NHS

Royal Papworth Hospital

NHS Foundation Trust

Compassion
Excellence
Collaboration

Royal Papworth Hospital NHS Foundation Trust

Annual Report and Accounts

April 2023 to March 2024

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The 2023/24 Quality Account is to be published by 30 June 2024 and will be made available for review on the Trust's website.

Annual Accounts

This report is based on guidelines issued by NHS England and was approved by the Board of Directors on the 24th of June 2024.

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1. Performance Report

1.1 Overview of Performance

Statement from Chief Executive Officer

Last year I wrote in this statement that there was a focus on getting back to business as usual. During 2023/24 we have increasingly been able to do that at Royal Papworth Hospital NHS Foundation Trust in the wake of the global coronavirus pandemic. But it has also been a year impacted by strikes and of transition in our executive leadership: in April 2024 Harvey McEnroe joined as our new chief operating officer; in November our chief finance officer Tim Glenn went on secondment to East Kent and was replaced by his deputy Sophie Harrison and, in February 2024, Professor John Wallwork stepped down as Chairman after 10 years and was replaced by Dr Jag Ahluwalia.

It was early in the year, at the start of May 2023, that the UN World Health Organisation (WHO) declared an end to COVID-19 as a public health emergency. While the disease remains a threat and we continue to treat patients with acute respiratory distress caused by COVID-19, the numbers of patients are greatly reduced. This has allowed us to focus more on all of our services and strategical priorities, some of which I have highlighted below.

Reducing the number of patients on our waiting lists – and in particular our longest waiters - has been one of our key areas of focus this year. Because of the nature of the patients we serve, there is a higher risk of poorer outcomes for people who wait for excessively long periods of time for their treatment. For example, patients who are coming for cardiac surgery may be more unwell and trickier to treat by the time they come for their operation. Despite this, our outcomes have continued to be excellent and cardiac surgery mortality remains below our ceiling for tolerance. I am thankful to our Board who have provided regular and fair challenge on this point.

We have invested a significant effort in driving forward clinical productivity and running extra lists to bring down our waiting list. This work has been focused on people who have been waiting the longest and also in-house urgent patients – those who are waiting for treatment here but are currently inpatients either at Royal Papworth or in other hospitals – to not only support the sickest patients but also our partner hospitals across the East of England.

In the meantime, we continue to review patients on our waiting list and ensure they are clinically prioritised if required. I am grateful to our teams who help to keep patients well while waiting for treatment with us.

In the past year we have seen some improvement in utilisation of our operating theatres and catheter laboratories. We have now also launched a patient flow programme which will optimise the use of our bed base over the coming year. This programme is focused on a range of initiatives, such as discharges and establish a new enhanced recovery unit for patients post-surgery.

Additionally, we are in the process of moving around where some services are located within our hospital. When we moved to our new building in May 2019, we had less than a year before the pandemic hit in March 2020. We have therefore not had a clear, extended period of living in our new surroundings and establishing what works well and where we can make improvements. We are confident that this work will improve morale and team cohesion for our staff, while at the same time make the experience for our patients even better.

And that willingness to continually improve and make things better for patients is what makes Royal Papworth Hospital the centre of excellence for which it has become known internationally.

There is no resting on our laurels, even though our Friends and Family Test (FFT) scores continue to be above the target (95%) at 98-99% for inpatients and 97-98% for outpatients; we were again named as one of the best hospitals in the country for inpatient care with a score of 9.1 out of 10; and we were listed as one of the world's best hospitals by American magazine Newsweek and global research firm Statista, in a further endorsement of the quality of care our patients receive.

Delivering clinical excellence and developing the Trust as a centre for research and development remain two of our strategic priorities.

We performed our first robotic-assisted thoracic surgery and have since gone on to conduct more than 100 operations using CMR Surgical's cutting-edge Versius console as part of a flourishing strategic partnership.

We also launched two new treatments for our cardiology patients: excimer laser coronary atherectomy (ELCA) which is a minimally invasive procedure to re-expand narrowed stents, avoiding the need for major surgery; and our patients also became some of the first in Europe to be given a new type of extravascular implantable cardioverter-defibrillator (EV-ICD) to treat abnormal heart rhythms and prevent sudden cardiac arrest.

There have been global and UK firsts in research: one of our patients became the first in the country to participate in a clinical trial testing a new way of protecting the heart during a transplant; another became the first in the world to be recruited to a trial investigating a new type of blood product powder to be given to patients who are at higher risk of bleeding during complex cardiac surgery; and a worldwide research trial exploring the use of a new drug for the hard-to-treat lung disease, sarcoidosis, was launched in our new Clinical Research Facility in the Victor Phillip Dahdaleh Heart and Lung Research Institute.

This was achieved against a backdrop of sustained industrial action, which continued to impact the delivery of care. Throughout the period of strikes, our priority has been to support our staff's right to strike while also ensuring safety for our patients. According to The King's Fund report in February 2024, more than 1.3 million NHS appointments - mostly in outpatient departments - have been rescheduled because of industrial action. At the time of writing, it is only junior doctors who still have a mandate for industrial action, with the pay dispute between the government and the British Medical Association recently resolved for consultants.

We have successfully introduced the new patient safety incident response framework (PSIRF). This framework allows us to take a learning and system approach to when incidents happen that cause harm to patients so that we learn and reduce the likelihood of those happening again.

We are beginning to get back on top of a backlog in CT reporting which built-up over the past year. In the middle of January, we had more than 1,100 patients awaiting a CT report. This backlog was caused by several factors, including an increased number of CT scans being performed, increased complexity of reporting, more requests being received from local partner hospitals asking us to carry out complex scans they cannot perform, staffing challenges and issues with the implementation of new software. However, by the end of March, this waiting list had been halved to just over 500 patients. We are focused on continuing to improve and maintaining these improvements. Driving this down further.

Hospital-acquired infections has also been a priority, with quality improvement initiatives put in place and continually monitored. Although our rates of surgical site infections (SSI) have reduced, our rates remain higher than the benchmark set by the UK Health Security Agency (UKHSA). Led by our chief nurse as director of infection prevention and control, we are evaluating the effectiveness of our interventions all the time.

Our management of Mycobacterium abscessus remains ongoing and effective in ensuring safety for our vulnerable patients. In 2023/24, two potential cases of M. abscessus were identified but further investigation has indicated that these results are possibly due to a lab error with patients not displaying any symptoms and are being carefully monitored.

Inextricably linked to outcomes, safety and patient experience is staff engagement and morale. The evidence is clear that an engaged, motivated, diverse workforce who feel rewarded and recognised for their work will deliver better quality care.

We saw improvements in our 2023 NHS Staff Survey scores, though there is a lot of work still to do to offer the best staff experience in the NHS. We continue to support staff with 50% off food and drink, free bus travel, free tea and coffee and other benefits on top of the generous pension scheme and enhanced annual leave.

We have now concluded a year-long trial focused on pay protection on promotion with the data being analysed and evaluated; we have revised our staff recognition and appreciation scheme which is now linked to our positive reporting platform Laudit, which as well as winning awards has now had more than 10,000 submissions; and our financial support for staff in hardship has continued.

Effective line management and leadership is paramount to people's experience at work, and our compassionate, collective, and inclusive leadership programmes continue at pace.

Around 100 people have graduated from our Leadership and Management Development Programme which teaches practical skills on how to be compassionate, inclusive and effective leaders. More cohorts are in progress throughout 2024.

We also congratulated our first group of 24 staff who graduated from our Transformational and Reciprocal Mentoring Programme in September 2023, of which I was proud to be a part and through which I learnt so much about inclusivity and diversity. Cohort two is due to graduate this in September 2024.

Overview of Performance

The purpose of the Overview is to give the user a short summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Hospital History and Statutory Background

Royal Papworth Hospital NHS Foundation Trust ("Royal Papworth Hospital" or "the Trust") is the UK's largest specialist cardiothoracic hospital and the country's main heart and lung transplant centre. We have an extraordinary commitment to delivering the highest levels of clinical quality and outcomes and for providing the best possible standards of personalised care to our patients.

Royal Papworth Hospital was one of the first foundation trusts to be authorised under the Health and Social Care (Community Health and Standards) Act 2003 and came into existence in July 2004 as Papworth Hospital NHS Foundation Trust. Since then, it has been licenced by the Regulator (previously named Monitor, now NHS England). From 2018 we became Royal Papworth Hospital NHS Foundation Trust.

Royal Papworth Hospital has an associated charity – Royal Papworth Hospital NHS Foundation Trust Charity (Royal Papworth Hospital Charity) registered Charity number 1049224. From 2013/14, Royal Papworth Hospital has been required to produce group accounts which include the charity. Funds are still retained in the Charity which produces a separate annual report and accounts and continues to be regulated by the Charity Commission.

Royal Papworth Hospital is a founder member of Cambridge University Health Partners (CUHP). It is a strategic partnership aiming to improve patient care, patient outcomes and population health through innovation and the integration of service delivery, health research and clinical education across the Cambridgeshire region and beyond. CUHP is a not-for-profit Company Limited by Guarantee. The partners are Anglia Ruskin University (ARU), Cambridge and Peterborough NHS Foundation Trust, Cambridge University Hospitals NHS Foundation Trust, Royal Papworth Hospital NHS Foundation Trust and the University of Cambridge. Its most recent partner, Anglia Ruskin University, is the largest provider of Nursing, Midwifery, Health and Social Care students in England, and is among the UK's leading universities for degree apprenticeship provision, working with hundreds of employers across the UK. These are key strategic partners, and our joint working will ensure patients reap the benefits of the world class research, clinicians and industry which are based in Cambridge and the surrounding area.

Our Services

Whilst Royal Papworth Hospital is a regional centre for the diagnosis and treatment of cardiothoracic disease, it is also a national centre for a range of specialist services, including heart and lung transplantation, pulmonary endarterectomy (PEA) and Extra Corporeal Membrane Oxygenation (ECMO). Royal Papworth Hospital has the largest respiratory support and sleep centre (RSSC) in the UK.

In 2023/24, the Trust continued to focus on recovery from the COVID pandemic, working in partnership with the local system to manage of the waiting lists and making effective use of our available capacity. The Trust continued to provide regional and national support in Critical Care, ECMO and Respiratory services.

Our role within the ICS has seen us leading the development of the Shared Care Record and chairing the system Diagnostics Board. We also led the development of the system's Cardiovascular Disease Strategy. In January 2023 we opened a 'nested ward' facility which was operated by Cambridgeshire University Hospitals NHS FT (CUH) and successfully

provided capacity for CUH to support complex discharges and manage patient flow across the organisation.

In 2022/23 the hospital treated 20,797 inpatient/day cases and delivered 103,284 outpatient contacts to patients from across the UK.

Royal Papworth Hospital's services are internationally recognised and include cardiology, respiratory medicine, cardiothoracic surgery, and transplantation.

Royal Papworth Hospital

Royal Papworth Hospital is located on the Cambridge Biomedical Campus and offers cutting-edge facilities for patients requiring heart and lung treatment in a bespoke building. The facilities include:

- 310 beds, with virtually all being single rooms with en-suites
- 46-bed critical care area including enhanced recovery unit
- 6 state-of-the-art theatres
- 6 catheter laboratories
- 6 inpatient wards and a 24-bed day ward
- A centrally located, ground-floor outpatient unit
- State-of-the-art diagnostic and treatment facilities

Information about the hospital can be found on the Trust's website: https://royalpapworth.nhs.uk/

Heart and Lung Research Institute

2022/23 saw our staff move into the Heart and Lung Research Institute which we share with the University of Cambridge. The Trust and the UoC have overseen the development of the HLRI through the joint Project Board which managed all aspects of the project including specification, construction, financial controls, equipment fit-out and building operational management arrangements. In this year work has continued with the University and partners to finalise governance structures for the HLRI and the HLRI Clinical Research Facility to ensure that it is fully enabled to deliver against the ambitions of the development.

Trust teams from research and development, and education were able to move into the new facility in April 2022 along with their university partners. This move brought teams back together from the hospital and Royal Papworth House in Huntingdon and being on site together will bring opportunity and benefits in collaboration and team working.

Our clinical research facility opened in 2022/23 and received its first research participants through the facility in March 2023. The CRF facility was registered with the Care Quality Commission in September 2022.

This marks the completion of another milestone for the Trust with this world-class facility bringing together the University's expertise in cardiovascular and respiratory science and Royal Papworth Hospital's expertise in treating heart and lung disease. The HLRI has established one of the largest concentrations of biomedical and scientific research into heart and lung disease in the UK and will mean new treatments will be created, tested and delivered all on one site. The Institute will allow for significant expansion of basic and clinical research capacity in Cambridge and will also enable the co-location of research groups that are currently dispersed across Cambridgeshire.

Diseases of the heart and lung are some of the biggest killers worldwide. Despite a growing awareness of risk factors, such as smoking and poor diet, the prevalence of such diseases is increasing. The HLRI will provide a unique opportunity to establish a world-leading centre of

excellence for heart and lung research and will be used by the Trust for research, clinical trials and education facilities.

Recruitment and Research Activity

During 2023/24 we enrolled 1,868 patients across a balanced portfolio of 68 studies that were open to recruitment. In addition to this recruitment activity, we managed the follow up visits for over 100 ongoing studies.

The Trust has a balanced portfolio of observational and interventional studies across a range of specialities and patient populations including bronchiectasis, atrial fibrillation, cardiac surgery, and sleep medicine. The Trust continues to sponsor a number of single and multi-centre studies. Staff across the organisation are involved in research either directly involved in the research teams or by supporting research activity.

Research and Development Highlights

- The new 5-year Research Strategy was published in Dec 2022. This covers research across the Trust and outlines the eleven targets to be achieved within the next five years to allow RPH research to grow and achieve its potential. This is an ambitious strategy outlining major changes required to optimise the research potential of the Trust and in doing so transform RPH into a major cardiothoracic research institution.
- The HLRI Clinical Research Facility is now open and has an active portfolio of research studies being run through it.
- The Trust has been successful in recruiting global firsts to 2 commercial studies as well as a number of UK firsts.
- The NIHR have developed a new research delivery role 'Clinical Research Practitioner' which has been identified as an occupational group in health and care in the UK by the UK Professional Standards Authority (PSA). We are working with our Clinical Trials Co-ordinators to help them achieve recognition and currently have 2 registered and a large number working towards this professional recognition.
- RPH has been successful in gaining a number of grants including £100k from NHSBT for the Heart Rescue for Transplant by Restoring pH via ASIC1a Blockade (HEART-REHAB) Project
- Monthly Grant and Protocol Development workshops are now being held to support RPH investigators to develop their research idea and the Clinical Research Skills course has been relaunched.

Research Impact and Publications

Over 284 papers with Royal Papworth Hospital authors were published during 2023 across a breadth of clinical disciplines and published in a range of journals. This is a similar number to 2022 reflecting a sustained commitment to publishing data and knowledge from the Trust.

The Trust remains committed to improving patient outcomes by undertaking clinical research that will lead to better treatments in the NHS. We would like to say thank you to all those who participated in our research over the past year.

Royal Papworth Hospital Charity

Royal Papworth Hospital NHS Foundation Trust is the Corporate Trustee of Royal Papworth Hospital Charity (Registered Charity Number: 1049224). The Corporate Trustee of Royal Papworth Charity via the Trustee Board has complied with the duty in Section 17 of the Charities Act 2011 and has paid due regard to Charity Commission guidance on public benefit in deciding what activities the Charity should undertake.

The Charity has had a wonderful year in 2023, most notably launching a new supporter campaign focused on the incentive to 'Play Your Part' in the fight against heart and lung disease. As always, the fantastic charity supporters have been the foundation of our success, donating

and fundraising for Royal Papworth, making sure we can always deliver the best projects and make a real difference together.

Throughout the year, our amazing fundraisers have helped to raise over £2.6m by taking on a range of different challenges and hosting events. We have cheered them on as they crossed the finish line of the Cambridge Half Marathon, witnessed them take on exhilarating skydives, and aided them in promoting a fantastic selection of events including Charity dances and bake sales. We are constantly inspired by the remarkable and unwavering commitment and generosity, and their fundraising enables us to push the boundaries of heart and lung medicine.

Our community groups and corporate partners have played a significant role in championing our cause in the past year. Our charity partners, CKLG Accountants, Edmondson Hall Solicitors and Sepura Ltd, have provided endless support as they sought different ways to raise £16,000 collectively for Royal Papworth Hospital. We were also chosen as Charity of the Year by Royston Golf Club, who excelled in their fundraising efforts and raised over £6,500 in aid of the Patient Welfare Fund, to help care for the patients in need of additional support during the most difficult times.

The Charity events that have taken place this year provided us with a fantastic opportunity to engage with our supporters in person. The players at our Charity Golf Day embraced the spirit of the day and didn't let the rainy weather dampen their spirits. The day raised over £7,000, which brings the total to over £40,000 raised through our Golf Day events over the past three years. We returned to Ely Cathedral for our Christmas Carol Concert, after four years of not being able to come together it was truly magical to welcome over 300 guests on the day.

The Charity are continuously working hard to prepare for the future, mitigate the impact of the economic situation, and ensure we can continue to support the needs of patients and staff at the Hospital. We've collaborated with the Patient Advice Liaison Service (PALS) team to enhance our volunteering program and dispatched a fundraising and volunteering mailing to inspire and share with our supporters the impact of giving their time and fundraising in aid of the Charity.

The Charity is proud to have provided £1.5m in grants to Royal Papworth Hospital for various projects that support our patients and staff. 240 grants were approved this year for projects across the hospital, including emergency accommodation for families, medical equipment for theatres, training and education courses for staff, wellbeing activities for patients, and pioneering research. The continued generosity and kindness from our supporters make a transformational difference to everyone at Royal Papworth.

We invite you to explore the Charity's Annual Report and Accounts for the year ending 31 March 2024, which will be published separately and will be available on the Charity's website after they are submitted to the Charity Commission in January 2025. Come join us and be a part of the amazing work we're delivering together.

Further information on Royal Papworth Hospital Charity is available at:
www.royalpapworthcharity.com

Cambridge University Health Partners (CUHP)

Cambridge University Health Partners (CUHP) was established as a Limited Company in 2009. It is one of six Academic Health Science Centres in England whose mission is to improve patient healthcare by bringing together the NHS, industry and academia.

The Chairman and the Chief Executive of Royal Papworth Hospital NHS Foundation Trust are ex officio Directors of CUHP, as are the Chair and Chief Executive of CUH and CPFT, the Vice-Chancellor of the University of Cambridge, the University Registrar and the Regius Professor of Physic, the Vice Chancellor and the Deputy Vice Chancellor (Research and Innovation) of Anglia Ruskin University. There are also three further Directors with both clinical and academic responsibilities, linked with the member NHS Trusts.

In April 2020 CUHP was re-designated as a National Institute for Health Research – NHS England/Improvement (NIHR-NHSE/I) Academic Health Sciences Centre (AHSC) for a further five years.

By inspiring and organising collaboration, CUHP aims to ensure patients reap the benefits of the world class research, clinicians and industry which are based in Cambridge and the surrounding area.

For more information on CUHP see http://www.cuhp.org.uk/

Trust highlights and achievements 2023/24:

April 23	Partnership launched with surgical robotics company, CMR Surgical, also based in Cambridge. Harvey McEnroe joins Royal Papworth Hospital NHS Foundation Trust as new Chief Operating Officer.
May 23	First patient in the UK undergoes successful thoracic robotic surgery using CMR Surgical's cutting-edge robot, Versius. Teenage heart-lung transplant patient discharged home after 15 months in hospital.
Jun 23	New national lung cancer screening programme announced. The announcement followed early research, partly carried out at Royal Papworth Hospital, that demonstrated proof of concept for lung cancer screening and that lung cancer screening could be cost-effective.
July 23	Royal Papworth patient becomes first in the UK to sign up for a new heart transplant research trial, testing a new way of protecting donated hearts when it is being transported from donor to recipient. Celebrations mark the 75th anniversary of the founding of the NHS. Royal Papworth Hospital partnered with a local parkrun, invited 30 schoolchildren to come to the hospital and be reporters at the opening of our replica TB hut, and held a staff thank you event.
Aug 23	New heart laser procedure speeds up treatment times and allows more people to benefit from a minimally invasive procedure. Excimer laser coronary atherectomy (ELCA) treats re-narrowed stents, avoiding the need for heart bypass surgery. Team Royal Papworth return home from the British Transplant Games 2023 in Coventry with the 'best heart and lungs hospital' trophy, claiming 50 medals.
Sep 23	Royal Papworth Hospital NHS Foundation Trust is named one of best hospitals in the country for inpatient care for the fourth year-in-a-row. On average, patients rated their overall experience as 9.1 out of 10. A woman, who 37 years ago was among the few people in the UK to undergo open heart surgery whilst pregnant with twins, has returned to Royal Papworth

Hospital for another operation by the same consultant. In 1986, the patient had her mitral valve repaired; this time the valve was fully replaced.

Royal Papworth Hospital NHS Foundation Trust becomes a member of Cambridge Ahead, a business and academic member organisation dedicated to the successful and sustainable growth of Cambridge.

Oct 23 A primary school caretaker and teaching assistant who suffered a heart attack in 2022 returns to Royal Papworth Hospital with pupils from his school to thank some of the doctors and nurses who treated him.

Long-serving members of staff are recognised in the annual Long Service Awards celebration, with three employees celebrating 35 years at Royal Papworth Hospital.

Nov 23 Tim Glenn, Chief Finance Officer and Deputy Chief Executive, joins East Kent Hospitals University NHS Foundation Trust on a 12-month secondment.

Sophie Harrison, Deputy Chief Finance Officer, steps up to cover the CFO role during Tim's secondment.

Both Tim and Sophie are part of a trio of Royal Papworth finalists at the National Healthcare Finance Awards 2023, for finance director of the year, deputy finance director of the year, and a team nomination for diversity and inclusion.

Two nurses attend a royal reception hosted by King Charles III at Buckingham Palace to celebrate and thank overseas NHS staff.

A patient at Royal Papworth Hospital NHS Foundation Trust becomes the first globally to be recruited to a new international heart surgery research trial. The trial is investigating a new type of 'blood product powder' which helps blood to clot naturally. It will be given to patients who are higher risk of bleeding during complex cardiac operations.

Dec 23 Royal Papworth Hospital named as a finalist in two categories at the HSJ Partnership Awards: with CMR Surgical in the 'best acute sector partnership with the NHS' category; and with DrDoctor for a digital letters project in the 'environmental sustainability project of the year' category.

The annual staff awards event is held at Homerton College in Cambridge, with 16 award winners and 30 people or teams being highly-commended.

Jan 24 An international research trial investigating a new drug for a hard-to-treat lung disease, pulmonary sarcoidosis, gets underway at Royal Papworth Hospital NHS Foundation Trust. It is the first trial to be fully set up and co-ordinated by the Clinical Research Facility.

Dr Charlotte Paddison appointed as a new associate non-executive director.

Kwame Mensa-Bonsu joins as associate director of corporate governance, following the retirement of predecessor Anna Jarvis in December 2023.

Our cardiac surgery team performs its 200th aortic arch replacement – a so-called frozen elephant trunk – which is a complex type of surgery on the aorta.

	Professor John Wallwork CBE retires as chairman after 42 years of service to the NHS.
Feb 24	Dr Jag Ahluwalia becomes new chairman of Royal Papworth Hospital NHS Foundation Trust.
	A new research paper shows that the creation of a nationwide organ transplant allocation policy has successfully enabled the sickest patients to receive lung transplants sooner.
	Patients at Royal Papworth Hospital NHS Foundation Trust become among the first in Europe, outside of clinical trials, to be given a new type of implantable cardioverter-defibrillator (ICD) to treat abnormal heart rhythms and prevent sudden cardiac arrest. The pioneering EV-ICD is more effective and safer for patients who have fast heart rhythms.
	Our award-winning positive incident reporting platform, Laudit, reaches its 10,000th submission.
	Our thoracic surgery team completes its 100th case using CMR Surgical's Versius robot.
	Royal Papworth Hospital NHS Foundation Trust collaborates with Heart Research UK to mark 45 years of successful heart transplant surgery. The first successful heart transplant operation in the UK was performed at Royal Papworth, supported by Heart Research UK funding, in 1979.
	A successful cardiac physiology training scheme developed at Royal Papworth Hospital is expanded across the Cambridgeshire and Peterborough Integrated Care System (ICS). The new year-long programme boosts skills, improves confidence and helps with staff retention.
	Amanda Pritchard, CEO of NHS England, visits Royal Papworth Hospital, meeting staff and patients from across our three divisions of respiratory, cardiology, and surgery, transplant and anaesthetics.
Mar 24	Royal Papworth Hospital is named as one of the world's best hospitals by magazine Newsweek, in partnership with global research firm Statista. The rankings celebrate and acknowledge the top-performing hospitals across the planet.
	More than 300 members of the public and friends and family of staff attend an Open Day at Royal Papworth as part of the Cambridge Festival.
	Our transplant and cardiac surgery physiotherapists are crowned Physiotherapy Team of the Year 2024 at the Society for Cardiothoracic Surgery in GB & Ireland conference.

Cardiovascular Outcomes – NICOR 2024 report for 2020-2023

For the latest data period published in April 2024 by the National Institute for Cardiovascular Outcomes Research's (NICOR) National Cardiac Audit Programme (NCAP) for the period 01 April 2020 to 31 March 2023, and from internal audit data, Royal Papworth Hospital performed a total of 3581 cardiac surgical procedures, with an estimated recalibrated EuroSCORE predicted mortality of 2.3% and a significantly lower actual mortality of 1.7% (95% CI 1.3-2.1%). In total, during this period (including all emergencies and cases excluded by NICOR), the hospital performed 4040 cardiac operations with a EuroSCORE II predicted mortality of 4.5% and a significantly lower actual mortality of 2.6% (95% CI 2.1-3.2%).

National comparisons from NICOR demonstrate that the hospital performed the third highest volume of cardiac surgery in the UK (national average 757 cases per annum), and that the majority of hospitals had not returned to pre COVID pandemic levels of activity in this period (in 22/23 the average was 85% of 19/20 activity), and this was exactly our activity. The Trust performed the second highest volume of aortic and mitral valve surgery, and the second highest volume of emergency aortic surgery (over double the national average). For the process outcomes, our waiting times were similar to the national average in 22/23, and we had the third highest day of surgery admission rate, and average length of stay. For the morbidity outcomes the hospital compared much better than average with low rates of post operative bleeding, lower than average rate of intervention for deep sternal wound infection (despite our recent Surgical Site Infection rates), average stroke rate, but higher than average requirement for post operative renal support.

Annual Report on Cardiothoracic Organ Transplantation

Royal Papworth Hospital is one of the UK's top-performing hospitals for heart and lung transplants, according to a report published by NHS Blood and Transplant (NHSBT) in August 2023.

According to NHSBT's Annual Report on Cardiothoracic Organ Transplantation, Royal Papworth Hospital performed more cardiothoracic transplants in 2022/23 than any other hospital in the UK. It also had the lowest decline rate for donor organs, meaning that we accept a higher proportion of organs offered for transplantation than any other UK centre.

Patients have a shorter wait for transplantation at RPH than any other UK cardiothoracic transplant centre. The median national waiting times for heart transplantation are 900 days on the routine list (RPH 133 days), 48 days on the urgent list (RPH 20 days) and 18 days on the super-urgent list (RPH 12 days). The median national waiting time for lung transplantation is 584 days (RPH 280 days).

Survival after heart transplantation at RPH is excellent. National 30-day survival after adult DBD heart transplantation was 92.1% and ranged from 81.4% to 97.1% between centres (RPH 95.9%; risk adjusted 92.1%). National 90-day survival was 89.4% and ranged from 77.1% to 94.5% between centres (RPH 92.9%; risk adjusted 88.3%). National 1-year survival was 84.9% and ranged from 72.9% to 90.8% between centres (RPH 90.8%; 86.9% risk-adjusted). National 5-year survival was 71.4% and ranged from 65.6% to 77.3% between centres (RPH 74.3%; 75% risk-adjusted).

Survival after lung transplantation at RPH is also excellent. National 90-day survival after adult lung transplantation was 90.6% and ranged from 87.6% to 93.4% between centres (RPH 93.3%, risk adjusted 92.6%). National 1-year survival was 81.7% and ranged from 78% to 86% between centres (RPH 82.7%, risk adjusted 81.5%). National 5-year survival was 54.4% and ranged from 43.2% to 65% between centres (RPH 54.6%, risk adjusted 49.9%).

Strategy and operational plans

We launched our five-year strategy for the years 2020-25 in September 2020. This followed a re-examination of our strategy in the light of COVID-19 and whilst we recognised that this would change the way we do some things and would bring some of our plans forward, our key priorities for the future remained the same. This strategy will guide our work, as we recover from the pandemic and focus again on our core purpose: to bring tomorrow's treatments to today's patients. The strategy will help us build on our strengths, address our challenges and realise the potential of our new hospital and our exceptional staff.

Clinical excellence and innovation are at the heart of everything we do, but how we do things is just as important, and our strategy is clear about improving our staff experience and building meaningful partnerships with organisations who share common goals, as we work to

deliver benefit across our system as a provider, an anchor organisation and key employer. The global pandemic reinforced the importance of our work and made us more determined to tackle the heart and lung conditions that affect so many lives.

We are excited about the opening of the Heart and Lung Research Institute, which completes our building transformation and enables the delivery of our plans for enhanced education and research over the next five years.

We know that the expertise, commitment and compassion displayed by our staff will continue to make a huge difference to patients here and across the world over the next five years.

Our strategy sets out a clear direction of travel for the future. It will guide our decisions on priorities and investments and steer the ongoing development of both services and partnerships. In light of the strategic context, the key questions facing us, and the direction in which we want to travel, we have defined six strategic goals that underpin our work.

Figure 5: Strategic Goals 2020 – 2025

The implementation of our strategy aims to ensure that Royal Papworth Hospital maintains its position as a cardiothoracic centre of international standing and supports our new state of the art hospital and research centre on the Cambridge Biomedical Campus.

We have agreed Corporate Objectives for 2022/24 that support the delivery of our strategic goals. These are set out in the table below together with the method of measurement:

Corporate Objectives

Strategic Goal	Corporate Objectives 2023/24:
1. Deliver clinical excellence	To deliver an excellent care, experience and outcomes for our patients, we will: • Continue to develop our Quality Strategy with a focus on embedding principles of quality improvement being key to ways of working. • Work with stakeholders to develop our quality ambitions for 2023-2026.

	• Utilise our programmes and partnerships to deliver an improved patient and staff digital experience and protect our services from cyber-attack threats. • Use our resources optimally to safely treat patients waiting for care as quickly as possible.
2. Grow pathways with partners	In order to develop services with partners and patients, we will: • Collaborate with our Integrated Care System partners (ICS) to support the delivery of our collective system plan. • Continue to work with commissioning partners regionally and nationally to deliver specialised services that are patient focused and seamlessly joined up with the wider health service, to offer the best possible patient outcomes and experience. • Continue to identify and invest in meaningful relationships with industry and educational partners to support the delivery of the national Life Sciences strategy.
3. Offer a positive staff experience	To ensure an open and inclusive working environment where we understand, encourage and celebrate diversity, making the NHS a place where all feel they belong and are respected, we will: • We make the wellbeing of our staff a priority. • Continue to implement our 'Compassionate and Collective' leadership programme to ensure that we build a positive culture that enhances staff experience and enables the delivery of high equality and safe care. • Ensure equitable leadership and people practices to embed equality, diversity and inclusion into everything we do.
4. Share and educate	Grow Pathways with Partners. In order to develop services with partners and patients we will: • Provide an educational environment to enable growing our own for a sustainable highly skilled workforce. • Respond to specialist workforce supply gaps by working with stakeholders to address. • Review our Strategy to develop a Royal Papworth School and identify the best way to deliver its' original objectives.
5. Research and innovate	To develop the Trust as a centre for research and development, we will: • Develop the Heart and Lung Research Institute (HLRI) opening the Clinical Research Facility and building the research study portfolio. • Encourage greater research involvement from staff across our many professions, supported by the Royal Papworth Hospital Charity's Research Innovation Fund. • Work collaboratively with research partners and industry to enable the HLRI to become a leading centre of cardiovascular research.

	• Invest in researchers and research delivery capacity to create a self-sustaining environment for clinical research. • Encourage greater involvement from staff across our many professions, supported by the Royal Papworth Hospital Charity's Research and Innovation Fund. • Apply in collaboration with the University for national funding to support new research networks in MedTech and imaging.
6. Achieve sustainability	To establish a sustainable operational and financial position, we will: • Deliver our financial and operational plan. • Improve the health of our local population as part of our ICS, by bringing our experience and expertise to system programmes of work. • Take steps on our five-year plan to provide sustainable healthcare to our patients, in line with NHS ambitions to deliver a net zero National Health Service.

For further information on the Trust Strategy 2020-25 is published on our website:
Royal Papworth Hospital NHS Foundation Trust

Further regulatory information about Royal Papworth Hospital NHS Foundation Trust is published at:
https://www.england.nhs.uk/publication/royal-papworth-hospital-nhs-foundation-trust/

Key issues and risks for 2023/24:

Principal Risks
PR1 Workforce: Failure to maintain an engaged and skilled workforce in adequate numbers to support delivery of harm free care and positive patient experience, through staff that are well supported and aligned to our shared values, behaviours and purpose.
PR2 Productivity: Failure to achieve sufficient patient throughput to support timely and equitable access to care, and achieve financial stability, through optimising the productivity of our people and facilities.
PR3 Finances: Failure to deliver our financial plan on a sustainable basis and deliver our contribution to the wider system through rigorous financial management and an effective response to uncertainties in the future mechanisms for commissioning and innovation in specialised services.
PR4 Cyber security and data loss: Failure to prioritise cyber resilience through the implementation of up-to-date cyber security controls, training, surveillance, risk management, business continuity and recovery planning increases the risk of a major cyber event causing data loss, key system failure, and prolonged disruption to services.

We recognise the importance of a positive staff experience to everything that we aspire to deliver. This year we have attempted to address the discrepancy between the world class experience of our patients and what our staff have told us it feels like to work here in the wake of a monumental pandemic response. This year's staff survey results and our recent workforce metrics have begun to show signs of improvement, but this will remain a key focus for the coming year in order to continue to recruit and retain the high calibre, engaged staff that are needed to deliver our specialist services and clinical excellence, research, and innovation.

Inextricably linked to our staff experience and sense of inclusion within the organisation is the need to drive forward clinical productivity to reduce our growing waiting list. Although there has been little evidence of harm to patients waiting for our services that can be directly attributed to longer waiting times, we know because of the nature of the patients we serve that there is a higher risk of poorer outcomes for patients who wait for treatment for excessive periods of time. In the past year we have seen some improvement in theatre and cath lab utilisation and we have launched a flow programme which will optimise the use of our bed base over the coming year. The intent is to achieve productivity gains not through working our people harder and into burnout, but by unblocking the frustrating barriers they come across each day that stop them delivering the care for our patients that they desire.

When we began the year, we continued to prioritise water safety and in particular Mycobacterium Abscessus (M. Abs). M. Abs is a rare infection which can cause problems for people with specific underlying respiratory conditions or who are immunosuppressed. Over the past few years, a huge body of knowledge and understanding of the organism has been amassed and with cadence of the new governance approach to managing this issue, along with clinical practice, we have been able to assure ourselves and stakeholders that we understand how to protect our vulnerable patients.

We have also been working to address higher levels of surgical site infections in our patients since the hospital move. No specific, single cause for this has been identified but all of our teams have worked hard under the direction of the director of infection, prevention and control to put measures in place to reduce this risk to our surgical patients. We are pleased to see that this work has begun to bear fruit and we continue to monitor the effectiveness of all interventions.

We remain vigilant to the ever-present risk of malicious cyber activity. To date we have been fortunate not to be impacted but this has only been due to the diligence of our cyber security team and every member of our staff.

As an organisation, we are proud of the financial grip of our leaders as we deliver a breakeven financial position this year. However, it is recognised that the delegation of the commissioning of specialist services to Integrated Care Systems (ICS) has the potential to offer both risk and opportunity. In the East of England region, it has been decided that the Bedford and Milton Keynes Integrated Care system will host the commissioning of these services on behalf of all systems in the region and it is anticipated that commissioning arrangements will operate in shadow form for the first twelve months. The late publication of operational planning guidance for the year 2024 – 2025 may pose a more material risk for the coming year as funding arrangements for patients accessing regional and national services from outside the Cambridge and Peterborough ICS have yet to be finalised.

Finally, we continue to work closely with our system partners, actively collaborating and supporting with mutual aid where possible, in the best interests of all of the citizens of Cambridge and Peterborough. In particular, a programme of work is underway to streamline patient pathways between Royal Papworth Hospital and our campus partners Addenbrooke's. There is a perception amongst clinical staff that the management of patients on two separate electronic patient records (EPR) is a material barrier to this. We will be looking to address effective flows of patient information between clinical settings in the procurement of our next EPR, a project which has been initiated and which should be concluded by 2027.

Further information on the principal risks to the Trust and the mitigations, and internal control processes are included in the Annual Governance Statement (AGS) section of the Annual Report.

Other factors not set out within this summary could also impact on the trust and accordingly, this summary should not be considered to represent an exhaustive list of all the potential risks and uncertainties, both positive and negative that may affect the trust.

Going Concern

There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS foundation trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

After making enquiries, the directors have a reasonable expectation that the services provided by Royal Papworth Hospital NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual, the key driver being the continuation of services.

Further information is available in the Annual Accounts – Accounting Policies.

1.2 Performance Analysis

The purpose of the "Performance analysis" is to provide a detailed performance summary of how Royal Papworth Hospital measures its performance, more detailed integrated performance analysis and long-term trends. It should be noted that our performance against NHS standards continues to be affected by the pandemic with increases in wating lists and some continued pressures from COVID related absence. Further information will be provided in our 2023/24 Quality Account.

Meeting Specialist Healthcare Needs

In 2023/24 we continued to work closely with our system partners and are the NHS provider representative on the Integrated Care Board (ICB) which ensures that we deliver an effective contribution linked to the ICB strategy and operational delivery.

The number of patient episodes seen at the hospital was 133,887 (2022/24: 124,081 including Private Patients) and the tables below provide a breakdown of this demand across our services.

Inpatients and day cases

	2023/24	2022/23	2021/22
Cardiology	8,221	7,945	8,231
Cardiac Surgery	1,673	1,704	1,712
Thoracic Surgery (including PTE)	914	835	851
Respiratory Support and Sleep Centre	6,557	6,128	5,649
Transplant/Ventricular Assist Devices	521	531	643
Thoracic Medicine	5,780	3,654	3,527
Total	**23,666**	**20,797**	**20,613**

Outpatients

	2023/24	2022/23	2021/22
Cardiology	47,163	44,268	44,676
Cardiac Surgery	5,966	5,344	5,466
Thoracic Surgery	1,555	1,192	1,201
Respiratory Support and Sleep Centre	23,658	20,518	18,856
Transplant/Ventricular Assist Devices	3,484	3,440	3,335
Thoracic Medicine	28,395	28,522	27,587
Total	**110,221**	**103,284**	**101,121**

Control of Infection

MRSA bacteraemia and C. difficile trajectory infection rates*

During 2023/24 there were a total number 17 cases of *Clostridiodies difficile (C.diff)* which was above our national threshold, of 7. Despite this, we did not identify any outbreaks. Although our numbers were higher than national threshold, we achieved low numbers when compared to national and regional cases which have seen a dramatic increase in 2023/24, which is something that was recognised by the Integrated Care Board (ICB).

There were 2 cases of MRSA bacteraemia for 2023/24 against our ceiling threshold of zero for 2023/24, indicating that we were above our threshold for the year. All MRSA bacteraemia's and *C. difficile cases* are reported to our integrated care board (ICB), and we conduct post infection reviews (PIR) for on each case where MRSA bacteraemia or C. difficile, is reported two or more days into a patient's admission, to review the events and enable continuous improvement of practice. Any lessons learned are shared with the clinical teams within the trust and we ensure that the ICB are involved throughout the process. Of note, all C.diff cases reported 2 or more days into admission are now counted towards Royal Papworth Hospitals annual threshold regardless of any lapses in care.

Goals 2020/21	Outcome 2021/22	Goals 2022/23	Outcome 2022/23	Goals 2023/24	Outcome 2023/24
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	1 MRSA bacteraemia	No MRSA bacteraemia	2 MRSA bacteraemia
No more than 11 C. difficile (C.diff).	12 cases for the year = we were one over our yearly target of 11.	No more than 12 C. difficile.	8 cases of C. diff for the year = 4cases below the threshold.	No more than 7 C. difficile.	19 cases of C.diff for the year= 12 over threshold.
Achieve 100% MRSA screening of patients according to agreed screening risk	98.6%	Achieve 100% MRSA screening of patients according to agreed screening risk	96.7%	Achieve 100% MRSA screening of patients according to agreed screening risk	94%

Data Source: Mandatory Enhanced Surveillance System (MESS) and PHE Health Care Associated Infection Data Capture System. *Please note: The figures reported in the table are the number of C. difficile cases and MRSA bacteraemia attributed to the Trust and added to our trajectory/ yearly threshold.

Mycobacterium Abscessus

Following routine testing in 2019, we launched an investigation into some cases of patients acquiring M. abscessus. This is a rare infection which can cause problems for people with specific underlying respiratory conditions or who are immunosuppressed.

We immediately put in place safety measures and regular reviews of their effectiveness. Since implementing these additional and robust water safety measures, alongside continued education for staff and patients, we have significantly reduced the counts of mycobacteria in the water. In 2023/24, two new cases of M. abscessus have been identified but further investigation has not found a potential risk of contamination.

Performance of Trust against selected metrics

In 2023/24 the Trust continued to see pressures on service recovery in the context of escalation of industrial action which was seen at a national and local level. We also saw the impact of continued sickness and isolation absence related to COVID-19 and the impact on wellbeing of the cost-of-living pressures that our staff faced. This has had a continued impact on recovery and performance against our operational performance metrics. The Trust measures and reports to the Board against our quality and performance metrics and the table below sets out performance against the national operational metrics identified in the NHS oversight metrics for 2022/23 which are applicable to Royal Papworth Hospital (and which are not reported elsewhere in the Annual Report).

