,597)
Borrowings	24	(134,519)	(139,406)	(134,519)	(139,406)
Other financial liabilities		(1,141)	(1,350)	(1,141)	(1,350)
Provisions	25	(7,249)	(7,171)	(7,249)	(7,171)
Total non-current liabilities		**(146,303)**	**(151,524)**	**(146,303)**	**(151,524)**
Total assets employed		**226,622**	**228,557**	**223,416**	**225,709**
Financed by					
Public dividend capital		382,566	373,703	382,566	373,703
Revaluation reserve		51,391	57,656	51,391	57,656
Income and expenditure reserve		(207,335)	(202,802)	(210,541)	(205,650)
Total taxpayers' equity		**226,622**	**228,557**	**223,416**	**225,709**

The notes on pages 141 - 198 form part of these accounts.

Name	Adam Sewell-Jones
Position	Chief Executive
Date	19 July 2024

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**373,703**	**57,656**	**(202,802)**	**228,557**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(3,955)	**(3,955)**
Deficit for the year	-	-	(1,076)	**(1,076)**
Impairments	-	(6,877)	-	**(6,877)**
Revaluations	-	1,104	-	**1,104**
Transfer to retained earnings on disposal of assets	-	(492)	492	**-**
Public dividend capital received	8,863	-	-	**8,863**
Other reserve movements	-	-	6	**6**
Taxpayers' and others' equity at 31 March 2024	**382,566**	**51,391**	**(207,335)**	**226,622**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**371,259**	**58,163**	**(200,021)**	**229,401**
Deficit for the year	-	-	(2,781)	**(2,781)**
Impairments	-	(8,340)	-	**(8,340)**
Revaluations	-	7,833	-	**7,833**
Public dividend capital received	4,406	-	-	**4,406**
Public dividend capital repaid	(1,962)	-	-	**(1,962)**
Taxpayers' and others' equity at 31 March 2023	**373,703**	**57,656**	**(202,802)**	**228,557**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**373,703**	**57,656**	**(205,650)**	**225,709**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(3,955)	**(3,955)**
Deficit for the year	-	-	(1,434)	**(1,434)**
Impairments	-	(6,877)	-	**(6,877)**
Revaluations	-	1,104	-	**1,104**
Transfer to retained earnings on disposal of assets	-	(492)	492	**-**
Public dividend capital received	8,863	-	-	**8,863**
Other reserve movements	-	-	6	**6**
Taxpayers' and others' equity at 31 March 2024	**382,566**	**51,391**	**(210,541)**	**223,416**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**371,259**	**58,163**	**(202,286)**	**227,136**
Deficit for the year	-	-	(3,364)	**(3,364)**
Impairments	-	(8,340)	-	**(8,340)**
Revaluations	-	7,833	-	**7,833**
Public dividend capital received	4,406	-	-	**4,406**
Public dividend capital repaid	(1,962)	-	-	**(1,962)**
Taxpayers' and others' equity at 31 March 2023	**373,703**	**57,656**	**(205,650)**	**225,709**

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.

Statements of Cash Flows

	Note	Group 2023/24 £000	Group 2022/23 £000	Trust 2023/24 £000	Trust 2022/23 £000
Cash flows from operating activities					
Operating surplus		5,459	4,363	4,812	3,522
Non-cash income and expense:					
Depreciation and amortisation	6.1	29,538	25,726	29,515	25,704
Net impairments	7	2,950	(4,042)	2,950	(4,042)
Income recognised in respect of capital donations	4	(200)	(143)	(200)	(143)
(Increase) in receivables and other assets		(11,059)	(5,967)	(10,973)	(5,999)
(Increase) in inventories		(622)	(239)	(615)	(234)
Increase in payables and other liabilities		5,611	6,672	6,026	6,813
(Decrease) in provisions		(1,008)	(670)	(1,008)	(670)
Tax (paid)		(259)	(285)	-	-
Net cash flows from operating activities		**30,410**	**25,415**	**30,507**	**24,951**
Cash flows from investing activities					
Interest received		3,365	1,406	3,365	1,406
Purchase of intangible assets		(712)	(997)	(712)	(997)
Purchase of PPE and investment property		(32,096)	(17,308)	(32,096)	(17,286)
Receipt of cash lease incentives (lessee)		250	-	250	
Receipt of cash donations to purchase assets		200	121	200	121
Net cash flows (used in) investing activities		**(28,993)**	**(16,778)**	**(28,993)**	**(16,756)**
Cash flows from financing activities					
Public dividend capital received		8,863	4,406	8,863	4,406
Public dividend capital repaid		-	(1,962)	-	(1,962)
Loan amounts repaid to DHSC		(2,588)	(2,588)	(2,588)	(2,588)
Capital element of lease liability repayments		(8,768)	(8,663)	(8,768)	(8,663)
Capital element of PFI, LIFT and other service concession payments		(703)	(334)	(703)	(334)
Interest on loans		(1,057)	(1,096)	(1,057)	(1,096)
Other interest		(28)	(46)	(28)	(46)
Interest paid on lease liability repayments		(1,154)	(1,061)	(1,154)	(1,061)
Interest paid on PFI, LIFT and other service concession obligations		(789)	(982)	(789)	(982)
PDC dividend (paid)		(4,894)	(5,230)	(4,894)	(5,230)
Cash flows from (used in) other financing activities		(4)	-	(4)	-
Net cash flows (used in) financing activities		**(11,121)**	**(17,556)**	**(11,121)**	**(17,556)**
(Decrease) in cash and cash equivalents		**(9,704)**	**(8,919)**	**(9,607)**	**(9,361)**
Cash and cash equivalents at 1 April		**76,028**	**84,947**	**73,962**	**83,323**
Cash and cash equivalents at 31 March	21	**66,324**	**76,028**	**64,355**	**73,962**

Adjusted Financial Performance

	2023/24	2022/23
Adjusted financial performance (control total basis):		
Deficit for the period	(1,076)	(2,781)
Remove net impairments not scoring to the Departmental expenditure limit	2,950	(4,042)
Remove I&E impact of capital grants and donations	486	578
Remove I&E impact of IFRS 16 on IFRIC 12 schemes	814	-
Remove net impact of inventories received from DHSC group bodies for COVID response	28	109
Adjusted financial performance surplus / (deficit)	**3,202**	**(6,136)**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

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.

Note 1.3 Consolidation

Other subsidiaries

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

The Trust has a wholly owned subsidiary company, ENH Pharma Ltd. The accounts for this company have been consolidated into the Trust's annual accounts. The primary statements and notes to the accounts have been presented with separate 'Group' and 'Trust' columns. Where the difference between the 'Group' and 'Trust' figures is considered immaterial, the 'Trust' version of the note has been omitted.

The Trust has judged that the financial performance and position of its Charity is not material to the results of the Trust and, as a result, the decision has been made not to consolidate for 2023/24.

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.
A receivable is recognised when goods are delivered as this is the point in time that the consideration is unconditional and because only the passage of time is required before the payment is due.

Revenue from NHS contracts

Income generated from contracts with the National Health Service (NHS) constitutes the primary revenue stream for the Trust. These contracts, established with commissioners for healthcare services, are funded within a set budget at the Integrated Care System (ICS) level. The bulk of the Trust's NHS revenue is derived from contracts with NHS commissioners under the NHS Payment Scheme (NHSPS), which superseded the National Tariff Payment System on April 1, 2023.

