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NHS
Milton Keynes
University Hospital
NHS Foundation Trust

Annual Report & Accounts

2022/23

Milton Keynes University Hospital NHS Foundation Trust
Annual Report and Accounts
2022/23

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Chair's Introduction

It is my privilege to be able to introduce the 2022/23 Annual Report for Milton Keynes University Hospital NHS Foundation Trust.

> *"Once again, our staff have gone above and beyond in their efforts to treat patients"*

It has been another busy year despite the reduction in Covid-19 infections. Once again, our staff have gone above and beyond in their efforts to treat patients, focusing on the backlog from the pandemic and making significant inroads into the numbers of patients on the waiting lists. I would like to thank them for their hard work, as, in addition to the emphasis on waiting lists they have faced unprecedented levels of demand for our services, especially through the winter months. I would also like to thank the many volunteers supporting our staff and patients; they were missed during the strictest lockdown periods, and it is great to have them back with us.

This year has seen us return to a more 'pre-pandemic' engagement with our supporters, donors and fundraisers and it has been exciting to reconnect; especially as the building of our Radiotherapy Centre is moving on at pace and we now have an appeal to raise funds for a wellbeing hub to complete the service. We cannot thank all those who have supported us enough for their contributions, which make such a difference to the experience of patients and staff. We look forward to all the events that are planned for 2023/24.

The relaxation of Covid restrictions has also enabled our Governors at MKUH to increase their activities throughout 2022/23, attending events in their constituencies, recruiting new members to sign up to the Trust, and listening to people's views on their experiences of the hospital's services - including what they want from our hospital, where we are performing well and just as importantly, where we need to improve. Our Governors will continue this engagement work into 2023/24, providing oversight to ensure the co-production of new services with the public and assure themselves of improvements in existing services to meet the needs and expectations of our communities. Our aim is that the healthcare we provide is accessible to all, and our Council of Governors is actively working with the Trust to achieve this ambition, for which I would like to thank them. I would encourage everyone in our communities to sign up for Trust membership, and even consider becoming a Governor. We need your contributions to help us shape the ongoing improvements to services.

These are extremely challenging times, not just for our hospital, but for our communities too, and people have been learning to live with the continuing presence of Covid-19 and the significant effects the virus has had on our health and wellbeing. As part of the response to the challenges, the Trust has continued developing its technology to support staff and teams, as well as its development of the site introducing new facilities and buildings, including the impressive Maple Centre which opened in October 2022. Our latest development, the construction of a new Radiotherapy Centre is, as I mentioned, already underway. It's another step we are taking in the expansion of services to meet the future health needs of our local population and to ensure services are available as close to people's homes as possible.

I am very pleased to say the Trust has continued its strong focus on supporting staff in a number of ways; including offering flexible shifts of a short duration enabling people to work around commitments outside work. The impact of this and other initiatives were reflected in the results of the 2022 NHS Staff Survey which showed that #TeamMKUH are the most engaged NHS workforce in the country. The Trust scored above average across the eight overarching elements of the survey, whilst also scoring highest nationally in four areas. It is really pleasing to see these results, particularly when we know the pressures faced by our staff are as high as they ever have been, if not higher. Looking after our staff is always a priority for MKUH and we will continue with this as a priority in the future.

As ever, I would like to convey my thanks to all our partners whether statutory, voluntary, not for profit and others, who work with us to deliver services, working collaboratively in what have been highly challenging conditions for both them and us. One of the biggest challenges has been the rising inequality in our communities, which has been exacerbated by the COVID-19 pandemic and the cost-of-living crisis. It is essential that we continue to work with our partners and stakeholders in communities to ensure we identify the best solutions and ways of working. We need to use every resource and relationship to its best advantage, so that the Trust can provide the services that are needed, and we can support the people of Milton Keynes and our catchment area to be as healthy as possible. In a city as diverse and rapidly growing as Milton Keynes, this is a complex issue, and the Trust is working extremely hard with its growing outreach programme, to ensure every voice is heard as we improve and develop our services and the facilities on the hospital site.

This year has seen changes in our Trust Board and the Council of Governors.

We said goodbye to Chief Nurse Nicky Burns-Muir and Director of Transformation Jackie Collier. I would like to acknowledge and thank them for their hard work and contributions during their time with us and wish them well in their future plans. We were delighted to be able to appoint to the Chief Nurse vacancy and welcomed Yvonne Christley, who has settled quickly into her role and the team.

We also said goodbye to four of our Non-Executives (NEDs): Andrew Blakeman, Helen Smart, Dr. Luke James and Professor James Tooley. I would like to thank them as well for their contributions as part of the Board team and their commitment to MKUH. We were very fortunate in our recruitment for new NEDs and had a significant number of applicants. Dr Devdeep Ahuja and Mark Versallion have joined substantively and as part of a new initiative we now have three Associate Non-Executive Directors; Precious Zumbika-Lwanga, Jason Sinclair and Ganesh Baliah.

I would like to thank all those Governors who have finished their role this year, for their contributions and interest in MKUH:

- Martin Nevin
- Dr Raju Kuzhively
- Akin Soetan
- Jordan Coventry
- Andrew Buckley
- Andy Reilly
- Elizabeth Maushe
- Lucinda Mobaraki

I would also like to welcome the new Governors, who are already engaging and demonstrating their enthusiasm for working with MKUH to benefit their constituents:

- Dr Hany Eldeeb
- Caroline Kintu
- Andrea Vincent MBE
- John Garner OBE
- Christine Thompson
- Tom Daffurn
- Baney Young
- Nicholas Mann
- Councillor Keith McLean

Finally, and by no means least, my thanks go to our Chief Executive Joe Harrison, the Executives and Non-Executive/Associate Board members for their professionalism, hard work and consistent ambition to ensure the best services are provided for the population of Milton Keynes and beyond. It is a pleasure to Chair such a committed group and I look forward to working with them and our dedicated members of staff, as we progress into 2023/24 and deal with the challenges, we know it will bring.

Signed

Alison Davis

Alison Davis
Chair

1 Performance Report

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1.1 Overview of Performance

The performance overview provides a summary of the Trust's performance for 2022/23. It includes a statement from the Chief Executive providing his perspective on how the Trust has performed during the year, provides a brief synopsis of the Trust's purpose and activities and on its history and statutory (legal) background. This section also outlines the key risks and issues to the delivery of the Trust's objectives faced by the organisation in 2022/23.

1.1.1 Chief Executive's Statement on Performance

It is a pleasure to introduce the 2022/23 Annual Report – my tenth as Chief Executive of Milton Keynes University Hospital (MKUH).

In many ways 2022/23 was a uniquely challenging year – from extreme heat to more people than ever before seeking help through our Emergency Department. At one stage the Emergency Department experienced one patient arriving every four minutes - an unprecedented level of demand and a record we have started to see broken each year.

Earlier in the year, there were extreme high temperatures experienced during the heatwave in the summer of 2022 which also provided challenges to staff who endeavoured to make life as comfortable for our patients as possible.

In addition to the significant pressures, waves of industrial action took place across the NHS, impacting the nursing, midwifery, allied health professional, ambulance, and medical workforces. At MKUH, this action was limited to that undertaken by the British Medical Association where junior doctors were involved in a 72-hour walkout in March 2023.

Throughout the year, staff continued to work exceptionally hard to reduce the waiting times for patients requiring elective (planned) treatment, including operations, mirroring the challenges experienced by the wider NHS generally. At the same time, staff and volunteers have worked tirelessly to ensure all patients receive the best and safest treatment and care possible and I thank every one of them for their considerable efforts in going the extra mile throughout the year in this regard.

Speaking of staff, I was delighted to see that the NHS Staff Survey 2022 results showed that #TeamMKUH are the most engaged NHS workforce in the country. Over 1,600 members of staff completed their survey and, as well as our colleagues being the most engaged in the country, the Trust further scored above average in all other eight overarching elements. While MKUH topped the charts nationally for both the 'Staff Engagement' and 'We Are Always Learning' categories, the results also showed a considerable improvement in scores relating to people and professional development, specifically colleagues feeling empowered to show initiative in their role, being able to make suggestions to improve their team/department and providing opportunities for career development.

We also scored highest nationally in the areas of Autonomy and Control, Appraisals, Motivation and Involvement. Whilst these are most pleasing, we recognise that we have areas where we would like to score higher, and the Trust is working hard over the coming weeks and months, in collaboration with staff and patients, to better understand the areas for improvement in more detail, and we will continue to ensure that actions are implemented as necessary.

In September 2022 we launched a campaign to encourage new staff to come to work for the Trust. The campaign marked our biggest ever coordinated approach to recruitment and focussed on sharing what makes MKUH and Milton Keynes such great places to live and work. The campaign celebrated all of the opportunities available at MKUH, from nursing to finance, with its 'Our City, Our People, Our Hospital' strapline on display at several regional jobs shows, as well as being seen in shopping centres, on buses, on the radio and across a variety of digital platforms. In such a short period of time, we are already yielding positive results in terms of recruitment of new staff.

In order to support our staff, maximising the use of technology is vital, and at MKUH we continue to explore every possibility to use technology for the benefit of staff and patients. Robotics has continued to be an area of focus for us, with the Versius surgical robot completing its 500th case in March 2023 – an astonishing achievement which cements our position as a leading pioneer in the space of robotics, helping to deliver very high levels of precision and control in the treatment of patients by surgical staff. We were also delighted to be working with Academy of Robotics, a small British artificial intelligence company, to create and trial a delivery robot (or 'Helper Bot') called Milton, to help speed up hospital processes and relieve pressure on staff. Other technological advances include the introduction of the mobile version of the Friends and Family Test platform, which became available across all areas of the hospital, including for paediatric patients, and this has increased feedback significantly.

The Trust's technological progress has been matched by the ever-ongoing developments to the hospital estate. 2022/23 saw the opening of the Maple Centre, located adjacent to the Emergency Department which was officially unveiled in October 2022. The Maple Centre provides dedicated space for both medicine and surgical Same Day Emergency Care (SDEC) pathways to the population of Milton Keynes, improving access to hospital services for primary care, creating a central facility to deliver senior clinical input for patients with ambulatory sensitive conditions and the frail elderly and reducing reliance on escalation areas. Upstairs there is a 26-bedded ward which provides specialist care for those patients who require additional treatment.

In addition to the Maple Centre, work has begun on our brand-new Radiotherapy Centre which will be located next to the Cancer Centre. Once opened, this will complete the cancer services offering available at MKUH, improving access to healthcare for Milton Keynes residents and considerably enhancing patient experience. Construction work is scheduled to be completed in spring 2024, with the building fully opening to patients in late summer.

Combining our new estate developments with the introduction of new technology is an area where we continue to excel nationally, in the ever-increasing ambition to create 'smart' hospitals. This year, we were the first NHS hospital in the country to pilot Haltian's Empathic Building platform. This innovative platform is designed to improve productivity and efficiency using data-driven insights, allowing us to better understand staff behaviours, and helping colleagues to locate each other, as well as the medical equipment they need. It will also inform future space design at the hospital, and the excellent benefits are already drawing interest from other Trusts across the country. The pilot launched in our Cancer Centre and had since expanded into office accommodation, with plans to continue to increase to other areas of the site.

Finally, as ever, I would like to say how extremely grateful I am to every single staff member and volunteer who has contributed to a huge effort to treat and care for patients throughout 2022/23, in a period of unprecedented demand for our hospital services. We continue to make strides with the development of our site and with making best use of technology to support our services. I know only too well that our greatest asset continues to be our staff, and we recognise this with the holding of our annual Staff Awards where so much of their hard work is recognised and celebrated.

In terms of the population of Milton Keynes, this amounted to 269,457 according to the last estimate (2019) by the Office of National Statistics (ONS). By way of context, in 1967 Milton Keynes was designated as a new town, with the area having a population of 60,000.

According to the ONS, between 2001 and 2019 the population increased by 26.6%, compared with a growth rate of 13.8% for England during the same period. With increased housing being built, more families are expected to move to the area, with Milton Keynes Council's forecasts predicting a population of 308,500 people by 2026, 341,000 by 2041 and 500,000 by 2050. A major driver is planned house building to support migration from other parts of the UK, which is likely to be enhanced as part of the Cambridge-Milton Keynes-Oxford corridor development.

The age profile of the Milton Keynes population is younger than that for England as a whole. 27.4% of the Milton Keynes population were aged 19 and under compared with 23.7% in England. 59.5% of the Milton Keynes population were aged 16-64 compared with 58.4% in England as a whole. The number of 25-64-year-olds is projected to increase from 149,000 to 153,100, a rise of 2.7 per cent between 2019 and 2026. 13.1% of the Milton Keynes population were aged 65+ compared with 17.9% in England as a whole. Our population is set to increase and include a growing number of older people, leading to a substantial rise in in demand for healthcare services.

Between 2001 and 2011 the population of those from an ethnic group other than “white” British increased from 13.2% to 26.1%. The change in the ethnic make-up and the emergence of different cultural communities has resulted in the people of Milton Keynes holding a wide range of religious beliefs; 62.1% of people in Milton Keynes have a religious identity.

Disproportionate levels of population growth in Milton Keynes when compared to England have also resulted in significant pockets of deprivation and poverty. 31% of the child population live in poverty and the highest concentrations of income deprivation are found in the Greenleys Estate and the Woughton, Eaton Manor and Stony Stratford wards.

In addition, the Trust has a catchment area which is wider than the boundaries of the Milton Keynes unitary authority, bringing in patients from parts of Northamptonshire and the market towns of Buckingham and Leighton Buzzard. Furthermore, there is demand for healthcare services from employees of the large number of major organisations who commute from outside the organisation’s catchment area.

We have continued work to address and tackle health inequalities in Milton Keynes, including in access to care through detailed evaluation of waiting lists – including analysis of links between deprivation and waiting times.

The Trust has a wide-reaching community engagement programme to help support greater understanding on factors driving health inequality and target plans to close equality gaps. This will form part of the Trust’s strategy – working with partners in Milton Keynes as a shared ambition, and at system level – over the coming years.

Despite the challenges of 2022/23, and the ongoing pressures which are expected to continue into 2023/24, there are plenty of reasons to be positive as we look towards the future with great hope and resolve.

Professor Joseph Harrison
Chief Executive
30 June 2023

1.1.2 Purpose and Activities of the Trust

Milton Keynes Hospital NHS Foundation Trust was founded on 1 October 2007 under the National Health Service Act 2006. The hospital has around 559 beds, including day acute and neonatal beds and employs around 5280 staff, providing a full range of acute hospital services and an increasing number of specialist services to the growing population of Milton Keynes and surrounding areas. All in-patient services and most outpatient services are provided on the main hospital site.

The Trust is organised into four clinical divisions (medicine, surgery, women and children and core clinical) and a number of corporate directorates. The executive directors, and clinical service unit (CSU) leadership teams, are responsible for the day-to-day management and running of the hospital’s services, with ultimate management accountability resting with the Chief Executive.

> *“There are plenty of reasons to be positive as we look towards the future with great hope and resolve”*

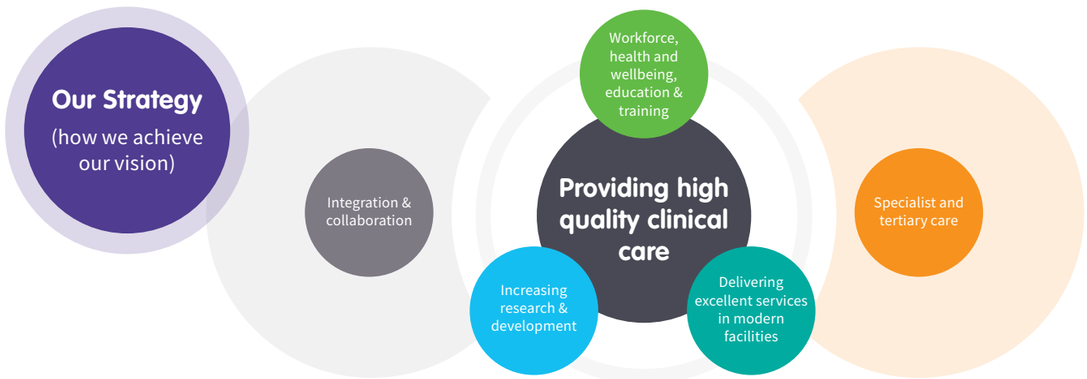
1.1.3 Trust Objectives

The Trust Board has agreed a process for agreeing and refreshing its objectives each year, ensuring that these remain linked to its vision, values and strategy. The Trust’s vision is set out as:

> **“Our vision for Milton Keynes University Hospital NHS Foundation Trust is to be an outstanding acute hospital and part of a health and care system working well together”**

The Trust’s values are:

These are linked to our strategy. This has five key priorities which will help us to be an outstanding acute hospital and part of a health and care system working well together:



Underpinning our strategy are our objectives – which describe what we will deliver this year. The most critical being improving patient safety, experience and clinical effectiveness.