Operational Performance Metrics

Indicator	Target pa	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	YTD actual
18 weeks Referral to Treatment (RTT)*	>92%	71.0%	71.8%	71.7%	72.0%	71.3%	70.5%	70.3%	68.8%	67.5%	68.1%	67.7%	67.0%	67.0%
62 day wait for 1st Treatment from urgent referral	>85%	16.7%	33.3%	20.0%	0.0%	11.0%	20.0%	28.6%	50.0%	11.1%	66.7%	0.0%	12.5%	22.5%
62 day wait for 1st Treatment from consultant upgrade	>85%	66.7%	57.1%	50.0%	0.0%	33.3%	58.0%	40.0%	62.5%	53.3%	85.2%	50.0%	48.0%	50.3%
31 day cancer wait	>96%	96.0%	97.0%	100.0%	89.0%	94.0%	100.0%	96.2%	97.0%	88.9%	92.6%	100.0%	97.0%	95.6%
6 week wait for diagnostic	>99%	98.5%	94.9%	94.6%	96.8%	91.8%	94.0%	90.5%	90.8%	92.0%	90.3%	94.8%	95.7%	93.7%
Monitoring C.Diff (toxin positive)	Less than 7	2	2	1	2	0	1	0	2	1	1	2	3	17
Number of patients assessed for VTE on admission	>95%	90.2%	92.1%	90.1%	88.0%	86.0%	92.0%	91.0%	93.1%	92.0%	89.6%	91.4%	93.1%	90.7%

In 2023/24 these indicators have not been subject to independent assurance.
*The definition of this indicator can be found in Annex 4 to the 2023/24 Quality Account (to be published by 30 June 2024).

Equality of Service Delivery

For reasons both of fairness and of overall outcomes improvement, the NHS Long Term Plan takes a more concerted and systematic approach to reducing health inequalities and addressing unwarranted variation in care. As a receiving tertiary service, it is challenging to reconcile RPH data with that of referring services and to be assured that there is not any unintended bias at an early stage of referral pathways, preventing equal access to RPH services. The Board has discussed this and recognised that further work should be undertaken to look at how we interrogate current available data at a Trust and a system level; also, that the gap in the capture of ethnicity data of patients which has been identified needs to be investigated and understood in order to improve collection of this data.

We will ensure patients have access to the right care at the right time through our quality improvement work our approach will focus on addressing any equality and health inequalities for patients.

Further information on our quality priorities is included in our 2023/24 Quality Account.

RTT and Waiting List Prioritisation

In England, under the NHS Constitution, patients 'have the right to access certain services commissioned by NHS bodies within maximum waiting times, or for the NHS to take all reasonable steps to offer a range of suitable alternative providers if this is not possible'. The NHS Constitution sets out that patients should wait no longer than 18 weeks from GP referral to treatment. The fundamental principle underpinning this is that all decisions about a patient's waiting time should be made with the patient's best clinical interests in mind and in accordance with national legally binding Referral to Treatment (RTT) Rules.

Since the COVID-19 pandemic we have experienced an exponential increase in demand for our services and the number of patients waiting for treatment has doubled from our pre-pandemic position. Restoration of elective activity is one of the highest priorities for NHS England and greater emphasis is being put on ensuring there is no unnecessary delay to non-RTT applicable pathways as well as RTT pathways.

The Trust has in place arrangements to clinically assess and prioritise patients on the RTT waiting list and undertakes regular monitoring of patients waiting for elective care and diagnostic investigations.

Standard operating procedures outline the process of continued validation and ensure the priority codes allocated against each waiting patient are accurate and up to date with clinical changes in condition. This includes defining triggers for review, escalation processes and definitions of priority codes to ensure consistency.

The Trust assures the quality of its RTT waiting time data through the validation of the patient tracking list (PTL) which is available daily through Patient Pathway Plus (PP+) and is the validation and reporting system employed by the Trust. Patients are checked on both Lorenzo and other clinical systems to ensure that their waiting time is valid. Corrections to Lorenzo are made where required, which feed into the following day's PTL. A weekly meeting is held to discuss in detail the longer waiting patients on the PTL and this is further minuted in the Trust's weekly Access meetings.

The average Trust performance against the 18-week RTT standard through the year was 69.73% and our ability to achieve the 92% target has been hampered by higher than expected staff vacancy rates and the periods of industrial action by numerous groups of NHS staff through the year. To ensure that we are maximising the use our available resources we have commenced a number of improvement programmes focussing on outpatient and inpatient productivity, and theatres and critical care improvements.

Care Quality Commission (CQC)

The last CQC inspection was undertaken in June & July 2019. The rating of the trust improved, and it received an overall rating of Outstanding. It was rated as outstanding because:

- Safe effective, caring, responsive and well-led were rated as outstanding at core service level.
- Medical care, surgery and diagnostic imaging were rated as outstanding overall.
- Critical care and outpatients were rated as good overall.
- The rating reflected the previous inspection for end-of-life care services which was rated as good overall.

The aggregated rating for well-led at core service level was outstanding and the CQC rated well-led at trust-wide level as outstanding. When aggregated with the core services, this gave a rating of outstanding for the overall trust.

This achievement is a reflection of the dedication of the staff at RPH to get it right first time and every time for the patients within their care. RPH has a commitment to work in an open and transparent way with staff and patients and takes engagement very seriously ensuring that we continuously learn and develop.

Following the 2019 inspection the Trust was given six recommendations for improvement. Progress against these was regularly monitored over the intervening time but interrupted by the pandemic when monitoring was paused. During 2022 improvement plans resulting from the recommendations continued to be monitored at a local level as business as usual.

The ratings for Royal Papworth Hospital against the five key questions used by the CQC in their inspections of services are shown in the following table:

Ratings	
Overall rating for this trust	Outstanding ☆
Are services safe?	**Outstanding** ☆
Are services effective?	**Outstanding** ☆
Are services caring?	**Outstanding** ☆
Are services responsive?	**Outstanding** ☆
Are services well-led?	**Outstanding** ☆

The full inspection report is available at https://www.cqc.org.uk/provider/RGM/reports

Heart Lung Research Institute (HLRI)

CQC registration of the HLRI was successfully achieved in September 2019.

All patients attending the unit will be taking part in clinical Trials that have full regulatory approvals and are consented and recruited to in accordance with the approved protocol.

Patient Safety Incident Trends and Actions

There were 3017 patient safety incidents and near misses reported on the Trust's incident management system (Datix) that occurred in the financial year 2023/24. For the last year we remain within in a constant variation of incident reported for the year, with 5 more than

reported in 2022/23. There continues to be a healthy safety culture within the Trust and an understanding of the importance of learning from incidents and the CQC requirements to report all incidents under the Safe Domain.

Those graded as near miss, no/low harm over the last 12 months (99%) demonstrate a continuous readiness to report and learn from all types of incidents. The Trust culture ensures staff report incidents in order to demonstrate an open and fair culture of learning. This process also captures the clinical consideration given to all types of incidents.

Up to 31st December 2023 the level of investigation carried out after a patient safety incident is determined by the level of severity, with moderate harm incidents and above being reviewed at the Trust's Serious Incident Executive Review Panel (SIERP). After 1st January 2024 the Trust transferred over to investigating incidents under the Trust new Patient Safety Incident Response Framework (PSIRF) plan. The level of investigation carried out after a patient safety incident is determined by the level of severity, with moderate harm incidents and above being reviewed at the Trust's Serious Incident Executive Review Panel (SIERP). All moderate harm incidents and above have investigations and associated action plans which are managed by the relevant divisions and monitored by the Quality & Risk Management Group (QRMG). All Serious Incidents (SIs) require a Root Cause Analysis (RCA) and are led by an appointed investigator and supported by the Clinical Governance and Risk Team.

Further information on the new PSIRF can be found in our 2023/24 Quality Account.

2023 National Adult Inpatient Survey (Previously Reported)

The National inpatient survey looks at the experiences of adults who have been an inpatient at NHS hospitals during the month of November 2023 however this was extended and only finished at the end of April 2024.

Royal Papworth Hospital has used the CQC approved contractor and a comparison of results will only be made with those Trusts who used the same facilitator. The number of respondents was 789 (65%) which is slightly higher than 2022 which was 62%. Results include every question where Royal Papworth Hospital received at least 30 responses which is the minimum required. At the time of writing this report the results of the survey are still embargoed.

Oncology/62-day cancer waits

Like all other hospital trusts, Royal Papworth Hospital is expected to treat 85% of patients referred on a 'fast track' pathway with suspected lung cancer within 62 days of referral. As Royal Papworth only treats lung cancer and is never the first hospital on a patient's pathway the achievement of the 85% single cancer site-specific target continued to be challenging and in 2023/24 this standard was not achieved. In year the Trust performance has been hampered by a combination of late referrals, and patients needing more than one diagnostic and discussion in the MDT. The Trust has continued to work with partners to identify and address delays.

Financial Review 2023/24

This part of the Annual Report provides a review of the financial performance for the year ending 31 March 2024.

Summary of financial performance

As at 31 March 2024, the Trust had delivered the following performance:

	Plan	Year end
EBITDA *	£17.3m	£15.1m
Year-end surplus / (deficit)	(£0.5m)	(£1.9m)

*Earnings Before Interest, Tax and Amortisation

The plan figures represent the Trust's full year plan following as part of the ICS planning submission in 2023/24.

The year-end deficit of (£1.9m) is unfavourable to plan by £1.4m. The unfavourable position is predominantly driven by the impact of PFI accounting transition to IFRS 16. This is an adverse impact of £1.9m however this is adjusted out in the Trust bottom line position to arrive at the 'adjusted financial performance' which is the measure used by NHSE to monitor performance against its breakeven requirement.

Total capital programme spend in year was £2.7m. The majority of this was spent on medical equipment as part of the Trust's planned replacement programme and desktop PCs.

The end of year cash balance was £78.9m. This is an increase of £11.6m from the prior year and is driven by payments received from commissioners under the national financial framework.

2023/24 Income by Commissioner and Service

The following table shows total income for the year broken down by Commissioner.

	£000
NHS England	215,772
Cambridgeshire and Peterborough ICB	27,832
Norfolk & Waveney ICB	5,382
NHS Suffolk and North East Essex ICB	7,061
NHS Bedfordshire, Luton and Milton Keynes ICB	3,167
NHS Lincolnshire ICB	2,036
NHS Hertfordshire and West Essex ICB	3,565
Other ICBs	2,329
Other NHS	3,785
Welsh Health Boards	876
Scottish Health Board	91
Northern Ireland Health Boards	51
Private patients	9,858
Other non-NHS	228
Total patient service income	**282,033**

2023/24 Income by Service

The measure of clinical income by segments (services) was not reported due to the financial framework in place 2023/24.

Environmental matters

See sustainability section of Annual Report.

Social, community and human rights matters

See Staff Report and Sustainability Report.

Policies to Counter Fraud and Corruption

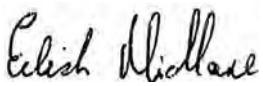
In common with all NHS organisations, Royal Papworth Hospital takes a very robust approach to fraud and bribery. Trust policies provide details of the points of contact for any members of staff who suspect fraud and bribery is taking place. The Trust has a dedicated counter fraud officer who, amongst other areas of counter fraud work, works on behalf of the Board to inform and involve staff of the Trust's anti-fraud stance as well as seeking the prevention and detection of fraud. Any concerns reported are investigated at the earliest opportunity by the Local Counter Fraud Specialist (LCFS), in conjunction with the Trust Management. The LCFS provides reports to the Audit Committee on the concerns raised and the action taken.

Operations outside of the United Kingdom (UK)

Royal Papworth Hospital NHS Foundation Trust has no branches outside the UK.

Any important events since end of the financial year affecting Royal Papworth Hospital

There have been no important events since the end of the financial year affecting Royal Papworth Hospital.



Eilish Midlane
Chief Executive and Accounting Officer
27 June 2024

2. Accountability Report

2.1 Director's Report

Composition of the Board

The Board consists of eight Non-executive Directors (NEDs) one of whom is the Non-executive Chairman, and one a non-voting Associate Non-executive Director and seven Executive Directors (EDs), one of whom is the Chief Executive and one of whom is non-voting.

Non-executive Directors

The Council of Governors has responsibility for appointing the Chairman and NEDs. One of the NEDs is a clinical representative nominated by the University of Cambridge.

Register of Interests

At the time of their appointment, all Directors are asked to declare any interests on the Register of Directors' Interests. There is a standing item on all Board of Directors and Committee meetings to confirm/update declarations of interest. The register is held by the Trust Secretary and updated annually or as required during the year and interests are recorded in the minutes of the Board. The register is available to the public and published on the Trust website. Anyone who wishes to see the Register of Directors' Interests should make enquiries to the Associate Director of Corporate Governance at the following address: The Associate Director of Corporate Governance, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

Political Donations

No political donations have been made by Royal Papworth Hospital NHS Foundation Trust in the 2023/24financial year. No political donations were made in previous years.

Cost allocation and charging

During the year 2023/24, the Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within thirty days of receipt of goods or a valid invoice, whichever is later. Furthermore, the Trust has made efforts to play its part in assisting small and medium sized enterprises in these more challenging financial times through aiming to make payment within ten days where possible.

The Trust endeavours to make payments within the timescales required by the Code and aims to pay 95% of invoices within 30 days or within agreed contract terms. Performance for 2023/24 and 2022/23 is summarised in the table below. The Trust paid £293.16 (2022/23 £0) of interest under the Late Payment of Commercial Debts (Interest) Act 1998 during 2023/24.

Better Payment Practice Code	2023/24		2022/23	
	Number	£	Number	£
Non-NHS				
Total invoices paid in year	34,246	157,820	32,568	149,615
Total invoices paid whin 30 days or agreed contract terms	32,831	154,786	30,835	146,606
Percentage of invoices paid within target	95.9%	98.1%	94.70%	98.00%
NHS				
Total invoices paid in year	1,053	10,248	1,029	7,073

Total invoices paid whin 30 days or agreed contract terms	997	9,458	944	6,800
Percentage of invoices paid within target	94.7%	92.3%	91.70%	96.10%
Total				
Total invoices paid in year	35,299	168,068	33,597	156,688
Total invoices paid whin 30 days or agreed contract terms	33,828	164,244	31,779	153,406
Percentage of invoices paid within target	95.8%	97.7%	94.6%	97.9%

Income disclosure required by Section 43(2A) of the NHS Act

The income from the provision of goods and services for the purposes of the health service in England during 2022/23 was greater than the income from the provision of goods and services for any other purposes. Private patient income was £9.8m (£8.3m 2022/23) or 3.5% (3.1% 2022/23) of total patient income.

Quality and Risk

Quality Strategy

Our Quality Strategy was published in 2019 and set our quality ambitions and direction for the three years to 2022 this was extended to March 2023 with the agreement of the Quality and Risk Committee. This was further extended for a further 6 months to September 2023. We are currently drafting the updated strategy, alongside reviewing the published update from NHS Impact (Improving Patient Care Together). This review and consideration of the completion of the NHS Impact Self-Assessment tool, will support the shaping the new Trust Quality Strategy for 2024/25.

We want quality improvement and continuous improvement to be our core philosophy and to be at the heart of every decision that we make. Our expertise, reputation, and network places us in a unique position to lead the way in delivering excellence in care through our cardiothoracic, respiratory and transplant services with outstanding:

- Patient experience and engagement; developing and improving our services for and with the patients who need them.
- Patient safety; with a focus on eliminating avoidable harm to patients.
- Effectiveness of care; using clear, consistent processes and standards to deliver successful treatment assessed by clinical outcome measures and the patient's experience.

Our ambitions in relation to quality will continue, and evolve further, as we continue to update the Quality Strategy in 2024/25.

Quality Governance

The Trust has a Quality and Risk Management Group (QRMG) and as part of its framework the group ensures that it has in place a system to support the continuous improvement in the quality of care. The Group approves and monitors policies and procedures to safeguard patient care and promotes an organisational culture that encourages patients, visitors and staff to report any concerns they may have or make suggestions for improvement. The QRMG meets every month and is chaired by the Associate Medical Director for Clinical Governance. A quarterly Quality and Risk report is published on the Trust's public website. The objective of this document is to ensure that the Trust can demonstrate a robust system for the analysis and communication of clinical governance activity across the whole organisation. This includes a systematic approach to the analysis of incidents, complaints, claims and resulting actions.

Approach to Quality Improvement

The Trust intends to build quality improvement capability from novice to expert. It is recognised that progress with quality improvement capability has been affected by the pandemic. Our approach is now to re-focus taking into account the National Quality Improvement (QI) agenda, NHS Impact continuous improvement work, current QI research and National QI leadership programmes. This includes the Trust Board continued endorsement to support the ongoing Culture and Leadership Programme, which continues to build our leaders with the skills and behaviour required compassionate, collaborative and inclusive leadership.

For further information see the Quality and Risk Quarterly and Annual Reports on our web site https://royalpapworth.nhs.uk/our-hospital/information-we-publish

Commissioning for Quality and Innovation (CQUIN) framework

A proportion of Royal Papworth Hospital NHS Foundation Trust's income is conditional upon achieving quality improvement and innovation goals agreed between Royal Papworth Hospital NHS Foundation Trust and NHS Commissioners, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Following the suspension of CQUIN during the pandemic, CQUIN schemes were re-established in 2022/23. As in previous years, the Trust has agreed in 2023/24 to undertake national CQUIN schemes with both NHSE Specialised Commissioning, and Cambridge and Peterborough ICB (acting for and on behalf of associate ICB commissioners).

In 2023/24, CQUIN achievement was paid in advance through the application of 1.25% to the 2023/24 national tariff and this was reflected in the contract value. Submission of performance against CQUIN metrics takes place quarterly and any non-achievement, could be reclaimed by commissioners in line with the national CQUIN guidance. It is not expected that there will be any adjustment to CQUIN payments related to performance in 2023/24.

A summary of the 2023/24 schemes is provided below:

CQUIN Ref	CQUIN Name
CQUIN01	Flu Vaccinations for frontline healthcare workers
CQUIN02	Supporting patients to drink, eat and mobilise after surgery
CQUIN03	Prompt switching of intravenous (IV) antimicrobial treatment to the oral route of administration as soon as patients meet switch criteria
CQUIN10	Treatment of non-small-cell lung cancer (stage I or II) in line with the national optimal lung cancer pathway
CQUIN11	Improving the quality of shared decision-making (SDM) conversations

As in previous years, progress against CQUIN schemes has been monitored by the Trust through a CQUIN Review Group. This group ensures that CQUIN schemes are appropriately implemented and monitored. CQUIN subgroups have been in place in 2023/24 for CQUIN02 and CQUIN11.

The Trust reports CQUIN compliance / achievement in year to commissioners via standard reporting as per the appropriate CQUIN timetable (noting that reporting milestones vary by scheme).

Royal Papworth Hospital's Quality Account Priorities 2023/24

The Trust's Quality Priorities for 2023/24 were agreed as:

- Implement the Patient Safety Incident Response Framework
- Increase action on prevention of health inequalities

- Harm free care – VTE, PU and falls
- Reduce Surgical Site Infections
  Improve Resourcing & Retention

Further information will be included in the 2023/24 Quality Account.

Royal Papworth Hospital's Quality Account Priorities 2024/25

To determine priorities for 2024/25 the Trust reviewed clinical performance indicators for the year and the feedback from on-going consultation with service users on the range and quality of services provided. A wide range of methods are used to gather information, including national patient surveys, real-time patient feedback from the Trust-wide patient experience data collection tool, concerns, compliments and complaints. Having identified potential priorities, the Trust consulted with clinical teams, Quality and Risk Committee and the Patient & Public Involvement Committee, which includes Governor and patient representatives, to determine our priorities for 2024/25. The priorities for 2024/25 reflect the domains of quality improvement and patient safety; clinical effectiveness and responsiveness; patient experience, and well led. They are:

Priority 1	Safe care and improvement in the management of patients with Diabetes
Priority 2	To improve patient experience with nutrition and hydration
Priority 3	To Improve outcomes for patients who experience delirium or have dementia

Further information will be published in the 2023/24 Quality Account.

NHS England's well-led framework

The NHSE Well Led Framework focuses on strong integrated governance and leadership across quality, finance and operations**.** In 2023/24 national priorities continued to focus on investing in our workforce, delivering more elective care, tackling backlogs and reducing waiting times to access services. In addition, we continued our focus on the health, wellbeing and safety of our staff. We recognise the need for more people, working differently in a compassionate and inclusive culture where leaders at all levels inspire, empower, and enable them to deliver high quality care in the most effective and efficient way. Our annual governance statement, corporate governance statement and Quality Account detail the Trusts approach to governance and leadership across quality, finance and operations. They detail the governance and performance framework against which the Board and leadership team assures itself that risks are appropriately identified, escalated and mitigated.

In 2019 the Trust had a CQC Well Led review and was rated as Outstanding following that review. However, we recognise that there were and are areas of improvement that we would want to focus on improving our staff engagement and Workforce Race Equality Standard measures.

In 2022 we commissioned an external review against the Well Led framework and recommendations from the review were presented to the Board in May 2022. This review identified areas of focus to help the Trust maintain its outstanding rating assessment and an action plan is in place with progress reported to the Board on a regular basis.

We have worked to embed our Values and Behaviours framework through workshops which all Board members, staff and Governors will attend and which will provide an opportunity explore the benefits of Royal Papworth Values and Behaviours for individuals, teams and the whole organisation. This will help us to understand how staff experiences impact patient experience, and how our Values and Behaviours can help to leverage strengths in our teams and paying attention to what we could be better and reflecting on what we want to do differently to make our working lives even more satisfying.

The performance review cycle for the Board ensures that all Executive and Non-Executive Directors have performance reviews completed by the end of the financial year and objectives set for the coming year in line with the Corporate Objectives. These objectives are then cascaded to individual Executive Directors' teams. The performance review cycle includes gathering multisource feedback and in 2023/24 three of our directors received feedback from 27 participants providing valuable commentary and insight on their role from staff and partners across the local system.

Patient Experience

Patient Led Assessments of the Care Environment (PLACE) Programme

The PLACE programme is an assessment of how the environment supports patients' privacy and dignity, food, cleanliness, and general building maintenance. The latest published assessment was launched in September 2023 and is available at:

Patient-Led Assessments of the Care Environment (PLACE), 2023 - England - NHS England Digital

Further information on the PLACE Programme is included in our 2023/24 Quality Account.

Patient and Public Involvement

Royal Papworth Hospital has a Patient and Public Involvement Committee (PPI) of the Council of Governors which monitors patient experience and is involved in setting the priorities for the Quality Account for the year. The Trust also has a Patient and Carer Experience Group (PCEG) with membership including patient and support group representatives and representation from Healthwatch, and they are represented on the PPI Committee.

In response to the pandemic the PPI Committee and PCEG moved to hold virtual meetings to allow continued contribution and input from our patient and public representatives but now meet o a hybrid basis. Whilst many of our support group activities moved to virtual events as a result of the pandemic the Trust continues to have strong relationships with patient support groups including:

- Norfolk Zipper Club
- Transplant Patient Support Group
- Transplant Sport UK
- Cardiomyopathy UK
- Mesothelioma Support Group
- Royal Papworth Hospital Pulmonary Fibrosis Support Group
- UK Transplant

Further information on our patient support groups is available at:
https://royalpapworth.nhs.uk/patients-and-visitors/pals/patient-support-groups

Further information will be available in the 2023/24 Quality Account.

Listening to Patient Experience and Complaints

Listening to the patient experience and taking action following investigation of complaints is an important part of our Quality Improvement framework. In 2023/24 Royal Papworth Hospital received 52 formal complaints from patients and or their families. Of the 52 complaints reported (28 inpatient and 30 outpatient complaints) 58 were relating to NHS provided services with 2 complaints related to private patient services at Royal Papworth Hospital. The

overall numbers of complaints received has decreased against the previous year when 58 complaints were received (a 10% increase from 2022/23).

In line with the Trust's complaints policy, all concerns should be resolved at the earliest opportunity without necessarily escalating to the formal complaint process. In 2023/24 we continued to recategorise enquiries that have been resolved through local resolution as informal complaints to ensure they are accurately recorded and reported. We will continue reporting on themes for both informal and formal complaints within our quality reporting to support our service improvement from our patient/carer feedback gained through the complaints process.

This has resulted in a significant increase in the number of informal complaints in comparison to the previous year (74 in 2022/23). The Trust received 127 informal complaints in 2023/24.

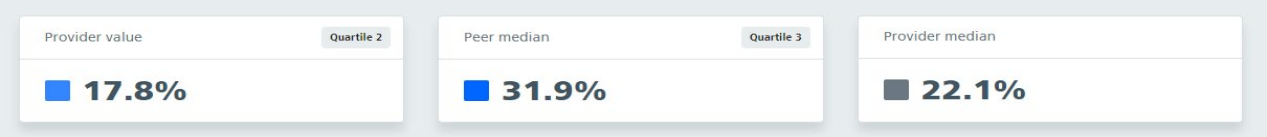
All concerns are fully investigated through a robust process intended to provide complainants with a quick, amicable, and satisfactory resolution to their concerns. The response is provided to the complainant either via email or telephone, this will also include providing details of any actions identified as a result of raising their concern. All informal complaints are now responded to within 15 working days.

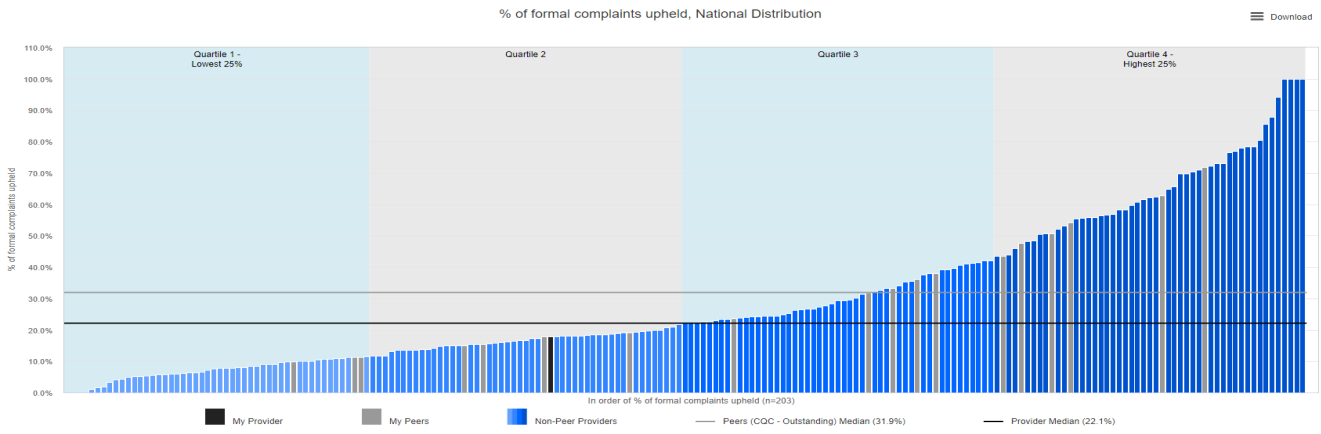
National benchmarking

The Trust uses the Model Hospital Metric to bench mark the numbers of formal complaints. This is calculated by the number of written complaints made by or on behalf of patients about an organisation per 1000 staff (WTEs). This is reported monthly as part of the Papworth integrated Performance Report (PIPR) as a rolling 3-month average of the number of written complaints per 1000 WTE.

April 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	March 2024
2.5	2.5	2.00	2.00	6.4	7.4	5.4	6.9	7.8	8.7	7.7	7.2

The overall Trust value remains well below the peer and national median and the latest data from Model Hospital demonstrates that we are in the lowest quartile from National comparison. Model hospital data and review below.





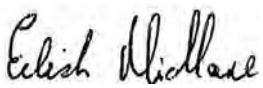
Further Information on listening to the patient experience and complaints will be available in our 2023/24 Quality Account.

Disclosures to Auditors

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

The Directors' Report is presented in the name of the following directors who occupied Board positions during the year 2023/24:

John Wallwork	Chairman (Till 31 January 2024)
Jag Ahluwalia	Chairman (From 01 February 2024)
	Non-Executive Director
Michael Blastland	Non-Executive Director
Cynthia Conquest	Non-Executive Director
Amanda Fadero	Non-Executive Director
Gavin Robert	Non-Executive Director
Ian Wilkinson	Non-Executive Director
Diane Leacock	Non-Executive Director (From 01 February 2024)
	Associate Non-Executive Director
Charlotte Paddison	Associate Non-Executive Director (From 31 January 2024)
Eilish Midlane	Chief Executive
Tim Glenn	Chief Finance and Commercial Officer (Secondment – From 31 October 2023)
Sophie Harrison	Chief Finance and Commercial Officer (Interim – From 05 November 2023)
Oonagh Monkhouse	Director of Workforce and Organisational Development
Maura Screaton	Chief Nurse
Ian Smith	Medical Director
Harvey McEnroe	Chief Operating Officer
Andrew Raynes	Chief Information Officer



Eilish Midlane
Chief Executive and Accounting Officer
27 June 2024

2.2 Remuneration Report

During 2023/24, one Non-Executive Director was elevated to replace the Chair of the Trust Board who retired as scheduled on 31 January 2024. The Trust Board's Associate Non-Executive Director was promoted to fill the vacant substantive Non-Executive Director role on 01 February 2024. On 31 January 2024, a new Associate Non-Executive Director was appointed to the Trust Board. These appointments were all made with the approval of the Appointments Committee of the Council of Governors.

In November 2023, the Chief Finance and Commercial Officer went on secondment to another NHS provider and was replaced by their deputy on an interim basis.

The Trust has two Committees contributing to the process of remuneration of members of the Board of Directors:

- Executive Remuneration and Nominations Committee of the Board of Directors, comprising the Chairman and all the Non-Executive Directors (NEDs). This Committee is responsible for Executive Director performance and remuneration;
- Appointments (NED Nomination and Remuneration) Committee of the Council of Governors, comprising elected Governors. This Committee is responsible for NED, including the Chairman, performance and remuneration. It is also responsible for recommendation to the full Council of Governors on the appointment of the Chief Executive.

Annual Statement on Remuneration from the Chair of the Executive Remuneration Committee

Major decisions on senior managers' remuneration

Remuneration and performance appraisal for the Trust's most senior managers (Executive Directors who are members of the Board of Directors) is determined by the Board of Director's Executive Remuneration and Nominations Committee. The only non-cash element of senior managers' remuneration packages is pension related benefits accrued under the NHS Pensions Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which applies to all NHS staff in the scheme. The Trust's strategy and business planning process sets key business objectives which in turn inform individual objectives for senior managers. Performance is closely monitored and discussed through both an annual and ongoing appraisal process.

The Remuneration Committee considered executive remuneration in the light of national benchmarking data and against the national uplift that had applied to other staff groups. It took a strategic view on the requirements for executive salary, being informed by the national benchmarking, maintaining an appropriate differential from the top of the AfC pay bands as well as considering the impact and likely views of any award on other staff groups.

Senior managers are employed on contracts of employment and are substantive employees of the Trust. Their contracts are open ended and can be terminated by either party with six months' notice. The Trust's normal disciplinary policies apply to senior managers, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff and has no specific provision for any loss of office payments.

Senior Managers' remuneration policy (Executive Directors who are Board members)

Future Policy Table – Executive Directors: The table below summarises each of the components of the remuneration package for senior managers which comprise the senior managers' remuneration policy.

Remuneration component	Applicable to	Jurisdiction	Relevance to Trust's long and short term objectives	Amount payable
Basic salary	All senior managers	Remuneration Committee	Recommendations in respect of basic salary are made to the Remuneration Committee by the Chief Executive (for Executive Directors) and the Chairman (for the Chief Executive) on the basis of internal and external relativities, the scope of responsibilities, where appropriate performance and the annual cost of living assessment.	Any increases are agreed with reference to external benchmarks and advice as required. No Executive Director has been released for Board duties at another trust for which they have received an additional payment.[5]
Payments over £150,000	Two Senior Managers	Remuneration Committee. NHSI opinion sought and considered where above £150k.[1] National Terms and Conditions – Consultants (England) 2003	When determining salary levels, an individual's role, and experience together with independently sourced data are considered. For medical staff National terms and conditions for consultants apply.	See table 1- Remuneration to March 2023.
Pension	All senior managers	Terms of membership as specified by the NHS Pension Scheme administered by the NHS Pensions Agency	Not Applicable	Existing Executive Directors are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.
Clinical Excellence Award Scheme	Medical Director	Determined by Local and National Awards Committees in accordance with medical employment contracts; these are not awarded by Remuneration Committee	Awards are determined by the Local and National Awards Committees in accordance with an agreed scheme that recognises clinical excellence. Analysis of the scheme demonstrates a linkage to the Trust's strategic objectives including the leadership and delivery of clinical services, teaching, training and research.	Level 9 award is the maximum that can be awarded locally.
Diversity and inclusion	All senior managers	Remuneration Committee	Delivery of the NHS Workforce Race Equality Standard aspirational goals	WRES aspirational goals in TOR and reflected in the recruitment process.

Accompanying notes:

(1) The Remuneration Committee considered and agreed not to apply the 10% clawback to the Chief Executive appointment going forward.
(2) There have been no other additions or changes to the components of the remuneration package paid during 2022/23.
(3) There are no significant differences in 2022/23 between the remuneration policy for senior managers and the general policy for employees' remuneration.
(4) The remuneration policy for 2022/23 does not include provision for performance-related bonuses or other such schemes.
(5) There is provision for the recovery of performance sums paid to directors.

Non-executive director remuneration policy

Element	Purpose and link to strategy	Overview
Fees	To provide an inclusive flat rate fee that is competitive with those paid by other NHS organisations of equivalent size and complexity.	The remuneration and expenses for the Trust Chairman and Non-Executive Directors are determined by the Council of Governors. The procedure for determining the remuneration was revised to bring it in line with the national guidance issued by NHS England 'Structure to align remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts' in November 2019.
Appointment		The Council of Governors appoints the Non-Executive Directors. This is usually for an initial term of office of 3 years, with the opportunity to be reappointed subject to satisfactory performance and the Council of Governors' approval.

Terms of Office of members of the Board of Directors during 2022/23

		First Appointed	Re-appointed From	Expiry/End of Term of Office
John Wallwork	Chairman	1 Feb 2014	1 Feb 2017 31 Jan 2020 31 Jan 2021 31 Jan 2022 31 Jan 2023	31 Jan 2024
Jag Ahluwalia	Chairman	01 Feb 2024		31 Jan 2027
	Non-executive Director	1 Nov 2019	1 Nov 2022	
Harvey McEnroe	Chief Operating Officer	01 April 2023	Not Applicable	6 month notice period
Michael Blastland	Non-executive Director	22 Mar 2019	1 April 2022	31 Mar 2025
Cynthia Conquest	Non-executive Director	1 Jan 2019	1 March 2021 29 Feb 2024	28 Feb 2027
Amanda Fadero	Non-executive Director	1 Dec 2020	30 Nov 2023	30 Nov 2026
Gavin Robert	Non-executive Director	1 Nov 2019	1 Nov 2022	31 Oct 2025
Ian Wilkinson	Non-executive Director	1 Jan 2020	1 Jan 2023	31 Dec 2025
Diane Leacock	Non-executive Director	1 Feb 2024		31 Jan 2027
	Associate Non-executive Director	1 Dec 2020	1 June 2022	
Charlotte Paddison	Associate Non-executive Director	31 Jan 2024		30 Jan 2027
Tim Glenn	Chief Finance and Commercial Officer	14 April 2020	31 Oct 2023	Secondment
Eilish Midlane	Chief Executive	1 Sep 2022	Not Applicable	6 month notice period
Oonagh Monkhouse	Director of Workforce and OD	1 Oct 2017	Not Applicable	6 month notice period
Maura Screaton	Chief Nurse	1 Aug 2021	Not Applicable	6 month notice period
Ian Smith	Medical Director	18 Apr 2022	Not Applicable	6 month notice period

Andrew Raynes (Advisory Non-Voting Member)	Chief Information Officer	01 April 2018	Not Applicable	6 month notice period
Sophie Harrison	Chief Finance and Commercial Officer (Interim)	05 Nov 2023	Not Applicable	6 month notice period

Attendance of Non-executive Directors at Executive Remuneration Committee Meetings

Name		22/05/23	02/11/23
John Wallwork	Chairman	✓	✓
Jag Ahluwalia	Non-Executive Director	✓	✓
Michael Blastland	Non-Executive Director	✓	×
Cynthia Conquest	Non-Executive Director	×	✓
Amanda Fadero	Non-Executive Director	✓	✓
Diane Leacock	Non-Executive Director	✓	✓
Gavin Robert	Non-Executive Director	✓	✓
Ian Wilkinson	Non-Executive Director	×	✓

✓ Attended meeting × Apologies received Not a member ☐

The Committee was advised by the Director of Workforce and OD

Attendance of Governors at Appointments Committee Meetings

Governor Members	Category	15/05/23	24/05/23	20/07/23	07/09/23	25/10/23
Richard Hodder (Chair and Lead Governor till September 2023)	Public	✓	✓	✓	✓	
Trevor Collins	Public	✓	✓	✓	✓	✓
Abi Halstead (Chair and Lead Governor from October 2023)	Public	✓	✓	✓	✓	✓
Marlene Hotchkiss	Public	✓	✓	✓	✓	✓
Aman CoonaS	Staff	✓	✓	✓	×	
Chris McCorquodale	Staff	✓	✓	✓	✓	✓
Josevine McClean	Staff					✓
Clive Glazebrook	Public					✓

✓ Attended meeting × Apologies received Not a member ☐

The Chairman, Trust Secretary and Director of Workforce and OD were in attendance at these meetings

NEDs also receive work mileage expenses. For values see the Remuneration table.

Disclosures required by the Health and Social Care Act 2012
6 Directors received expenses for 2023/24 of 5,175.32 (2022/23: 5: £7,058). Expenses to the value of £5,175.32 (2022/23: £7,058) are a reimbursement of amounts directly incurred in the performance of an individual Director's duties. In the Remuneration Report tables on remuneration for Directors, note 2 states that benefits in kind will include any taxable benefit on mileage.

Two directors received a taxable benefit in relation to a lease car, £2,390.86 (2022/23: £3,083).

The Board consists of 15 Directors (including two non-voting Directors). In year there were a total of 17 (2022/23: 17) serving Directors, one of whom retired, and another went on secondment to East Kent Hospital.

6 Governors received expenses of £1,442.20 for 2023/24 of (2022/23: nil). Expenses are a reimbursement of amounts directly incurred in the performance of an individual Governor's duties.

At 31 March 2024 the Council consisted of 27 (2023: 26) Governors and due to changes in the year there were a total of 32 (2022/23: 32) serving Governors.

Remuneration Report (Audited Information)

Remuneration received

The remuneration of the Board of Directors appointed or leaving during the year is included in respect of their period of membership only. The report includes two non-voting Directors (*) who have served in year in an advisory capacity to the Board.

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 derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Remuneration Report (Audited Information)

Table 1: Year ended 31 March 2024 (audited information):

Name and Title	Salary and Fees1 (bands of £5,000)	Taxable Benefits2 (total to the nearest £100)	All Pension-related Benefits (bands of £2,500)	Total (bands of £5,000)
	£'000	£	£'000	£'000
Prof. J Wallwork – Chairman (to 31st January 2024)	35 - 40	-	-	35 - 40
Dr J Ahluwalia – Non-executive Director (to 31st January 2024) Chairman (from 1st February 2024)	15 - 20	-	-	15 - 20
Mr M Blastland – Non-executive Director	10 - 15	-	-	10 - 15
Mrs C Conquest – Non-executive Director	10 - 15	-	-	10 - 15
Ms A Fadero – Non-executive Director	10 - 15	-	-	10 - 15
Ms D Leacock – Non-executive Director	10 - 15	-	-	10 - 15
Mr G Robert – Non-executive Director	10 - 15	-	-	10 - 15
Prof I Wilkinson – Non-executive Director	10 - 15	-	-	10 - 15
Mrs C Paddison – Associate Non-executive Director[11]	-	-	-	-
Mrs E Midlane – Chief Executive[10]	190 - 195	-	-	190 - 195
Mrs S Harrison – Chief Finance Officer (from 5th November 2023)	55 - 60	-	12.5 - 15	70 - 75
Mr T Glenn – Chief Finance Officer (to 4th November 2023)	80 - 85	900	55 – 57.5	135 - 140
Dr I Smith –Medical Director[9]	280 - 285	-	-	280 - 285
Mrs O Monkhouse – Director of Workforce and OD	125 - 130	-	-	125 - 130
Mrs M Screaton – Chief Nurse	120 - 125	-	45 – 47.5	165 - 170
*Mr A Raynes (Advisory non-voting member)	125 - 130	1500	27.5 - 30	160 - 165
Mr H McEnroe – Chief Operating Officer (from 1st April 2023) [10]	125 - 130	-	142.5 -145	270 - 275

Remuneration received

The remuneration of the Board of Directors appointed or leaving during the year is included in respect of their period of membership only. The report includes a non-voting Director (*) who has served in year in an advisory capacity to the Board.

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 derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.
The pension benefit table provides further information on the pension benefits accruing to the individual.

Notes to Tables 1

1. Salary and other remuneration excludes the employer's pension contribution and is gross of pay charges to other NHS Trusts.
2. Taxable Benefits relate to a taxable benefit on lease cars.
3. No payments were made in respect of 'golden hellos', compensation for loss of office or for an annual/long term performance related bonus.
4. No compensation payments were made to past Executive or Non-executive Directors.
5. No Executive Director served as a Non-executive Director elsewhere.
6. No performance related remuneration was paid in 2022/23.
7. Includes a 10% non-consolidated/non pensionable element at risk of claw-back.
8. The pension-related benefit has been calculated using the information provided by NHS Pensions and the Greenbury guidance.
9. Salary and Fees are representative of the period in post and include £126,281 relating to clinical duties and £51,799 relating to a Clinical Excellence Award.
10. No pension payments were made during the 2023-24 financial year.
11. There were no salary payments for C Paddison during the 2023-24 financial year.

