Queen Victoria Hospital
NHS Foundation Trust

QUEEN VICTORIA HOSPITAL NHS FOUNDATION TRUST

Annual Report and Accounts 2022/23

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NHS FOUNDATION TRUST

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1 Chair's introduction

I joined the Trust in July 2022 and in my 12 months as Chair there have been significant changes around the direction of travel to secure the long term future of the Trust as well as changes in Board membership and our council of governors, but the core values of QVH and the exceptional care provided by this hospital have remained constant.

The Trust is rated 'Good' by the Care Quality Commission with 'Outstanding' care; that is a source of great pride to those who work here but not something we take for granted. We have retained our place at the top of the list for positive feedback in patient surveys and are in the top five trusts nationally for the number of staff who would recommend us as a place to work.

In line with the Trust value of 'continuous improvement' we also have considerable work to do to make sure that patients remain at the heart of service delivery whilst we establish financial sustainability and best value, modernisation of our infrastructure and digital transformation. We also need to respond to national workforce challenges and work with our staff networks to ensure we are the best place to work for all our staff.

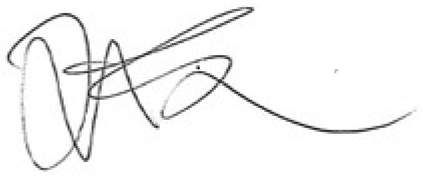
QVH has always been a very networked hospital; our clinical and non clinical staff have contacts with teams in other hospitals and have always worked to share best practice and new ideas. This ability to collaborate and work in partnership will be an important part of shaping our future.

This report is a testament to the exceptional expertise and hard work of all staff at QVH, and I would like to thank staff for their resilience, professionalism and flexibility in responding to the ongoing challenges of the changing NHS landscape and the pandemic legacy. I would also like to recognise the oversight and challenge provided by our governors, and to thank Board members, old and new, for their dedication to ensuring the very best for our patients, our services and our staff.

Jackie Smith

Trust Chair

21 June 2023



2 The performance report

Overview of performance

The Performance Report provides information about Queen Victoria Hospital NHS Foundation Trust and its main objectives, and outlines how the Trust performed during the year 2022/23.

Statement from the chief executive

The year 2022/23 has been a challenging year for the NHS as a whole, due to the impact of the pandemic on people's health and wellbeing, on NHS waiting lists and on our staff. For QVH there were additional challenges related to our consideration of the long term future of the Trust.

In September 2022 the boards of Queen Victoria Hospital and University Hospitals Sussex agreed not to continue their work exploring a possible merger, recognising the impact of the pandemic on this work, and the likelihood that responding to operational pressures would continue to be a priority. The consideration of bringing two organisations together is a significant undertaking which requires focus and resource. Both boards agreed that continuing to explore that option would not have been in the best interests of either trust, our patients or our staff.

QVH is the smallest acute trust in the country, providing outstanding care in a range of specialisms. The Trust continues to face challenges in terms of service and workforce resilience We will be working with our system partners and our staff on how we best secure the future of the hospital and its services for all our patients across Kent, Surrey, Sussex, South London and beyond.

Throughout 2022/23 the Board focussed on three overarching risks to delivering the Trust's corporate objectives. These related to keeping our staff engaged, motivated and supported during a time of great change; maintaining patient and staff safety; and securing a sustainable future for QVH.

We addressed the challenge of maintaining staff motivation in many ways, including regular chief executive's briefings, both open staff meetings and individual team meetings, throughout the year to keep staff informed and engaged. In June, thanks for support from QVH Charity, we launched a hardship fund to support staff who experience a sudden unexpected drop in income or a sudden, unexpected cost; this has been very well received by staff with some staff also contributing to the fund to support their colleagues. We were also delighted to hold our staff awards event in June 2022, a highly motivational, celebratory event which we had not been able to hold in person since 2019. The annual staff survey results came out in March 2023 and provided some excellent headline results, including that 90% of staff said care is the Trust's top priority, 92% would recommend the care the Trust provides to family or friends and 71% would recommend the Trust as a place to work.

The challenge of maintaining patient and staff safety through the pandemic was met through continued response to updated national guidance, carefully considering the implications for our work. The pandemic has changed how we work in many ways, including positive changes such as the innovation of virtual clinics, reducing the need for patients to travel for some appointments.

The pandemic has also had a more lasting impact than we would have wished on our waiting lists. Thanks to hard work from our staff in back office and clinical roles we had no patients waiting 78 weeks or more by the end of March 2023, and we achieved the national 62-day cancer standard for nine months out of 12 in the period April 2022 to March 2023. However, we are seeing increased levels of referral for some of our specialisms and we are committed to reducing further the number of patients waiting in 2023/24.

In July 2022 the latest National Cancer Patient Experience Survey was published, and showed that patients referred to QVH felt informed, supported and trusted all of the team involved in their cancer care. The results showed QVH scored above the national average in many areas with 96% of patients saying they were always treated with dignity and respect while they were in hospital; 85% saying they definitely got the right level of support for their overall health and wellbeing from hospital staff; 96% commenting they have confidence and trust in all of the team looking after them during their stay in hospital.

In September 2022, the national survey of inpatients at NHS hospitals was published and we received further very positive feedback about our work. In questions specifically about nurses, QVH came top in the country. Nurses answered patient questions in ways they could understand, included patients in conversations, and inspired confidence and trust. QVH also came top in the country on care and treatment. Staff gave patients the right amount of information about their condition and treatment, listened to their worries and fears and did everything they could to control pain. QVH was rated highly on the whole hospital journey from the time on the waiting list before admission, through choice and quality of food, help with eating, wards quiet enough to sleep at night, being involved in decisions and given the right amount of information, being supported to leave hospital and go home safely.

In July 2022 investment from NHS England allowed us to bring in two new modular theatres, replacing two old theatres which had reached the end of their clinical life. The new theatres are suitable for a wider range of surgery and with this greater flexibility over case mix, together with modern air flow and temperature control, we have been able to increase elective activity at a time when addressing post-pandemic waiting lists is essential.

In December 2022 investment was approved for expansion of our community diagnostic offer to our local community. QVH is already a community diagnostic centre, providing diagnostics for patients referred from local GP practices. The additional national funds will be invested in a dedicated building, equipment and staff to significantly expand our provision. This will mean more patients being able to have diagnostic tests nearer to home without the need to go to an acute hospital with an A&E, where emergency care can lead to delays and cancellations.

Following the decision not to continue work on a possible merger, we will be developing a new strategy for the long term future. We will be ensuring all those with an interest in the services of QVH, including our staff, are engaged meaningfully from the beginning, at every stage of the development of ideas and on a continual basis as those ideas become proposals and plans. By co-producing improvement and change, we can draw on a wide breadth of experience and a full range of perspectives to make sure any proposals benefit from being considered and developed together.

Looking ahead to 2023/24 I am confident that work around our strategy will proceed at pace, with appropriate engagement of all our partners and other stakeholders so that we have a clear plan for the role QVH will play in the wider healthcare system in the decades ahead.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

#

Purpose and activities of the Trust

QVH is a regional and national centre for maxillofacial, reconstructive plastic and corneoplastic surgery, as well as for the treatment of burns and for sleep services. It is a surgical centre for skin cancer, head and neck cancer, and provides microvascular reconstruction services for breast cancer patients following, or in association with, mastectomy.

QVH has links with the operational delivery network for cancer and trauma care covering Kent, Surrey, and Sussex. In addition, QVH is involved in a number of multidisciplinary teams throughout the region.

In 2022/23, the principal activities of the Trust were the provision of:

- plastic surgery (including reconstructive surgery for cancer patients) and burns care
- corneoplastic surgery
- head, neck, and dental services (including associated cancer surgery and orthodontics)
- sleep disorder services
- a wide range of therapy services, community-based and direct access diagnostic services
- a minor injuries unit.

QVH operates a networked model from its 'hub' hospital site in East Grinstead, West Sussex. Reconstructive surgery services are provided by QVH in 'spoke' facilities at other healthcare sites across Kent, Surrey and Sussex.

History of the Trust and Statutory background

QVH was authorised as one of the country's first NHS foundation trusts in July 2004. A foundation trust is a public benefit corporation providing NHS services in line with the core NHS principles: that care should be universal, comprehensive and free at the point of need. The Trust is licensed as a foundation trust to provide these services by the independent regulator; NHS England. The services that the Trust provides are regulated by the Care Quality Commission.

As a foundation trust, we are accountable to local people through our public members across Kent, Surrey, Sussex and the boroughs of South London.

The Trust is corporate trustee to the Queen Victoria Hospital NHS Trust Charitable Fund. The charitable fund was first registered with the Charity Commission in 1996, registration number 1056120. As corporate trustee, the Trust is responsible for controlling the work, management and administration of the charity on behalf of its beneficiaries who are the hospital, its patients and its staff.

Principal risks and delivery of objectives

The Trust has developed its strategic emphasis across five key strategic objectives. These are set out below and include details of the principal risks identified in each case.

1. <u>Outstanding patient experience</u>

We put patients at the heart of safe, compassionate and competent care provided by well-led teams in an environment that meets the needs of patients and their families.

During 2022/23 the principal risk to delivering outstanding patient experience was managing the impacts of the Covid 19 pandemic on patients and staff. There also continue to be nurse recruitment challenges, which mirror the national picture.

The CQC adult inpatient survey rated the Trust very highly again and QVH continues to see very positive feedback via "Care Opinion", social media and the Friends and Family Test. The Trust also continues to score highly in the cancer patient experience survey.

2. World class clinical services

We provide world-class services, evidenced by clinical and patient outcomes and underpinned by high standards of governance, education, research and development.

The main risk to the delivery of world class clinical services is capacity. The Covid 19 pandemic led to increased waiting times; each patient is assessed and treatment is provided by clinical priority, with harm reviews to identify whether particular patients or cohorts are at greater risk of harm.

Services are reviewed against national standards and the Trust supports peer reviews where indicated. Peer reviews of QVH burns service and critical care have been undertaken this year and no new concerns have been raised. It is recognised that as QVH is not co-located with a District General Hospital or Major Trauma Centre there are some areas where it is not possible to provide a full range of care; this is a known risk which is understood by the Trust, our commissioners and our regulators.

The resilience of some clinical teams has been of concern previously and good progress has been made this year with new appointments in challenged areas including the sleep service.

3. Operational excellence

We provide healthcare services that ensure patients are offered choice and are treated in a timely manner.

There are a number of operational risks which are being mitigated in order to maintain safe services and enable patients to be seen and treated in a timely way. In particular we are managing challenges in the availability of specialist workforce, capacity to meet demand particularly in breast and skin services, and significantly increased referrals in the sleep, skin and breast services.

In 2022/23 the Trust used elective recovery funding from NHS England to procure additional theatre capacity from both independent sector and NHS providers. Work is underway to improve in-house productivity and in 2023/24 the Trust is planning to deliver the agreed elective activity target of 109% of 2019/20 activity.

The Trust is working collaboratively with other providers to support waiting times across the NHS locally and identify strategic opportunities to benefit patients across the region. This has particularly included support for ear, nose and throat patients and breast cancer patients as well as collaborative work around patients with eye conditions such as glaucoma.

The development of the community diagnostic centre at QVH will increase local diagnostic provision as well as providing opportunities for QVH to support patients from further afield with prompt diagnostics and physiological testing.

4. Financial sustainability

We maximise existing resources to offer cost effective and efficient care whilst looking for opportunities to grow and develop our services sustainably.

In 2022/23 the Trust achieved a breakeven income and expenditure account, made capital investments to the value of £6.54m and had year end cash balances of £11.7m, which is well in excess of the Trust's operational day to day requirements.

In 2018/19 and 2019/20 QVH was exposed to operational and financial pressures which resulted in a financial deficit being reported for each of those two years. The financing regime introduced by the Department of Health and Social Care for 2020/21 and 2021/22 in response to the Covid 19 pandemic provided 'top-up funding' for the Trust to cover the underlying financial deficit. Following the cessation of the Covid 19 financing regime, the Trust continued to receive 'top up funding' for 2022/23. The Trust also delivered the activity needed in 2022/23 to secure elective recovery funding, an additional stream of funding from NHS England.

The Trust has developed a breakeven financial plan for 2023/24.

NHS long term financial planning includes a convergence factor, which is designed to re-distribute funds from areas which are classified as 'over target' to those 'under target'. Sussex ICB and providers within the Sussex boundary are classified as over target and a convergence adjustment will make incremental reductions in available funding each year. Whilst the reduction of funding will not be significant in any one year, the cumulative effect is a risk to the Trust and the effective control of costs and delivery of efficiency savings are essential both short and longer term in order to achieve sustainable financial plans in 2023/24 and subsequent financial years.

5. Organisational excellence

We seek to be the best place to work by maintaining a well led organisation delivering safe, effective and compassionate care through an engaged and motivated workforce.

In September 2022 the Board took the decision not to continue work exploring a possible merger. The Trust recognised the potential risk to staff engagement and motivation of this decision, and the need to address continued challenges to workforce resilience. In February 2022 the director of strategy and partnerships joined the Trust and work is underway looking at how we best secure the future of the hospital and its services. The engagement of staff will be central to this process, we will draw on the breadth of experience and perspectives amongst QVH staff, with opportunities for all to get involved in discussions and to input their ideas.

Going concern disclosure

These accounts have been prepared on a going concern basis. The Trust has maintained a detailed annual financial and business plan, which included monthly reporting of year on year income and expenditure and examining the period of at least one year from the date of the approval of the accounts. The directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing these accounts.

The forward plans of commissioners include the recognised role of the Trust within the Sussex Health and Care Partnership and the wider regional health care system. The Trust's income and cash flow provision will be dependent on delivery of the financial plans and engagement of the integrated care system and the Department of Health and Social Care (DHSC) with agreed plans for 2023/24. As with any Trust placing reliance on other DHSC group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

There is no prospect that within the next 12 months, or the foreseeable future, health services will cease to be provided from the Queen Victoria Hospital site.

Based on these indications the directors believe that it remains appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The role of QVH within the local health system

QVH is a member of the Sussex integrated care system, we also work closely with health and care organisations in Kent and Surrey.

The NHS across Sussex has agreed its immediate and long-term priorities for improvement to health services for local people, *Improving Lives Together*. Health and care services across the whole country have been under increasing pressure for many years due to growing numbers of people needing to use them and the impact of the pandemic. Work is ongoing across services in Sussex to manage the

pressures and ensure local people continue to receive safe and high-quality care. QVH has played an important role in this within our areas of expertise.

Health and care organisations across Sussex have agreed short and long-term priorities for improvement that will bring about the biggest benefit for local people. Over the coming year, improvements will be made across four key areas:

- Increasing access to and reducing variability in primary care – *to help more people get appointments at their GP practice as quickly as possible*
- Improving response times to 999 calls and reducing A&E waiting times – *to help the sickest patients get the emergency care they need as quickly as possible*
- Reducing diagnostic and planned care waiting lists – *to help people get the operation or procedure they need as quickly as possible*
- Accelerating patient flow through the system and discharge from hospitals – *to help make sure people do not have to stay in hospital any longer than absolutely necessary.*

QVH will primarily play a role in the third area of focus, including through the development of the community diagnostic centre.

Performance analysis

Measuring performance

Our key performance measures are reflected in our key strategic objectives and include:

- patient experience and feedback;
- safety and clinical outcomes;
- activity levels and waiting time management;
- financial management including value for money and capital investment;
- staff experience and our ability to recruit, retain and engage our workforce.

These matters are regularly reported to the Board and this report provides a summary of these performance measures, including any elements of risk and uncertainty. The Quality Account also contains more detail on clinical services and outcomes measures.

Key issues, opportunities and risks that could affect the foundation trust in delivering its objectives and/or its future success and sustainability

Long term sustainable future and additional licence conditions

QVH received a notice of imposition of additional licence conditions in October 2021, under section 111 of the Health and Social Care Act 2012. These relate to the need for the Council of Governors to implement arrangements to work effectively with the Board and to ensure that the Trust has sufficient and effective Board leadership, capacity and capability. Throughout the year 2022/23 the Board has been mindful of the additional licence conditions and has taken action to comply with them. These actions include:

- Substantive Trust Chair appointment on a three year contract, with Jackie Smith taking up the role in July 2022
- Board recruitment for three new non-executive directors, taking up role in July 2023
- Recruitment underway at the time of writing for a substantive chief executive officer, chief finance officer and chief people officer
- Delivery of the majority of the recommendations of the independent review commissioned into the Trust's handling of challenges encountered in progressing the merger proposal. The review reported in February 2022 and considered the processes for engaging with staff and governors, handling of external stakeholders and clarity on decision making roles between the Board and governors.

The Trust has been working for a number of years on strategic plans to secure the long term future of the hospital in the context of challenges related to being the smallest acute trust in the country. In September 2022 the Board took the decision not to continue work exploring a possible merger.

In February 2022 the director of strategy and partnerships joined the Trust and work with our system partners and our staff is underway, looking at how we best secure the future of the hospital and its services. The work to develop a long term strategy will include a programme of engagement. It is fundamental that any ideas or plans for change are developed fully and broadly and include patients, wider communities, clinical leads, other staff and all those with an interest in the future of QVH. By co-producing improvement and change, we can draw on a wide breadth of experience and a full range of perspectives to make sure any proposals benefit from being considered and developed together.

Financial sustainability

Throughout 2022/23 financial sustainability was considered a notable risk. However, the financing regime introduced by the Department of Health and Social Care in response to the Covid 19 pandemic continued to provide 'top-up funding' for the Trust to cover the underlying financial deficit, and the Trust delivered the activity needed to secure elective recovery funding. This meant the Trust achieved a break even position at year end. In May 2023 the risk to financial sustainability was reduced from a likelihood of 'certain' to 'possible' and the Trust now has increased confidence on income and activity plans.

Industrial action

In 2022/23 QVH experienced industrial action by members of the Royal College of Nursing and by junior doctors. Staff worked hard to ensure patients with life and limb threatening conditions continued to receive the urgent care they needed throughout the periods of industrial action, and to reschedule patient appointments and treatment where necessary. The impact on individual patients of rearranging appointments is not to be underestimated, but staff have worked to ensure the impact on the total waiting list and on waiting times was kept to a minimum.. At the time of writing further industrial action is anticipated. Pay is a matter for Government and the trade unions, and we look forward to resolution as soon as possible.

Estates backlog maintenance

Services were impacted in year by estates related incidents including issues related to roofing, electrical capacity and fire prevention measures. While specific issues were addressed promptly, in common with many NHS hospitals the Trust has a significant level of backlog maintenance. A six facet survey has been conducted to assist the Trust with identifying critical elements of the estate and potential risks. This will inform priority setting for capital investment over the next two years.

IT systems related risks

A three year digital strategy is under development with external expert support. The aims of the strategy are to

- Improve outcomes and experience for patients and improve the working lives of QVH staff, through setting a clear shared direction and priorities for future digital transformation
- Co-create a strategy that reflects and responds to the priorities, ambitions and needs of QVH patients, staff and partners
- Build on the digital transformation work already underway
- Develop a strategy that sets a clear direction of travel for the next three years but is also flexible enough to enable the Trust to adapt as work progresses

As a small Trust it is sometimes not affordable for QVH to develop or purchase IT systems on a standalone basis. The Board is aware of areas, such as workforce systems, where the Trust has a high level of manual data entry.

Specific clinical systems were also the subject of risk-based review during the year. The absence of an ophthalmic medical record system means the Trust does not participate in the RCOphth National Ophthalmology Database assurance process for cataract surgery.

In March 2023 QVH signed a partnership contract with University Hospitals Sussex and East Sussex Healthcare which has provided access to a laboratory information management system for pathology.

Since May 2022 the Trust has been working in the context of a heightened global cyber security risk and has taken appropriate action to mitigate vulnerabilities and work continues to monitor, remediate and react to emerging threats.

Clinical risks

In November 2022 the long standing risk related to delivery of commissioned paediatric burns services whilst not meeting all national standards/criteria was reduced as a robust process is in place for management of children with burns via the LSEBN clinical network.

Operational risks

The QVH sleep service has experienced significantly increased referral numbers at the same time as facing recruitment challenges. In April 2023 a new substantive sleep neurologist joined the team and external diagnostic capacity has been used to provide additional capacity. Work continues with system partners to map capacity and demand across the region.

Operational performance

Throughout 2022/23 teams at QVH have worked hard to tackle the elective care backlog created by the pandemic. Some of the new ways of working introduced during the pandemic have remained in place, including virtual clinics which are closely monitored and have proved popular with patients for reducing travel time and costs.