MKUH is part of the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System (ICS), which was formerly known as a Sustainability and Transformation Partnership (STP). The BLMK ICS is one of 44 ICS 'footprints' set up across England under the Five Year Forward View as a new approach to plan and deliver services by place rather than around individual organisations. In June 2017, BLMK was named as one of eight health and social care systems across the country that is to become Accountable Care System (ACS). The continuing development of ACS (now referred to as Integrated Care System) will see local health and care organisations working more closely together to provide joined up and better coordinated care.

1.1.4 History and Statutory Background of the Trust

Milton Keynes Hospital was officially opened in 1984 and is located at Standing Way, Eaglestone, Milton Keynes, MK6 5LD. The acute services provision at that time included operating theatres, an ED, maternity services, general and speciality wards, full diagnostic x-ray facilities, and a major pathology department.

Other projects that were completed soon after this major development included a postgraduate education centre and an extended physiotherapy department, including a hydrotherapy pool.

Construction of phase two started in 1988 and focused on the expansion of facilities to support the continued population growth of Milton Keynes (estimated increase from 1984 to 1994 - 40%). The development comprised six additional 28-bed wards, a further suite of operating theatres, extra accommodation for the pathology department and additional accommodation for staff.

Phase two opened in 1992. Milton Keynes General NHS Trust formally came into being on 1 April 1992. Since then, significant changes have included the expansion of postgraduate education facilities, the provision of a new MRI scanning unit and the expansion and relocation of the cardiology unit and coronary care ward. In recent years the site has grown further with the addition of a 28-bed orthopaedic ward, a GP paediatric assessment unit, fracture clinic and refurbishment of the ED.

Expansion continued with the opening of a £1.5m Macmillan Haematology and Oncology.

Unit within the main hospital. In January 2005 the biggest single development on the site for ten years, a £12m treatment centre dedicated to day cases and extended day case surgery, was opened with 60 bed spaces and a further four operating theatres. The centre has proved very popular with patients.

During 2006/07 the sexual health centre was refurbished and a new £2.5m angiography unit opened. Construction work on a new multi-storey car park was completed in July 2007 and cardiology services continue to develop. Extra capacity has been added to clinics such as orthopaedics, ophthalmology and a rolling refurbishment of wards and corridors is on-going.

Since becoming an NHS Foundation Trust on 1 October 2007, sustained expansion has continued. During 2008/09 Ward 14, previously run by the local primary care Trust, was fully refurbished and reopened by the hospital. In April 2009 the hospital opened a new significantly expanded £4.6m state-of-the-art endoscopy unit and a new 22 bed ward.

In response to the number of patients requiring step down facilities rather than acute care, the Trust invested in the conversion of a ward into a therapist-led facility for patients on the road to recovery. The Phoenix Unit, as it was named, opened in 5 November 2012, and has 20 beds.

A new 20-bed surgical ward, Ward 24, opened in February 2017. Ward 24 helps the hospital manage an ever-increasing demand for services throughout the year and is used by elective surgery patients. It is the first building to be opened under the hospital's site development programme. It was followed by the new £5.4m main entrance that opened in May 2017 and the £8.5m Academic Centre opened by HRH the Duke of Kent in February 2018.

The Trust entered into a partnership with the University of Buckingham to establish the first independent Medical School in the country. The first medical students commenced preclinical training at the University in January 2015, and in April 2015 the Trust changed its name to Milton Keynes University Hospital NHS Foundation Trust to reflect this status. The first cohort of University of Buckingham medical students began full-time clinical training with the Trust in March 2017. Forty-six students from the University of Buckingham Medical School will complete their MB ChB course at the hospital in the summer of 2023.

In late 2018, the Trust opened Ward 12, a new eight bed ward to accommodate the increasing need for inpatient beds. The Acorn Suite opened next to the ED in 2018, increasing clinical assessment space. A dedicated paediatric ED, with separate outside entrance during core hours was also opened. This has been welcomed by parents and carers of our younger patients.

In March 2020, we opened our brand new £15m Cancer Centre, which brings all Cancer Services on the Trust site under one roof in a state of the art, airy dedicated space. This Centre was supported financially with a £10m donation from MK Council, £2m from Macmillan and the rest generated by our hospital charity's cancer centre appeal. It features a 24-bedded ward with single rooms and shared bays, an extensive area for outpatient treatment, a wellbeing area, along with offices and an aseptic suite for the preparation of cancer treatment drugs.

Funding awards received in December 2021 and March 2022, have allowed the Trust to progress with the appointment an internal team which will support the development of a robust Outline Business Case to support the Milton Keynes University Hospital's New Hospital Programme (MKUH NHP). The MKUH NHP when completed would expand the hospital's estate to include a new Women's and Children's Hospital providing state of the art facilities, additional Surgical Wards and Theatres in the Surgical Ward Block and additional Imaging provision.

In 2022/23, the Trust recruited over 6,867 patients to participate in research projects, and it is the Trust's aim that research becomes an embedded feature of the patient journey and that where possible, they will always be offered the opportunity to participate in clinical trials.

Having submitted expressions of interest for several commercial studies, MKUH has been involved in research across a range of different clinical specialities with most speciality areas now research active. This demonstrates the Trust's growing recognition by industry and its success in forging relationships with commercial partners intending to perform quality research.

The new Maple Centre opened on 31 October 2022 and is providing a dedicated space for both medicine and surgical Same Day Emergency Care (SDEC) pathways to the population of Milton Keynes. The Maple Centre will take referrals from the ED, General Practice, Ambulance Service and from Outpatient clinics, and will include a 26-bed ward to manage the flow of emergency medical admissions into the Trust.

1.1.5 Key Risks and Issues

The Board Assurance Framework reflects the principal risks against the achievement of the

Trust's strategic objectives, including clinical and non-clinical risk. These risks are managed through the risk management processes in place in the Trust, with oversight and scrutiny through executive and non-executive chaired boards and committees. The risks which were identified on the Board Assurance Framework and Corporate Risk Register at the end of the 2022/23 financial year, along with further details on risk management, are contained within the Annual Governance Statement from page **94** (and also under 1.2.15 – Major Risks on page **30**).

1.1.6 Going Concern Disclosure

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

1.2 Performance Analysis

This section of the report provides a summary of the Trust's key performance indicators and outlines how it monitors performance against these measures. It also provides a detailed analysis and explanation of the development and performance of the Trust during the year using a wide range of data, including key financial information.

This section also provides a summary of environmental matters and some background on social, community and human rights issues, important events and overseas operations.

1.2.1 Activity

The variance in activity during 2022/23 compared to 2021/22 was as follows:

Activity Type	2021/22	2022/23	% Variance
Outpatient Attendances	404,766	413,979	2.28%
Elective Spells	23,828	25,568	7.30%
Non-elective Spells	31,524	28,118	-10.80%
Emergency Department Attendances	100,429	101,212	0.78%
Babies Delivered	3,790	3,514	-7.28%

1.2.2 Key Performance Measures

The Trust measures its performance in key service and quality areas against key national indicators, each with nationally defined standards. The Trust also has a broad range of local indicators which have been developed in conjunction with BLMK, as well as several internal indicators of quality and performance that are not required to be reported externally.

Where possible and applicable, these performance indicators are reported at Trust level, as well as at Divisional and CSU level where appropriate to provide a more granular view. This approach provides an insight into departmental performance and is used to highlight risks and/or uncertainty in specific areas or services. Performance reports and key performance indicators are used as a basis for influencing agendas at monthly Trust and Divisional Management Board accountability meetings, alongside financial, workforce and other key elements of information about the trust. This 'balanced scorecard' approach, utilising SPC charts to highlight special cause variation, enables associations to be made with separate areas across the trust to drive and inform a culture of continuous improvement.

The post COVID-19 pandemic influenced backlog continued to impact planned care across the NHS during 2022/23. As a result, the constitutional standard for consultant-led Referral to Treatment (RTT) waiting times of 92% was not deemed viable or realistic for the NHS to achieve during this period of recovery. However, there is a continued effort to manage the backlog and waiting times through clinical validation and robust management of pathways, considering patient waiting time and clinical priority. This approach has resulted in an anticipated challenge with waiting times nationally and locally, but at the end of March 2023 the Trust reported zero patients waiting more than 2-years and twenty patients waiting more than 18-months for treatment. This reflects the steady and sensitively managed recovery.

Diagnostic waiting times were also inevitably impacted by COVID-19. Recovery efforts in this area are ongoing, and the trust achieved an improvement from 62% of patients waiting less than six weeks for a diagnostic test in April 2022 to 84.5% at the end of March 2023.

The table below summarises performance against key national indicators for 2022/23:

Indicator	Threshold/Target	Trust Performance	
National Requirements			
Clostridium Difficile Infections (hospital associated)	Ceiling: 10	19	Not Achieved
MRSA Bacteraemia (hospital associated)	Zero Tolerance	2	Not Achieved
31-Day Wait for first treatment: All Cancers (Diagnosis to Treatment)	96%	95.3%	Not Achieved
62-Day Wait for first treatment: All Cancers (Urgent GP Referral to Treatment)	85%	61.6%	Not Achieved
Two Week Wait – All Cancers (Urgent GP Referral to First Appointment)	93%	77.1%	Not Achieved
28 days to faster diagnosis– All Cancers (Urgent GP Referral to First Appointment)	70%	75.1%	Achieved
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for incomplete pathways OR the mean average waiting time for patients in weeks.	92%	47.3%	Not Achieved
Maximum wait of 4 hours in the ED from arrival to admission, transfer or discharge	95%	79.1%*	Not Achieved
Acute Foundation Trust – Minimum Standards			
Complaints responded to within the required timeframe	90%	91.5% (From M05 (August 2022) as no Radar data available prior to that)	Achieved

*This figure represents the combined performance of the Trust's Type 1 and Type 3 units.

1.2.3 Detailed Quality Performance Analysis

1.2.3.1 Referral to Treatment (RTT)

The COVID-19 pandemic influenced backlog continued to impact planned care across the NHS during 2022/23. As a result, the national standard for RTT waiting times of 92% within 18-weeks has not been viable to achieve locally or nationally.

Month 2022/23	National Target	Trust Performance
April	92%	50.5%
May	92%	50.8%
June	92%	49.9%
July	92%	49.9%
August	92%	51.1%
September	92%	49.7%
October	92%	49.1%
November	92%	48.6%
December	92%	45.6%
January	92%	46.3%
February	92%	47.4%
March	92%	47.3%

1.2.3.2 Accident and Emergency 4-hour target

The Trust did not achieve its target of treating 95% of patients attending the Emergency Department within 4 hours. However, the overall performance of 79.1% (all types) for the year placed it among the top performing trusts with a Type 1 department nationally.

Month 2022/23	National Target	Trust Performance
April	95%	84.1%
May	95%	81.6%
June	95%	83.2%
July	95%	80.0%
August	95%	79.9%
September	95%	80.3%
October	95%	79.3%
November	95%	78.9%
December	95%	68.7%
January	95%	80.1%
February	95%	75.8%
March	95%	79.1%

1.2.4 Development of the Business during the Year

The Trust continued to engage fully in the development of the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System (ICS). This is a system in which the respective NHS organisations (both commissioners and providers) in partnership with local authorities, choose to take on clear collective responsibility for resources and population health. This collaborative approach to providing care is aimed at achieving better outcomes for local people, including reductions in the length of time that patients need to wait before they can be discharged from the hospital back into community settings.

In addition to the collaboration with ICS partners, the partnership between the Trust and the University of Buckingham Medical School continues with positive results. The first cohort of students trained in the University's Academic Centre on the Trust site and within the hospital's wards and clinical areas graduated in September 2019, with several graduates taking on employment with us. A range of Trust clinicians continue to actively participate in all aspects of training.

In February 2022, the Trust Board approved a 4-year Digital Strategy which articulated the Trust's ambition to become an exemplary leader in digital health innovation and to create a culture that promotes confidence in rapid digital development by prioritising the digital user needs of patients and staff. By 2026, the Trust aims to have a radically transformed care environment, by linking digital processes seamlessly with new models of care.

Maple Centre

The new Maple Centre, which opened on 31 October 2022, takes referrals from the ED, General Practice, Ambulance Service and from Outpatient clinics, and includes a 26-bed ward to manage the flow of emergency medical admissions into the Trust. Patients attending the Centre receives full nursing and medical assessments of their physical and healthcare needs. Treatment options are discussed and initiated within this area with a plan that either allows them to return home or be admitted to an appropriate ward. The Centre is managed by a clinical and nursing team consisting of consultants, advanced care practitioners and senior staff supported by a whole range of healthcare professionals.

The Centre provides:

- rapid assessment, diagnosis and initial treatment of emergency medical patients;
- rapid access for GPs
- rapid access nurse led clinics
- rapid access to diagnostic services;
- follow up consultant clinics ensure that patients are admitted to the appropriate beds wherever possible;
- enable an informed decision as to whether the patient requires admission or can be discharged home or to residential care with a plan of treatment.

The Centre is part of a Trust-wide initiative, working closely with the ED to create an Acute Care Pathway which has been designed to simplify the patient journey, improve the services we offer and enhance the patient experience.

1.2.5 Impending Developments and Future Development Trends

New Hospital Programme (NHP)

In December 2019, the Trust was informed that it was going to be the recipient of 'seed funding' from the Department of Health and Social Care as part of a planned £200m hospital redevelopment programme in Milton Keynes. As part of the MKUH NHP, the Trust issued a Strategic Outline Case (SOC) in November 2020.

The SOC outlined the £244m preferred way forward and identified the challenge and response to significant population growth in Milton Keynes over the next 30 years. The scope of the proposal submitted for SOC included a new Women's and Children's Hospital providing state of the art facilities replacing and enhancing current facilities on the MKUH site, additional Surgical Wards and Theatres in the Surgical Ward Block and additional Imaging provision.

Funding awards received in December 2021, March 2022 and 2023 funding, amounting to around £3.135m, have allowed the Trust to progress with the appointment an internal team which will support the development of a robust Outline Business Case for the MKUH NHP by the end of 2023/24.

Key areas of focus will be:

i. Development of an innovative approach to our delivery of care, clinical models, and pathways.
ii. Development of digital pilots to develop an understanding of how digital can support and transform patient care.
iii. Embed the "MKView" Communications and Engagement Strategy to both internal and external engagement, bringing in important patient and stakeholder group voices into the programme.
iv. Development of the workforce model we employ to deliver that care and how this will be supported by the digital strategy for the organisation.
v. Further development of the energy, infrastructure, and estates strategy to ensure that the site can support the additional estate in the programme.

We anticipate further confirmation of programme dates in the summer of 2023 when the National New Hospitals Programme Business Case is due to be approved.

Community Diagnostic Centre

We are set to receive two new Community Diagnostic Centres (CDCs) across the city following an announcement from the government.

The aim of Community Diagnostic Centres is to provide services without a visit to the hospital. CDC's can deliver potentially lifesaving checks, tests and scans. One new centre will be at Lloyds Court in Central Milton Keynes and the other based at Whitehouse Health Centre.

Lloyds Court will provide services including ophthalmology, DEXA, X-ray, ultrasound, phlebotomy, and Point of Care Testing. Once fully operational, the new centre will deliver an extra 221,214 tests, checks, and scans a year. Whitehouse Health Centre will provide services including MRI, echocardiography, sleep studies and endoscopy. Once fully operational, the new centre will deliver an extra 52,550 tests, checks, and scans a year.

It is hoped that the new centres will help to provide earlier diagnoses for patients, a reduction in hospital visits and wait times and a contribution to the NHS' net zero ambitions.