Remuneration Report (Audited Information)

Table 2: Year ended 31 March 2023 (audited information):

Name and Title	Salary and Fees1 (bands of £5,000)	Taxable Benefits2 (total to the nearest £100)	All Pension-related Benefits (bands of £2,500)	Total (bands of £5,000)
	£'000	£	£'000	£'000
Prof. J Wallwork – Chairman	40 - 45	-	-	40 - 45
Dr J Ahluwalia – Non-executive Director	10 - 15	-	-	10 - 15
Mr M Blastland – Non-executive Director	10 - 15	-	-	10 - 15
Mrs C Conquest – Non-executive Director	10 - 15	-	-	10 - 15
Ms A Fadero – Non-executive Director	10 - 15	-	-	10 - 15
Ms D Leacock – Non-executive Director	10 - 15	-	-	10 - 15
Mr G Robert – Non-executive Director	10 - 15	-	-	10 - 15
Prof I Wilkinson – Non-executive Director	10 - 15	-	-	10 - 15
Mrs E Midlane – Chief Operating Officer (1st April to 31st Aug 2022) Chief Executive (from 1st Sept 2022)	155 - 160	-	155 – 157.5	315 - 320
Mr S Posey – Chief Executive (1st April 2022 to 2nd Sept 2022)[9]	75 - 80	1,600	27.5 - 30	105 - 110
Mr T Glenn – Chief Finance Officer	125 - 130	1,500	32.5 – 35	160 – 165
Dr R Hall – Medical Director (to 15th April 2022) [6,7]	15 - 20	-	-	15 - 20
Dr I Smith –Medical Director (from 18th April 2022)[11]	250 - 255	-	37.5 – 40	290 - 295
Mrs O Monkhouse – Director of Workforce and OD	120 - 125	-	30 – 32.5	150 - 155
Mrs M Screaton – Chief Nurse	120 - 125	-	65 – 67.5	185 - 190
*Mr A Raynes (Advisory non-voting member)	120 - 125	-	35 – 37.5	155 - 160
Mr A Baldwin – Interim Chief Operating Officer (from 12th Sept 2022 to 31st Mar 2023)[12]	75 - 80	-	30 – 32.5	105 - 110

Remuneration received

The remuneration of the Board of Directors appointed or leaving during the year is included in respect of their period of membership only. The report includes a non-voting Director (*) who has served in year in an advisory capacity to the Board.

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 derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Notes to Tables 2

1. Salary and other remuneration excludes the employer's pension contribution and is gross of pay charges to other NHS Trusts.
2. Taxable Benefits relate to a taxable benefit on lease cars.
3. No payments were made in respect of 'golden hellos', compensation for loss of office or for an annual/long term performance related bonus.
4. No compensation payments were made to past Executive or Non-executive Directors.
5. No Executive Director served as a Non-executive Director elsewhere.
6. Salary and Fees includes £5,726 relating to clinical duties and £1,508 relating to a Clinical Excellence Award.
7. R Hall took retirement benefits on the 16th April 2022.
8. No performance related remuneration was paid in 2022/23.
9. Includes a 10% non-consolidated/non pensionable element at risk of claw-back.
10. The pension-related benefit has been calculated using the information provided by NHS Pensions and the Greenbury guidance.
11. Salary and Fees are representative of the period in post and include £121,055 relating to clinical duties and £45,366 relating to a Clinical Excellence Award.
12. A Baldwin was on secondment. The salary and fees are the cost of recharge from West Suffolk Hospital.

Table 3: Pension Entitlements of Senior Managers 31 March 2024 (audited information):

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
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mrs E Midlane – Chief Executive	-	-	55 - 60	120 - 125	1179	-	1179
Mr T Glenn – Chief Finance & Commercial Officer	2.5 - 5	-	35 - 40	-	287	98	502
Mrs S Harrison – Chief Finance & Commercial Officer	0 – 2.5	-	15 - 20	-	128	6	171
Dr I Smith – Medical Director	-	-	80 - 85	230 - 235	51	38	118

Mrs O Monkhouse – Director of Workforce and OD	-	27.5 - 30	45 - 50	125 - 130	926	83	1115
Mr H McEnroe – Chief Operating Officer	-	142.5 - 145	-	140 - 145	-	-	-
Mrs M Screaton – Chief Nurse & IPC Director	2.5 - 5	2.5 - 5	45 - 50	140 - 145	980	153	1241
Mr A Raynes (Advisory non-voting member)	0 – 2.5	0 – 2.5	25 – 30	20 - 25	350	81	482

1 Non-executive Directors do not receive pensionable remuneration therefore there are no entries in respect of pensions for Non-executive Directors.
2 Information contained within this note is based on figures provided by the NHS Pension Agency. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time.
3 The benefits valued are the members' accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
4 The current inflation rate applied to pensions by the NHS Pension Agency is 10.1%.
5 In calculating the actuarial value of the CETV as at 31 March 2024 the NHS Pensions Agency has used factors which include the indexation of pension benefits in line with the Consumer Price Index (CPI) and not the Retail Price Index (RPI). This follows the Government announcement in July 2010 that pension benefits from 2011 will be indexed in line with CPI and not RPI. The change in inflation assumption led to a decrease in the CETV value as at 31 March 2011 compared with the CETV as at 31 March 2010.
6 The factors used to calculate a CETV increased on 29 October 2018. This has affected the calculation of the real increase in CETV. CETVs are calculated in accordance with SI 2008 No 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008[3] Revised guidance was issued by HM Treasury on 26 October 2011 regarding the calculation of CETVs in public service pension schemes. Based on this guidance the NHS Pensions Agency, with effect from 8 December 2011, has used revised and updated actuarial factors produced by GAD when calculating CETVs within the NHS Pension Scheme.
7 There are no employers' contributions to stakeholder pensions.
8 E Midlane and H McEnroe were not in the pension scheme in the financial year of 2023-24 and is shown as zero in the table above.
9 The start date for S Harrison was 5th November 2023.
10 T Glenn went on secondment at East Kent Hospitals University NHS Foundation Trust on 4th November 2023.
11 The start date for H McEnroe was 1st April 2023.
12 H McEnroe and E Midlane were not in the pension scheme in the financial year of 2023-24.

Table 4: Pension Entitlements of Senior Managers 31 March 2023 (audited information):

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 2023	Lump Sum at pension age Related to Accrued Pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Mr S Posey – Chief Executive	0 – 2.5	0 – 2.5	50 - 55	105 - 110	762	26	856
Mr T Glenn – Chief Finance & Commercial Officer	2.5 - 5	-	25 - 30	-	250	12	287
Dr R Hall – Medical Director	-	2.5 - 5	35 - 40	240 - 245	-	-	-

Dr I Smith – Medical Director	2.5 - 5	0 – 2.5	75 - 80	220 - 225	-	-	-
Mrs E Midlane – Chief Operating Officer & Chief Executive	7.5 - 10	7.5 - 10	55 - 60	120 - 125	988	150	1179
Mrs O Monkhouse – Director of Workforce and OD	0 – 2.5	-	45 - 50	85 - 90	855	37	926
Mr A Baldwin – Interim Chief Operating Officer	0 – 2.5	0 – 2.5	25 - 30	35 - 40	282	18	337
Mrs M Screaton – Chief Nurse & IPC Director	2.5 - 5	7.5 - 10	40 - 45	125 - 130	864	81	980
Mr A Raynes (Advisory non-voting member)	2.5 - 5	-	20 – 25	15 - 20	302	22	350

1 Non-executive Directors do not receive pensionable remuneration therefore there are no entries in respect of pensions for Non-executive Directors.
2 Information contained within this note is based on figures provided by the NHS Pension Agency. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time.
3 The benefits valued are the members' accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
4 The current inflation rate applied to pensions by the NHS Pension Agency is 3.1%.
5 In calculating the actuarial value of the CETV as at 31 March 2023 the NHS Pensions Agency has used factors which include the indexation of pension benefits in line with the Consumer Price Index (CPI) and not the Retail Price Index (RPI). This follows the Government announcement in July 2010 that pension benefits from 2011 will be indexed in line with CPI and not RPI. The change in inflation assumption led to a decrease in the CETV value as at 31 March 2011 compared with the CETV as at 31 March 2010.
6 The factors used to calculate a CETV increased on 29 October 2018. This has affected the calculation of the real increase in CETV. CETVs are calculated in accordance with SI 2008 No 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008[3] Revised guidance was issued by HM Treasury on 26 October 2011 regarding the calculation of CETVs in public service pension schemes. Based on this guidance the NHS Pensions Agency, with effect from 8 December 2011, has used revised and updated actuarial factors produced by GAD when calculating CETVs within the NHS Pension Scheme.
7 There are no employers' contributions to stakeholder pensions.
8 The CETV for R Hall and I Smith is zero because members are over 60.
9 A Baldwin was in post as Interim COO from 12th September 2022 to 31st March 2023.
10 The start date for E Midlane as CEO was 1st September 2022.
11 The leaver date for R Hall was 15th April 2022.

Fair Pay Multiple (audited information)

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

Pay ratio information table

2023-24	25th percentile	Median	75th percentile
All staff remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff)	27,879	39,801	50,316
Salary component of 'all staff' remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff)	27,866	39,627	50,277
All staff' remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff): Mid-Point of band of highest paid director	10:1	7:1	5:1

2022-23	25th percentile	Median	75th percentile
All staff remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff)	28,660	39,378	50,846
Salary component of 'all staff' remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff)	28,623	39,313	50,846
All staff' remuneration based on annualised, full-time equivalent remuneration of all staff (including temporary and agency staff): Mid-Point of band of highest paid director	9:1	7:1	5:1

Percentage change in remuneration of highest paid director

2023-24	% change from previous financial year in salary and allowances	% change from previous financial year in performance pay and bonuses
Highest paid director	10%	N/A*
All employees (excluding highest paid director)	5%	N/A*

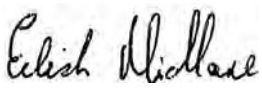
2022-23	% change from previous financial year in salary and allowances	% change from previous financial year in performance pay and bonuses
Highest paid director	2%	N/A*
All employees (excluding highest paid director)	12%	N/A*

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £277,500 (2022/23, £252,500). This is a change between years of 10%. The highest-paid director salary relates the Medical Director who was appointed on the 18 April 2022. The incoming Medical Director established a more distributive model of working, with more extensive input from the Deputy and Associated Medical Directors planned to support this appointment, and so has retained a higher level of clinical programmed activities including a continued on-call commitment. He also has a continuing research contribution and a higher-level national award.

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

For employees of the NHS Foundation Trust as a whole, the range of remuneration in 2023/24 was from £13,000 to £334,907 (2022/23 £12,035 to £289,428). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 5% (2022/23 – 12%). 4 employees received remuneration in excess of the highest-paid director in 2023/24 (2022/23: 7).

Approved by the Board and signed by the Chief Executive



Eilish Midlane
Chief Executive
27 June 2024

2.3 Staff Report

Recruitment and Retention

We saw overall turnover and vacancy rates reduce during 2023/24 but there remain local and national skills shortages, particularly in key groups such as registered nurses, operating department practitioners, echo physiologists and radiographers and the local recruitment market is extremely competitive. Sickness absence rates have not returned to pre-pandemic levels and the focus during 2023-24 has been on supporting good attendance from staff. We continued to strengthen the wellbeing support for staff and continued the financial support measures including subsidised car parking, bus travel and food in the restaurant for a further year. In

The Trust's 2020 - 2025 Strategy sets out the following strategic workforce goal:

OFFER POSITIVE STAFF EXPERIENCE **We will seek to offer the best staff experience in the NHS, enabling staff to fulfil their potential by providing a working environment where they can feel valued for what they bring to the Trust, achieve a work life balance, and feel engaged in their work**
Why is this goal relevant / important? • Excellent and innovative patient care and outcomes can only be delivered by highly skilled, committed and caring staff • Talent management, and developing and retaining our own talent, is essential to meet future skills requirements and providing rewarding careers for our staff • We have an opportunity to be at the forefront of developing innovative roles and ways of working through co-operation with system and education providers, and with our partners on the campus • Our position as a national and world centre for excellent and innovative cardiothoracic care can be a priceless asset in attracting the very best people; but it will only be effective if there is a foundation of good practice, strong culture and excellent support in place • By sharing and collaborating with campus partners we can develop an increasingly attractive package for staff and enhance the experience of working here • A strong, embedded culture of collective and compassionate leadership is the only way to develop and retain staff to deliver our world leading clinical services and outcomes • A diverse and inclusive workforce means we better reflect our local and patient population and that we are accessing the widest pool of talent.

In 2023/24 we published our Workforce Strategy which described how we would deliver the Trust's strategic workforce goals. The Workforce Strategy set out a workplan against six domains:

1. **Compassionate and collective culture –** creating a positive, engaging working environment, developing skilled and compassionate leaders and keeping colleagues safe, healthy and well
2. **Belonging and inclusion for all -** ensuring we are an organisation where everyone is welcome, everyone is respected, everyone can grow and everyone feels their voices are heard.

3. **Developing the Workforce -** helping people to realise their true potential for the benefits of our patients, protecting us from national skill shortages and helping us be more effective and efficient than ever before.
4. **Growing the Workforce -** being a place where people want to work, where they can develop and expand their roles and careers, developing new innovative roles.
5. **Efficient and effective workforce processes –** ensuring that guidance and support for colleagues and line managers is accessible and high quality, and that our policies, processes and practices align with our values and the principles of a just culture.
6. **Working with partners –** collaborating and learning from partner organisations both in our system but also regionally and nationally.

Staff Engagement, Consultation and Involvement

Our Staff Networks continued to develop, and they provide an important mechanism for hearing the experiences of staff and understanding how we can improve the working experience. They also sponsor and help organise a wide range of webinars throughout the year. The Health and Wellbeing Collaborative has been pivotal in bringing together staff from across the organisation that have an interest in this area to be involved and engaged with how we support staff. The weekly Staff Briefing and electronic updates continue to be an important vehicle for communicating with line managers and staff with consistently high number of managers and staff taking the time to join these or to listen to the recording at a later date. The Chief Nursing Officer “Message of the Week” is a vehicle for communicating key information to clinical staff, particularly ward based staff.

The Joint Staff Council (JSC) provides the formal management/staff interface for staff, via the recognised Trade Unions and Professional Organisations, enabling consultation on employment policies and procedures and discussion about the implications of organisational change. The JSC meetings include Staff Governors, and this provides a means to ensure that the voice of all staff is heard, not just those who are members of a Trade Union.

Our Freedom to Speak up Champions who work with the Trust Freedom to Speak up Guardian (FTSUG) provide an important route for staff to raise concerns and queries and we have further grown the numbers of staff undertaking this important role. There is a quarterly report from the FTSUG to the Trust Board and there is a staff story bimonthly at the private Board and at the Workforce Committee both of which ensure that the Board receive feedback and insights on the experience of staff.

Valuing Staff/Celebrating Success

Demonstrating that the contribution of staff is recognised and valued is an important element of staff engagement. In October 2023 we held our annual long service awards ceremony to recognise and thank staff with long service. In December 2023 we held our Royal Papworth Staff Awards Celebration. This was a wonderful event that focused on celebrating staff and teams who have been exemplars of the staff values and behaviours. Throughout the year, with the support of the Royal Papworth Charity, we held a number of events to say thank you to staff.

We use our weekly and monthly newsletters and our social media platforms to celebrate the achievement of individual staff and teams. The Trust Board and Committees receive information on the number of compliments received on a monthly basis.

The Trust’s Laudit (formerly Laudix) system continued to grow in popularity as a way for staff and managers to say thank you to each other and to recognise good practice and staff going above and beyond. In 2022/23 we launched the Laudit App to improve its functionality and ease of use. We have linked in a gesture of appreciation to the Laudit scheme with a monthly random draw that pick six recipients of a Laudit to receive a gift voucher.

Staff Survey

Staff engagement continues to be an important issue for the Trust given the strong evidence base of the link with safe and high-quality patient care. In addition to the annual national staff survey we undertake quarterly staff surveys. These surveys help the Trust measure staff engagement and develop plans to address key themes.

In October and November 2023, we carried out the annual staff survey which all NHS organisations are required to undertake. The 2023 survey was undertaken October 2023 to December 2023. We had a response rate of 56%which is a reduction from 2022 (61%) but is above the average for our peer group (54%) and the national response rate (48%).

The survey questions are organised against nine themes. In approximately 30% of questions our scores were significantly better than 2023. In 70% of questions there was no significant change (ie they will have increased or decreased but this may be normal variation)

Our results are benchmarked against a peer group of 13 other acute specialist organisations. Data are weighted to allow for comparisons between organisations. The questions are themed to align them to the People Promise which is made up of seven elements:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team

There are two further themes which have been reported in previous years:

- Staff Engagement
- Morale

All themes are scored on a scale that ranges from 0 (worst) to 10 (best).

The chart below provides an overview of our results benchmarked against our peer group:

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

	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.40	5.99	6.78	-	5.60	6.55	6.77	7.20	5.94
Best result	8.02	6.64	7.52	-	6.31	6.93	7.40	7.74	6.69
Average result	7.51	6.12	6.92	-	5.71	6.47	6.95	7.35	6.26
Worst result	7.17	5.82	6.65	-	5.48	6.09	6.68	7.04	5.87
Responses	1178	1176	1163	-	1123	1169	1177	1179	1179

Note. 2023 results for 'We are safe and healthy' have not been reported due to an issue with the data. Please see https://www.nhsstaffsurveys.com/survey-documents/ for more details.

Our recommender scores as a place to work and as a place to be treated increased significantly to 69% and 89% respectively. The average scores for these questions for our peer group was 71% and 88% respectively and nationally 61% and 65% respectively.

Three key themes were identifiable in our survey results as a focus for improvement during 24/25:

I. Appraisal: Improving the appraisal process and its role in talent management/career progression and staff feeling valued.
II. Staff feeling confident to raise concerns: Although our results are close to our peer average we have not seen them return to the levels reported in 2021. Staff confidence in raising concerns is an important part of a psychologically safe working environment and we will continue to work with the Freedom to Speak up Guardian to improve staff confidence in this area.
III. Bullying and discrimination: The continuing high levels of staff reporting bullying and discrimination, from colleagues and line managers is particularly concerning particularly the differential experience between white staff and staff from a BAME background. There is for the first time a question on staff experience of unwanted behaviour of a sexual nature and the percentage of staff reporting this type of behaviour, both from patients/relatives and colleagues is higher than our peers and national results.

Future priorities and targets

We have shared the survey results with Divisions/Directorates and with staff through our normal communication channels and in a number of staff and line managers briefings undertaken by the Chief Executive and Workforce Director. They are also shared and discussed with Staff Networks. They inform the work of the Compassionate and Collective Leadership Programme and the Resourcing and Retention Improvement Programme.

The results reinforce the importance of initiatives such as our Reciprocal Mentoring Programme, Cultural Ambassadors, the Compassionate and Collective Line Managers Programme and the Civility and Micro-Aggression Workshops.

Disability Information

We are recognised by the Government's Department for Work and Pensions as a 'Disability Confident' employer. The 'Disability Confident' scheme aims to help employers make the most of the opportunities provided by employing disabled people.

For staff who become disabled whilst in work, either temporarily or permanently, we have proactive, supportive policies and procedures in place to enable their skills and experience to be retained within the Trust. These include the use of external organisations to undertake detailed workplace assessments and, where appropriate, to advise on specialist equipment to facilitate adjustments to working practices.

The number of staff who reported themselves as having a disability at the end of 2023/24 was 107 (4.8%of the workforce). Further information in connection with Equality and Diversity can be found in the Equality and Diversity section of the Annual Report.

The Disability and Difference and Working Carers Network support the Trust with developing and implementing the Workforce Disability Equality System (WDES) action plan.

Occupational Health Services

Royal Papworth Hospital's Occupational Health Service is delivered by Cambridge Health at Work (CHaW). CHaW are SEQOHS (Safe Effective Quality Occupational Health Service) accredited. They provide a full range of occupational health services to staff and are integral to the pro-active management of sickness absence and in the promotion of health and well-being initiatives.

The Trust provides a flu and Covid-19 vaccination programme for staff. Vaccination remains an important patient and staff safety measure. It was supported with a proactive communication campaign with a particular focus on providing information and reassurance to staff who had concerns about vaccination

Employee Assistance Programme

Managers have an important role to play in ensuring our staff feel supported and valued in the workplace. By taking a proactive approach, managers help to ensure that staff have access to advice and support through occupational health at the earliest opportunity. The Trust's Management of Sickness Absence Procedure requires managers to refer all cases of anxiety, stress, and depression to Occupational Health to ensure early intervention: evidence suggests that early intervention is important for preventing acute situations becoming chronic.

We provide access for all staff to an Employee Assistance Programme provided by Health Assurance. This provides staff and their families with access to support and advice on a wide range of subjects such as mental health and finances. In addition, our staff continue to utilise the services of other support agencies which are freely available through signposting and recommendation from Occupational Health.

COVID-19 had a very significant impact on the health and wellbeing of staff and the impact of this continued to be felt in 2022/23. We continued to give staff access to a number of support services which are in addition to a wide range of services being provided at a national, regional and system level. Our Mental Health and Wellbeing Practitioner provides first line counselling for staff and co-ordinates a range of other services available to staff. We have a proactive network of staff trained as Mental Health First Aiders who support managers and staff in signposting staff to the most appropriate help for them.

Breakdown at the year end of the number of male and female Directors, other senior managers and employees

We remain committed to having a diverse Board in terms of gender as well as diversity of experience, skills, knowledge, and background. There were 15 members of the Trust Board at the end of March 2024, of whom seven were male and eight were female.

	Female	Male	Total
Directors (includes Non-executive Directors)	8	7	15
Senior Managers (as per occupation codes)	16	6	22
Other Employees	1520	562	2082
Total	1544	575	2119

Notes:
1. National occupation code used to define senior managers (non-clinical).
2. Non-executive Directors are included in totals but are not defined as employees.
3. Executive Directors includes one non-voting Board member.
4. Non-Executive Directors includes one non-voting Board member.

Sickness absence rate of staff

It is a Treasury FReM requirement that all public bodies report their sickness absence rate. This must be reported for the calendar year to allow reconciliation with already published data.

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2023	**Adjusted FTE days lost to Cabinet Office definitions**	**FTE - Days Available**	**FTE - Days Lost to Sickness Absence**	**Average Sick Days per FTE**
1,991	20,575	726,537	20,575	10.3

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse
Period covered: January to December 2023
FTE = Full Time Equivalent

2023/24 absence information can be found on line at: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Maintaining low levels of absence and supporting the health of staff remains a key priority for the Trust. The Trust continues to work towards improving the health and wellbeing of our staff, reducing sickness absence levels and improving line manager capability, together with delivering improved patient care and outcomes

Staff Turnover

Information on staff turnover can be found at:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Expenditure on consultancy

The expenditure on consultancy in 2023/24 was £368k (£368k 2022/23). During 2022/23 the Trust engaged Consultants to undertake work on a number of projects including: PFI matters including technical advice and independent reviews; team development programmes and the recruitment process for the CEO.

Staff Exit Packages (audited information)

Foundation trusts are required to disclose summary information of their use of exit packages agreed in the year, as required by the *FReM* (paragraph 5.3.27(h)). There were no exit packages agreed in 2023/24 (2022/23: 2).

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	-	-
£10,00 – £25,000	-	-	-
£25,001 – £50,000	-	-	-
£50,001 – £100,000	-	-	-
£100,000 – £150,000	-	-	-
£150,001 – £200,000	-	-	-
>£200,001	-	-	-
Total number of exit packages by type	-	-	-
Total resource cost	£0k (2022/23: £54k)	£0k (2022/23 £0k)	£0k (2022/23 £54k)

Exit packages: non-compulsory departure payments.

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval	-	-
Total	-	-
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-

Reporting high paid off-payroll arrangements

Table 1: Highly-paid off-payroll worker engagements as at 31 March 2024 earning £245 per day or greater

No. of existing engagements as of 31 March 2024	2
Of which...	0
No. that have existed for less than one year at time of reporting.	2
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

The Trust engaged with all off payroll contractors in light of the new IR35 arrangements to ensure an assessment of their role was undertaken and if necessary, arrangements for deducting tax and NI put in place from 6 April 2017.

Table 2: All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2024 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2024 Of which:	3
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	0
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	3
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

Table 3: 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 officials with significant financial responsibility, during the financial year.	0 (2022/23: 0)
	15

Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure must include both off-payroll and on-payroll engagements.	

Table 4: Staff costs

	Group			
			2023/24	2022/23
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	101,639	2,958	**104,597**	**99,856**
Social security costs	11,373	**0**	**11,373**	**10,605**
Employer's contributions to NHS pensions and other	11,553		**11,553**	**10,438**
Employer's contributions to NHS pensions paid by NHSE	5,019	**0**	**5,019**	**4,563**
Apprenticeship levy	513	**0**	**513**	**612**
Termination Benefit	**0**		**0**	**54**
Agency/contract staff	**0**	2,823	**2,823**	**2,303**
Total gross staff costs	**130,097**	**5,781**	**135,878**	**128,431**
Recoveries in respect of seconded staff	**0**	**0**	**0**	**0**
Total staff costs	**130,097**	**5,781**	**135,878**	**128,431**
Of which Costs capitalised as part of assets	**0**	**0**	**0**	**0**

Table 5: Average number of employees (WTE basis – audited information)

	Group					
	Permanent Number	Other Number	2023/24 Total Number	Permanent Number	Other Number	2022/23 Total Number
Medical and dental	262	14	**276**	250	14	**264**
Ambulance staff			**0**			**0**
Administration and estates	450	26	**476**	412	25	**437**
Healthcare assistants and other support staff	394	32	**426**	371	25	**396**
Nursing, midwifery and health visiting staff	665	34	**699**	654	23	**677**
Nursing, midwifery and health visiting learners						
Scientific, therapeutic and technical staff	180	10	**190**	175	9	**184**
Healthcare science staff	81	6	**87**	75	6	**81**
Social care staff			**0**			**0**
Other	0		**0**	0		**0**
Total average numbers	**2,032**	**122**	**2,154**	**1,937**	**102**	**2,039**
Of which:						
Number of employees (WTE) engaged on capital projects			**0**			**0**

2.4 Disclosures required under the Code of Governance for NHS Provider Trusts

Code of Governance for NHS Provider Trusts
The new Code of Governance for NHS Provider Trusts was published on 27 October 2022 and became applicable from 1 April 2023.

Directors
The Board of Directors is responsible for ensuring proper standards of corporate governance are maintained. The Board, since January 2008, is made up of the Chairman, seven Executive Directors and eight independent Non-executive Directors (NEDS) and is collectively responsible for the success of the Trust. The Board of Directors considers all of the current Non-executive Directors (NEDs), including the Chairman, to be independent. All appointments to the Board are the result of open competition.

Details of the composition of the Board and the experience of the Directors are contained within the Board of Directors section of the Annual Report which also includes information about the standing Committees of the Board, the membership of those Committees, and attendance.

The Board considers strategic issues. The Board meets regularly and has a formal schedule of matters specifically reserved for its decision. The Board delegates other matters to the Executive Directors and other senior management. The Board had nine formal meetings in 2023/24. The Chairman of the Trust is Chairman of the Board of Directors and Council of Governors and leads both groups on strategy and monitoring. The Chief Executive has responsibility for the implementation of strategy and the day-to-day operations of the Trust.

The Directors are given accurate, timely and clear information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance issues. The Directors have a range of skills and experience, and each brings independent judgement and knowledge to the Board's discussions and determinations.

The Trust has arranged appropriate insurance cover in respect of legal proceedings and other claims against its Directors. Independent professional advice is available as required to the Board or its standing committees.

Board Independence
The Board considered that the former Chairman, Professor Wallwork, satisfied the independence criteria of the Code on his appointment. The Interview Panel and Appointments Committee of the Council of Governors had noted that whilst Professor Wallwork had continued to be associated with the hospital the conclusion was this enhanced the strategic vision of the hospital in terms of the relocation to the Cambridge Biomedical Campus and strengthened the alliance with the University of Cambridge to build a joint heart and lung research institute (HLRI) adjacent to the new Royal Papworth Hospital. Together with his other interests external to the Trust, the panel had concluded that he was sufficiently removed from the day-to-day operational activity of the hospital to enable him to remain independent.

The processes for the recruitments and appointments of the current independent Chairman and Associate Non-Executive Director were reviewed and approved by the Appointments Committee. The Appointments Committee was also part of the main interview panels for both recruitments and, as required, recommended both appointments to the Council of Governors for approval.

The recruitment process for the new Chairman was supported by Odgers Berndtson, which is an independent global executive search firm in which the Trust or its directors do not have an interest in.

All the Non-executive Directors who have served during the year are considered to be independent according to the principles of the Code. During 2009, the Trust became a partner in one of the first Academic Health Science Centres designated by the Department of Health. The Chairman and Chief Executive are members of the Board of this separate legal entity as part of their Royal Papworth roles. The Board of Directors do not consider this to affect the independence of these Directors.

Independence is kept under review and is based on whether each Director is independent in character, judgement and behaviour. Also considered are factors such as participation and performance on both the Board and Board Committees. Non-executive Directors (NEDs), including the Chairman, are not NHS employees and do not contribute to the NHS pension scheme in their NED role. Non-executive Directors have confirmed their willingness to provide the necessary time for their duties. The Chairman and NED terms of office are subject to approval by the Council of Governors. The Board is satisfied that no individual or group has unfettered powers or unequal access to information. The Board has received confirmation from all Directors that no conflicts of interest exist with their duties as Directors.

The Chairman holds meetings with the Non-executive Directors without the Executive Directors being present. The Senior Independent Director (SID) also holds meetings with the other Non-executive Directors without the Chairman being present.

Policy for Raising Matters of Concern
Arrangements have been put in place by which the Trust's employees may in confidence raise matters of concern. These arrangements are covered in the Trust's "Freedom To Speak Up: Raising Concerns policy" commonly known as a "Whistle-blowing Policy".

Governors
The general duties of the Council of Governors are:

- to hold the Non-executive Directors individually and collectively to account for the performance of the Board of Directors; and
- to represent the interests of the Trust's members as a whole and the interests of the public.

Since April 2013, the Council of Governors consists of 18 elected public members, seven elected staff members and four appointed stakeholder representatives. The Council of Governors meets formally four times a year and has a nominated Lead Governor. Details of the composition of the Council of Governors and attendance at meetings are contained within the Council of Governors section of the Annual Report.

Board Performance Evaluation
The process for Board members appraisal is that the appraisal of NEDs is carried out by the Trust Chairman for report to the Appointments (NED Nomination and Remuneration) Committee of the Council of Governors. The appraisal of the Chairman is co-ordinated by the Senior Independent Director following the Framework for conducting annual appraisals of NHS provider chairs and the Provider Chair Competency Framework. This uses input from the Lead Governor and the Chief Executive along with input through a multisource review process. The Lead Governor is also the Chair of the Appointments Committee of the Council of Governors. Board meetings are open to the public and Governor attendance is encouraged.

During 2021/22 the Trust undertook a developmental review to assess the leadership and governance of the Trust as described in the well-led framework published by NHS England. An action plan was developed to address the recommendations from the review, and this was monitored by the Board during 2022/23. This review was undertaken by Arden & Gem CSU. Arden & Gem CSU have no other connection with the Trust.

Compliance Statement

Royal Papworth Hospital NHS Foundation Trust has applied the principles of the new Code of Governance for NHS Provider Trusts on a comply or explain basis. The Code was published on

27 October 2022 and became applicable from 1 April 2023 and was based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors considers that it complies with the main and supporting principles of the Code of Governance. This includes the issue of whether or not all of the NEDs are independent in accordance with code provision B.2.6. In relation to the more detailed provisions of the Code of Governance, the Trust is compliant with the provisions, with the following exceptions:

E.2.7 The Chief Executive has determined that the definition of "senior management" for the purposes of the Remuneration Report should be limited to Board members only.

E.2.8 Recommendations made to the Council of Governors on remuneration levels of the Chairman and other Non-executive Directors. The remuneration and expenses for the Trust Chairman and Non-Executive Directors are determined by the Council of Governors. The procedure for determining the remuneration was revised to bring it in line with the national guidance issued by NHS England 'Structure to align remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts' in November 2019.

The following provisions require a supporting explanation, even in the case that the NHS Foundation Trust is compliant with the provision. Where the information is already contained within the Annual Report, a reference to its location is provided to avoid unnecessary duplication.

Table of supporting explanation for required disclosures

Code of Governance for NHS Provider Trusts **reference**	**Summary of requirement**	**Disclosure**
A.2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	See Annual Governance Statement
A.2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce	See Staff Report
A.2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance	See Overview of Performance – Strategy and Operational Plans

	processes oversee its collaboration with other organisations and any associated risk management arrangements	
B.2.6	The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director: • has been an employee of the trust within the last two years • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust • has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme • has close family ties with any of the trust's advisers, directors or senior employees • holds cross-directorships or has significant links with other directors through involvement with other companies or bodies • has served on the trust board for more than six years from the date of their first appointment • is an appointed representative of the trust's university medical or dental school. Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why	See earlier in this section
B.2.13	The annual report should give the number of times the board and its committees met, and individual director attendance.	See Directors' Report.
B.2.17	For foundation trusts, this schedule should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by the board, the council of governors, board committees and the types of decisions which are delegated to the executive management of the board of directors	The schedule contains a statement on separate roles. The Council of Governors and Board of Directors have an agreed interaction process that describes how disagreements would be resolved.
C.2.5	If an external consultancy is engaged, (in the recruitment of the Chairman or NEDs) it should be identified in the annual report. alongside a statement about any other connection, it has with the trust or individual directors	See earlier in this section
C.2.8	The annual report should describe the process followed by the council of governors to appoint the chair and non-executive directors. The main role and responsibilities of the nominations committee should be set out in publicly available written terms of reference	See earlier in this section
C.4.2	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	See Board of Directors section.
C.4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors	External review 2021/22. See earlier in this section.

C.4.13	The annual report should describe the work of the nominations committee(s), including: • the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline • how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition • the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives • the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served • the gender balance of senior management and their direct reports.	• See Remuneration Report section • External review 2021/22. See earlier in this section. • See Equality and Diversity Report section
C.5.15	Foundation trust governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied	See Membership Plans and Interaction
D.2.4	The annual report should include: • the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed • an explanation of how the audit committee has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services	See Audit Committee section
D.2.6	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy	See Director's Report
D.2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	See the Annual Governance Statement
D.2.8	The board of directors 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. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	See Audit Committee section and Annual Governance Statement.
D.2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust	• See Overview of Performance – Going Concern and • Annual Accounts – Accounting Policies

	anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	
E.2.3	Where a trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	No Director was released in 2023/24.
Appendix B, para 2.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	See Council of Governors section.
Appendix B, para 2.15	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	See Council of Governor section.
Additional requirement of FT ARM	If, during the financial year, the Governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012) "	Governors have not exercised this power.

2.5 NHS Oversight Framework

NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four segments.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

NHS England has allocated Royal Papworth Hospital NHS Foundation Trust to Segment 1: Consistently high performing across the five national oversight themes and playing an active leadership role in supporting and driving key local place based and overall ICB priorities. *No specific support needs identified.*

The Cambridgeshire & Peterborough ICB segmentation improved in this year moving from Segment 4 to Segment 3: Significant support needs against one or more of the six oversight themes. Significant gaps in the capability and capacity required to deliver on the statutory and wider responsibilities of an ICB.

This segmentation information is the Trust's position as of 12 April 2024. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation.

2.6 Board of Directors

The Board of Directors

The Board's responsibilities are as follows:

- setting the overall strategic direction of the Trust, within the context of NHS priorities and taking into account views of the Council of Governors and other key stakeholders;
- to set strategic objectives;
- to provide high quality, effective and patient focused healthcare services required under its contracts with commissioners and other organisations;
- to ensure appropriate governance and performance arrangements are in place to deliver the Trust's strategic objectives;
- to ensure the quality and safety of all healthcare services, research and development, education and training;
- promoting effective dialogue between the Trust and the communities it serves;
- ensuring high standards of corporate governance and personal conduct; and
- ensuring that the Trust complies with the terms of its licence from the Regulator, its constitution, relevant legislation, mandatory guidance and other relevant obligations.

The licence from NHS England and the constitution govern the operation of the Trust. The schedule of decisions reserved for the Board and scheme of delegation set out the types of decisions that must be taken by the Board of Directors and those which can be delegated to management. The constitution defines which decisions must be taken by the Council of Governors and the standing orders of the Board of Directors describe how disagreements between the Board and the Council should be resolved.

Further information on Royal Papworth Hospital services can be obtained from our website https://www.royalpapworth.nhs.uk/

Professor John Wallwork, Chairman

Professor John Wallwork CBE retired as Chairman of the Trust Board of Directors at the end of January 2024. Professor Wallwork was appointed as Chairman of Royal Papworth Hospital's Trust Board of Directors in February 2014, returning after spending 30 years at the forefront of transplant surgery and research at the Trust.

During his career he has seen European and world firsts in the field of transplant that have made him a global name in the field –performing Europe's first successful heart-lung transplant in 1984, the world's first heart-lung and liver transplant with Professor Sir Roy Calne in 1986.

Professor Wallwork is Emeritus Professor of Cardiothoracic Surgery. Before being appointed as a consultant in 1981, he was Chief Resident at Stanford University Hospital in California for nearly two years, where he first became involved in heart and heart-lung transplantation. In the mid-1980s he established, with Dr David White, a research bio-tech company (Imutran) to develop transgenic animals for the use of xenotransplantation in an attempt to alleviate the persistent donor organ shortage, becoming a world-renowned expert on the topic; in 1996, he gave evidence on xenotransplantation both to the Kennedy Committee and to the United States Senate Subcommittee on Public Health and Safety. Alongside his colleague Professor Tim Higenbottam, Professor Wallwork was the first to introduce the use of long-term Prostacycline for Primary Pulmonary Hypertension, and he played a major role in the development of heart-lung transplantation at Papworth Hospital – now considered one of the best cardiothoracic hospitals in the world and one of the highest rated hospitals in the country (by the Care Quality Commission).

He succeeded Sir Terence English as Director of the Transplant Service from 1989 to 2006, chaired the UK Transplant Cardiothoracic Advisory Group from 1994 to 2006 and was Medical Director of Papworth Hospital from 1997 to 2002. He was also Director of Research and

Development at Papworth Hospital until his retirement, and in 2002, the University of Cambridge awarded him an honorary Chair in Cardiothoracic Surgery.

In January 2012 Professor Wallwork was recognised in Her Majesty Queen Elizabeth II's New Year's Honours list and was awarded a CBE for services to health.

Since taking up the position of Chairman, Professor Wallwork has seen Papworth Hospital granted Royal status (2017), led the Board through the construction and move to a purpose-built, state-of-the-art new hospital on the prestigious biomedical campus in Cambridge (2019), and played a fundamental role in the development of the Heart-Lung Research Institute (HLRI); opened in 2022, the HLRI is a joint venture with the University of Cambridge that draws together the highest concentration of heart and lung researchers from academia, healthcare and industry in Europe.

In 2019 Professor Wallwork received the Lifetime Achievement Award from the International Society of Heart and Lung Transplantation (ISHLT).

Professor Wallwork was invited to Cedars Sinai in Los Angeles as the Annual Advanced Heart Disease Visiting Professor for 2022 (The Thomas D. Gordon Visiting Professorship)

In 2023 Professor Wallwork received a Lifetime Achievement Award from the Society for Cardiothoracic Surgery, SCTS, at their AGM.

Dr Jag Ahluwalia, Chairman

Jag is Chief Clinical Officer at the Eastern Academic Health Science Network.

Jag, who was appointed Chairman of the Trust Boad of Directors in February 2024, received his undergraduate training in medicine at Cambridge and London. He was appointed as a consultant neonatologist at CUHFT in 1996 where he was director of the neonatal service for many years as well as a practising clinician. Jag's leadership and management experience includes nearly 10 years as the Executive Medical Director at Cambridge University Hospitals with a portfolio including included professional medical governance and leadership for over 1400 doctors, executive lead for Research and Development, executive lead for Postgraduate Medical Education, lead for patient safety and Director of Infection Prevention and Control. He was co-Chief Operating Officer for over three years. He was Director of Digital at CUHFT until 2019, overseeing extensive development of their IT programmes and then nominated to be chair of the Cambridgeshire and Peterborough STP digital group.

In addition to his acute hospitals' roles, Jag has had many years' experience leading, supporting and managing change and leadership and strategy challenges across the wider NHS. He is a highly experienced teacher and lecturer with a two-decade track record of delivering lectures and training across the fields of clinical practice, developing future clinical leaders, managing large-scale change, and implementing clinical IT systems. He also consults independently in the field of clinical governance. He has published over 40 articles including original research.

Outside of the immediate NHS, Jag is a Trustee of Macmillan Cancer Support, an Honorary Fellow of the Cambridge Judge Business School, and an Associate at Deloitte and the Moller Centre, Cambridge.

Mr Michael Blastland, Non-executive Director

Michael is a writer and broadcaster. For nearly twenty years, he was a BBC current-affairs presenter and producer, devising programmes including *More or Less* on Radio 4 – about numbers in public argument - of which he was also the first producer (with Andrew Dilnot the original presenter). He can still be heard as an occasional presenter on BBC Radio 4 and the BBC World Service. In 2022-23 he was the co-chair of a review into the impartiality of BBC coverage of fiscal policy.

He has written four books, including *The Tiger that Isn't,* a guide to numbers in the news and politics. His other books are about risk, about his son's autism, and, most recently, *The Hidden Half – How the World Conceals its Secrets*, about uncertainty.

He teaches, advises and presents widely, in schools, to business, government and academia. Current health-related roles include advisor to a large meta-analysis of the potential adverse effects of statins. He is also a board member of the Cambridge-based Winton Centre for Risk and Evidence Communication.

Mrs Cynthia Conquest, Non-executive Director

Cynthia is an experienced ex-NHS Director of Finance with a wide portfolio of NHS experience covering 44 years. She has worked in all aspects of financial services and in all types of healthcare settings: large acute teaching hospitals, specialist hospitals, mental health and community services. She has a high level of experience in all financial and healthcare processes with a specialty in financial management and transformation.

Cynthia's diverse experience includes the education sector either through charity work or paid employment as an interim or consultant and the hospice sector through her voluntary work. Cynthia was the Chair of the Audit Committee for a GP Confederation in London until January 2020 and Deputy Director of Finance and Performance at the Norfolk Community Health & Care NHS Trust until January 2021. Her contract work relatively recently with Great Ormond Street Hospital's International & Private Care Unit and her recent appointment as a School Governor for a Pupil Referral Unit has added to her experience and diverse portfolio.

She has a master's degree in Business Administration (MBA) from Warwick University and is a Fellow Member of the professional body, the Chartered Institute of Public Finance & Accountancy (CIPFA).

Mrs Amanda Fadero, Non-executive Director

Amanda joined the Board on the 1 December 2020 having enjoyed an extensive, varied and rewarding career in the NHS for over 40 years. Her career started in London where she trained and worked as a Paediatric and general nurse, moving into senior nursing leadership and management roles before moving into general management in 1992. Amanda undertook an MBA and held a variety of senior management roles before moving into a strategic joint leadership role across the acute, community and primary care sector in 2005.

She has held a number of Executive roles including leading the commissioning system in Sussex as the Chief Executive of NHS Sussex. She has worked as part of the senior team in NHS England as the Area Director for Surrey and Sussex before returning to the provider sector in 2014 as the Deputy Chief Executive and Director of Strategy of a large University Hospitals Trust where she also acted as the Chief Executive.