A clinically led reduction in the number of follow-up appointments has resulted from the development of a patient initiated follow-up (PIFU) programme. This is when a patient is given the information they need to decide if and when they need a follow-up appointment, instead of this being automatically

scheduled. The clinician gives the patient very clear guidance on the expected post procedure recovery and what adverse signs to look out for. In the event of the patient contacting the team to make a follow-up appointment, this is made available as promptly as possible.

In the summer of 2022 QVH opened two new operating theatres. The modular block, known as Theatres 11 and 12, replaced our previous day surgery theatres which were reaching the end of their life as a clinical space. The two new theatres provide us the ability to treat more patients in a timely way, whilst maintaining our high level of patient care.

During the year two of the main theatres were also upgraded, ensuring we continue to deliver high quality operative procedures in a modern environment.

QVH was an early adopter of the community diagnostic centre (CDC) model in which we deliver a number of diagnostic tests for patients referred by their general practitioner (GP). In addition, there is a digital platform through which referrals are received and the diagnostic outcome report is sent swiftly back to the patient's GP enabling them to follow up with the patient promptly. QVH has been nationally recognised for this work particularly on the breathlessness pathway. Further clinical pathways are being developed such as for abdominal bloatedness.

Waiting times

	Quarter 1	**Quarter 2**	**Quarter 3**	**Quarter 4**
Patients waiting longer than 52 wks	**273**	**296**	**327**	**313**
Referral to treatment within 18 wks (92% target)	**65.3%**	**63.4%**	**63.3%**	**62.9%**
Total waiting list size	**14782**	**15718**	**15628**	**16351**

Figures shown are month end for each quarter

The number of patients waiting more than a year for treatment increased slightly in year. The Trust 52 week trajectory plan was to have 339 patients waiting 52 weeks or more at end of March, however, the actual number achieved was 313 which was 26 patients treated ahead of plan.

Throughout the year, the total number of patients on the waiting list (for outpatient, non-admitted and admitted treatment) has increased, and there have been increased referrals in some areas.

In 2022/23 more patients were referred to QVH on a suspected 2 week cancer pathway than in any previous year and this is a continued level of demand. This puts additional demand on outpatient slots, diagnostic services and operative treatment. For patients who do not have a confirmed cancer, many require treatment and are added to the waiting list. Despite the increased number of patients referred on a 2 week suspected cancer pathway, the actual incidence of cancer has remained relatively stable.

QVH continues to work closely with the integrated care system to assess where referrals to QVH are coming from and to ensure validation of the waiting list is carried out. In addition, there is a clear focus on actions to maintain efficient processes, maximise the utilisation of theatre capacity and reduce both DNAs (patients who did not attend) and cancellations (for outpatient and operative procedures). The increased productivity ensures we secure income and reduce loss of income and keeps operating costs within budget.

Cancer waiting times

As described above, post pandemic we have seen a significant increase in the number of patients referred to QVH on a two week cancer pathway and this has impacted on cancer waiting times.

The two-week wait standard for 2022/23 has been challenged, with the Trust only meeting the national target once. A key factor in this is the increase in cancer referrals, especially within skin where there has been a 93% increase in referrals.

The Trust sustained delivery of the faster diagnosis standard, with performance continually above the trajectory set by the Trust of 80% for 2022/23.

The Trust maintained performance against the national 62 day pathway standard in 9 out of 12 months, but the 62-day referral to treatment standard fell in the months of October, January and March. Calculating the full year performance 2022/23 the Trust achieved the national standard and trajectory, reporting 86.3%.

The number of late referrals received by the Trust, and the increasing complexity of cases requiring input from multiple healthcare professionals in primary care, community and across the Trust has made achieving the 62-day backlog trajectory challenging. The Trust reported achievement against the trajectory for 4 months of the year, and reported 39 patients over the year-end target.

Patients with cancer continue to be prioritised using our cancer tracking system, with a root cause analysis completed, supporting best practice and prevention of future avoidable breaches. The clinical harm review is linked to this process.

	Quarter 1 – Jun22	**Quarter 2 – Sep22**	**Quarter 3 – Dec22**	**Quarter 4 – Mar23**
Patients receiving first definitive treatment within 62 days following urgent GP referral on a cancer pathway (national target is 85%)	**85.1%**	**86.3%**	**86.3%**	**82.4%**
31 day decision to treat (national target is 94%)	**96.7%**	**94.9%**	**97.2%**	**93.6%**
Two week wait for suspected cancer (national target is 93%)	**89.5%**	**91.7%**	**90.5%**	**88.4%**
Faster diagnosis standard (national target is 75%)	**85.5%**	**84.4%**	**83.0%**	**85.6%**

Figures shown are month end for each quarter

Financial performance

For 2022/23, the Trust has moved to reporting a consolidated group position that incorporates the Trust's charity; these accounts are appended at the end of this report. The reason behind this change is that a significant legacy was received by the charity during 2022/23, the value of this transaction has meant that the charity crossed the materiality threshold when compared to the Trust and in line with Department of Health and Social Care accounting guidance, consolidated accounts are now required.

On this basis, the following analysis includes a combination of metrics for both Group and Trust only performance, these are clearly denoted. The Group figures will include the financial performance of the Charity.

Performance metrics

Control total (Trust performance after technical adjustments) - Trust only

	Plan £000	**Actual £000**
Reported financial performance	0	0

ie a planned and delivered break even position after technical adjustments.

Prior to technical adjustment, the 2022/23 accounts report a deficit of £852k. After these technical adjustments are applied, the Trust achieves a break-even position and control total basis of £0k. This is calculated and shown in the table below (with prior year comparative)

Table one Trust performance

Adjusted Financial Performance	**2022/23 (£000)**	**2021/22 (£000)**
Trust Position before adjustments - Surplus / (Deficit)	(852)	1,918
Adjustments		
(Revaluation) / Impairment of Land & Buildings	591	(674)
Impact od Donations and Donated Assets	272	303
Net Impact of DHSC Centrally Procured Stock	(11)	197
Adjusted Financial Position / Control Total	**0**	**1,744**

Statement of Comprehensive Income - Group

Below is an extract of the table from the consolidated group accounts (section 6) that shows the total value for income and expenditure for the financial year.

Statement of Comprehensive Income (Extract) 2022/23	**2022/23 (£000)**	**2021/22 (£000)**
Operating Income from Patient Care Activities	93,680	82,409
Other Operating Income	7,111	4,714
Operating Expenses	(98,235)	(83,710)
Operating Surplus from contuinuing operations	**2,556**	**3,413**

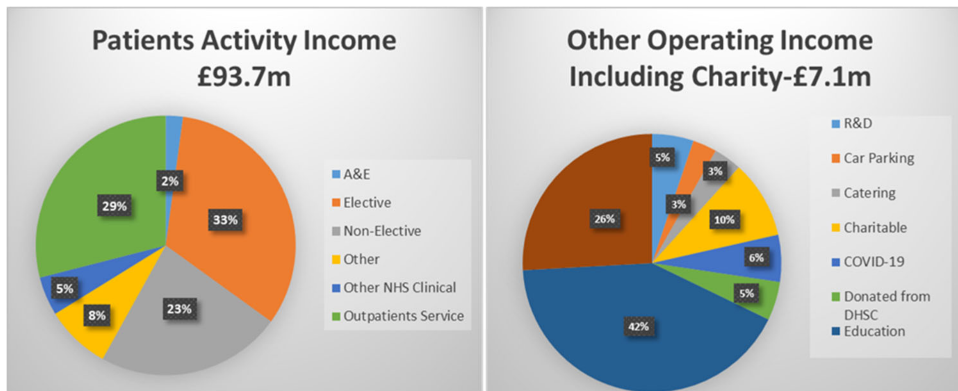
Group income

In common with other NHS Hospitals, QVH receives funding income from two key sources

- Patient activity income from NHS commissioners for providing services to patients. The chart below shows the relative proportions.
  - Elective patients are those whose treatment is planned in advance, such as day case or inpatient operations
  - Non-elective are generally those needing urgent care which has not been planned in advance
  - Outpatients are generally those who come to the hospital for an initial consultation, an outpatient procedure or a follow-up meeting with a clinician

Other operating income for a range of non-patient activity sources such as catering, note that Other Income for 2022/23 is prepared on a Group basis and includes the Charity.

Figure one: 2022/23 group income



Group expenditure

Expenditure is sub-divided into two key components, these are

- Pay Expenditure
- Non-Pay Expenditure

These are summarised in the following paragraphs and charts.

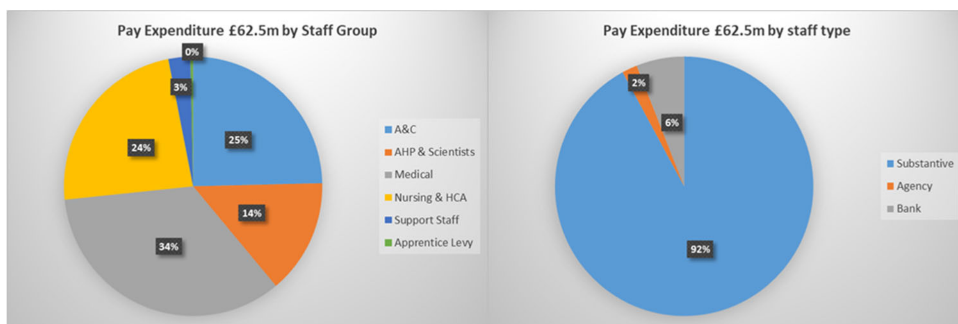
Group pay expenditure

The Trust spent £62.5m on staff to provide patient services in 2022/23.

Key
HCA - Health Care Assistant
A&C - Admin and Clerical
AHP - Allied Health Professional

The breakdown of pay expenditure into staff groups is shown in the charts below.

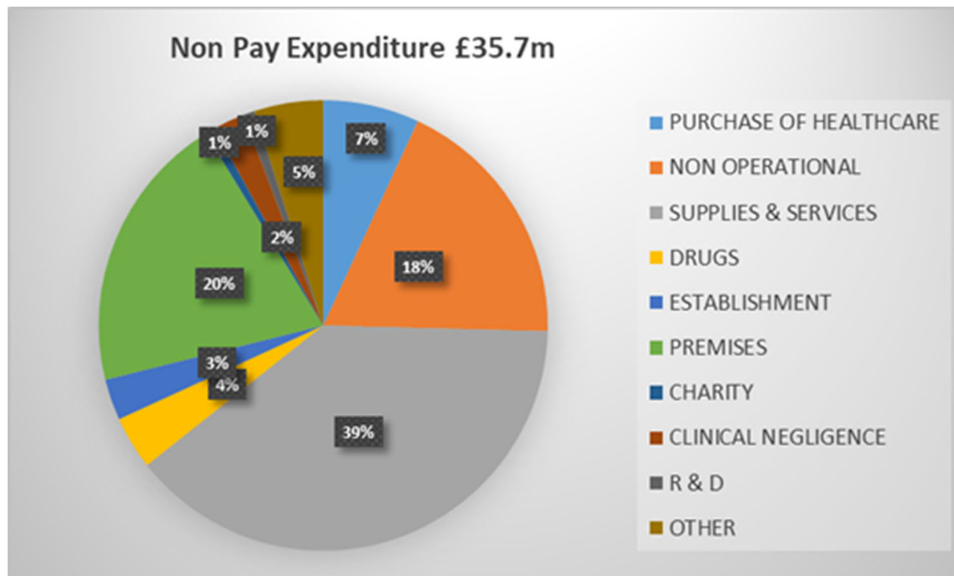
Figure two: 2022/23 Pay Expenditure (group)



Group non-pay expenditure

The Trust spent £35.7m on non-pay items in 2022/23 and this illustrated by category in the chart below.

Figure three: 2022/23 non-pay expenditure (group)



Valuation of buildings and assets- Group

The QVH Charity does not hold any assets in its own right. The Trust's land and buildings were revalued as at 31 March 2023 by professionally qualified, Royal Institute of Chartered Surveyors (RICS) registered, valuers Gerald Eve LLP on a desktop basis. For 2022/23 the valuer, in arriving at the 31 March 2023 valuation, applied the following considerations:

- Operational assets continue to be valued using a modern equivalent asset valuation (MEA) on an alternative site basis.
- The valuation took account of changes in building cost market values since the full valuation at 31 March 2022.
- The valuer also took note of maintenance and enhancements undertaken by the Trust since the prior year's valuation at 31 March 2022.
- The Trust has an agreement to sell a small parcel of land (approximately 1.5 hectares) subject to planning consent being approved. As the site is valued on a MEA alternate site basis, no value has been associated with the land within the 2022/23 accounts

Capital Expenditure

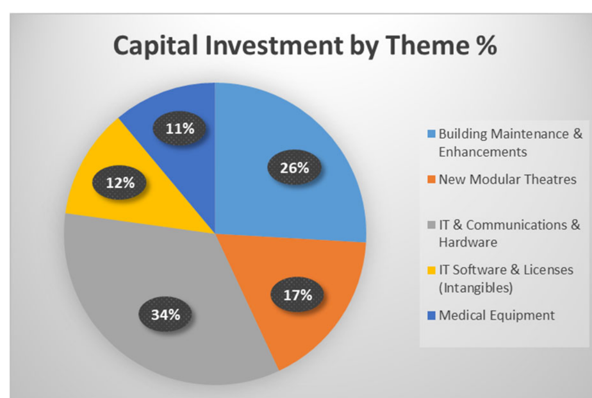
The Trust invested in a £6.54m capital expenditure programme within the financial year, this fully utilised our allocation from the ICB and is broadly split into five key areas in the table and pie chart below.

The QVH Charity does not incur any capital expenditure, therefore all capital expenditure is attributable to the Trust.

Figure four: 2022/23 capital investment by theme (£) (group)

Capital Investment Theme	£m
Building Maintenance & Enhancements	1.70
New Modular Theatres	1.12
IT & Communications & Hardware	2.23
IT Software & Licenses (Intangibles)	0.77
Medical Equipment	0.72
Total Capital Investment 2022/23	**6.54**

Figure five: 2022/23 capital investment by theme (%) (Trust)



Environment and sustainability

The QVH Green Plan sets out the action we need to take to reduce direct emissions by 57% by 2025, and to net zero by 2040. Our aim is to be the NHS's first net zero hospital, taking action to protect the environment on which our health depends.

The QVH Green Plan has a number of workstream's providing a comprehensive approach; recent work has included identifying priority actions to ensure a swift impact on the Trust's carbon footprint. QVH staff have been very engaged in this process, and support and celebrate the changes the hospital is making.

Action taken on waste includes a comprehensive recycling programme. Whenever possible our waste contractor gives general waste a new life from recycling it to creating new materials or using it to generate green energy. Waste that cannot be recycled is unavoidable, but we aim to reduce its impact on the environment. Paper waste is recycled and polystyrene packaging is sent to specialised recyclers. Takeaway cutlery, containers, sandwich packaging, drink cans, crisp packets etc are collected and recycled, and food waste is also recycled by a contractor and through the process of anaerobic digestion is used to create green energy. Empty toner and inkjet cartridges are collected by a specialist company and the majority are sold back into the market for remanufacture. The gardeners compost garden waste at the rear of the hospital grounds.

The Trust is embedding sustainability into the planning of all building and refurbishment projects, and it is an explicit consideration in the procurement process. We are replacing old boilers and following a programme to install energy efficient equipment with less emissions and new boiler systems that work on a lower energy basis. LED lighting is being installed in all new refurbishment projects throughout the hospital.

To celebrate QVH's commitment to becoming more sustainable and reducing our carbon footprint, in October 2022 we planted a small orchard. Located around the Learning Development Centre, the 12

fruit trees are a sign of our promise to our Green Plan, and link in with its three core principles: reducing our environmental impact; improving wellbeing of staff and patients; and investing in the future.

Health inequalities

QVH has continued to work with the wider health and care system to develop and implement programmes of work, in line with national strategic priorities, to understand and address health inequalities. Named clinical, executive and operational leads have been identified to ensure progression of the work programme.

In order to understand areas that may impact the equity of care and outcomes for patients with protected characteristics (such as age, gender, ethnicity) a key focus during 2022/23 has been the collection of data and reporting of data analysis. This includes data related to patients awaiting planned treatment and those that have not attended as scheduled for their care. This analysis enables the identification of unwarranted variation that may require services to be delivered differently. Trust documentation has also been updated to ensure consideration of health inequalities impact when changing pathways of care.

The Trust is also working on supporting health outcomes through preventative initiatives including support to address tobacco dependency. Plans are in place for 2023/24 to further support the prevention agenda including oral health for children.

The Trust recognises that there is more work to do in order to understand the needs of the population at large and address the issues related to health inequalities.

Social and community issues

All Trust policies are subject to an equality impact assessment to ensure no adverse impact on patients or staff with protected characteristics. In line with the public sector equality duty, the Trust also works to reduce or remove the disadvantage suffered by people because of a protected characteristic. We review patient feedback in both the national friends and family test and the annual national inpatient survey by gender, age, disability and ethnicity, checking for any emerging issues requiring action.

Following the decision in September 2022 not to continue work on a possible merger, QVH governors have been attending local community groups and patient support groups to listen to the views of local people and patients. The work to develop a long term strategy for the sustainable future of the Trust will include a programme of engagement. It is fundamental that any ideas or plans for change are developed fully and broadly and include patients, wider communities, clinical leads, other staff and all those with an interest in the future of QVH. By co-producing improvement and change, we can draw on a wide breadth of experience and a full range of perspectives to make sure any proposals benefit from being considered and developed together.

Anti-bribery and human rights issues

The rules and procedures relating to bribery are set out in the counter fraud policy, and those relating to the provision or receipt of gifts or hospitality are set out in the Trust's standards of business conduct policy. The Trust maintains a register of gifts, hospitality and sponsorship received and staff are made aware of the need to declare any potential conflict of interest.

Focussing on quality and patient experience, we work alongside partner agencies to promote the safety, health and well-being of people who use our services. The QVH safeguarding strategy includes a human rights framework covering protection of vulnerable patients at QVH.

The Trust has a counter fraud, bribery and corruption policy and response plan that follows NHS Counter Fraud Authority's (NHSCFA) strategic guidance and has been approved by the executive team. The work plan and resource allocation are aligned to the objectives of the strategy and locally identified risks. The Trust has carried out comprehensive local risk assessments to identify fraud, bribery and corruption risks, and has provision that is proportionate to the level of risk identified. Risk analysis is undertaken in line with Government Counter Fraud Profession fraud risk assessment methodology and is recorded and managed in line with the organisation's risk management policy and included on the appropriate risk registers. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee. The plan is reviewed, evaluated and updated as required, and levels of staff awareness are measured. The Board level evaluation of the effectiveness of counter fraud, bribery and corruption work undertaken is documented and where recommendations have been made by NHSCFA following an engagement the Trust reports on how it has met the requirements set. Trust counter fraud, bribery and corruption work has been assessed both internally and independently and rated as green.

Where there is concern regarding possible slavery or human trafficking of a patient, to determine appropriate action the patient is seen alone and an independent translator is used, in line with the Trust's safeguarding procedures. If this did not resolve any concerns, then a referral would be made to the police. No cases of slavery or human trafficking were identified in 2022/23.

Significant events since the end of the last financial year affecting the Trust

There have been no significant events since the end of the 2022/23 financial year affecting the Trust.

Overseas operations

The Trust has no overseas operations.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

3 Accountability report

Director's report

In 2022/23, the following individuals served as directors of Queen Victoria Hospital NHS Foundation Trust.

Name	Position
Lawrence Anderson	Interim Director of Workforce and Organisational development (non-voting)
Tony Chambers	Interim Chief Executive Officer since 01/02/2023
Tania Cubison	Medical Director (voting)
Paul Dillon-Robinson	Non-Executive Director (voting)
Anita Donley	Interim Trust Chair until 10/07/2022 (voting)
James Drury	Interim Chief Finance Officer from 09/09/2022 until 31/01/2023 (voting)
Kevin Gould	Non-Executive Director (voting)
Abigail Jago	Director of Strategy and Partnerships since 06/02/2023 (non-voting)
Steve Jenkin	Chief Executive Officer until 13/01/2023 (voting)
Michelle Miles	Director of Finance and Performance until 08/09/2022 (voting)
Shane Morrison-McCabe	Director of Operations (non-voting)
Gary Needle	Senior Independent Director (voting)
Karen Norman	Non-Executive Director (voting)
Clare Pirie	Director of Communications and Corporate Affairs (non-voting), Acting Chief Executive Officer from 14/01/2023 until 31/01/2023
Stuart Rees	Interim Chief Finance Officer from 01/02/2023 (voting)
Nicky Reeves	Chief Nurse (voting)
Jackie Smith	Trust Chair from 11/07/2022 (voting)

Biographies for current directors of the Trust are provided in appendix 6.3 to the annual report. Details of other company directorships and other significant interests held by directors which may conflict with their management responsibilities are available on the Trust's website within the papers of meetings of the Board of Directors held in public here. The Trust's decision makers declaration of interest register is available on the website here.