Radiotherapy Bunker

Construction of a new Radiotherapy Centre began in December 2022 as an extension of our Cancer Services on site and due to be completed in April 2024. This would create radiotherapy services in Milton Keynes for patients that currently have to travel to Oxford, Northampton or Cambridge following the removal of access for NHS patients to the Genesis provision in MK.

Salix Programme

The Government's Public Sector Decarbonisation Scheme provides grants to public sector bodies to fund low carbon heating, renewable energy, and energy efficiency measures such as heat pumps, solar panels, and insulation. The scheme is being delivered on behalf of the government by Salix Finance.

In March 2023, the hospital was notified that its bid was successful and from April 2023 it will receive more than £4.8 million will be used to improve the comfort of the patient and staff environment across the hospital as it moves to a net carbon-zero heating system.

1.2.6 Review of Financial Performance

Overview

The Trust as part of the 2023/24 budget setting process worked jointly with BLMK ICS on developing the 2023/24 financial plan both for revenue and capital. An overall budget for all those organisations that formed part of the financial control total, namely BLMK ICS, Bedfordshire Hospitals NHS FT and Milton Keynes University Hospital FT was submitted by BLMK ICS to NHS England. The plans were agreed by the BLMK ICS Board as well as by each individual Trust Board.

The financial year ending on 31 March 2023 has been another challenging year for the Trust. A key priority outlined in national planning guidance was the continued recovery of planned care services, with a particular focus on maximising clinical capacity to ensure patients were diagnosed, treated, and cared for in a timely way. Alongside the published[1] ambitions for planned care services, other objectives focused on areas such as timely provision of emergency care and diagnostic services.

The published revenue funding regime for the NHS was aligned to the core operational objectives through an Aligned Payment and Incentive (API) approach. In essence, the API was composed of two distinct funding components, a fixed income 'block' for non-elective services, and a variable payment for planned (or elective) care services, aimed at incentivising the treatment of additional patients by care providers.

Alongside the revenue funding, separate funding allocations were made for capital investment. Core capital funding was provided to Integrated Care Systems to cover day-to-day investments e.g., to replace end-of-life medical equipment, whilst funding for strategic investments was centrally administered by NHS England to target NHS mandate priorities e.g., for Community Diagnostic Centres.

The 2022/23 Trust financial plan provided additional revenue investment in clinical service budgets as a basis for the delivery of additional capacity during the year. Additional investment priorities included funding for overseas recruitment (primarily nursing staff), additional diagnostic imaging capacity (e.g., MRI and CT services), investment in outsourced clinical capacity (e.g., for Ophthalmology, Gastroenterology and other surgical services) and other areas. Providing upfront investment in budgets offered important clarity to teams managing services, and allowed the Trust to get ahead with delivering care before the challenging winter period arrived.

The target outlined in the national guidance for planned care service recovery, was to deliver 104% of value weighted activity (a combination of price per treatment x treatment volumes) compared to a 2019/20 baseline year[2]. The payment regime is commonly referred to as the Elective Recovery Fund (ERF). The Trust received a funding allocation to meet the 104% target, with the incentive to earn additional payment for activity completed above the target.

At the end of the financial year the Trust had achieved the 104% target (receiving £8.3m of ERF), compared to an average NHS provider performance of 98%. However, due to a challenging operating climate during the year, NHS England revised the ERF policy mid-year. The incentive payment scheme was instead converted to a block payment, primarily to underwrite the financial risk of loss of income in providers that did not meet the 104% target. The Trust was able to meet the planned care target due to the resilience afforded by the investment in additional clinical capacity in the financial plan.

A consequence of the change in payment policy for planned care services, was that the Trust did not earn additional incentive payments to fully offset the investment made, and as a result recorded a deficit against the breakeven plan (on a Control Total basis).

Additional narrative is outlined in relevant sections below, including detail on income and expenditure and capital investments made.

A summary of the key financial highlights includes:

- The Trusts financial performance was less than 2% off plan
- Successfully secured £5m for Community Diagnostic Centre, Digital Diagnostic Funding £0.8m, IT digitalisation £1m and £1.2m for continuing the design of the New Hospital Programme
- A significant capital investment of £30m in estate modernisation and new medical equipment
- Cash balance of £30m
- Collaborating successfully with local partners to manage resources and risk for our local population
- Finance team awarded Future Focused Finance Accreditation Level 1

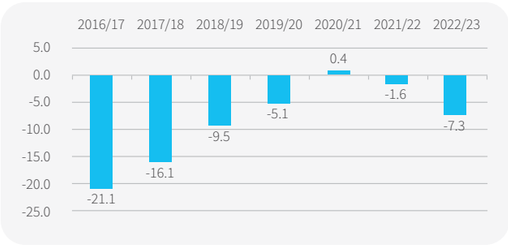
1 https://www.england.nhs.uk/coronavirus/publication/delivery-plan-for-tackling-the-covid-19-backlog-of-elective-care/

2 Most of the planned care recovery targets set for the NHS following the acute phase of the Covid-19 pandemic response, are measured against volume and value of clinical activity undertaken in 2019/20. This is because 2019/20 is considered the most recent pre-pandemic reference point, hence its relevance to policy makers.

Income and expenditure summary

The Trust agreed a break-even financial plan[3] as part of a balanced[4] Bedford, Luton and Milton Keynes Integrated Care System position, and the Trust ended the year reporting a deficit position of £7.3m but £5m (on a Control Total basis). The historical financial results dating back to 2016/17 are illustrated in Table 1.

Table 1 – Historical financial performance



The Trust receives funding for clinical service provision as income payable under contracts with either local or regional commissioner organisations. During 2022/23, the Trust received income totalling £365m, predominantly (c.76%) from local Clinical Commissioning Groups (CCG)/Integrated Care Board (ICB) for the provision of core acute services and other services. This was a small increase of 2% compared to the prior year which was due to inflationary uplift.

Table 2 - Historical funding sources

	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000
NHS England	27,088	29,315	29,224	37,760	35,181	34,742	62,729
CCG/ICB	159,218	167,465	176,884	192,816	216,312	270,428	276,359
Other Income from patient care activities	4,139	4,111	6,383	4,342	2,027	2,493	2,742
Other Operating Income	24,868	26,744	40,890	47,127	47,751	19,559	23,542
Total Operating Income	**215,313**	**227,635**	**253,381**	**282,045**	**301,271**	**327,222**	**365,372**

The provision of healthcare services is dependent on skilled clinical professionals. Much of the cost-base of a hospital is therefore allocated to pay for staffing, and to cover the cost of the medical equipment and consumables used by clinical teams. Table 3 below illustrates the operating expenditure trend in recent years

Table 3 - Historical expenditure

	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000
Employment related costs	154,241	159,322	166,120	184,967	199,980	207,150	244,404
Drugs Costs	17,468	19,605	21,244	22,834	22,422	26,476	27,960
Clinical Supplies and Services	19,035	19,160	20,569	21,831	23,094	25,117	27,507
Premises	12,005	12,615	13,159	14,523	18,443	20,836	18,872
Other operating expenses	29,732	29,535	38,817	40,780	33,061	44,944	48,854
Total Operating Expenses	**232,481**	**240,237**	**259,909**	**284,935**	**297,000**	**324,523**	**367,597**

3 Planned financial performance on a 'Control Total' basis – this is an adjusted measure of financial performance as defined by NHS England. A Control Total measure adjusts for the impact of income received from charitable donations, impairment of assets and depreciation all of which form part of the reported performance in-linewith international accounting rules.

4 Where deficit and surplus plans of individual organisations achieve an aggregate break-even position across a local geographic system.

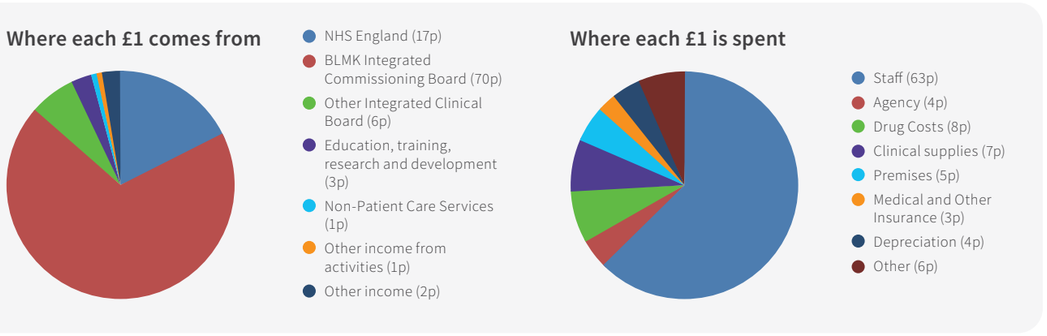
Key changes from the prior year are for pay (employment related costs - £37m increase) due to a national pay award for NHS staff, additional costs for staffing capacity for planned care recovery and pay costs to cover periods of high sickness and absence.

Drug costs and clinical supplies and services increased by £3.5m because of increased clinical workload during the year, primarily relating to elective care recovery.

Other operating expenses increased by £3.9m, this included £2m of additional costs to support the elective recovery from the independent sector and £3.7m relating to depreciation of the Trust's fixed assets. Lease costs for premises reduced by £2m because of the impact of IFRS16, a change in accounting treatment for leases from expenses to capital costs.

To summarise the funding sources and costs associated with providing healthcare to the local population, the following charts illustrate how each £1 of funding is spent.

Where funding comes from and how it is spent



Capital expenditure overview

The Trust continued to invest significantly in new infrastructure and equipment to support the delivery of quality healthcare. In 2022/23, capital investment totalled £31.0m. This total includes the investment in the start of the Radiotherapy Centre, which will enable local patients to receive radiotherapy closer to home, completion of the construction of the Maple Centre, a state-of-the-art short stay care facility, as well as providing investment for diagnostic equipment to support elective care recovery. There was also continued investment in areas such as energy infrastructure to accelerate progress in the Trust's Green Plan[5].

Table 4 illustrates the historical capital expenditure profile.

	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000
Building & Engineering	3,798	8,843	7,704	18,503	27,114	24,033	23,860
Medial and Surgical Equipment	2,569	2,250	2,828	2,385	5,509	4,806	2,771
IT	3,322	5,731	5,441	3,936	8,220	2,992	2,773
Leases							1,479
Total	**9,689**	**16,824**	**15,973**	**24,824**	**40,843**	**31,831**	**30,883**

5 https://www.mkuh.nhs.uk/wp-content/uploads/2022/02/MKUH-Green-Plan-2021.pdf

Notable capital investments included:

- Completion of the Maple Centre - £6.3m
- Investment in community Endoscopy services - £1.1m
- Infrastructure costs (including car park and access road) - £1.4m
- Commencement of the Radiotherapy Centre - £6.2m
- Investment in diagnostics (including building refurbishment for Breast Screening and IT for Imaging and Pathology) - £1.8m
- Design work for the New Hospital Programme business case - £1.3m
- Information Technology - £2.0m

Looking forward the Trust is planning on continued investment in the site and facilities. Particularly exciting developments underway include:

- Completion of the Radiotherapy Centre (expected spring 2024)
- Investment in offsite site Community Diagnostic Centres (Lloyds Court and Whitehouse Park)
- Business case development for the New Hospital Programme (Women's and Children's services and Elective Surgery block)

1.2.7 Counter Fraud

The Trust has an established counter-fraud policy to minimise the risk of fraud or corruption, together with a whistleblowing policy to be followed in the event of any suspected wrongdoing being reported. This policy also highlights the relevant provisions of the Bribery Act 2010, and the offences for which individual members of staff and the Trust corporately could be liable under this Act. The policy and related materials are available on the intranet and counter-fraud information is prominently displayed across the Trust's premises. The Trust's Local Counter Fraud Specialist (LCFS) reports to the Director of Finance and performs a programme of work designed to provide assurance to the Board in regard to fraud, bribery and corruption.

The LCFS attends Audit Committee meetings to present the programme and the results of counter-fraud work. The LCFS also gives regular fraud awareness sessions for Trust staff and investigates concerns reported by staff. Where these are substantiated, the Trust takes appropriate criminal, civil or disciplinary measures.

1.2.8 Statutory and Other Declarations

Compliance with HM Treasury Cost Allocation and Charging Guidance

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Cabinet Office public sector information guidance.

Accounting Policies and Other Retirement Benefits

The accounting policies for pensions and other retirement benefits are set out in the accounting policies section of the Financial Statements and the arrangements for senior employees' remuneration can be found in the Remuneration Report.

Political and Charitable Donations

The Trust continues to benefit from charitable donations generated and managed by its charity, Milton Keynes Hospital Charity, and is grateful for the efforts of fundraisers, members of the public, local companies, and grant-giving organisations for their continued support.

The Trust also continues to benefit from charitable support and donations made by local charity partners such as the Friends of MK Hospital and Community, Emily's Star, Al's Pals, the Henry Allen Trust, the Lewis Foundation, and many others.

Charitable donations will always support projects that allow teams to go over and above, as well as fund special extras that enhance the care and experience given to patients, visitors, and staff too. For this reason, we are incredibly grateful for this continued support.

Board of Directors and Accounts' Preparation

The Annual Report and Accounts have been prepared under a direction issued by NHS England. In support of the Chief Executive, as accounting officer of the Trust, the Board of Directors has responsibilities in the preparation of the accounts.

NHS England, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 7 of the National Health Service Act 2006 directs that the accounts give a fair and true view of the Foundation Trust's gains and losses, cash flows and financial state at the end of the financial period.

To this end, the Board of Directors are required to:

- Apply on a consistent basis accounting policies laid down by NHS England with approval of the Treasury
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act
- Safeguard the assets of the Trust and hence take reasonable steps for the prevention and detection of fraud and other irregularities

Critical Accounting Judgements

There are a range of judgements and estimates that have been made in the preparation of the annual accounts. These include the valuation of the Trust's estate. These judgements have been reviewed and are considered appropriate and in accordance with the appropriate accounting standards and further analysis can be found in the accounting policies section of the Financial Statements.

Audit Disclosure

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is not aware. They also confirm that they each have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that Grant Thornton is made aware of such information.

Statement on Report as Fair, Balanced and Understandable

The Board of Directors are responsible for preparing and agreeing the financial statements contained in the annual report and accounts. The Board confirms that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Enhanced Quality Governance Reporting

Arrangements for governing service quality are outlined in the Annual Governance Statement, which is presented as part of this Annual Report.

The Trust continues to measure performance on a monthly basis and is taking additional actions where required, to ensure that it meets all of its mandated performance targets. Performance review meetings are held with the regional NHS England Team every two months and updates are promptly provided in response to all queries raised about the Trust's performance.

There were no material inconsistencies between the Trust's assessment of key risks and either subsequent NHS England ratings or Care Quality Commissions assessments. The Trust Annual Governance Statement details how the Trust has reviewed and assessed the effectiveness of the Trust's systems of internal control.

Outlook for 2023/24

Demand for our services grows with each year, reflecting the growing population of Milton Keynes. The next year will continue to see our focus on reducing waiting times for patients – particularly those waiting for routine planned operations and procedures. Part of that commitment will see us continuing to invest in our estate and in retaining our skilled staff. We will also continue to work with local partners, including those within Bedfordshire, Luton and Milton Keynes Integrated Care System as part of the wider provision of health services for the population of Milton Keynes.

1.2.9 Environmental Sustainability

Following the publication of the Trust Green Plan a community has been established - the 'Green Group', Chaired by the Director of Finance, and consisting of colleagues from across the Trust who are passionate about improving the Trust's environmental credentials.

The Green Group design and progress a wide variety of initiatives (both big and small!) that link into the key themes of improvement areas outlined in the Trust Green Plan. A selection of the work being taking forward is outlined below, including highlights from 2022/23 - and a forward look to priorities on the horizon for 2023/24!

Adaptation

As part of national expectation, the Trust has been developing adaptation measures through a risk assessment process to meet future Climate Change impacts of extreme weather. These measures look at how the Trust mitigate through command and control in line with responses to extreme heat, cold and inclement weather to minimise impact on services, patient care, and staff, whilst looking at future innovation to meet longer term impacts on health services from climate change.

In line with the 'Delivering a Net-Zero NHS' the Trust has across the organisation been working towards our target, aligned with Milton Keynes council of NCZ in 2030. OUR MKUH Greener Futures Plan published in January 2022 highlights some of the key achievements of the Trust over the past year and outlines 12 month and 3-year target commitments by each workstream.