Amanda possesses valuable experience in leading transformation, managing complexity, using problem solving and conflict resolution to progress and manage change. She values relationships and partnerships which she believes to be essential, supported by strong governance, rigorous assurance processes and using appreciative enquiry, to secure safe, effective and efficient services for the members of the public who require them.

Mr Gavin Robert, Non-executive Director

Gavin has many years' experience as a private practice lawyer specialising in competition law. He is currently a senior consultant with boutique competition law firm Euclid Law, and teaches competition law at Cambridge University as part of a Masters programme. Gavin was previously a Panel Member of the UK Competition & Markets Authority, where he decided complex merger, market and antitrust cases, for five years until March 2018. Before that, Gavin was a partner for 14 years with the international law firm Linklaters, advising senior executives and the boards of leading global companies and financial institutions on competition compliance and managing risk.

Gavin has an enduring interest in healthcare. He has advised global healthcare companies throughout his career, and his decisions at the UK Competition & Markets Authority included the merger of NHS Foundation Trusts.

Gavin is also Chair of REAch2 Academy Trust, the largest primary-only multi-academy trust in the country with just over 60 primary academies across England. REAch2 is dedicated to ensuring that every child is given the highest quality education that REAch2 can offer, regardless of their background, so they get the best start in life.

Professor Ian Wilkinson, Non-executive Director

Ian is a Clinical Pharmacologist and Professor of Therapeutics in the University of Cambridge. He directs the Cambridge Clinical Trials Unit, and office of Translational Research, and leads the division of Experimental Medicine and Immunotherapeutics at the University of Cambridge. His main research interests are clinical/experimental studies designed to understand the mechanisms causing hypertension and cardiovascular disease, and to develop new treatments.

He is lead investigator on the MRC/BHF-funded AIMHY-INFORM trial, which will determine the most effective antihypertensive treatment for different ethnic groups in the UK, and a number of early phase trials run in collaboration with Industry partners.

Ian leads the Cambridge Experimental Medicine Training Initiative which aims to create the next generation of clinical researchers to develop the medicines of the future.

Ms Diane Leacock, Non-Executive Director

Diane is a qualified accountant with extensive business experience. She has held Finance Director roles at various commercial organisations including the information and publishing group Informa UK, insurance broker Willis Towers Watson and the regional law firm, Ellisons where she has streamlined, grown and transformed various business units. Currently, Diane works as a portfolio Finance Director and an independent finance consultant, supporting and enabling businesses to grow.

Diane has a keen interest in healthcare and has served as a non-executive director within the NHS. She also sits on the Board of Trustees at the East of England's award-winning contemporary visual arts gallery, Firstsite.

An Economics graduate of the University of Waterloo (Canada), Diane holds a Master's in Business Administration from Henley Business School and is a Fellow of the Association of Chartered Certified Accountants.

Dr Charlotte Paddison, Associate Non-Executive Director

Charlotte joined Royal Papworth Hospital NHS Foundation Trust as associate non-executive director in January 2024. She brings more than a decade of experience working in senior leadership roles in health services research and health policy. Charlotte has experience as a public governor for a community mental health trust, Cambridgeshire and Peterborough NHS Foundation Trust, and is a member of the British Medical Association patient liaison group.

Charlotte completed her PhD in New Zealand in 2007 before taking a post-doctoral position in behavioural science at the University of Cambridge. Since 2010, much of her professional work has focused on improving patients' experiences of health and social care through academic research and policy influence. Her academic work has been published across a range of internationally leading journals in clinical medicine, behavioural science, and public health – receiving both national and international awards including the Royal College of General Practitioners Health Services and Public Health Paper of the Year (2016) for work on the primary care experiences of unpaid carers.

Charlotte is a non-voting member of the Board.

Mr Tim Glenn Chief Finance and Commercial Officer and Deputy Chief Executive

Tim joined Royal Papworth Hospital as Chief Finance Officer on 14 April 2020. He was previously with Cambridge University Hospitals NHS Foundation Trust where he was Director of Finance.

Tim is a chartered accountant with 15 years' of senior financial leadership experience working across community, acute and specialist NHS organisations as well as in the private sector.

Tim took on the role of Deputy Chief Executive in 2022/23.

Tim went on secondment to East Kent on 31 October 2023.

Mrs Eilish Midlane, Chief Executive

Eilish was appointed as Chief Executive on the 1 September 2022 following a rigorous appointments process undertaken by the Board and approved by the Council of Governors.

Eilish is a strategic and system leader in the Cambridgeshire and Peterborough Integrated Care System and is a voting member of the Integrated Care Board representing NHS providers and Trusts. She is also Chair of the Cambridgeshire and Peterborough Diagnostic Board and leads the system transformation programme.

Eilish is a 'well led' Executive reviewer for NHS Trust's on behalf of the CQC and is a Director of Cambridge University Health Partners, an academic health science centre with the mission of improving patient care by bringing together the NHS, industry and academia.

Eilish has worked in the NHS for over 30 years and has considerable expertise in patient safety, clinical governance and service improvement planning. Eilish joined the Trust in April 2017 being appointed to the role of Chief Operating officer. She had previously worked as Divisional Director of Clinical Support Services at the East and North Hertfordshire NHS Trust.

Eilish is a biomedical scientist by background and holds a wealth of experience spanning strategy, operational leadership and delivery and hospital and clinical services reconfiguration.

Ms Oonagh Monkhouse, Director of Workforce and Organisational Development

Oonagh was appointed as Director of Workforce and Organisational Development in October 2017 having held the same role at Bedford Hospitals NHS Foundation Trust. Oonagh worked previously at Cambridge University Teaching Hospitals, where she undertook a number of senior human resources roles including Deputy Director of Workforce and interim Director of Workforce.

She is currently co-chair of the East of England Human Resources Director Network and in April 2023 became the Chair of the NHS Staff Council Employers side and Co-Chair of the Staff Council.

Oonagh is originally from Northern Ireland and worked in a number of NHS organisations in Belfast before moving to Cambridge in 1993.

Mrs Maura Screaton, Chief Nurse

Maura was appointed Chief Nurse at Royal Papworth Hospital NHS Foundation Trust in August 2021. Maura was previously Deputy Chief Nurse at Cambridge University Hospitals NHS Foundation Trust and has a long career in nursing having first joined Papworth in 1995 as a critical care nurse, before this she has worked in cardio thoracic nursing in London and Australia and brings a wealth of experience and leadership to her role.

Maura is the professional lead for nursing, Allied Health Professionals (AHPs) and Scientists, is the Director of Infection Prevention and Control and is the Caldicott Guardian for the Trust. She is also the executive lead for clinical quality including patient experience and patient safety, safeguarding vulnerable people including dementia services, clinical governance and risk management, and clinical education.

Dr Ian Smith, Medical Director

Ian was appointed as Medical Director in April 2022, having been one of our Deputy Medical Directors, leading the Research and Development Directorate.

Ian is a chest physician specialising in ventilatory failure and sleep medicine and Director of Royal Papworth Hospital's Respiratory Support and Sleep Centre (RSSC), the first accredited by the European and British Sleep Societies.

Ian was a founder the regional Motor Neurone Disease care network and was a co-author on the recent NICE guidelines for people with MND. He is Vice Chair of the UK Association of Respiratory Technicians and Physiologists sleep section, and he co-authored the British Thoracic Society position statement on driving and sleep apnoea. He is the current President of the East Anglian Thoracic Society.

Ian is an Affiliated Associate Professor to the University of Cambridge and has held a number of key educational posts including Programme Director for respiratory medicine in East Anglia, Attachment Director for respiratory and cardiology undergraduate training and Clinical Tutor for the Royal College of Physicians. As Clinical Director of Thoracic Services he oversaw expansion in each of the subspecialties, the establishment of the Interstitial Lung Disease Service and the National Adult Ataxia Telangiectasia Service.

Mr Andrew Raynes, Chief Information Officer

Andrew joined Royal Papworth Hospital NHS Foundation Trust in 2017 following his former role as IT Programme Director at Barking, Havering and Redbridge University Hospitals NHS Trust. Andrew has over 20 years' experience working in the health and private sectors, including overseas; this includes leading a number of high-profile projects such as the implementation of IT in a GP-led practice at HMP Thameside on the Belmarsh Prison Estate and the implementation of Liquidlogic, a children and adult social care system while at Leicester City Council. Andrew is a graduate of the Oxford Said Executive Leadership programme and has a Master's degree in Healthcare Informatics specialising in education. He is a former Chair of the Cambridgeshire and Peterborough Integrated Care System (ICS) Digital Enabling Group. Andrew has several publications, is a member of the National GS1 UK Health Advisory Board and is a CHIME Certified Healthcare Chief Information Officer (CHCIO), a Fellow of the British Computer Society (BCS) and Leading Practitioner in the Federation of Informatics Professionals (FedIP).

In 2021 his Digital team won the 2021 HTN Now Award for 'Rapid response to Covid19' and in 2022 Andrew was awarded one of the CIO UK 100.

Andrew is a non-voting member of the Board.

Mrs Sophie Harrison, Chief Finance and Commercial Officer (Interim)

Sophie became Chief Finance and Commercial Officer (interim) at Royal Papworth Hospital in November 2023, having previously been Deputy Chief Finance officer for four years.

Sophie is a chartered accountant and a member of the Institute of Chartered Accountants in England and Wales. She brings over 10 years of experience of senior financial leadership across the public sector and prior to joining Royal Papworth she held a number of roles at Monitor (now NHS England) with a focus on supporting organisations and systems to develop long term plans to ensure financial sustainability.

In her role at Royal Papworth Sophie leads on financial aspects of the Trust's work, including the development of the Trust's financial plans, financial reporting, the Trust's commercial strategy and procurement. In addition to her role at Royal Papworth, Sophie is a member of the following groups:

- the Federation of Specialist Hospitals
- the Cambridgeshire and Peterborough Integrated Care System Chief Finance Officers group
- Cambridge Biomedical Campus Strategy Group

Table of Attendance at Board and Committee Meetings

The following table shows the number of Board of Director and Committee meetings held during the year and the attendance of individual Non-executive Directors (NEDs) where they were members.

	Board [A]	Audit [B]	Performance [C]	Quality & Risk [D]	Strategic Projects [E]	Executive Remuneration [F]	Workforce
Number of meetings 2023/24	9	7	12	12	6	2	7
John Wallwork (till January 2024)	08/8	1/6				2/2	
Jag Ahluwalia (from February 2024)[1]	9/9			7/9	4/4	2/2	5/5
Michael Blastland	7/9	6/7		10/12		1/2	
Cynthia Conquest	9/9	7/7	11/12	1/1		1/2	
Amanda Fadero	7/9			10/12		2/2	6/7
Gavin Robert	6/9		12/12		5/6	2/2	
Ian Wilkinson	8/9			10/12	4/6	0/2	
Diane Leacock	8/9	6/7	9/10	2/2	6/6	2/2	6/7
Charlotte Paddison (from February 2024)	1/1		3/3		1/1		2/2
Eilish Midlane	9/9	7/7	11/12	11/12	5/6	2/2	
Andrew Raynes	6/9	5/7	10/12	10/12	2/3		
Harvey McEnroe	8/9	3/6	12/12	9	6/6		5/6
Tim Glenn (till October 2023)[2]	7/7	4/4	7/7		4/4		2/4
Sophie Harrison (from November 2023)	2/2	3/3	5/5	12/12	2/2		2/3
Oonagh Monkhouse	8/9	5/7	10/12	10/12	4/6	2/2	7/7
Maura Screaton	9/9	6/7	11/12	11/12	5/6		6/7
Ian Smith	8/9	1/7	11/12	11/12	4/6		5/7

▭ Not members of the Committee, however Directors attend meetings of committees of which they are not members either as regular attendees or as required. 1 Part year membership of Board Committees. 2 On Secondment	A All Directors are members. B 3 NEDs members. See Audit Committee section of Annual Report. C Membership 3 NEDs plus Chief Executive, Chief Finance Officer, Director of Workforce and OD and Chief Operating Officer. D Membership 3 NEDs plus Medical Director, Chief Nurse, Chief Executive Officer and Director of Workforce and OD. E Membership 3 NEDS, all Executive Directors. F Membership only Chairman and NEDs. See Remuneration section of Annual Report.

The dates of the Board of Directors' meetings in 2022/23 were:

6 April 2023	4 May 2023	1 June 2023	6 July 2023
7 September 2023	5 October	11 November 2023	7 December 2023
1 February 2024			

Contacting the Directors

Directors can be contacted through the Associate Director of Corporate Governance at the Chief Executive's Office.

Email: papworth.corporateservices@nhs.net

2.7 Audit Committee

Composition of the Audit Committee

As required under NHS Improvement's Code of Governance for NHS Providers the membership of this Committee is three independent Non-executive Directors. For the purposes of the Code of Governance for NHS Provider Trusts Cynthia Conquest and Diane Leacock are considered by the Board of Directors to have recent and relevant financial experience as detailed in the biographies in the Board of Directors section of this report. The membership of the Committee during 2023/24 was:

Cynthia Conquest (Chair)
Michael Blastland
Diane Leacock

Meetings and Attendance of Members

Name	23.05.23	15.06.23	17.07.23	10.10.23	18.01.24	11.03.24
Cynthia Conquest	✓	✓	✓	✓	✓	✓
Michael Blastland	✓	✓	✓	×	✓	✓
Diane Leacock	✓	✓	✓	✓	✓	✓

✓ Attended meeting
× Apologies were received

To assist the Audit Committee in fulfilling its role the following are in attendance at all meetings: Chief Finance & Commercial Officer, Associate Director of Corporate Governors, representatives from the External Auditors, representatives from the Internal Auditors and the Local Counter Fraud Specialist. Two Governors also attend the Audit Committee and contribute to discussions. Executive Directors attend during the year as business requires. Members of the Audit Committee meet separately with the External and Internal Auditors.

Role of the Audit Committee

The Audit Committee's role is to review the adequacy of the Trust's risk and control environment, particularly in relation to:

- Internal Audit, including reports and audit plans;
- External Audit and annual financial statements; and
- Counter Fraud Services.

The Committee also receives/reviews assurance that the Trust's overall governance and assurance frameworks are robust and that there are appropriate structures, processes and responsibilities for identifying and managing key risks facing the organisation.

The Audit Committee undertook a self-assessment of its performance against its delegated responsibilities as set out in its terms of reference using the NAO's Audit and Risk Assurance Committee effectiveness tool (May 2022). The Committee, supported by the Board, has considered its role in relation to risk with that of the Quality and Risk Committee, the Performance Committee, and the Strategic Projects Committee.

The conclusions of finalised Internal Audit reports are reported to the Audit Committee. The Committee can, and does, challenge assurances provided, and requests additional information, clarification or follow-up work if considered necessary. All Internal Audit reports are discussed individually with the Audit Committee. A system whereby Internal Audit recommendations are followed-up is in place. Progress towards the implementation of agreed recommendations is reported (including details of all outstanding recommendations).

The Audit Committee is responsible for considering the appointment of the Internal Audit service and Counter Fraud service and reviewing their audit fees. In 2020/21 the contract for Internal

Audit and Counter Fraud services was awarded to BDO for a period of three years from 1 April 2021. This followed a formal tendering process under the NHS Shared Business Services framework agreement: SBS/20/MA/ZY/10024.

The Audit Committee also reviews the External Audit service and makes recommendations to the Council of Governors on the appointment and re-appointment of the External Auditor. To aid assurance two Governors are attendees at Audit Committee.

In 2021/22 the Council of Governors reappointed KPMG LLP as the Trust's external auditors for three years from the 1 January 2022. The 3-year value of the contract for the Trust Audit is £294,000. The contract covers services for the NHS Statutory Audit and Annual Report and the Charity Annual Report and Accounts. It followed a formal tendering process under the NHS Shared Business Services framework agreement: SBS/20/MA/ZY/10024. Two Governors were members of the interview panel for the appointment of the External Auditor.

Annual Governance Statement (AGS)

The AGS provides information on the Trust's system of internal control and the risk and control framework. The AGS can be found in the last section of the Annual Report. Both the Audit Committee and the Quality and Risk (Q&R) Committee considered the Trust's draft AGS for 2023/24. Audit Committee members, Q&R Committee members together with the Trust's External and Internal Auditors, had the opportunity to provide comments on the draft statement. The final AGS was approved by the Audit Committee on 20 June 2024 and Board of Directors on the 24 June 2024.

In the opinion of the Audit Committee the AGS is fair and provides assurance to the Accounting Officer that there were no unmanaged risks to the Trust during the year.

Specific Audit Committee Issues – 2023/24

During 2023/24, the Audit Committee received regular reports from Internal Auditors, External Auditors and Local Counter Fraud Specialist and reviewed their annual work plans and strategies as appropriate.

Principal matters considered were:

- The draft Annual Report and Accounts and the External Auditors' ISA 260 (including letter of representation and formal independence letter);
- The Annual Governance Statement (AGS);
- The Internal Audit Annual Report and Head of Internal Audit Opinion;
- The External Audit Plan for the Foundation Trust;
- External Audit Plan, engagement letter and ISA 260 for the Charity Annual Report and Accounts;
- Reports as required on losses and special payments, waived tender schedule and bad debts;
- The Internal Audit Plan and progress report, including log of audit actions;
- Counter Fraud Annual Report, progress report and benchmark report;
- Anti-Fraud & Bribery Policy update and policy;
- Board Assurance Framework;
- Freedom To Speak Up: Raising Concerns Policy
- Managing Conflicts of Interest Policy
- Contract for Internal Audit and Counter Fraud Services;
- Annual review of Standing Financial Instructions, Standing Orders and Scheme of Delegation;
- Reports from Committee Chairs;
- Annual review of the Audit Committee's terms of reference, Annual Self-Assessment and Committee forward Planner.
- Salary overpayments report
- Better Payment Practice Code reports
- Compliance with Clinical Audit Report

Information on internal audit reviews undertaken by the Internal Auditors for 2023/24 can be found in the Annual Governance Statement section of the Annual Report.

Action plans to address recommendations have been drawn up and will be subject to review as part of the Audit Committee standard review of the audit action log.

Whistleblowing

The Trust has a Whistleblower's Procedure (Raising Issues of Concern) which explains how members of staff should raise any matters of concern which may impact adversely on the safety and/or well-being of our patients/our staff or the public at large or may be detrimental to the Trust as a whole. It is consistent with the 'Freedom to Speak Up' Report published by Sir Robert Francis QC. Any concern raised is treated seriously and investigated thoroughly. Every effort is made to ensure confidentiality and feedback is provided to the person who raised the issue. As part of the process, individuals have the right to contact our Freedom to Speak Up Guardian, senior officers of the Trust as listed in the procedure, an identified Executive, and Non-Executive Director lead who also has regular review meetings with the FTSU Guardian. In addition, our policy provides information on how staff can raise concerns with NHSI, CQC, NHSE and HEE. The Procedure is agreed with the Trust's recognised Trade Unions.

The Trust's Freedom to Speak up Guardian promotes the role across the Trust meeting new starters and undertaking regular walkabouts both in the Hospital site and at Royal Papworth House. They meet regularly with the Director of Workforce, the Chief Executive Officer, and the Senior Independent Director to discuss themes emerging from concerns raised. The Guardian is required to report all concerns raised to the National Guardian's Office on a quarterly basis. In 2023/24 the Guardian has reported 137 concerns (131: 2022/23). The Trust also has 24 Freedom To Speak Up Champions and this is now an established and effective provision. Our Champions have supported the FTSU Guardian role extending support across the organisation ensuring that staff are encouraged and know how to raise concerns. Champions are supported through a network approach maintaining regular contact including bi-monthly meetings with case study discussions. Concerns raised are responded to on an individual basis working appropriately with the input of Workforce and Governance leads as needed. Feedback on the emerging themes is provided to managers and staff to ensure that we learn from the concerns raised. This is delivered in Trust wide briefings and communications. The FTSU Guardian also links into our staff networks and has had the opportunity to engage more regularly with operational leads within the triumvirates to ensure representation of the role as well as helping staff to speak up.

External Auditors

The External Auditors of Royal Papworth Hospital NHS Foundation Trust are:
KPMG LLP (UK), c/o Fora, 20 Station Road Cambridge CB1 2JD. They report to the Council of Governors through the Audit Committee. Non-audit work may be performed by the Trust's external auditors where the work is clearly audit-related and external auditors are best placed to do that work. For such assignments Audit Committee approval ensures that auditor objectivity and independence is safeguarded. The total cost of audit services for the year was £124,950 (2022/23: £115,100) excluding VAT. This is the fee for an audit in accordance with the National Audit Office Code of Audit Practice 2020.

As part of reviewing the content of the proposed external audit plan for each year, the Audit Committee satisfies itself that the auditors' independence has not been compromised.

The Foundation Trust is responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with directions issued by the Independent Regulator of Foundation Trusts ("NHS Improvement") under the National Health Service Act 2006.

The External Auditors' accompanying opinion on the financial statements is based on their audit conducted under the National Health Service Act 2006 and in accordance with NHS Improvement's

Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland) and sets out their reporting responsibilities.

2.8 Council of Governors

As an NHS foundation trust, Royal Papworth has a Council of Governors as required by legislation. The Council comprises 18 public and seven staff members, all elected from the membership, together with four representatives nominated from local organisations. The responsibility for the operational and financial management of the Trust on a day-to-day basis rest with the Board of Directors, and all the powers of the Trust are vested in them. In accordance with the National Health Service Acts the specific responsibilities of the Governors at a General Meeting are to:

- Appoint or remove the Chairman and the other Non-Executive Directors;
- Approve the appointment (by the Non-Executive Directors) of the Chief Executive;
- Decide the remuneration and the other terms and conditions of office of the Chairman and Non-Executive Directors; and
- Appoint or remove the External Auditor.

They must also be presented with:

- the annual financial accounts;
- any report of the auditor on them;
- the annual report; and
- the quality account.

Other statutory roles and responsibilities of the Council of Governors are to:

- Hold the non-executive directors, individually and collectively, to account for the performance of the board of directors;
- Represent the interests of the members of the Trust as a whole and the interests of the public;
- Approve “significant transactions”;
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- Decide whether the Trust’s non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions, and
- Approve amendments to the Trust’s constitution in consultation with the Board of Directors.

As required under NHS England’s code there is an agreed interaction process for dealing with any conflict, should this arise, between the Board of Directors and the Council of Governors. This states that the normal channels of communication via the Chairman, Trust Secretary, Lead Governor or Senior Independent Director would be used in the first instance. There has never been any occasion for the process to be used.

The Council of Governors supports the work of the Trust outside of its formal meetings, advised by the Chairman and Executive Directors. Council of Governors’ Committees play an important role, with the skills and experience of individual Governors providing a valuable asset to the Trust. Through the Committees, Governors have the opportunity to concentrate on specific issues in greater detail than is possible at a full meeting of the Council of Governors.

The Council of Governors has the following Committees:

- Forward Planning, which reviews Trust forward plans (including operational and strategic plans submitted to NHS England) as well as partnership working; the STP and Integrated Care System and the Heart and Lung Research Institute project;
- Appointments [Non-executive Director Nomination and Remuneration], which leads on the appointment, re-appointment and remuneration of NEDs. The Committee is chaired by the Lead Governor;

- Patient and Public Involvement (PPI), which considers patient and public involvement matters and Staff Awards;
- Governors' Assurance, a 'task and finish' group;
- Access and Facilities Group; and
- Fundraising Group.

Members of the Council of Governors as at 31 March 2024:

Cambridgeshire

Stephen Brown
Following open heart surgery at Papworth Hospital in 2007, Stephen became a volunteer ward visitor. In a long career as a senior manager within the construction industry, he contributed to several NHS projects. He is a fellow of the Chartered Institute of Building (CIOB) and past chair of the Cambridge centre.

Steve was elected to the position of Deputy Lead Governor in April 2023.

Dr Susan Bullivant
Following a research and academic career in applied/engineering mathematics, Susan established and ran an organisation and management development consultancy working with Government Departments and private sector companies. She supported women in STEM initiatives at national level. She was a Patient Governor of Addenbrooke's Hospital for 8 years and chaired the Director/Governor Forward Planning Group. Just elected she wants to find out more about RPH and where she can best contribute. She has lupus, a chronic illness.

Abigail Halstead
I have been under the care of the Royal Papworth Adult Cystic Fibrosis unit since 2011. During this time, I have received regular care from all areas of both the inpatient and outpatient departments. I feel well placed to empathise and help offer ideas for improvement based on my own positive and negative experiences of patient life and challenges. As my care at Royal Papworth will be lifelong, I will also be able to feedback on changes as they occur. I have experience working in branding and marketing and I want to use these skills to help improve patient experience, especially in the new world of virtual healthcare.

Abi was elected to the position of Lead Governor in April 2022 and took up role from September 2023.

Ian Harvey
Ian has taught biology at Hills Road SFC since 1975 and from 1980-2012 was a tutor for the Open University. His interest is in education, communication, and engagement. In 2012 he established Big Biology Day for professional biologists to engage with the public and share their enthusiasm and is Special Advisor for Education at the Cambridge Science Centre. He's had several links with Papworth including one of his best friends with CF receiving a double lung transplant in 2019. In 2019 Ian helped to organize the shipment of unwanted equipment from "Old Papworth" to the only free hospital in Sierra Leone.

Bill Davidson Bill
trained as a civil engineer and worked as a consultant and in state owned organisations that provide essential public services - water and rail. He has been a volunteer at Addenbrooke's for about 8 years, firstly in Oncology providing information and support for patients and their families, and now as a Ward volunteer.

He was a Governor at Cambridge University Hospitals from 2019 to 2022. During that time, he learned a lot about the role, the management of a large hospital and the best ways for a Governor to help support the Trust.

Bill plays a lot of sport, particularly hockey, golf and tennis. He lives locally and is married with one son.

Suffolk

Angela Atkinson

Angela has recently retired from a senior management role in the position of Head of Business Support, serving 27 years with Antec International Limited (currently owned by Lanxess Limited), a disinfectant manufacturer for both animal and human health products based in Suffolk. Previously serving 23 years with BASF as Human Resources Manager for the Agrochemical Division.

Throughout her career she has been very people orientated, engaging with them and most importantly listening with empathy and compassion. She welcomes this opportunity to support the Trust's strong values of Compassion, Excellence and Collaboration.

Angela is married with one son, who is currently based in the USA, and has a keen interest in fitness and the world of equestrian. She has had an association with the NHS all her life undergoing major back surgery at The National Hospital for Neurology and Neurosurgery, London as well as other members of my family who have health issues. She is forever grateful for the treatment and support she has received over the years.

Yvonne Dunham

Yvonne has lived in Suffolk all of her life and now lives near the Suffolk/Norfolk border in the Waveney Valley. Her entire life has been within the NHS. She is a qualified mental health nurse (RMN) and is particularly drawn to helping/supporting others in emotional distress for whatever reason. Yvonne has completed a counselling certificate with the UEA which she has used within her twenty-five-year career as a practice nurse at her local medical centre.

Having deteriorating health due to an inherited heart disease she retired from nursing in 2014, however she still works there a few hours a week in admin. She also trained as an aromatherapist and is a Bach flower remedy registered practitioner.

In 2016 and with chronic heart failure Yvonne was referred to Royal Papworth for assessment for heart transplant and was duly listed. After two false alarms she received her donor organ in February 2018. Her life experience is quite varied and vast along with her insight into illness, having been an Inpatient and now an outpatient at Royal Papworth Hospital.

Trevor McLeese

Trevor retired as an equity partner due to ill health from an accountancy practice in 2014. He suffers from Beckers Muscular Dystrophy and Asthma and is a patient of Papworth Hospital. Trevor has been fitted with a defibrillator and has also experienced treatment in the Sleep Study Centre. He uses an electric wheelchair and understands the issues and needs of the less abled.

Trevor feels extremely privileged and honoured to undertake the role as a Governor for Suffolk. He has been reliant on the NHS since a child having spent 10 months in Great Ormond Street Hospital where his treatment gave him the gift of living and has had a close relationship with the NHS ever since. This has inspired him to succeed in life and share his experiences to inspire others. Trevor hopes to make a difference to the patients and the hospital by his input as a Governor and is committed to the role and regularly attends various meetings with a view to achieve Royal Papworth Hospital's vision and values.

Dr Joe Pajak Joe was born in Cambridge and has lived and worked in Suffolk and Cambridgeshire for many years. His professional experience includes research and development with British Aerospace, followed by a career in public services. He has served as head of a Cambridgeshire community college, as a local authority director of education, and as a director of a national children's charity.

He is passionate about serving local communities and has several years' experience at board level, including time as a trustee for the Papworth Trust, as a member of the professional

standards committee for the Royal Society of Chemistry, and as a governor at West Suffolk Hospital NHS Foundation Trust.

He has a PhD in physical chemistry (researching air entrainment), and has a particular interest in infection, prevention and control, air pollution, and the impact of airborne particles on health.

Norfolk

Paul Berry
Paul has been a volunteer at Royal Papworth Hospital since 2017 following a successful pulmonary endarterectomy (PEA) at Papworth Everard. His duties include meeting, greeting, assisting and signposting patients and visitors in the atrium and outpatient areas; and offering phone support to PEA candidates, nationwide, referred by the PEA specialist nurse team.

He is a qualified teacher and worked as a local newspaper reporter and for Norfolk Social Services.

Prior to early retirement, he worked for an NHS substance misuse service where he helped design and deliver pioneering drug education programmes at schools and colleges in West Norfolk and North Cambridgeshire.

Born and nurtured in Norfolk, Paul lives near King's Lynn.

Doug Burns
Doug has 5 sons and 10 grandchildren. He is a consultant to a medium size family business in the software industry which he started 40 years ago, and he is the proud owner of a Morgan classic car. Whilst having worked and lived in the Home Counties, London and the North of England, Doug has resided in Norfolk for some 45 years.

His career started in the accountancy profession at 16 and having qualified, he moved into the commercial world of service, leisure, and construction industries before deciding to start his own business.

John Fitchew
John joined the Governors as a long standing and grateful patient, having had a mitral valve repaired in 2004, and a heart transplant in 2013. He was in the building trade all of his working life. John is married and between us we have 5 children and 12 grandchildren.

After receiving his new heart in 2013 he felt that he needed to give something back. He had a new zest for life. He joined The Norfolk Zipper Club (NZC) in July 2013, and was elected as Co Chairman in 2016. The Norfolk Zipper Club raises money that goes towards buying much needed medical equipment. It has been in existence for approximately 30 years and has raised more than £1.5 million.
Whilst being involved with NZC he has on occasions spoken one to one with patients who have been awaiting cardiac procedures to help with any worries that they may have. John hopes to continue with this work in the future.

Roger Burnay
Roger's life has centred around the hospitality industry since leaving school, commencing as an apprentice chef and rising up through the ranks to the position of operations director of 25 hotels both in the UK and overseas.

Following this he became the managing director of an executive search company specialising in the recruitment of executives and senior management for the industry internationally, until his retirement in 2014.

Having had a pacemaker fitted in 2014 and whose wife recently had heart surgery at the Royal Papworth, it made him realise that there are many similarities between the hospitality and hospital industries in the services provided.

Rest of England and Wales

Trevor Colins

Trevor was diagnosed with Dilated Cardio Myopathy in 2001. The condition was managed with medication and frequent monitoring with the care and attention of the NHS. He maintained an active life until it was necessary for him to have further treatment.

Trevor has been a service-user at the Royal Papworth Hospital since 2016, having had a Heart Transplant in 2017 at the old site. Previously he worked in local government in Social Services and retired in 2016.

As a Hospital Volunteer since 2019, Trevor has a keen interest in supporting the patients journey to their recovery. Trevor is on the NHS Blood & Transplant Patient & Public Advisory Group, offering advice and knowledge as to the perspective of a service user.

Trevor also won two medals when he represented Royal Papworth Hospital at the 2019 Transplant Games in Newport, Wales.

Marlene Hotchkiss

Marlene's background is in education. She has been a headteacher, consultant leader, Ofsted inspector and independent education consultant.

Marlene has been involved with Royal Papworth Hospital since 2015 when a close relative underwent extensive open-heart surgery. Since then, her involvement has continued on a regular basis and is predominantly with the respiratory departments.

Lesley Howe

Lesley has been in the NHS healthcare system since she was eight years old due to a chronic lung disease. As a patient at Royal Papworth Hospital, Lesley has personal experience and insight to the needs of patients as well as the medical teams who care for us all.

She is now retired but worked as a Practice Manager in a Private Medical Practice where communicating with patients and medical professionals was a top priority. Lesley held various Managerial Posts in various organisations involving liaising with clients and delivering time management training.

She is a fully qualified TEFL tutor teaching English to different nationalities which requires empathy and understanding of our diverse cultures across the world an important aspect in the NHS. She is a strong communicator and therefore, believes that she can make a valuable contribution with her experience and knowledge for the good of the hospital.

As a patient of the Trust Lesley is honoured to be a Governor and fully embraces the important role and will do her utmost to fulfil her duty with dignity, respect, and professionalism to all people.

As a patient and a Governor Lesley can be a voice for patients whether as an in-patient or as an out-patient to ensure care, understanding and empathy is delivered to all who maybe daunted at the prospect of a hospital stay, as well as acknowledging the challenges of the Medical Teams and other personnel at the hospital.

Dr Harvey Perkins

Harvey is a retired business consultant and professional engineer and brings to the Council of Governors a wide range of general management, commercial, and financial skills. Harvey served as a Governor from 2004 to 2014, during which time he held several positions including Chair of the Forward Planning Committee, Chair of the Appointments Committee, Chair of the Governance Committee, and Lead Governor. He returned as a Governor in 2016.

Dr Clive Glazebrook
Clive trained in medicine at Guys and Kings in London and qualified in 1973.He was appointed as consultant anaesthetist at Addenbrookes Cambridge in 1982 after periods of training in Cambridge, Papworth (Old), Newfoundland, Oxford, and New Zealand.

Clive specialised in anaesthesia for obstetrics, ENT, plastic and transplantation. During the period as consultant, he was head of department and chairman of consultant staff council.

He retired from practice in 2013.

Clive married Patricia, a midwife, in 1973 and has three children, five grandchildren and two dogs. Since retirement, he does more of the housework, shopping, cooking and gardening. He moved near Saffron Walden on retirement and is the honorary treasurer of friends of Audley End.

Staff Governors

Josevine McClean, Nurses
Josevine started working as a student nurse in Hemingford ward when the hospital was located in Papworth Everard.

After moving to the Biomedical Campus, she was redeployed to critical care from the beginning of the pandemic and has stayed on since.

In her role, she has witnessed the positive progress that has been made in staff care as well as the areas for improvement at Royal Papworth Hospital that she is passionate about making an impact in.

The importance of equality, diversity and inclusion and staff experiences are two of many factors that Josevine believes should be top of the list for improvements. Ensuring all staff are shown compassion, listened to in collaboration and understood is essential, regardless of any protected characteristics.

She believes that by providing high quality staff care, we are sure to see a standard of excellence reflected in care for our patients.

Sarah Brooks, Administrative, Clerical & Managers
Sarah is the Staff Governor representing Admin, Clerical and Managers at Royal Papworth Hospital. Sarah joined the NHS in 2005 and progressed through several roles before joining Royal Papworth in 2017 where she currently works as part of the operational team based in Cardiology.

Sarah has a keen interest in service development and as part of her role regularly collaborates with system partners to shape the services, we offer to our patients collectively. She has also been able to support other tertiary and regional centres in developing their services through shared experience. Sarah works hard to engage with our workforce and ensure that the patient voice is considered in everything we do to ensure we can continue to deliver safe and excellent care.

Sarah is currently studying towards an MBA at Henley Business School.

Lynne Williams, Doctors
Dr Lynne Williams has worked as a full-time Consultant Cardiologist at Royal Papworth Hospital since 2013, having moved to develop a specialist inherited heart muscle disease service for patients in the East of England. She has also helped shape and develop a specialist service for patients with cardiac sarcoidosis.

In her clinical role, Dr Williams is fortunate to work within excellent multidisciplinary clinical teams incorporating colleagues from the spectrum of medical, nursing, and allied health professional backgrounds. In addition, the roles she undertakes in the regional and national sphere have helped her to gain perspective of the challenges faced by the wider health services and share expertise.

As a staff governor, Lynne strives to provide a voice of representation for her colleagues as we look towards building our future Trust vision together.

Andrew Hadley-Brown, Nurses
Andrew joined Critical Care 2014 as a newly qualified staff nurse. Since 2017 he has worked as an ECMO Retrieval Nurse, ECMO Specialist, and is currently a Deputy Charge Nurse.

The last few years Andrew has served to emphasize the skill and dynamism within workforce, and he firmly believes our staff are our greatest asset. He became a governor to advocate for staff across the Trust in pursuit of our common goal of delivering the highest quality care for our patients.

Rhys Hurst, Allied Health Professionals
Rhys is Staff Governor for Royal Papworth Hospital representing the Allied Health Professionals (AHP). He is a qualified and HCPC registered Physiotherapist and Clinical Physiotherapy Lead for the Cambridge Centre for Lung Infection and has worked at Royal Papworth in two stints first in 2007 and now since 2018. Rhys has over 20 years of experience in the NHS and has lived and worked in the East of England for the last 12 years in a variety of positions. Part of his role has been to shape the AHP strategy for Royal Papworth Hospital, enhancing his insight into the AHP services moving forwards and he is looking forward to representing this at Governor level. He is currently undertaking his MSc in Advanced Clinical Practice at Anglia Ruskin University.

Christopher McCorquodale, Scientific & Technical
Chris joined Royal Papworth Hospital in June 2012 as a Rotational Pharmacist and has undertaken a range of pharmacy roles over the last nine years. He has developed a clinical interest in transplant medicine and played a major role in the implementation of the Lorenzo electronic prescribing system across the Trust. As Deputy Chief Pharmacist, Chris now holds a leadership role within the pharmacy team, and also spends some time seconded to the Digital department, where he focuses on digital medicines and the clinical safety of IT systems.

Appointed Governors

Lorraine Szeremeta, Chief Nurse, Cambridge University Hospitals.

Cllr Philippa Slatter, Cambridgeshire County Council

Dr Caroline Edmonds, Secretary of the School of Clinical Medicine, University of Cambridge

Terms of Office of Governors as at 31 March 2024

Elected Public Constituency	Name	First Elected	Re-Elected	End of Current Term of office
Cambridgeshire	Ian Harvey	Sept 2021	-	Sept 2024
	Stephen Brown	Sept 2017	Sept 2020 Sept 2021	Sept 2024
	Susan Bullivant	Sept 2019	Sept 2022	Sept 2025
	Abigail Halstead	Sept 2020	Sept 2023	Sept 2026
	Bill Davidson	Sept 2023	-	Sept 2026
Suffolk	Trevor McLeese	Sept 2017	Sept 2020 Sept 2021	Sept 2024
	Yvonne Dunham	Sept 2021	-	Sept 2024
	Angela Atkinson	Sept 2022	-	Sept 2025
	Joe Pajak	Sept 23	-	Sept 2026
Rest of England and Wales	Marlene Hotchkiss	Sept 2021	Sept 2022	Sept 2025
	Harvey Perkins	Sept 2016	Sept 2019 Sept 2022	Sept 2025
	Lesley Howe	Sept 2022	-	Sept 2025
	Trevor Colins	Sept 2020	Sept 2023	Sept 2026
	Clive Glazebrook	Sept 2023		Sept 2026
Norfolk	Doug John Burns	Sept 2020 Sept 2021	-	Sept 2024
	Paul Berry	Sept 2022	-	Sept 2025
	John Fitchew	Sept 2020	Sept 2023	Sept 2026
	Roger Burnay	Sept 2020	-	Sept 2026
Elected Staff Constituency	**Name**	**First Elected**	**Re-Elected**	**End of Current Term of office**
Doctors	Lynne Williams	Sept 2023	-	Sept 2026
Nurses	Andrew Hadley-Brown	Sept 2022	-	Sept 2025
	Josevine McClean	Sept 2022	-	Sept 2026
Allied Health Professionals	Rhys Hurst	Sept 2020	Sept 2023	Sept 2026
Scientific & Technical	Christopher McCorquodale	Sept 2020	Sept 2023	Sept 2026
Administrative, Clerical & Management	Sarah Brooks	Sept 2022	-	Sept 2025
Ancillary, Estates and Others	Vacancy			
Appointed Governor	**Name**	**Start of Term of Office**	**Re-appointed**	**End of Current Term of office**
University of Cambridge	Caroline Edmonds	Oct 2016	Sept 2019	As agreed between organisations
Cambridge University Hospitals NHS FT	Lorraine Szeremeta	Oct 2018	n/a	As agreed between organisations
Cambridgeshire County Council	Councillor Phillipa Slatter	May 2021	-	As agreed between organisations
South Cambs District Council	Vacancy	-	-	As agreed between organisations

Register of Interests

The Trust's Constitution requires the Trust to maintain a register of Governors 'interests. All Governors are asked to declare any interests at the time of their appointment and annually thereafter. There is a standing item on all Council of Governors and Committee meetings to confirm/update declarations of interest. The register is held by the Associate Director of Corporate Governance. The register is available to the public on request. Anyone who wishes to see the Register of Governors' Interests should make enquiries to the Associate Director of Corporate Governance at the following address: The Associate Director of Corporate Governance, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

Contacting the Governors

Governors can be contacted via the Chairman's Office, by telephoning 01223 639833 or by writing to: The Chairman's Office, Royal Papworth Hospital, Papworth Road, Cambridge Biomedical Campus Cambridge, CB2 0AY.

Governor Election Results

CIVCA acted as the returning officer and independent scrutineer for the election process during 2023. There were vacancies for Governors in four of our public constituencies and four staff constituencies. The results of the elections are set out below:

Information on election results:

Constituency	Vacancies	Nominations	Election
Cambridgeshire	Two	Seven	Election held
Norfolk	Two	Three	Election held
Suffolk	One	One	Uncontested
Rest of England and Wales	Two	Five	Election held
Administrative, Clerical & Management:	No Election held in 2023/24		
Ancillary, Estates and Others	No election in 2023/24		
Allied Health Professionals	One	One	Uncontested
Nurses	One	One	Uncontested
Doctors	One	Three	Election held
Scientific and Technical	One	One	Uncontested

Involving and understanding the views of the Governors and Members

The Board of Directors welcomes all opportunities to involve and listen to the views of Governors and Members. Listed below are some of the activities that demonstrate this commitment:

- Members voting (and standing for election) in elections for the Council of Governors;
- Five main Governor/Director Committees: Forward Planning, Appointments [Non-executive Director Nomination & Remuneration], Patient/Public Involvement (PPI), Governors' Assurance and Access and Facilities
- Governor attendance at Audit Committee, Quality and Risk Committee, Performance Committee and open Board meetings;
- Governor attendance at Patient Safety Visibility Rounds and PLACE inspections
- Governor being 'Peer Reviewers' for Fundamentals of Care reviews
- Governors' attendance at events such as the Annual Members' Meeting and annual Staff Awards Ceremony;
- Norfolk Governors have leading roles in Norfolk Zipper Club, which supports patients and their families and actively fundraises for the Trust;

- Governor membership on the Patient and Carer Experience Group (PCEG), Reading Panel;
- Member engagement through PALS (Patient Liaison and Advice Service) and the RPH Charity which writes to members and seeks new members from patients who have recently been treated by the Trust.
- Active social media presence on our website and Facebook pages.
- Active Volunteer structure.