Compliance with cost allocation and charging guidance

The accounts and related management information are prepared from financial information utilising the recognised principles of costing as set out by NHS England.

- Good costing should be based on high quality data that supports confidence in the results.
- Good costing should include all costs for an organisation and produce reliable and comparable results.
- Good costing should show the relationship between activities and resources consumed.
- Good costing should involve transparent processes that allow detailed analysis.
- Good costing should focus on materiality.
- Good costing should be consistent across services, enabling cost comparison within and across organisations.
- Good costing should engage clinical and nonclinical stakeholders and encourage use of costing information.

The Trust uses the cost information to inform decision making and to present statutory financial information as appropriate. Compliance with these cost allocation principles is reviewed on a regular basis.

The Trust has complied with the cost allocation and charging guidance issues by HM Treasury.

Political donations

The Trust neither made nor received any political donations in 2022/23 (2021/22 Nil).

Better payment practice code

The better payment practice code requires QVH to pay all valid invoices within the contracted payment terms or within 30 days of receipt of goods or a valid invoice, whichever is later. The performance achieved in 2022/23 compared to 2021/22 is shown below.

Better Payment Practice Code	**2022/23**	**2022/23**	**2021/22**	**2021/22**
	Number	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid	18,294	47,492	17,865	39,589
Total non-NHS trade invoices paid within target	17,369	45,596	17,000	38,156
Percentage of non-NHS trade invoices paid within target	**94.9%**	**96.0%**	**95.2%**	**96.4%**
Total NHS trade invoices paid	1,284	7,702	1,179	5,993
Total NHS trade invoices paid within target	1,168	7,229	1,080	5,740
Percentage of NHS trade invoices paid within target	**91.0%**	**93.9%**	**91.6%**	**96.7%**
Percentage of All trade invoices paid within target (%)	**94.7%**	**95.7%**	**94.9%**	**96.4%**

Interest liability

The Trust did not incur any interest charges for late payment of invoices in 2022/23 (2021/22 Nil).

NHS well-led framework

QVH has had regard to NHS England's well-led framework in considering the organisation's performance, internal control, board assurance framework and the governance of quality. More detail can be found in the annual governance statement below.

During 2022/23, the Trust commissioned Deloitte LLP to undertake an external well-led review of leadership and governance at the Trust. The Board completed its own self-assessment during October 2022 and Deloitte undertook their work from December 2022 to February 2023. The outcome of the review will be presented to the Board at its public meeting on 6 July2023

Fees and charges

During 2022/23, the Trust incurred no external consultancy costs (2021/22 (Nil).

Income disclosures

Section 43(2A) of the NHS Act states that the Trust should primarily deliver NHS funded healthcare, which is measured by testing that non-NHS activity (including research and development, and education and training) is no more than 49% of total income. Our analysis shows that the Trust has met this requirement, with NHS healthcare activities comprising 93% of total income.

The legislation also requires that the Trust tests that this activity does not significantly interfere with NHS activity. The Trust has concluded that there is no significant interference based on the surpluses generated and the lack of any direct conflicts between commercial activities and NHS activities.

Patient care

As in previous years a detailed account of how the Trust delivers and monitors the quality of patient care is included in the quality report which will be available on the Trust's public website. This includes performance against key healthcare targets, arrangements for monitoring national improvements in the quality of healthcare, and patient experience.

Stakeholder relations

The Trust has been working for a number of years on strategic plans to secure the long term future of the hospital in the context of challenges related to being the smallest acute trust in the country. This work has involved engagement of stakeholders throughout, particularly staff and governors, as well as external stakeholders such as MPs and councillors. As described earlier in this report, following the decision in September 2022 not to continue work on a possible merger, the Trust will develop a programme of engagement, so that any ideas or plans for change are developed with patients, wider communities, clinical leads and other staff, drawing on a wide breadth of experience and a full range of perspectives to make sure any proposals benefit from being considered and developed together.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

Remuneration report

Annual statement on remuneration

In 2022/23 the very senior management (VSM) pay guidance from NHS England was received in September 2022. The correspondence received from the National Director for People for NHS England made clear that Ministers confirmed that there was to be an increase in pay for VSMs as follows:

- An across the board increase of 3% for all VSMs to be applied and backdated to1 April 2022
- A further 0.5% at the discretion of the Remuneration Committee to be applied to VSMs on salaries close to the AfC band 9 upper spine point to ameliorate the erosion of differentials (between current Agenda for Change (AfC) and VSM/ESM pay frameworks)

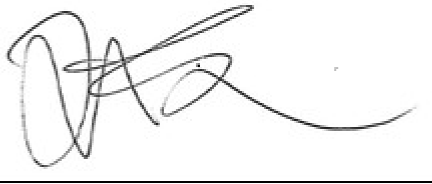
Following receipt of guidance, a meeting of the Trust's nomination and remuneration committee took place and the guidance along with the salaries of the executive directors and chief executive were reviewed. The committee approved the 3% increase to all VSMs salaries and these arrangements applied to four members of the Trust's executive team. The discretionary additional 0.5% was not applied. There were no other major decisions on senior managers' remuneration, or substantial changes relating to senior managers' remuneration made during the year.

The committee remained assured that the Trust was in step with comparable benchmarked trusts at the median level.

Jackie Smith

Trust Chair

21 June 2023



Senior managers remuneration policy

The salary and pension entitlements of very senior managers (VSM) are set out in the section below showing information subject to audit. The QVH approach to remuneration continues to be influenced by national policy, benchmarks and local market factors. The majority of staff receive pay awards determined by the Department of Health and Social Care in accordance with their national terms and conditions, such as Agenda for Change, and the pay review bodies for doctors and dentists.

QVH does not intend to implement separate arrangements for performance related pay or bonuses unless further guidance from NHS England is issued.

All very senior managers' pay arrangements are subject to approval by the nomination and remuneration sub-committee of the board of directors.

In terms of new appointments, the committee is cognisant of the Trust's data in relation to gender pay gap, workforce race equality standard and workforce disability equality standard which are summarised in the Trust annual equalities and diversity report, and when vacancies have arisen have proactively encouraged applications from all communities.

In relation to agreeing and reviewing VSM pay, the committee refers to the existing guidance on pay for very senior managers in NHS trusts and foundation trusts published by NHS England. The annual pay award for executive directors is recommended by NHS England as described above.

The members of QVH nomination and remuneration committee have agreed simple principles in relation to setting, agreeing and reviewing VSM pay.

For new director appointments, the director of workforce will review benchmarking data as well as seeking market intelligence on the salaries being offered to directors which will also take account of supply and demand at that time. The review of existing VSM pay will continue to take place once a year, the timing is dependent on information being published by NHSE and the committee will also take account of:

- The outcome of annual appraisal conducted by the chief executive (or chair in the case of the chief executive's pay)
- The level of the national pay award for the workforce on Agenda for Change
- Any extenuating circumstances/market conditions highlighted by the chief executive
- Updated benchmarking information and guidance.

The effectiveness and performance of very senior managers is determined through performance appraisal, linked to the Trust's five key strategic objectives, from which a set of individual objectives are developed. These are reviewed through the year by the chief executive (or chair in the case of the chief executive) to determine progress and achievement. The Trust's key strategic objectives also underpin the board assurance framework which is reviewed at every board meeting and every committee to the board.

The table below gives a description of each of the components of the remuneration package for senior managers which comprise senior managers' remuneration.

Component *How it supports the short- and long-term strategic objectives of the foundation trust*	*How the component operates*	*Maximum potential value of component*	*Description of framework used to assess performance*
Base pay Base pay is determined using benchmarked data in order to attract, reward and retain individuals of the right calibre to	Determined by the nomination and remuneration committee using benchmarking data. Salaries are reviewed annually to account for	N/A	The Trust's appraisal and objective setting process is used for all staff, including Executive Directors. The nomination and remuneration

lead the delivery of the Trust's aims and objectives.	the cost of living, and this is considered in the context of performance. Any changes are normally effective from 1 April each year		committee considers a summary of this performance assessment.
Pension related benefits Pension benefits (which may be opted out of) are part of the total remuneration of Executive Directors to attract, reward and retain individuals of the right calibre to lead the delivery of the Trust's aims and objectives	Pension is available as a benefit to Executive Directors and follows the national NHS Pension Scheme contribution rules.	Contributions and entitlements are in accordance with the NHS Pension Scheme for all employees who are members.	N/A
The fee payable to non-executive directors is £15k per annum. The fee payable to the Trust Chair is £50k per annum. There are no additional fees payable for any other duties to the Trust.			

The majority of staff, whether on national terms and conditions or local arrangements, are contracted on a permanent, full time or less than full time basis. Exceptions to this are in positions where it is felt that an individual needs to be recruited on a fixed-term contract or through an appropriate employment agency partner to carry out a specific project which is time limited. This approach enhances control of staffing resources and enables flexibility where this is appropriate to the role.

National guidance on notice periods for Agenda for Change staff is followed and is determined by salary banding. The maximum in such cases is three months' salary and is in line with current employment legislation.

During 2022/23 the executive management team continued to oversee robust pay and vacancy controls for all roles through weekly meetings.

Remuneration tables

The salary and pension entitlements of persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust are set out in the tables below showing information subject to audit. The descriptor above means those who influence the decisions of the Foundation Trust as a whole, and such persons include advisory and non-executive Board members. Throughout this annual report, such persons are referred to as 'senior managers'.

During the year one senior manager was paid more than £150,000. The Trust took steps to ensure that this salary was reasonable, including the nomination and remuneration committee reviewing benchmarking data for other interim chief executive roles.

Service contracts obligations

There are no service contract obligations to disclose.

Policy on payment for loss of office

Termination payments are made within the contractual rights of the employee and are therefore subject to income tax and national insurance contributions. This applies to very senior managers whose remuneration is set by the nomination and remuneration committee. Where a very senior manager receives payment for loss of office, this is determined by their notice period. For the chief executive the notice period is six months and for all other executive directors three months.

Statement of consideration of employment conditions elsewhere in the foundation trust

The pay and conditions of employees were taken into account by the nomination and remuneration committee in the context of national guidance on remuneration for very senior managers, which has kept uplifts at or below those provided to staff on Agenda for Change terms and conditions. The foundation trust does not have a separate senior managers remuneration policy; the QVH approach to remuneration continues to be influenced by national policy, benchmarks and local market factors.

The policy on diversity and inclusion used by the nomination and remuneration committee

The nomination and remuneration committee and governor led appointments committee recognise that diversity and inclusion are a vital part of the continued effectiveness of the Board and are committed to seeking diversity within the Board's composition. Prior to any appointment made to the executive team, the nomination and remuneration committee evaluates the balance of skills, knowledge, experience and diversity of the team and, in the light of the evaluation, the committee reviews a description of the role and capabilities required for a particular appointment. The committee ensures that the appointment process is designed to attract the best candidates, using a range of open advertising and/or using the services of external advisers to facilitate the search, and also ensures that appointments to the Board of Directors are subject to a formal, rigorous and transparent procedure.

In 2022/23 Board level recruitment was supported by recruitment agencies and the specification for this work included the requirement to take active steps to attract the best candidates, including those who would increase diversity at Board level. The agencies that we worked with were selected for their ability to evidence embedding diversity and inclusion in relation to all protected characteristics into their process, alongside other requirements.

The Trust's recruitment and selection policy requires all interview panels to be diverse and for posts which are Agenda for Change band 8B and above a member of the ethnically diverse staff network must be a panel member.

Annual report on remuneration

Service contracts for senior managers

The following table includes those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust.

Name	Position	Start date	End Date	Term	Notice period
Lawrence Anderson	Interim Director of Workforce and Organisational Development	10 June 2021		Interim	Returning to substantive deputy role 1 July 2023
Tony Chambers	Interim Chief Executive Officer	1 February 2023		Interim	1 month
Tania Cubison	Medical Director	19 January 2022		Permanent	3 months
James Drury	Interim Chief Finance Officer	9 September 2022	31 January 2023	Interim	3 months
Abigail Jago	Director of Strategy and Partnerships	6 February 2023		Permanent	3 months

Steve Jenkin	Chief Executive	14 November 2016	13 January 2023	Permanent	6 months
Michelle Miles	Director of Finance and Performance	1 February 2018	8 September 2022	Permanent	3 months
Shane Morrison-McCabe	Director of Operations	21 March 2022		Permanent	3 months
Clare Pirie	Director of Communications and Corporate Affairs	1 May 2017		Permanent	3 months
Stuart Rees	Interim Chief Finance Officer	1 February 2023		Interim	1 month
Nicky Reeves	Chief Nurse	12 November 2020		Permanent	3 months

Nomination and remuneration committee

The nomination and remuneration committee meets to review and make recommendations to the board of directors on the composition, balance, skill mix, remuneration and succession planning of the board. Additionally, the committee makes recommendations on the appointment of executive directors. The board of directors has delegated authority to the committee to be responsible for the remuneration packages and contractual terms of the chief executive, executive directors and other very senior managers reporting to the chief executive.

The committee met nine times in 2022/23. Meetings covered:

- Executive director appraisals
- Annual clinical excellence awards for consultants
- Appointments to the roles of chief executive, chief finance officer, chief people officer and director of strategy and partnerships
- National guidance regarding annual pay awards for executive directors
- Committee effectiveness review

Details of the membership of the nomination and remuneration committee and of the number of meetings and individuals' attendance at each is set out in appendix 6.1.

When appropriate, the committee was materially assisted in its considerations at meetings held in 2022/23 by Lawrence Anderson, interim director of workforce and organisation development.

Disclosures required by the Health and Social Care Act - information subject to audit

Information on the remuneration of the directors and on the expenses of directors is provided in the section which follows, setting out information subject to audit.

SALARY AND PENSION ENTITLEMENTS OF VERY SENIOR MANAGERS

A) Remuneration table 2022/23

			2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
			Salary and fees (in bands of £5,000)	Taxable benefits (total to the nearest £100)	Annual performance-related bonuses (in bands of £5,000)	Long-term performance-related bonuses (in bands of £5,000)	All pension-related benefits (in bands of £2,500) **	Other remuneration	Total
Senior Manager	**Role**	**Date References**	£000s, bands of £5k	£s, to the nearest £100	£000s, bands of £5k	£000s, bands of £5k	£000s, bands of £2.5k	£000s, bands of £5k	£000s, bands of £5k
Anderson L	Interim Director of Workforce		85 - 90	-	- - -	- - -	10.0 - 12.5	- - -	**100 - 105**
Chambers T	Interim Chief Executive Officer	from 01/02/2023	30 - 35				207.5 - 210.0		**245 - 250**
Cubison T	Medical Director* **		15 - 20	-	- - -	- - -	- - -	- - -	**15 - 20**
Dillon-Robinson P	Non-Executive Director		10 - 15	-	- - -	- - -	- - -	- - -	**10 - 15**
Donley A ***	Interim Chair	to 10/07/2022	10 - 15	-	- - -	- - -	- - -	- - -	**10 - 15**
Drury J ***	Interim Chief Finance Officer	from 09/09/2022 to 31/01/2023	50 - 55				132.5 - 135.0		**195 - 200**
Gould K	Non-Executive Director		10 - 15	-	- - -	- - -	- - -	- - -	**10 - 15**
Jago A	Director of Strategy and Partnerships	from 06/02/2023	15 - 20				7.5 - 10.0		**30 - 35**
Jenkin S ***	Chief Executive	to 13/01/2023	115 - 120	-	- - -	- - -	35.0 - 37.5	- - -	**155 - 160**

Miles M ***	Director of Finance and Performance	to 08/09/2022	60	-	65	-	-	-	-	-	-	-	-	-	-	-	-	-	**60**	**-**	**65**
Morrison-McCabe S	Director of Operations		115	-	120	-	-	-	-	-	-	-	97.5	-	100.0	-	-	-	**215**	**-**	**220**
Needle G	Non-Executive Director		10	-	15	-	-	-	-	-	-	-	-	-	-	-	-	-	**10**	**-**	**15**
Norman K	Non-Executive Director		15	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	**15**	**-**	**20**
Pirie C	Director of Communications and Corporate Affairs		105	-	110	-	-	-	-	-	-	-	25.0	-	27.5	-	-	-	**135**	**-**	**140**
Rees S	Interim Chief Finance Officer	from 01/02/2023	40	-	45														**40**	**-**	**45**
Reeves N	Chief Nurse		110	-	115	-	-	-	-	-	-	-	-	-	-	-	-	-	**110**	**-**	**115**
Smith J	Chair	from 11/07/2022	30	-	35														**30**	**-**	**35**

* 2022-23 The salary for the Medical Director role was £15k pa. * ** T Cubison has a clinical role which is charged from the MoD inclusive of any pension etc. at a cost of £15k for the period as MD this year.

** 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 that being a member of the pension scheme could provide.The pension benefit table provides further information on the pension benefits accruing to the individual.

*** The following Directors (VSMs) all left the Trust during the year; A Donley, J Drury , S Jenkin and M Miles.

SALARY AND PENSION ENTITLEMENTS OF VERY SENIOR MANAGERS

B) Pension benefits table 2022/23

			Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2022 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2022 (bands of £5,000)	Cash equivalent transfer value at 01-April-22	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31-Mar-23
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anderson	L	Interim Director of Workforce	0 - 2.5	0	20 - 25	30 - 35	233	2	254
Chambers	T	Interim Chief Executive Officer	7.5 - 10	25.0 – 27.5	55 - 60	165 - 170	1,218	38	1,500
Drury	J	Interim Chief Finance Officer	5 - 7.5	17.5 - 20	10 - 15	40 - 45	547	8	603
Jago	A	Director of Strategy and Partnerships	0 - 2.5	2.5 - 5	30 - 35	80 - 85	473	3	519
Jenkin	S	Chief Executive	0 - 2.5	0	15 - 20	0	271	33	341
Morrison-McCabe S	S	Director of Operations	5 - 7.5	7.5 - 10	45 - 50	95 - 100	804	103	948
Pirie	C	Director of Communications and Corporate Affairs	0 - 2.5	0	25 - 30	45 - 50	461	21	513
Reeves	N	Chief Nurse	0 - 2.5	0	55 - 60	155 - 160	1,206	12	1,270

Please note T Cubison, S Rees and M Miles are not active members of the scheme and therefore not actively accruing greater benefits in the position of Director

The employer does not contribute to any stakeholder pension schemes for these managers.

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Governors

Information on the expenses of the governors is provided in the tables below.

1 April 2022-31 March 2023		
Total number of governors in office	Number of governors receiving expenses in 2022/23	Aggregate sum of expenses paid in 2022/23 (rounded to the nearest £00)
20 served for all or part of 2022/23	0	£0

Fair pay disclosure - information subject to audit

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

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. Note that there was no performance-related pay. Benefits-in-kind are sufficiently low to have no impact on any of the remuneration figures or ratios.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £200k to £205k (2021/22, £145k to £150k). This is an increase between years of 36%. This is due to a change in the make-up of the Board which has triggered a change in the highest paid Director. Note that these figures are based on annualised, full-time equivalent pay and benefits.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £20k to £204k (2021/22 £18k to £196k). The percentage increase 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 6% (2021/22 5%). Two employees received remuneration in excess of the highest-paid director in 2022/23 (2021/22 10).

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

Percentile Information			
Figures for 2022/23			
	25th Percentile	Median	75th Percentile
Salary and Allowances - All Staff - £k	24.8	37.0	50.4
Salary and Allowances - Highest Paid Director -	200.0	200.0	200.0
Salary and Allowances - Ratio	8.1	5.4	4.0
Figures for 2021/22			
	25th Percentile	Median	75th Percentile
Salary and Allowances - All Staff - £k	23.3	34.8	49.2
Salary and Allowances - Highest Paid Director -	147.5	147.5	147.5
Salary and Allowances - Ratio	6.3	4.2	3.0

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

AJago.