Under the NHSPS, Aligned Payment and Incentive (API) contracts serve as the primary payment mechanism for contractual values exceeding £0.5 million. API contracts in the fiscal year 2023/24 incorporate both fixed and variable components. The variable portion encompasses income generated from various healthcare activities, such as elective procedures, outpatient services, diagnostic imaging, and chemotherapy, among others, as outlined in the NHSPS. This income is calculated based on actual activity at NHSPS prices. Conversely, the fixed component encompasses income for services not contingent upon activity levels. High-cost drugs and devices, excluded from national price calculations, are reimbursed separately by NHS England.

Monthly fixed payments for the fiscal year 2023/24 were determined based on projected elective activity targets, subject to adjustments throughout the year, particularly in response to the Elective Recovery Fund (ERF). Deviations from projected performance levels prompt corresponding adjustments to the variable portion of payments within API contracts.

In addition to NHSPS contracts, the Trust also receives income from commissioners through schemes like Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT). These payments, integrated into overall contract agreements, are treated as variable considerations under IFRS 15. Payments for CQUIN and BPT are included in the fixed component of API contracts, with adjustments made based on actual performance at year-end. BPT earnings related to elective activity are included in the variable component of API contracts.

For integrated care boards with anticipated low-volume activity (annual value below £0.5 million), providers receive an annual fixed payment outlined in NHSPS documentation, classified as 'other clinical income'. Additionally, Elective Recovery Funding supports integrated care boards in commissioning elective services within their systems, indirectly impacting the Trust's revenue through system performance metrics.

In summary, revenue from NHS contracts forms the backbone of the Trust's income, with various mechanisms in place to adjust payments based on actual performance and system-wide initiatives.

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

Education and training

Health Education England provide funding to maintain education and training capacity, retain students on education and training programmes, and enable students to provide their skills to the NHS to support the response. Income is recognised in line with the requirements of IFRS 15. 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 obligation.[1]

Non-patient care services to other bodies

The Trust provides non-patient related services to other NHS bodies for which income is recognised in line with IFRS15. Revenue is recognised when 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 obligation.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

[1] Health Education England became part of NHS England at the start of 23/24.

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (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.

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.

Where the Trust owns property under the Private Finance Initiative (PFI) scheme, the Trust opinion is that the fair value of the freehold interest in the property is based on the modern equivalent basis of Depreciated Replacement Cost and has valued such property gross of VAT.

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

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

Depreciation

Items of property, plant and equipment are depreciated 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.

Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation gains and losses

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

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

Useful lives of property, plant and equipment

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

	Min life	**Max life**
	Years	**Years**
Land	-	-
Buildings, excluding dwellings	10	83
Plant & machinery	5	15
Information technology	5	10
Furniture & fittings	5	20

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.

Software

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

The Trust holds material intangible assets for its Electronic Patient Record (EPR) system Lorenzo. Two assets with a combined NBV of £13.3m and remaining amortisation period of 9 years are held in the Trusts books.

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 are shown in the table below:

	Min life	**Max life**
	Years	**Years**
Development expenditure	5	10
Software licences	5	15

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets 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.

Impairment of financial assets

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

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

The Trust determines expected credit losses using a matrix of percentage based on the class of financial asset and prior recoverability. The Trust does not normally recognise expected credit losses in relation to other NHS bodies.

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

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

Derecognition

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

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

Note 1.15 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.

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

The Trust as a lessee

Recognition and initial measurement

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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

Subsequent measurement

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

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

The Trust as a lessor

Operating leases

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

Initial application of IFRS 16 in 2022/23

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

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

The Trust as lessee

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

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

The Trust as lessor

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

Note 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at Note 25.2 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 1.17 Public dividend capital

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

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

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

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

Note 1.18 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 1.19 Corporation tax

The Trust's wholly-owned subsidiary is liable for Corporation Tax on its profits. An estimate for the taxation payable on each year's profits is included within these financial statements. However, given that this tax will be payable within the next financial year, no allowance is made for discounting in assessing the liability.

Note 1.20 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 1.21 Third party assets

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

Note 1.22 Losses and special payments

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

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

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 14 Regulatory Deferral Accounts and IFRS 17 Insurance Contracts have been issued but have not yet been adopted by the FReM. The Trust has reviewed these as not being relevant to the Trust and will therefore have no impact once they are adopted. IFRS 18 Presentation and Disclosure in Financial Statements has been issued but not yet adopted by the FReM. The Trust will be reviewing and considering the impact this will have on the Financial Statements in early 24/25.

Note 1.25 Sources of estimation uncertainty

On an ongoing basis, the Trust evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the circumstances. As estimates carry with them an inherent level of uncertainty, we perform sensitivity analysis where this is practicable and where, in management's opinion, it provides useful and meaningful information. This sensitivity analysis is performed to understand a range of outcomes that could be considered reasonably possible based on experience and the facts and circumstances associated with individual areas of the financial statements that are subject to estimates. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.
The following paragraphs describe the estimates and judgements relating to PPE, where the Trust believes to have the most significant impact on the annual results as reported in accordance with IFRS.
- Valuation of Tangible Assets - Note 14

Revaluations of property, plant and equipment and Right of Use Assets 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 – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.
- Non specialised buildings (Right of Use Assets) - investment method

The current valuation exercise was carried out in March 2024. The values in the valuer report have been used to inform the measurement of property assets at valuation in these financial statements.

Significant uncertainty in valuation relates principally to land and our specialised buildings. The valuer, in arriving at the value of specialised buildings, estimates the build costs based on current market indices. The build cost inflation estimated by the valuer for March 2024 was 3.25%. A 5% change in estimated build costs will result in a 4.67% change in the carrying value of buildings. Land valuation is based on current market rate per Acre. The land rates were unchanged in this years valuation. A 5% change in the market rate will result in a 5% change in the carrying value of land.

The estimated useful economic lives of PPE and intangible assets is based on management's experience plus professional advice from experts. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of PPE and intangibles investment, variations between actual and estimated useful economic lives could impact operating results both positively and negatively. As such, this is a key source of estimation uncertainty. The depreciation and amortisation expense for the year was £29.5m (12.2% of non-pay expenditure). A 10% increase in average building asset lives, where there is the largest estimation, would have resulted in a £0.3m reduction in this figure and a 10% decrease in average asset lives would have resulted in a £0.3m increase in this figure.

Note 2 Operating Segments

The Trust has assessed that services provided by each of its Divisions or geographical locations all fall within the description of 'provision of healthcare' and operate as a single operating segment. There is no one unit with income of over 10% of total income that the chief operating decision maker, the Trust Board, would make operating decisions based on segmented reporting.

Note 3 Operating income from patient care activities (Group)

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)	**2023/24**	**2022/23**
	£000	**£000**
Income from commissioners under API contracts - variable element*	166,630	-
Income from commissioners under API contracts - fixed element*	320,237	430,120
High cost drugs income from commissioners	61,192	52,892
Other NHS clinical income	40,233	34,034
Private patient income	5,422	4,241
Elective recovery fund (comparative only)	-	19,946
National pay award central funding***	320	11,042
Additional pension contribution central funding**	14,364	13,264
Other clinical income	1,210	1,064
Total income from activities	**609,608**	**566,603**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/24 NHS Payment Scheme documentation.
https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

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

***Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2023/24	**2022/23**
Income from patient care activities received from:	**£000**	**£000**
NHS England	156,166	163,467
Clinical commissioning groups	-	94,180
Integrated care boards	446,810	303,605
Other NHS providers	-	46
Non-NHS: private patients	5,422	4,241
Non-NHS: overseas patients (chargeable to patient)	361	240
Injury cost recovery scheme	605	620
Non NHS: other	244	204
Total income from activities	**609,608**	**566,603**

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

	2023/24	2022/23
	£000	£000
Income recognised this year	361	240
Cash payments received in-year	236	176
Amounts added to provision for impairment of receivables	660	124
Amounts written off in-year	1,033	-

Note 4 Other operating income (Group)

	2023/24	2022/23
Other operating income from contracts with customers:	£000	£000
Research and development	6,452	5,965
Education and training	19,993	18,304
Non-patient care services to other bodies	18,731	14,665
Reimbursement and top up funding	-	1,247
Other	3,034	2,075
Other non-contract operating income:		
Education and training - notional income from apprenticeship fund	176	198
Receipt of capital grants and donations and peppercorn leases	200	143
Charitable and other contributions to expenditure	216	1,231
Revenue from operating leases	174	169
Total other operating income	**48,976**	**43,997**

Other contract income includes:

Car parking income of £1,133k (2022/23 £840k)

Catering (non-patient) of £1,420k (2022/23 £1,152k)

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	5,213	5,542

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2024	31 March 2023
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000
within one year	7,488	7,665
Total revenue allocated to remaining performance obligations	**7,488**	**7,665**

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.