Medicines

Over the past year in Medicines:

- Anaesthetists have reduced the clinical use of nitrous oxide gas and the objective agreed to move from piped supply to cylinder on-machine use.
- Reducing clinical use of the Desflurane Volatile Anaesthetic.
- Posters were designed to inform patients and staff to dispose of inhalers from home properly via Community Pharmacies.
- Collaborating with BLMK ICB to explore improvements in pressured Metered dose inhalers.

Ambitions for 2023/24 include:

- Conclusion of a pilot to decommission piped nitrous oxide gas, to be replaced by gas cylinders to significantly reduce gas leakage.
- To continue the reduction in the use of the Desflurane Volatile Anaesthetic until NHS England decommissions use in 2023.
- A plan to distribute and display posters on the disposal of inhalers across the Trust.
- Development of an area prescribing approach with ICS around the lower emission prescribing of inhalers, education, and disposal.
- Integrating new colour coded inhalers that show which have low/medium and high carbon footprints, making it easier to make eco-friendly choices.
- Development of Anaesthetic gas monitoring, reporting and measurement at departmental level.
- Development of local staff engagement initiatives looking at departmental behaviours around energy consumption, waste streams and wellness.

Estates & Facilities

Work to decarbonise our Estate is being progressed in the following ways:

- Awarded £4.9M in 2023/24 Salix funding for heat decarbonisation (in Phase 2 of the site) and replacement with electrically generated heating, plus wider upgrades on the thermal performance of the Phase 2 buildings.
- Undertaken light conversions to LEDs in four wards, Emergency Department, Paediatric Emergency Department, all plant rooms and Cardiology.
- Trialled smart lighting to further reduce the energy consumption of LED lights.
- Replaced roofing across Phase 1 of the Hospital, including the installation of highly efficient insulation.
- Installed a further 600 solar panels to generate more energy on-site.
- Installed 24 additional Staff Electric Vehicle (EV) charging points.
- Trialled the use of waterless urinals to reduce water consumption.
- Trialling a system to monitor pollution caused by vehicles in busy areas (e.g., loading bay and patient drop-off zone).
- Built a relationship with CollectCo to obtain second-hand furniture.

Ambitions for 2023/24 include:

- Undertake a significant program of light fitting conversions to LED.
- Continue the development of the waste strategy throughout the Trust to ensure we are minimising waste and supporting the circular economy
- Rollout waterless urinals following a successful trial.
- Install further EV charging for both staff and public charging.
- Continue to drive energy efficiency through smart building management.
- Commenced work on our Radiotherapy building, which will be fully electrically powered and has low carbon concrete (for the Radiotherapy bunkers).
- Implemented empathic building and building management systems in our Pines Suite offices, which will allow us to better manage the working environment.
- Implementing our refurbish-first approach in the development of our Community Diagnostics Centres
- Collaboration with the local council on a potential district heating system. This would utilise heat generated from waste treatment and processing to generate near neutral carbon zone (NCZ) heat for the organisation

Procurement

2022/23 - Replacement of bed frames and mattresses across the Trust:

- The new beds are more efficient, holding charge when unplugged and therefore requiring less electricity to operate.
- The old foam mattresses had to be disposed of when soiled as they could not be cleaned, however the new hybrid mattress used across the Trust can be decontaminated and returned to use. On average 30% of our foam mattresses required disposal every year due to contamination.
- Lastly, the old dynamic mattresses required to be returned to the supplier between uses to be washed and decontaminated. This resulted in a minimum of three return journeys by the technician from Leighton Buzzard to the Trust per day. This is no longer necessary as the hybrid mattress is cleaned on the wards. We also only have an Oxford-based technician who visits the Trust (in an electric van) three times per week to manage any repairs and support the specialist mattresses we have in use.

In addition, the Procurement team have collaborated on the following initiatives:

- Procurement has worked in collaboration with the 'Reuse of Walking Aids Project' to share the information from the teams who have completed this work and our usage data for the baseline and potential opportunity for reduction.
- Procurement has also supported the procurement of metallic cold sticks by Theatres to allow them to reduce the use of aerosol-based chemicals to test for sensation post spinal/epidural anaesthetic or local block.

Ambitions for 2023/24 include:

- New Trauma service consumables contract – will reduce the number of ad-hoc deliveries to the Trust (e.g., products and associated equipment) as they will be held on-site.
- Implementation of a new theatres inventory management system – this will allow real-time (barcode scanning) traceability of theatre implants and consumables, minimising waste and stock obsolescence.
- Continence product rationalisation – reduction in the type and volume of continence products will impact on clinical waste disposal costs. Project being completed in collaboration with Senior Nursing Managers to address clinical practice and improve patient care.
- Skin-prep product used prior to cannulation/ phlebotomy – change from a supplier who have a product which uses a plastic and glass applicator, which was bulkier and required more space to transport, needed more delivery trips and requires disposal in a sharps bin. The new product is a simple impregnated wipe, approx. 5cm x 5cm and can be disposed of in the domestic waste stream.
- Neptune suction system for theatres – removal of single use plastic containers full of suction materials which required disposal in clinical waste stream. The Neptune system uses a reusable container that filters the suction materials and flushes the 'cleaned waste' is flushed into the drains for disposal. This reduces the plastic consumption to the filter, which is replaced daily.
- Review of all procedure packs used across the Trust to reduce waste e.g., dressing changes, catheterisation, suturing and labour/delivery.
- Implement use of reusable isolation gowns in relevant areas.

1.2.10 Waste Management

The Trust continues to be part of a joint waste management contract with the two other acute Trusts within the BLMK ICS footprint, which has meant significant increases in the amount of recycling and diversion away from landfill.

MKUH have also partnered with some private sub-contractors to increase the reuse and recycling of materials, supporting the circular economy and reducing waste going to landfill. Under this partnership model:

- Glass, cardboard and dry mixed recycling waste is reprocessed as construction materials.
- All plastic waste is recycled.
- Food waste is anaerobically digested to produce fertiliser and the captured methane is converted into green electricity.
- General waste sorted and approximately 21% of which is recycled, and the remainder incinerated in an energy waste facility to produce electricity.
- High Temperature Incineration (HTI) clinical wastes are incinerated, and the captured energy is used to power the Alexandra Hospital and the plant itself
- Reduction of HTI waste by implementing reusable sharps bins which will result in a 91% Co2 emissions reduction (or 105.78 tonnes) compared to single use plastic sharps bins. Over a 12-month period this equates to 18.2 tonnes of single use plastics not needing to be produced and incinerated and therefore will prevent 27,592 single use containers from being manufactured. Having the proposed reusable sharps bins would be the equivalent of a London bus travelling 46,039 miles per year.
- Recycling of disposable curtains carried out on periodic scheduled full site change.

The next steps under this partnership model include:

- Work towards having a compaction unit on site for the offensive waste stream, removing this from the clinical waste collections and directing the waste to an energy waste facility. This could reduce the requirement for the number of collections of clinical waste from MKUH, reducing emissions from vehicles and is following the guidance from NHSEI for as much waste as possible to be redirected from landfill.

1.2.11 Social and Community Issues

At the last census collection (2011), the stated population for Milton Keynes was estimated to be 248,800, and in 2019, the Office of National Statistics (ONS) estimated the population to have reached 269,457. By way of context, in 1967 Milton Keynes was designated as a new town, with the area having a population of 60,000. According to the ONS, the historical trend between 2001 and 2019 showed a population increase of 56,750,000 - a growth of 26.6% compared with a growth rate of 13.8% for England during the same period. Milton Keynes was the 20th fastest growing local authority in England between 2005 and 2015 with a growth of 17.1 per cent. With increased housing being built, more families are expected to move to the area, with Milton Keynes Council's forecasts predicting a population of 308,500 people by 2026, 341,00 by 2041 and 500,000 by 2050.

The two components of population growth are natural change and net migration; natural change refers to the difference between births and deaths and net migration refers to new residents arriving less any residents leaving the city. Natural change (difference between births and deaths) will add an average of 2,000 people to the population each year from 2015 to 2026. Net migration is the main driver of population growth peaking at 5,100 in 2019. This is driven by the planned house building to support migration from other parts of the UK, which is likely to be enhanced as part of the Cambridge-Milton Keynes-Oxford corridor development.

The age profile of the Milton Keynes population is younger than that for England as a whole.

27.4% of the Milton Keynes population were aged 19 and under compared with 23.7% in England. 59.5% of the Milton Keynes population were aged 16-64 compared with 58.4% in England as a whole. The number of 25- to 64-year-olds is projected to increase from 149,000 to 153,100, a rise of 2.7 per cent between 2019 and 2026. 13.1% of the Milton Keynes population were aged 65+ compared with 17.9% in England as a whole and looking forward the 65+ age group is projected to increase from 35,298 to 47,100, a rise of 33 per cent between 2019 and 2026. Although this age group does not represent the highest proportion of the population, the percentage increase is significant and the associated rise in demand for healthcare services will be substantial.

Between 2001 and 2011 the ethnic diversity (represented by those from an ethnic group other than "white" British) increased from 13.2% to 26.1%, compared to 20% in England. No data is currently available to provide a context to the change in ethnicity over the next 10 years, but if historical trends are to be taken into account, healthcare services will need to be planned in such a way as to reflect this change in ethnicity, with a particular focus on the health and well-being agenda.

The change in the ethnic make-up and the emergence of different cultural communities has resulted in the people of Milton Keynes holding a wide range of religious beliefs; 62.1% of people in Milton Keynes have a religious identity. Incorporating religious insights into the planning and the delivery of care can ensure services take seriously the values and beliefs of the population. The Trust therefore recognises that pastoral and spiritual care is an integral part of any health need assessment, and that these are best considered on an individual basis.

Disproportionate levels of population growth in Milton Keynes when compared to England have also resulted in significant pockets of deprivation and poverty. 31% of the child population live in poverty and the highest concentrations of income deprivation are found in the Greenleys Estate and the Woughton, Eaton Manor and Stony Stratford wards. The wards of Eaton Manor and Woughton are classed in the top 10% of most deprived wards in England when measured against the deprivation indicators of income, employment and education.

In addition to the population growth, the Trust has a catchment area which is wider than the boundaries of the Milton Keynes Unitary Authority, bringing in patients from parts of Northamptonshire and the market towns of Buckingham and Leighton Buzzard.

Furthermore, there is demand for healthcare services from employees of the large number of major organisations who commute from outside the Trust's catchment area. The Trust is therefore actively working with its commissioners to address and meet the healthcare needs of all those currently using its services and those likely to do so in the future. A significant element of this work, in conjunction with other local health and care partners has involved a focus on developing plans to divert as many patients as possible away from the hospital setting. This will ultimately ensure that the Trust's services are focused only on those patients who require such intervention, and that appropriate services are developed within the primary and community settings to support those patients who do not immediately need to use secondary services.

1.2.12 Human Rights issues

The Trust is cognisant of the human rights of both current and prospective members of staff in carrying out its work. The requirement within the Human Rights Act that there be no discrimination in the application of human rights on any ground informs the Trust's approach to engaging with its staff. Following the Trust's further investment in its Equality, Diversity and Inclusion team, 2022/23 saw the strengthening of staff networks, such as the Women's Network, Pride @ MKUH Network, Ability Network, the Black, Asian and Minority Ethnic (BAME) Network, the Armed Forces Network, Faith and Belief Network, and the establishment of others including the Carers Network and the Generational Network. The networks are critical to improving the collective voice of the organisation and have also been involved in the delivery of actions aligned to the various statutory Equality, Diversity and Inclusion reports within the organisation. The main remit of the Equality, Diversity, and Inclusion team is to ensure that the career goals and progression of under-represented groups remain high on the Trust's workforce agenda.

The Trust also ensures that its suite of human resources policies reflects both the content and spirit of the Human Rights Act.

Within the last year the Trust has signed up to the East of England Anti-Racism Pledge, making a commitment to stamp out racism within the organisation. This has been supported by a refreshed behaviours framework that is being rolled out throughout the Trust.

1.2.13 Major Risks

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. The following high-level risks were identified on the Board Assurance Framework and Corporate Risk Register at the end of the 2022/23 financial year:

No.	Oversight Committee	Executive Lead	Risk Description	Mitigating Actions	Current Risk Rating	Target Risk Rating
1	Workforce and Development Assurance Committee	Director of Workforce	If staffing levels are insufficient in one or more wards or departments, then patient care may be compromised, leading to an increased risk of harm.	1. Staffing/Roster Optimisation • Exploration and use of new roles • Check and Confirm process • Safe staffing, policy, processes and tools 2. Recruitment • Recruitment premia • International recruitment • Apprenticeships and work experience opportunities • Use of the Trac recruitment tool to reduce time to hire and candidate experience • Rolling programme to recruit pre-qualification students • Use of enhanced adverts, social media and recruitment days • Rollout of a dedicated workforce website • Creation of recruitment "advertising" films • Targeted recruitment to reduce hard to fill vacancies. 3. Retention • Retention premia • Leadership development and talent management • Succession planning • Enhancement and increased visibility of benefits package • Schwartz Rounds and coaching collaboratives. Onboarding and turnover strategies/reporting • Learning and development programmes • Health and wellbeing initiatives, including P2P and Care First • Staff recognition – staff awards, long service awards • Review of benefits offering and assessment against peers	5x3 = 15	5x1 = 5
2	Quality & Clinical Risk Committee	Chief Operating Officer	If emergency or elective care pathways are delayed, then patients will wait longer to access treatment, leading to potential risk of harm.	• Clinically risk assessed escalation areas available • Surge plans • Emergency admission avoidance pathways, SDEC and ambulatory care services • Maximising Use of Independent Sector • Divisional and CSU management of Waiting Lists • Agreement of local standards and criteria for alternative pathway management – clinical prioritisation and validation • Long-wait harm reviews • Extension of working hours and additional Waiting List Initiatives to compensate for capacity deficits through distancing and Infection Prevention and Control requirements • Additional capacity being sourced and services reconfigured • Winter escalation plans to flex demand and capacity • Plans to maintain urgent elective work and cancer services through periods of peak demand • Agreed plans with local system • National lead if level 4 incident, with established and tested plans • Significant national focus on planning to maintain elective care	5x4 = 20	5x2 = 10
3	Quality & Clinical Risk Committee	Chief Operating Officer	If there is overwhelming demand for emergency care on successive days, then patients will not receive timely care, leading to the potential for harm.	• Clinically and operationally agreed escalation plan • Adherence to national Operational Pressures Escalation Levels (OPEL) management system • Clinically risk assessed escalation areas available • Surge plans, COVID-specific SOPs and protocols have been developed • Emergency admission avoidance pathways, SDEC and ambulatory care services	5x4 = 20	5x2 = 10