Staff report

Employee benefits and staff costs

Employee Benefits	**2022/23 Total**	**2021/22 Total**
	£000	**£000**
Salaries & Wages	49,154	44,403
Social Security Costs	4,934	4,411
Apprenticeship Levy	220	205
Employers Contributions to NHS Pensions	7,432	7,241
Pension Costs - Other	20	15
Termination Benefits	0	50
Temporary Staff (Including Agency)	1,703	1,308
Total Staff Costs	**63,463**	**57,633**
Of Which		
Costs Capitalised as Part of Assets	658	581
Total Staff Costs excluding Capitalised Costs	**62,805**	**57,052**

Analysis of staff numbers

2022/23 data													
PERMANENTLY EMPLOYED													
	Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Average**
Headcount	1096	1095	1097	1097	1098	1104	1112	1114	1114	1116	1122	1127	**1107**
FTE	934.89	934.04	935.57	935.92	936.08	941.91	948.07	948.59	949.48	949.82	953.04	955.54	**943.58**
TEMPORARY STAFF-BANK, LOCUM, AGENCY													
	Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Average**
Non-medical bank	52.00	54.01	55.49	61.56	59.14	57.63	62.90	61.74	51.73	54.75	60.16	73.92	**58.75**
Non-medical agency	5.21	4.03	3.27	5.11	5.91	5.06	5.58	2.81	3.64	2.47	4.92	8.17	**4.68**
Medical locums	2	2.43	3.72	3.39	2.82	2.53	3.11	3.81	3.14	2.79	3.38	4.84	**3.16**
Medical bank	2.91	2.13	2.48	3.1	3.16	3.04	2.64	2.5	2.94	3.04	2.79	3.41	**2.85**
Medical agency	0.76	1.33	1.49	1.16	1.65	1.25	0.60	0.39	0.40	0.48	0.54	1.29	**0.95**
Total average full time equivalent staff numbers 2022/23													**1013.97**

Breakdown of number of each gender who were directors, senior managers and employees at year end

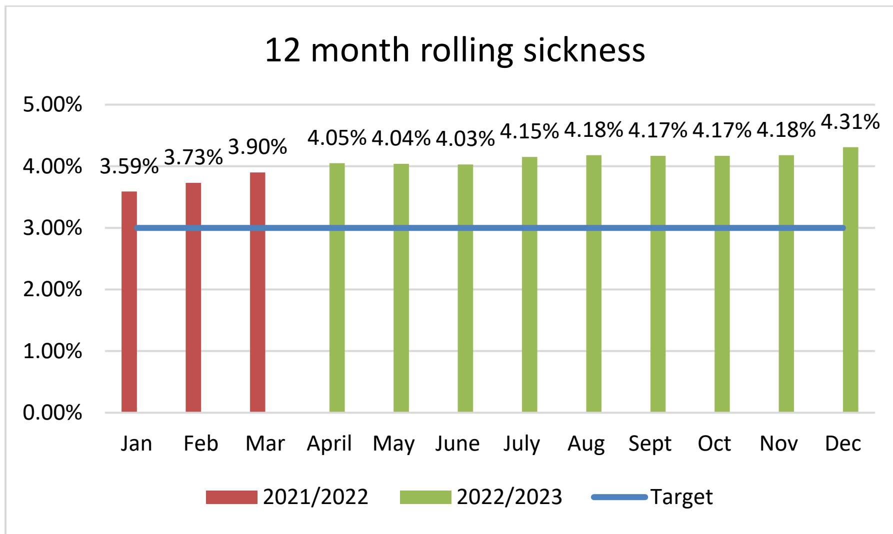
2022/23 data						
	Chief executive	**Executive directors**	**Non-executive directors**	**Other senior managers**	**All other employees**	**Total**
Female	0	2	2	3	856	862
Male	1	1	3	1	259	265
Total						**1127**

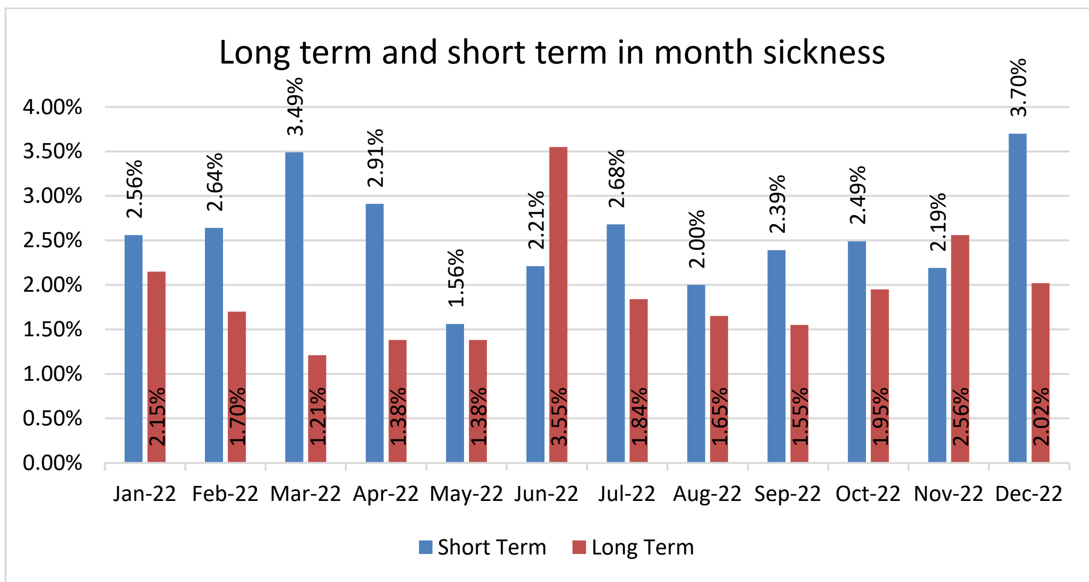
Note 1: Figures exclude career break and unpaid secondment

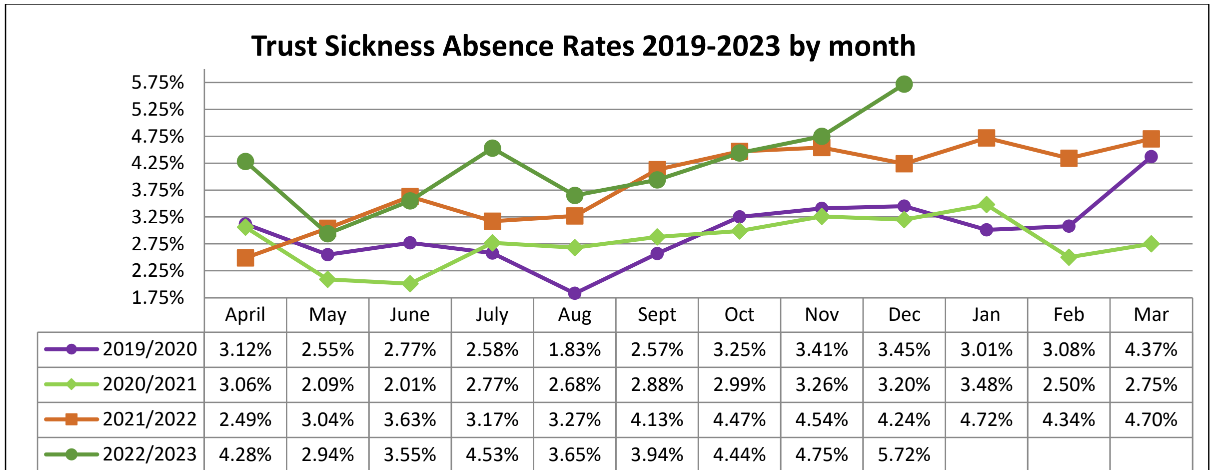
Note 2: One executive director is seconded into Trust but paid by another NHS organisation

Sickness and absence data

2022/23 Data		
Total full time equivalent staff years available	**Total days lost**	**Average number of days of sickness absence per full time equivalent employee**
933	14,681	9.7

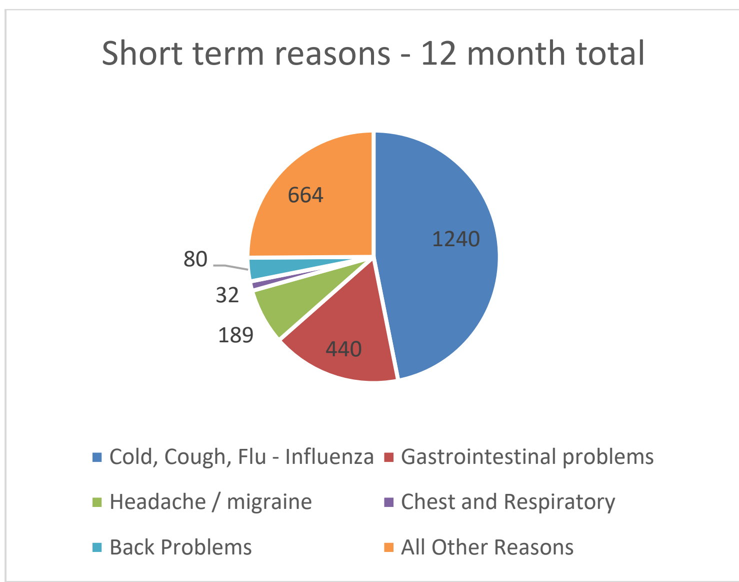

12 month rolling sickness
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
3.59%
3.73%
3.90%
4.05%
4.04%
4.03%
4.15%
4.18%
4.17%
4.17%
4.18%
4.31%
Jan
Feb
Mar
April
May
June
July
Aug
Sept
Oct
Nov
Dec
2021/2022
2022/2023
Target

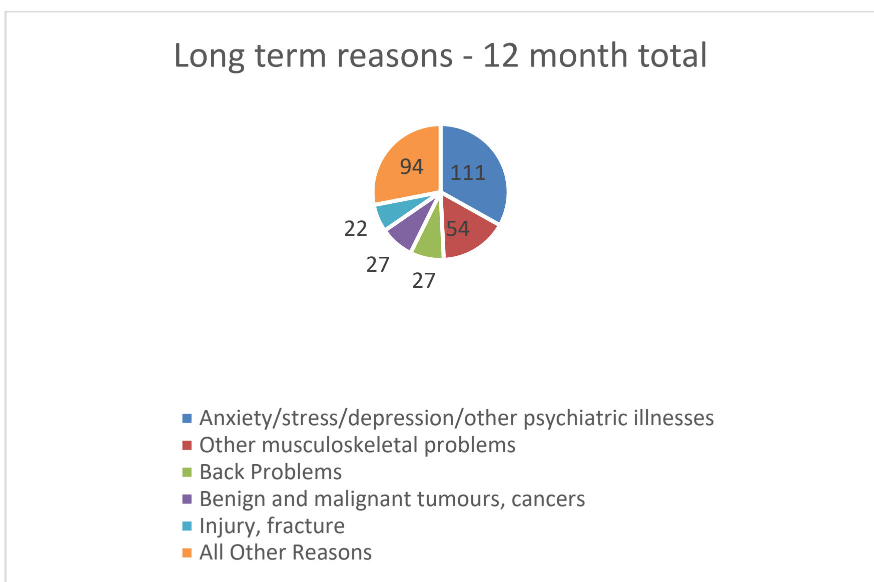

Long term and short term in month sickness
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
2.56%
2.15%
2.64%
1.70%
3.49%
1.21%
2.91%
1.38%
1.56%
1.38%
2.21%
3.55%
2.68%
1.84%
2.00%
1.65%
2.39%
1.55%
2.49%
1.95%
2.19%
2.56%
3.70%
2.02%
Jan-22
Feb-22
Mar-22
Apr-22
May-22
Jun-22
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22
Short Term
Long Term



Trust Sickness Absence Rates 2019-2023 by month

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2019/2020	3.12%	2.55%	2.77%	2.58%	1.83%	2.57%	3.25%	3.41%	3.45%	3.01%	3.08%	4.37%
2020/2021	3.06%	2.09%	2.01%	2.77%	2.68%	2.88%	2.99%	3.26%	3.20%	3.48%	2.50%	2.75%
2021/2022	2.49%	3.04%	3.63%	3.17%	3.27%	4.13%	4.47%	4.54%	4.24%	4.72%	4.34%	4.70%
2022/2023	4.28%	2.94%	3.55%	4.53%	3.65%	3.94%	4.44%	4.75%	5.72%			





	Covid ST reasons by occasion	
Jan-22	65	
Feb-22	55	
Mar-22	103	
Apr-22	61	
May-22	18	
Jun-22	31	
Jul-22	64	
Aug-22	25	
Sep-22	26	
Oct-22	38	
Nov-22	26	
Dec-22	45	**557**

Staff policies and actions applied during the financial year

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

Queen Victoria Hospital gives fair consideration to applications made by disabled candidates hence the Trust is registered as a Disability Confident Employer. The Trust also implement the two ticks' scheme which guarantees interviews to disabled applicants that meets the minimum essential criteria for a vacancy. At the interview stage, reasonable adjustment is made as stipulated by the Equality Act 2010 so they are not disadvantaged when compared to those that are not disabled.

The Trust also delivers comprehensive recruitment and selection training for managers. This training covers in detail, the requirements for supporting disabled candidates during the recruitment process especially having regard to their abilities.

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

The Trust continues to provide various training sessions and ongoing support for managers and staff around disability. Training includes learning disability and autism awareness; visual impairment awareness; workshops related to ADHD, dignity and respect , diversity and inclusion; and mandatory equality and diversity training. Staff and managers are aware of the service provided by occupational health including advice and recommendations on reasonable adjustments where applicable.

Policies applied during the financial year for training, career development and promotion of disabled employees

The Trust has several mechanisms to support the training and career development of our disabled employees. The organisational development department continues to delivery career development training to all staff including disabled employees and discusses needs of disabled staff on a case-by-case basis. In annual appraisal conversations managers also discuss training needs and career development opportunities with employees including staff with disabilities.

QVH is registered with the Disability Confident scheme and is committed to delivering against the NHS Employers recommended workforce disability equality standard (WDES). The QVH mandatory and statutory training policy was reviewed and adjusted and it now highlights employees', managers' and trainers' responsibilities linked to reasonable adjustments. This ensures staff have the necessary time

and support, to complete their mandatory and statutory training, including access to training and facilitating reasonable adjustments. It also highlights where the employee fails to maintain their compliance or attend training, we will take into consideration any mitigating factors and the support available to enable completion of the required training.

Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees

The Trust employed a wellbeing and equality diversity and inclusion co-ordinator to support staff wellbeing in the workplace. Information on a range of health and wellbeing topics were emailed directly to all staff along with reminders of all of the support available at QVH. Recently, health and wellbeing information has been presented as printed infographic shared in departments, break rooms and shared rest areas to ensure accessibility for all staff including those who may not have access to a computer during the working day.

In October 2022, The Trust's Stay Well initiative, in partnership with the HR advisory service, organised a week long health and wellbeing event as part of our wellbeing plan. Mid Sussex Wellbeing (the wellbeing service associated with West Sussex County Council) together with other wellbeing practitioners, attended throughout the week to provide health MOTs, advice on wellbeing and display devices that support wellness.

Actions taken in the financial year to consult with employees and their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests

The Trust joint consultation and negotiating council (JCNC,) which comprises staff side representatives and all recognised unions, meets bi-monthly to discuss employees' views as part of the Trust decision making process. Employees are also consulted when policies are reviewed or new policies written by putting policies on the intranet for certain number of weeks seeking feedback and comments. The Trust weekly newsletter, Connect, is also utilised to inform staff of matters which they are being consulted.

The joint local negotiating committee comprising medical staff representatives, British Medical Association representative and management, meets bi-monthly to discuss employees' view as part of the Trust decision making process and staff engagement strategy.

The head of wellbeing and employee relations meets monthly with the ethnically diverse staff network chairs to discuss employees' views on matters arising.

Actions taken in the financial year to encourage the involvement of employees in the NHS Foundation Trust's performance

The monthly hospital management team meeting with senior clinical and non-clinical leaders, sets out to involve and inform employees on key issues including Trust performance and transformation programmes. It is also an avenue for colleagues to provide feedback and suggestions so we can continue to provide excellent patient care. The Trust also provides other opportunities for staff who are not members of the hospital management team to be involved through team meetings and gives consideration to staff who are not comfortable discussing ideas in big groups. This includes raising issues through the freedom to speak up guardian, elected by the workforce and reporting directly to the chief executive, staff side, the ethnically diverse staff network chairs, and the online tool 'Tell Nicky' which is linked to the chief nurse; these are confidential and private or anonymous routes that staff can use. At team meetings, line managers discuss the performance of the team and the hospital; this provides an opportunity for employees to participate and contribute to the performance and strategy of the Trust by putting forward improvement suggestions for consideration and raising questions.

Information on health and safety performance and occupational health

The Trust's health and safety group regularly receives reports highlighting any risks and how they are being addressed, with quarterly information on the support provided to staff through our occupational health and employee assistance providers.

The Trust finance and performance committee and the executive management team receive monthly performance reports on key performance indicators related to staff sickness including occupational health performance.

The Trust physiotherapy self-referral service for staff has continued to be successful in supporting individuals and preventing some workplace absences.

The Trust is committed to the violence prevention and reduction standard and has undertaken a benchmarking exercise against the violence prevention and reduction standard which was reported to the regional and national teams. Domestic violence training was offered to all staff with information on personal health and safety.

Information on the Trust's health and safety performance is shared with the integrated care system lead.

The employee assistance provider gives all staff access to a range of personal and professional support including confidential counselling and legal advice for both work related and non-work issues; stress management; advice to staff on injuries at work; access to an online well-being portal and 24-hour employee assistance programme which provides comprehensive advice.

Information on policies and procedures with respect to countering fraud and corruption

QVH takes fraud and corruption very seriously and regularly reviews processes to ensure that opportunities for fraud are minimised. There are also training sessions for staff and managers provided by the counter fraud team. These include training sessions for the recruitment team on right to work documentation and visual checks. The Trust acts on information provided by staff and encourages staff to raise concerns where they feel their colleagues are not acting in the best interests of patients or the Trust. NHS Counter Fraud Authority training has been revised and an annual counter fraud survey undertaken.

Policy	Date	Comments
E-Rostering Operational Policy and Management Guidelines	April 2022	Updated to combine non-medical and medical policy, and updated to ensure alignment to national attainment requirements
Dignity and Respect at Work Policy and Procedure	May 2022	Updated procedure to be consistent with other policies
Grievance Policy and Procedure	May 2022	Updated procedure to be consistent with other policies.
Maintaining High Professional Standards (MHPS): Conduct, Capability, Ill Health and Appeals Policies and Procedures for Medical and Dental Practitioners	May 2022	Reviewed and updated in line with current practices including Just Culture to encourage managers to treat staff involved in a patient safety incident in a consistent, constructive and fair way, and aligned with other policies.
Supporting Health in the Workplace Policy	July 2022	Replaced the Attendance Policy 2019, it sets out a proactive approach to managing absence by improving employee attendance and consequently service delivery.

Maternity, Adoption and Shared Parental Leave Policy	July 2022	Updated sections to reflect amendments to other related policies.
Paternity Policy (Maternity/Adoption Support)	July 2022	Updated sections to reflect amendments to other related policies.
Special Leave Policy	July 2022	Updated with bereavement leave entitlement and updated sections to reflect amendments to other related policies.
Unpaid Parental Leave Policy	July 2022	Updated with guidance on working during unpaid parental leave.
Occupational Health Policy for Staff Health Clearance and Protection Against Communicable Diseases issued	October 2022	New policy to replace Occupational Health Immunisation Policy 2018
Equality, Diversity and Inclusion Policy	October 2022	New policy that underlines the importance of creating an environment free from prejudice, discrimination or harassment for all.
Honorary Contracts Policy	October 2022	Replaced "Policy for visiting Medical & Dental Staff, Clinical Attachments, Students & other visitors", bringing in line with neighbouring trusts and streamlining the process
Managing Conduct Policy	January 2023	Replaced the Disciplinary Policy and Procedure 2019, it aims to ensure the issues of misconduct are managed and dealt with in a fair and consistent manner.
Elective Placements for Medical Students Policy	January 2023	New policy setting out the Trust's approach to managing medical students and over 18s applying for medical school who attend the Trust to undertake elective placements.
Mandatory and Statutory (MAST) Training Policy	January 2023	Updated MAST policy based on the current training needs analysis and workforce staffing establishment.
Work Experience Policy for 15-17 year olds	January 2023	Complete rewrite of the previous policy to offer virtual work experience, events and placements at QVH.
Recognition of Partnership Working Policy	February 2023	New policy detailing the Trust's commitment to partnership working with its people to ensure that they can contribute to and be involved in the decisions that affect them and the care they provide for patients.

Staff experience and engagement

QVH recognises the importance of enabling all staff to have a voice. QVH is committed to empowering staff to provide feedback on their work experiences to enable the Trust to make improvements for everyone. To improve staff engagement with the 2022 NHS Staff Survey, QVH opted to use a mixed mode survey with the aim of increasing response rates in hard to reach areas. Staff who potentially would have difficulty in accessing computers received a paper version of the survey, which was hand delivered to individual staff areas.

To encourage participation staff received a personal letter from the chief executive, and there were internal newsletter articles, screen savers and weekly response rate emails to each department so that

managers could engage with staff members to increase uptake. Drop-in sessions were available for staff who had questions or needed support.