Table of Attendance of Directors at Council of Governors' Meetings

Council of Governors (EDs/NEDs)	14-Jun-23	13-Sep-23	15-Nov-23	20-Mar-24
John Wallwork (Chairman till 31 January 2024)	✓	✓	✓	
Eilish Midlane (CEO)	✓	✓	✓	✓
Tim Glenn	✓	✓		
Harvey McEnroe	✓	✓	✓	✓
Oonagh Monkhouse	✓	✓	✓	✓
Andy Raynes	✓	✓	✓	✓
Maura Screaton	✓	✓	✓	✓
Ian Smith	✓	✓		✓
Sophie Harrison (From 05 November 2023)			✓	✓
Jag Ahluwalia (Chairman from 01 February 2024)	✓	✓	✓	✓
Michael Blastland	✓	✓	×	✓
Cynthia Conquest	✓	✓	✓	✓
Amanda Fadero	✓	X	✓	×
Diane Leacock	✓	✓	✓	✓
Gavin Robert	✓	X	✓	✓
Ian Wilkinson	×	×	×	✓
Charlotte Paddison (From 01 February 2024)				×

✓ Indicates attendance at meeting. **× Indicates did not attend.**

Royal Papworth Hospital is a Trust with a small management team. Whilst Executive and Non-executive Directors are keen to understand the views of Governors, they rationalise attendance at all Trust meetings based on the content of the agenda. Council of Governor Meetings returned to face-to-face meetings in November 2022 which was welcomed by Governors and the Board. However, we have maintained online access to the meetings to ensure that all members of the Board and Council of Governors are able to take part. Governors also attend our public Board meetings as observers and are invited to attend other Governor briefings and Trust Committee meetings, where they contribute to discussions.

Table of Governor Attendance at Council of Governors' Meetings 2023/24

Council of Governors	14-Jun-23	13-Sep-23	15-Nov-23	20-Mar-24
Atkinson Angela	✓	✓	✓	✓
Berry Paul	✓	✓	✓	✓
Brown, Stephen	✓	✓	✓	✓
Bullivant Susan	✓	✓	✓	✓
Burnay Roger			✓	✓
Burns Doug	✓	✓	✓	✓
Collins Trevor	✓	✓	✓	✓
Davidson Bill			✓	x
Dunham Yvonne	x	x	✓	✓
Fitchew John	x	✓	✓	✓
Glazebrook Clive			✓	✓
Halstead Abigail	✓	✓	✓	✓
Harvey Ian	✓	✓	✓	✓
Hodder Richard	✓	✓		
Hotchkiss Marlene	✓	✓	✓	✓
Howe Lesley	✓	✓	✓	✓
McLeese Trevor	✓	✓	✓	✓
Pajak Joe			✓	✓
Perkins Harvey	✓	✓	✓	✓
Michelle Barfoot	✓	x		
Brooks Sarah	✓	✓	✓	✓
Coonar Aman	✓	✓		
Hadeley Brown Andrew	✓	✓	✓	x
Hurst Rhys	✓	✓	✓	✓
McCorquodale Christopher	✓	✓	✓	✓
McClean Josevine			✓	✓
Ward Martin	x	x	✓	
Williams Lynne			✓	✓
Edmonds Caroline	✓	✓	✓	✓
S Cambs DC – Vacant				
Slatter Philippa	✓	✓	✓	X
Szeremeta Lorraine	x	x	X	X

Not a Governor* ✓ **In attendance** x **Apologies received**

2.9 Foundation Trust Membership

Royal Papworth Hospital has always been a patient-centred organisation and as an NHS foundation trust strongly believes that greater public participation in the affairs of the hospital combined with the freedoms afforded to foundation trusts will help to deliver even better services to patients. In creating a membership the Trust was clear that it was more important to build an active and engaged membership rather than merely adding numbers.

Public and Staff constituencies

Following changes to its Constitution agreed by Members at our Annual Members' Meeting in September 2007, the Trust's public constituencies cover the whole of England and Wales allowing anyone over the age of 16 to join. Constituencies have been split to reflect Royal Papworth's regional and national catchment areas. No changes have been made to the constituencies for membership since 2007. The Trust has no patient constituency. Public Constituencies are: Cambridgeshire; Norfolk; Suffolk; and The Rest of England and Wales. Staff constituencies reflect professional groupings using the old Whitley Council classifications: Doctors, Nurses, Allied Health Professionals, Scientific and Technical, Administrative, Clerical and Managers, Ancillary, Estates and Others.

Membership by constituency as at 31 March 2024:

Membership by constituency as at 31 March 2024		
Public Membership Profile	Number of Members	
Cambridgeshire	1715	37.7%
Norfolk	680	15%
Suffolk	620	13.6%
Rest of England and Wales	1538	33.7%
Sub total:	4553	100.00%
Constituencies – Staff*	Number of Members	% of total
Nurses	1303	47.9%
Doctors	354	13.01%
Allied Health Professionals	114	4.19%
Scientific & Technical	216	7.9%
Ancillary, Estates & Others	109	4%
Administrative, Clerical & Management	624	23%
Sub-total	2,720	100.00%
Total Membership	7,273	

*Note: Numbers are individual members of staff, not whole time equivalent

Membership Plans and Interaction

Our membership strategy was approved by the Council of Governors in September 2020 and sets out the strategic objectives for membership. A number of elements of this were put on hold during the COVID19 pandemic and it is due to be reviewed and relaunched in 2024/25. This will support governors in discharging their duty to represent the public, and to take account of the interests of the public at large. This includes the population of the local system of which the trust is part and the whole population of England as served by the wider NHS. The strategy includes plans for Governors and the Trust to provide regular and effective communication with members, to keep them informed about what is happening at the Trust and, crucially, improve engagement with stakeholders.

During 2023/24 Governors have interacted with both members and the public and represented any views expressed at the Patient/Public Involvement (PPI) Committee and Council of Governors meetings, which are attended by members of the Boad of Directors. The Governors have also directly submitted questions to be answered at meetings of the Board of Directors.

Annual Members' Meeting

The Trust held its Annual Members' Meeting (AMM) on Wednesday 13 September 2023.

Presentations were received from our new Chief Executive, who spoke about the importance of our Trust Values and Behaviours. The Lead Governor spoke on the role of Governors, and the Chief Nurse and Chief Finance Officer on our Quality Priorities and the hospital's clinical and financial performance over the last 12 months.

Thanking our volunteers

Royal Papworth Hospital NHS Foundation Trust recognises the contribution of volunteers is invaluable. The Trust believes volunteering is integral to delivering and supporting a diverse range of services and activities that enrich the organisation.

Our volunteer policy demonstrates the Trust's commitment to the development of a volunteer service that improves patient experience by making a difference to service delivery or by being an advocate for positive change. That promotes and gives opportunities for people to volunteer and develops partnership and networking with national, charitable and third sector organisations including volunteer support groups.

In 2021/22 following a successful bid through the NHS England and Improvement Volunteering Services Fund we were able to employ a volunteer coordinator to support the Trusts volunteer recovery programme. Since this time further additional funding has been secured through Charity funding (2022/23 and 2023/24) and with this additional role we have been able to support the Patient Advice and Liaison Service (PALS) Team in enabling the return of some of our previous volunteers and launched a recruitment campaign to gain new volunteers. At the end of March 2024, we now have a total of 65 active volunteers now supporting various roles, with another 19 progressing through the recruitment process. This compares to 14 at the time of reporting at the end of 2022/23.

If you are interested in hearing more about the work of Royal Papworth's volunteers please contact the PALS team via the PALS Office, by emailing papworth.pals@nhs.net or by telephoning 01223 638896.

Further information on volunteering can also be found in our 2023/24 Quality Account.

2.10 Sustainability Report

Our vision for sustainability is to provide on-going healthcare with the innovation and determination necessary to ensure best outcomes for our patients of today whilst protecting the health and the resources of our patients of tomorrow. This vision is embedded within the Trust's strategic aims and objectives.

To support with the delivery of our vision for sustainability, in September 2021 we published our Sustainability Strategy 2021-26. This five-year plan, which was fully approved by the Board, outlines the Trust's core focus for delivering sustainable healthcare to the communities we serve.

Within our sustainability strategy, we have identified the following as our key areas of focus for future sustainable development:

- Maximising our assets
- Minimising use of resources
- Achieving net zero carbon emissions
- Caring sustainably
- Building responsibly
- Minimising journeys
- Developing green space
- Helping our communities
- Adapting to climate change

To further support our sustainability journey, in 2022 we published the first edition of our Green Plan 2022-24. Our Green Plan was produced in accordance with National Greener NHS Guidelines and in collaboration with staff, service users and our wider stakeholder community. It outlines how the Trust will contribute the wider Greener NHS agenda and to the national target of a Net Zero NHS by 2040.

Green Plan Progress

The Trust is continuously evaluating the progress made on the commitments outlined within our Green Plan. We have recently undergone an internal review process to review the progress we have made against our green plan and identity areas for future development and progress.

Building on the established work, this financial year we have undertaken a wide variety of activities and projects to help us meet the requirements and targets outlined within our Green Plan. These activities include:

Workforce and Engagement

As a result of the recognition that sustainability can only be achieved through Trust wide action, we launched our new Green Champions Network in January 2024. Our Green Champion Network is open to all staff within the Trust regardless of their role, band or experience, who are passionate about sustainability and want to make a real and meaningful contribution to the sustainability and environmental outcomes of the Trust. The network has enabled staff to connect with new people, raise awareness for sustainability issues and help become a voice of change.

We are currently working with our Green Champions to explore and develop different projects around energy, waste management, travel and procurement that they can engage in and support with.

To further enhance staff engagement in sustainability, since January 2024 sustainability has been included within the Trust's induction programme. Through including sustainability within the programme, all new starters are now informed on the intersection between health and the

environment, the national greener NHS agenda and sustainable activities that the trust has undertaken. These sessions encourage and inspire new staff members to take a leading role in sustainability.

Digital

The 2023/2024 financial year was the first year the Trust adopted the DrDoctor Portal, a new system to send patient letters digitally. Using the DrDoctor Portal, patients can securely view letters digitally via email and text within minutes of the letter being sent rather than having to wait for it to physically arrive in the post. Implementing this new system has led to substantial financial and environmental savings through a reduction in printing, paper, usage and delivery.

In recognition of the positive contribution the collaboration this has made to the NHS Green Plan, our project with DrDoctor was announced as a finalist in the Environment and Sustainable Project of the Year category at the Health Service Journal Partnership Awards 2024.

Travel and Transport

Our commitment to sustainable travel and transport is evident within our employee benefits package. Since 2022, we have provided free bus travel for Royal Papworth staff between the Cambridge Biomedical Campus, Cambridge Railway Station and the Trumpington and Babraham Road Park and Ride Sites. Our benefits package also includes a generous 30% discount on bus travel across Stagecoach East Routes. To further support sustainable transport and transport, the Trust has included a cycle to work scheme as part of our salary sacrifice scheme. In addition, the Trust's salary sacrifice scheme with NHS Fleet Solutions enables staff to lease electric and hybrid vehicles. We are delighted that these benefits will continue for the 2024/25 financial year.

In May 2023 we decided to extend our provision of sustainable travel options to include a new daily subsidised bus service from our staff accommodation site at Waterbeach to the hospital. This new service has enabled our staff to travel collectively, reducing the emissions associated with staff travel.

To support sustainable travel and transport options around the Cambridge Biomedical Campus (CBC), we participate in the Cambridge Biomedical Campus Travel and Transport Group. The role of group is to bring together representatives from organisations across the CBC to discuss sustainable travel and transport initiatives and projects taking place across the CBC. Through this group, we were involved in consultations regarding the planning of Cambridge South railway station which will be located adjacent to the campus.

Estates and Facilities

Energy, Emissions and Waste

The Trust measures its water, gas and electric consumption. In line with NHS England requirements, we report on our consumption figures through the Estates Return Information Collection (ERIC).

We work closely with our PFI and commercial providers to identify ways in which we can reduce our consumption of water, gas and electric. In April 2023 we capitalised on an opportunity to reduce the Trust's gas consumption by turning off the heating at our staff accommodation site at Waterbeach between April- September 2023.

The Trust closely manages and measures its waste production. To encourage increased rates of recycling, we have increased the number of recycling bins located around the Trust. We have also implemented new internal processes to improve the recycling rate of batteries and toner cartridges.

Reducing the use of single use items is a key area of focus for the Trust. The Trust has undertaken several initiatives to reduce the number of single use items within its operations. These initiatives include removing hand towels from toilets, switching from plastic to paper bags within the pharmacy department and replacing plastic cutlery in the restaurant with cardboard alternatives.

Biodiversity

We are working continuously to improve the rates of biodiversity across the Trust, recognising that access to nature and greenspace can have restorative effects for staff, patients and visitors improving their psychological health, physical health and overall wellbeing.

In recognition of the benefits that nature provides to individuals, we created a reflection garden within the Trust's grounds. In addition to providing a space for staff, patients and visitors to contemplate, relax and reflect. The garden also increases the rate of biodiversity across the Trust's site.

In addition to the creation of the reflection garden, we have installed a new herb planter outside the entrance to the hospital. The planter enables us to grow a wide variety of herbs including Rosemary, Thyme, Chives and Coriander. These herbs serve the Trust's restaurant and are included within a wide array of recipes. Alongside providing the Trust with locally produced food, the herb planter helps to increase the rate of biodiversity across our site.

To further support access to nature and biodiversity, we organise staff nature walks during the spring and summer months. Between April- September 2023, we organised five guided nature walks where staff were able to immerse themselves in biodiversity and learn about local habitats and wildlife populations.

Supply Chain and Procurement

We recognise the importance of developing strong connections with companies and organisations operating across the Trust's supply chain. In keeping with the Trust's values of collaboration, we aim to adopt a partnership approach with our suppliers.
In line with NHS England procurement requirements, we have incorporated a 10% social value weighting into all tenders.

Social and Community Activities

We recognise that as part of the NHS we are an anchor organisation within the local community. We aim to make a positive impact on our community and understand that our long-term sustainability is tied to the wellbeing of the populations that we serve.

As a result, alongside, supporting our Green Plan, we are committed to supporting our local communities through participating in social and community-based activities.

In March 2024 we held our annual open day where members of the public were welcomed to the hospital to get a taste of life here at the Royal Papworth through interactive stands and experiences. The event was part of the Cambridge Festival, an interdisciplinary event which highlights all aspects of world leading research taking place in Cambridge and was supported by the Royal Papworth Charity. During the event, members of the public where able to meet with teams across the Trust who were showcasing the equipment, expertise and excellence required to provide the very best care to our heart, lung and sleep patients.

To celebrate 75 years of the NHS, we welcomed pupils from Trumpington Park Primary School and Pendragon Community Primary School based in Papworth Everard (the two schools local to our current and former site) to open our new replica Tuberculosis huts. The huts act as a permanent reminder of our colony for tuberculosis patients and sits beside our new hospital building.

Anti-bribery and Human Rights

Anti- Bribery

We are committed to applying the highest standards of ethical conduct and integrity in our business activities in the UK. We have a zero tolerance approach any form of fraud or bribery, whether direct or indirect, by staff, agents or consultants or any persons or entities acting for us or on our behalf. The board is committed to implementing and enforcing systems to prevent, monitor and eliminate bribery in accordance with the Bribery Act 2010.

All Royal Papworth employees and those acting for or on behalf of the organisation are required to comply with our Anti-Fraud and Bribery Policy alongside the Bribery Act 2010.

Human Rights

We are committed to promoting equality, diversity and inclusion (EDI) and human rights with the highest possible standards of care and outcomes for patients and staff.

We value diversity and are committed to treating everyone with respect and dignity at all times, challenging discriminatory behaviour, and ensuring equitable access to development opportunities.

We do not tolerate any form of discrimination, harassment or victimisation related to age, sex, race, ethnicity, disability, sexual orientation, gender-reassignment, pregnancy, maternity, religion or belief, marriage and civil partnership.

Taskforce for Climate Related Financial Disclosures (TCDF) Report

TCFD is a principle-based reporting framework which allows us to effectively analyse, understand and disclose our climate related risks and opportunities. Under TCFD requirements, we are required to report under a comply or explain basis.

NHS England has adopted a phased approach to incorporating TCFD recommended disclosures into annual reporting requirements.

Under this guidance, local NHS bodies are not required to disclose scope 1,2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by the NHS.

This phased approach incorporates the disclosure requirements of the governance pillar for the 2023/24 reporting period.

The Trust recognises that climate change will have extensive impacts on our operations. Climate change threatens the foundations of good health, with direct and immediate consequences for our patients, staff, and the organisation.

In recognition to the profound and growing threat to health by climate change, in October 2020 the NHS became the world's first health service to commit to reaching carbon net zero.

The NHS has committed to the following targets:

- For emissions we control directly (the NHS Carbon Footprint), net zero by 2040.
- For emissions we can influence (our NHS Carbon Footprint Plus) net zero by 2045.

How we govern sustainability and climate related issues:

Board Level

Governance

We are starting to develop a stringent reporting framework for sustainability and climate related risks and opportunities.

The Trust's Chief Executive Officer is formally responsible for providing oversight for sustainability and climate change risks and opportunities. They are also responsible for overseeing the progress made to the commitments outlined within the Trust's Green Plan. Our Chief Executive Officer has a strong commitment to sustainability and helps drive positive changes across the organisation.

Sustainability is reported to the board through both the Trust's Performance Committee and Strategic Projects Committee.

Performance Committee

The Trusts Performance Committee is comprised of both executive and non-executive directors and is responsible for overseeing the performance of the Trust.

The Performance Committee is consolidating its leading role in overseeing the Trust's sustainability progress and progress on climate related issues. In March 2024, the Performance Committee received a presentation of papers from the Estates and Facilities senior management team regarding the progress made on sustainability and the management of climate related issues.

As part of our commitment to sustainability and climate related issues, the Performance Committee will be updated on the Trust's progress on these issues once every six months.

Strategic Projects Committee

The Trust's Strategic Projects Committee provides a formal forum for the collective ownership and oversight of the Trusts strategic projects and transformation. The Committee is comprised of all executive directors alongside a representation of non-executive directors.

The Strategic Performance committee is responsible for overseeing the annual review and update process of the Trust's sustainability strategy.

Audit Committee

In addition to reporting to the Trust's Performance and Strategic Projects Committee, this financial year we also reported to the Trust's Audit Committee.

The Trust's Audit Committee is responsible for the financial oversight of the Trust and is responsible for ensuring that the Trusts operations are financially sustainable.

In February 2024, the Committee requested an update on the Trust's progress on sustainability and climate related issues. As a result of the update provided, the audit committee recommended that a variety of sustainability and climate related activities are undertaken in the 2024/25 financial year. These recommendations included developing a stringent reporting framework for sustainability which included reporting into to the Trust's Performance Committee.

Management Level Governance

In March 2023 we appointed our first Environmental Manager. This new role oversees the Trusts progress on sustainability, the environment and climate related issues.

Sustainability Board

In 2020 the Trust established a sustainability board to help govern sustainability and climate related issues. The sustainability board is comprised of representatives across workstreams who have an interest in sustainability and have been actively involved in integrating sustainable practices into their department's activities. As a result of the Sustainability Board forming within the COVID-19 pandemic, the effectiveness of the board was limited as the main priority of staff across the organisation was to manage the organisations COVID-19 response.

In order to improve upon the management climate related risks and ensure that sustainability is successfully embedded across the organisation, we have taken the decision to reconstitute the Trust's Sustainability board. The Trust's Audit Committee highlighted the need of this reconstitution. The new reconstituted board will be comprised of senior stakeholders across the Trust's workstreams who are able to provide a strategic oversight to sustainability and climate related governance. The new board will hold an increased level of accountability and will be responsible for ensuring that progress is made on our sustainability and climate change commitments. This new board will report to the Trusts Performance Committee every six months.

Green Champions

In January 2024 we launched our Green Champions Network, a new network for staff within the Trust who are passionate about sustainability and want to make a real and meaningful contribution to the sustainability and environmental outcomes of the Trust. The network provides an opportunity for individuals, regardless of their role, band or experience to engage in sustainability and climate related issues within in a structured environment. Through the network staff can connect with other members, ask questions, suggest new ideas and share examples of best practice. The network is overseen by the Trusts sustainability team who can provide support and assistance where required.

2.11 Equality and Diversity Report

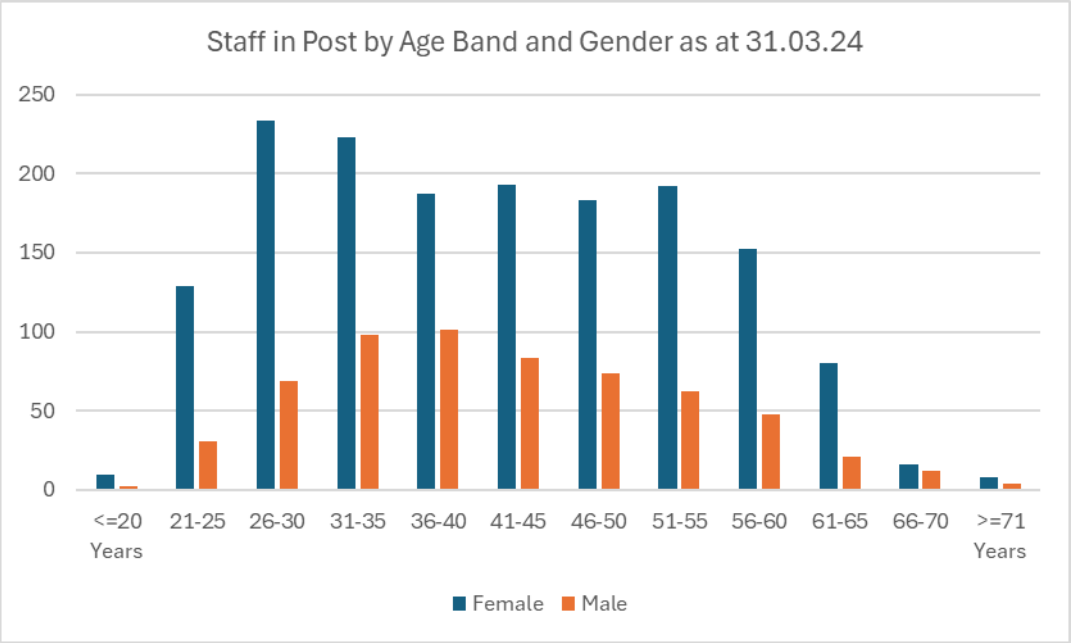
Workforce Profile – 31st March 2024

The following overview of the profile of our workforce is taken from data held on the Electronic Staff Record and is self-declared by the member of staff.

The hospital had 2211 employees, as at 31st March 2024 excluding hosted services, of which, 1644 were full time employees and 567 were part time.

Gender

Gender	Full Time		Part Time		Grand Total	
	Headcount	% of Full Time	Headcount	% of Part Time	Headcount	% of Workforce
Female	1115	67.82%	491	86.60%	1606	72.64%
Male	529	32.18%	76	13.40%	605	27.36%
Grand Total	**1644**	**100.00%**	**567**	**100.00%**	**2211**	**100.00%**
% of Total Workforce who are FT & PT:		**74.36%**		**25.64%**		



Age Band	Female		Male		Grand Total	
	Headcount	% of Female	Headcount	% of Male	Headcount	% of Workforce
<=20 Years	10	0.62%	2	0.33%	12	0.54%
21-25	129	8.03%	31	5.12%	160	7.24%
26-30	233	14.51%	69	11.40%	302	13.66%
31-35	223	13.89%	98	16.20%	321	14.52%
36-40	187	11.64%	101	16.69%	288	13.03%
41-45	193	12.02%	83	13.72%	276	12.48%
46-50	183	11.39%	74	12.23%	257	11.62%
51-55	192	11.96%	62	10.25%	254	11.49%
56-60	152	9.46%	48	7.93%	200	9.05%
61-65	80	4.98%	21	3.47%	101	4.57%
66-70	16	1.00%	12	1.98%	28	1.27%
>=71 Years	8	0.50%	4	0.66%	12	0.54%
Grand Total	**1606**	**100.00%**	**605**	**100.00%**	**2211**	**100.00%**
% of Total Workforce who are Female & Male:		**72.64%**		**27.36%**		

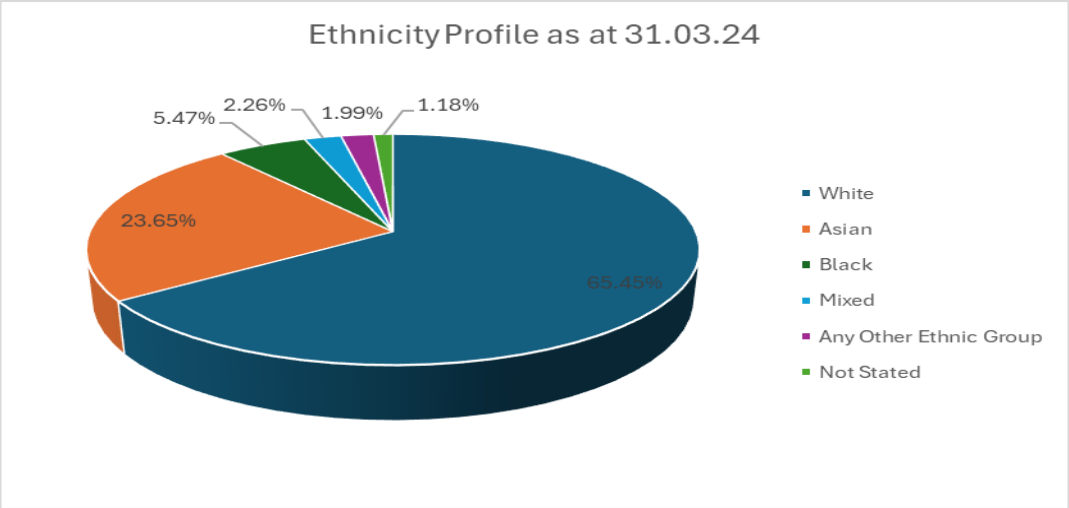
Gender Pay Gap

The Trust has complied with the reporting requirements in relation to the gender pay and have developed an action plan to ensure that we better understand historical reasons for the gender balance in particular areas, that we share data with our staff, and that we put in place measures, including training and support, that will allow us to address issues that are identified.

Royal Papworth Hospital NHS FT	ORDINARY PAY										BONUS PAY			
	Mean pay gap %	Median Pay gap %	Quartile 4 (Top quartile)		Quartile 3 (Upper Middle Quartile)		Quartile 2 (lower middle quartile)		Quartile 1 (Lower quartile)		Mean Bonus pay gap %	Median Bonus Pay gap %	Proportion of males and females receiving a bonus payment	
Year ending			Men	Women	Men	Women	Men	Women	Men	Women			Men	Women
2023	21.66%	11.07%	40.15%	59.85%	21.57%	78.43%	21.97%	78.03%	23.91%	76.09%	49.13%	34.31%	11.08%	1.97%

Ethnicity

Ethnicity	Female		Male		Grand Total	
	Headcount	% of Female	Headcount	% of Male	Headcount	% of Workforce
White	1118	69.61%	329	54.38%	1447	65.45%
Asian	334	20.80%	189	31.24%	523	23.65%
Black	77	4.79%	44	7.27%	121	5.47%
Mixed	37	2.30%	13	2.15%	50	2.26%
Any Other Ethnic Group	25	1.56%	19	3.14%	44	1.99%
Not Stated	15	0.93%	11	1.82%	26	1.18%
Grand Total	**1606**	**100.00%**	**605**	**100.00%**	**2211**	**100.00%**



Disabilty

Disability	Female		Male		Grand Total	
	Headcount	% of Female	Headcount	% of Male	Headcount	% of Workforce
No	1272	79.20%	481	79.50%	1753	79.29%
Not Declared	240	14.94%	103	17.02%	343	15.51%
Prefer Not To Answer	8	0.50%	0	0.00%	8	0.36%
Yes	86	5.35%	21	3.47%	107	4.84%
Grand Total	**1606**	**100.00%**	**605**	**100.00%**	**2211**	**100.00%**

Sexual Orientation

Sexual Orientation	Headcount	% of Workforce
Heterosexual or Straight	1788	80.87%
Not stated (person asked but declined to provide a response)	346	15.65%
Bisexual	39	1.76%
Gay or Lesbian	27	1.22%
Other sexual orientation not listed	6	0.27%
Undecided	5	0.23%
Grand Total	**2211**	**100.00%**

Religious Belief

Religious Belief	Headcount	% of Workforce
Christianity	1090	49.30%
I do not wish to disclose my religion/belief	491	22.21%
Atheism	346	15.65%
Other	123	5.56%
Islam	66	2.99%
Hinduism	64	2.89%
Buddhism	22	1.00%
Judaism	4	0.18%
Sikhism	4	0.18%
Jainism	1	0.05%
Grand Total	**2211**	**100.00%**

NHS equality delivery system (EDS2)

The EDS is an improvement tool for patients, staff, and leaders of the NHS. It supports NHS organisations in England - in active conversations with patients, public, staff, staff networks, community groups and trade unions - to review and develop their approach in addressing health inequalities through three domains: Services, Workforce and Leadership. It is driven by data, evidence, engagement, and insight.

RPH is required to carry out EDS reviews, creating improvement plans and act on completed EDS reviews and their action plans in conjunction with our WRES WDES and GPG action plans. EDS reviews should be carried out annually with the result of the review published on organisation websites by 28th February. The improvement tool focuses on three domains, the first domain looks at how we provide services to our patients, i.e., looking at access, if their needs are met, experience etc. Domain two looks at the health and wellbeing of RPH's workforce, and domain three requires the Trust to look at its Inclusive leadership in partnership with another organisation.

During 2023/24 we undertook the first EDS2 assessment. The clinical services assessed using the EDS methodology were Cardiac Rehab, Transplant and Cystic Fibrosis. We partnered with Cambridge and Peterborough NHS Foundation Trust in assessing our approach to inclusive leadership and with Staff Networks, the Freedom to Speak up Guardian and staffside colleagues to assess our approach to workforce inequalities. Our overall rating was "developing". We learnt a lot from doing this assessment and have identified a number of improvements in future years of doing this.

Annual Reporting

The Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) are audits completed every May using data as at 31 March each year and from the annual staff survey and NHS Jobs. From the reporting the Trust compiles action plans that focus on issues identified. These action plans, once approved by the Board, are published externally on our Trust website.

Workforce Race Equality Standard (WRES)

Our WRES indicators clearly indicate that the priority areas of focus for the Trust are the experiences of BAME staff members of discrimination and bullying from their colleagues and line managers and that our BAME colleagues are less likely to believe we provide equal opportunity for career progression compared to their white colleagues. Only 46.4% of staff from a BAME background believe that there is equality of opportunity. Our overall BAME workforce is broadly representative (30.09%) of our communities, however, this representation is not present in our senior posts nor at a board level.

The WRES action plan sets out how we will be addressing these specific areas and this plan is regularly reviewed and updated by the BAME Network which meets bi-monthly. The Equality and Diversity Steering Group oversees the delivery of the WRES action plan and there is a quarterly report to the Quality and Risk Committee.

Workforce Disability Equality Standard

The WDES action plan is published on our Trust website. This plan is developed, and progress reviewed by the Disability and Difference and Working Carers Network. Delivery is overseen by the EDI Steering Group which reports to the Workforce Committee. The focus of our plan is to improve self-declaration of disability status in order to improve our knowledge of our workforce and where we need to focus our attention. The plan also seeks to address bullying and harassment, line manager development to support staff with health conditions and career development. These have been done through a variety of routes such as comms declaration campaigns, Line managers development Programmes (Inclusion In Action), Civility and microaggressions workshops etc.

Disability Information

We are recognised by the Government's Department for Work and Pensions as a 'Disability Confident' employer. The 'Disability Confident' scheme aims to help employers make the most of the opportunities provided by employing disabled people.

As a Disability Confident Level 1 Committed Employer, we have committed to:

- ensure our recruitment process is inclusive and accessible.
- communicating and promoting vacancies
- offering an interview to disabled people who meet the minimum criteria for the job.
- anticipating and providing reasonable adjustments as required
- supporting any existing employee who acquires a disability or long-term health condition, enabling them to stay in work.
- at least one activity that will make a difference for disabled people.

For staff who become disabled whilst in work, either temporarily or permanently, we have proactive, supportive policies and procedures in place to enable their skills and experience to be retained within the Trust. These include the use of external organisations to undertake detailed workplace assessments and, where appropriate, to advise on specialist equipment to facilitate adjustments to working practices.

The number of staff who reported themselves as having a disability at the end of 2023/24 was 107 (4.8%of the workforce). Further information in connection with Equality and Diversity can be found in the Equality and Diversity section of the Annual Report.

The Disability and Difference Network support the Trust with developing and implementing the Workforce Disability Equality System (WDES) action plan.

Staff Networks

The Trust has four staff networks:

- BAME Network (to be known in future as the Race Equality Network)
- LGBT+ Network
- Disability and Difference and Working Carers Network
- Women's Network

These Networks are an essential part of the Trust's EDI infrastructure and are instrumental in driving the equality agenda. During 2023/24 the Networks have held a number of Trustwide learning/training events and have driving initiatives such as the publication of our first Trans Inclusion Procedure.

The Network Chairs and Deputies meet regularly with the Head of EDI and the Network and compliance Officer and with the Director of Workforce and OD

The Networks all have Executive sponsors who attend the meetings and contribute in raising the Networks profile at Board.

Equality, Diversity and Inclusion Steering Group.
The Equality, Diversity and Inclusivity Steering Group meets bi-monthly and reports to Workforce Committee. It is chaired by the Chief Operating Officer and Director of Workforce and Organisational Development, and all staff networks report into this committee.
Engagement and Involvement

Throughout 2023/24 there has been numerous engagement and inclusion sessions,

- National Inclusion Week
- Black History Month Inclusion Event
- NeuroDiversity Event hosted by the FTSUG
- LGBT+ History Month
- Civility and Microaggression workshops
- International Women's Day Event
- Board Stories
- Launch of second cohort of the Transformational Reciprocal Mentoring Programme
- Line Managers Development Programme (Inclusion In Action)
- Staff Induction

Equality monitoring
As required by the public sector equality duty, the Trust's workforce equality monitoring information is published on the Royal Papworth public website.
This includes:

- the profile of our staff by age band, disability, race, religion, sex, sexual orientation and marital status
- ethnic profile of our staff compared to the local population
- recruitment data by age band, disability, race, religion, sex, sexual orientation and marital status (those applying, shortlisted and appointed)
- staff in post by pay band by age, disability, race, sex and sexual orientation
- the number attending training courses by age band, disability, race and sex
- the number of leavers by age band, disability, race and sex
- employee relations cases (disciplinary, capability, performance and sickness bullying and harassment) cases by age band, disability, race and sex

We also use this section of our website to publish our WRES and WDES action plans: https://royalpapworth.nhs.uk/our-hospital/information-we-publish/equality-diversity-and-inclusion.

Trade Union Facility Time Publication Requirements
The Trust complied with submission of Disclosure of Trade Union Facility Time set out in Schedule 2 to The Trade Union (Facility Time Publication Requirements) Regulations 2017 in 2023/24.

The Trade Union Facility Time data is set out below:

The Trade Union Facility Time data is set out below:
8 employees were Relevant Union Officials during the relevant period (2023/24) and this equated to 7.3 FTE employees.

The percentage of time spent on facility time was:-

	%	WTE
A	0%	0
B	1%-50%	7.3
C	51%-99%	0
D	100%	0

The percentage of pay bill spent on facility time during the reference period:		
A	Total cost of pay bill on facility time	£18,198.00
B	Total pay bill	£128,000,000.00
C	Total pay bill spent on facility time	2.72%
D	Time spent on paid trade union activities as a percentage of total paid facility time hours	4.36%

2.12 Statement of Accounting Officer's responsibilities

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS England.

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

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

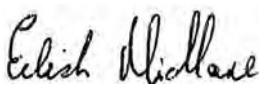
- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Signed:



Eilish Midlane
Chief Executive
Date: 27 June 2024

2.13 Annual Governance Statement

Executive summary

My annual governance review of 2023/24 confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisation's objectives. The Trust has a programme that regularly monitors and tests various aspects of its governance and risk management structures to ensure they remain fit for purpose. Overall, no significant internal control issues have been identified that would impact on the delivery of the Trust's strategic and annual objectives. The Trust recognises that the internal control environment can always be strengthened, and this work will continue in 2024/25. The document below summarises the key areas that informed this opinion.

Scope of responsibility

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

In undertaking this role I, and my team, have developed and maintained strong links with NHS England, clinical commissioning groups, and partner organisations both in the local health economy and nationwide.

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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Papworth Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Royal Papworth Hospital NHS Foundation 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 leads the management of risk within the Trust. The Trust has in place a Risk Management Strategy which sets out the accountability and reporting arrangements to the Board of Directors for risk management within the Trust. Operational responsibility for the implementation of risk management has been delegated to Executive Directors. The Operational Plan sets out the Trust's principal aims for the year ahead. Executive Directors have the responsibility for identifying any risks that could compromise the Trust from achieving these aims.

All new staff joining the Trust are required to attend corporate induction which covers clinical governance and risk management, including use of the Datix Incident Reporting System. The Trust learns from good practice through a range of mechanisms including root cause analysis of identified incidents, clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and application of evidenced based practice. All relevant policies are available on the Trust intranet.

The risk and control framework

Quality governance and risk management is central to the effective running of the organisation. The Risk Management Strategy and supporting procedure sets out the key responsibilities for managing risk within the organisation, including ways in which risk is identified, evaluated and controlled. The overall aim of the Risk Management Strategy is to achieve a Trust wide corporate approach to risk management supported by effective and efficient systems and processes which ensure the organisation is one which:

- Recognises that risk is present in all activities both clinical and non-clinical and is fully aware of its risks – where risk management is embedded within our culture and integrated into the working practices of all grades and disciplines of staff;
- Encourages the open reporting of accidents, concerns, incidents and near miss events by fostering a fair and just culture that learns from such events, puts actions into place to prevent recurrence, recognises the effects of Human Factors, provides feedback to staff and offers sensitive and fair investigation of the organisation and individuals' contribution to the event;
- Accepts that risk management is everyone's responsibility;
- Achieves organisation wide understanding of the challenges arising from the implementation of Clinical and Quality Governance;
- Facilitates change through multidisciplinary ownership of identified plans and work streams;
- Ensures the Trust achieves set targets relating to clinical quality and safety;
- Adopts a pro-active approach to risk management and endeavours to identify opportunities and risks for all projects and tasks;
- Ensures by pro-active management that effective action plans are in place to mitigate risks which will minimise any actual harm or loss;
- Advocates honesty and transparency in its communications with patients, staff, contractors and visitors and acknowledges our liability for harm or loss in any instance where we have been negligent in our duties.

The Board of Directors is responsible for identifying and assessing the Trust's principal risks (i.e. those that threaten the achievement of the Trust's corporate objectives). A risk management matrix is used to support a consistent approach to assessing and responding to clinical and non-clinical risks and incidents.

Risk assessment information is held in an organisation wide risk register (Datix Risk Management system). There are regular Corporate and Board Assurance Framework (BAF) risk reports to the Executive Directors; which includes a BAF tracker dashboard. All Serious Incidents (SIs) are reviewed by the Serious Incident Executive Review Panel and are reported to the Board via the Chief Nurse, Medical Director or Chief Operating Officer. All staff are responsible for responding to incidents, risks, complaints and near misses in accordance with the appropriate policies. Incident reporting is co-ordinated by the Department of Clinical Governance and Risk Management. Staff are encouraged to report incidents and there continues to be a healthy incident reporting culture which is demonstrated by the percentage of near miss reports against actual incidents with the majority of incidents graded as low or no harm and these are reviewed to identify common themes and consider whether there is further learning that could be shared. Information on patient safety incident trends and actions are discussed in the monthly Quality and Risk Management Group (QRMG) which is chaired by the Clinical Governance Lead – a Consultant Physician, who is a member of the Board's Quality and Risk (Q&R) Committee. Information on staff, visitor and organisational incidents and risks are shared at the Health and Safety Committee and disseminated across the Committee structure. Information on

patient safety incident trends and actions are also placed on the Trust's external website in the quarterly Quality and Risk Report. The QRMG reports to the Q&R Committee.

Board of Director Committees consisted in the year of:

- Audit Committee
- Quality and Risk (Q&R) Committee
- Performance Committee
- Strategic Projects Committee
- Workforce Committee
- Executive Remuneration Committee
- Charitable Funds Committee (Trustee Board)

Membership of the Q&R Committee, Performance Committee, Workforce Committee and Strategic Projects Committee consists of Non-executive Directors (NEDs) and Executive Directors, the Chairs are NEDs. Other Executive Directors attend as business requires. Two Governors are also in attendance at the Q&R Committee, the Audit Committee, the Performance Committee and the Workforce Committee. During the year the Workforce Committee met twice, the Strategic Projects Committee met six times and the Quality and Risk Committee and Performance Committee each met twelve times. All Committees report to the Board through minutes and written Chair's reports.

In 2023/24 the Q&R Committee was delegated with providing assurance to the Board that there is an effective structure, process and system of control for:

- Clinical Governance (including Board compliance statements on Care Quality Commission, Quality Strategy and Quality Governance)
- Research and Education Governance
- Information Governance
- Non-Financial Resource Governance
- Clinical and Non-clinical Risk Management
- Quality Reporting to support assurance for the annual Quality Account
- Data Quality
- Health & Safety
- Board Assurance Framework (BAF) to support the clinical/quality statements in the Annual Governance Statement (with the overarching responsibility for the BAF in the remit of the Audit Committee as Committee BAF Risks are managed across all Board Sub Committees)

In year we reviewed the management of workforce matters across Board and Committees and following review it was agreed a Workforce Committee would be established and it has been delegated with providing assurance to the Board that there is an effective structure, process and system of control for:

- Education and training
- Equality, diversity, and inclusion (EDI)
- Leadership development
- Resourcing & retention
- Staff health and well-being
- Workforce health & safety
- Workforce planning

The Workforce Committee was established in January 2023. Previously these matters were regularly reported and reviewed through the Quality & Risk and Performance Committees.