No.	Oversight Committee	Executive Lead	Risk Description	Mitigating Actions	Current Risk Rating	Target Risk Rating
4	Finance & Investment Committee	Director of Finance	If there is insufficient, then the Trust may be unable to meet financial plans and targets or deliver its strategic aims, leading to service failure and regulatory intervention.	• The Trust has a process to target the investment of available capital finance to manage risk and safety across the hospital • The Trust is tactically responsive in pursuing central NHSE/I capital programme funding to supplement the business-as-usual depreciation funded capital programme • Cost and volume contracts replaced with block contracts (set nationally) for clinical income • Top-up payments available where COVID- 19 leads to additional costs over and above block sum amounts • Budgets updated to support known cost pressures and backlog recovery programmes • Financial efficiency programme established to identify efficiencies in cost base	5x4 = 20	5x2 = 10
5	Quality & Clinical Risk Committee	Medical Director	If the pathway for patients requiring head and neck cancer services is not improved, then users of MKUH services will continue to face disjointed care, leading to unacceptably long delays for treatment and the risk of poor clinical outcomes.	• MKUH clinicians have escalated concern (both generic and patient specific) to the management team at Northampton NHS FT • MKUH clinicians are advocating 'mutual aid' from other cancer centres (Oxford, Luton) where appropriate. The issue has been raised formally at Executive level, and with East of England specialist cancer commissioners • Safety-netting for patients in current pathway • CEO to regional director escalation • Report into cluster of serious incidents produced by Northampton NHS FT and shared with commissioners	5x4 = 20	5x2 = 10
6	Finance & Investment Committee	Director of Finance	If the NHS funding regime is not sufficient to cover the costs of the Trust, then the Trust will be unable to meet its financial performance obligations or achieve financial sustainability.	• Internal budgetary review/financial performance oversight processes to manage/mitigate cost pressures • Financial efficiency programme identifies headroom for improvement in cost base • Close monitoring/challenge of inflationary price rises. • Medium term financial modelling commencement with ICS partners • Escalation of key risks to NHSE regional team for support	4x5 = 20	4x2 = 8
7	Quality & Clinical Risk Committee	Chief Operating Officer	If the escalation beds are open across the medical and surgical divisions then the additional patients that will need to be seen will put additional demand on the Inpatient Therapy Services that are already stretched due to long term vacancies.	• Therapy staff attend board rounds and work with the Multi-Disciplinary Team to determine priority patients • The skills mix and workforce is reviewed twice weekly between Occupational Therapy and Physiotherapy to determine cover for the base wards • To work closely with community services to raise awareness and to increase discharge opportunities • Therapies supporting new discharge pathway/process in the Trust • Recruitment of PT and OT band 5's • Locum cover for vacant posts. • Daily attendance at 10.30 system wide discharge call • Inpatient Therapy Service participation in Multi Agency Discharge Events (MADE) • Review of staffing model across inpatient medical and frailty wards	4x5 = 20	2x3 = 6
8	Quality & Clinical Risk Committee	Chief Operating Officer	If there is a delay with imaging reporting for CT and MRI for patients on cancer pathways, then there could be a delay with diagnosis and the commencement of treatment.	• PTL tracking to escalate to imaging leads • Agency Locum Consultant appointed 2 days a week to uplift internal reporting capacity • Temporary reduction in double reporting for Quality Assurance to increase real-time scan reporting • Current Radiologists doing 30% over standard reporting levels	4x5 = 20	4x2 = 8

No.	Oversight Committee	Executive Lead	Risk Description	Mitigating Actions	Current Risk Rating	Target Risk Rating
9	Quality & Clinical Risk Committee	Chief Operating Officer	If all known incidents, accidents and near misses are not reported on the Trust's incident reporting system (Radar), then the Trust will be unable to robustly investigate all incidents and near-misses within the required timescales.	• Incident Reporting Policy • Incident Reporting Mandatory/ Induction Training • Incident Reporting Training Guide and adhoc training as required • Daily review of incidents by Risk Management Team to identify potential Serious Incidents and appropriate escalation • Serious Incident Review Group (SIRG) ensure quality of Serious Incident Investigations • SIRG ensure appropriate reporting of Serious Incidents to Commissioners • Standard Operating Procedure re Risk & Governance Team, supporting the closure of incident investigations during unprecedented demand on service • Implementation of new Risk Management Software to make incidents easier to report and improve engagement with staff	4x4 = 16	4x3 = 12
10	Quality & Clinical Risk Committee	Deputy Chief Executive	If staff across MKUH continue to use eCARE in the same way, that the volumes of requests made to the IT Department remain at their current rate, and the volume of change and project work continues at the current volume then the IT Department will become less responsive and a range of functions within eCARE will continue to be left without action.	• Prioritisation of workload is in place to cover the most impacting of issues or projects	3x5 = 15	3x1 = 3
11	Quality & Clinical Risk Committee	Deputy Chief Executive	If there is a global shortage of electronic components, then this can impact the lead times for delivery of medical equipment.	• IMedical Devices Manager (MDM) is in liaison with suppliers for delivery per each approved Business Case for medical equipment procurement and providing support/advice to each Division's lead • Clinical Contingency arrangement, • Finance lead for Business Cases is reminding all attendees at each meeting to get their Business Cases ready • Wards/depts are borrowing from other wards/depts within the Trust as a normal practice or leasing, renting, arranging a loan via any other supplier • The advice on alternative suppliers are available via the MDM • Procurement has a list from the NHS Supply Chain route advising on delivery lead times • Regular inspection and maintenance of current equipment • Rolling programme of equipment replacement regularly reviewed and issues escalated at early stage	5x3 = 15	5x2 = 10
12	Audit Committee	Director of Corporate Affairs	If recommendations and actions from audit are not evidenced, monitored and completed in the Trust; then required changes to practice may not implemented and we may not be meeting best practice criteria;	• A head of quality improvement and quality improvement lead were appointed in 2022/23 to lead and manage the improvement agenda	3x4 = 12	3x1 = 3

1.2.14 Overseas Operations

The Trust has had no overseas operations in the reporting period.

Joseph Harrison
Chief Executive
30 June 2023

2

Accountability Report

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2.1 Directors' Report

The directors are responsible for preparing the Annual Report and Accounts and consider the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess Milton Keynes University Hospital's performance, business model and strategy.

Milton Keynes University Hospital Foundation Trust (the Trust) has applied the principles of the Code of Governance for NHS Provider Trusts on a 'comply or explain' basis. The Code of Governance for NHS Provider Trusts, most recently revised in October 2022, is based on the principles set out in the 2012 version of the UK Corporate Governance Code.

The Board of Directors considers that it was compliant with the provisions of the revised Code of Governance for NHS Provider Trusts.

2.1.1 Composition of the Board of Directors

The Board of Directors comprises full-time Executive and part-time Non-Executive Directors. Executive Directors are employees of the NHS Foundation Trust, led by the Chief Executive, and are responsible for the day-to-day management of the Trust.

Non-Executive Directors are not employees, but officers, and they bring to the Board an independent perspective and it is their role to challenge decisions and proposals made by the Executive Directors, and to hold the Executive Directors to account.

The role of the Board, led by the Chair, is to provide effective and proactive leadership of the Trust; to set the strategic aims of the Trust, ensuring the quality, safety and effectiveness of the services provided and ensuring that the Trust is well-governed in every aspect of its activities.

The description below of each of the current directors' areas of expertise and experience demonstrates the balance, completeness and relevance of the skills, knowledge and expertise that the directors bring to the Trust.

The composition of the Board of Directors on 31 March 2023 is detailed below:

Non-Executive Directors	
Alison Davis	**Chair**
Heidi Travis	Non-Executive Director (Senior Independent Director from April 2022)
Haider Husain	Non-Executive Director
Gary Marven	Non-Executive Director (from 01 April 2022)
Bev Messinger	Non-Executive Director (from 01 April 2022)
Dr Dev Ahuja	Non-Executive Director (from September 2022 as an Associate Non-Executive Director; from January 2023 as a Non-Executive Director)
Mark Versallion	Non-Executive Director (from January 2023)
Jason Sinclair	Associate Non-Executive Director (from September 2022)
Ganesh Baliah	Associate Non-Executive Director (from January 2023)
Precious Zumbika-Lwanga	Associate Non-Executive Director (from January 2023)

Executive Directors	
Joseph Harrison	**Chief Executive**
John Blakesley	Deputy Chief Executive
Dr Ian Reckless	Medical Director and Deputy Chief Executive
Emma Livesley	Director of Operations
Danielle Petch	Director of Workforce
Terry Whittle	Director of Finance
Yvonne Christley	Director of Patient Care and Chief Nurse (from September 2022)
Kate Jarman	Director of Corporate Affairs (non-voting)

Other Board Members during 2022/23	
Andrew Blakeman	Non-Executive Director (Senior Independent Director) (till April 2022)
Helen Smart	Non-Executive Director till July 2022)
Professor James Tooley	Non-Executive Director (till September 2022)
Dr Luke James	Non-Executive Director (till September 2022)
Nicky Burns-Muir	Director of Patient Care and Chief Nurse (till end of August 2022)
Jacqueline Collier	Director of Transformation & Partnerships (non-voting) (till July 2022)

2.1.2 Biographies of Board Directors

Biographies for individuals who were serving as directors on the Board as of 31 March 2023 are detailed below. The Board of Directors is confident that it has within it the appropriate mix of skills and depth of experience to lead the Trust appropriately. The Board considers all the Non-Executive Directors to be independent as they were appointed to their roles through open competition and are not employees of the Trust. The Register of Interests can be found on the Trust website: www.mkuh.nhs.uk

Alison Davis, Chair

Alison joined the Trust in February 2021 as Chair.

Alison started her career as a State Registered Nurse, working in the acute sector eventually specialising in renal dialysis and transplant. Later, while studying law she spent several years as an agency nurse working in acute, community and nursing home settings.

Alison has been a Non-Executive Director in various NHS and Foundation Trust organisations; for 11 years she was a Chair in mental health, learning disability and community NHS Trust services. She has broad experience in governance, quality and patient safety, equality, diversity and inclusion. She is also strongly committed to patient/ service user, staff and stakeholder engagement. In her most recent appointment with Essex Partnership University Foundation Trust, she held the post of Senior Independent Director.

Alison has been involved in a number of charities and social enterprises during her career.

Heidi Travis, Non-Executive Director (Senior Independent Director from 01 April 2023) (Chair, Finance and Investment Committee)

Heidi joined the Trust as a Non-Executive Director in March 2018. She joined Sue Ryder in March 2010 as Director of Retail and took on the role of Chief Executive in September 2013. Previously, Heidi had worked as a business consultant developing small businesses. Before that, she spent 25 years at Marks & Spencer, most recently as an executive in group planning and strategy as well as managing a buying group. Heidi also worked as a lay member of the Aylesbury Vale

CCG until 2013. She became a non-executive director for Bucks PCT (now Buckinghamshire Healthcare NHS Trust) in 2008 and chairs a Bucks speech and language therapy group. She lives in Milton Keynes.

Haider Husain, Non-Executive Director (Chair, Workforce and Development Assurance Committee and Charitable Funds Committee)

Haider joined the Trust as a Non-Executive Director in April 2020. He has held senior positions in a variety of multi-national companies in the technology sector, including GE Healthcare and Microsoft. He has a passion for quality, and has previously been an ISO auditor, Six Sigma Blackbelt and is currently a British Standards Institute committee member for Healthcare Organisation Management. Haider serves as the Chief Operating Officer for Healthinnova, which specialises in transformational healthcare technology. He holds a BSc in Medical Informatics, and a Master of Informatics. Haider is married to a nurse, has a young son and lives in Bedfordshire.

Gary Marven, Non-Executive Director (Chair, Audit Committee)

Gary joined the Trust as a Non-Executive Director in April 2022. Gary is an accomplished senior executive with over 20 years' leadership experience, the majority of which he operated at board level, spanning both private and public sector organisations, from SMEs to globally recognised brands. Gary commenced his career as a Chartered Accountant with Ernst & Young and progressed through various financial director roles in a major retail company, before moving into general management at the BBC where he ultimately led a major technology project, before becoming CEO of MLL Telecoms.

Gary retired as CEO in 2020 and has continued to work with MLL Telecom as a Non-Executive Director. Gary also provides free consultancy to charities supported by The Cranfield University Trust.

Bev Messinger, Non-Executive Director (Chair, Quality and Clinical Risk Committee)

Bev joined the Trust as a Non-Executive Director in April 2022. Bev is an experienced former public/charity sector senior executive who now has a non-executive portfolio. A Fellow of the Chartered Institute of Personnel and Development, her professional background is in HR/OD, but in the last decade she has focused on leadership and organisational transformation, most recently as CEO of the Institution of Occupational Safety and Health.

Bev has a diverse non-executive background in a range of public charity and voluntary organisations, as well as NHS provider and commissioning bodies, joining MKUH from Northamptonshire CCG. She currently sits on three diverse boards in central Government, the social housing sector and nationally as Vice Chair of the Council for Work and Health.

Dr Dev Ahuja, Non-Executive Director

Dev joined the Trust in September 2022 as an Associate Non-Executive Director and was promoted to a substantive Non-Executive Director role in January 2023. Dev is a physiotherapist by background with special interest in complex trauma and chronic pain. He worked in India and the UK as a clinical physiotherapist before transitioning to case management services. Working first as a case manager and then as operational manager, Dev gained hands-on experience of developing and enhancing rehabilitation services.

Dev completed his doctorate looking at factors influencing adherence and attendance in musculoskeletal physiotherapy. He has presented at over 50 conferences internationally as well as running training courses for healthcare professionals around workplace rehabilitation. Dev currently works as Clinical Director for RTW Plus, a rehabilitation services company.

Dev is also a current Trustee at MK Community Foundation and a Parish Councillor for the Broughton and Milton Keynes Village Parish Council. He is passionate about enhancing quality outcomes in healthcare and community engagement into local service delivery.

Mark Versallion, Non-Executive Director

Mark joined the Trust as a Non-Executive Director in January 2023. Mark previously served on the boards of the Luton & Dunstable NHS Hospital from 2013-20 and NW London NHS Hospitals Trust from 2008-13. He brings experience from the commercial sector, with BAE Systems plc, Capgemini plc, and ten years as director of a London marketing agency.

He worked for a US Senator and for a UK Government Minister and has held a number of national and local government roles, as well as exec and non-exec directorships in the private sector.

He was a Royal Navy officer for 14 years in the reserves and was a London councillor for nine years. Since 2011 he has been a Central Bedfordshire Councillor, holding senior positions in schools, housing and social services. Mark is married with four sons and lives in Heath and Reach, Bedfordshire.

Jason Sinclair, Associate Non-Executive Director

Jason joined the Trust as an Associate Non-Executive Director in September 2022. Jason is an experienced executive director, management consultant and a Fellow of the Chartered Management Institute with over 20 years in strategic executive and operational posts, including within corporate business, SMEs and within higher education.

His experience spans employment and resourcing/ recruitment management within corporate organisations to SMEs, from early careers to executive hire level, and experience of location change project management and implementation of large-scale resourcing for new locations. An Equality, Diversity and Active Inclusion Transformation Lead, with a focus on executive D&I strategy development, governance and D&I best practices in recruitment lifecycle and staff development, Jason is passionate about all things people.

Precious Zumbika-Lwanga, Associate Non-Executive Director

Precious joined the Trust as an Associate Non-Executive Director in January 2023. Precious is an experienced Executive, Chartered QS, Cost & Commercial Expert and Strategic Advisor who commands over 20 years' experience in the construction industry. Precious is the founder of Carus Advisory Services, a boutique construction and management consultancy. She is an advocate of diversity equity and inclusion and a strategic change expert drawing from her own professional and personal experiences. She has extensive experience facilitating leadership team (SLT & Board level) conversations and is a Cranfield University Executive Development Associate/ Facilitator where she curates and develops leadership modules on inclusive leadership and how to develop high performing teams.

She is current Chair and founding committee member for the Milton Keynes Ethnic Business Community whose purpose is to connect business owners and professionals from Black, Asian and other minority ethnic backgrounds with the wider Milton Keynes business community.

She was named one of the NatWest Top 100 most inspirational women in 2021 in the Oxford Cambridge Arc and is a passionate speaker on leadership, inclusion and sustainable procurement.

Ganesh Baliah, Associate Non-Executive Director

Ganesh joined the Trust as an Associate Non-Executive Director in January 2023. Ganesh graduated in Podiatric Medicine 20 years ago and has worked in the NHS since that time. He has previously held consultant privileges at the local private hospitals and continues to practice privately in Bedfordshire. His clinical interests are sports medicine, musculoskeletal medicine, foot and ankle surgery and paediatrics. Ganesh was also a key contributor to the landmark Sak's Report commissioned and published by the Royal College of Podiatrists in 2021.

He is currently the Chief of Allied Health Professionals for the Suffolk and Northeast Essex Integrated Care System and chairs their AHP Council as well as providing senior leadership to their AHP Faculty. Prior to this he was Regional Head of Allied Health Professionals for NHS Health Education England (Midlands & East). Until recently, he was the national lead for Equality, Diversity, Inclusion & Belonging for the HEE AHP programme and now provides strategic leadership for the SNEE ICS in this field, working in partnership across the system with provider EDI & B leads.

Outside of work, he is a school board governor at his children's primary school and a Board Trustee. He is keen to ensure that all patients and staff have equitable access to services, treatment as well as training and development.

Joseph Harrison, Chief Executive

Joseph joined the Trust as chief executive in February 2013. He was formerly chief executive at Bedford Hospital and has more than 25 years' experience of working in the acute sector of the NHS, covering both big teaching hospitals and district general hospitals. His roles have included a range of senior operational and corporate positions at several London hospitals, and he has a track record of improving patient services and performance.