For the first time in 2022, the staff survey was open to bank only contract workers. QVH worked with the temporary staffing team to agree the best approach to engage with this staff group. The survey was available online and QVH sent regular email and text reminders to encourage participation.

To highlight the importance of completing the staff survey, QVH provided staff with information on key actions taken in response to the 2021 survey findings. Every year the Trust provides bespoke reports to all departments which managers' share with staff and develop individual action plans. Moving forward, the trust will utilise the National Quarterly Pulse Survey (NQPS) to gain further feedback from staff around areas identified for improvement within the survey.

NHS staff survey

The NHS staff survey is conducted annually. Since 2021 the survey questions have been aligned to the seven elements of the NHS 'People Promise'. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those. A total of 117 questions were asked in the 2022 survey, of these 97 can be positively scored, with 92 of these which can be historically compared to 2021.

The response rate to the 2022 survey among substantive trust staff was 52% which is a decrease from the 2021 rate of 64%. In 2022, unsubmitted surveys were excluded from NHS Staff Survey reporting. This will have resulted in a lower base size when compared to historical data. However, partially completed surveys, which had been submitted, were still included.

The three 'core questions' relating to; the organisation prioritising patient care, staff recommending QVH as a place to work and staff being happy with standard of care if a friend or relative needed treatment, when compared to other Acute Specialist trusts, were above average for all three questions.

Indicators *Question:*	**Substantive Staff**		**Bank Staff**
	2022	**2021**	**2022**
Would recommend organisation as place to work	**71%**	70%	**80%**
If friend/relative needed treatment would be happy with standard of care provided by organisation	**92%**	92%	**92%**
Care of patients/service users is organisation's top priority	**90%**	88%	**92%**

2022 and 2021 substantive staff results

The Trust has maintained largely positive survey results in a challenging environment, when compared to the national picture. In comparison with the Acute Specialist benchmarking group scores, QVH is above average on six of the seven people promise elements and average on one. QVH are also above average on the Staff Engagement and Morale themes. Scores for each indicator together with that of the survey benchmarking group Acute Specialists are presented below.

Indicators *People Promise elements and themes:*	**2022**		**2021**	
	Trust score	Benchmark group score	Trust score	Benchmark group score
We are compassionate and inclusive	7.7	7.5	7.7	7.5
We are recognised and rewarded	6.2	6.0	6.3	6.1
We each have a voice that counts	7.1	7.0	7.2	7.0
We are safe and healthy	6.5	6.3	6.4	6.3
We are always learning	5.9	5.7	5.7	5.6
We work flexibly	6.4	6.4	6.3	6.2
We are a team	7.0	6.9	6.9	6.8
Staff engagement	7.4	7.2	7.4	7.3
Staff morale	6.2	6.1	6.1	6.0

2020 results substantive staff results

Due to the change in reporting format in 2021, it is difficult to compare data with any degree of accuracy for previous years. However, reports indicate that there was no significant changes overall. A separate table of results have been provided for the 2020 survey.

Indicators	2020	
	Trust score	Benchmark group score
Equality, diversity & inclusion	9.2	9.2
Health & wellbeing	6.5	6.5
Immediate managers	7.0	7.1
Morale	6.4	6.4
Quality of appraisals	7.9	7.9
Quality of care	8.4	8.4
Safe environment – B & H	9.8	9.8
Safe environment – violence	7.0	7.0
Safety culture	7.4	7.4
Staff engagement	6.5	6.8

Summary of themes

When comparing the Trust's 2022 results against its own 2021 results, QVH improved on four elements, remained the same on one and showed a slight decrease on 'we are recognised and rewarded' and 'we each have a voice that count'.

- **We are compassionate and inclusive:** Remains QVH's highest score and is the same as 2021. However looking at the information in detail, the Trust needs to consider the experience of staff with protected characteristics (WRES/WDES). Areas of concern include:
  - Discrimination from patients/service users
  - Discrimination from manager/team leader or other colleagues
  - Acts fairly towards career progression

- **We are recognised and rewarded:** Although the Trust's score saw a slight decline compared to 2021, this accords with the national picture and QVH is above average compared to their benchmarking score. All questions for this element apart from 'satisfied with level of pay' actually improved in 2022.

- **We each have a voice that counts:** Although this continues to be one of QVH's highest scoring elements, there has been a slight decrease against the 2021 results for the questions on freedom to act and raising concerns.

- **We are safe and healthy:** QVH saw an increase in scores compared to 2021. However, there are still concerns around work pressure and staffing levels.

- **We are always learning:** This element had QVH's biggest increase in 2022 and in particular, on the theme of appraisals. However, this element still remains QVH's lowest score and will need to be a focus for 2023.

- **We work flexibly:** 2022 results showed an improvement in all questions and is a reflection of the changes in working practices introduced in response to the Covid pandemic. QVH introduced a new flexible working policy which has supported this new approach to working.

- **We are a team:** Line management and team work were a focus for QVH in 2021 and a range of initiatives and team events were delivered across the Trust. Results show that managers are providing clearer feedback to staff and do not pressure people to attend work when not well enough. The 2022 QVH score for this element improved across the organisation.

- **Staff engagement:** Remained the same as 2021 but is one of the Trust's highest scores and is above average against its benchmarking group. In particular, results show staff are involved in making suggestions to improve their work.

- **Staff morale:** Saw a small increase in 2022 and is above average in our benchmarking group. Staff results show that overall, staff are less likely to leave the organisation.

NHS bank only contract staff survey results

An optional new survey was introduced in 2022 for bank only contract workers. QVH took the decision to include bank only contract workers in the survey to ensure all staff had the opportunity to have their views heard. The response rate among bank staff was 32% against the national response of 18%. Scores for each indicator together with that of the national bank survey findings are presented below. The Acute Specialist score is not available for comparison.

Indicators *People Promise elements and themes:*	**2022**	
	Trust Score	National score
We are compassionate and inclusive	7.8	7.2
We are recognised and rewarded	6.7	5.9
We each have a voice that counts	6.8	6.5
We are safe and healthy	7.3	6.5
We are always learning	3.8	4.8
We work flexibly	7.1	6.3
We are a team	7.0	6.5
Staff engagement	7.5	6.8
Staff morale	6.2	5.8

The results show that for each element the Trust score was higher than the national average except for the People Promise element of 'we are always learning'. The results have been shared with the temporary staffing team and will enable the Trust to have a greater understanding of the experience of bank workers at QVH.

National Quarterly Pulse Survey (NQPS) Results
The NHS People Plan is committed to supporting avenues that help ensure staff have a voice. The NQPS is open for staff at QVH to give their views. The NHS People Plan and the Government want to look at morale and staff engagement across the NHS, which is closely aligned to the national staff survey. The nine engagement theme questions from the annual staff survey provide insight into motivation, involvement and advocacy:

- *Motivation*: enthusiasm for the activities of the job
- *Involvement*: employees feel that they have opportunities to suggest and make improvements
- *Advocacy*: belief that the organisation is a good employer as well as service provider and is worthy of recommendation to others

The NQPS continues to run on a quarterly basis using these core areas to gain insight into staff engagement across the NHS.

Key comparisons

The most recent QVH NQPS results for each quarter are shown below. The scores are based on a scale of 0-10. The most favourable response is scored 10, while the worst score is 0 (at intervals of 2.5pt).

NQPS Score	Data Period	QVH Value	QVH Change	National Quartile
Current Engagement Scores				
Overall Employee Engagement Score	**Q2 2022/23**	**7.3**	**Down 0.1**	**4 - Highest 25%**
Advocacy Score	Q2 2022/23	7.8		4 - Highest 25%
Involvement Score	Q2 2022/23	6.8		4 - Highest 25%

Motivation Score	Q2 2022/23	7.2		4 - Highest 25%
Previous Overall Engagement Score				
Employee Engagement Score	Q1 2022/23	7.4	Down 0.1	4 - Highest 25%
Employee Engagement Score	Q4 2021/22	7.5	Improved 0.4	4 - Highest 25%
Employee Engagement Score	Q2 2021/22	7.1		4 - Highest 25%

Summary of ongoing actions and future plans

Bringing together the key areas throughout the report, the goals outlined in the people and organisational development strategy and a full analysis of the data enable QVH to identify specific interventions to support staff at QVH. This is undertaken in collaboration with key stakeholders including the executive management team, departments, managers, the communications team, and colleagues in workforce and organisational development. QVH will continue with a range of ongoing interventions including:

- Utilising the education and development steering group to discuss priorities and workforce strategy across the year
- Ongoing promotion of education, learning and development across virtual platforms and as the year progresses offer a more blended approach to learning
- Continued promotion of our successful apprenticeship programmes across the Trust
- Continuing StayWell initiatives and promote wellbeing training and events
- Offering a range of diversity and inclusion training opportunities for staff
- Ongoing promotion of Trust benefits
- Monitoring the mover/leavers survey to get qualitative and quantitative data to inform future attraction and retention interventions
- Using the People Promise diagnostic tool in the Model Health System to compare outcomes over time and benchmark against elements of the Promise elements

QVH will also develop plans in the short-term:

- Continuing to build our staff network groups to engage with staff giving them the opportunity to use their voice
- Scoping the support needs of staff with protected characteristics to ensure their experience of working at QVH can be improved
- Developing a management and leadership strategic framework for staff highlighting opportunities available in house and externally across the wider system
- Introducing a new pilot introductory leadership programme (LEEP) with a focus on multidisciplinary team work
- Reviewing the appraisal process at QVH to ensure that managers have meaningful conversations with staff
- Triangulating the staff survey against the WRES and WDES report, gender pay gap reports and stay/leavers interview data. This will allow the executive team to identify key themes for future focus.

Medium-term plans include:

- Developing interventions to support the identified needs of staff with protected characteristics to ensure their experience of working at QVH can be improved
- Promoting the new leadership framework and opportunities available to staff at QVH
- Pilot the new appraisals proves and resources before embedding across QVH
- Working with business units with specific team interventions and staff survey themes
- Executive team to consider initiatives to improve staff survey response rates

Long-term plans include:

- Monitoring WRES/WDES interventions and data and identify further improvements
- Promoting and training managers and staff on the new appraisal resources available

- Monitor staff experience of the new appraisal system through staff engagement initiatives
- Developing an inclusive culture with a more diverse workforce aligned to the Trust's values

Trade union facility time disclosures

Queen Victoria Hospital NHS Foundation Trust
Trade Union Facility Time Regulations (2017)
2022/23 Report

Table 1
Relevant union officials
What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
5	*4.8*

Table 2
Percentage of time spent on facility time
How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	*Number of employees*
0%	
1-50%	5
51%-99%	
100%	

Table 3
Percentage of pay bill spent on facility time
Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	*Figures*
Provide the total cost of facility time	£11,877
Provide the total pay bill	£63,463,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.019%

Table 4
Paid trade union activities
As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	33%

Expenditure on consultancy

During 2022/23, the Trust incurred no external consultancy costs (2021/22 (Nil).

Off-payroll engagements

During 2022/23, there were no off-payroll engagements (2021/22 Nil).

Exit packages

2022/23 LIEU OF NOTICE		
Contractual Costs	**Agreement Number**	**Total Value of Agreements £000**
Voluntary Redundancies includng early retirement	0	
Mutual agreed resignations (MARS)	0	
Early Retirements in the efficiency of the service	0	
Contractual payments in lieu of notice	0	
Exit payments following Employment Tribunals or court orders	0	
Non-contractual payments requiring HMT approval	0	
Total number of exit packages by type	0	
Total resource cost	£0	-

Gender pay gap

The Trust's Gender Pay Gap report 2022 can be found here Equality schemes and data - Queen Victoria Hospital (qvh.nhs.uk)

Code of governance disclosures

During 2022/23, Queen Victoria NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code. During the next financial year, the Foundation Trust will 'comply or explain' against the NHS Code of Governance for provider trusts, which came into effect from 1 April 2023.

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.

The Trust is currently rated by NHS England in segment 3. This segmentation is the Trust's position as at June 2023. Current segmentation information for NHS trusts and foundation trusts is published on NHS England's website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

Statement of accounting officer's responsibilities

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 has given Accounts Directions which require Queen Victoria 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 Queen Victoria 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 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*.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

Annual governance statement

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*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Queen Victoria 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 Queen Victoria Hospital NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board views risk management as a corporate responsibility, in line with the NHS England Well Led Framework which requires the board to have effective systems and processes in place to mitigate and manage risk. The degree and rigour of oversight the board has over the Trust's capacity to handle risk is apparent at the public and private board meetings, meetings of sub-committees of the board and board seminars.

All staff are fully supported with incident investigations by the patient safety and risk team. A small number of senior staff have attended external investigation and incident training. QVH is reviewing the National Patient Safety and incident response Framework (PSIRF) to ensure compliance and to implement the recommendations.

The chief nurse is the Trust's executive lead for risk, supported by the head of risk and patient safety and the head of quality and compliance.

The audit committee is responsible for oversight and scrutiny of the Trust's integrated governance, risk management and internal control, across the whole of the organisation's activities (clinical and non-clinical). This includes review of all risk and control related disclosure statements; the underlying assurance processes, including the board assurance framework; policies for ensuring compliance with regulatory, legal and code of conduct requirements and any related reporting and self-certifications; policies and procedures for all work related to counter fraud and security.

The clinical governance group is responsible for the management and monitoring of clinical risk management in the organisation and reports into the quality and governance committee.

The Trust's quality and governance committee and finance and performance committee are chaired by non-executive directors and have delegated authority from the board to review and assess the level of assurance and ensure that effective systems and processes are in place for optimum risk management. The corporate risk register is divided between these two committees to allow robust review of the relevant risks for each committee.

At every public board meeting there is scrutiny of the individual board assurance frameworks, the corporate risk register and detailed director reports which contain key quality and safety, operational, financial and organisational details, exception reporting and a focus on safe staffing levels. There are also reports from the chairs of the committees of the board to update on the level of assurance the committees have about quality, safety, clinical effectiveness, patient experience, operational delivery

and finance.

The non-executive directors are held to account by the council of governors, with the chair of each board sub-committee presenting an assurance report to council of governors meetings and well as taking questions from governors.

The Trust learns from incidents internally and externally, reviewing national publications and investigations to identify relevant recommendations and learning to be shared throughout the Trust. This is achieved by utilising the existing meeting structures, internal intranet pages and trust wide emails to support the dissemination of key issues to Trust staff. In addition, board, clinical governance group, Quality and Governance committee and joint hospital governance meetings are opportunities to ensure learning is shared throughout the organisation. Appropriate learning is also shared externally with our commissioners and regulators for additional scrutiny and assurance. All serious incident investigations are reviewed by the quality and governance committee and action plans are reviewed at the clinical governance group one year after the incident, for assurance that the actions completed are fully embedded in practice.

Risk and control framework

There is an effective governance structure in place to enable and support QVH to meet its strategic objectives and ensure compliance with regulatory requirements. The governance structures are fit for purpose and in line with best practice in the NHS and other sectors.

In August 2022, the board conducted an annual review of the standing orders and standing financial instructions, the reservation of powers and scheme of delegation.

A process is in place for the regular review of effectiveness and adequacy of board committees, including terms of reference and work plans. This programme supports the board's annual evaluation of its own performance. The process of board subcommittee reviews has resulted in minor changes to terms of reference and internal processes.

Foundation trust boards are required to undertake an external review of governance every five years to ensure that governance arrangements remain fit for purpose. At the end of 2022/23 QVH appointed an external team to carry out this review. QVH's last review was completed in 2017/18.

The responsibilities and accountabilities of the board members and committees of the board are well defined within the governance structure. The Trust monitors compliance with its NHS foundation trust license condition 4 by several means, including:

- Public board meetings are held bimonthly. There are detailed reports which include all key national performance measures on quality, operational performance, finance and workforce. There is opportunity for robust challenge and debate about these reports and the way in which the directors work collaboratively in order to meet the Trust's key strategic objectives and provide leadership and oversight of the systems in place for care provision and service delivery. In addition to this governance process, the non-executive chair of each board committee presents a report to the board about the level of assurance and key items for approval or discussion. All actions are monitored via a board action log.
- The quality and governance committee and the finance and performance committee are sub committees of the board chaired by non-executive directors and receive detailed reports on quality, operational performance, finance and human resources and there is an opportunity for scrutiny and challenge by the membership. Both committees monitor completion of actions via a committee action log.
- The audit committee seeks additional assurance on risk management by commissioning internal and external audits as part of the audit work programme or in response to specific issues. It requires evidence that effective systems and processes are in place to mitigate and manage risk.
- The board assurance framework and corporate risk register are discussed at every public board meeting.

- NHS England information and monitoring requests are responded to in a timely manner and the executive management team attend quarterly NHS England performance reviews.
- Provider engagement meetings are held with the Care Quality Commission to ensure compliance with regulatory standards and compassionate care.

The governance of data security and priority work in this area is described under information governance below.

Equality impact assessments are integrated into core business. Each new or revised policy requires an equality due regard assessment to be completed to ensure the Trust meets legislative requirements and does not discriminate against protected characteristic groups. The equality due regard assessment is completed by the manager writing the policy and signed off by their line manager prior to approval by the relevant ratifying committee.

Public stakeholders are involved in managing risk as identified by external assessors, incidents, complaints and other external bodies. The council of governors receives quarterly updates about quality and risk from the non-executive chair of the quality and governance committee.

The effectiveness of emergency planning, response and resilience (EPRR) and business continuity systems are assured through a number of mechanisms including exercises and lockdown drills, partnership working with commissioners and NHS England and peer review by the ICB EPRR leads.. The 2022 assurance process was completed in the autumn and QVH was assessed as maintaining substantial assurance. The action plan to address the areas for improvement is monitored by the ICB team and internally by the quality and governance committee.

The effectiveness of controls to manage risk in IT clinical systems was tested through internal audit with partial assurance. The audit noted good practice in terms of specialised knowledge in the running of complex projects and clear alignment with IT strategy. There are also areas for improvement which are being addressed, including adopting a formalised project management framework and additional project manager capacity.

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

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 Trust has undertaken risk assessments and has plans in place which take account of '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 Adaption Reporting requirements are complied with.

Long term sustainable future and additional licence conditions

QVH received a notice of imposition of additional licence conditions in October 2021, under section 111 of the Health and Social Care Act 2012. These relate to the need for the Council of Governors to implement arrangements to work effectively with the Board and to ensure that the Trust has sufficient and effective Board leadership, capacity and capability. Throughout the year 2022/23 the Board has been mindful of the additional licence conditions and has taken action to comply with them. These actions include:

- Substantive Trust Chair appointment on a three year contract, with Jackie Smith taking up the role in July 2022

- Board recruitment for three new non-executive directors, taking up role in July 2023
- Recruitment underway at the time of writing for a substantive chief executive officer, chief finance officer and chief people officer
- Delivery of the majority of the recommendations of the independent review commissioned into the Trust's handling of challenges encountered in progressing the merger proposal. The review reported in February 2022 and considered the processes for engaging with staff and governors, handling of external stakeholders and clarity on decision making roles between the Board and governors.

The Trust has been working for a number of years on strategic plans to secure the long term future of the hospital in the context of challenges related to being the smallest acute trust in the country. In September 2022 the Board took the decision not to continue work exploring a possible merger.

In February 2022 the director of strategy and partnerships joined the Trust and work with our system partners and our staff is underway, looking at how we best secure the future of the hospital and its services. The work to develop a long term strategy will include a programme of engagement. It is fundamental that any ideas or plans for change are developed fully and broadly and include patients, wider communities, clinical leads, other staff and all those with an interest in the future of QVH. By co-producing improvement and change, we can draw on a wide breadth of experience and a full range of perspectives to make sure any proposals benefit from being considered and developed together.

Review of governance and leadership at QVH

During 2022/23, the Trust commissioned Deloitte LLP to undertake an external well-led review of leadership and governance at the Trust. The Board completed its own self-assessment during October 2022 and Deloitte undertook their work from December 2022 to February 2023. The outcome of the review will be presented to the Board at its public meeting on 6 July2023.

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

The Board Assurance Framework, discussed at every meeting of the board, continues to recognise the long term financial sustainability of the Trust as a key risk. The Trust works to ensure economy, efficiency and effectiveness in a number of ways including robust planning, application of controls, performance monitoring and independent reviews.

The Trust's resources are managed within the framework of its primary governing documents, policies and processes, including:

- Standing orders, standing financial instructions, scheme of delegation and reservation of powers to the board;
- Robust expenditure controls and
- Effective procurement procedures

The Trust board performs an important role in ensuring the economic, efficient and effective use of resources, and maintaining a robust system of internal control, and is supported in that purpose by the audit committee, internal and external audit and regulatory/advisory bodies. The Trust has an annual programme of internal audit and works closely with the internal audit provider to gain additional assurance on Trust processes. The audit committee monitors progress against the programme and implementation of recommendations identified and agreed as part of the audit fieldwork.