Note 5.3 Fees and charges (Group)

The Trust does not undertake any income generation activities with an aim of achieving profit in excess of £1m, or is otherwise material.

Note 6.1 Operating expenses (Group)

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	7,959	8,288
Purchase of healthcare from non-NHS and non-DHSC bodies	9,633	11,358
Staff and executive directors costs **	410,819	383,952
Remuneration of non-executive directors	138	136
Supplies and services - clinical (excluding drugs costs)	41,886	39,003
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	244	1,340
Supplies and services - general	15,581	13,938
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	73,587	67,697
Inventories written down	258	293
Consultancy costs	585	481
Establishment	5,669	5,631
Premises	24,287	24,132
Transport (including patient travel)	1,588	1,305
Depreciation on property, plant and equipment	26,254	22,564
Amortisation on intangible assets	3,284	3,162
Net impairments	2,950	(4,042)
Movement in credit loss allowance: contract receivables / contract assets	89	207
Increase/(decrease) in other provisions	-	16
Change in provisions discount rate(s)	(27)	(116)
Fees payable to the external auditor		
audit services- statutory audit *	250	245
Internal audit costs	190	159
Clinical negligence	19,622	17,304
Legal fees	334	143
Insurance	298	287
Research and development - staff costs	1,696	3,108
Research and development - non staff costs	305	525
Education and training - non-staff	1,602	1,800
Education and training - notional expenditure funded from apprenticeship fund	176	198
Expenditure on short term leases	264	707
Redundancy - paid in year	189	78
Redundancy - provided for in year	465	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	151	131
Car parking & security	614	595
Hospitality	6	36
Losses, ex gratia & special payments	20	12
Other services, eg external payroll	1,401	1,529
Other	758	35
Total	**653,125**	**606,237**

* The audit fee is stated on a gross basis for the Trust and net for the subsidiary. The total amount NET of VAT is £210k

** Employer pension contributions paid by NHSE on the Trusts behalf (£14.364m) and the consultants pay award (£0.32m) are included within the Staff costs.

Note 6.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

Note 7 Impairment of assets (Group)

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	2,950	(4,042)
Total net impairments charged to operating surplus / deficit	**2,950**	**(4,042)**
Impairments charged to the revaluation reserve	6,877	8,340
Total net impairments	**9,827**	**4,298**

Impairments relating to Changes in Market Price and those Charged to the Revaluation Reserve relate to the Trust's Property, Plant and Equipment. This reflects the movements in value of properties based on their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis.

Note 8 Employee benefits (Group)

	2023/24	2022/23
	Total	Total
	£000	£000
Salaries and wages	287,464	269,050
Social security costs	32,660	29,065
Apprenticeship levy	1,485	1,291
Employer's contributions to NHS pensions	46,809	43,291
Pension cost - other	93	107
Temporary staff (including agency)	49,046	48,175
Total gross staff costs	**417,557**	**390,979**
Recoveries in respect of seconded staff	(4,525)	(3,509)
Total staff costs	**413,032**	**387,470**
Of which		
Costs capitalised as part of assets	328	332
Total employee benefits excl. capitalised costs	**412,704**	**387,138**

Please note, the £412,704 is made up of Staff and executive director costs £410,819, Research and development staff costs £1,696 and Redundancy staff costs £189k).

Note 8.1 Retirements due to ill-health (Group)

During 2023/24 there were 4 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £60k (£153k in 2022/23).

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

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 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the the employer contribution rate will increase to 23.7% from 1 April 2024 (previously 20.6%).

Note 10 Finance income (Group)

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	3,365	1,406
Total finance income	**3,365**	**1,406**

Note 11.1 Finance expenditure (Group)

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

	2023/24	2022/23
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	1,057	1,096
Interest on lease obligations	1,154	1,061
Interest on late payment of commercial debt	28	-
Finance costs on PFI, LIFT and other service concession arrangements:		
Main finance costs	789	426
Contingent finance costs*	-	556
Remeasurement of the liability resulting from change in index or rate*	1,296	-
Total interest expense	**4,324**	**3,139**
Unwinding of discount on provisions	11	(14)
Other finance costs	-	46
Total finance costs	**4,335**	**3,171**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 27.

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2023/24	2022/23
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	28	-

Note 12.1 Intangible assets - 2023/24

Group	Software licences	Internally generated assets	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**39,634**	**4,788**	**760**	**45,182**
Additions	712	-	-	**712**
Reclassifications	760	-	(760)	**-**
Valuation / gross cost at 31 March 2024	**41,106**	**4,788**	**-**	**45,894**
Amortisation at 1 April 2023 - brought forward	**13,910**	**3,818**	**-**	**17,728**
Provided during the year	3,121	163	-	**3,284**
Amortisation at 31 March 2024	**17,031**	**3,981**	**-**	**21,012**
Net book value at 31 March 2024	**24,075**	**807**	**-**	**24,882**
Net book value at 1 April 2023	**25,724**	**970**	**760**	**27,454**

Note 12.2 Intangible assets - 2022/23

Group	Software licences	Internally generated assets	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**40,187**	**4,788**	**-**	**44,975**
Additions	826	-	171	**997**
Reclassifications	(730)	-	589	**(141)**
Disposals / derecognition	(649)	-	-	**(649)**
Valuation / gross cost at 31 March 2023	**39,634**	**4,788**	**760**	**45,182**
Amortisation at 1 April 2022 - as previously stated	**11,142**	**3,655**	**-**	**14,797**
Provided during the year	2,999	163	-	**3,162**
Reclassifications	(11)	-	-	**(11)**
Disposals / derecognition	(220)	-	-	**(220)**
Amortisation at 31 March 2023	**13,910**	**3,818**	**-**	**17,728**
Net book value at 31 March 2023	**25,724**	**970**	**760**	**27,454**
Net book value at 1 April 2022	**29,045**	**1,133**	**-**	**30,178**

Note 13.1 Intangible assets - 2023/24

Trust	Software licences	Internally generated assets	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**39,530**	**4,788**	**760**	**45,078**
Additions	712	-	-	**712**
Reclassifications	760	-	(760)	**-**
Valuation / gross cost at 31 March 2024	**41,002**	**4,788**	**-**	**45,790**
Amortisation at 1 April 2023 - brought forward	**13,811**	**3,818**	**-**	**17,629**
Provided during the year	3,116	163	-	**3,279**
Amortisation at 31 March 2024	**16,927**	**3,981**	**-**	**20,908**
Net book value at 31 March 2024	**24,075**	**807**	**-**	**24,882**
Net book value at 1 April 2023	**25,719**	**970**	**760**	**27,449**