John Blakesley, Deputy Chief Executive

John has over 30 years' experience in the NHS. His career started in pathology, before moving into general management. He has undertaken a range of executive director roles as director of performance and delivery and deputy chief executive as well as director of market management (commissioning for a large PCT). In addition, John has experience of the commercial sector with a specialised surgical company. He has a particular interest in using information systems to improve patient care and decision-making.

Dr Ian Reckless, Medical Director and Deputy Chief Executive

Ian was appointed as Medical Director in April 2016. He trained at St George's Hospital Medical School, London and undertook postgraduate training in the Oxford area. Ian worked as Special Adviser to the Healthcare Commission in 2004 and was Special Assistant to the Chief Medical Officer in 2005/06. He was appointed Consultant Physician and Senior NIHR Research Fellow at the Oxford Radcliffe Hospitals NHS Trust, and he later held the roles of

Associate Medical Director (Quality) and Clinical Director, Neurosciences at the successor Oxford University Hospitals NHS Foundation Trust. He continues to undertake clinical work both at Milton Keynes and in Oxford, where he remains Honorary Consultant Stroke Physician / Senior Clinical Lecturer at the John Radcliffe Hospital. He also contributes to the work of the Isle of Wight Clinical Commissioning Group as secondary care doctor on the Governing Body. Ian has a particular interest in postgraduate education, having previously served as Training Programme Director, and has authored books on general medicine, and the interface between medicine and the law.

Emma Livesley, Director of Operations

Emma joined MKUH from Nottingham University Hospital where she was interim Deputy Chief Operating Officer. She has a wealth of NHS experience which started in Public Health and migrated into operational and management experience in the acute provider sector. She was Director of Operations at University Hospitals Coventry and Warwickshire and held senior management roles in Calderdale and Huddersfield FT and East and North Hertfordshire NHS Trust, the Royal Free, Guys and St Thomas' London. Prior to her appointment in Nottingham, Emma also spent 18 months with NHS Improvement in regulation. Emma's passion is building high quality operational teams who deliver the best services for patients through partnership working and embracing the transformation agenda.

Kate Jarman, Director of Corporate Affairs

Kate has substantial experience as a communications professional and company secretary and has worked on and with boards in the acute health sector and police and criminal justice agencies. Before joining Milton Keynes University Hospital as Director of Corporate Affairs with responsibility for integrated governance and assurance, membership and corporate communications, Kate spent a number of years at Bedford Hospital, latterly as associate director of corporate affairs and communications and company secretary. Kate is passionate about staff and patient engagement, leadership, culture and about developing integrated governance systems to support the delivery of safe, effective, high-quality care.

Terry Whittle, Director of Finance

Terry joined the team in February 2021. Prior to joining Milton Keynes, he was Director of Financial Performance for the Royal Free London NHS Foundation Trust, responsible for Barnet Hospital, Chase Farm Hospital and Group Clinical Services. Terry is an alumnus of the NHS graduate programme and has a breadth of experience from senior finance roles in general, specialist and teaching hospitals. He has worked at a regional level as Head of Finance for NHS Improvement in London, as well as in a national capacity for the Department of Health and Social Care in England. Terry is a chartered accountant, with an undergraduate degree in chemistry and a masters degree in Healthcare Leadership. He is Vice Chair of the HFMA Policy and Research Committee, and is an advocate for staff development and ensuring resources support quality care provision and value for taxpayers.

Danielle Petch, Director of Workforce

Danielle joined the Trust as Director of Workforce in July 2018 from Rotherham NHS

Foundation Trust. She has also previously worked at a PCT and a London teaching hospital.

Danielle holds an MBA from Durham University and a BSc (Hons) in computer science from the University of St Andrews and has completed the NHS Leadership Academy's Nye Bevan programme. Throughout her career, Danielle has led on a variety of initiatives to maximise workforce efficiency and staff experience. She is passionate about the efficient delivery of HR services, including making the best use of technology to drive service development. Danielle won an HPMA Award in 2018 for this work. Her strategic focus is to recruit and develop the workforce required today got the future.

Evonne Christley, Director of Patient Care and Chief Nurse

Yvonne joined the Trust as Chief Nurse and Director of Patient Care in September 2022. Yvonne, who joined from at Norfolk and Norwich University Hospitals where she was Deputy Chief Nurse, will bring with her a wealth of experience in developing and embedding strategies designed to improve the quality of clinical services.

2.1.3 Balance of Board Members and nomination

At the end of the financial year 2022/23 the Board of Directors comprised:

- Chair of the Trust
- Six further voting Non-Executive Directors
- Three non-voting Associate Non-Executive Directors
- The Chief Executive
- Six further voting Executive Directors
- One non-voting Executive Directors

As at 31 March 2023, 44% of the Board of Directors' members were female (there were eight female and ten male Board members).

The Board of Directors considers that the balance of skills and experience of its members is complete and appropriate to address the operational and economic challenges the Trust expects to face over the next few years.

2.1.4 Non-Executive Director Appointments

The appointment of a chairman or any of the non-executive directors of the Trust is the responsibility of the Council of Governors. An Appointments Committee of the Council has been established, and its membership comprised of:

- Barbara Lisgarten (Lead Governor, Publicly Elected – from November 2021)
- Clare Hill (Publicly Elected)
- William Butler (Publicly Elected)
- Shirley Moon (Publicly Elected)
- Andrew Buckley (appointed, MK Business Leaders Representative)
- Alison Davis (Chair of the Trust)

When there is a chairman or non-executive director vacancy on the Trust Board the Appointments Committee will meet to draw a shortlist of candidates from those who respond the advert placed by the Trust. The Appointments Committee will then invite the shortlisted candidates to attend stakeholder discussions and events and to be interviewed. The Appointments Committee will recommend the selected candidates to the full Council of Governors for review and approval. If approved by the Council of Governors, the recommended candidate will be appointed as a chairman or non-executive director of the Trust.

A non-executive director may resign from their role by giving the agreed period of notice in writing to the Chairman and the Council of Governors, and the chairman may resign by giving notice to the Council of Governors. In addition, the chairman or any non-executive director may be removed from office on the approval of three quarters of the members of the Council of Governors.

The Appointments Committee had two meetings in 2022/23, and no external search consultancy was utilised in the recruitment of non-executive directors during the year.

2.1.5 Board, Board-level Committee and Directors' Performance and Effectiveness Review

The Board of Directors meets regularly and has a formal schedule of matters specifically reserved for its decision. This includes high-level items relating to the Trust's strategy and how this is operationalised, its business plans and budgets, regulations and control, and the annual report and accounts. The Board delegates other matters to the executive directors and senior management as appropriate.

Meetings of the Board of Directors follow a formal agenda, which includes reports and updates on operational performance and against quality indicators set by the Care Quality Commission (CQC), NHS England and by management, strategic issues, financial performance, and clinical governance. The performance measures include the amount of time that patients are required to wait to be treated at the ED, lengths of stay, the effectiveness of processes for infection control, patient experience measures, including the timeliness within which complaints are handled, and the results of the Friends and Family Test. The Board also benchmarks its performance against that of other Trusts of a similar size and configuration.

The Executive and Non-Executive Directors recognise the importance of evaluating the performance and effectiveness of the Board of Directors as a whole, the sub-committees of the Board of Directors, and of individual directors. The performance of individual directors is assessed over the course of the year in terms of:

- Attendance at Board and Board committee meetings
- The independence of individual non-executive directors
- The effectiveness of the contributions of each executive and non-executive director to the business of the Board and its committees, both in and out of meetings
- The Board's effectiveness in providing a strategic direction to the Trust and its ability to provide the lead requisite leadership.

In respect of individual appraisals:

- The Chairman undertakes the appraisal of the Chief Executive and Non-Executive Directors;
- The Chief Executive undertakes the appraisal of the Executive Directors;
- The Senior Independent Director undertakes the appraisal of the Chairman, having sought feedback from the rest of the Board of Directors, the Trust Secretary and from the Governors and key stakeholders
- The Chief Executive discusses and reviews the executive directors' appraisals with the Chairman and the Remuneration Committee.

The process for the appraisal of the Chairman and the Non-Executive Directors has been approved by the Council of Governors. Governors evaluate the performance of the Board of Directors as a whole in terms of meeting its targets and communicating with its staff, members and stakeholders.

The result of the evaluation process of the Board of Directors' performance in respect of the year ended 31 March 2023 was that the Board collectively and the directors individually were deemed to have performed well.

Improvements made to the overall quality of information provided have led to richer and more in-depth discussions on the key issues, and a greater level of assurance to the committees and the Board.

The Board of Directors ensures that the principles set out in the Well-Led Framework not only inform their work but are also embedded across the organisation. For example, the Board receives regular reports on all aspects Trust performance and ensures that this address each of the eight Key Lines of Enquiry as set out in the Framework. Further detail about the Trust's approach to ensure that its services are Well-Led is set out in the Annual Governance Statement later on in this report.

2.1.6 Attendance at Board, Board Committee and Council of Governors meetings

	Trust Board	Audit Committee	Charitable Funds Committee	Finance & Investment Committee	Quality & Clinical Risk Committee	Workforce Development Assurance Committee	Remuneration Committee	Council of Governors	Non-Executive Appointments Committee
Alison Davis	6/6	4/6	4/4	12/12	4/4	2/4	2/2	3/3	2/2
Bev Messenger	6/6			2	4/4	4/4	2/2	3/3	
Danielle Petch	6/6					4/4	2/2		
Emma Livesley	5/6			7/12	3/4				
Gary Marven	4/6	6/6					2/2	3/3	
Haider Husain	6/6	6/6	4/4			3/4	2/2	1/3	
Heidi Travis	5/6	6/6	4/4	12/12			2/2	1/3	
Helen Smart	0/2	1/3			1/1	1/1		1/1	
Dr Ian Reckless	6/6			6/12	4/4				
Jackie Collier	2/2								
Joseph Harrison	5/6			12/12	3/4		1/2	2/3	
John Blakesley	5/6	3/6		6/12					
Professor James Tooley	1/3			3/6					
Kate Jarman	6/6	6/6	2/4		4/4			2/3	
Dr Luke James	1/3	1/4		4/6	1/2	2/2	0/1	1/1	
Nicky Burns - Muir	3/3	1/4							
Terry Whittle	5/6	6/6	1/4	10/12				2/3	
Yvonne Christley	3/3				1/1			2/2	
Dr Devdeep Ahuja	3/3				2/2		1/1	2/2	
Jason Sinclair	3/3					1/1	1/1	2/3	
Mark Versallion	1/2			1/2				1/1	
Ganesh Baliah	2/2		1/1	2/2					
Precious Zumbika-Lwanga	1/2			1/2					

2.1.7 Detail of Company Directorships and Other Significant Interests Held by Directors or Governors

Members of the Board of Directors and the Council of Governors did not hold any other non-executive directorships or commitments that are disclosable under the NHSI Monitor Code of Governance.

2.1.8 Board Register of Interests

The Trust maintains three registers of interests. The first includes interests of all directors; the second interests of the Council of Governors, and the third relates to members of staff regarded as Decision Makers within the organisation but are not members of the Board of Directors. The register relating to Decision Making staff contains only their job titles and not their names. All three registers are held on the Trust website.

An annual report is made to the Trust Board regarding the interests of executive directors and non-executive directors. In addition, executive and non-executive directors are required to declare any potential conflict of interest that they may have in respect of any item on a Trust Board or Board Committee agenda. In the event that it is decided either by the Trust Board Chair or the Chair of the Board Committee that a conflict does in fact exist, the Board or Committee member would be instructed to excuse themselves from the discussion of that particular item.

2.1.9 Audit Committee

The Audit Committee's key role is to ensure that the Trust has an adequate and effective system of internal controls. The Committee focuses on the establishment and maintenance of controls that are designed to give the Board reasonable assurance that the Trust's resources are safeguarded, waste and inefficiency limited, and that reliable information is produced to demonstrate that value for money is constantly sought.

The key responsibilities delegated by the Board to the Committee are to:

- Ensure the effectiveness of the organisation's governance, risk management and internal control systems,
- Ensure the integrity of the Trust's financial statements, the Trust's Annual Report and in particular the Annual Governance Statement, and
- Monitor the work of internal and external audit and ensure that any actions arising from their work are completed satisfactorily.

The Audit Committee is chaired by Gary Marven, a Non-Executive Director of the Trust. Mr Marven has relevant financial experience, and therefore has the skills and knowledge to effectively perform this role. During the course of 2022/23, the other permanent members of the Committee have been Helen Smart, Dr Luke James, Haider Husain, Mark Versallion and Dr Dev Ahuja.

The Committee met virtually on six occasions during 2022/23 At each meeting it considered the work of the internal audit function, the work of the external auditors, including the framework within which they conduct the audit of the Trust's financial statements and its Quality Report indicators, and any issues that they wished to raise both in the course of the audits and following the conclusion of their work. The Committee also considered the work of the Trust's Counter Fraud team, taking account of fraud trends that the Trust needs to be aware of, and steps being taken to raise fraud awareness across the Trust. It also considered a list of all debts that are to be written off; updates to the International Financial Reporting Standards and accounting policies, and the Trust's overall approach to risk management, including consideration of the Board Assurance Framework and Corporate Risk Register.

During 2018/19, the Trust engaged the services of RSM as its internal audit provider, and the Audit Committee agreed the ongoing internal audit work plan as put forward by the firm. It also received draft and final reports of their reviews, including reviewing management responses, and it ensured that recommendations arising out of reviews carried out by the previous internal audit providers were being carried forward. In 2022/23 RSM were given a further three years -plus-one-year extension term from June 2022.With regard to the external audit function, the Committee agreed with the external auditor the nature and scope of the of the audit as set out in their annual plan, discussed the auditors' evaluation of the audit risks and assessment of the Trust, and the impact of this on the audit fee set.

The Audit Committee received regular updates from the Trust's counter-fraud providers during 2022/23. The particular focus was on fraud prevention, the building up of awareness among staff as to what constituted, and steps to be taken to combat it. The Trust also continued to develop a more proactive approach to ensuring that payment is recovered from overseas patients who are not entitled to free care.

The Audit Committee received assurance through the Head of Internal Audit Opinion on the Trust's internal control environment and approach to identifying, assessment and mitigation planning to risks. This was supported by in year and year end reviews.

The Audit Committee reviews auditor independence both as part of its scrutiny of the annual report and accounts, and as part of its annual review of the auditors' work. The Committee has also engaged regularly with the external auditors throughout the year, including in private session. The Committee is satisfied that to the best of its knowledge, there are no issues that compromise the external auditors' independence. The Chair of the Committee regularly discusses the effectiveness of both internal and external auditors with the Director of Finance.

Deloitte provided external audit services to the Trust from April 2012 for an initial five-year contract, and then a further 3-year-contract with two 1-year extensions from July 2017 till July 2022. In July 2022, the Council of Governors appointed Grant Thornton to a three-plus-one-year extension term as the Trust's External Auditors from July 2022.

For the 2022/23 audit, the Trust incurred statutory audit fees of £168k (including irrecoverable VAT) and no other auditor remuneration (including irrecoverable VAT).

The following steps were taken during 2022/23 to ensure that auditor objectivity and independence is safeguarded:

- At each meeting of the Audit Committee attended by the external auditors they were asked to declare any interests that they may have in any of the items on the agenda. No such declarations were made.
- The external auditors have confirmed their compliance with the APB Ethical Standards for Auditors, and do not consider that their professional judgement or objectivity has been compromised.

2.1.10 Remuneration Committee

The Remuneration Committee is a sub-committee of the Trust Board. It is chaired by the Trust Chairman and comprises all the non-executive directors.
The Committee meets as required, but its terms of reference recommend that this should be at least twice a year. Its main role is to agree the salaries and remuneration packages of the chief executive and the executive directors. The Chief Executive and the Director of Workforce attend the meeting but leave when discussions about their own positions are to be held.
The Remuneration Committee met twice in 2022/23.

2.2 Council of Governors

The Council of Governors is responsible for representing the interests of NHS Foundation Trust members, the public, and members of staff, and together with partner organisations of the Trust, it shares information about key decisions with the membership.