The finance and performance committee receives monthly updates on programme performance whilst the quality and governance committee reviews plans to ensure there is no negative impact upon the quality of service provision and/or outcomes.

Information governance

The Trust regards any data breach extremely seriously and voluntarily reports significant breaches to the Information Commissioners Office, (ICO) as soon as it is made aware. This includes informing all data subjects involved, initiating a root cause analysis investigation, ensuring that the outcomes are formally assessed, lessons learned and actions monitored and completed.

No information governance serious incidents were reported in 2022/23.

Data quality and governance

Data quality refers to the tools and processes that result in the creation of the correct, complete, and valid data required to support patient care and sound decision making. Our integrated data warehouse has increased the transparency and visibility of data issues.

QVH has a data quality group with membership from a wide range of stakeholders across the Trust, this group meets monthly with a sub working group meeting more regularly to action improvement projects, ensuring its focus on key data quality issues. Once the data quality group has approved a workstream as 'complete' the next priority workstream commences.

Data security and Protection Toolkit

The data security and protection toolkit sets out the national data guardian's data security standards. These standards apply to every health and social care organisation and provide assurance to every person who uses our services that their information is handled correctly and protected throughout its lifecycle from unauthorised access, loss, damage or destruction. Completing the toolkit self-assessment, by providing evidence against assertions, demonstrates that the Trust is meeting the national data guardian standards. This increases public confidence that the NHS and its partners can be trusted with data. The toolkit can be accessed by members of the public to view participating organisations' assessments.

All mandatory requirements were achieved meaning that the Trust gained a 'standards met' grade for the 2022/23 submission.

Cyber security

Cyber security is recognised as one of the biggest operational threats to the NHS and is one of the main areas of focus for the information governance work agenda.

NHS England, (previously NHS Digital) has incorporated a cyber-security service into its CareCERT, (care computing emergency response team). This increases cyber resilience across the health and social care system by looking for emerging threats and advising healthcare organisations on how to deal with them. The Trust receives alerts and acts upon them.

In addition, the UK National Cyber Security Centre, (NCSC) provides the cyber essentials scheme to enable organisations to fulfil two functions:

- provide a clear statement of the basic controls all organisations should implement to mitigate risk through '10 steps to cyber security'
- provide an assurance framework in order that an organisation can be assessed for resilience against cyber threats.

Mandatory cyber security requirements are a key part pf the Data Security and Protection Toolkit. In 2022/23, all of these requirement standards were achieved. The Trust has ongoing processes and procedures in place to maintain these standards.

Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board,

the audit committee and the quality and governance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process for maintaining and reviewing the effectiveness of the system of internal controls includes:

- Regular board review of the board assurance framework and risk registers, as well as regular assurance reports by the chairs of the two key board assurance sub-committees (finance and performance and quality and governance) and minutes from audit committee meetings. Key risks are fully debated and the board ensures actions are in place where necessary
- Board members receive monthly performance reports via monthly sub-committee meetings on:
    - safe staffing and quality of care
    - operational performance
    - financial performance
    - workforce
- The board receives regular information governance reports via sub-committees
- The audit committee reviews findings from internal and external audit work and ensures links to the risk register and assurance framework are maintained
- An extensive programme of clinical audits assesses patient experience and measures the effectiveness of treatment provided, with action taken where indicated, to ensure high quality care with re-audit where necessary.
- The head of internal audit opinion has stated that the organisation has an adequate and effective framework for risk management, governance and internal control, recommending further enhancements which will be implemented by the Trust to ensure risk management, governance and internal control remain adequate and effective
- The quality and governance committee reviews feedback from external assessments on quality of service, including NHSE, Healthwatch, Care Quality Commission, NHS Resolution and audit, as well as ensuring internal quality measures are regularly tested and standards are met.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF QUEEN VICTORIA HOSPITAL NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Queen Victoria Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 which comprise the Group Statement of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statement 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 state of the Group's and Trust's affairs as at 31 March 2023 and of its 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 March 2023 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2022/23; 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 and Trust 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 Trust's services or dissolve the Group and Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its 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 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 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 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, the Audit Committee and internal audit and inspection of policy documentation as to the Group's and Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance because of the need to achieve financial performance targets delegated to the Trust by NHS England
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Group and Trust'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 and Trust 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 funding provided to the Trust during the year. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported**.**

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom, we also recognised a fraud risk related to expenditure, particularly in relation to year-end accruals and provisions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included expenditure journals posted between soft and hard close dates, unusual cash, borrowings and revenue entries and material post-close journals.
- Assessing significant estimates for bias.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Investigating differences identified through the intra-NHS agreement of balance exercise to assess whether revenue and expense had been recorded accurately and completely.
- Testing a sample of accrued expenditure recorded at the end of the year to assess whether there was a liability faced by the Trust relating to the financial period.

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 from inspection of the Group's and Trust's regulatory and legal correspondence 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: employment law, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Accounting 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.

Whilst the Group is subject to many other laws and regulations, we did not identify any other where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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 these 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 2022/23. 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 2022/23.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 47, 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 and 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 Trust or dissolve the Group and Trust without the transfer of its 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 47, 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 have planned our work and undertaken 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. 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 Queen Victoria Hospital NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Dean Gibbs

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square, Canary Wharf, London E14 5GL

30 June 2023

Annual accounts 2022/23

Foreword to the accounts

These accounts for the year ended 31 March 2023 have been prepared by Queen Victoria Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

Consolidated Statement of Comprehensive Income

	Note	Group 2022/23 £000	Group 2021/22 £000
Operating income from patient care activities	3	93,680	82,409
Other operating income	4	6,869	4,714
Operating expenses	7, 9	(97,993)	(83,710)
Operating surplus from continuing operations		**2,556**	**3,413**
Finance income	11	255	6
Finance expenses	12	(100)	(101)
PDC dividends payable		(1,604)	(1,412)
Net finance costs		**(1,449)**	**(1,507)**
Surplus for the year		**1,107**	**1,906**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(506)	(748)
Revaluations	17	2,841	2,759
Other reserve movements		-	50
Total comprehensive income / (expense) for the period		**3,442**	**3,967**

Statement of Financial Position

	Note	Group		Trust	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	14	3,428	3,417	3,428	3,417
Property, plant and equipment	15	57,880	56,503	57,880	56,503
Right of use assets	18	2,352	-	2,352	-
Receivables	21	368	332	368	332
Total non-current assets		**64,028**	**60,252**	**64,028**	**60,252**
Current assets					
Inventories	20	1,072	1,154	1,072	1,154
Receivables	21	8,281	3,441	8,403	3,440
Cash and cash equivalents	22	14,951	18,843	11,725	17,547
Total current assets		**24,304**	**23,438**	**21,200**	**22,141**
Current liabilities					
Trade and other payables	23	(17,739)	(17,544)	(17,734)	(17,387)
Borrowings	25	(944)	(888)	(944)	(888)
Provisions	26	(2,216)	(52)	(2,216)	(52)
Other liabilities	24	(421)	(644)	(421)	(644)
Total current liabilities		**(21,320)**	**(19,128)**	**(21,315)**	**(18,971)**
Total assets less current liabilities		**67,012**	**64,562**	**63,913**	**63,422**
Non-current liabilities					
Borrowings	25	(2,106)	(2,795)	(2,106)	(2,795)
Provisions	26	(745)	(1,048)	(745)	(1,048)
Total non-current liabilities		**(2,851)**	**(3,843)**	**(2,851)**	**(3,843)**
Total assets employed		**64,161**	**60,719**	**61,062**	**59,579**
Financed by					
Public dividend capital		24,546	24,546	24,546	24,546
Revaluation reserve		18,339	16,004	18,339	16,004
Income and expenditure reserve		18,177	19,029	18,177	19,029
Charitable fund reserves	19	3,099	1,140	-	-

Total taxpayers' equity	**64,161**	**60,719**	**61,062**	**59,579**

The notes on pages 67 to 108 form part of these accounts.

The accounts were approved by the Board on 14 June 2023 and are signed on the Board's behalf by:

Abigail Jago

Acting chief executive and accounting officer

21 June 2023

AJago.

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**24,546**	**16,004**	**19,029**	**1,140**	**60,719**
Surplus/(deficit) for the year	-	-	(1,095)	2,202	**1,107**
Impairments	-	(506)	-	-	**(506)**
Revaluations	-	2,841	-	-	**2,841**
Charitable Fund consolidation adjustment	-	-	243	(243)	**-**
Taxpayers' and others' equity at 31 March 2023	**24,546**	**18,339**	**18,177**	**3,099**	**64,161**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**21,005**	**13,943**	**17,111**	**1,152**	**53,211**
Surplus/(deficit) for the year	-	-	1,918	(12)	**1,906**
Impairments	-	(748)	-	-	**(748)**
Revaluations	-	2,759	-	-	**2,759**
Public dividend capital received	3,541	-	-	-	**3,541**
Other reserve movements	-	50	-	-	**50**
Taxpayers' and others' equity at 31 March 2022	**24,546**	**16,004**	**19,029**	**1,140**	**60,719**

Trust Statement of Changes in Equity for the Year Ended 31 March 2023

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**24,546**	**16,004**	**19,029**	**59,579**
Surplus/(deficit) for the year	-	-	(852)	**(852)**
Impairments	-	(506)	-	**(506)**
Revaluations	-	2,841	-	**2,841**
Taxpayers' and others' equity at 31 March 2023	**25,546**	**18,339**	**18,177**	**61,062**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**21,005**	**13,943**	**17,111**	**52,059**
Surplus/(deficit) for the year	-	-	1,918	**1,918**
Impairments	-	(748)	-	**(748)**
Revaluations	-	2,759	-	**2,759**
Public dividend capital received	3,541	-	-	**3,541**
Other reserve movements	-	50	-	**50**
Taxpayers' and others' equity at 31 March 2022	**25,546**	**16,004**	**19,029**	**59,579**

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

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

Income & Expenditure - The balance of this reserve is the accumulated surpluses and deficits of the trust.

Charitable Funds reserve - This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 19

Statements of Cash Flows

		Group		Trust	
		2022/23	2021/22	2022/23	2021/22
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		2,556	3,413	611	3,425
Non-cash income and expense:					
Depreciation and amortisation	7	4,629	4,175	4,629	4,175
Net impairments	8	591	(674)	591	(674)
(Increase) / decrease in receivables and other assets		(4,875)	165	(4,999)	165
(Increase) / decrease in inventories		82	308	82	308
Increase / (decrease) in payables and other liabilities		3,049	3,930	3,049	3,930
Increase / (decrease) in provisions		1,849	113	1,849	113
Movements in charitable fund working capital		(153)	416	-	-
Net cash flows from / (used in) operating activities		**7,728**	**11,846**	**5,812**	**11,442**
Cash flows from investing activities					
Interest received		241	6	241	6
Purchase of intangible assets		(1,154)	(1,314)	(1,154)	(1,314)
Purchase of PPE and investment property		(8,111)	(2,764)	(8,111)	(2,764)
Net cash flows from charitable fund investing activities		14	-	-	-
Net cash flows from / (used in) investing activities		**(9,010)**	**(4,072)**	**(9,024)**	**(4,072)**
Cash flows from financing activities					
Public dividend capital received		-	3,541	-	3,541
Repayment of loans from DHSC		(778)	(778)	(778)	(778)
Capital element of lease liability repayments		(144)	(78)	(144)	(78)
Interest on loans		(92)	(114)	(92)	(114)
Interest paid on lease liability repayments		(2)	(2)	(2)	(2)
PDC dividend (paid) / refunded		(1,594)	(974)	(1,594)	(974)
Net cash flows from / (used in) financing activities		**(2,610)**	**1,595**	**(2,610)**	**1,595**
Increase / (decrease) in cash and cash equivalents		**(3,892)**	**9,369**	**(5,822)**	**8,965**
Cash and cash equivalents at 1 April - brought forward		**18,843**	**8,582**	**17,547**	**8,582**
Prior period adjustments - Charity cash balance bfwd			892		
Cash and cash equivalents at 1 April - restated		**18,843**	**9,474**	**17,547**	**8,582**
Cash and cash equivalents at 31 March	22	**14,951**	**18,843**	**11,725**	**17,547**

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

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

Note 1.3 Consolidation

NHS Charitable Funds

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

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

• recognise and measure them in accordance with the trust's accounting policies and

• eliminate intra-group transactions, balances, gains and losses.

Note 1.4 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level.

The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

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

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

National Employees Savings Trust (NEST)

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This was part of the auto enrolment requirements introduced by the Government.

NEST is a defined contribution scheme with a phased employer contribution rate which was 3% for 2022/23. The rate remains at 3% from April 2023.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property Plant & Equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes

• it is probable that future economic benefits will flow to, or service potential be provided to, the trust

• it is expected to be used for more than one financial year

• the cost of the item can be measured reliably

• the item has cost of at least £5,000, or

• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control, or

• form part of the initial equipping and setting up cost of a new building, ward or unit, irrespective of the individual or collective cost.

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

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

The freehold property known as the Queen Victoria Hospital NHS Foundation Trust was valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method.

The Trust has entered into an agreement to sell approximately 1.5 hectares of surplus land which currently forms part of the hospital site. Because the whole site is valued on a modern equivalent asset, on a reduced footprint in a similar location, this land is not included in the valuation and is therefore considered to have no value for the purposes of these accounts.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

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

Depreciation

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

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

Revaluation gains and losses

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

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

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

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Useful lives of property, plant and equipment

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

	Min life (Years)	**Max life (Years)**
Property Plant & Equipment - Purchased		
Land	0	0
Buildings, excluding dwellings	6	89
Plant & machinery	3	15
Transport equipment	0	0
Information technology	4	25
Furniture & fittings	0	0

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

Valuation

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life (Years)	Max life (Years)
Intangible assets - purchased		
Software licences	4	7

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

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

Note 1.11 Cash & Cash Equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

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

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

De-recognition

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

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

Note 1.13 Leases

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

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

The Trust as a lessee

Recognition and initial measurement

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

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

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

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

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT.

Lease payments associated with these leases are expensed on a straight-line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

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

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

The Trust as a lessor

The Trust has no arrangements where it acted as lessor in 2022/23.

Initial application of IFRS 16

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

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

The Trust as lessee

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.

The Trust as lessor

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

2021/22 comparatives

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

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

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

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

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

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 26.2 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, 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 sufficient reliability.

Note 1.16 Public dividend capital

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

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

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

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

Note 1.17 Value added tax

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

Note 1.18 Climate change levy

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

Note 1.19 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March

• non-monetary assets and liabilities measured at 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.

Note 1.20 Third party assets

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

Note 1.21 Losses and special payments

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

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

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Early adoption of standards, amendments and interpretations

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

Note 1.24 Critical judgements in applying accounting policies

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

Going Concern

The financial statements have been prepared on a going concern basis as set out in note 1.2. In preparing the financial statements the directors have considered the Trust's overall financial position and expectation of future contractual income and cost improvements.

Valuation of Land and Buildings

The Trust has applied the concept of Modern Equivalent Asset (MEA) to estimate the valuation of its property assets, as applicable, under the guidance of the DHSC GAM and independent professional valuers. This may result in impairment costs or reversals falling to be recognised in reserves or the income and expenditure statement as appropriate.

Charitable Funds

Following the receipt of a significant legacy (c.£2.1m) in 2022/23, the linked charity has been consolidated into the group accounts for this financial year

Note 1.25 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Valuation of land and buildings

2022/23 £50,114,000 (2021/22 £45,987,000)

This is the most significant estimate in the accounts and is based on the professional judgement of the Trust’s independent valuer with extensive knowledge of the physical estate and market factors. The value does not take into account potential future changes in market value which cannot be predicted with any certainty.

The valuation of land in on an alternate site, modern equivalent asset (MEA) basis adopting land values of light industrial land in a broadly similar area. In addition the valuers have adopted an assumption of a considerably smaller footprint (actual 23.2 acres, MEA 5.71 acres) reflecting that a modern equivalent would be built over 5 storeys rather than the 1 or 2 in current build and excluding the area of woodland to the north of the current hospital site. The land area associated with car parks remains at current area.

Buildings are valued relying on Building Cost Information Service (BCIS) and other published cost data taking into consideration any investments and capital improvements likely to enhance value within the context of a 'modern equivalent' asset build. This includes taking into consideration any inefficiencies in design of current functional areas.

Accruals of Expenditure

Where goods or services have been received by the Trust but have not been invoiced at the end of the financial year, estimates are based on the best information available at the time, and where possible, on known prices and volumes. See note 23.

Provisions for Early retirements

The Trust makes additional pension contributions in respect of a number of staff who have retired early from the service. Provisions have been made for these contributions, based on information from the NHS Pensions Agency.

Note 2 Operating Segments

The Trust operates a single segment, the provision of healthcare

	Trust Only	
	2022/23	**2021/22**
	£000	**£000**
Income	98,593	86,991
Segment surplus / (deficit)	(852)	1,918
Segment net assets	61,062	59,579

Note 3 Operating income from patient care activities (Group)

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

Note 3.1 Income from patient care activities (by nature)

	2022/23	**2021/22**
	£000	**£000**
Income from commissioners under API contracts*	83,782	73,036
High cost drugs income from commissioners (excluding pass-through costs)	335	344
Other NHS clinical income	1,410	1,557
Private patient income	173	196
Elective recovery fund	1,800	3,722
Agenda for change pay offer central funding***	1,749	-
Additional pension contribution central funding**	2,309	2,202
Other clinical income	2,122	1,352
Total income from activities	**93,680**	**82,409**

* Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.
https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/
** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

*** 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 has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	**£000**
NHS England	21,095	26,033
Clinical commissioning groups	13,395	53,271
Integrated care boards	55,357	-
Other NHS providers	1,611	1,557
Non-NHS: private patients	173	195
Non-NHS: overseas patients (chargeable to patient)	66	7
Injury cost recovery scheme	210	156
Non NHS: other	1,773	1,190
Total income from activities	**93,680**	**82,409**
Of which:		
Related to continuing operations	93,680	82,409
Related to discontinued operations	-	-

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

	2022/23	2021/22
	£000	**£000**
Income recognised this year	66	7
Cash payments received in-year	44	18
Amounts added to provision for impairment of receivables	23	5
Amounts written off in-year	-	-

Note 4 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	255	-	**255**	279	-	**279**
Education and training	2,060	-	**2,060**	1,852	-	**1,852**
Non-patient care services to other bodies	33		**33**	466		**466**
Reimbursement and top up funding	289		**289**	859		**859**
Charitable and other contributions to expenditure		238	**238**		314	**314**
Charitable fund incoming resources		2,199	**2,199**		132	**132**
Other income *	1,794	-	**1,794**	812	-	**812**
Total other operating income	**4,431**	**2,437**	**6,868**	**4,268**	**446**	**4,714**
Of which:						
Related to continuing operations			6,868			4,714
Related to discontinued operations			-			-

* Other income includes the following:	2022/23	2021/22
	£000	£000
Car Parking income	148	-
Catering Income	172	116
Non Clinical Services charged to other bodies	-	84
Clinical excellence awards	49	138
Other Income	1,425	474
	1,794	**812**

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	219	304

Note 5.2 Income from activities arising from commissioner requested services

Within the 2022/23 financial statements, management have taken the view that commissioner requested services are those which are provided for the healthcare of NHS patients. Of the total income reported above, £93,441,000 (2021/22 £82,207,000) was derived from the provision of commissioner requested services, being all income except that associated with private and overseas patients.

Note 6 Operating leases - Queen Victoria Hospital NHS Foundation Trust as lessor

Neither the Trust or the Group have any significant operating leases to disclose for 2022/23

Note 6.1 Operating leases - Queen Victoria NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Queen Victoria Hospital NHS Foundation Trust is the lessee for short term arrangements only. As the portfolio for which charges have been incurred in year is not dissimilar in future periods there is no separate disclosure of the future charges.