The role of the Performance Committee is to provide assurance, overview and monitoring for the Board on financial governance and reporting, including the cost improvement programme/service improvement programme (CIP/SIP). The Performance Committee provides in year scrutiny for matters affecting the overall business, performance and reputation of the Trust, including:

- Productivity
- Financial sustainability
- Cost Improvement Programme (CIP);
- Workforce matters in as far as these effect the delivery of the duties of the Committee;
- In-year patient activity (actual v plan);
- Business cases of over £500k.

The Investment Group, chaired by the Chief Finance & Commercial Officer, supports the Performance Committee and has the remit of ensuring that all major investment, disinvestment and development decisions (both revenue and capital) receive appropriate overview and scrutiny. The key aims of the group are to establish the overall methodology and controls which govern the Trust's investment and development decisions; ensure that robust processes are followed (e.g., evaluation of fit with the Trust strategy); and evaluate, recommend/approve, scrutinise and monitor investments and developments.

The Strategic Projects Committee provides assurance on the Trust's strategic projects/transformation plans in respect of the following programmes:

- PFI Building issues and Estates Action Plan escalations
- Sustainability/Green Plan
- Papworth Project Forum – as necessary
- Working with our Partners – as necessary
- Integrated Care System Development
- Heart and Lung Research Institute
- Strategic Digital Projects

For information on the Audit Committee see the Audit Committee section of this Annual Report. For information on the Executive Remuneration Committee see the Remuneration section of this Annual Report. For information on the Charitable Funds Committee see the Charity Annual Report and Accounts, published separately. Please see the Charity Commission website at RPH Charity Annual Report and Accounts.

The Trust is a patient centered organisation and places a high priority on the quality of its clinical outcomes, patient safety and patient experience and abides by the principles outlined in NHS England's quality governance framework and/or Well-led, as follows:

- Our Quality Strategy was published in 2019 and set our quality ambitions and direction for the three years to 2022 this was extended to March 2023 with the agreement of the Quality and Risk Committee. This was further extended for a further 6 months to September 2023. We are currently drafting the updated strategy, alongside reviewing the published update from NHS Impact (Improving

Patient Care Together). This review and consideration of the completion of the NHS Impact Self-Assessment tool, will support the shaping the new Trust Quality strategy for 2024/25. We want quality improvement and continuous improvement to be our core philosophy and to be at the heart of every decision that we make. Our expertise, reputation, and network places us in a unique position to lead the way in delivering excellence in care through our cardiothoracic, respiratory and transplant services with outstanding:

a. Patient experience and engagement; developing and improving our services for and with the patients who need them.
b. Patient safety; with a focus on eliminating avoidable harm to patients.
c. Effectiveness of care; using clear, consistent processes and standards to deliver successful treatment assessed by clinical outcome measures and the patient's experience.

- Risks to quality are listed in the Board Assurance Framework (BAF) and in the risk register. The Medical Director and Chief Nurse review the Quality Impact Assessments for all new Service Improvement (CIP/SIP) projects;

- Capabilities and culture: The Trust has achieved Non-executive Director (NED) engagement in quality through the Quality and Risk Committee (Q&R) and Governor engagement through the Patient and Public Involvement (PPI) Committee and Q&R Committee. The Board of Directors and Council of Governors receive and review the PIPR, including patient safety and patient experience at every meeting. The Trust had an external Well Led Review in 2022 had has a Board level action plan to address the key findings.

- Structures and processes: Quality, in the form of patient quality and safety, and patient experience are standing items for all meetings of the Board of Directors and Council of Governors. The Q&R Committee reviews actions to address quality performance issues. The Trust has engaged with its key external stakeholders on quality through the quality reporting process and has requested input from system partners including our NHS Commissioners, Cambridgeshire County Council Adults and Health Committee and Healthwatch Cambridgeshire and Peterborough.

- There is a Guardian of Safe Working Hours and has a Freedom to Speak Up Guardian who reporting directly to the Board and who is supported by a team of FTSU Champions.

- We have established networks for our staff with lived experience including Black and Minority Ethnic staff, Disability and Difference, LGBTQ+ and our Women's network.

- We have and established Lead Healthcare Scientist and Chief Allied Health Professional roles.

- Measurement: The Board reviews its performance metrics through the PIPR and these are linked to the Trust's strategic objectives, national priority indicators, NHS England (NHSE) governance ratings, Commissioning for Quality and Innovation (CQUIN) and local priorities. The PIPR is used to report on quality to the Board on a monthly basis alongside operational and finance performance. The quality elements are informed from the directorate quality reports and the Matrons monthly ward and departmental score card. The Trust has worked with Commissioners on quality matters and meets with the Commissioner's quality team to review the Commissioning Quality dashboard. There have been no quality derogations recorded. The Trust has submitted and will continue to submit evidence for the

NHS Quality Surveillance Program and the Specialised services quality dashboard (SSQD). The Trust has a SSQD gatekeeper (Quality Compliance Officer) and Executive lead (Chief Nurse) sign off for the QST portal.

Risk

The risk management function is managed by the department of Clinical Governance and Risk Management, which reports to the Chief Nurse. The Chief Nurse is the Caldicott Guardian. The department of Clinical Governance and Risk Management is supported by a number of Committees which report through the Quality and Risk Management Group (QRMG) to the Quality & Risk (Q&R) Committee of the Board. The Audit Committee reviews the establishment and maintenance of the system of integrated governance, risk management and internal control, across the whole of the Royal Papworth Hospital's activities and gains Assurance from the Quality & Risk Committee for the Risk Assurance Framework. There are a range of policies in place to describe the roles and responsibilities of staff in identifying and managing risk and these policies set out clear lines of responsibility and accountability. All relevant policies are available for viewing on the intranet and are regularly updated and this has been an area of focus in 2023/24. The Trust has successfully embraced and continues to improve electronic reporting of all risks and has developed new divisional dashboards to support local review and reporting. We have also developed and delivered training on Risk Management and Governance and Board Assurance as a part of our line managers leadership development programme.

All new risks are identified in-year and escalated to the risk register and reported via the Board Assurance Framework (BAF) where the residual risk rating is extreme, and the risk cannot be controlled to an acceptable level. Once identified, all risks are assessed with a consistent approach utilising the Trust 5x5 severity and likelihood matrix. During the review process, all risks (financial, safety, clinical, project, business management, health safety and environmental) are afforded the correct level of priority dependent on the Residual Risk Rating (RRR) following any recognised control measures which have been identified. Risks confirmed with a RRR of between 1 and 12 are managed by the responsible Directorate. Risks with a rating of 12 and above are included in the Corporate Risk Register. Corporate risks are managed at a Division and Department level with oversight through the Quality & Risk Management structure supported by quarterly review through the Performance Committee. Risks, resulting in a RRR of 15 or more are reviewed by the Lead Executive to provide assurance that the control measures put in place, are effective and that actions are developed to reduce the risk. Where the risk remains high, it is considered for escalation to the BAF for review by the appropriate Board Committee and the Audit Committee has requested detailed scrutiny by the Committee for all risks with a residual rating of 20 or above. All risks are also reviewed by the respective divisional and directorate management groups, with the Quality and Risk Management Group continuing to monitor the process via the dashboard on a quarterly basis.

The Risk Strategy describes the reporting and role responsibilities from department to the Board. Open risks are discussed at business unit and divisional meetings, the corporate risk register and the BAF are considered by the Executive Team and Board Committees, with a report going to Audit Committee at each meeting.

The Trust's principal risks (in-year and future) are summarised below together with mitigations.

PR1 Workforce: Failure to maintain an engaged and skilled workforce in adequate numbers to support delivery of harm free care and positive patient experience, through staff that are well supported and aligned to our shared values, behaviours and purpose.
Mitigation Our Compassionate and Collective Leadership Programme (CCL) aims to reduce turnover by improving staff engagement and building a positive and compassionate

culture. It focuses on leadership, Equality Diversity and Inclusion, health and wellbeing and staff development. The programme is now progressing following a pause due to the COVD19 pandemic.

We launched our revised Values and Behaviour Framework in July 2021. This framework is designed to improve the working experience for all staff, increasing staff engagement and reducing turnover. It supports staff and leaders with role modelling the behaviour that engenders a compassionate and collective workplace culture that we all want to share.

We have support mechanisms in place to enable staff to work safely and to receive support for their health and wellbeing. There is a monthly all staff briefing and weekly managers briefings to keep staff informed and provide the opportunity to recognise and appreciate the contribution of staff and teams. We maintain regular communications with staff and have a weekly digital newsletter and team briefing to ensure that everyone is kept aware of key issues.

We have four staff networks in place: BAME, LGBT+, Women's, and Disability and Difference. These networks provide the forum for proactively working with staff to improve engagement and inclusivity. We also work closely with staff side partners who help us to understand the concerns and priorities of our staff.

We have commissioned a Reciprocal Mentoring Programme which will identify opportunities to address inequality and discrimination. The first cohort of the RM programme completes in July 2023, and we are in the process of recruiting to the second cohort.

Good line management is an important aspect of building high staff engagement, and our Compassionate and Collective Line Manager Development Programme which commenced in April 2022 is now in its second year with all cohorts fully recruited to.

In recognition and appreciation of the efforts of staff over the last 12 months put in place a staff support scheme in 2022/23 which provided support in areas such as staff travel and food costs in addition to a range of financial wellbeing initiatives. Approval has been given for this to continue into 2023/24.

There is good joint working between the Communications team and the Recruitment team to ensure that all possible opportunities to promote career opportunities within the Trust are maximised and that bespoke campaigns are designed for specific areas as necessary. Our values are reflected in our adverts and recruitment process.

The Trust is an active participant in the ICS supply group.

We have established a Resourcing and Retention improvement programme to co-ordinate joint working across the Trust to reduce turnover and vacancy rates. This reports into the newly established Workforce Committee which provides appropriate time for this strategic agenda at Board sub-committee level.

PR2 Productivity: Failure to achieve sufficient patient throughput to support timely and equitable access to care, and achieve financial stability, through optimising the productivity of our people and facilities.

Mitigation

The NHS is operating in an unprecedented and challenging period, and this is likely to continue into 2024/25. The context for planning for 2024/25 includes:

- Heightened and changing demand for services, including new service lines in the aftermath of COVID-19 and broadening health inequalities.
- The continued expectation of delivery against the ambitions set out in the NHS Long Term plan.
- National expectations to deliver activity in excess of pre-pandemic levels.

- Further integration of Specialised Commissioning functions with ICS, including likely changes in allocation methodologies.
- Tightening labour market conditions for lower bands of staff and vacancies in some areas of national shortage where we are competing in limited fields.
- The longer-term impact of the COVID19 pandemic on our staff.
- Industrial relations resolution of national pay disputes
- Staff health and wellbeing and changes in satisfaction ratings in our staff surveys and continued heightened burn out scores.

The assumption that the Trust will meet its activity targets of meeting 104% of its 2019/20 baseline based on value, will require a significant improvement against current performance. Delivery of the activity plan is reliant on the Trust reflecting pathway changes in the 2019/20 baseline to ensure that the 104% activity target is achievable. The Trust is yet to conclude discussions on these changes and so this remains a risk.

Impact of emergency pathway changes on the ability to deliver our emergency activity. Complexity of IHU and non-elective pathways

To mitigate some of these risks the Trust has enacted several workstreams, examples of which include:

- Non recurrent transformation spending of over £0.6m to support efficiency and productivity through theatres (ongoing), critical care (ongoing programme) and Cath labs to maximise throughput within current resources and support consistent opening of 36 beds in critical care, Level 5 Surgical ward staffing and impact on throughput.
- Outpatient transformation programme designed to increase capacity and reduce DNA's within the existing footprint/establishment.
- The implementation of our Compassionate and Collective Leadership programme to support and retain our excellent staff.
- Recruitment and retention programme: HR partner working in STA to support the division.
- Robust wating list management with weekly reviews using priority treatment lists and priority scoring assessed in conjunction with consultant staff.
- Retention of use of virtual clinics where safe and appropriate to do so.
- Increased use of digital support and remote monitoring for our patients maintaining access and contributing to sustainable service delivery.

PR3 Finances: Failure to deliver our financial plan on a sustainable basis and deliver our contribution to the wider system through rigorous financial management and an effective response to uncertainties in the future mechanisms for commissioning and innovation in specialised services.

Mitigation

2023/24 saw further iterations of the financial framework to embed recovery initiatives for core services and restore productivity. Additional financial support was provided to the sector to mitigate the financial impact of industrial action and overall, the 2023/24 framework has support delivery of a sustainable financial plan for the Trust and the ICS.

2024/25 will see a continuation of financial frameworks with the notable exception of the delegation of an element of specialised commissioning functions to ICBs in the East of England from 1 April 2024. These changes aim to improve patient outcomes by enabling cohesive planning and commissioning of services at a population level across whole pathways of care, across both specialised and non-specialised services. This is a new way of working and introduces both opportunity and risk for specialist centres like the Trust. 2024/25 will be a year of transition and the Trust will work with its ICS and regional partners to enact the change and both assess and mitigate material financial risk.

Outside of this, the key challenges faced by the Trust and system for 2024/25:

- The ability to mitigate the costs of inflation if prices rise above planned levels;
- Factors which may impact the Trust's ability to restore pre-pandemic operating models, including uncertainty over potential further periods of industrial action. These factors could impact on the delivery of elective activity plans and associated funding streams;
- Funding flow changes resulting from potential strategic shifts or change in patient flows;
- The ability to deliver the required levels of efficiency and productivity gains required as part of 2024/25 plans;
- Working with ICB colleagues and NHS England to understand the potential impact of delegated Specialised Commissioning functions from 2024/25; and
- Managing the potential risk of any unforeseen cost pressures relating to the early stages of the Trust's Electronic Patient Record business case.

The Trust's annual plan for 2024/25 is a breakeven position. This reflects national inflation assumptions where relevant, alongside specific inflation assumptions on items that fall outside of this scope; an ambition on elective recovery and therefore the associated funding; and productivity / efficiency improvements representing 2.2% of total cost base.

Our plans to mitigate the risks outlined above include:

- Sound financial management and forecasting systems with reporting of cash, I&E and activity position through Performance Committee and Trust Board. This includes comprehensive processes and controls for reviewing changes in cost base and progress on the delivery of key productivity workstreams. For 2024/25 we will be introducing new monitoring metrics on productivity, reflecting the language and currencies used by NHS England, and working within Trust teams to identify potential areas for action and review.
- Engaging with the ICS and region on the risk of external factors affecting inflation over funded levels.
- Supporting the progression of the Enhanced Recovery Unity to unlock additional capacity in support of elective recovery targets. This may unlock additional funding above planned levels.
- Close working with specialised service commissioners and our roles in the Regional Provider Collaborative and the Federation of Specialist Hospitals. Through these avenues we work with national and regional peers and colleagues to influence strategic direction for specialised services.
- Active engagement in local system leadership. Local system risks are mitigated by the leadership roles that are being undertaken in the local ICS and our role in the ICS Cardiovascular Strategy. We are also supporting the delivery of diagnostic hubs and the system shared care record.

PR4 Cyber security and data loss: Failure to prioritise cyber resilience through the implementation of up-to-date cyber security controls, training, surveillance, risk management, business continuity and recovery planning increases the risk of a major cyber event causing data loss, key system failure, and prolonged disruption to services.

Mitigation

The Trust continues to see a growth in digital technology to support new ways of working with many staff now working remotely and a significant increase in clinical and support services that are delivered through virtual platforms. These services have been established with appropriate safeguards in place to ensure that our teams and staff have access to the right technologies to support our patients working with them safely and securely.

We minimise the risk to our systems by:

- Ensuring that our Board and staff are trained and alert to the risk of Cyber-attack.
- Having a Cyber Security communications plan to ensure current themes are regularly and consistently shared across the organisation through our leadership teams such as the Weekly Brief, NewsBites and business partners attending directorate meetings with key messages.
- User friendly reporting to highlight awareness, show progress and improve grip including the IT Health Dashboard. Quarterly Cyber Security report to the Performance Committee and monthly Cyber Security Reports to the Information Governance Steering Group.
- Improved surveillance measures with a full time dedicated Cyber Security specialist role.
- Acting on all Cyber Security notifications from NHS England, incorporating High Severity Alerts, Incidents/Alerts from Microsoft Defender for Endpoint and BitSight. All notifications are reviewed and completed, and actions taken are reported back.
- Implementation of a backup as a service solution (BaaS) backing up data from our estate and servers.
- On-going migration off legacy servers and endpoints.
- Prioritised investment to ensure that wherever possible all application versions are fully supported to reduce our vulnerability to cyber-attack and are appropriately patched as per supplier guidance and industry best practice. Where this is not possible all vulnerable systems will be air-gaped from the rest of the network.
- Ensuring all new systems added to the network meet DTAC standards as set out by NHS England

In the last year we have also:

- Met our obligations under the national Data Security and Protection Toolkit.
- Enabled 2,946 accounts with Multi Factor Authentication (MFA), taking us toward a fully NHSmail & O365 Multi-Factor Authentication organisation, providing staff with an enhanced security mechanism to access their emails and Office 365 services.
- Increased the capacity of our AI based cyber security screening tool to screen 100% of network traffic.
- Undertaken a security survey across all directories and increased our password rule's structure to increase security.
- Undertaken a Proof-of-concept Penetration Test to review potential vulnerabilities within our cyber security provision. The actions from this form part of our on-going cyber action plan.
- Commissioned a Cyber Essentials gap analysis which has produced an action plan to deliver compliance.
- Continued to assess systems for Vulnerabilities and Patch accordingly.
- Condensed our Server and Endpoint patching schedules to align with best practice standards.
- All Windows Endpoints & Servers onboarded onto the National Microsoft Defender for Endpoint platform.
- Removal of domain joined Windows 7 devices.

We will soon be carrying out a Simulated Phishing Exercise to raise awareness, test resilience and user training and awareness against the most common cyber-attack techniques.
We are also planning to rollout a 24X7 Managed Security Operations Centre (SOC) Service, a comprehensive cyber security measures designed to protect organisation from a myriad of cyber threats through 24/7/365 Monitoring and Alerting of trust network which

enables us to detect and alert on potential security incidents and respond to security threats as required. Digital will ensure that services are as resilient as possible to cyber-attacks and that residual risks are mitigated appropriately through regular review, whilst working with operational and clinical colleagues to ensure robust business continuity plans in the event of a successful attack.

Safe staffing and Skill Mix

Trust Boards have a duty to ensure safe staffing levels are in place and patients have a right to be cared for by appropriately qualified and experienced staff in a safe environment. These rights are set out within the National Health Service (NHS) Constitution, and the Health and Social Care Act (2012) which make explicit the Trust Board corporate accountability for quality and safety.

Developing workforce safeguards (NHS England, 2019) state that effective workforce planning is vital to ensure appropriate levels and skills of staff are available to deliver safe, high-quality care to patients and service users.

At RPH the setting of establishments should triangulate from different sources using evidence-based tools where possible. Establishment setting must be done annually, with a mid-year review, and should take account of:

- Patient needs-based information using an acuity and dependency scoring evidence-based tool such as Safer Nursing Care tool (SNCT, 2023).
- Professional judgement
- Activity levels including seasonal variation in service demand
- Service developments and any changes to delivery
- Contract commissioning
- Staff supply and experience issues
- Where Temporary Staff has been required above the set planned establishment
- Patient and staff outcome measures
- Benchmarking with other ‘like’ organisations

An annual nursing inpatient establishment review for 2024/2025 was undertaken (February 2024) in line with national policy and regulation, with due process followed as detailed in the Trust’s Nursing Establishment Setting Policy (2022).

This annual staffing establishment review has considered and analysed the data relating to staffing metrics in line with safer staffing guidance. Triangulation of data was undertaken with acuity and dependency scoring using the Safer Nursing Care Tool and Professional Judgement.

The following conclusions were agreed:

- There are no changes to WTEs in nursing establishments, however there are some changes to skill mix but not overall numbers
- Registered nurses and unregistered nurses are maintained in terms of balance for mix and number of posts

Surgical Site Infection (SSI) Rates 2023-2024

The SSI stakeholder group was established in 2019 following the increase in SSI rates after the move to new Royal Papworth Hospital. The stakeholder group has representation from the multi-disciplinary team involved in the patient’s surgical pathway.

Following year end 2021/2022 the Trust reported a serious incident in respect to surgical site infections due to the continued increased incidence especially in deep wound infections. This was to ensure transparency to internal and external stakeholders and allow further scrutiny and learning to improve performance.

Since then, stakeholder meetings have continued to be frequent, to address actions and review learning. No one cause has been identified for the increase in infection rates however we continue to closely monitor and assess any potential contributing factors. We are engaging with our regulators e.g., CCG, UKHSA and the CQC keeping them informed of actions taken.

Reducing the incidence of SSIs is a priority for the clinical decision cell and the group are supporting implementation of appropriate recommendations. This has included inviting external stakeholders to perform a peer review.

So far for 2023-2024, our reportable CABG surgery SSI rates remain higher than the national benchmark reported by UKHSA. Despite our SSI rates remaining higher than national benchmarks, it is reassuring to see that Trust rates for CABG patients have declined compared to 2022/2023.

Please see the 2023/24 Quality Account for the full report.

Compliance Statements

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The last CQC announced inspection was in June and July 2019 and this assessed the overall rating as 'Outstanding', with the five overall assessments rated as 'Outstanding'.

The Trust last undertook a CQC mock inspection for the whole organisation in February 2020 which assessed against the CQC key lines of enquiry (KLOE). The Trust had planned to undertake a further mock inspection in October 2020, however due to the Coronavirus pandemic, it was necessary to reduce the size of the inspection. Acknowledging that the 2019 CQC inspection did not independently rate End of Life Care, the trust therefore decided to focus the October 2020 mock inspection on End of Life Care and revisited this inspection in July 2021.

The Trust has continued to develop and implement its schedule of routine self-assessments against the CQC Fundamental Standards in 2023/24. The fundamental standards are the standards below which our care must never fall so these are an integral part of our internal monitoring process. Each review is undertaken by 3-4 multidisciplinary team members, and in 2023/24 we have included volunteers in our review teams for the first time.

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

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.

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

The Foundation Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

2023/24 saw further iterations of the financial framework to embed recovery initiatives for core services and restore productivity. Additional financial support was provided to the sector to mitigate the financial impact of industrial action and overall the 2023/24 framework has support delivery of a sustainable financial plan for the Trust and the ICS.

2024/25 will see a continuation of financial frameworks with the notable exception of the delegation of an element of specialised commissioning functions to ICBs in the East of England from 1 April 2024. These changes aim to improve patient outcomes by enabling cohesive planning and commissioning of services at a population level across whole pathways of care, across both specialised and non-specialised services. This is a new way of working and introduces both opportunity and risk for specialist centres like the Trust. 2024/25 will be a year of transition and the Trust will work with its ICS and regional partners to enact the change and both assess and mitigate material financial risk.

The Trust undertook a planning exercise for 2023/24 covering activity, finance, quality and workforce domains. These plans were approved by the Board of Directors and submitted as part of the wide Integrated Care System Plan to NHS England (NHSE) and reflected finance, workforce and activity requirements. Progress against delivery of these variables has been monitored throughout the year and updates are presented to the Performance Committee and Board of Directors via reports covering activity, capacity, people management and culture, patient safety, patient experience, clinical effectiveness, finance and risk.

The Trust has continued to report and monitor its performance against these domains throughout the year and has a framework for decision making throughout the organisation that ensures sufficient consideration of value for money through committee oversight on strategic initiatives and material investments. These processes and frameworks ensure that resources are used economically, efficiently, and effectively across the Trust. This includes directorate and divisional reviews with deep dives into particular services where required, the regular monitoring of clinical indicators covering quality and safety and triangulation of metrics across multiple domains to drive the best possible value from the Trust's resources.

The Trust achieved its financial plan at the end of the year and supported colleagues across the Integrated Care System to achieve the same result.

The Trust has and continues to review its position with regard to Getting it Right First Time (GIRFT), agency and temporary staffing spend, procurement and efficiencies highlighted by the Lord Carter review, as well as working closely with local and regional partners to deliver transformational changes that support the delivery of a value for money efficient service as part of the local health economy. This includes work to understand the changes to the Trust's operating model since COVID-19 and work to recover service capacity to pre pandemic levels as a minimum.

As part of their annual audit, our external auditors are required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion the Trust has not. Please see the Independent Auditor's Report included within the Annual Accounts for their opinion on the use of resources and a description of the work performed. The objectives set out in the Trust's Internal Audit Plan include ensuring the economical, effective and efficient use of resources and this consideration is applied across all audits. The findings of internal audit reports are reported to the Audit Committee (see later in this Annual Governance Statement).

Information Governance

The Trust has a suite of Information Governance policies in place including a Data Protection Policy and a Digital Acceptable Use Policy. These set out the Trust's commitment to ensuring that information is efficiently and effectively handled, managed and safeguarded. The policies establish an information governance framework which includes up to date policies, procedures and accountabilities. Managers within the Trust are responsible for ensuring that the policies and supporting standards and guidelines are built into Directorate processes and that there is on-going compliance.

The Trust annually assesses compliance with the requirements of the NHS Digital Data Security and Protection Toolkit for the management and control of risks to information. The Trust's Director of Digital is the Senior Information Risk Owner (SIRO) and the Chief Nurse is the Caldicott Guardian, both reporting to the Board.

Senior managers across the Trust are information asset owners accountable for a particular group of information assets as part of the Information Governance Management Framework. A regular update on information governance is received by the Quality and Risk (Q&R) Committee of the Board of Directors, which is tasked with providing assurance to the Board. There is an Information Governance Steering Group (IGSG) chaired by the SIRO which reviews/approves policies and procedures/action plans relevant to information governance. The SIRO reports any issues to the Q&R Committee and the Board. The Trust submitted its last Data Security and Protection (DS&P) Toolkit in June 2023, which included requirements relating to the Statement of Compliance and all assurances were declared as met.

In March 2024 BDO (Internal Audit) undertook a review of assertions against the ten National Data Guardian (NDG) Standards. The 2023/24 DS&P Toolkit submission will be made by the deadline of 30 June 2024.

In 2023/24 there were no serious incidents relating to information governance, including data loss or confidentiality breach that were classified as Level 2 in the Information Governance Incident Reporting Tool.

Data Quality and governance

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare quality accounts for each financial year. These are to be published by 30 June 2024.

The assessment of quality indicators is integrated into the Trust's performance management system, and hence they are subject to review by operational and managerial staff on a monthly basis in a structured framework of performance review. The Trust uses the same systems and process to collect, validate, analyse and report on data in the Quality Account as it does for other reporting requirements. Specified indicators are subject to external audit. Reporting in year has also been supported by the PIPR.

The Trust has a 'live' (updated every 24 hours) Access and Data Quality Dashboard which reflects the data held in Lorenzo. Access to this system is available for all members of staff and trend information is shared with business units weekly, showing error rates for a number of key issues.

The Trust assures the quality of its RTT waiting time data through the validation of the patient tracking list (PTL) which is available daily through Patient Pathway Plus (PP+) and is the validation and reporting system employed by the Trust. Patients are checked on both Lorenzo and other clinical systems to ensure that their waiting time is valid. Corrections to Lorenzo are made where required, which feed into the following day's PTL. A weekly meeting is held to discuss in detail the longer waiting patients on the PTL and this is further minuted in the Trust's weekly Access meetings.

The number of RTT data quality errors remains an issue at the Trust, due to the lack of formalised RTT training and limited resources available for RTT training. For these reasons a bespoke 18 week learning package was purchased, and the following RTT training was approved for use by the Executive team:

1. RTT to be discussed at local induction
2. Basic RTT e-learning training provided by NHSI to be completed by new staff members within the first week of joining the trust if applicable to their role.
3. Bespoke RTT eLearning package with compulsory modules needing to be completed by new staff members within 1-3 months of joining the trust. All existing staff members will also be required to complete the training where it forms part of their job role

The central RTT and Data Quality team continue to support the operational teams in providing RTT error data and identifying areas for improvement. Departmental errors are discussed in monthly business meetings with team leaders, to work collaboratively on strategies for improvement. A summary of this data is circulated to operational teams monthly and issues discussed at the weekly Trust Access meeting. The team also provide group and 1:1 training when required.

Information to support the quality metrics used in the Quality Report is held in a number of trust systems, including Lorenzo and Datix (electronic risk management system).

Annual Quality Account

The Chief Nurse is the nominated Trust Executive for the Quality Account. The Board of Directors has agreed that the Quality Account will be considered and recommended by the Quality and Risk (Q&R) Committee of the Board. The Q&R Committee was also responsible for deliberating on priorities for inclusion in the Quality Account which are set out in this Annual Report. The quality priorities were developed in consultation with a range of stakeholders including the Patient and Public Involvement (PPI) Committee of the Council of Governors and clinical colleagues.

1 Never Event was reported in 2023/24 (2022/23: 0).

The Trust's Quality Account is to be published by 30 June 2024 and will contain further information on performance against the 2023/24 priorities and our 2024/25 priorities.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS foundation trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the draft 2023/24 Quality Account; PIPR, 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 results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Quality and Risk Committee, the Performance Committee and Strategic Projects Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Work has been commissioned from the Internal Audit service to review the adequacy and effectiveness of the controls and to develop improvements within the governance process. The work included identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal Audit Standards. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework on the controls reviewed as part of the internal audit work programme.

The Head of Internal Audit (HOIA) overall opinion for 2023/24 is that there is**:** "overall moderate assurance (our second highest level of assurance) that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently".

During the year, internal audits were conducted: all reported audits received either substantial or moderate assurance opinions which provided assurance over the effectiveness of controls in place for those areas. One audit was an advisory review with no formal opinion provided. Full findings of all internal audit reviews undertaken for 2023/24 are given below.

Substantial/Moderate Assurance:
Divisional Governance – Cardiology (Design: Substantial/Effectiveness: Moderate)

Substantial Assurance
Key Financial Systems

Moderate/Limited Assurance
Performance and Appraisal (Design: Moderate/Effectiveness: Limited)

Moderate/Limited Assurance
Safer Staffing and Data Quality (Design: Moderate/Effectiveness: Limited)

Moderate Assurance:
Salary Overpayments

Advisory:
Equality, Diversity, and Inclusion

Substantial/Moderate
Recruitment, On-Boarding and Retention (Design: Substantial/Effectiveness: Moderate)

Moderate Assurance
Charitable Funds

Moderate Assurance
Data Security and Protection Toolkit

Factors and findings which informed the HOIA opinion were:

- The Trust continues to maintain a focus on its key objectives for the year with the continuation of strong governance arrangements and management of key risks, as shown through the results of our reviews of Division Governance – Cardiology and Key Financial Systems.

- The results of our work were positive with regards to the control frameworks in place, with two of the assurance audits issued to date providing substantial assurance and the other three providing moderate assurance.

- When compared to previous years, our audits identified that the operational effectiveness of controls in areas relating to staffing could be improved (safer staffing data quality and performance appraisals management), with two limited assurance opinions provided. Staffing is a known area of risk for the Trust and these audits were agreed with management as part of our risk-based plan. Other operational effectiveness opinions provided were substantial assurance in one case and moderate assurance in

two cases. Overall, we have identified more issues this year with operational effectiveness, reflecting the operational pressures the Trust is facing.

- Financially, the Trust appears on track to end the year positively. The Trust submitted a breakeven plan for the 2023/24 financial year, as part of the C&P ICS overall breakeven plan and a revised indicative £3.5m surplus as part of the H2 re-forecast exercise (as reported to the Board in April 2024). This surplus would be re-distributed across the system, as part of the breakeven system ambition. Year to date (YTD), the position is favourable to plan with a reported surplus of c£1.3m, after the re-distribution of £3.5m of system funds. This reflects additional funding provided by the government to alleviate the impact of industrial action. The latest report to the Board highlights that the context for 2023/24 remains challenging for the ICS and wider sector and the Trust continues to work with partners collaboratively to respond to these challenges, and collectively mitigate the financial implications.

- Board reporting at the end of the financial years highlights that the context for 2024/25 remains challenging for the ICS and wider sector and the Trust continues to work with partners collaboratively to respond to these challenges, and collectively mitigate the financial implications. However, a breakeven financial plan has been submitted to NHSE for 2024/25 and as part of financial planning for 2024/25, material risks have been identified, considered, with appropriate mitigations put in place should they materialise.

- The Trust has made significant progress on the implementation of recommendations (95% of all recommendations due), however original agreed implementation dates are not being consistently met. There are two recommendations that are in progress or overdue, including one from 2022/23.

My review of effectiveness is also informed in a number of ways, including;

- Head of Internal Audit Opinion – see above;

- Dialogue with Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control, the risk management system and the assurance framework;

- The last Care Quality Commission (CQC) Inspection Report dated 16 October 2019 which rated the Trust as “Outstanding”;

- Clinical governance reports, including the quarterly and annual Quality and Risk Report (see public website);

- Clinical audit programme (see Quality Account);

- Consultation with Patient and Public Involvement groups, e.g. Patient Carer Experience Group and Patient & Public Involvement Committee of the Council of Governors;

- The results of patient surveys (see Quality Account);

- The results of staff surveys (See Staff Report);

- External Audit management letter and other reports;
- Continued monitoring and reporting on financial performance, including CIP;
- Maintaining cash flow and liquidity;
- Information governance assurance framework including the NHS Digital Data Security and Protection Toolkit;
- Investigation reports and action plans following serious incidents.

Conclusion

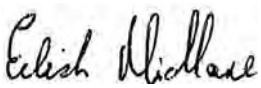
The overall opinion is that no significant control issues (i.e. issues where the risk could not be effectively controlled) have been identified that would impact on the delivery of the Trust's strategic and annual objectives.

My review confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisational objectives. The Trust recognises that the internal control environment can always be strengthened, and this work will continue in 2024/25.

The Audit Committee has reviewed the overall framework for internal control and has recommended this statement to the Board of Directors.

Approved by the Board and signed by the Chief Executive

Signed:



Eilish Midlane
Chief Executive
27 June 2024

Royal Papworth Hospital NHS Foundation Trust

Group accounts for the year ended 31 March 2024

Presented to Parliament pursuant to Schedule 7, paragraphs 24 and 25 of the National Health Service Act 2006

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Royal Papworth Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2024 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Group and the Trust as at 31 March 2024 and of the Group's and the Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in February 2024 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Group and the Trust's services or dissolve the Group and the Trust without the transfer of their services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks associated with the continuity of services provided by the Group and the Trust over the going concern period.

Our conclusions based on this work:

- we consider that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Group's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the majority of funding provided to the Trust during the year, and that other income streams are high volume transactions with a low value, and with simple recognition criteria which present minimal year end cut off risk. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

We also identified a fraud risk related to the cut off-of non-pay, non-depreciation expenditure in response to incentives to manipulate the results of the Trust and System to meet the expectations or performance targets set by the government or external regulators and the opportunity to manipulate the non-pay non-depreciation expenditure around the year end, particularly in relation to accruals. In response to this fraud risk we carried out the following procedures:

• Inspection of a sample of invoices to expenditure in the period around 31 March 2024, to determine whether expenditure has been recognised in the correct accounting period.

• Selection of a sample of year end accruals and inspection of evidence in regard to the actual amount paid after year end in order to assess whether the accrual exists and has been accurately recorded. We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected postings to cash and expense codes.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Accounting Officer (as required by auditing standards) and discussed with the Accounting Officer the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws (GDPR), fraud, corruption and bribery legislation, employment law, money laundering and environmental protection legislation, recognising the nature of the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting Officer and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Accounting Officer is responsible for the other information, which 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, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2023/24. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared, in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2023/24.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 100 of the Annual Report, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible 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; assessing the Group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Group and the Trust or dissolve the Group and the Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained more fully in the statement set out on page 114 of the Annual Report the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

We planned our work and undertook our review in accordance with the Code of Audit Practice and related statutory guidance, having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure which is unlawful, or is about to take, or has taken, a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, 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 Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Royal Papworth Hospital NHS Foundation Trust for the year ended 31 March 2024 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Emma Larcombe

Emma Larcombe

for and on behalf of KPMG LLP

Chartered Accountants

20 Station Road
Cambridge
CB1 2JD

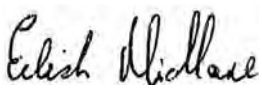
27 June 2024

FOREWORD TO THE ACCOUNTS

ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2024 have been prepared by the Royal Papworth Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signed:



Eilish Midlane
Chief Executive
Date: 27 June 2024

CONSOLIDATED AND TRUST STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	Group 2023/24 £000	Trust 2023/24 £000	Group 2022/23 £000	Trust 2022/23 £000
OPERATING INCOME					
Operating income from patient care activities	2	**282,033**	**282,033**	267,764	267,764
Other operating income	3	**20,558**	**20,168**	19,530	18,549
TOTAL OPERATING INCOME FROM CONTINUING OPERATIONS		**302,591**	**302,201**	287,294	286,313
Operating expenses	4-5	**(298,802)**	**(298,556)**	(280,176)	(279,983)
OPERATING SURPLUS FROM CONTINUING OPERATIONS		**3,789**	**3,645**	7,118	6,330
Finance income	6	**4,235**	**3,966**	1,819	1,577
Finance expenses	7	**(7,509)**	**(7,509)**	(5,460)	(5,460)
Public Dividend Capital dividends payable	25	**(1,905)**	**(1,905)**	(1,947)	(1,947)
NET FINANCE COSTS		**(5,179)**	**(5,448)**	(5,588)	(5,830)
Loss on disposal of non-current assets	8	**(166)**	**(167)**	(2)	(2)
Movement in fair value of investments	12	**306**	**-**	(373)	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(1,250)**	**(1,970)**	1,155	498
OTHER COMPREHENSIVE INCOME					
Gain on revaluations	10,11	**5,694**	**5,694**	14,413	14,413
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**4,444**	**3,724**	15,568	14,911

Adjusted financial performance		Trust 2023/24
		£000
Surplus / (deficit) for the period (before consolidation of charity)		**(1,970)**
Remove capital donations / grants / peppercorn lease I&E impact		**528**
Remove actual IFRIC 12 scheme finance costs - interest	7	**5,263**
Remove actual IFRIC 12 scheme finance costs - remeasurement	7	**2,022**
Add back forecast IFRIC 12 scheme interest on an IAS 17 basis		**(4,340)**
Add back forecast IFRIC 12 scheme contingent rent on an IAS 17 basis		**(1,024)**
Remove PDC dividend benefit arising from PFI liability remeasurement	23.7	**(33)**
Remove net impact of DHSC centrally procured inventories	13	**36**
Adjusted financial performance surplus / (deficit)		**482**

CONSOLIDATED AND TRUST STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	NOTE	Group 31 March 2024 £000	Trust 31 March 2024 £000	Group 31 March 2023 £000	Trust 31 March 2023 £000
NON-CURRENT ASSETS					
Intangible assets	9	**576**	**576**	1,222	1,222
Property, plant and equipment	10	**184,262**	**184,262**	185,736	185,736
Right of use assets	11	**19,332**	**19,332**	19,895	19,895
Investments	12	**5,915**	**-**	5,618	-
Trade and other receivables	14	**2,675**	**2,675**	2,453	2,453
Total non-current assets		**212,760**	**206,845**	214,924	209,306
CURRENT ASSETS					
Inventories	13	**8,164**	**8,126**	7,936	7,903
Trade and other receivables	14	**16,887**	**15,622**	17,894	17,351
Non-current assets for sale	15	**-**	**-**	104	104
Cash and cash equivalents	16	**80,479**	**78,860**	69,231	67,310
Total current assets		**105,530**	**102,608**	95,165	92,668
TOTAL ASSETS		**318,290**	**309,453**	310,089	301,974
CURRENT LIABILITIES					
Trade and other payables	17	**(54,759)**	**(54,736)**	(49,136)	(49,115)
Other liabilities	18	**(4,531)**	**(4,531)**	(2,898)	(2,898)
Borrowings	19	**(5,422)**	**(5,422)**	(5,419)	(5,419)
Provisions	20	**(3,841)**	**(3,841)**	(5,182)	(5,182)
Total current liabilities		**(68,553)**	**(68,530)**	(62,635)	(62,614)
TOTAL ASSETS LESS CURRENT LIABILITIES		**249,737**	**240,923**	247,454	239,360
NON-CURRENT LIABILITIES					
Other liabilities	18	**(2,030)**	**(2,030)**	(2,945)	(2,945)
Borrowings	19	**(103,123)**	**(103,123)**	(101,588)	(101,588)
Provisions	20	**(902)**	**(902)**	(1,086)	(1,086)
Total non-current liabilities		**(106,055)**	**(106,055)**	(105,619)	(105,619)
TOTAL ASSETS EMPLOYED		**143,682**	**134,868**	141,835	133,741
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital	25	**125,352**	**125,352**	125,265	125,265
Revaluation reserve		**51,310**	**51,310**	45,616	45,616
Income and expenditure reserve		**(41,794)**	**(41,794)**	(37,140)	(37,140)
OTHERS' EQUITY					
Charitable fund reserves	33	**8,814**	**-**	8,094	-
TOTAL TAX PAYERS' AND OTHER'S EQUITY		**143,682**	**134,868**	141,835	133,741

The financial accounts on pages 127 to 192 were approved by the Board on the 24 06 2024 and signed on its behalf by:

Eilish Midlane, Chief Executive

Date: 27 June 2024

CONSOLIDATED AND TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Trust				Charitable Fund	Group
	Public Dividend Capital £000	Income and Expenditure Reserve £000	Revaluation Reserve £000	Total Reserves £000	Reserves £000	Total Reserves £000
Taxpayers' and others' equity at 1 April 2022	125,088	(37,638)	31,203	118,653	7,437	**126,090**
Changes in taxpayers' equity for 2022/23						
Total Comprehensive expense/(income) for the year	-	498	-	498	657	**1,155**
Revaluations - Property, Plant and Equipment	-	-	13,703	13,703	-	**13,703**
Revaluations - right of use assets	-	-	710	710	-	**710**
Public dividend capital received	177	-	-	177	-	**177**
Taxpayers' and others' equity at 31 March 2023	125,265	(37,140)	45,616	133,741	8,094	**141,835**
Taxpayers' and others' equity at 1 April 2023	**125,265**	**(37,140)**	**45,616**	**133,741**	**8,094**	**141,835**
Changes in taxpayers' equity for 2023/24						
Application of IFRS 16	**-**	**(2,684)**	**-**	**(2,684)**	**-**	**(2,684)**
Total Comprehensive expense for the year	**-**	**(1,970)**	**-**	**(1,970)**	**720**	**(1,250)**
Revaluations - Property, Plant and Equipment	**-**	**-**	**5,615**	**5,615**	**-**	**5,615**
Revaluations - right of use assets	**-**	**-**	**79**	**79**	**-**	**79**
Public dividend capital received	**87**	**-**	**-**	**87**	**-**	**87**
Taxpayers' and others' equity at 31 March 2024	**125,352**	**(41,794)**	**51,310**	**134,868**	**8,814**	**143,682**

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CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	NOTE	Group 2023/24 £000	Trust 2023/24 £000	Group 2022/23 £000	Trust 2022/23 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating surplus		**3,789**	**3,645**	7,118	6,330
NON CASH INCOME AND EXPENSE:					
Depreciation and amortisation	9/10/11	**11,485**	**11,485**	10,838	10,838
Impairments and reversals		**-**	**-**	151	151
Income recognised in respect of capital donations		**(18)**	**(18)**	(30)	(50)
(Increase) in inventories		**(223)**	**(223)**	(675)	(675)
Decrease/(increase) in receivables and other assets		**2,116**	**2,010**	(3,977)	(4,262)
Increase in trade and other payables		**6,335**	**6,335**	5,622	5,622
Increase other liabilities		**718**	**718**	21	21
(Decrease)/increase in provisions		**(1,525)**	**(1,525)**	961	961
NHS Charitable fund – net movements in working capital,		**-**	**-**	-	-
non-cash transactions, non operating cash flows		**(821)**	**-**	(393)	-
Net cash generated from operating activities		**21,856**	**22,427**	19,636	18,936
Cash flows from investing activities					
Interest received		**3,851**	**3,851**	1,353	1,353
Payments for land, property, plant and equipment		**(3,712)**	**(3,712)**	(2,428)	(2,428)
Proceeds from disposal of property, plant and equipment		**-**	**-**	13	13
Receipt of cash donations to purchase capital assets		**-**	**-**	-	20
Initial direct costs or up front payments in respect of new right of use assets		**-**	**-**	(479)	(479)
Payments for intangible assets		**(126)**	**(126)**	(27)	(27)
NHS Charitable fund – net cash flows from investing activities		**269**	**-**	242	-
Net cash (used)/from investing activities		**282**	**13**	(1,326)	(1,548)
Net cash inflow before financing		**22,138**	**22,440**	18,310	17,388
Cash flows from financing activities					
Public dividend capital received		**87**	**87**	177	177
Other loans paid		**(424)**	**(424)**	(424)	(424)
Capital element of lease liability repayments		**(806)**	**(806)**	(720)	(720)
Capital element of PFI payments		**(2,422)**	**(2,422)**	(2,154)	(2,154)
Interest paid		**(55)**	**(55)**	(57)	(57)
Interest paid on lease liability repayments		**(170)**	**(170)**	(166)	(166)
Interest paid on PFI obligations		**(5,263)**	**(5,263)**	(5,236)	(5,236)
PDC dividends paid		**(1,837)**	**(1,837)**	(1,463)	(1,463)
Net cash used in financing activities		**(10,890)**	**(10,890)**	(10,043)	(10,043)
Increase in cash and cash equivalents		**11,248**	**11,550**	8,267	7,345
Cash and cash equivalents at 1 April		**69,231**	**67,310**	60,964	59,965
Cash and cash equivalents at 31 March	16	**80,479**	**78,860**	69,231	67,310

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NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

NHS England has directed that the financial statements of the NHS Foundation Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC 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 NHS foundation trusts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. The accounting policies 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.

Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from 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.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management intends, or has no alternative but, to apply to the Secretary of State for the NHS Foundation Trust's dissolution without the transfer of its services to another entity.

Key matters relating to the Trust's financial position are:

- The Trust reported a financial surplus of £0.5m, on an adjusted performance basis which removes the impact of PFI accounting transition to IFRS 16 (note 23.7), impairment, donated assets and donated consumables, for the 2023/24 financial year;
- The Trust reported a closing cash position for the 2023/24 financial year of £78.9m.

Royal Papworth Hospital NHS Foundation Trust's Board of Directors has carefully considered the principle of 'Going Concern' and after making enquiries, the Directors have a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the going concern period. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.1 Consolidation of Subsidiary

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

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

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

The Charitable Fund includes all incoming resources in full in the Statement of Financial Activities as soon as the following three factors are met: entitlement, probable receipt and measurement.

Legacy income is accounted for as incoming resources once the receipt of the legacy becomes probable. Receipt is normally probable when:

- there has been a grant of probate;
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within the control of the charity or have been met.

The Charitable Fund financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the financial statements when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Investment comprises of shares traded on a daily basis where the valuation is based on the market value at the date of the Statement of Financial Position and also cash held with the investment managers for future investment in equity.

All gains and losses on investment are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or date of purchase if later).

1.2 Associate entities

Associate entities are those over which the NHS Foundation Trust has the power to exercise a significant influence. Associate entities are recognised in the NHS Foundation Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the NHS Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution e.g. share dividends are received by the NHS Foundation Trust from the associate. However, where the NHS Foundation Trust's proportion of an associate's cumulative profits or losses at year end are less than £50,000; no adjustment is made to the cost of the investment on the basis of immateriality. The NHS Foundation Trust does not have any material associates.

1.3 Revenue recognition

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The DHSC 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 services provided is recognised when performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end the NHS Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the NHS Foundation Trust's entitlement to consideration for those services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than a 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.

Revenue from NHS contracts

The main source of income for Royal Papworth NHS Foundation Trust is covered under the NHS Standard Contract agreed with NHS commissioners. Funding envelopes are set at both an Integrated Care System (ICS) and NHS England Direct Commissioning level. The majority of the Trust's NHS income is earned under the Aligned Payment Incentive mechanism (API).

The NHS Payment Scheme (NHSPS) sets out rules to establish the payment mechanisms and values paid to NHS Trusts for NHS-funded secondary elective healthcare.

In 2023/24 API contracts contain both a fixed and variable element which at high level can be summarised as:

- Variable element covers income earned from elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging, nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Through the variable element, income is earned at NHSPS tariff prices calculated in Secondary Uses Service (SUS) for actual activity delivered.

  In 2023/24, under variable API rules, the Trust has been able to earn performance related income against a nationally established variable target for 'in-scope' elective activity. NHS commissioners fund this activity through the Elective Recovery Fund (ERF) which is calculated system basis by NHS England. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners.

- Fixed element covers income earned from all other services covered by the NHSPS but excluded from the variable element i.e. non-elective care and outpatient follow-ups. The fixed element also covers commissioned blocks, drugs and devices for ICBS and other top up arrangements. In this context, fixed funding means income does not vary based on the delivery of units of activity.

In 2023/24, as part of the NHSPS, the Trust also receives income from commissioners for Commissioning for Quality Innovation (CQUIN) schemes. CQUIN payments are included within the overall payment under the API and are paid in advance at 100%. Whilst commissioners have the ability to claw back CQUIN monies where schemes are not achieved, local agreements relating to the Trust demonstrating best endeavours, has provided assurance that commissioners will not exercise this sanction. In 2024/25, formal mandated CQUIN's will be temporarily paused, any funding traditionally identified as CQUIN will continue to be paid to the Trust via the contract.

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 NHS Foundation Trust's interim performance does not create an asset with alternative use for the NHS Foundation Trust, and the NHS Foundation 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 NHS Foundation 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.

Revenue from the sale of non-current assets

Income from the sale of non-current assets is recognised only when all of the following conditions of the sale have been met, and is measured as the sums due under the sale contract:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the asset;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the assets sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Grants and donations

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

Apprenticeship service income

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

1.4 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.

1.5 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation:
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

1.6 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.

1.7 Property, Plant and Equipment

Capitalisation Recognition

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and:

- 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 NHS Foundation Trust.
- the cost of the item can be measured reliably.
- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different lives e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own economic 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 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 initially measured at cost (for leased assets, fair value) including any costs directly attributable to acquiring or constructing the asset and bringing them to a location and condition necessary for them to be capable of operating in the manner intended by the NHS Foundation Trust.

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.

Property

All land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the

fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Valuations are carried out by professionally qualified valuers in accordance with the Valuation Standards published by the Royal Institution of Chartered Surveyors (previously the RICS Appraisal and Valuations Standards). Revaluations are performed on 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. The timing of these valuations will be adjusted, to become more frequent or less frequent, depending on the situation in the market. Current value in existing use is determined as follows:

- Land - market value for existing use value
- Non-specialised buildings – market value for existing use value (see below)
- Specialised buildings - depreciated replacement cost based on a modern equivalent 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 the alternative site basis where this would meet the location requirements.

Non-specialist operational assets fair value is based on an assumption of a continuation of the existing use, derived from relevant market evidence. For the main part, these comprise the NHS Foundation Trust's operational land.

For non-operational properties including surplus land, the valuations are carried out at fair value based on alternative use.

A desktop valuation of the Royal Papworth Hospital site on the Cambridge Biomedical Campus was carried out in 2023/24 by the Trust's externally appointed independent valuer, Gerald Eve LLP, Chartered Surveyors. The effective date of valuation was the 31 March 2024 and is accounted for in the 2023/24 accounts. See Note 10.

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

Assets in the Course of Construction

Properties in the course of construction for service or administration purposes are valued at cost, less any impairment loss and are valued by professional valuers when they are brought into use. Cost includes professional fees and where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation on these assets commences when the asset is brought into use.

Equipment

IT equipment, transport equipment, furniture and fittings, and plant and equipment held for operation use are values at depreciated historical cost where these assets have short useful lives or low value or both, as this is considered to be a satisfactory proxy for current value. For non-IT operational equipment depreciated historical cost is considered to be a satisfactory proxy for current value but this will be kept under review and advice on fair value sought from external sources if considered appropriate. Equipment surplus to requirements is valued at net recoverable amount.

Depreciation

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

The estimated useful life of an asset is the period over which the NHS Foundation Trust expects to obtain economic benefits or service potential from it.

Property, plant and equipment assets which have been reclassified as 'Held for sale' cease to be depreciated upon reclassification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the NHS Foundation Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income. A revaluation gain due to an increase in general market price does not represent a reversal of a previous economic benefit/service potential impairment and is therefore accounted for as a revaluation gain rather than a reversal of a past economic benefit impairment.

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 DHSC 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 income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

The carrying values of property, plant and equipment assets are reviewed for impairments in periods if events or changes in circumstances indicate carrying values may not be recoverable.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once the criteria in IFRS 5 below are met:

i. The asset is available for immediate sale in its present condition subject only to the terms which are usual and customary for such sales;
ii. The sale must be highly probable i.e.:
   - management are committed to a plan to sell the asset;
   - an active programme has begun to find a buyer and complete the sale;
   - the asset is being actively marketed at a reasonable price;
   - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
   - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount less cost of sale and is recognised in operating income or operating expenses respectively. On disposal, the balance for the asset in the revaluation reserve is transferred to the income and expenditure reserve.

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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other 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 economic benefits embodied in the donation/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 purchased items of property, plant and equipment.

This includes assets donated to the NHS Foundation Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the NHS Foundation Trust applies the principle of donated asset accounting to assets that the NHS Foundation Trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC12 definition of service concession, as interpreted in HM Treasury's FREM, are accounted for as 'on Statement of Financial Position' by the NHS Foundation Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment when they are brought into use, 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).

Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate and measured at current value in existing use.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

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

Initial application of IFRS 16 liability measurement principles to PFI liabilities

IFRS 16 liability measurement principles have been applied to PFI, 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, 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 retail price Index.

Useful economic life

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the NHS Foundation Trust's professional valuers.

The current ranges of estimated lives being used are:

	Min Life Years	Max Life Years
Buildings	25	85

Leaseholds are depreciated over primary lease term.

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the NHS Foundation 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.

Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:

	Min Life Months	Max Life Months
Medical Equipment and Engineering Plant and Equipment	36	180
Furniture	54	180
Soft Furnishings	54	84
Office and Information Technology Equipment	42	60
Set-up Costs in New Buildings	60	60
Vehicles	60	60

1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without a physical substance which are capable of being sold separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential is provided to the NHS Foundation Trust for more than one year; their cost can be reliably measured; and they have a cost of at least £5,000. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

Internally generated intangible assets

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

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

Software

Purchased computer software, where expenditure of at least £5,000 is incurred, which is integral to the operation of hardware e.g., an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g., application software, is capitalised as an intangible asset.

Measurement

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

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 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 economic lives on a straight-line basis or in the case of software the shorter of the term of the licence or the expected useful economic life using the following lives:

	Min Life Months	Max Life Months
Software	36	60

1.9 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS Trusts for the provision of services. Grants from the Department of Health and Social Care are accounted for as government grants, as are grants from the Big Lottery Fund.

Government grants for capital purposes are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Where the government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.10 Grant expenditure

When entering into grant agreements to support the NHS Foundation Trust's strategic objectives of "working with partners" and supporting "research and innovation", the NHS Foundation Trust applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets as the relevant applicable standard. IAS 37 does not provide specific guidance regarding grants however this is considered to be the applicable standard as the economic substance of the grant agreements is the creation of a liability and outflow of resources.

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value using the *first-in-first-out* cost (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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

1.12 Financial Instruments and financial liabilities

Recognition

Financial assets and financial liabilities arise where the NHS Foundation 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 DHSC GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other aspects 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 NHS Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or service is made.

Financial assets and financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with accounting policy for leases described below at note 1.14.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

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

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

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 process or valuation techniques.

Financial assets are classified as subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised costs 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 as 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 the NHS Foundation Trust recognises an allowance for expected credit losses.

The NHS Foundation 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).

Expected credit losses for private patient activity are determined through a review of existing outstanding debt. For all other categories of debt, the expected credit losses are determined using historic debt write off data.

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. The NHS Foundation Trust does not recognise loss allowances for stage 1 or stage 2 impairments against other government bodies.

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.

A receivable will be written off when either all avenues of collection have been exhausted or it is no longer economically viable to pursue the outstanding amount.

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.

1.13 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 NHS Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see note 30). Account balances are only off set where a formal agreement has been made with the bank to do so.

1.14 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that 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 NHS Foundation Trust does not apply lease accounting to new contracts for the use of intangible assets.

The NHS Foundation 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 NHS Foundation Trust is reasonably certain to exercise.

The NHS Foundation 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 NHS Foundation 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 NHS Foundation 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.

A valuation of the non-residential property right of use assets was carried out in 2023/24 by the NHS Foundation Trust's externally appointed independent valuer, Gerald Eve LLP, Chartered Surveyors. The effective date of valuation was the 31 March 2024 and is accounted for in the 2023/24 accounts. See Note 11.

Initial application of IFRS16

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

Determining whether an arrangement contains a lease and other interpretations

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

The Trust as a lessee

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

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

1.15 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation that is of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resource and that a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resource 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 for 31 March 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 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 pension discount rate of 2.45% in real terms (prior year: minus 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 20 but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The NHS Foundation Trust does not include any amounts in its financial statements relating to these cases. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.16 Contingent assets and liabilities

Contingent assets (that is, assets arising from past events and whose existence will only be confirmed by one or more future events not wholly within NHS Foundation Trust's control) are not recognised as assets but disclosed in note 21 to the financial statements where an inflow of economic benefits is probable.

Contingent liabilities are not recognised but are disclosed in note 21 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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 Trust. 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 NHS Foundation Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation 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 NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

The actual dividend figure is included in the Statement of Comprehensive Income and the receivable/payable arising is included in the Statement of Financial Position.

1.18 Value added tax (VAT)

Most of the activities of the NHS Foundation 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Corporation tax

A NHS Foundation Trust is a Health Service Body within the meaning of s519A of the Income and Corporation Tax Act 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for HM Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) of the Income and Corporation Taxes Act 1988). Accordingly, a Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits from these activities exceed £50k per annum. There are no such profits and therefore no liability for corporation tax in relation to the year ended 31 March 2024 or prior periods.

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.

1.21 Foreign exchange

The functional and presentational currency of the NHS Foundation Trust is sterling.

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

Where the NHS Foundation Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate at 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

1.22 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 since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirement of the HM Treasury Financial reporting Manual (FReM). See note 30.

1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being incurred as normal revenue expenditure). See note 31.

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.

1.24 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.25 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, who are responsible for making strategic decisions.

1.26 Carbon reduction commitment

The NHS Foundation Trust has a strategy in place outlining the aims and objectives for sustainable development and has in place the Green Plan for delivering the strategy across financial years 2022/23 to 2024/25.

The plan will enable the NHS Foundation Trust to contribute to the national target of a ‘net zero’ NHS.

1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

1.28 Accounting standards that have been issued but have not yet been adopted

The following accounting standards or interpretations have been issued by the International Accounting Standards Board but have not yet been implemented. The NHS Foundation Trust cannot adopt new standards unless they have been adopted in the DHSC GAM issued by Department of Health and Social Care, which in turn only adopts them once adopted in HM Treasury FReM. The HMT FReM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies. In some cases, the standards may be interpreted in the HMT FReM and therefore may not be adopted in their original form.

IFRS 14

IFRS 14 Regulatory Deferral Accounts is not yet EU endorsed. It applies to first time adopters of IFRS after 1 January 2016 therefore it is not applicable to DHSC group bodies.

IFRS 17

The application of IFRS 17 Insurance Contracts is required for accounting periods beginning on or after 1st January 2021 but is not yet adopted by the FReM. The early adoption of this standard is not therefore permitted.

1.29 Critical judgements and key sources of estimation uncertainty

In the application of the NHS Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Property valuation

The NHS Foundation Trust's estate has been valued as explained at note 1.7.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reported period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 10.1.

Intangible assets

The intangible assets balance is composed entirely of software under development and software licences. These are stated at historic depreciated cost on the basis that this is not materially different from their fair value.

Allowances for impaired receivables

Allowances are made for impaired receivables for estimated losses arising from the subsequent inability or refusal of patients or commissioners to make the required payment. Further detail is given at notes 14.2 and 14.3.

Private Finance Initiative

An assessment of the NHS Foundation Trust’s Private Finance Initiative (PFI) scheme has been made, and it has been determined that the PFI scheme in respect of the new hospital building should be accounted for as an on-Statement of Financial Position asset under IFRIC 12. This requires a judgement to be made around how to model the scheme in order to determine the required accounting entries. The key judgements were to initially value the hospital at the cost of construction, to attribute asset lives up to 80 years on certain components and to identify the components of the hospital subject to lifecycle maintenance, which should be accounted for separately.

An estimate has also been used to determine total future obligations under PFI contracts as disclosed in note 23, in relation to future rates of inflation. The estimate does not affect the

carrying value of liabilities in the Statement of Financial Position at 31 March 2024, or the amounts charged through the Statement of Comprehensive Income.

2. OPERATING INCOME FROM PATIENT CARE ACTIVITIES

2.1 Income from patient care activities (by nature)

2.1 Income from patient care activities (by nature)

	2023/24	2022/23
	£000	£000
Aligned payment & incentive (API) contract income/system block income*	**195,831**	179,103
Homecare drugs income**	**47,768**	47,361
Other high cost drugs and pass through devices income from commissioners ***	**18,426**	15,042
Other NHS clinical income****	**4,791**	4,606
Private patient income	**9,858**	8,341
Elective Recovery Fund*****	**-**	5,048
National pay award central funding******	**99**	3,631
Additional pension contribution central funding*******	**5,019**	4,563
Other clinical income	**241**	69
Total income from patient care activities	**282,033**	**267,764**

* Aligned payment & incentive (API) includes fixed and variable income as well as low value agreements.

** Income received from NHS England homecare drugs.

*** Additional income received for cost and volume drugs and visible cost model (VCM) devices.

**** Income received from NHS Blood & Transplant, Welsh, Scottish and Northern Ireland Health Boards.

***** ERF funding forms part of the Aligned payment & incentive (API) contract income in 2023/24 financial year.

****** In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure was inlcuded in the accounts for that year. 2023/24 includes accrued income associated with the backdated pay to consultant staff for March 2024.

******* The additional pension contribution central funding relates to the additional 6.3% pension contributions paid by NHS England on behalf of the NHS Foundation Trust. The related expenditure is included in note 4.1 Operating expenses under staff costs.

2.2 Patient income by source

	2023/24	2022/23
	£000	£000
NHS England	**215,772**	197,450
Clinical Commissioning Groups*	**-**	15,651
Integrated Care Boards*	**51,372**	41,647
NHS Trusts	**12**	-
NHS Other	**4,791**	4,606
Non NHS:		
- Private patients	**9,858**	8,341
- Overseas chargeable patients	**228**	69
Total revenue from patient care activities	**282,033**	267,764

* In July 2022, Integrated Care Boards (ICBs) legally became the commissioning bodies (replacing CCGs).

NHS England income includes reimbursement for homecare drugs which has been reported on a gross basis. This was in response to the Coronavirus pandemic which moved reimbursement of homecare drugs to a mixed model of block and cost and volume. The central funding for the Agenda for Change pay offer is also included in this figure.

In 2023/24 the API NHS financial framework was introduced meaning that the Trust's commissioned income comprised of a fixed and variable element. The Trust has not included partially completed patient spells in its patient activity income in 2023/24, with the exception of highly specialised services.

2.3 Operating segments

IFRS 8 requires income and expenditure to be broken down into the operating segments reported to the chief operating decision maker. The NHS Foundation Trust considers the Board to be the chief operating decision maker because it is responsible for approving its budgets and hence responsible for allocating resources to operating segments and assessing their performance.

For 2023/24 the NHS Foundation Trust considers that it only has one operating segment, healthcare. The Board of Directors receives financial reports that analyse financial performance across the Trust as one operating segment and this has been reinforced by the revised financial framework that came into place at the start of 2023/24.

All income for each patient service above is received from external commissioners as follows:

	2023/24	2022/23
	£000	£000
NHS England	**215,772**	197,450
Cambridgeshire and Peterborough ICB**	**27,832**	26,136
Cambridgeshire and Peterborough CCG*	**-**	10,378
Norfolk & Waveney ICB**	**5,382**	3,552
Norfolk & Waveney CCG*	**-**	1,204
NHS Suffolk and North East Essex ICB**	**7,061**	4,721
West Suffolk CCG*	**-**	1,120
Ipswich & East Suffolk CCG*	**-**	369
North East Essex CCG*	**-**	113
NHS Bedfordshire, Luton and Milton Keynes ICB**	**3,167**	2,094
Bedfordshire CCG*	**-**	714
NHS Lincolnshire ICB**	**2,036**	1,404
Lincolnshire CCG*	**-**	467
NHS Hertfordshire and West Essex ICB**	**3,565**	2,166
West Essex CCG*	**-**	363
East and North Hertfordshire CCG*	**-**	361
Other ICBs**	**2,329**	1,575
Other CCGs*	**-**	564
Other NHS	**3,785**	3,492
Subtotal	**270,929**	258,243
Welsh Health Boards	**876**	950
Scottish Health Board	**91**	112
Northern Ireland Health Boards	**51**	48
Private patients	**9,858**	8,341
Other non-NHS	**228**	70
Total revenue from patient care activities per note 2.1	**282,033**	267,764

* Clinical Commisioning Groups (CCGs) were dissolved in July 2022.

** Intergrated Care Boards (ICBs) were formed in July 2022 replacing Clinical Commissioning Groups.

Under the terms of its license, the NHS Foundation Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the trust license and are services that commissioners believe would need to be protected in the event of trust failure. This information is provided in the table below:

	2023/24	2022/23
	£000	£000
Income from services designated (or grandfathered) as commissioner	**282,033**	267,764

2.4 Overseas visitors (relating to patients charged directly by the NHS Foundation Trust)

	2023/24	2022/23
	£000	£000
Income recognised this year	**228**	69
Cash payments received in-year	**230**	35
Amounts added to provision for impairment of receivables	**35**	4
Amounts written off in-year	**-**	39

2.5 Private patient income

As a result of the Health and Social Care Act 2012 changes to the way the cap on private patient income of NHS Foundation Trusts is enforced came into effect during 2012/13.

As from 1 October 2012 Foundation Trusts are obliged to make sure that the income they receive from providing goods and services for the NHS (their principal purpose) is greater than their income from other sources (e.g. private patient work).

This effectively means that the former private patient cap has been removed.

3. OTHER OPERATING INCOME

	Group		**Trust**	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Research and development NHS Levy	**2,767**	2,806	**2,767**	2,806
Education and training *	**6,369**	6,326	**6,369**	6,326
Charitable and other contributions to expenditure	**18**	30	**2,095**	1,319
Merit award funding	**1,132**	1,191	**1,132**	1,191
Staff lodging	**963**	956	**963**	956
Staff recharges **	**1,735**	1,542	**1,735**	1,542
Research and development gross up ***	**2,660**	2,520	**2,660**	2,520
NHS Charitable income:				
Incoming resource excluding investment income	**2,467**	2,270	**-**	-
Covid Response funding reimbursement	**-**	36	**-**	36
Contributions to expenditure from DHSC group bodies	**158**	340	**158**	340
Other income	**2,289**	1,513	**2,289**	1,513
	20,558	19,530	**20,168**	18,549

* Includes notional income from apprenticeship fund £389k (2022/23 - £411k).
** Staff recharges have been shown gross in income and expenditure.
*** Funding received to cover costs of research and development incurred in the year.

4. OPERATING EXPENSES

4.1 Operating expenses comprise:

	Group		Trust	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Executive Directors' costs	**1,364**	1,306	**1,364**	1,306
Non-Executive Directors' costs	**144**	147	**144**	147
Staff costs	**134,514**	127,125	**134,514**	127,125
Drug costs	**52,075**	51,356	**52,075**	51,356
Supplies and services - clinical	**59,938**	52,328	**59,938**	52,328
Supplies and services - clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**192**	394	**192**	394
Supplies and services - general	**2,260**	2,822	**2,260**	2,822
Inventories written down (consumables donated from DHSC bodies for COVID response)	**2**	5	**2**	5
Establishment	**1,958**	2,672	**1,958**	2,672
Research & Development	**1,782**	2,253	**1,782**	2,253
Transport	**747**	737	**747**	737
Premises	**11,392**	11,736	**11,392**	11,736
Increase/(decrease) in provisions for impairments of receivables	**5**	5	**5**	5
Depreciation of property, plant and equipment	**10,727**	10,047	**10,727**	10,047
Amortisation of intangible assets	**758**	791	**758**	791
Impairments of property, plant and equipment	**-**	151	**-**	151
Audit services - statutory audit	**125**	115	**125**	115
NHS Charitable Funds - statutory audit services	**14**	14	**-**	-
Consultancy	**368**	93	**368**	93
Internal audit and counter fraud services	**80**	101	**80**	101
Clinical negligence	**2,213**	1,878	**2,213**	1,878
Charges to operating expenditure for on-SoFP IFRIC 12 PFI schemes on IFRS basis	**9,668**	7,652	**9,668**	7,652
Research Grants *	**2,000**	2,500	**2,000**	2,500
Other	**6,244**	3,769	**6,244**	3,769
NHS Charitable Funds - other resources	**232**	179	**-**	-
	298,802	280,176	**298,556**	279,983

*The Trust has made a grant to the University of Cambridge to leverage the University's research expertise, as part of its joint working to strategically improve patient care in the future. The proposed grant agreement covers health inequalities and tackling major cardiovascular disease burdens through the application and translation of research activity into trials.

4.2 Audit services

The Council of Governors has appointed KPMG LLP (KPMG) as external auditors of the NHS Foundation Trust from 1 April 2015. The audit fee for the statutory audit is £124,950 (2022/23: £115,000), excluding VAT. This is the fee for an audit in accordance with the Audit Code issued by Monitor in March 2011.

The engagement letter signed on 12 May 2021 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) in respect of services provided in connection with or arising out of the audit shall in no circumstances exceed £1 million (2022/23: £1 million) in the aggregate in respect of all such services.

External auditors will also receive remuneration of £14,000 (2022/23: £14,000), excluding VAT, for the statutory audit of the NHS Charity.

4.3 Operating leases

4.3.1 As lessee

Payments recognised as an expense

	2023/24	2022/23
	£000	£000
Minimum lease payments	**55**	215

5 EMPLOYEE COSTS AND NUMBERS

5.1 Employee costs

		Group		**Trust**	
		2023/24	2022/23	**2023/24**	2022/23
		£000	£000	**£000**	£000
Salaries and wages		**101,639**	93,242	**101,639**	93,242
2022/23 non consolidated pay award accrual ***		**-**	3,269	**-**	3,269
Social security costs		**11,373**	10,605	**11,373**	10,605
Apprenticeship levy		**513**	612	**513**	612
Employer contributions to NHS Pensions Agency		**11,536**	10,424	**11,536**	10,424
Pension cost - employer contribution paid by NHSE on provider's behalf (6.3%)	**	**5,019**	4,563	**5,019**	4,563
Pension cost - other		**17**	14	**17**	14
Termination benefits		**-**	54	**-**	54
Temporary staff (including agency/bank)		**5,781**	5,648	**5,781**	5,648
Employee benefit expenses	*	**135,878**	128,431	**135,878**	128,431

* Excludes Non-Executive Directors' salary costs. These salary costs are included in note 4.1. The total value of annual leave accrual for the year is £352k (2022/23: £ £433k).

** The additional pension contribution central funding relates to the additional 6.3% pension contributions paid by NHS England on behalf of the NHS Foundation Trust. The related income is included in note 2 Operating Income.

*** In 2022/23, the government put forward an offer for Agenda for Change staff to receive a non-consolidated award of 2% of an individual's salary for 2022 to 2023. NHS England provided additional funding directly to providers and to ICBs to cover the anticipated cost of the pay award. The additional costs were matched with an equal level of income from NHSE. The Trust impact of the accrual for the pay award net of national funding is a net impact (£0.3m). Employer NI and apprentice levy payable has been reported on the relevant line in the table.

All employee benefit expenses have been charged to revenue.

Pension Costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. The list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years' pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as

defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax-free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as 'pension commutation'.

Pensions Indexation
Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971 and are based on changes in Retail Prices in the 12 months ending 30th September in the previous calendar year. From 2011/12, the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

Ill-health Retirement
Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity.

Death Benefits
A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

Early Retirement
For early retirements other than those due to ill-health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Additional Voluntary Contributions (AVC's)
Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

NEST is a Workplace Pension Scheme operated by the Government; it is an alternative pension scheme (to the Superannuation Scheme) which is not NHS specific. It is a defined contribution, off statement of financial position scheme (as it is not exclusively NHS). The number of employees opting in and the value of contributions have been negligible. The cost in 2023/24 was £17k (2022/23 £14k).

5.2 Staff Exit Packages

	2023/24					
	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages by cost band
		£k		£k		£k
£10,000-£25,000	-	-	-	-	-	-
£25,001-£50,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	-	-	-	
						£000
Total resource cost						-

2022/23	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages by cost band
		£k		£k		£k
£10,000-£25,000	1	24	-	-	1	24
£25,001-£50,000	1	30	-	-	1	30
Total number of exit packages by type	2				2	

	£000
Total resource cost	54

Exit packages are agreed with due regards to national terms and conditions, adherence to local policies and procedures and a risk assessment.

5.3 Average number of persons employed

	Group		Trust	
	2023/24 Total Number	2022/23 Total Number	**2023/24 Total Number**	2022/23 Total Number
Permanently Employed				
Medical and dental	**262**	250	**262**	250
Administration and estates	**450**	412	**450**	412
Healthcare assistants and other support staff	**394**	371	**394**	371
Nursing, midwifery and health visiting staff	**665**	654	**665**	654
Scientific, therapeutic and technical staff	**180**	175	**180**	175
Health care science staff	**81**	75	**81**	75
Other				
Bank staff	**70**	60	**70**	60
Agency/contract staff	**42**	28	**42**	28
Other	**10**	14	**10**	14
Total	**2,154**	2,039	**2,154**	2,039

5.4 Retirements due to ill-health

In the year to 31 March 2024, there were nil early retirements agreed on the grounds of ill-health (31 March 2023: 1). The estimated additional pension liability in respect of early retirements agreed on the grounds of ill-health is £nil (31 March 2023: £60k); the cost of which is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

5.5 Directors' remuneration

The aggregate amounts payable to directors were:

	Group		Trust	
	2023/24 Total	2022/23 Total	**2023/24 Total**	2022/23 Total
	£000	£000	**£000**	£000
Salary	**1,266**	1,135	**1,266**	1,135
Taxable benefits	**2**	3	**2**	3
Employer's pension contributions	**88**	95	**88**	95
	1,356	1,233	**1,356**	1,233
Secondment Post in to the Trust *	**-**	77	**-**	77
Total	**1,356**	**1,310**	**1,356**	**1,310**

*The post of Chief Operating Officer was covered on an interim basis during part of 2022/23 by a secondment from West Suffolk Hospital NHS Foundation Trust.

Further details of directors' remuneration can be found in the remuneration report.

6 FINANCE INCOME

	Group		Trust	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Interest revenue:				
Investments in listed equities	**244**	242	**-**	-
Bank accounts	**3,991**	1,577	**3,966**	1,577
	4,235	1,819	**3,966**	1,577

7 FINANCE EXPENSES

	Group		Trust	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Loans from the Department of Health and Social Care	**54**	57	**54**	57
Interest on lease obligations	**170**	166	**170**	166
Main finance costs on PFI scheme obligations *	**5,263**	4,460	**5,263**	4,460
Contingent finance costs on PFI scheme obligations*	**-**	777	**-**	777
Remeasurement of PFI / other service concession liability resulting from change in index or rate*	**2,022**	-	**2,022**	-
	7,509	5,460	**7,509**	5,460

*IFRS 16 principles have been applied to PFI arrangements from 1 April 2023, this has resulted in contingent finance costs being roled into the main PFI finance costs and a remeasurement of the future liability payments resuting from a change in the RPI rate.

8 GAINS/(LOSSES) ON NON-CURRENT ASSETS DISPOSAL

	Group		Trust	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Gain on disposal of property, plant and equipment	**-**	12	**-**	12
Loss on disposal of property plant and equipment	**(159)**	(14)	**(159)**	(14)
Loss on disposal of intangibles	**(8)**	-	**(8)**	-
Gain on disposal of charitable funds investments	**1**	-	**-**	-
	(166)	(2)	**(167)**	(2)

During the year, 23 property, plant and equipment assets were disposed of with a total NBV of £159k. This included 10 ventilators which had a field safety notice issued and have been returned to the supplier (NBV £120k), 11 Hypo-hypothermia units which were scrapped as replaced by new equipment (NBV £25K), a Hamilton ventilator which was scrapped (NBV £7k) and medical PC's which were also scrapped (NBV £7k).

Two Intangible assets with a total NBV of £8k were disposed of during the year. This included PACS software which has been replaced by Intelerad (NBV £6k) and the design of the telecoms systems, which was deemed no longer an asset (NBV £2k).

9 INTANGIBLE ASSETS

2023/24	**Computer Software Purchased £000**	**Total Intangible Assets £000**
Gross cost at 1 April 2023	6,415	**6,415**
Additions purchased - Trust	120	**120**
Disposals	(113)	**(113)**
Gross cost at 31 March 2024	**6,422**	**6,422**
Accumulated amortisation at 1 April 2023	5,193	**5,193**
Provided during the year	758	**758**
Disposals	(105)	**(105)**
Accumulated amortisation at 31 March 2024	**5,846**	**5,846**
Net book value		
- Purchased at 31 March 2024	574	**574**
- Donated at 31 March 2024	2	**2**
Total at 31 March 2024	**576**	**576**

2022/23	Computer Software Purchased £000	Total Intangible Assets £000
Gross cost at 1 April 2022	6,435	**6,435**
Additions purchased - Trust	(20)	**(20)**
Gross cost at 31 March 2023	**6,415**	**6,415**
Accumulated amortisation at 1 April 2022	4,402	**4,402**
Provided during the year	791	**791**
Accumulated amortisation at 31 March 2023	**5,193**	**5,193**
Net book value		
- Purchased at 31 March 2023	1,212	**1,212**
- Donated at 31 March 2023	10	**10**
Total at 31 March 2023	**1,222**	**1,222**

10 PROPERTY, PLANT AND EQUIPMENT

10.1 Property, plant and equipment at the financial year end comprise the following elements:

2023/24	Land	Buildings excluding dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost/valuation at 1 April 2023	15,960	149,994	-	37,557	27	6,324	3,684	213,546
Additions purchased - Trust	-	198	49	1,146	-	1,155	-	2,548
Additions purchased - cash donations	-	-	-	18	-	-	-	18
Transfer to/from assets held for sale	104	-	-		-	-	-	104
Revaluations*	-	2,114	-	-	-	-	-	2,114
Disposals	-	-	-	(514)	-	(104)	-	(618)
At 31 March 2024	**16,064**	**152,306**	**49**	**38,207**	**27**	**7,375**	**3,684**	**217,712**
Accumulated depreciation at 1 April 2023	-	-	-	21,327	19	4,412	2,052	27,810
Provided during the year	-	3,501	-	4,688	2	947	462	9,600
Revaluations*	-	(3,501)	-	-	-	-	-	(3,501)
Disposals	-	-	-	(362)	-	(97)	-	(459)
Accumulated depreciation at 31 March 2024	**-**	**-**	**-**	**25,653**	**21**	**5,262**	**2,514**	**33,450**
Net book value								
- Purchased at 31 March 2024 - Trust	16,064	205	49	10,946	6	2,103	1,109	30,482
- On-SoFP PFI contract at 31 March 2024	-	152,101	-	-	-	-	-	152,101
- Donated at 31 March 2024	-	-	-	1,228	-	10	61	1,299
- Donated from DHSC for COVID response at 31 March 2023	-	-	-	380	-	-	-	380
Total at 31 March 2024	**16,064**	**152,306**	**49**	**12,554**	**6**	**2,113**	**1,170**	**184,262**

* The revaluation gain relates to the revaluation of the PFI asset. The gain of £5,615k is made up of an increase in the cost value of £2,114k and the reversal of the cumulative depreciation of £3,501k.

Donated assets from DHSC for COVID response have been included within donated assets at 31 March 2024, £380k.

10.2 **Property, plant and equipment at the financial year end comprise the following elements:**

2022/23	Land £000	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost/valuation at 1 April 2022	15,960	139,250	68	35,978	27	5,548	3,679	200,510
Additions purchased - Trust	-	151	-	1,862	-	776	-	2,789
Additions - donations of physical assets	-	-	-	30	-	-	-	30
Additions purchased - cash donations	-	-	-	15	-	-	5	20
Revaluations*	-	10,528	-	-	-	-	-	10,528
Reclassifications	-	65	(68)	3	-	-	-	-
Disposals	-	-	-	(331)	-	-	-	(331)
At 31 March 2023	**15,960**	**149,994**	**-**	**37,557**	**27**	**6,324**	**3,684**	**213,546**
Accumulated depreciation at 1 April 2022	-	-	-	17,135	16	3,618	1,542	22,311
Provided during the year	-	3,175	-	4,508	3	794	510	8,990
Revaluations*	-	(3,175)	-	-	-	-	-	(3,175)
Disposals	-	-	-	(316)	-	-	-	(316)
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**21,327**	**19**	**4,412**	**2,052**	**27,810**
Net book value								
- Purchased at 31 March 2023 - Trust	15,960	204	-	14,079	8	1,862	1,565	33,678
- On-SoFP PFI contract at 31 March 2023	-	149,790	-	-	-	-	-	149,790
- Donated at 31 March 2023	-	-	-	1,702	-	50	67	1,819
- Donated from DHSC for COVID response at 31 March 2021	-	-	-	449	-	-	-	449
Total at 31 March 2023	**15,960**	**149,994**	**-**	**16,230**	**8**	**1,912**	**1,632**	**185,736**

* The revaluation gain relates to the revaluation of the PFI asset. The gain of £13,703k is made up of an increase in the cost value of £10,528k and the reversal of the cumulative depreciation of £3,175k.

Donated assets from DHSC for COVID response have been included within donated assets at 31 March 2023, £449k.

Royal Papworth Hospital site on the Cambridge Biomedical Campus

In May 2019 the NHS Foundation Trust relocated to its new site on the Cambridge Biomedical Campus.

In line with the NHS Foundation Trusts accounting policies (see note 1.7) a valuation of the new Royal Papworth Hospital site was carried out during the financial year ended 31 March 2024. The valuation was carried out by the NHS Foundation Trust's externally appointed valuers Gerald Eve LLP, Chartered Surveyors in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The effective date of valuation was the 31 March 2024.

The desktop valuation has resulted in an increase in the Hospital site buildings of £5.6m with no impact on the value of the Hospital land. The increase in the site valuation reflects general market changes and as such is accounted for as a revaluation gain.

The valuer has stated in the valuation report that the 'valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS valuation – Global Standard'.

11 RIGHT OF USE ASSETS

11.1 Property, plant and equipment at the financial year end comprise the following elements:

2023/24	Property (land and buildings excl dwellings)	Property (land and dwellings)	Plant and machinery	Information technology	Total	Of which: Leases within the DHSC Group
	£000	£000	£000	£000	£000	£000
Cost/valuation at 1 April 2023	2,679	17,181	394	600	20,854	152
Additions - lease liability	-	-	8	142	150	-
Remeasurement of lease liability *	-	335	-	-	335	-
Revaluation**	(40)	-	-	-	(40)	(29)
At 31 March 2024	**2,639**	**17,516**	**402**	**742**	**21,299**	**123**
Accumulated depreciation at 1 April 2023	1	805	63	90	959	-
Provided during the year - right of use asset	119	821	65	122	1,127	32
Revaluations **	(119)	-	-	-	(119)	(32)
Accumulated depreciation at 31 March 2023	**1**	**1,626**	**128**	**212**	**1,967**	**-**
Net book value						
Total at 31 March 2024	**2,638**	**15,890**	**274**	**530**	**19,332**	**123**

Included in the balances above are right of use assets for staff accommodation, off site office space, PACS IT system, pathology managed services, photocopier managed service and a franking machine

* The remeasurement relates to staff accommodation at Waterbeach and is in line with the contract.

** The revaluation gain relates to the revaluation of the HLRI and off site office space (lease within the DHSC Group). The gain of £79k is made up of an decrease in the cost value of £40k and the reversal of the cumulative depreciation of £119k.