The Board of Directors reports to the Council of Governors on the performance of the Trust and its progress against agreed strategic and corporate objectives and consults on its future direction. In particular, the Council of Governors holds the Non-Executive Directors to account for the performance of the Board. Developing and maintaining effective relationships with the Non-Executive Directors have remained a key priority in 2022/23. In situations where any conflict arises between the Board and the Council, the Chair may initiate an independent review to investigate and make recommendations, and the process for this is set out in the Trust's Constitution.

Governors report matters of concern or interest raised at local health events or constituency meetings to their counterparts and to the directors. Members of the public have the opportunity to raise questions addressed to the Governors, Directors or any other staff members in attendance at the local health events or Council of Governor meetings.

All Non-Executive and a number of Executive Directors are asked to attend the Council of Governors' meetings to gain an understanding of Governors' and Members' views, answer questions raised and also to update Governors about the activities of the Board and its Committees. Other staff often also attend to provide assurance or to report on progress on matters of interest.

To enable the Council of Governors to effectively exercise their statutory duties, the Board of Directors ensures that the Council receives the Annual Report and Accounts, is consulted on the content of the Quality Account and receives management reports detailing Trust performance in all areas.

After the restrictions imposed as a result of the COVID-19 pandemic was lifted in 2022/23, engagement with members of the Trust and the public by the Governors have been significantly expanded. The Membership and Engagement Manager continued to lead the implementation of a Governors' Member and Engagement Strategy.

2.2.1 Membership of the Council of Governors

The Council of Governors is chaired by the Trust Board Chair. It consists of fifteen Governors elected by public members of the Trust (six vacancies as of 31 March 2023) and representing different geographical constituencies, six Governors elected by staff of the Trust (no vacancies as at 31 March 2023), and four appointed Governors (no vacancies as of 31 March 2023).

The table at Appendix 2 (page **111**) lists the Governors and their attendance record at the four Public Council of Governors meetings that took place in the year.

2.2.2 Register of Governors' Interests

A register of Governors' interests is maintained by Milton Keynes University Hospital NHS Foundation Trust and is published on the Trust website.

2.2.3 Lead Governor

The Council of Governors are required nominate one from among their number to take on the role of Lead Governor. The Lead Governor's formal role is to act as a point of contact with NHS England in the extreme and unlikely event that serious concerns emerge about the Board leadership of the Trust, or the processes used for appointing the Chairperson or Non-Executive Directors, such that NHS England is contemplating using its formal powers to remove the Chairperson or Non-Executive Directors. At MKUH, the Lead Governor also acts as Vice-Chair of the Council of Governors, and may chair meetings of the Council in the Chair's absence. The Lead Governor normally also chairs the Appointments Committee.

Barbara Lisgarten, a publicly elected Governor representing the Bletchley constituency, is in her first term as the Lead Governor.

2.2.4 Elections

In 2022/23 elections were held for the following seats on the Council of Governors.

Date	Constituency (see Appendix 1 for key)	Result
October 2022	**PUBLIC:** Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	Babs Lisgarten (re-elected)
February 2023	**PUBLIC:** Emerson Valley, Furzton, Loughton Park	Andrea Vincent (elected)
February 2023	**PUBLIC:** Hanslope Park, Olney, Sherington, Newport Pagnell	Christine Thompson (elected)
October 2022	**PUBLIC:** Outer catchment area	John Garner (elected)
February 2023		Tom Daffurn (elected)
October 2022	**PUBLIC:** Extended area	Baney Young (elected)
February 2023	**STAFF:** Doctors and Dentists	Professor Hany Eldeeb (elected)
March 2023	**STAFF:** Nurses and Midwives	Caroline Kintu (elected)
February 2022	Milton Keynes Council	Councillor Keith McLean (Appointed)

The Trust commissioned the services of UK Engage to undertake the elections process.

2.2.5 Governor Development

Milton Keynes University Hospital NHS Foundation Trust is committed to supporting the members of the Council of Governors in carrying out their roles effectively. After the lifting of COVID-19 pandemic restrictions in 2022/23, Governors have been able attend hybrid meeting while increasingly engaging with both members of the Trust and the general public. The meeting agendas of the Council of Governors have been significantly revamped to enhance their ability to hold the Board of Directors to account and engage with the community.

Governors were able to participate virtually in several nationally run governor training sessions provided by NHS Providers through GovernWell, an organisation which works to equip all NHS Foundation Trust Governors with the skills required to undertake their role. NHS Providers facilitated an Away Day for the Council in February 2023 aimed at providing Governors with the skills and knowledge for engagement, which would support their ability to effectively hold the Trust Board of Directors to account.

The Trust supported engagement by the Lead Governor with their counterparts across the East of England region, with a view to gaining and sharing best practice and new ideas, particularly in relation to member engagement and development. Other activities that the Governors participated in included the attendance at the virtual site infrastructure meetings and the review of patient literature.

Governors met informally as an engagement group, specifically to develop their approach to engaging effectively with Foundation Trust members within their constituencies and to help grow the overall size of the Trust membership.

In 2022/23 the Council of Governors meetings included presentations form the charities Carers MK and Age UK MK, as part of the steps being taken to enhance community engagement. Governors received summary reports and annual assurance reports from the Board Committees and the Inclusion and Leadership Council meetings. The Chairman and Chief Executive also updated Council meetings on key messages from Board meetings and kept Governors abreast of important developments within the wider NHS.

2.2.6 Attendance at Council of Governor Meetings

The Council of Governors, formally met in public three times during the year, (excluding meetings in private and the Annual Members' Meeting). Details of Governors' attendance at the three Council of Governors meetings in public held in 2022/23 are included in Appendix 2 (page **111**).

2.3 Membership

In 2022/23, the work to implement the Trust's Membership and Strategy, with the aim of growing an engaged and diverse public membership began to show signs of progress. During the year, the cleansing of the database, commenced in March 2022, was completed, and this has resulted in a small but more engaged membership body.

Additionally, a new email and text messaging platform system was introduced to facilitate regular messaging with the membership. Other steps have been taken, including:

a. the utilisation of ward bedside QR codes to provide details and links to public membership and the Governors to inpatients;

b. the inclusion of membership and Governor information in the staff induction materials;

c. recruitment at community events.

d. Commenced engagement visits with both faith and non-faith groups in Milton Keynes.

During 2023/24, the plan is to take other membership recruitment steps including:

a. liaison with the Research and Development Team to recruit from research subjects;

b. an increment in the number of community events organised or attended by the Membership and Engagement Manager and Governors for both engagement and recruitment purposes.

Engagement with the membership and the general public was also stepped up significantly in 2022/23 with visits to faith and secular community groups and parish council events by the Membership and Engagement Manager and Governors. In line with this work, the remit of the Membership and Engagement Manager is being expanded to coordinate the Trust's external engagement activity as that dovetail with the Council of Governors' engagement work. The aim is to establish effective and sustainable dialogue between the various community groups and stakeholders, and the Council of Governors and the Trust.

2.3.1 Numbers and Breakdowns of Members

Public constituency:

	2021/22	2022/23
At year start 1 April	5372	1890
New members	63	335
Members leaving	3545 *	381**
At year end 31 March	1890	1766

* Includes membership removals because of the database cleanse exercise conducted in March 2022.

** Includes 301 members removed as part of the data cleanse exercise completed at the end of April 2022.

Age (following database cleanse):

	2021/22	2022/23
0-16	1	0
17-21	10	11
22+	1200	1179
Not declared	679	576

Ethnicity (following database cleanse):

	2021/22	2022/23
White	1418	1394
Mixed	37	13
Asian or Asian British	159	174
Black or Black British	120	87
Other	35	27
Not Declared	121	71

Gender (following database cleanse):

	2021/22	2022/23
Male	779	694
Female	1108	1042
Not Declared	3	30

Staff constituency (following database cleanse):

	2021/22	2022/23
At year start 1 April	3054	3831
At year end 31 March	3831	3801

2.3.2 Membership Constituencies

The Trust has staff and public constituencies and has also appointed a number of Governors to represent local stakeholders with whom it works in partnership. The Trust Constitution enables all members of staff who have been appointed to a post for a minimum of twelve months to automatically become members unless they decide to opt out of membership. Members of the public living within the Trust's catchment area who are over the age of 14 and not employed by the Trust are entitled to become public members, and the Trust has been actively working to attract as many local residents as possible to become members and have an involvement with the hospital. To stand for election to become a Governor, applicants must be aged 16 years or over.

The areas of the public constituency and the number of current members is shown below:

Public Constituency
Bletchley and Fenny Stratford, Denbigh, Eaton Manor and Whaddon
Emerson Valley, Furzton, Loughton Park
Linford South, Bradwell, Campbell Park
Hanslope Park, Olney, Sherington, Newport Pagnell North, Newport Pagnell South, Linford North
Walton Park, Danesborough, Middleton, Woughton
Stantonbury, Stony Stratford and Wolverton
Outer catchment area: - (Buckingham, Winslow, Leighton Buzzard, Linslade, Woburn Sands, Hanslope, Old Stratford, Beachampton, The Horwoods, The Brickhills, Woburn)
Extended catchment area, that includes the remainder of the county area of Northamptonshire, Buckinghamshire and Bedfordshire (not already covered in the outer catchment area) the unitary council area of Luton and the district council areas of Cherwell, Oxford City and South Oxfordshire.

The Trust currently has 1766 public members and 3801 staff members on its membership register. The total membership is therefore 5567.

2.3.3 Membership Recruitment and Engagement

In 2023/24, the work to implement the Membership and Engagement Strategy would be significantly stepped up to grow a more diverse and engaged public membership. In line with the need to enhance community engagement, a Trust-wide 'Engagement Strategy' is being developed by the Communications Team, and this would significantly enhance the engagement activity being managed by the Membership and Engagement Manager.

2.3.4 Contacting the Council of Governors

Anyone wishing to contact the Council of Governors or enquire about becoming a member can do so in writing or by using a dedicated membership email address: Foundation.Members@mkuh.nhs.uk.

Contact can also be made directly by telephoning the Trust Secretariat Office on 01908 996234.

2.4 Patient Care

The Trust has continued to improve care quality and patient services, with examples in the performance and quality reports. The Trust monitors quality and key targets closely, with detailed narrative and data available in the performance report and dashboard.

2.4.1 Care Quality Commission Inspections and Action Plans

The Care Quality Commission (CQC) is the regulatory organisation which inspects services providing health and social care across England. Every NHS hospital is required to be registered with the CQC to provide care services and are required to maintain specified standards to retain registration. The role of the CQC is to monitor service quality and act where standards fall below the essential standards threshold. The assessment includes review of a range of external and internal information regarding the Trust.

Milton Keynes University Hospital NHS Foundation Trust is fully registered with the CQC and has a current registration without conditions. No enforcement action has been taken against the Trust during 01 April 2022 and 31 March 2023. The Trust participated in a limited inspection of Maternity in March 2023, as part of a national programme of maternity inspections, aiming to inspect all maternity services in the country before the end of April 2023.

During April and May 2019, the Trust received an unannounced CQC inspection which focused across 4 key areas, urgent and emergency care, surgery, medical care and maternity. Medical care increased its safe rating good from a requires improvement rating in 2016); in Surgery, 'safe' was regraded from 'good' to 'requires improvement'. In urgent and emergency care, the rating for 'well-led' was amended from 'good' to 'requires improvement.' All other inspected areas maintained their previous ratings. All other areas were not inspected during this period and retain their rating of Good.

Overall Ratings for Milton Keynes University Hospital:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement	Good	Good	Good	Requires improvement	Requires improvement
Medical care	Good	Good	Good	Good	Good	Good
Surgery	Requires improvement	Good	Good	Good	Good	Good
Critical care	Good	Good	Good	Good	Good	Good
Maternity and gynaecology	Good	Good	Good	Good	Good	Good
Services for children and young people	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	Not rated	Good	Good	Good	Good
Overall	Requires improvement	Good	Good	Good	Good	Good

During the CQC inspection 2019/20 the Trust received feedback highlighting outstanding practice including in medical care wards ensuring promotion of patient independence, participation in group activities and proactively delivering care in a way that demonstrated equality and accessibility.

During the inspection, the Trust took immediate action to ensure recommendations were addressed.

In urgent and emergency care:

- The service took action to ensure that immediate life support and paediatric immediate life support training compliance was in line with Trust targets.
- The service took action to ensure that staff are complaint with hand hygiene and personal protective equipment guidelines providing staff with additional training.
- A system was developed and implemented to ensure that all emergency equipment checks are done in line with Trust policy.
- Additional patient risk assessment training was provided to staff.
- The service to action to ensure compliance with local and national audits.

This has been implemented to ensure compliance.

In relation to surgery core service:

- A robust plan of action was implemented to ensure compliance in basic life support training for all staff and safeguarding training compliance for medical staff is in line with targets.
- Enforcement of procedure for checking controlled drugs and accurate records maintained.
- Enforcement of staff compliance with personal protective equipment, safe handling of dirty instrumentation and bare below the elbow's guidelines.

Areas of compliance or enforcements actions:

The Trust received no notifications of compliance or enforcement actions following this inspection.

2.4.2 Improvements in Patient/ Carer Information

The Trust uses the Patient Accessible Information Standard and continually seeks opportunities to improve patient and carer information to improve access to care and services and support decision-making.

2.4.3 Information on Complaints Handling

The Trust's process in relation to the handling of complaints is robust. The Trust's website provides very clear advice to patients and their families on how they can raise concerns and complaints. Concerns and complaints can be raised with the Patient Advice and Liaison Service (PALS) who will liaise with the complainant to ensure their complaint is dealt with in the most appropriate way and in accordance with the seriousness of the complaint whilst taking account as to how the complainant wishes to receive their response. If an informal response is required then the complaint will be taken forward by the PALS service, The Complaints team will become involved where there is a need for a formal investigation followed by a formal response. The purpose of complaints and PALS is to co-ordinate and administrate the investigation, response and resolution of any complaint within statutory timeframes. The Trust ensure patients and their families are involved and empowered throughout the complaints process and that valuable lessons learned from complaints are taken forward by staff, acted upon, and improvements made to services as a result.

2.4.4 Stakeholder Relations

The Trust's policy is to engage, involve and consult with the public, patients, carers and other stakeholders on improving the care we provide. We do this by finding out what our patients and other stakeholders think about the care they have received and, through our Council of Governors, asking for views on our longer-term plans. Members are not just informed of issues regarding the Trust but are actively involved in shaping services. The involvement of the public, patients, carers and other stakeholders has been limited this year due to the COVID-19 pandemic. Next year, as restrictions allow, a full programme of engagement will recommence with an emphasis on engaging with those groups that we have not previously engaged with.

Bedfordshire Luton and Milton Keynes Integrated Care System (BLMK ICS)

The Trust has established a working relationship with the BLMK ICS for contract negotiations and longer-term health care planning.

Health and Adult Social Care Select Committee

The Chief Executive, the Chair and Governors have continued to keep the elected representatives of Milton Keynes Council and in particular, the Health and Adult Social Care Committee appraised of service issues at the Trust. The Council have continued to support the strategic direction of the Trust. In June 2022, Councillor Keith McLean was appointed as the Council's representative on the Council of Governors, in place of Councillor Andy Reilly who retired as a Councillor in May 2022.

Health and Wellbeing Board

The Chief Executive represents the Trust on the Health and Wellbeing Board and reports any issues back to the Trust Board and Governors, as appropriate.

Milton Keynes Safeguarding Partnership – MK Together

The Chief Nurse represents the Trust on the MK Together multiagency group, who oversee the safeguarding arrangements for adults and children across Milton Keynes with representatives from the Council, Police, voluntary sector and independent inspection and regulation services.

Healthwatch Milton Keynes

During 2022-23 the Council of Governors continued to strengthen collaboration with Healthwatch Milton Keynes. The remit of both the Council of Governors and Healthwatch is complementary; both bodies representing the health interests and concerns of and people of Milton Keynes and surrounding areas. There was a particular focus on communications to the public, promoting information to residents about the role of the Council of Governors and membership of Milton Keynes hospital. Healthwatch Milton Keynes supported a review of the Council of Governor's Engagement strategy from the perspective of an appointed Governor.