Note 13.2 Intangible assets - 2022/23

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022	**40,083**	**4,788**	**-**	**44,871**
Additions	826	-	171	**997**
Reclassifications	(730)	-	589	**(141)**
Disposals / derecognition	(649)	-	-	**(649)**
Valuation / gross cost at 31 March 2023	**39,530**	**4,788**	**760**	**45,078**
Amortisation at 1 April 2022	**11,048**	**3,655**	**-**	**14,703**
Provided during the year	2,994	163	-	**3,157**
Reclassifications	(11)	-	-	**(11)**
Disposals / derecognition	(220)	-	-	**(220)**
Amortisation at 31 March 2023	**13,811**	**3,818**	**-**	**17,629**
Net book value at 31 March 2023	**25,719**	**970**	**760**	**27,449**
Net book value at 1 April 2022	**29,035**	**1,133**	**-**	**30,168**

Note 14.1 Property, plant and equipment - 2023/24

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**26,071**	**169,914**	**6,108**	**72,970**	**16,921**	**2,646**	**294,630**
Additions	-	6,760	12,355	15,666	2,027	34	**36,842**
Impairments	(4,291)	(3,831)	-	-	-	-	**(8,122)**
Reversals of impairments	-	1,245	-	-	-	-	**1,245**
Revaluations	-	(8,604)	-	-	-	-	**(8,604)**
Reclassifications	-	4,654	(4,635)	(19)	-	-	**-**
Disposals / derecognition	-	-	-	(14,803)	-	-	**(14,803)**
Valuation/gross cost at 31 March 2024	**21,780**	**170,138**	**13,828**	**73,814**	**18,948**	**2,680**	**301,188**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**2,308**	**-**	**39,329**	**11,387**	**2,260**	**55,284**
Provided during the year	-	7,682	-	4,725	1,435	111	**13,953**
Impairments	-	4,023	-	-	-	-	**4,023**
Reversals of impairments	-	(1,323)	-	-	-	-	**(1,323)**
Revaluations	-	(9,708)	-	-	-	-	**(9,708)**
Disposals / derecognition	-	-	-	(14,803)	-	-	**(14,803)**
Accumulated depreciation at 31 March 2024	**-**	**2,982**	**-**	**29,251**	**12,822**	**2,371**	**47,426**
Net book value at 31 March 2024	**21,780**	**167,156**	**13,828**	**44,563**	**6,126**	**309**	**253,762**
Net book value at 1 April 2023	**26,071**	**167,606**	**6,108**	**33,641**	**5,534**	**386**	**239,346**

Note 14.2 Property, plant and equipment - 2022/23

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022	**33,168**	**159,352**	**7,247**	**62,820**	**15,098**	**2,646**	**280,331**
Additions	-	2,304	7,714	4,935	2,014	-	**16,967**
Impairments	(7,254)	(5,097)	-	-	-	-	**(12,351)**
Reversals of impairments	-	4,011	-	-	-	-	**4,011**
Revaluations	157	5,663	-	-	-	-	**5,820**
Reclassifications	-	3,681	(8,853)	5,215	69	-	**112**
Disposals / derecognition	-	-	-	-	(260)	-	**(260)**
Valuation/gross cost at 31 March 2023	**26,071**	**169,914**	**6,108**	**72,970**	**16,921**	**2,646**	**294,630**
Accumulated depreciation at 1 April 2022	**-**	**1,330**	**-**	**35,410**	**9,984**	**2,173**	**48,897**
Provided during the year	-	7,244	-	3,919	1,402	87	**12,652**
Impairments	-	370	-	-	-	-	**370**
Reversals of impairments	-	(4,604)	-	-	-	-	**(4,604)**
Revaluations	-	(2,013)	-	-	-	-	**(2,013)**
Reclassifications	-	(19)	-	-	1	-	**(18)**
Accumulated depreciation at 31 March 2023	**-**	**2,308**	**-**	**39,329**	**11,387**	**2,260**	**55,284**
Net book value at 31 March 2023	**26,071**	**167,606**	**6,108**	**33,641**	**5,534**	**386**	**239,346**
Net book value at 1 April 2022	**33,168**	**158,022**	**7,247**	**27,410**	**5,114**	**473**	**231,434**

Note 14.3 Property, plant and equipment financing - 31 March 2024

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	21,780	156,688	13,775	41,757	6,126	256	**240,382**
On-SoFP PFI contracts and other service concession arrangements	-	8,570	-	-	-	-	**8,570**
Owned - donated/granted	-	1,898	53	2,806	-	53	**4,810**
NBV total at 31 March 2024	**21,780**	**167,156** [1]	**13,828**	**44,563**	**6,126**	**309**	**253,762**

Note 14.4 Property, plant and equipment financing - 31 March 2023

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	26,071	157,305	6,108	30,284	5,534	322	**225,624**
On-SoFP PFI contracts and other service concession arrangements	-	8,425	-	-	-	-	**8,425**
Owned - donated/granted	-	1,876	-	3,357	-	64	**5,297**
NBV total at 31 March 2023	**26,071**	**167,606** [1]	**6,108**	**33,641**	**5,534**	**386**	**239,346**

Included within Buildings are a number of assets that have not been revalued relating to tenant improvement works that are not part of the Trust's freehold (£7,025k).

[1] All PPE buildings are not subject to an operating lease.

Note 15.1 Property, plant and equipment - 2023/24

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**26,071**	**169,914**	**6,108**	**72,970**	**16,851**	**2,467**	**294,381**
Additions	-	6,760	12,355	15,666	2,027	34	**36,842**
Impairments	(4,291)	(3,831)	-	-	-	-	**(8,122)**
Reversals of impairments	-	1,245	-	-	-	-	**1,245**
Revaluations	-	(8,604)	-	-	-	-	**(8,604)**
Reclassifications	-	4,654	(4,635)	(19)	-	-	**-**
Disposals / derecognition				(881)			**(881)**
Valuation/gross cost at 31 March 2024	**21,780**	**170,138**	**13,828**	**87,736**	**18,878**	**2,501**	**314,861**
Accumulated depreciation at 1 April 2023 - brought forward	**-**	**2,308**	**-**	**39,329**	**11,320**	**2,142**	**55,099**
Provided during the year	-	7,682	-	4,725	1,435	110	**13,952**
Impairments	-	4,023	-	-	-	-	**4,023**
Reversals of impairments	-	(1,323)	-	-	-	-	**(1,323)**
Revaluations	-	(9,708)	-	-	-	-	**(9,708)**
Disposals / derecognition				(881)			**(881)**
Accumulated depreciation at 31 March 2024	**-**	**2,982**	**-**	**43,173**	**12,755**	**2,252**	**61,162**
Net book value at 31 March 2024	**21,780**	**167,156**	**13,828**	**44,563**	**6,123**	**249**	**253,699**
Net book value at 1 April 2023	**26,071**	**167,606**	**6,108**	**33,641**	**5,531**	**310**	**239,267**