2022/23	Property (land and buildings excl dwellings)	Property (land and dwellings)	Plant and machinery	Information technology	Total	Of which: Leases within the DHSC Group
	£000	£000	£000	£000	£000	£000
Cost/valuation at 1 April 2022	-	-	-	-	-	-
IFRS16 implementation - adjustments for existing operating leases to right of use assets on 1 April 2022	1,900	16,892	394	-	19,186	-
Additions - lease liability	318	-	-	121	439	318
Additions - up front lease payments (before or on commencement)	-	-	-	479	479	-
Remeasurement of lease liability *	-	289	-	-	289	-
Revaluations **	627	-	-	-	627	-
Impairments charged to operating expenses ***	(166)	-	-	-	(166)	(166)
At 31 March 2023	**2,679**	**17,181**	**394**	**600**	**20,854**	**152**
Accumulated depreciation at 1 April 2022	-	-	-	-	-	-
Provided during the year - right of use asset	99	805	63	90	1,057	15
Revaluations **	(83)	-	-	-	(83)	-
Impairments charged to operating expenses ***	(15)	-	-	-	(15)	(15)
Accumulated depreciation at 31 March 2023	**1**	**805**	**63**	**90**	**959**	**0**
Net book value						
Total at 31 March 2023	**2,678**	**16,376**	**331**	**510**	**19,895**	**152**

Carrying value of right of use assets split by counterparty	**31 March 2024**	31 March 2023
	£000	£000
Leased from NHS Providers	**123**	152

Included in the balances above are right of use assets for staff accommodation, off site office space, PACS IT system and pathology managed services

* The remeasurement relates to staff accommodation at Waterbeach and is in line with the contract.

** The revaluation gain relates to the revaluation of the HLRI. The gain of £710k is made up of an increase in the cost value of £627k and the reversal of the cumulative depreciation of £83k.

*** The impairments charged to operating expenses relate to the revaluation of Kingfisher House. The impairment of £151k is made up of a decrease in the value of £166k and the reversal of cumulative depreciation of £15k.

11.2 Revaluation of right of use assets

In line with the NHS Foundation Trusts accounting policies (see note 1.14) a valuation of the right of use assets for property was carried out during the financial year ended 31 March 2024. The valuation was carried out by the NHS Foundation Trust's externally appointed valuers Gerald Eve LLP, Chartered Surveyors in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The effective date of valuation was the 31 March 2024.

The valuation has resulted in an increase in the value of the HLRI right of use asset of £76k and the off-site office space at Kingfisher House of £3k.

11.3 Maturity of lease liabilities

	Group 31 March 2024 £000	Trust 31 March 2024 £000	Of which: Leases within the DHSC Group 31 March 2024 £000	Group 31 March 2023 £000	Trust 31 March 2023 £000	Of which: Leases within the DHSC Group 31 March 2023 £000
Undiscounted future lease payments payable in:						
- not later than one year;	2,917	2,917	69	2,858	2,858	69
- later than one year and not later than five years;	3,967	3,967	190	3,905	3,905	259
- later than five years.	13,629	13,629	-	14,185	14,185	-
Total gross future lease payments	**20,513**	**20,513**	**259**	20,948	20,948	328
Finance charges allocated to future periods	(1,640)	(1,640)	(16)	(1,754)	(1,754)	(25)
Net lease liabilities	**18,873**	**18,873**	**243**	19,194	19,194	303
Included in:						
Current lease liabilities	2,917	2,917	69	2,691	2,691	60
Non-current lease liabilities	15,956	15,956	174	16,503	16,503	243
	18,873	**18,873**	**243**	19,194	19,194	303

Lease liabilities split by counterparty	**31 March 2024 £000**	31 March 2023 £000
Leased from NHS Providers	**243**	303

12 INVESTMENTS

The investments relate to the NHS Charity and comprise of shares, and also cash held with the investment managers for future investment in equity.

	31 March 2024 £000	31 March 2023 £000
Investment Managers		
Market value at 1 April	**5,618**	5,991
Less: Disposals at carrying value	**(9)**	-
Net gain/(loss) on revaluation	**306**	(373)
Market value at 31 March (shares only)	**5,915**	5,618
Total value of investments	**5,915**	5,618
Historic cost at 31 March (shares only)	**5,186**	5,196

The valuation of the investments is at 31 March 2024 and may not be realised at the date the investments are disposed of.

At 31 March 2024 10,506,184 shares (31 March 2023 – 10,525,130 shares) were held in SUTL Cazenove Charity Responsible, Multi-Asset Fund, Units -S- GBP Distribution, BF78454 with a market value of £5,914,982 (31 March 2023 - £5,618,314).

The historic cost represents the value of shares after purchases and sales at 31 March 2024 before the shares were revalued.

At 31 March 2024, the NHS Foundation Trust's investment managers are holding £nil (31 March 2023 - £nil) of cash within the investment portfolio.

13 INVENTORIES

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Drugs	**559**	598	**559**	598
Consumables	**7,567**	7,305	**7,567**	7,305
NHS Charity - merchandise	**38**	33	-	-
TOTAL	**8,164**	7,936	**8,126**	7,903

The cost of inventories recognised as an expense and included in 'operating expenses' amounted to £87,422k (2022/23: £80,887k).
The value of inventories recognised as a write-down expense during the year was £60k (2022/23: £421k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to the NHS providers free of charge. During 2023/24 the NHS Foundation Trust received £158k of items purchased by the DHSC (2022/23 - £340k). These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation/impairment of these items (£194k) is included in the expenditure (note 4.1).

14 TRADE AND OTHER RECEIVABLES

Current	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Contract receivables: invoiced NHS	**1,363**	1,354	**1,363**	1,354
Contract receivables: invoiced other	**3,673**	2,764	**4,161**	3,146
VAT receivables	**808**	835	**808**	835
Contract receivables: not yet invoiced	**6,818**	10,331	**5,065**	9,406
Allowance for the impaired contract receivables	**(203)**	(272)	**(203)**	(272)
Interest receivable	**368**	253	**368**	253
Prepayments other	**4,023**	2,616	**4,023**	2,616
Clinician pension tax provisions reimbursement funding from NHSE	**6**	6	**6**	6
Other receivables	**31**	7	**31**	7
TOTAL	**16,887**	17,894	**15,622**	17,351

Non-current				
Clinician pension tax provisions reimbursement funding from NHSE	**537**	703	**537**	703
PFI lifecycle prepayments	**2,138**	1,750	**2,138**	1,750
TOTAL	**2,675**	2,453	**2,675**	2,453

14.1 Allowances for credit losses

	Total trade receivables £000	Other trade receivables £000
At 1 April 2023	**272**	**272**
New allowance arising	**106**	**106**
Receivables written off during the year as uncollectable	**(74)**	**(74)**
Reversals of allowances	**(101)**	**(101)**
At 31 March 2024	**203**	**203**

	Total trade receivables £000	Other trade receivables £000
At 1 April 2022	322	322
New allowance arising	174	174
Changes in the calculation of existing allowances	(9)	(9)
Receivables written off during the year as uncollectable	(55)	(55)
Reversals of allowances	(160)	(160)
At 31 March 2023	272	272

14.2 Analysis of impaired receivables

	31 March 2024 £000	31 March 2023 £000
Ageing of impaired receivables		
Current	**22**	70
0 - 30 days	**17**	11
30 - 60 days	**-**	2
60 - 90 days	**1**	1
90 - 180 days	**6**	4
Over 180 days	**157**	184
TOTAL	**203**	272

14.3 Analysis of non-impaired receivables

	31 March 2024 £000	31 March 2023 £000
Ageing of non-impaired receivables		
Current	**3,082**	2,467
0 - 30 days	**(1,064)**	500
30 - 60 days	**133**	(18)
60 - 90 days	**217**	299
90 - 180 days	**267**	137
Over 180 days	**1,149**	405
TOTAL	**3,784**	3,790

15 NON-CURRENT ASSETS FOR SALE

	Group		**Trust**	
	31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
NBV of non-current assets held for sale at 1 April	**104**	104	**104**	104
Less assets no longer classified as assets held for sale, for reasons other than disposal by sale	**(104)**	-	**(104)**	-
NBV of non-current assets held for sale at 31 March	**-**	104	**-**	104

The non-current asset for sale relates to land including a residential property which no longer satisfies the criteria for asset held for sale and therefore has been reclassified as a non-current asset.

16 CASH AND CASH EQUIVALENTS

	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
At 1 April	**69,231**	60,964	**67,310**	59,965
Net change in year	**11,248**	8,267	**11,550**	7,345
Balance at 31 March	**80,479**	69,231	**78,860**	67,310
Made up of:				
Government Banking Services	**78,148**	67,000	**78,148**	67,000
Cash at commercial banks and in hand	**2,331**	2,231	**712**	310
Cash and cash equivalents as in statement of cash flows	**80,479**	69,231	**78,860**	67,310

The change to the calculation of net cash balances used when calculating the PDC dividend restricts the NHS Foundation Trust's investment options.

Interest earned on these deposits is accrued in the financial statements and is disclosed on the face of the Statement of Comprehensive Income.

Surplus cash balances held by the NHS Charity are either invested in a notice account or invested in short term deposits with a small range of approved commercial banks.

17 TRADE AND OTHER PAYABLES

Current	Group		Trust	
	31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
NHS Payables - revenue	**9,307**	6,440	**9,307**	6,440
Other trade payables - revenue	**5,707**	3,669	**5,707**	3,669
Other trade payables - capital	**912**	1,694	**912**	1,694
Receipts in advance	**4,775**	3,859	**4,775**	3,859
Other taxes payable	**3,231**	2,633	**3,231**	2,633
Pension contributions payable	**1,711**	1,510	**1,711**	1,510
Accruals	**28,740**	29,077	**28,717**	29,056
PDC dividend payable	**199**	131	**199**	131
Other payables	**177**	123	**177**	123
TOTAL	**54,759**	49,136	**54,736**	49,115

Non-current

The Group has no non-current trade and other payables.

18 OTHER LIABILITIES

Current	**31 March 2024 £000**	31 March 2023 £000
Deferred Income	**4,531**	2,898

Includes funding received as part of the visible cost procurement model, to be matched to medical consumables as they are used and charged to expenditure, funding to cover costs of implementing the new electronic patient system and the current element of deferred income from the PFI contractor following a Deed of Amendment.

Non-current	**31 March 2024 £000**	31 March 2023 £000
Deferred Income	**2,030**	2,945

Includes funding to cover costs of implementing the new electronic patient system and the non-current element of the deferral of income received from the PFI contractor following a Deed of Amendment which has been allocated over the remaining term of the contract.

19 BORROWINGS

	Current		**Non-current**	
	31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
Loans from Department of Health	442	443	8,904	9,328
Obligations under PFI contract	2,063	2,285	78,263	75,757
Lease liabilities	2,917	2,691	15,956	16,503
	5,422	5,419	**103,123**	101,588

19.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	PFI and LIFT schemes £000	Lease Liabilities £000	Total £000
Carrying value at 1 April 2023	9,771	78,042	19,194	**107,007**
Cash movements:				
Financing cash flows - payments and receipts of principal	(424)	(2,422)	(806)	**(3,652)**
Financing cash flows - payments of interest	(55)	(5,263)	(170)	**(5,488)**
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	2,684	-	**2,684**
Additions	-	-	150	**150**
Lease liability remeasurements	-	-	335	**335**
Remeasurement of PFI/other service concession liability resulting from change in index or rate	-	2,022	-	**2,022**
Application of effective interest rate	54	5,263	170	**5,487**
Carrying value at 31 March 2024	**9,346**	**80,326**	**18,873**	**108,545**

	Loans from DHSC £000	PFI and LIFT schemes £000	Lease Liabilities £000	Total £000
Carrying value at 1 April 2022	10,195	80,195	-	**90,390**
Cash movements:				
Financing cash flows - payments and receipts of principal	(424)	(2,154)	(720)	**(3,298)**
Financing cash flows - payments of interest	(57)	(4,459)	(166)	**(4,682)**
Non-cash movements:				
Impact of implementing IFRS 16 on a April 2022	-	-	19,186	**19,186**
Additions	-	-	439	**439**
Lease liability remeasurements	-	-	289	**289**
Application of effective interest rate	57	4,460	166	**4,683**
Carrying value at 31 March 2023	**9,771**	**78,042**	**19,194**	**107,007**

The loan from Department of Health and Social Care represents a bridging loan from the Secretary of State for Health against the sale of land at the existing Royal Papworth hospital site at Papworth Everard to support working capital. During 2021/22 NHS Foundation Trust negotiated revised repayment terms for the loan which permitted the NHS Foundation Trust to make a pre-payment against the loan from the disposal proceeds of the Papworth Everard site, £4,400k and repay the remaining outstanding loan balance, £10,600k over a 25 year period commencing after the sale completion date. The final payment is due on 27 November 2045. Interest on the loan is charged at 0.57%.

The lease liabilities relate to right of use assets, identified following the application of IFRS 16 at 1 April 2022 and include leases for the residential accommodation at Waterbeach, PACS IT system, office accommodation at Kingfisher House Huntingdon and equipment within pathology managed service contracts. Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

20 PROVISIONS

					31 March 2024
	Pensions relating to other staff	**Clinician pension tax reimbursement**	**Land and buildings**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
At 1 April 2023	**426**	**709**	**134**	**4,999**	**6,268**
Change in the discount rate	21	(117)	-	-	**(96)**
Arising during the year	-	-	-	2,190	**2,190**
Utilised during the year	(37)	-	-	(1,991)	**(2,028)**
Reversed unused	-	(84)	(53)	(1,489)	**(1,626)**
Unwinding of discount	-	35	-	-	**35**
At 31 March 2024	**410**	**543**	**81**	**3,709**	**4,743**
Expected timing of cash flows:					
- not later than one year;	45	6	81	3,709	**3,841**
- later than one year and not later than five years;	135	4	-	-	**139**
- later than five years.	230	533	-	-	**763**
Total	**410**	**543**	**81**	**3,709**	**4,743**

	Pensions relating to other staff	Clinician pension tax reimbursement	Land and buildings	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2022	576	968	134	3,629	5,307
Change in the discount rate	(116)	(623)	-	-	(739)
Arising during the year	-	350	-	4,018	4,368
Utilised during the year	(34)	-	-	(2,288)	(2,322)
Reversed unused	-	-	-	(360)	(360)
Unwinding of discount		14			14
At 31 March 2023	426	709	134	4,999	6,268
Expected timing of cash flows:					
- not later than one year;	43	6	134	4,999	5,182
- later than one year and not later than five years;	130	4	-	-	134
- later than five years.	253	699	-	-	952
Total	426	709	134	4,999	6,268

The balance on provisions relates to staff pension costs for staff who took early retirement, before 6 March 1995 and staff entitled to injury benefit. This is settled by a quarterly charge from the NHS Pensions Agency.

The clinician pension tax reimbursement provision relates to a future contractually binding commitment that the NHS Foundation Trust has to compensate clinicians for an additional tax charge that they will incur on their retirement due to the 2019/20 Scheme Pay deduction.

The amount included in the provision of NHS Resolution at 31 March 2024 in respect of clinical negligence liabilities of the NHS Foundation Trust is £15,308k (31 March 2023: £18,243k).

21 CONTINGENT ASSETS AND LIABILITIES

The value of contingent liabilities in respect of NHS Resolution legal claims at 31 March 2024 is £8k (31 March 2023: £11k).

The Trust has entered into a legal side joint service agreement with Cambridge University Hospitals NHS Foundation Trust, for one year to underwrite additional staff car parking spaces for eligible Trust staff which allows the exclusive use of 450 car parking Spaces. The value of this arrangement (£656k) has been accounted for as an onerous contract under the International Accounting Standard IAS 37 in 2023/24.

There are no contingent assets.

22 CAPITAL AND CONTRACTUAL COMMITMENTS

The value of commitments under capital expenditure contracts at the end of the financial year was £197k (31 March 2023: £nil). There were no commitments under finance leases at the end of financial year 2023/24 (31 March 2023: £nil).

Details of commitments in respect of operating leases can be found at note 4.3.1.

23 ON SOFP PFI ARRANGEMENTS

On 12 March 2015 the NHS Foundation Trust concluded contracts under the Private Finance Initiative (PFI) with NPH Healthcare Ltd for the construction of a new 310 bed hospital and the provision of hospital related services.

The PFI scheme was approved by the NHS Executive and HM Treasury as being better value for money than the public sector comparator. Under IFRIC 12, the PFI scheme is deemed to be on-Statement of Financial Position, meaning that the hospital is treated as an asset of the NHS Foundation Trust, being acquired through a finance lease. The payments to NPH Healthcare Ltd in respect of the facility (New Royal Papworth Hospital) have therefore been analysed into finance lease charges and service charges. The accounting treatment of the PFI scheme is detailed in the accounting policies note.

In 2022/23 the Trust undertook a benchmarking exercise for its soft facilities management services. This was a joint review undertaken with Project Co, the Trust

and OCS, with the support of an independent industry expert, Opex Consultancy Limited. The benchmarking exercise was undertaken in accordance with a scope agreed with the Trust and will result in an uplift in the price paid for soft facilities management services from 2023/24 onwards.

The service element of the contract was £9.67m (2022/23 £7.65m). The hospital was handed over to the NHS Foundation Trust in February 2018 and became fully operational in May 2019. Payments under the scheme commenced in February 2018. The agreement is due to end in March 2048.

The value of the scheme at inception was £163.6m. The site has subsequently been re-valued using the depreciated replacement cost on a modern equivalent asset basis. A valuation carried out during 2023/24 has re-valued the site to £168m at 31 March 2024.

Finance charges include remeasurements of the PFI liability relating to changes dependent upon an index or rate (RPI).

23.1 PFI finance lease obligations

The figures for prior year, 31 March 2023, in the tables below are based on the accounting standard IAS17 Leases.

	Group		**Trust**	
	31 March 2024 £000	31 March 2023 £000	**31 March 2024 £000**	31 March 2023 £000
Gross PFI finance lease liabilities	**163,228**	78,042	**163,228**	78,042
Of which liabilities are due				
- not later than one year;	**7,768**	2,285	**7,768**	2,285
- later than one year and not later than five years;	**29,491**	9,592	**29,491**	9,592
- later than five years.	**125,969**	66,165	**125,969**	66,165
Finance charges allocated to future periods*	**(82,902)**	-	**(82,902)**	-
Net PFI liabilities	**80,326**	78,042	**80,326**	78,042
- not later than one year;	**2,063**	2,285	**2,063**	2,285
- later than one year and not later than five years;	**9,130**	9,592	**9,130**	9,592
- later than five years.	**69,133**	66,165	**69,133**	66,165

23.2 PFI total unitary payments obligations

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Total future payments committed in respect of the PFI arrangement	**541,117**	541,127	**541,117**	541,127
Of which liabilities are due				
- not later than one year;	**18,240**	17,398	**18,240**	17,398
- later than one year and not later than five years;	**76,273**	72,674	**76,273**	72,674
- later than five years.	**446,604**	451,055	**446,604**	451,055

23.3 Analysis of amounts payable to service concession operator

	Group		Trust	
	31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
	£000	£000	**£000**	£000
Unitary payment payable to service concession operator	**18,066**	15,672	**18,066**	15,672
Consisting of:				
- Interest charge	**5,263**	4,460	**5,263**	4,460
- Repayment of finance lease liability	**2,421**	2,154	**2,421**	2,154
- Service element and other charges to operating expenditure	**9,668**	7,652	**9,668**	7,652
- Contingent rent	**-**	777	**-**	777
- Addition to lifecycle prepayment	**714**	629	**714**	629
	18,066	15,672	**18,066**	15,672

23.4 Impact of change in accounting policy for on-SoFP PFI

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.

23.5 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24 £000	IAS 17 basis (old basis) 2023/24 £000	Impact of change 2023/24 £000
Unitary payment payable to service concession operator	**18,066**	**18,066**	**-**
Consisting of:			
- Interest charge	5,263	4,340	**923**
- Repayment of balance sheet obligation	2,421	2,285	**136**
- Service element	9,668	9,668	**-**
- Lifecycle maintenance	-	-	**-**
- Contingent rent	-	1,059	**(1,059)**
- Addition to lifecycle prepayment	714	714	**-**

23.6 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	(4,570)
Decrease in PDC dividend payable / increase in PDC dividend receivable	33
Impact on net assets as at 31 March 2024	**(4,537)**

23.7 Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income

	£000
PFI liability remeasurement charged to finance costs	(2,022)
Increase in interest arising on PFI liability	(923)
Reduction in contingent rent	1,059
Reduction in PDC dividend charge	33
Net impact on surplus / (deficit)	**(1,853)**

23.8 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	(2,684)
Net impact on 2023/24 surplus / deficit	(1,853)
Impact on equity as at 31 March 2024	**(4,537)**

23.9 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	(136)
Decrease in cash outflows for financing element of PFI / LIFT	136
Net impact on cash flows from financing activities	**-**

24 EVENTS AFTER THE REPORTING YEAR

There are no events after the reporting year.

25 PUBLIC DIVIDEND CAPITAL

The dividend payable on public dividend capital (PDC) is based on the pre-audit actual (rather than forecast) average relevant net assets at an annual rate of 3.5% (see note 1.17). The total dividend payable for 2023/24 was £1,905k (2022/23 - £1,947k). The net dividend paid as at 31 March 2024 (net of the 2022/23 payable of £131k) was £1,837k (2022/23 £1,463k). The outstanding dividend payable at 31 March 2024 was £199k (2022/23 – payable £131k).

In 2023/24 the NHS Foundation Trust received £87k of PDC funding (2022/23 - £177k).

26 RELATED PARTY

Royal Papworth Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The key management personnel of the NHS Foundation Trust are the Executive and Non-Executive Directors of the NHS Foundation Trust. The total number of Directors to whom benefits are accruing under a defined benefit scheme is 6 (2022/23: 8). Included in the numbers for both years are staff members who held the post of Executive Director on an interim basis.

	2023/24	2022/23
	£000	£000
Remuneration payment	**1,266**	1,135
Employer contribution to the NHS Pension Scheme	**88**	95
Secondment post in to the Trust*	**-**	77
	1,354	1,307

*The post of Chief Operating Officer was covered on an interim basis during part of 2022/23 by a secondment from West Suffolk Hospital NHS Foundation Trust. Benefits for this individual are accruing under a defined benefit scheme.

The remuneration payment relating to the highest paid director is £282k (2022/23: £252k). Further information is available in the Remuneration Report, which is included within the NHS Foundation Trust's Annual Report.

During the year none of the senior managers of the NHS Foundation Trust or parties related to them has undertaken any material transactions with the NHS Foundation Trust.

Dr J Ahluwalia joined the Board on the 1 October 2019 as a Non-Executive Director and holds an Honorary Appointment at the Judge Business School. He is also a Director and shareholder in Ahluwalia Education and Consulting Limited. The NHS Foundation Trust has not made any payments to Ahluwalia Education and Consulting Limited during the year. (2022/23: £nil) and had nothing (2022/23: £nil) owing to Ahluwalia Education and Consulting Limited at 31 March 2024.

Dr J Ahluwalia is an associate at Deloitte, a Fellow at the Cambridge Judge Business School which is an honorary position. He is also a Non-Executive Director on the board of THISLabs. With effect from 16.02.2022 he became the Chief Clinical Officer at the Eastern Academic Health Science Network. He is also a Co-director and shareholder in Ahluwalia Education and Consulting Limited, member of the C & P Clinical Ethics Committee, member of the Eastern Region Clinical Senate and trustee on the main board of Macmillan Cancer Support.

In partnership with the University of Cambridge, Cambridge University Hospitals NHS Foundation Trust and Cambridgeshire and Peterborough NHS Foundation Trust, the NHS Foundation Trust set up an Academic Health Science Centre. Anglia Ruskin University joined this the partnership during 2022/23. The partnership vehicle, called Cambridge University Health Partners (CUHP) is a company limited by guarantee. The objects of CUHP are to improve patient care, patient outcomes and population health through innovation and the integration of service delivery, health research and clinical education.

The CUHP is regarded as a related party of the NHS Foundation Trust. During the year the NHS Foundation Trust made a payment of £1,021K (2022/23: £nil) to the CUHP for its share of the CUHP running costs. At 31 March 2024 there was £nil owing by the NHS Foundation Trust to CUHP (31 March 2023: £916k). There were no amounts written off during the year and there are no provisions for doubtful debts at 31 March 2024 in respect of CUHP (31 March 2023: £nil). The Chief Executive and Chairman are 2 out of 12 Directors of the CUHP.

In year the partners of CUHP established Cambridge Biomedical Campus Limited (CBC Ltd). It is a company limited by guarantee. Its principal activity is to promote the role of the Trust and to influence to the strategic development of the biomedical campus and promote the life sciences agenda. The Trust is a voting member of the company. Mr T Glenn, the Chief Finance Officer was a Director of CBC Ltd from 1st April 2023 to 6th November 2023 replaced by Mrs E Midlane, the Chief Executive, 1 out of 7 Directors.

The University of Cambridge (UoC) is regarded as a related party. The NHS Foundation Trust has in partnership with the UoC established the Heart and Lung Research Institute. During the year the NHS Foundation Trust made payments to the UoC of £4,516k (2022/23 - £4,503k) and had £58k (2022/23 - £5k) owing to the UoC.

Professor I Wilkinson joined the Board on the 1 January 2020 and is Clinical Pharmacologist and Professor of Therapeutics and is an employee of the University of Cambridge

Mrs A Fadero joined the Board on 1 December 2020 as a Non-Executive Director and holds the post of Associate Non-Executive Director at East Sussex Healthcare NHS Trust. The NHS Foundation Trust has made no payments to East Sussex Healthcare NHS Trust during the year.

Ms D Leacock joined the Board on 1 December 2020 as a Non-Executive Director. A relative of Ms Leacock began employment with KPMG London on 4 October 2021 as a trainee chartered accountant.

Mr G Robert joined the Board on 1 September 2019 as a Non-Executive Director. He is an affiliated lecturer, Faculty of Law, at the University of Cambridge.

Mrs E Midlane is a voting member, representing NHS Providers and Trusts on NHS Cambridge and Peterborough ICB Board. She is also Chair of the ICB Diagnostic Board.

Mrs M Screaton is a Director of Cambridge Clinical Imaging Ltd., which provides professional imaging services. The NHS Foundation Trust has made payments to Cambridge Clinical Imaging Ltd. of £nil (2022/23: £nil) and had £nil (2022/23: £nil) owing to Cambridge Clinical Imaging Ltd. at 31 March 2024.

The Department of Health and Social Care is regarded as a related party. During the year Royal Papworth Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Income		Current Receivables	
			At 31 March	At 31 March
	2023/24	2022/23	**2024**	2023
	£000	£000	**£000**	£000
NHS England	**218,504**	194,958	**1**	6,740
NHS Cambridgeshire and Peterborough ICB	**28,075**	26,136	**-**	498
NHS Cambridgeshire and Peterborough CCG *	**-**	10,378	**-**	-
Health Education England	**-**	5,838	**-**	61
NHS Suffolk and North East Essex ICB	**7,061**	4,721	**-**	-
NHS Blood and Transplant	**3,936**	3,672	**3,132**	1,220
NHS Norfolk and Waveney ICB	**5,382**	3,552	**-**	-
NHS Hertfordshire and West Essex ICB	**3,566**	2,166	**-**	-
NHS Bedfordshire, Luton and Milton Keynes ICB	**3,167**	2,094	**-**	1
Department of Health and Social Care	**1,359**	1,678	**1,037**	768
NHS Lincolnshire ICB	**2,035**	1,404	**-**	-
NHS Norfolk and Waveney CCG *	**-**	1,204	**-**	-
NHS West Suffolk CCG *	**-**	1,120	**-**	-

* dissolved 1st July 2022

The figures above differ from those in note 2.2 due to the inclusion of other operating income.

The related party organisations listed above are those where income for the year to 31 March 2024 is greater than £1,000k.

Patient activity related income for 2023/24 is based on the financial framework as defined by NHS England/Improvement.

	Expenditure		Current Payables	
			At 31 March	At 31 March
	2023/24	2022/23	**2024**	2023
	£000	£000	**£000**	£000
NHS England	**15**	3	**14,449**	11,495
NHS Pension Scheme	**16,555**	15,069	**1,711**	1,510
NHS Cambridgeshire and Peterborough ICB	**3**	(35)	**1,874**	11
HM Revenue & Customs - NI Contributions	**11,886**	10,539	**3,231**	2,663
Cambridge University Hospitals NHS Foundation Trust - medical, staffing, pathology and other services	**7,136**	7,331	**4,167**	4,097
NHS Resolution	**2,213**	1,878	**-**	-

The related party organisations listed above are those where expenditure is greater than £500k or payables is greater than £1m for the year to 31 March 2024.

The NHS Foundation Trust is the Corporate Trustee of the Royal Papworth Hospital Charitable Fund, a registered Charity. The NHS Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a key related party of the NHS Foundation Trust. The NHS Foundation Trust has consolidated the NHS Charity into the NHS Foundation Trust's accounts (see note 1.1).

26.1 Department of Health and Social care related parties

The individuals and entities that the Department of Health and Social Care identifies as meeting the definition of *Related Parties* set out in IAS 24 (Related Party Transactions) are also deemed to be related parties of entities within the Departmental Group.
This note therefore sets out the individuals and entities which we have assessed as meeting the IAS 24 definition of *Related Parties* for the year ending 31 March 2024 to assist group bodies in preparing disclosures compliant with IAS 24.

Ministers
The Rt Hon Victoria Atkins MP
The Rt Hon Steve Barclay MP
Andrew Stephenson CBE MP
Andrea Leadsom MP
William Quince MP
Helen Whately MP
Maria Caulfield MP
Neil O'Brien MP
The Lord Markham CBE

Senior Officials
Sir Chris Wormald KCB
Professor Sir Christopher Whitty KCB
Shona Dunn
Clara Swinson CB
Jonathan Marron
Matthew Style
Michelle Dyson
Andrew Brittain
Professor Lucy Chappell
Jenny Richardson
Zoe Bishop
Hugh Harris
Lorraine Jackson

Non-executive Directors
Kate Lampard
Doug Gurr

Gerry Murphy
Samantha Jones
Sir Roy Stone
Will Harris

Entities linked to the individuals above:

Listing provided by DHSC	Categorisation of body added by NHS England	
	Bodies within government control (see GAM para 5.252: fewer disclosures required for these entities as part of the public sector)	Other bodies
AB Sugar China Holdings Ltd		AB Sugar China Holdings Ltd
AB Sugar China Ltd		AB Sugar China Ltd
AB Sugar China North Ltd		AB Sugar China North Ltd
ABF Energy Ltd		ABF Energy Ltd
Accurx Ltd		Accurx Ltd
Advantage Mentoring C.I.C		Advantage Mentoring C.I.C
Alford and District Civic Trust Limited		Alford and District Civic Trust Limited
Alzheimer's Society		Alzheimer's Society
Apax Partners UK Ltd		Apax Partners UK Ltd
British Youth Council		British Youth Council
Candela Medical, Inc.		Candela Medical, Inc.
Cazoo Ltd		Cazoo Ltd
Cera Care Ltd		Cera Care Ltd
Chock Professional Services Ltd		Chock Professional Services Ltd
Cignpost Diagnostics Ltd		Cignpost Diagnostics Ltd
Cignpost Investments Ltd		Cignpost Investments Ltd
Cignpost Medical Services Ltd		Cignpost Medical Services Ltd
Coastal Community Team Board		Coastal Community Team Board
Colchester Town Deal Board		Colchester Town Deal Board[1]
Comment Sold		Comment Sold
CRN Thames Valley and South Midlands Partnership	CRN Thames Valley and South Midlands Partnership[2]	
Currys Plc		Currys Plc
Esmee Fairbairn Foundation		Esmee Fairbairn Foundation
Estover Energy Ltd		Estover Energy Ltd
European Investment Bank		European Investment Bank
Fareshare		Fareshare
Farnborough Park Consulting Ltd		Farnborough Park Consulting Ltd
Forton Firewood and Sawmill Ltd		Forton Firewood and Sawmill Ltd
Gambleaware		Gambleaware
Healthium Medtech Ltd		Healthium Medtech Ltd
Hodge, Jones and Allan		Hodge, Jones and Allan
Homelink, Lewes		Homelink, Lewes
Inchora		Inchora
IVC Evidensia		IVC Evidensia
Keys Group Ltd		Keys Group Ltd
Louth Navigation Trust/ Louth Navigation Regeneration Partnership		Louth Navigation Trust/ Louth Navigation Regeneration Partnership
Medical Research Council	Medical Research Council	
Milton Keynes University Hospital NHS Trust	Milton Keynes University Hospital NHS Trust	
Natural History Museum Foundation		Natural History Museum Foundation

[1] NHS England note: Our research implies this is not a legal entity so would not be a related party in its own right

[2] NHS England note: Hosted by Oxford University Hospitals NHS Foundation Trust

Listing provided by DHSC	Categorisation of body added by NHS England	
	Bodies within government control (see GAM para 5.252: fewer disclosures required for these entities as part of the public sector)	Other bodies
Nelson Town Board		Nelson Town Board[3]
Newhaven Bowls Club		Newhaven Bowls Club
Newhaven Fishing Community Interest Company		Newhaven Fishing Community Interest Company
Newhaven Town Board		Newhaven Town Board[3]
NHS Confederation		NHS Confederation
NHS Employers Policy Board		NHS Employers Policy Board
NHS England	NHS England	
Norwood Ravenswood		Norwood Ravenswood
Nursing & Midwifery Council	Nursing & Midwifery Council	
Penneys XI Ltd		Penneys XI Ltd
R2B H Ltd		R2B H Ltd
Rochester Cathedral Trust		Rochester Cathedral Trust
Rodenstock GmbH		Rodenstock GmbH
Royal Horticultural Society		Royal Horticultural Society
Seed Developments Ltd		Seed Developments Ltd
Seed Invesco Ltd		Seed Invesco Ltd
Sightsavers (registered in the UK as Royal Commonwealth Society for the Blind)		Sightsavers (registered in the UK as Royal Commonwealth Society for the Blind)
Smith Whitty International Consultants Ltd		Smith Whitty International Consultants Ltd
South East Lancashire Rail Action Partnership		South East Lancashire Rail Action Partnership
System C Healthcare Ltd		System C Healthcare Ltd
The Alan Turing Institute		The Alan Turing Institute
The Economic and Social Research Council	The Economic and Social Research Council	
The Landmark Trust		The Landmark Trust
The Natural Sweetness Company Ltd		The Natural Sweetness Company Ltd
The Wereham Gravel Company Ltd		The Wereham Gravel Company Ltd
Top Up TV 2 Ltd		Top Up TV 2 Ltd
Top Up TV Europe Ltd		Top Up TV Europe Ltd
Top Up TV Holdings Ltd		Top Up TV Holdings Ltd
Torry Hill Chestnut Fencing		Torry Hill Chestnut Fencing
Torry Hill Farm Partnership		Torry Hill Farm Partnership
UK Biobank Ltd		UK Biobank Ltd
Unbiased EC1 Ltd		Unbiased EC1 Ltd
Vescor Group Ltd		Vescor Group Ltd
Vyaire Holding Company		Vyaire Holding Company
Whitefield Infant School	Whitefield Infant School[4]	
World Sugar Research Organisation Ltd		World Sugar Research Organisation Ltd
Yokes Court Consultancy Ltd		Yokes Court Consultancy Ltd

[3] NHS England note: Our research implies this is not a legal entity so would not be a related party in its own right

[4] NHS England note: We are assuming this school is reported as part of the local authority and therefore within the whole of government accounts.

27 FINANCIAL RISK MANAGEMENT

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with NHS commissioning bodies and the way those NHS commissioning bodies are financed, the NHS Foundation 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. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

Market risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. A significant proportion of the NHS Foundation Trust's transactions are undertaken in sterling and so its exposure to foreign exchange risk is minimal. It holds no significant investments other than short-term bank interest and the NHS Foundation Trust's income and operating cash flows are subsequently independent of changes in market interest rates. The Royal Papworth Charity holds equity investments which are managed by an Investment Management company. The equity investments are held in a responsible multi-asset fund, designed specifically for charities which targets a stable and sustainable total return distribution of 4% per annum. With the COVID 19 pandemic there is a potential for higher exposure to market risk. This is mitigated by the fact that the fund is monitored by an Independent Advisory Committee.

Credit risk

Credit risk is the possibility that other parties might fail to pay amounts due to the NHS Foundation Trust. Credit risk arises from deposits with banks and financial institutions as well as credit exposures to the NHS Foundation Trust's commissioners and other receivables. Surplus operating cash is only invested with banks and financial institutions that are rated independently with a minimum score of A1 (Standard and Poor's), P-1 (Moody's) or F1 (Fitch). The NHS Foundation Trust's net operating costs are incurred largely under annual service agreements with NHS commissioning bodies, which are financed from resources voted annually by Parliament. As NHS commissioning bodies are funded by government to buy NHS patient care services, no credit scoring of these is considered necessary.

An analysis of the ageing of receivables and provision for impairments can be found at note 14 'Trade and other receivables'.

Liquidity risk

Liquidity risk is the possibility that the NHS Foundation Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. NHS Foundation Trusts are required to assess liquidity as one of the two measures in the Continuity of Services Risk rating set out in Monitor's Risk Assessment Framework.

28 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Financial assets

	Group		Trust	
	Total	Financial assets at amortised cost	**Total**	Financial assets at amortised cost
	£000	£000	**£000**	£000
Receivables with DHSC group bodies	**1,363**	1,363	**1,363**	1,363
Receivables not yet invoiced	**5,976**	5,976	**5,976**	5,976
Other receivables (net provision for impaired debts)	**3,501**	3,501	**3,501**	3,501
Other investments	**5,915**	5,915	**-**	-
Cash at bank and in hand	**80,479**	80,479	**78,860**	78,860
Total at 31 March 2024	**97,234**	97,234	**89,700**	89,700
Receivables with DHSC group bodies	**1,354**	1,354	**1,354**	1,354
Receivables not yet invoiced	**10,368**	10,368	**10,368**	10,368
Other receivables (net provision for impaired debts)	**2,499**	2,499	**2,499**	2,499
Other investments	**5,618**	5,618	**-**	-
Cash at bank and in hand	**69,231**	69,231	**67,310**	67,310
Total at 31 March 2023	**89,070**	89,070	**81,531**	81,531

Financial liabilities

	Group		Trust	
	Total	Other financial liabilities	**Total**	Other financial liabilities
	£000	£000	**£000**	£000
Payables with DHSC group bodies	**9,377**	9,377	**9,377**	9,377
Other payables	**7,799**	7,799	**7,799**	7,799
Accruals	**29,003**	29,003	**29,003**	29,003
Provisions under contract	**4,333**	4,333	**4,333**	4,333
DHSC loans	**9,346**	9,346	**9,346**	9,346
Obligations under leases	**18,873**	18,873	**18,873**	18,873
Finance leases and PFI liabilities	**80,326**	80,326	**80,326**	80,326
Total at 31 March 2024	**159,057**	159,057	**159,057**	159,057

	Group		Trust	
	Total	Other financial liabilities	**Total**	Other financial liabilities
	£000	£000	**£000**	£000
Payables with DHSC group bodies	**6,440**	6,440	**6,440**	6,440
Other payables	**5,302**	5,302	**5,302**	5,302
Accruals	**30,750**	30,750	**30,750**	30,750
Provisions under contract	**5,839**	5,839	**5,839**	5,839
DHSC Loans	**9,771**	9,771	**9,771**	9,771
Obligations under leases	**19,194**	19,194	**19,194**	19,194
Finance leases and PFI liabilities	**78,042**	78,042	**78,042**	78,042
Total at 31 March 2023	**155,338**	155,338	**155,338**	155,338

Notes:
In accordance with IFRS 9, the fair value of the financial assets and liabilities (held at amortised cost) is not considered significantly different to book value.

29 MATURITY OF FINANCIAL LIABILITIES

	Group		Trust	
	At 31 March 2024	At 31 March 2023	**At 31 March 2024**	At 31 March 2023
	£000	£000	**£000**	£000
Less than one year	**61,183**	53,305	**61,183**	53,305
In more than one year but not more than five years	**35,479**	15,393	**35,479**	15,393
Greater than five years	**147,929**	89,083	**147,929**	89,083
	244,591	157,781	**244,591**	157,781

30 THIRD PARTY ASSETS

The NHS Foundation Trust held £1,017k cash at bank at 31 March 2024 (31 March 2023: £1,017k) relating to Health Enterprise East, a research and development company limited by guarantee for which the NHS Foundation Trust was the host organisation. This amount is held to offset any possible liabilities that might fall to be settled on behalf of Health Enterprise East. These balances are excluded from the cash and cash equivalents figure reported in the NHS Foundation Trust's Statement of Financial Position. £nil cash at bank and in hand at 31 March 2024 (31 March 2023: £nil) was held by the NHS Foundation Trust on behalf of patients.

31 LOSSES AND SPECIAL PAYMENTS

	2023/24		2022/23	
	No. of cases	**Value of cases £000**	No. of cases	Value of cases £000
Losses:				
Private patients	**55**	**-**	23	8
Overseas visitors	**-**	**-**	4	101
Stores losses	**-**	**-**	1	360
Other	**52**	**11**	16	9
Total losses	**107**	**11**	44	478
Special payments:				
Loss of personal effects	**14**	**8**	8	3
Total special payments	**14**	**8**	8	3
Total losses and special payments	**121**	**19**	52	481

These payments are calculated on an accruals basis but exclude provisions for future losses.

There were no individual cases in 2023/24 (2022/23: nil) where a debt write off exceeded £100k.

32 FOREIGN CURRENCY

During the year income with a value of £39k was received in foreign currency (2022/23: £51k) and a value of £25k was paid out in foreign currency (2022/23: £17k).

33 CHARITABLE FUND RESERVE

	* Balance 1 April 2023 £000	Incoming Resources £000	Resources Expenses £000	Balance 31 March 2024 £000
Restricted Fund Balance	3,004	986	(897)	**3,093**
Unrestricted Fund Balance	5,165	1,980	(1,424)	**5,721**
Total	**8,169**	**2,966**	**(2,321)**	**8,814**

*The opening balance has been adjusted from the closing balance reported in the 2022/23 accounts (£8,094k) to reflect amendments made to the final 2022/23 Charity Accounts.

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Royal Papworth Hospital NHS Foundation Trust.

Where there is a legal restriction on the purpose to which a fund may be used the fund is classified as a restricted fund. The major funds in this category are for the purpose of research, the transplant service and the treatment of heart patients.

Other funds are classified as unrestricted, which are not legally restricted but which the Trustees of the Charity have chosen to earmark for set purposes. These funds are classified as 'designated' within unrestricted funds and are earmarked for the payment of medical equipment leases contracted for by the NHS Foundation Trust and future payments for the direct benefit of the staff and patients within the NHS Foundation Trust.

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