	2022/23	2021/22
Lease payments recognised as an expense in year	**£000**	**£000**
Minimum lease payments	20	23
Total	**20**	**23**

Note 7 Operating expenses (Group)

	2022/23	2021/22
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	2,474	1,271
Staff and executive directors costs	62,521	56,815
Remuneration of non-executive directors	116	114
Supplies and services - clinical (excluding drugs costs)	13,121	12,454
Supplies and services - general	787	678
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,364	1,392
Inventories written down	-	9
Establishment	1,022	824
Premises	6,795	3,780
Transport (including patient travel)	349	322
Depreciation on property, plant and equipment	3,873	3,661
Amortisation on intangible assets	756	514
Net impairments	591	(674)
Movement in credit loss allowance: contract receivables / contract assets	70	(150)
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	(21)	31
Fees payable to the external auditor		
audit services- statutory audit	105	105
other auditor remuneration (external auditor only)	-	-
Internal audit costs	91	74
Clinical negligence	812	858
Legal fees	81	10
Insurance	54	34
Research and development	286	240
Education and training	374	191
Expenditure on short term leases (current year only)	20	
Operating leases expenditure (comparative only)		23
Car parking & security	372	351
Other services, eg external payroll	215	161
Other NHS charitable fund resources expended	6	139
Other	1,759	483
Total	**97,993**	**83,710**
Of which:		
Related to continuing operations	97,993	83,710
Related to discontinued operations	-	-

Note 7.1 Limitation on auditor's liability (Group)

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

Note 8 Impairment of assets (Group)

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price *	591	(674)
Total net impairments charged to operating surplus / deficit	**591**	**(674)**
Impairments charged to the revaluation reserve	506	748
Total net impairments	**1,097**	**74**

- Note – changes in market price are considered and offset against backlog maintenance costs incurred throughout the year, that whilst capital in nature do not add corresponding value to a property asset.

Note 9 Employee benefits (Group)

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	49,154	44,403
Social security costs	4,934	4,411
Apprenticeship levy	220	205
Employer's contributions to NHS pensions	7,409	7,241
Pension cost - other	43	15
Termination benefits	-	50
Temporary staff (including agency)	1,703	1,308
Total staff costs	**63,463**	**57,633**
Of which		
Costs capitalised as part of assets	658	581

Note 9.1 Retirements due to ill-health (Group)

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

Note 10 Pension costs

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

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

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

National Employees Savings Trust (NEST)

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This was part of the auto enrolment requirements introduced by the Government.

NEST is a defined contribution scheme with a phased employer contribution rate which was 3% for 2022/23. The rate remains at 3% from April 2023.

Note 11 Finance income (Group)

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	241	6
NHS charitable fund investment income	14	-
Total finance income	**255**	**6**

Note 12.1 Finance expenditure (Group)

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

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	86	108
Interest on lease obligations	2	2
Total interest expense	**88**	**110**
Unwinding of discount on provisions	12	(9)
Total finance costs	**100**	**101**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	2022/23	2021/22
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	1

Note 13 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's deficit for the period was £0.8 million (2021/22: surplus £1.9 million). The trust's total comprehensive income/(expense) for the period was £3.4 million (2021/22: £4 million).

Note 14.1 Intangible assets - 2022/23

NOTE: The Charity has no intangible assets so the Group values are also the Trust values

Group + Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**3,944**	**601**	**4,545**
Additions	-	767	**767**
Reclassifications	677	(677)	**-**
Valuation / gross cost at 31 March 2023	**4,621**	**691**	**5,312**
Amortisation at 1 April 2022 - brought forward	**1,128**	**-**	**1,128**
Provided during the year	756	-	**756**
Amortisation at 31 March 2023	**1,884**	**-**	**1,884**
Net book value at 31 March 2023	**2,737**	**691**	**3,428**
Net book value at 1 April 2022	**2,816**	**601**	**3,417**

Note 14.2 Intangible assets - 2021/22

Group + Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021	**4,232**	**124**	**4,356**
Additions	1,224	477	**1,701**
Disposals / derecognition	(1,512)	-	**(1,512)**
Valuation / gross cost at 31 March 2022	**3,944**	**601**	**4,545**
Amortisation at 1 April 2021	**2,126**	**-**	**2,126**
Provided during the year	514	-	**514**
Disposals / derecognition	(1,512)	-	**(1,512)**
Amortisation at 31 March 2022	**1,128**	**-**	**1,128**
Net book value at 31 March 2022	**2,816**	**601**	**3,417**
Net book value at 1 April 2021	**2,106**	**124**	**2,230**

Note 15.1 Property, plant and equipment - 2022/23

NOTE: The Charity has no Property, plant and equipment assets so the Group values are also the Trust values

Group + Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**4,430**	**52,978**	**3,511**	**17,825**	**7,832**	**86,576**
IFRS 16 implementation - reclassification to right of use assets	-	(2,032)	-	-	-	**(2,032)**
Additions	-	-	5,563	-	-	**5,563**
Impairments	(430)	(1,233)	-	-	-	**(1,663)**
Reversals of impairments	-	566	-	-	-	**566**
Revaluations	-	2,633	-	-	-	**2,633**
Reclassifications	-	5,739	(7,967)	725	1,503	**-**
Valuation/gross cost at 31 March 2023	**4,000**	**58,651**	**1,107**	**18,550**	**9,335**	**91,643**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**11,421**	**-**	**14,597**	**4,055**	**30,073**
IFRS 16 implementation - reclassification to right of use assets	-	(58)	-	-	-	**(58)**
Provided during the year	-	1,174	-	994	1,580	**3,748**
Accumulated depreciation at 31 March 2023	**-**	**12,537**	**-**	**15,591**	**5,635**	**33,763**
Net book value at 31 March 2023	**4,000**	**46,114**	**1,107**	**2,959**	**3,700**	**57,880**
Net book value at 1 April 2022	**4,430**	**41,557**	**3,511**	**3,228**	**3,777**	**56,503**

Note 15.2 Property, plant and equipment - 2021/22

Group + Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021	**4,280**	**48,980**	**349**	**17,167**	**9,145**	**79,921**
Additions	-	1,166	3,507	658	213	**5,544**
Impairments	-	(981)	-	-	-	**(981)**
Reversals of impairments	-	907	-	-	-	**907**
Revaluations	150	2,609	-	-	-	**2,759**
Reclassifications	-	297	(345)	-	48	**-**
Disposals / derecognition	-	-	-	-	(1,574)	**(1,574)**
Valuation/gross cost at 31 March 2022	**4,430**	**52,978**	**3,511**	**17,825**	**7,832**	**86,576**
Accumulated depreciation at 1 April 2021	**-**	**9,984**	**-**	**13,555**	**4,447**	**27,986**
Provided during the year	-	1,437	-	1,042	1,182	**3,661**
Disposals / derecognition	-	-	-	-	(1,574)	**(1,574)**
Accumulated depreciation at 31 March 2022	**-**	**11,421**	**-**	**14,597**	**4,055**	**30,073**
Net book value at 31 March 2022	**4,430**	**41,557**	**3,511**	**3,228**	**3,777**	**56,503**
Net book value at 1 April 2021	**4,280**	**38,996**	**349**	**3,612**	**4,698**	**51,935**

Note 15.3 Property, plant and equipment financing - 31 March 2023

Group + Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£000	£000	£000	£000	£000	£000
Owned - purchased	4,000	44,015	1,107	2,516	3,690	**55,328**
Owned - donated/granted	-	2,099	-	443	10	**2,552**
NBV total at 31 March 2023	**4,000**	**46,114**	**1,107**	**2,959**	**3,700**	**57,880**

Note 15.4 Property, plant and equipment financing - 31 March 2022

Group + Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£000	£000	£000	£000	£000	£000
Owned - purchased	4,430	37,514	3,511	2,589	3,761	**51,805**
Finance leased	-	2,032	-	-	-	**2,032**
Owned - donated/granted	-	2,011	-	639	16	**2,666**
NBV total at 31 March 2022	**4,430**	**41,557**	**3,511**	**3,228**	**3,777**	**56,503**

Note 16 Donations of property, plant and equipment

No capital donations were received by the Trust in 2022-23. (2021/22 Nil).

Note 17 Revaluations of property, plant and equipment

Land and Buildings were revalued as at 31st March 2023 by professionally qualified, Royal Institute of Chartered Surveyors (RICS) registered, external valuers Gerald Eve LLP (see note 1.8). The valuation took account of changes in market values and work carried out by the Trust since the previous valuation as at 31 March 2022. The remaining useful lives of buildings were also reviewed taking account of the passage of time and maintenance and enhancements carried out by the Trust.

The Trust has entered into an agreement to sell approximately 1.5 hectares of surplus land which currently forms part of the hospital site. Because the whole site is valued on a modern equivalent asset, on a reduced footprint in a similar location, this land is not included in the valuation and is therefore considered to have no value for the purposes of these accounts.

Note 18 Leases - Queen Victoria Hospital NHS Foundation Trust as a lessee

This note details information about leases for which the Trust is a lessee.

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

NOTE: The Charity has no Right of Use Assets so the Group values are also the Trust values

Note 18.1 Right of Use Assets 2022/23

Group + Trust	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	2,032	-	**2,032**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	85	**85**	-
Additions	-	210	**210**	-
Revaluations	208	-	**208**	-
Valuation/gross cost at 31 March 2023	**2,240**	**295**	**2,535**	**-**
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	58	-	**58**	-
Provided during the year	60	65	**125**	-
Accumulated depreciation at 31 March 2023	**118**	**65**	**183**	**-**
Net book value at 31 March 2023	**2,122**	**230**	**2,352**	**-**

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

Note 18.2 Reconciliation of the carrying value of lease liabilities

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

	Group	Trust
	2022/23	2022/23
	£000	£000
Carrying value at 31 March 2022	**165**	**165**
IFRS 16 implementation - adjustments for existing operating leases	85	85
Lease additions	210	210
Interest charge arising in year	2	2
Lease payments (cash outflows)	(146)	(146)
Carrying value at 31 March 2023	**316**	**316**

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

These payments are disclosed in Note 7. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 18.3 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total	Of which leased from DHSC group bodies:	**Total**	Of which leased from DHSC group bodies:
	31 March 2023	**31 March 2023**	**31 March 2023**	**31 March 2023**
	£000	**£000**	**£000**	**£000**
Undiscounted future lease payments payable in:				
- not later than one year;	151	-	151	-
- later than one year and not later than five years;	184	-	184	-
- later than five years.	-	-	-	-
Total gross future lease payments	**335**	**-**	**335**	**-**
Finance charges allocated to future periods	(19)	-	(19)	-
Net lease liabilities at 31 March 2023	**316**	**-**	**316**	**-**
Of which:				
Leased from other NHS providers		-		
Leased from other DHSC group bodies		-		

Note 18.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

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

	Group 31 March 2022	**Trust 31 March 2022**
	£000	**£000**
Undiscounted future lease payments payable in:		
- not later than one year;	83	83
- later than one year and not later than five years;	84	84
Total gross future lease payments	**167**	**167**
Finance charges allocated to future periods	(2)	(2)
Net finance lease liabilities at 31 March 2022	**165**	**165**
of which payable:		
- not later than one year;	82	82
- later than one year and not later than five years;	83	83
Total of future minimum sublease payments to be received at the reporting date	-	-

Note 18.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

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

	Group	Trust
	2021/22	2021/22
	£000	£000
Operating lease expense		
Minimum lease payments	23	23
Total	**23**	**23**

	31 March 2022	31 March 2022
	£000	£000
Future minimum lease payments due:		
- not later than one year;	23	23
- later than one year and not later than five years;	27	27
Total	**50**	**50**
Future minimum sublease payments to be received	-	

Note 18.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 13.

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

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

	Group	Trust
	1 April 2022	1 April 2022
	£000	£000
Operating lease commitments under IAS 17 at 31 March 2022	**50**	**50**
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	**49**	**49**
Less:		
Commitments for leases of low value assets	(29)	(29)
Other adjustments:		
Finance lease liabilities under IAS 17 as at 31 March 2022	165	165
Other adjustments	65	65
Total lease liabilities under IFRS 16 as at 1 April 2022	**250**	**250**

Note 19 Analysis of charitable fund reserves

These accounts include the financial results for the Queen Victoria Hospital NHS Charitable Fund, Registered Charity No. 1056120

	31 March 2023	31 March 2022
	£000	£000
Unrestricted funds:		
Unrestricted income funds	394	458
Restricted funds:		
Endowment funds	-	-
Other restricted income funds	2,705	682
	3,099	**1,140**

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

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

Note 20 Inventories

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Drugs	156	160	156	160
Consumables	916	994	916	994
Total inventories	**1,072**	**1,154**	**1,072**	**1,154**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £4,519k (2021/22: £4,341k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £9k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £238k of items purchased by DHSC (2021/22: £314k).

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

Note 21.1 Receivables

	Group		Trust	
	31 March 2023	**31 March 2022**	**31 March 2023**	**31 March 2022**
	£000	**£000**	**£000**	**£000**
Current				
Contract receivables*	7,517	2,974	7,641	2,974
Allowance for impaired contract receivables / assets	(587)	(517)	(587)	(517)
Prepayments (non-PFI)	907	707	907	707
VAT receivable	380	181	380	181
Corporation and other taxes receivable	11	7	11	7
Other receivables	51	88	51	88
NHS charitable funds receivables	2	1	-	-
Total current receivables	**8,281**	**3,441**	**8,403**	**3,440**
Non-current				
Other receivables**	368	332	368	332
Total non-current receivables	**368**	**332**	**368**	**332**
Of which receivable from NHS and DHSC group bodies:				
Current	5,806	1,593	5,806	1,593
Non-current	368	332	368	332

* The majority of trade was with Clinical Commissioning Groups (CCGs) or their successor bodies Integrated Care Boards (ICB), and NHS England as commissioners for NHS patient care services. Both were funded by Government to buy NHS patient care services so no credit scoring is deemed to be necessary

** The provision for the cost for the clinicians pension tax scheme is offset with an associated future funding stream

Note 21.2 Allowances for credit losses - 2022/23

	Group	Trust
	Contract receivables and contract assets	**Contract receivables and contract assets**
	£000	**£000**
Allowances as at 1 Apr 2022 - brought forward	**517**	**517**
New allowances arising	-	-
Changes in existing allowances	70	70
Reversals of allowances	-	-
Utilisation of allowances (write offs)	-	-
Allowances as at 31 Mar 2023	**587**	**587**

Note 21.3 Allowances for credit losses - 2021/22

	Group	Trust
	Contract receivables and contract assets	**Contract receivables and contract assets**
	£000	**£000**
Allowances as at 1 Apr 2021	**1,081**	**1,081**
New allowances arising	262	262
Changes in existing allowances	-	-
Reversals of allowances	(412)	(412)
Utilisation of allowances (write offs)	(414)	(414)
Allowances as at 31 Mar 2022	**517**	**517**

Note 22 Cash and cash equivalents movements

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

	Group		Trust	
	2022/23	**2021/22**	**2022/23**	**2021/22**
	£000	**£000**	**£000**	**£000**
At 1 April	**18,843**	**9,474**	**17,547**	**8,582**
Net change in year	(3,892)	9,369	(5,822)	8,965
At 31 March	**14,951**	**18,843**	**11,725**	**17,547**
Broken down into:				
Cash at commercial banks and in hand	4,571	1,539	1,345	243
Cash with the Government Banking Service	10,380	17,304	10,380	17,304
Total cash and cash equivalents as in SoFP	**14,951**	**18,843**	**11,725**	**17,547**
Total cash and cash equivalents as in SoCF	**14,951**	**18,843**	**11,725**	**17,547**

Note 22.1 Third party assets held by the trust

Queen Victoria Hospital NHS Foundation Trust held Nil cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties.

Note 23.1 Trade and other payables

	Group		Trust	
	31 March 2023	**31 March 2022**	**31 March 2023**	**31 March 2022**
	£000	**£000**	**£000**	**£000**
Current				
Trade payables	3,276	1,801	3,276	1,801
Capital payables	1,521	4,456	1,521	4,456
Accruals	10,451	8,796	10,451	8,796
Social security costs	695	654	695	654
Other taxes payable	775	604	775	604
PDC dividend payable	18	8	18	8
Pension contributions payable	789	745	789	745
Other payables	209	323	209	323
NHS charitable funds: trade and other payables	5	157	-	-
Total current trade and other payables	**17,739**	**17,544**	**17,734**	**17,387**

Of which payables from NHS and DHSC group bodies:

Current	6,891	5,718	6,891	5,718
Non-current	-	-	-	-

Note 24 Other liabilities

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	421	252	421	252
Deferred grants	-	392	-	392
Total other current liabilities	**421**	**644**	**421**	**644**

Note 25 Borrowings

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Loans from DHSC	800	806	800	806
Lease liabilities*	144	82	144	82
Total current borrowings	**944**	**888**	**944**	**888**
Non-current				
Loans from DHSC	1,934	2,712	1,934	2,712
Lease liabilities*	172	83	172	83
Total non-current borrowings	**2,106**	**2,795**	**2,106**	**2,795**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.

Note 25.1 Reconciliation of liabilities arising from financing activities (Group + Trust)

Note: All borrowings relate to Trust only, no charitable borrowings

Group + Trust - 2022/23	**Loans from DHSC**	**Lease liabilities**	**Total**
	£000	**£000**	**£000**
Carrying value at 1 April 2022	**3,518**	**165**	**3,683**
Cash movements:			
Financing cash flows - payments and receipts of principal	(778)	(144)	**(922)**
Financing cash flows - payments of interest	(92)	(2)	**(94)**
Non-cash movements:			
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	85	**85**
Additions	-	210	**210**
Application of effective interest rate	86	2	**88**
Carrying value at 31 March 2023	**2,734**	**316**	**3,050**

Group + Trust - 2021/22	**Loans from DHSC**	**Finance leases**	**Total**
	£000	**£000**	**£000**
Carrying value at 1 April 2021	**4,302**	**244**	**4,546**
Cash movements:			
Financing cash flows - payments and receipts of principal	(778)	(78)	**(856)**
Financing cash flows - payments of interest	(114)	(2)	**(116)**
Non-cash movements:			
Application of effective interest rate	108	2	**110**
Change in effective interest rate	-	(1)	**(1)**
Carrying value at 31 March 2022	**3,518**	**165**	**3,683**

Note 26.1 Provisions for liabilities and charges analysis (Group)

Note: All provisions relate to Trust only, Trust = Group reporting

Group + Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2022	**24**	**727**	**10**	**339**	**1,100**
Change in the discount rate	1	(22)	-	(334)	**(355)**
Arising during the year	21	-	18	2,527	**2,566**
Utilised during the year	(6)	(23)	-	(3)	**(32)**
Reversed unused	-	(328)	(10)	-	**(338)**
Unwinding of discount	-	12	-	8	**20**
At 31 March 2023	**40**	**366**	**18**	**2,537**	**2,961**
Expected timing of cash flows:					
- not later than one year;	6	23	18	2,169	**2,216**
- later than one year and not later than five years;	23	92	-	20	**135**
- later than five years.	11	251	-	348	**610**
Total	**40**	**366**	**18**	**2,537**	**2,961**

The provisions for pensions represent the discounted value of annual payments made to the NHS Pensions Agency calculated on an actuarial basis

Legal claims are relating to third party and employer's liabilities. Where the case falls within the remit of of the risk pooling schemes run by NHS Resolution (formerly NHS Litigation authority), the Trust's liability is limited to an excess of £3,000 or £10,000 per case with the remainder born by the scheme. The provision is shown net of any reimbursement due from NHS Resolution.

Other provisions include £1.35m in relation to Fire Service directed fire remediation works & £0.38m relating to the Clinicians Pension Tax Scheme (funded by the DHSC); the balance is made up of other legal & general provisions.

Note 26.2 Clinical Negligence Liabilities

At 31 March 2023, £532k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Queen Victoria Hospital NHS Foundation Trust (31 March 2022: £755k).

Note 27 Contingent assets and liabilities

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(11)	-	(11)	-
Other	(70)	-	(70)	-
Gross value of contingent liabilities	**(81)**	**-**	**(81)**	**-**
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	**(81)**	**-**	**(81)**	**-**
Net value of contingent assets	**-**	**-**	**-**	**-**

Note 28 Contractual capital commitments

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Property, plant and equipment	170	1,900	170	1,900
Intangible assets	-	9	-	9
Total	**170**	**1,909**	**170**	**1,909**

Note 29 Financial instruments

All financial assets and liabilities are denominated in sterling. Carrying values are taken as a reasonable approximation of fair value.

Note 29.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with its commissioners, and the way those commissioners are financed, the foundation trust is not exposed to the degree of financial risk faced by business entities, to which the financial reporting standards mainly apply. The foundation Trust has limited powers to borrow or invest surplus funds and the financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the Finance Department, within the parameters defined formally within the Foundation Trust's Standing Financial Instructions and policies agreed by the Board of Directors. The Foundation Trust treasury activity is subject to review by the Foundation Trust's internal auditors.

Currency Risk

The great majority of all transactions for both the Foundation Trust and the Charity that form the 'Group' are UK and sterling based and the group has no overseas operations. Exposure to currency rate fluctuations is therefore very low.

Interest Rate Risk

Most of the groups financial assets and liabilities carry nil or fixed rates of interest. Cash deposits at the end of the year were mainly held in Government Banking Services accounts with variable interest rates. The Charity has cash in variable interest bearing accounts Charities Aid Foundation Account and a commercial account but is not exposed to significant interest rate risk.