Note 15.2 Property, plant and equipment - 2022/23

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022	**33,168**	**159,352**	**7,247**	**62,820**	**15,029**	**2,490**	**280,106**
Additions	-	2,304	7,714	4,935	2,014	(22)	**16,945**
Impairments	(7,254)	(5,097)	-	-	-	-	**(12,351)**
Reversals of impairments	-	4,011	-	-	-	-	**4,011**
Revaluations	157	5,663	-	-	-	-	**5,820**
Reclassifications	-	3,681	(8,853)	5,215	69	-	**112**
Disposals / derecognition	-	-	-	-	(260)	-	**(260)**
Valuation/gross cost at 31 March 2023	**26,071**	**169,914**	**6,108**	**72,970**	**16,852**	**2,468**	**294,383**
Accumulated depreciation at 1 April 2022	**-**	**1,330**	**-**	**35,410**	**9,919**	**2,087**	**48,746**
Provided during the year	-	7,244	-	3,919	1,401	71	**12,635**
Impairments	-	370	-	-	-	-	**370**
Reversals of impairments	-	(4,604)	-	-	-	-	**(4,604)**
Revaluations	-	(2,013)	-	-	-	-	**(2,013)**
Reclassifications	-	(19)	-	-	1	-	**(18)**
Accumulated depreciation at 31 March 2023	**-**	**2,308**	**-**	**39,329**	**11,321**	**2,158**	**55,116**
Net book value at 31 March 2023	**26,071**	**167,606**	**6,108**	**33,641**	**5,531**	**310**	**239,267**
Net book value at 1 April 2022	**33,168**	**158,022**	**7,247**	**27,410**	**5,110**	**403**	**231,360**

Note 15.3 Property, plant and equipment financing - 31 March 2024

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	21,780	157,361	13,775	41,187	6,123	196	**240,422**
On-SoFP PFI contracts and other service concession arrangements	-	8,570	-	-	-	-	**8,570**
Owned - donated / granted	-	1,898	53	2,806	-	53	**4,810**
Total net book value at 31 March 2024	**21,780**	**167,829** [1]	**13,828**	**43,993**	**6,123**	**249**	**253,802**

Note 15.4 Property, plant and equipment financing - 31 March 2023

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	26,071	157,305	6,108	30,284	5,531	246	**225,545**
On-SoFP PFI contracts and other service concession arrangements		8,425					**8,425**
Owned - donated / granted		1,876		3,357		64	**5,297**
Total net book value at 31 March 2023	**26,071**	**167,606** [1]	**6,108**	**33,641**	**5,531**	**310**	**239,267**

[1] All PPE buildings are not subject to an operating lease.

Note 16 Revaluations of property, plant and equipment

The Trust's land and buildings valuations were reviewed at 31 March 2024 by an independent, qualified valuer, using the Modern Equivalent Asset (MEA) methodology for specialised assets, in accordance with DHSC guidance and the NHS Group Accounting Manual.

A desktop valuation was carried out by Avison Young (previously known as Bilfinger GVA), 3 Brindley Place, Birmingham, B12JB. This was carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

Current Value in Existing Use of the properties has been primarily derived using the Depreciated Replacement Cost (DRC) approach because the specialised nature of the asset means that there are no market transactions for this type of asset. The DRC method is a form of cost approach that is defined in the RICS Valuation – Global Standards 2022 (RB Global) Glossary as: 'The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.'

For non-specialised properties, the investment method of valuation has been used.

The Existing Use Value is defined on page 68 - UK VPGA 6 of the Red Book and, in undertaking these valuations, our surveyors have applied the conceptual framework of Market Value, which is detailed in PS3.2, together with the supplementary commentary which is included in items 2-5 of UK VPGA 6. Under UK VPGA 6 the term "Existing Use Value" is defined as follows:

"The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business, and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost.".

The definition of MEA
Modern Equivalent Assets - a structure similar to an existing structure with an equivalent, productive capacity, which could be built using modern materials, techniques and designs. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset. The MEA has been determined based upon a single build programme on a cleared site to modern design and arrangement.

The value of land has been assessed on the basis of the construction of a modern equivalent asset in an alternative site, over a number of storeys, with the associated footprint that such a construction would require. The modern equivalent asset may not require a site as extensive as the actual site. The Trust has applied a concept of single build of an integrated multistorey hospital incorporating all clinical provision and ancillary accommodation and services.

Lister Hospital will require 64% of its current land size and this equates to a single 5 storey building, utilising 25% site density. Similarly, Hertford County Hospital will require 84% of its current land size with a 3 storey single build facility.

The net decrease in the valuation of property, plant and equipment which was transferred to revaluation reserve during the year was £5,773k (shown in Other Comprehensive Income as gross impairments of £6,877k and revaluations of £1,104k), whilst impairment of £2,847k was charged to the statement of comprehensive income.

The net decrease was almost wholly related to an accounting policy change in the valuation of the land. The 23/24 land value does not include VAT. Previously VAT had been included.

Note 17 Leases - East And North Hertfordshire NHS Trust as a lessee

This note details information about leases for which the Trust is a lessee.

In addition to the freehold owned by the Trust, it also leases a number of other buildings in the South East of England to carry out its obligations as a healthcare provider. These are leased from other NHS Providers as well as other bodies external to government.

In addition, the Trust leases a large proportion of its medical equipment from Lifecycle, who act as a contract manager for the Trust.

Note 17.1 Right of use assets - 2023/24

Group and Trust	Property (buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**107,970**	**8,200**	**116,170**	**82,898**
Transfers by absorption	-	-	**-**	-
Additions	(203)	850	**647**	-
Remeasurements of the lease liability	1,435	22	**1,457**	254
Movements in provisions for restoration / removal costs	2,237	-	**2,237**	2,172
Disposals / derecognition	(4,008)	(149)	**(4,157)**	(4,008)
Valuation/gross cost at 31 March 2024	**107,431**	**8,923**	**116,354**	**81,316**
Accumulated depreciation at 1 April 2023 - brought forward	**5,891**	**1,903**	**7,794**	**4,481**
Transfers by absorption	-	-	**-**	-
Provided during the year	10,210	2,091	**12,301**	8,492
Impairments	250	-	**250**	-
Disposals / derecognition	(4,008)	(149)	**(4,157)**	(4,008)
Accumulated depreciation at 31 March 2024	**12,343**	**3,845**	**16,188**	**8,965**
Net book value at 31 March 2024	**95,088**	**5,078**	**100,166**	**72,351**
Net book value at 1 April 2023	**102,079**	**6,297**	**108,376**	**78,417**

Net book value of right of use assets leased from other NHS providers	8,325
Net book value of right of use assets leased from other DHSC group bodies	64,026

Note 17.2 Right of use assets - 2022/23

Group and Trust	Property (buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**
IFRS 16 implementation - adjustments for existing operating leases / subleases	104,404	6,669	**111,073**	79,697
Additions	-	2,341	**2,341**	-
Remeasurements of the lease liability	4,926	(757)	**4,169**	4,424
Movements in provisions for restoration / removal costs	897	-	**897**	631
Revaluations	(403)	-	**(403)**	-
Disposals / derecognition	(1,854)	(53)	**(1,907)**	(1,854)
Valuation/gross cost at 31 March 2023	**107,970**	**8,200**	**116,170**	**82,898**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**
Provided during the year	7,956	1,956	**9,912**	6,335
Impairments	192	-	**192**	-
Revaluations	(403)	-	**(403)**	-
Disposals / derecognition	(1,854)	(53)	**(1,907)**	(1,854)
Accumulated depreciation at 31 March 2023	**5,891**	**1,903**	**7,794**	**4,481**
Net book value at 31 March 2023	**102,079**	**6,297**	**108,376**	**78,417**
Net book value at 1 April 2022	**-**	**-**	**-**	**-**

Net book value of right of use assets leased from other NHS providers	9,296
Net book value of right of use assets leased from other DHSC group bodies	69,121

Note 17.3 Revaluations of right of use assets

The Trust's Right of Use assets were reviewed at 31 March 2024 by an independent, qualified valuer Avison Young (previously known as Bilfinger GVA), 3 Brindley Place, Birmingham, B1 2JB in accordance with DHSC guidance and the NHS Group Accounting Manual.

As noted in the Trust's accounting policies, ROU assets are subsequently measured using the revaluation model. In some cases, management consider that cost is an appropriate proxy for valuation and where this is the case no formal valuation is undertaken. This is typically the case where:

• a market rent is being paid, or

• the term is short enough that material increases in value are unlikely to arise, or

• there are regular rent reviews to market rent and the property is not overrented.

Each ROU asset is considered on a case by case basis to determine whether a formal valuation is required. Following review of all ROU assets, a value was obtained for the Origin Housing ROU asset and its value at 31 March 2024 was £15.510m. The carrying value of all Right of Use assets classified as Builidings at 31 March 2024 is £79.578m.

Note 17.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 24.1.

	Group	
	2023/24	**2022/23**
	£000	**£000**
Carrying value at 1 April	**108,898**	**-**
IFRS 16 implementation - adjustments for existing operating leases		111,073
Transfers by absorption	-	-
Lease additions	897	2,319
Lease liability remeasurements	1,457	4,169
Interest charge arising in year	1,154	1,061
Early terminations	-	-
Lease payments (cash outflows)	(9,922)	(9,724)
Other changes	-	-
Carrying value at 31 March	**102,484**	**108,898**

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 17.5 Maturity analysis of future lease payments at 31 March 2024

	Group and Trust	
	Total	Of which leased from DHSC group bodies:
	31 March 2024	**31 March 2024**
	£000	**£000**
Undiscounted future lease payments payable in:		
- not later than one year;	8,591	4,834
- later than one year and not later than five years;	26,422	18,422
- later than five years.	81,754	57,489
Total gross future lease payments	**116,767**	**80,745**
Finance charges allocated to future periods	(14,283)	(7,063)
Net lease liabilities at 31 March 2024	**102,484**	**73,682**

Of which:

Leased from other NHS providers	8,873
Leased from other DHSC group bodies	64,809

Note 17.6 Maturity analysis of future lease payments at 31 March 2023

	Group and Trust	
	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;	8,487	4,843
- later than one year and not later than five years;	27,738	18,828
- later than five years.	87,940	62,868
Total gross future lease payments	**124,165**	**86,539**
Finance charges allocated to future periods	(15,267)	(7,857)
Net finance lease liabilities at 31 March 2023	**108,898**	**78,682**
Of which:		
Leased from other NHS providers		9,254
Leased from other DHSC group bodies		69,428

Note 18 Other investments

The Trust's principal subsidiary undertakings as included in its consolidated accounts are below.

The Trust holds a £1,000k investment in ENH Pharma Ltd. The subsidiary's accounts are prepared as at 31 March 2024 and for the period then ended.

ENH Pharma Ltd is 100% owned and was incorporated on 28 July 2014 in the United Kingdom. Its principal activity is outpatient pharmacy. As at 31 March 2024, the subsidiary's total profit for the year was £854k (2022/23: £1,083k), with gross assets of £5,954k (2022/23: £6,009k) and net assets of £4,205k (2022/23: £3,851k).

The risk of the MVCC out-patient pharmacy moving to another provider in the short term has reduced over the last couple of years. If it does happen, ENH Pharma operations may be reduced but ENH Pharma would continue to operate profitably and be an ongoing entity.There is also the possibility of ENH Pharma continuing to support the out-patient pharmacy at MVCC if another provider takes over the hospital.

The Trust therefore do not feel it to be an impairment risk

Note 19 Inventories

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Drugs	3,986	3,954	2,703	2,678
Consumables	4,659	4,034	4,659	4,034
Energy	112	147	112	147
Total inventories	**8,757**	**8,135**	**7,474**	**6,859**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £73,845k (2022/23: £69,335k). Write-down of inventories recognised as expenses for the year were £258k (2022/23: £293k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £216k of items purchased by DHSC (2022/23: £1,231k).

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. The closing balance of inventory included in Consumables was £28k (2022/23: £56k).

Note 20.1 Receivables

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Contract receivables	28,196	22,463	28,135	22,427
Allowance for impaired contract receivables / assets	(1,116)	(1,540)	(1,116)	(1,540)
Prepayments (non-PFI)	7,090	3,089	7,090	3,089
PDC dividend receivable	-	327	-	327
VAT receivable	3,246	3,234	2,559	2,608
Corporation and other taxes receivable	8	5	8	5
Other receivables	3,171	2,144	3,171	2,144
Total current receivables	**40,595**	**29,722**	**39,847**	**29,060**
Non-current				
Contract receivables	1,418	1,418	1,418	1,418
Allowance for impaired contract receivables / assets	(353)	(352)	(353)	(352)
Prepayments (non-PFI)	849	899	849	899
Other receivables	507	597	507	597
Total non-current receivables	**2,421**	**2,562**	**2,421**	**2,562**
Of which receivable from NHS and DHSC group bodies:				
Current	22,309	16,725	22,309	16,725
Non-current	507	597	507	597

Note 20.2 Allowances for credit losses - 2023/24

	Group and Trust Contract receivables and contract assets
	£000
Allowances as at 1 Apr 2023 - brought forward	**1,892**
New allowances arising	89
Utilisation of allowances (write offs)	(512)
Allowances as at 31 Mar 2024	**1,469**

Note 20.3 Allowances for credit losses - 2022/23

	Group and Trust Contract receivables and contract assets
	£000
Allowances as at 1 Apr 2022	**1,746**
New allowances arising	207
Utilisation of allowances (write offs)	(61)
Allowances as at 31 Mar 2023	**1,892**

Note 21 Cash and cash equivalents movements

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

	Group		Trust	
	2023/24	**2022/23**	**2023/24**	**2022/23**
	£000	**£000**	**£000**	**£000**
At 1 April	**76,028**	**84,947**	**73,962**	**83,323**
Net change in year	(9,704)	(8,919)	(9,608)	(9,361)
At 31 March	**66,324**	**76,028**	**64,354**	**73,962**
Broken down into:				
Cash at commercial banks and in hand	1,976	2,081	6	15
Cash with the Government Banking Service	64,348	73,947	64,348	73,947
Total cash and cash equivalents as in SoCF	**66,324**	**76,028**	**64,354**	**73,962**

Note 21.1 Third party assets held by the trust

East And North Hertfordshire NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2024	**31 March 2023**
	£000	**£000**
Bank balances	-	-
Monies on deposit	11	9
Total third party assets	**11**	**9**

Note 22.1 Trade and other payables

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Trade payables	27,958	26,028	28,147	25,788
Capital payables	5,104	358	5,104	358
Accruals	49,479	46,588	49,479	46,588
Social security costs	4,243	3,995	4,228	3,995
Other taxes payable	4,856	4,062	4,835	4,062
PDC dividend payable	52	-	52	-
Pension contributions payable	4,618	4,256	4,608	4,256
Total current trade and other payables	**96,310**	**85,287**	**96,453**	**85,047**
Non-current				
Other payables	3,394	3,597	3,394	3,597
Total non-current trade and other payables	**3,394**	**3,597**	**3,394**	**3,597**
Of which payables from NHS and DHSC group bodies:				
Current	15,223	11,543	15,223	11,543
Non-current	-	-	-	-

Note 23 Other liabilities

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Current		
Deferred income: contract liabilities	7,488	7,665
Total other current liabilities	**7,488**	**7,665**

Note 24.1 Borrowings

	Group and Trust	
	31 March 2024	31 March 2023
	£000	£000
Current		
Loans from DHSC	2,630	2,637
Lease liabilities	7,493	7,408
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle) *	703	358
Total current borrowings	**10,826**	**10,403**
Non-current		
Loans from DHSC	30,273	32,862
Lease liabilities	94,991	101,490
Obligations under PFI, LIFT or other service concession contracts *	9,255	5,054
Total non-current borrowings	**134,519**	**139,406**

* The Trust has applied IFRS 16 to its PFI liabilty within these accounts from 1 April 2023 without restatement of comparatives. More information about the impact of this change in accounting policy can be found in note 27.