Credit Risk

The majority of the trust's income comes from contracts with other public bodies and therefore has a low credit risk. The charity had minimal money owed at the end of the year by the Trust.

Liquidity Risk

The majority of the Group's operating costs are incurred under the contract with commissioners which are financed from resources voted for annually by parliament. The group funds its capital expenditure from internally generated resources and is therefore not exposed to significant liquidity risks.

Note 29.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non-financial assets	6,974	**6,974**
Cash and cash equivalents	11,725	**11,725**
Consolidated NHS Charitable fund financial assets	3,228	**3,228**
Total at 31 March 2023	**21,927**	**21,927**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non-financial assets	2,884	**2,884**
Cash and cash equivalents	17,547	**17,547**
Total at 31 March 2022	**20,431**	**20,431**

Note 29.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non-financial assets	6,974	**6,974**
Cash and cash equivalents	11,725	**11,725**
Total at 31 March 2023	**18,699**	**18,699**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non-financial assets	2,884	**2,884**
Cash and cash equivalents	17,547	**17,547**
Total at 31 March 2022	**20,431**	**20,431**

Note 29.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	2,734	**2,734**
Obligations under leases	316	**316**
Trade and other payables excluding non-financial liabilities	15,516	**15,516**
Total at 31 March 2023	**18,566**	**18,566**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,518	**3,518**
Obligations under finance leases	165	**165**
Trade and other payables excluding non-financial liabilities	16,121	**16,121**
Total at 31 March 2022	**19,804**	**19,804**

Note 29.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	2,734	**2,734**
Obligations under leases	316	**316**
Trade and other payables excluding non-financial liabilities	15,516	**15,516**
Total at 31 March 2023	**18,566**	**18,566**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,518	**3,518**
Obligations under finance leases	165	**165**
Trade and other payables excluding non-financial liabilities	16,121	**16,121**
Total at 31 March 2022	**19,804**	**19,804**

Note 29.6 Maturity of financial assets

All of the Trust's / Group's financial assets mature within 1 year.

Note 29.7 Maturity of financial liabilities

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

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
In one year or less	16,468	17,074	16,468	17,074
In more than one year but not more than five years	2,118	2,948	2,118	2,948
Total	**18,586**	**20,022**	**18,586**	**20,022**

Note 30 Losses and special payments

Group and trust	2022/23 Total number of cases	2022/23 Total value of cases	2021/22 Total number of cases	2021/22 Total value of cases
	Number	£000	Number	£000
Losses				
Fruitless payments and constructive losses	-	-	1	1
Bad debts and claims abandoned	-	-	42	262
Total losses	**-**	**-**	**43**	**263**
Special payments				
Ex-gratia payments	4	-	12	24
Total special payments	**4**	**-**	**12**	**24**
Total losses and special payments	**4**	**-**	**55**	**287**
Compensation payments received				

Note 31 Related parties

No board members or members of the key management staff or parties related to them undertook any transactions with Queen Victoria Hospital NHS Foundation Trust during 2022/23, (2021/22 none).

The Department of Health and Social Care is the parent department, other public sector bodies included within the Whole of Government Accounts are also deemed to be related parties. The Trust has financial transactions with many such bodies.

The Trust received donations from the Queen Victoria Hospital NHS Trust Charitable Fund, the trustee of which is Queen Victoria Hospital NHS Foundation Trust. As the results of the charity have been consolidated within these accounts, no related party disclosure is necessary for 2022/23.

Furthermore, neither the corporate trustee nor any member of the QVH NHSFT's board of directors has received honoraria, emoluments or expenses in the year and the trustee has not purchased trustee indemnity insurance.

Whole of Government Accounts bodies with significant transactions (over £500k)

Income, Expenditure, Receivables and Payables	2022/23 Income	2022/23 Expenditure	2021/22 Income	2021/22 Expenditure	2022/23 Receivables	2022/23 Payables	2021/22 Receivables	2021/22 Payables
	£000	£000	£000	£000	£000	£000	£000	£000
University Hospitals Sussex NHS Foundation Trust	**816**	**1,172**	851	1,318	**1,015**	**661**	497	429
Dartford and Gravesham NHS Trust	-	**628**	-	519	-	**480**	-	5
Medway NHS Foundation Trust	**105**	**967**	98	1,145	**187**	**845**	99	507
East Sussex Healthcare NHS Trust	-	**350**	2	461	**7**	**230**	-	68
NHS Resolution	-	**812**	-	858	-	-	-	-
Health Education England	**1,964**	-	1,851	-	**427**	-	-	-
NHS England	**18,873**	**50**	24,914	-	**1,622**	-	413	-
HM Revenue and Customs (Employer NI and Apprenticeship levy)	-	**5,154**	-	4,616	-	**1,470**	-	1,258
NHS Pension Scheme (Employer contributions)	-	**7,432**	-	7,241	-	**781**	-	746
NHS South East London CCG / ICB	**1,360**	-	1,222	1	-	-	-	-
NHS Surrey Heartlands CCG / ICB	**5,288**	-	4,976	-	-	-	-	-
NHS Sussex ICB (formally NHS East Sussex CCG, West Sussex CCG and Brighton and Hove CCG)*	**39,243**	**11**	32,568	55	**713**	**4,083**	6	4,292
NHS Kent and Medway CCG/ICB	**21,481**	-	14,505	-	**1,183**	-	7	-
	89,130	**16,576**	80,987	16,214	**5,154**	**8,550**	1,022	7,305

*Comparatives amalgamated

Note 32 Events after the reporting date

No significant events have been identified.

6 Appendices

6.1 Board of directors register

+ denotes non-voting Board member

	Attendance record 2022/23					
	Board of directors	**Audit committee**	**Nomination and remuneration committee**	**Finance and performance committee**	**Quality and governance committee**	**Digital committee**
Lawrence Anderson + Interim Director of Workforce and Organisational Development 10 June 2021 to present	5 of 6	NA	NA	10 of 12	6 of 9	NA
Tony Chambers Interim Chief Executive Officer 1 February 2023 to present	0 of 1	NA	NA	0 of 2	0 of 2	1 of 2
Tania Cubison Medical Director 19 January 2022 to present	5 of 6	NA	NA	NA	7 of 9	NA
Paul Dillon- Robinson Non-Executive director 1 October 2022 to 30 September 2025	6 of 6	5 of 5	8 of 9	11 of 12	NA	NA
Anita Donley Interim Trust Chair 15 November 2021 to 10 July 2022	1 of 2	NA	0 of 1	1 of 3	NA	NA
James Drury Interim Chief Finance Officer 9 September 2022 to 31 January 2023	2 of 2	NA	NA	5 of 5	3 of 3	NA
Kevin Gould Non-Executive director 1 September 2020 to 30 August 2023	6 of 6	5 of 5	9 of 9	12 of 12	NA	2 of 2
Abigail Jago + Director of Strategy and Partnerships 6 February 2023 to present	1 of 1	NA	NA	NA	NA	1 of 2

Steve Jenkin Chief Executive 14 November 2016 to 13 January 2023	5 of 5	NA	NA	9 of 9	4 of 7	NA
Michelle Miles Director of Finance and Performance 1 February 2018 to 8 September 2022	3 of 3	NA	NA	5 of 5	4 of 4	NA
Shane Morrison-McCabe + Director of Operations 21 March 2022 to present	6 of 6	NA	NA	12 of 12	8 of 9	1 of 2
Gary Needle Senior Independent director 1 July 2022 to 30 June 2023	5 of 6	NA	9 of 9	NA	3 of 9	2 of 2
Karen Norman Non-Executive director 8 April 2022 to 7 April 2025	6 of 6	3 of 5	9 of 9	NA	9 of 9	NA
Clare Pirie + Director of Communications and Corporate Affairs 1 May 2017 to present	6 of 6	NA	NA	NA	NA	NA
Stuart Rees Interim Chief Finance Officer 1 February 2023 to present			NA	2 of 2	1 of 2	2 of 2
Nicky Reeves Chief Nurse 12 November 2020 to present			NA	NA	9 of 9	1 of 2
Jackie Smith Trust Chair 11 July 2022 to 12 July 2025			8 of 8	7 of 8	NA	NA

6.2 Council of Governor's register

Name	Constituency	Status of current term	Start term	End term
Barham, Chris	Public	Elected 1st term	01/02/2021	30/06/2023
Bowden, Elizabeth	Public	Elected 1st term	01/02/2021	30/06/2023
Brown, Andrew	Public	Elected 1st term	01/02/2021	30/06/2023
Brown, StJohn	Stakeholder	Re-appointed	01/04/2020	31/03/2023
Butler, Tim	Public	Elected 1st tem	01/02/2021	30/06/2023
Dheansa, Balj	Staff	Elected 1st term	01/02/2021	30/06/2023
Farley, Miriam	Public	Elected 1st term	01/02/2021	30/06/2023
Fulford-Smith, Anthony	Public	Re-elected 2nd term	01/02/2021	30/06/2023
Haite, Janet	Public	Re-elected 2nd term	01/02/2021	30/06/2023
Harley, Oliver	Public	Elected 1st term	01/02/2021	30/06/2023
Hazari, Anita	Staff	Elected 1st term	01/02/2021	30/06/2023
Holden, Julie	Stakeholder	Appointed 2nd term	06/01/2023	05/01/2026
Lanzer, Bob	Stakeholder	Appointed 1st term	15/04/2022	30/04/2025
Malhotra, Raman	Staff	Elected 1st term	01/02/2021	30/06/2023
Migo, Caroline	Public	Elected 1st term	01/07/2021	30/06/2023
Smith, Roger	Public	Elected 1st term	01/02/2021	30/06/2023
Sim, Ken	Public	Elected 1st term	01/02/2021	30/06/2023
Stewart, Alison	Public	Elected 1st term	01/02/2021	30/06/2023
Ward Booth, Peter	Public	Elected 1st term	01/02/2021	30/06/2023
Yoganathan, Thavamalar	Public	Elected 1st term	01/02/2021	30/06/2023

6.3 Director's biographies 2022/23

Lawrence Anderson, interim Director of Workforce and Organisational Development (non-voting)

Lawrence Anderson was appointed interim director of workforce and organisational development in June 2021, having previously been the Trust's deputy director of workforce. Lawrence has worked in the NHS since 2004 and began his career as a Band 4 HR Officer at Maidstone and Tunbridge Wells NHS Trust. Lawrence has a strong background in Medical HR and has previously worked in district general hospitals and large acute NHS organisations, both in London and the South East, across a number of different disciplines within HR. Lawrence's particular interests lie in understanding how workforce and organisational development can support and work with managers and staff to add value and ensure we are able to provide the best care to both our staff and our patients.

Tony Chambers, interim Chief Executive Officer

Tony Chambers joined the Trust in February 2023. Tony is an experienced NHS leader, starting his career as a nurse and going on to hold senior roles in hospitals in Greater Manchester and West Yorkshire and in a large integrated health board in South Wales.

He was chief executive of the Countess of Chester NHS Foundation Trust for six years and has held interim hospital chief executive roles in East London and Cornwall.

Before joining QVH, Tony led the team that has successfully delivered the opening of the new Liverpool Royal University Hospital in Liverpool. This is the first hospital to open as part of the national new hospitals building programme.

Tania Cubison, Medical Director

Tania Cubison is a military plastic surgeon who first joined Queen Victoria Hospital as an SHO in 1996, progressing to consultant, before her appointment as Medical Director in January 2022. Tania is a regular Lieutenant Colonel and retains an operational role. Tania underwent specialist registrar training in West Sussex and Newcastle, was awarded the McGregor Gold medal for the FRCS (Plast) examination in 2006, and completed a specialist burn fellowship at Chelmsford. She continues to provide acute burns care and specialises in the surgical management of amputees, including the new technique of targeted muscle reinnervation for phantom limb pain. Tania is QVH safeguarding lead, an active member of the British Burns Association, and is currently the chair of the Senate for the Emergency Management of Severe Burns in the UK. Tania is especially interested in human factors such as teamwork and communication, and their contribution to patient safety.

Paul Dillon-Robinson, Non-Executive Director

Paul joined the board in October 2019. Paul, from Buxted near Uckfield, is a chartered accountant who spent 17 years working in the NHS as a head of internal audit for a range of organisations in the Kent, Sussex and Surrey area. He then spent nine years as director of internal audit for the House of Commons. Paul currently combines tutoring, training and consultancy work with non-executive and charity roles. At QVH, Paul chairs the finance and performance committee and is a member of the audit committee.

Anita Donley, interim Trust Chair

Dr Anita Donley OBE is a consultant physician in acute medicine by background and joined Queen Victoria Hospital as Chair in November 2021. She has worked for over 20 years contributing to strategy and policy in healthcare at a national level including patient safety and quality of care, clinical standards and outcomes, implementation and evaluation; medical education and training; health promotion, nutrition; and environmental toxicity. She has been a member of several national regulatory, advisory, academic and non-departmental public bodies and has worked at Board level in several settings, including chairing a statutory committee for a regulator.

James Drury, interim Chief Finance Officer

James Drury was appointed Interim Chief Finance Officer in August 2022. James has 15 years' experience as an NHS finance director in the regulatory, provider and commissioner sectors. His previous roles have included Interim Director of Operational Finance at North Bristol NHS Trust, Interim Director of Finance at The Shrewsbury & Telford Hospital NHS Trust, Director of Finance for NHS England (South Central), Buckinghamshire Healthcare NHS Trust and Northampton General Hospital NHS Trust and Project Director for the Buckinghamshire, Oxfordshire and Berkshire West System Transformation Partnership (STP).

Prior to joining the NHS he was a Senior Assessment Manager for Monitor the Independent Regulator of NHS Foundation Trusts and worked for KPMG in Audit, Transaction Services and Private Equity and as the Global Executive for the Chemicals industry. He is a member of the Institute of Chartered Accountants in England and Wales.

Kevin Gould, Non-Executive Director

Kevin joined the board in September 2017. He is a chartered accountant with more than 25 years' experience in the financial services and consulting industries, focussing on governance, risk and audit. Kevin has lived in Sharpthone (a village in Mid Sussex) since 1998, where he is a parish councillor. He is involved in a number of commercial and charitable organisations as a consultant and non-executive director. At QVH, Kevin chairs the audit committee and is a member of the finance and performance committee.

Abigail Jago, Director of Strategy and Partnerships (non-voting)

Abigail Jago joined the Trust in February 2023 from East Sussex Healthcare NHS Trust where she was Deputy Chief Operating Officer – Planned Care.

Prior to that Abigail was Director of Operations at Queen Victoria Hospital from May 2018 to March 2022 and has delivered strategic and operational senior roles at Barts Health NHS Trust including leading clinical strategy development.

Since joining the NHS in 2000, she has managed services across multiple sites and has led change programmes in both an acute setting and with multiple partners across health and social care systems including one of the national Vanguard programmes.

Abigail is passionate about the NHS and the delivery of partnerships and system wide improvement.

Steve Jenkin, Chief Executive

Steve Jenkin joined the Trust in November 2016. He was previously the chief executive of Peninsula Community Health, providing services across Cornwall and the Isles of Scilly including running 14 community hospitals. Prior to that Steve was director of health and social care with national charity Sue Ryder and chief executive of Elizabeth FitzRoy Support, a national charity supporting people with learning disabilities. Steve has an MBA through the Open University.

Michelle Miles, Director of Finance and Performance

Michelle was appointed in February 2018 from Croydon Health Services NHS Trust where she was deputy director of finance. Michelle has worked in the NHS for over 20 years, having begun her career as a band 3 management accountant. She has a strong community background, having previously worked in community and primary care trusts. In 2009, Michelle moved to South London to take up her first role in an acute trust, an area of the NHS where she has remained. Michelle is particularly interested in understanding how finance professionals can support the delivery of excellent patient care and outcomes and how all staff can help reduce wastage and improve efficiency.

Shane Morrison-McCabe, Director of operations (non-voting)

Shane joined QVH on 21 March 2022. She has more than 36 years working in the NHS and a clinical background in health visiting and nursing. Shane joined QVH from Medway Maritime Hospital in Kent where she was director of operations - urgent and integrated care since April 2021. Previously Shane was deputy chief operating officer - urgent care at East Sussex NHS Healthcare Trust between March 2020 and November 2021, and for five years was deputy chief operating officer and divisional director for integrated medicine at Bedford Hospital.

Gary Needle, Non-Executive Director and Senior Independent Director

Gary Needle joined the board in July 2017. He has over 35 years' experience in health care executive management including posts as a chief executive in Brighton and Hove and as a director at the national quality inspectorate. He spent seven years in Qatar, where he was director of planning for the national health care system and currently serves as a consultant advisor to the Minister of Health in Qatar. Gary is chair of the board of trustees at East Grinstead Sports Club. At QVH, Gary chairs the charity committee and sits on the quality and governance committee. He was appointed to the role of senior independent director in October 2019.

Karen Norman, Non-Executive Director

Karen joined the board in April 2019 and lives in Brighton. She chairs the quality and governance committee and is a member of the audit committee. Karen has worked in healthcare for 40 years in both the public and private sectors in the UK, Australia, New Zealand and Gibraltar. She has 20 years' experience as an executive director at board level, as Gibraltar's chief nursing officer, and was director of nursing and clinical governance at Brighton and Sussex University Hospitals NHS Trust from 1993 to 2004. Karen has also worked as a management consultant for Crosby Associates, an American quality management company, and as an independent consultant, mostly in Scandinavia. She currently works as visiting professor, faculty member and research supervisor on the Doctorate in Management Programme at the University of Hertfordshire, and also as visiting professor at Kingston University and St George's, University of London, in the School of Nursing.

Clare Pirie, Director of Communications and Corporate Affairs (non-voting)

Clare joined QVH in 2016. She has been supporting clear communication in the NHS since 2000, working at King's College Hospital and Brighton and Sussex University Hospitals, as well as for national and local NHS commissioning organisations. Clare is the Company Secretary for QVH and is responsible for development of the QVH Charity, as well as strategic leadership for communications and engagement.

Stuart Rees, interim Chief Finance Officer

Stuart Rees was appointed Interim Chief Finance Officer in January 2023. He brings with him over 27 experience in the NHS, with 15 years in a director of finance/chief finance officer role. Stuart initially joined the NHS as part of the National Finance Management Training Scheme, progressing to hold a number of senior positions in the NHS. These include chief finance officer for Northamptonshire CCG; chief finance officer for Nene and Corby CCGs; director of finance, contracting and performance of Shropshire Community Health Trust; and director of finance and performance for Shropshire County PCT.

Stuart has significant experience in finance, contracting, estates, and information management and technology.

He is a member of the Chartered Institute of Public Finance and Accountancy and enjoys triathlons from sprint to full ironman distances.

Nicky Reeves, Chief Nurse

Nicky Reeves was appointed interim director of nursing and quality in November 2020, having previously been the deputy director of nursing at QVH for five years. She was made substantive Chief Nurse in February 2022. Nicky trained at the Hammersmith Hospital and has 36 years of nursing experience. She has held a range of posts at QVH and other trusts across Surrey and Kent, leading and managing services at senior management level as well as having extensive operational nursing experience. Nicky has always had a specialist interest in surgical nursing and started her QVH career 15 years ago as the Burns Centre Manager. Nicky is passionate about ensuring the patients who use our services get great care. Living locally, Nicky is well aware of the importance of QVH to the population of East Grinstead.

Jackie Smith, Trust Chair

Jackie Smith joined Queen Victoria Hospital as its Chair in July 2022. Jackie has over 30 years of experience in regulation and law and has been in public service all of her working life. She spent 12 years in the Crown Prosecution Service before taking up a post at the General Medical Council regulating doctors. She moved from there to the Nursing and Midwifery Council (NMC) in August 2010 as the Director of Fitness to Practise.

In June 2012, Jackie became the Chief Executive of the NMC leading the organisation for more than six very successful years. Jackie left the NMC at the end of July 2018 and took up a role as a Non-Executive Director at Camden and Islington NHS Foundation Trust before becoming its Chair in February 2020. She continued as Chair, also taking on the role of Chair at Barnet, Enfield and Haringey Mental Health Trust.

Queen Victoria Hospital is a specialist NHS hospital providing life-changing reconstructive surgery, burns care and rehabilitation services, primarily in the South of England.

We are a centre of excellence, with an international reputation for pioneering complex surgical techniques and treatments.

Our world-leading surgeons perform routine reconstructive surgery for the people of East Grinstead and surrounding areas, specifically for hands, eyes, skin and teeth, and are supported by therapy teams who are highly trained in the management of complex and high-risk trauma, disease and disfigurement.

The hospital also provides a minor injuries unit, expert rehabilitation services and a sleep service. Everything we do is informed by our passion for providing the highest quality care, the best clinical outcomes and a safe and positive patient experience. You can find out more at qvh.nhs.uk

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