Note 24.2 Reconciliation of liabilities arising from financing activities (Group)

Group and Trust - 2023/24	Loans from DHSC	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2023	**35,499**	**108,898**	**5,412**	**149,809**
Cash movements:				
Financing cash flows - payments and receipts of principal	(2,588)	(8,768)	(703)	**(12,059)**
Financing cash flows - payments of interest	(1,057)	(1,154)	(789)	**(3,000)**
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023			3,955	**3,955**
Additions	-	897	-	**897**
Lease liability remeasurements	-	1,457	-	**1,457**
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	-	1,296	**1,296**
Application of effective interest rate	1,049	1,154	789	**2,992**
Other changes	-	-	(2)	**(2)**
Carrying value at 31 March 2024	**32,903**	**102,484**	**9,958**	**145,345**

Group and Trust - 2022/23	Loans from DHSC	Lease liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	**38,087**	**-**	**5,746**	**43,833**
Cash movements:				
Financing cash flows - payments and receipts of principal	(2,588)	(8,663)	(334)	**(11,585)**
Financing cash flows - payments of interest	(1,096)	(1,061)	(426)	**(2,583)**
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases		111,073		**111,073**
Additions	-	2,319	-	**2,319**
Lease liability remeasurements	-	4,169	-	**4,169**
Application of effective interest rate	1,096	1,061	426	**2,583**
Carrying value at 31 March 2023	**35,499**	**108,898**	**5,412**	**149,809**

Note 25.1 Provisions for liabilities and charges analysis (Group)

Group and Trust	Pensions: early departure costs	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Lease dilapidations - amounts previously charged to revenue	Lease dilapidations - cost capitlaised under IFRS16	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2023	**762**	**87**	**-**	**-**	**12,353**	**897**	**457**	**602**	**15,158**
Change in the discount rate	(27)	-	-	-	-	-	-	(111)	**(138)**
Arising during the year	102	36	465	1,699	-	2,774	-	-	**5,076**
Utilised during the year	(111)	(54)	-	-	(3,027)	-	-	(8)	**(3,200)**
Reversed unused - revenue	(4)	-	-	-	-	-	-	(2)	**(6)**
Reversed unused - capital	-	-	-	-	-	(537)	-	-	**(537)**
Unwinding of discount	11	-	-	-	-	-	-	34	**45**
At 31 March 2024	**733**	**69**	**465**	**1,699**	**9,326**	**3,134**	**457**	**515**	**16,398**
Expected timing of cash flows:									
- not later than one year;	99	69	465	1,699	3,684	2,668	457	8	**9,149**
- later than one year and not later than five years;	435	-	-	-	-	-	-	41	**476**
- later than five years.	199	-	-	-	5,642	466	-	466	**6,773**
Total	**733**	**69**	**465**	**1,699**	**9,326**	**3,134**	**457**	**515**	**16,398**

Early Departure costs relate to a constructive obligation with the NHS Pensions Agency to refund it the costs of pensions paid to staff who have retired due to ill-health in earlier years. The value of the obligation is assessed using actuarial tables and the uncertainty relates to the length of time these pensions will be payable.

Legal claims relate to claims made under the Trust's Employer Liability and Public Liability Schemes, for which the Trust is responsible for the payment of an excess should the claim be successful. Uncertainty relates to the potential for success and an amount has been included for all those assessed at a probability of over 50% by NHS Resolution.

Redundancy provision relates to costs that are likely to be paid.

Dilapidation provision relates to contractual and constructive obligation to reinstate leased buildings to the original state at the time the Trust surrenders the building back to the Landlord.

Other provision relates to clinician pension costs.

The discount rate applied to provisions above is 2.45%.

Note 25.2 Clinical negligence liabilities

At 31 March 2024, £259,670k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of East And North Hertfordshire NHS Trust (31 March 2023: £345,482k).

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

The Trust has one PFI Scheme, relating to the Hertford County Hospital. The hospital provides outpatient and therapy services to the local community. The facility became operational on 1 November 2004 with a contract period of 28.5 years. The contract is due to end on 31 March 2033.

The Trust pays a monthly contractual unitary payment, which covers the cost of facilities management services, financing and lifecycle replacement of assets components. Further information on the nature and value of these payments is included below.

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:

	Group and Trust	
	31 March 2024	**31 March 2023**
	£000	**£000**
Gross PFI, LIFT or other service concession liabilities	**14,612**	**7,914**
Of which liabilities are due		
- not later than one year;	1,053	757
- later than one year and not later than five years;	5,643	2,998
- later than five years.	7,916	4,159
Finance charges allocated to future periods	(4,654)	(2,502)
Net PFI, LIFT or other service concession arrangement obligation	**9,958**	**5,412**
- not later than one year;	284	358
- later than one year and not later than five years;	3,048	1,680
- later than five years.	6,626	3,374

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:

	Group	
	31 March 2024	**31 March 2023**
	£000	**£000**
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**20,756**	**20,097**
Of which payments are due:		
- not later than one year;	2,053	1,769
- later than one year and not later than five years;	8,738	7,528
- later than five years.	9,965	10,800

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:

	Group	
	2023/24	**2022/23**
	£000	**£000**
Unitary payment payable to service concession operator	**1,964**	**1,726**
Consisting of:		
- Interest charge	789	426
- Repayment of balance sheet obligation	703	335
- Service element and other charges to operating expenditure	151	131
- Capital lifecycle maintenance	321	278
- Contingent rent	-	556
Total amount paid to service concession operator	**1,964**	**1,726**

Note 27 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

Note 27.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis)	IAS 17 basis (old basis)	Impact of change
	2023/24	2023/24	2023/24
	£000	£000	£000
Unitary payment payable to service concession operator	**1,964**	**1,964**	**-**
Consisting of:			
- Interest charge	789	400	**389**
- Repayment of balance sheet obligation	703	357	**346**
- Service element	151	151	**-**
- Lifecycle maintenance	321	321	**-**
- Contingent rent	-	735	**(735)**
- Addition to lifecycle prepayment - capital	-	-	**-**

Note 27.2 Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	**£000**
Increase in PFI / LIFT and other service concession liabilities	(4,906)
Decrease in PDC dividend payable / increase in PDC dividend receivable	155
Increase in cash and cash equivalents (impact of PDC dividend only)	1
Impact on net assets as at 31 March 2024	**(4,750)**

Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	**£000**
PFI liability remeasurement charged to finance costs	(1,296)
Increase in interest arising on PFI liability	(389)
Reduction in contingent rent	735
Reduction in PDC dividend charge	155
Net impact on (deficit)	**(795)**

Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	**£000**
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(3,955)
Net impact on 2023/24 deficit	(796)
Impact on equity as at 31 March 2024	**(4,751)**

Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	**£000**
Increase in cash outflows for capital element of PFI / LIFT	(346)
Decrease in cash outflows for financing element of PFI / LIFT	346
Decrease in cash outflows for PDC dividend	-
Net impact on cash flows from financing activities	**-**

Note 28 Financial instruments

Note 28.1 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 these activities. Because of the continuing service provider relationship that the Trust has with 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 are generated by dayto-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. Trust 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

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHSE. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHSE. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

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 31 March 2024 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 commissioners of healthcare (ICBs and NHS England), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained through its ICS allocation. The Trust is not, therefore, exposed to significant liquidity risks.

Note 28.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2024	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	31,316
Cash and cash equivalents	66,324
Total at 31 March 2024	**97,640**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	24,133
Cash and cash equivalents	76,028
Total at 31 March 2023	**100,161**

Note 28.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2024	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	30,568
Cash and cash equivalents	64,355
Total at 31 March 2024	**94,923**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost
	£000
Trade and other receivables excluding non financial assets	23,471
Cash and cash equivalents	73,962
Total at 31 March 2023	**97,433**

All financial assets are held at amortised cost

Note 28.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	32,903
Obligations under leases	102,484
Obligations under PFI, LIFT and other service concessions	9,958
Trade and other payables excluding non financial liabilities	82,105
Other financial liabilities	1,350
Total at 31 March 2024	**228,800**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	35,499
Obligations under leases	108,898
Obligations under PFI, LIFT and other service concessions	5,412
Trade and other payables excluding non financial liabilities	78,883
Other financial liabilities	1,550
Total at 31 March 2023	**230,242**

Note 28.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	32,903
Obligations under leases	102,484
Obligations under PFI, LIFT and other service concessions	9,958
Trade and other payables excluding non financial liabilities	82,248
Other financial liabilities	1,350
Total at 31 March 2024	**228,943**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost
	£000
Loans from the Department of Health and Social Care	35,499
Obligations under leases	108,898
Obligations under PFI, LIFT and other service concessions	5,412
Trade and other payables excluding non financial liabilities	78,645
Other financial liabilities	1,550
Total at 31 March 2023	**230,004**

All financial liabilities are held at amortised cost.

Note 28.6 Fair values of financial assets and liabilities

The book value of financial assets and liabilities (other than lease/PFI liabilities is considered a reasonable approximation of fair value.

Note 28.7 Maturity of financial liabilities

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

	Group		Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
In one year or less	95,972	88,385	96,115	88,147
In more than one year but not more than five years	47,087	45,884	47,087	45,884
In more than five years	112,926	121,082	112,926	121,082
Total	**255,985**	**255,351**	**256,128**	**255,113**

Note 29 Losses and special payments

	2023/24		2022/23	
Group and Trust	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	199	1,084	99	60
Stores losses and damage to property	59	272	64	259
Total losses	**258**	**1,356**	**163**	**319**
Special payments				
Ex-gratia payments	28	137	29	57
Special severance payments	-	-	1	13
Total special payments	**28**	**137**	**30**	**70**
Total losses and special payments	**286**	**1,493**	**193**	**389**
Compensation payments received				

Special severance payments include any non-contractual payments made following judicial mediation, and noncontractual payments in lieu of notice.

Cases over £300,000

The Trust has no individual case of Losses and Special Payments in year that exceed £300,000.

Note 30 Related parties

During the year none of the Department of Health and Social Security Ministers, Trust board members or key management staff, or parties related to them has undertaken any material transactions with East and North Hertfordshire NHS Trust.

The Department of Health and Social Care is the Trust's parent department and there has been a number of material transactions with other public sector bodies, the most significant of which were with NHS England, Health Education England[1], the Hillingdon Hospitals NHS Foundation Trust, Norfolk and Norwich University Hospitals NHS Foundation Trust, HMRC, the NHS Pension Scheme, NHS Resolution, Hertfordshire & West Essex ICB, Bedfordshire, Luton and Milton Keynes ICB, NHS Hertfordshire and West Essex ICB, North West London ICB, Cambridgeshire and Peterborough ICB and NHS Professionals.

In addition to the above bodies, there were a number of transactions between the Trust and its charity, the East and North Hertfordshire NHS Trust Charitable Fund. In 2023-24 the Trust received £1,011k (2022-23 £1,133k) from the charity. The majority of these receipts were for the re-imbursement of running costs and donations made for the benefit of patients and staff. There was £81k (2022-23 £304k) receivable balance from the charity at the end of the financial year.

[1] Health Education England became part of NHS England at the start of 23/24.

Note 31 Events after the reporting date

There have been no events after the Balance Sheet date that have materially impacted, or cast doubt on, the values and balances recorded within these Financial Statements. There is therefore no requirement for the Trust to adjust or disclose potential impacts on, the values herein.

Note 32 Better Payment Practice code

Non-NHS Payables	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Total non-NHS trade invoices paid in the year	71,552	250,440	74,426	241,874
Total non-NHS trade invoices paid within target	66,514	224,398	70,078	212,142
Percentage of non-NHS trade invoices paid within target	93.0%	89.6%	94.2%	87.7%
NHS Payables				
Total NHS trade invoices paid in the year	2,518	32,651	2,500	34,171
Total NHS trade invoices paid within target	1,843	25,429	1,748	25,549
Percentage of NHS trade invoices paid within target	73.2%	77.9%	69.9%	74.8%

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.

The Trust adopts the NHS Standard Terms and Conditions when entering into contractual arrangements, which requires invoices to be paid within 30 days of receipt. For the purpose of this disclosure, it has been assumed that all invoices which were paid within the 30 day target were due to be paid within that period.

Obligations for Late Payment Interest for failure to pay within the due terms are included within Note 11.1.

Note 33 External financing

The Trust is given an external financing limit against which it is permitted to underspend

	2023/24 £000	2022/23 £000
Cash flow financing	6,509	(222)
External financing requirement	**6,509**	**(222)**
External financing limit (EFL)	6,509	1,741
Underspend against EFL	**-**	**1,963**

Note 34 Capital Resource Limit

	2023/24 £000	2022/23 £000
Gross capital expenditure	39,658	24,474
Less: Disposals	-	(689)
Less: Donated, granted and peppercorn leased capital additions	(200)	(143)
Charge against Capital Resource Limit	**39,458**	**23,642**
Capital Resource Limit	39,458	25,605
Underspend against CRL	**-**	**1,963**

Note 35 Breakeven duty financial performance

	2023/24 £000
Adjusted financial performance surplus (control total basis)	3,202
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	(814)
IFRIC 12 breakeven adjustment	914
Breakeven duty financial performance surplus	**3,302**

Note 36 Breakeven duty rolling assessment

	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		2,500	3,328	3,568	532	109	(3,613)	(16,226)
Breakeven duty cumulative position	1,825	4,325	7,653	11,221	11,753	11,862	8,249	(7,977)
Operating income		331,312	340,309	346,402	350,543	365,313	376,050	384,712
Cumulative breakeven position as a percentage of operating income		1.3%	2.2%	3.2%	3.4%	3.2%	2.2%	(2.1%)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(29,533)	(24,424)	(13,543)	1,452	2,528	361	(6,136)	3,302 *
Breakeven duty cumulative position	(37,510)	(61,934)	(75,477)	(74,025)	(71,497)	(71,136)	(77,271)	(73,969)
Operating income	411,870	420,968	444,903	498,597	540,900	578,461	610,600	658,584
Cumulative breakeven position as a percentage of operating income	(9.1%)	(14.7%)	(17.0%)	(14.8%)	(13.2%)	(12.3%)	(12.7%)	(11.2%)

* The Trusts adjusted financial performance for 2023-24 was £3,202. There are technical adjustments relating to PFI remeasurement accounting that has improved the breakeven duty by £100k.

The Trust first reported cumulative deficit in 2015-16 of £7,977k (-2.1% of operating income). The Trust is in the ninth year of consecutive break-even duty breach achieving a cumulative deficit of £73,969 (-11.2% of operating income) above the -0.5% permitted. The Trust recorded a surplus of £3,302k in 2023-24.