Healthwatch Milton Keynes' CEO sits as the appointed governor for Healthwatch Milton Keynes on Milton Keynes Hospital's Council of Governors. Healthwatch Milton Keynes supported the hospital with volunteers to undertake 15 steps assessments as they were re-launched following the Covid Pandemic. Healthwatch Milton Keynes continues to liaise with the Trust, patient experience staff and the PALs team to monitor the experiences of patients, families and carers at the hospital and support patient engagement activities.

2.4.5 Other Patient and Public Involvement Activity

The Trust has a diverse range of patient and public involvement activity and has significantly developed opportunities for involvement throughout the year. Examples include the '15 Steps Challenge initiative; engagement workshops and public meetings on the STP/ICS; PLACE assessments; and patient and carer stories at the Trust Board.

Better Payments Practice Code and Public Contracts Regulation

The Trust's policy is to pay its suppliers in accordance with its contractual terms and has, in most case, complied with the Better Payments Practice Code.

The Trust's achievement of the BPPC target has decreased in the year and is below the target for payment within 30 days (95%). Invoices paid within 30 days were 84% (63,691 in volume) and 89% (£189,195,000 in value). (2021-22 91% 59,051 in volume and 93% £166,160,000 in value).

The split between NHS and Non-NHS invoices is detailed below:

(Not subject to audit)

For the Year Ended 31st March 2023			
	Number of Invoices Paid within 30 days	**Total Number of Invoices Paid**	**% Number paid within 30 days**
NHS	1,492	2,004	75%
Non-NHS	62,199	74,266	84%
Total	**63,691**	**76,270**	**84%**
	Value of Invoices Paid within 30 days	**Total Value of Invoices Paid**	**% Value paid within 30 days**
NHS	13,856,000	16,996,000	82%
Non-NHS	175,339,000	194,889,000	90%
Total	**189,195,000**	**211,885,000**	**89%**

NB: The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. There were no payments made in year in respect of late payment of invoices under the Late Payment of Commercial Interest Act 1998 (2020/21 £0).

(Not subject to audit)

Public Contracts Regulations 2015: Regulation 113(7) Statutory Disclosure			
Financial Year 2022/23	**Percentage of commercial invoices paid within 5 days**	**Percentage of commercial invoices paid within 30 days**	**Total Amount of potential commercial liability from April 2022 £**
Full Year	10.3%	85.6%	661,473

Income Disclosures Required by Section 43 (2A) of the NHS Act 2006

Income disclosures are included in the notes to the accounts. The Trust can confirm that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes. This is in accordance with Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

2.5 Statement as to Disclosure to Auditors

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is not aware. They also confirm that they each have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that Grant Thornton is made aware of such information.

2.6 Remuneration Report

The Remuneration Report describes how the Trust applies the principles of good corporate governance in relation to directors' remuneration, as required by the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, and the NHS Foundation Trust Code of Governance.

The Remuneration Report comprises three parts:

1. Annual statement on remuneration
2. Senior managers' remuneration policy
3. Annual report on remuneration

2.6.1 Annual Statement on Remuneration

For the period until 31 March 2023 there were no Trust Board members employed via non-payroll means.

A number of Board level changes took place in 2022/23. Nicky McLeod, who retired from the Board in January 2022, and Andrew Blakeman, Helen Smart and Dr Luke James who retired in 2022/23 were replaced by Gary Marven, Bev Messinger, Dr Dev Ahuja and Mark Versallion. Professor James Tooley, who represented the University of Buckingham as a Non-Executive Director, retired from the Board in September 2022 and is yet to be replaced.

There were ten Non-Executive Directors and eight Executive Directors on the Board of Directors in 2022/23.

In 2022/23 Executive salaries were agreed by the Remuneration Committee taking into account national guidance.

2.6.2 Senior Managers' Remuneration Policy

Future Policy Table					
Item	**Salary/Fees**	**Taxable Benefits**	**Annual Performance Related Bonus**	**Long Term Related Bonus**	**Pension Related Benefits**
Support for the short- and long-term objectives of the Foundation Trust	Ensure the recruitment and retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	None paid	None paid	Ensure the recruitment and retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Paid in even twelfths	None disclosed	None paid	None paid	Employee and employer contributions
Maximum payment	As set out in the Accounts	None disclosed	None paid	None paid	Not applicable
Framework used to assess performance	Trust appraisal system	None disclosed	None paid	None paid	Not applicable
Performance measures	Tailored to individual posts	None disclosed	None paid	None paid	Not applicable
Amount paid for minimum level of performance and any further level of performance	Salaries are agreed on appointment and set out in the contract of employment	None disclosed	None paid	None paid	Not applicable
Explanation of whether there are any provisions for recovery of sums paid to directors or provisions for withholding payments	Any overpayments may be recovered	None disclosed	None paid	None paid	Not applicable

The Trust undertakes routine review and benchmarking of its Very Senior Manager remuneration to assure itself of parity with sector comparable Board level positions. Any subsequent changes required are approved and noted through the Trust's Remuneration Committee. Input is received from NHSE/I for any posts which rise above £150,000 per annum for reasons other than cost of living increases.

Non-Executive Directors are appointed on fixed terms contracts, normally three or four years in length, and they do not gain access to the Pension Scheme as a result of this engagement. The fee payable to Non-Executive Directors is set out in the table on pages **64** and **66**. They do not receive any other payments from the Trust.

2.6.2.1 Service Contract Obligations and Policy on Payment for Loss Office

All Executive Directors are employed on permanent or fixed term contracts and are required to give six months' notice to terminate their contract. In line with NHS Employers' guidance, the notice period for the Trust's Very Senior Managers (VSMs) is six months. Terms of each of the Non-Executive Directors are given in the details of the Board members from page **62**. Payment for loss of office is covered within contractual notice periods and standard employment policies and legislation.

2.6.2.2 Trust's Consideration of Employment Conditions

Other members of staff who are not Board members are employed on agenda for change terms and conditions and any percentage pay increases are applied in accordance with national agreements. The Remuneration Committee agrees senior managers pay and conditions following consideration of benchmarking information on comparable roles. Employees of the Trust are not consulted on senior manager remuneration.

2.6.3 Annual Report on Remuneration

In line with the Secretary of State for Health's request in his letter of 2 June 2015, the Chief Executive personally scrutinised and approved the remuneration of Very Senior Managers (Executive Directors) to ensure that they are necessary and justifiable.

The Remuneration Committee is a sub-committee of the Trust Board. It is chaired by the Trust Chair and comprises all the Non-Executive Directors (see their details on pages **39** to **42**)

The Committee meets as required, but its terms of reference recommend that this should be at least twice a year. Its main role is to agree the salaries and remuneration packages of the Chief Executive and the Executive Directors. The Chief Executive and Director of Workforce attend the meeting but leave when discussions about their own positions are to be discussed. The Remuneration Committee met on two occasions in 2022/23. Information on attendance is contained within the Directors' Report.

The Trust reviewed its remuneration practice relating to executive directors during 2022/23 and has an agreed remuneration policy and strategy. The policy reflects recent practice of not linking director pay progression to individual performance and of not having performance related bonuses. When considering proposals on remuneration the Remuneration Committee adopts the same principles on diversity and inclusion as set out in paragraph 2.6.3 of the Staff Report. Both local and national benchmarking information regarding remuneration will continue to be provided to the Remuneration Committee. Further, in line with the Secretary of State for Health's letter of 2 June 2015 to chairs of NHS Trusts, the Trust reviews the amounts paid to directors to ensure that they are necessary and justifiable. The Chairman personally scrutinises and approves any new very senior manager appointment in the Trust.

The Committee reviewed the NHS pension arrangements for senior clinical staff. As the existing NHS pension arrangements were not considered to be suitable for all staff, the Committee approved the introduction of a split employment option with pension contribution reward alternative for certain categories of eligible staff whereby an individual would be allowed to enter into two separate contracts allowing the individual to remain opted-in to the pension for one contract and to opt-out for the other which would allow flexibility to control pension growth and associated benefits. This was introduced on a non-contractual basis and can be removed at any time.

The remuneration and expenses for the Chair and Non-Executive Directors are determined by the Council of Governors, taking account of the guidance issued by organisations such as NHSI and NHS Providers. Remuneration for the Chair and Non-Executive Directors remain unchanged since the Council agreed in 2019/20 that:

a. the remuneration of Non-Executive Directors should increase from £12,000 a year to £13,000 a year.

b. the remuneration of the Trust Board Chairman should increase from £45,000 to £47,100.

c. an additional responsibility allowance of £2,000 should be introduced for the Chair of the Audit Committee and for the Senior Independent Director, with the proviso that if those posts are held by the same individual only one additional responsibility allowance of £2,000 should be paid.

Fair Pay Multiple (Subject to audit)

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £210,000-£215,000 (2021-22, £200,000-205,000). This is a change between years of 3.51%.

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

For employees of the Trust as a whole, the range of remuneration in 2022-23 was from £8,362 to £211,369 (2021-22 £7,085 to £204,196). The percentage change in average employee remuneration (based on the estimated total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 0.9%. No employee(s) received remuneration in excess of the highest-paid director in 2022-23. (2021-22: 0 employees).

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. No performance pay and bonuses are made therefore there is no information included in this report for these.

2021/2022	25th Percentile	Median	75th Percentile
Salary Component of Pay	£24,146.00	£33,267.00	£44,950.00
Total pay and benefits excluding pension benefits	£24,146.00	£33,267.00	£44,950.00
Pay and benefits excluding pension: pay ratio for highest paid director	8.5	6.1	4.5

2022/2023	25th Percentile	Median	75th Percentile
Salary Component of Pay	£25,338.38	£34,441.29	£46,428.99
Total pay and benefits excluding pension benefits	£25,338.38	£34,441.29	£46,428.99
Pay and benefits excluding pension: pay ratio for highest paid director	8.34	6.14	4.55

The difference in the median pay ratio from 21-22 to 22-23 was marginally increased by 0.04. This would also explain the difference of 0.05 increase in the 75th percentile. The difference in 25th percentile from 21-22 to 22-23 was decreased by 0.16 this was due to the average pay award being greater than the pay award for the highest paid director.

In applying the fair pay disclosure requirements, HM Treasury guidance has been applied and the calculation includes agency and other temporary employees covering staff vacancies (excluding consultancy services). Only the remuneration paid to employees is included, not agency fees.

The methodology used in calculating 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 for 2022-23 has been revised. This methodology includes estimated total salary and allowances for all employees (excluding the most senior employees) on an annualised basis.

The Trust's normal disciplinary policies apply to senior managers, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff. The Trust has a policy in place that reviews the employment status of contractors to assess if the contractor is an employee or self-employed as per HMRC's assessment criteria. The Trust's policy is not to employ anyone through their own company if they do not meet the self-employment status.

2.6.4 Tenure and notice periods of Board of Directors

Non-Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Alison Davis	Chair	Feb 2021	Jan 2024	1 month
Heidi Travis	Non-Executive Director/Senior Independent Director	March 2018	February 2024	1 month
Haider Husain	Non-Executive Director	April 2020	March 2023	1 month
Gary Marven	Non-Executive Director	April 2022	March 2025	1 month
Bev Messinger	Non-Executive Director	April 2022	March 2025	1 month
Dr Dev Ahuja	Associate Non-Executive Director	September 2022	January 2023	1 month
	Non-Executive Director	January 2023	December 2025	
Mark Versallion	Non-Executive Director	January 2023	December 2025	1 month
Jason Sinclair	Associate Non-Executive Director (non-voting)	September 2022	August 2025	1 month
Ganesh Baliah	Associate Non-Executive Director (non-voting)	January 2023	December 2025	1 month
Precious Zumbika-Lwanga	Associate Non-Executive Director (non-voting)	January 2023	December 2024	1 month

Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Joseph Harrison	Chief Executive	Feb 2013	N/A	6 months
Yvonne Christley	Director of Patient Care and Chief Nurse	September 2022	N/A	6 months
Emma Livesley	Director of Operations	September 2019	N/A	6 months
Dr Ian Reckless	Medical Director and Deputy Chief Executive	April 2016	N/A	6 months
John Blakesley	Deputy Chief Executive	Apr 2014	N/A	6 months
Danielle Petch	Director of Workforce	July 2018	N/A	6 months
Terry Whittle	Director of Finance	Feb 2021	N/A	6 months
Kate Jarman	Director of Corporate Affairs (non-voting)	May 2014	N/A	6 months

Other Board Members during 2022/23

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Andrew Blakeman	Non-Executive Director	February 2016	March 2022	1 month
Helen Smart	Non-Executive Director	March 2018	July 2022	1 month
Professor James Tooley	Non-Executive Director	April 2021	September 2022	1 month
Dr Luke James	Non-Executive Director	June 2021	September 2022	1 month
Nicky Burns-Muir	Director of Patient Care and Chief Nurse	April 2019	August 2022	1 month
Jacqueline Collier	Director of Transformation & Partnerships (non-voting)	March 2021	August 2022	1 month

2.6.5 Directors' Remuneration Report Statement 2022/23

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

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

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

Salaries & Expenses - Directors Remuneration Statement 2022/23 (subject to audit)

Name and Title	Year Ended 31 March 2023					
	Salary and Fees* (Bands of £5,000)	**Taxable Benefits** (£s, to the nearest £100)	**Annual Performance Related bonuses** (Bands of £5,000)	**Long term Performance Related bonuses** (Bands of £5,000)	**All Pension Related Benefits**** (Bands of £2,500)	**Total** (Bands of £5,000)
Joseph Harrison Chief Executive Officer	210-215	0	0	0	27.5-30	235-240
Dr Ian Reckless Medical Director	210-215	0	0	0	112.5-115	320-325
Terry Whittle Director of Finance	140-145	0	0	0	15-17.5	155-160
Danielle Petch Director of HR & Workforce Development	140-145	0	0	0	15-17.5	155-160
Emma Livesley Director of Operations	135-140	0	0	0	35-37.5	170-175
Nicola Burns-Muir (to Aug 22) Director of Patient Care/Chief Nurse	55-60	0	0	0	30-32.5	85-90
Kate Jarman Director of Corporate Affairs	130-135	0	0	0	20-22.5	150-155
John Blakesley *** Deputy Chief Executive	115-120	0	0	0	0	115-120
Yvonne Christley (from Sept 22) Chief Nurse	70-75	0	0	0	32.5-35	105-110
Alison Davis Chair	45-50	0	0	0	N/A	45-50
Jacqueline Collier (to Aug 22) Director of Partnerships & Financial Efficiency	40-45	0	0	0	0	40-45
Gary Marven Non Executive Director	15-20	200	0	0	N/A	15-20
Haider Hussain Non Executive Director	10-15	0	0	0	N/A	10-15
Heidi Travis Non Executive Director	10-15	0	0	0	N/A	10-15
Dr Luke James (to Sept 22) Non Executive Director	5-10	0	0	0	N/A	5-10
Dr Devdeep Ahuja (from Sept 22) Non Executive Director	5-10	0	0	0	N/A	5-10
Helen Smart (to Jul 22) Non Executive Director	0-5	0	0	0	N/A	0-5
Jason Sinclair (from Sept 22) Non Executive Director	0-5	0	0	0	N/A	0-5
Professor James Tooley (to Jul 22) Non Executive Director	0-5	0	0	0	N/A	0-5
Mark Versallion (from Jan 23) Non Executive Director	0-5	0	0	0	N/A	0-5
Beverley Messinger (from Apr 22) Non Executive Director	10-15	100	0	0	N/A	10-15
Ganesh Baliah (from Jan 23) Non Executive Director	0-5	0	0	0	N/A	0-5
Precious Zumbika-Lwanga (from Jan 23) Non Executive Director	0-5	0	0	0	N/A	0-5

* Salary amounts may include payments relating to untaken annual leave (in excess of the statutory minimum) sold back to the Trust.

** Pension benefits may include pension recycling allowance. Recycling unused employer contributions is considered necessary to recognise the fact that staff who have opted out of the pension scheme will not get the full value of benefits from their employer's pension contribution in comparison to other colleagues. These payments are one way to restructure the employee's total reward package in order to maintain its value.

*** In addition to the salary remuneration recorded for John Blakesley in the table above, additional salary is received from the Trust wholly owned subsidiary ADMK Ltd.

Salaries & Expenses - Directors Remuneration Statement 2021/22 (subject to audit)

Name and Title	Year Ended 31 March 2022					
	Salary (Bands of £5,000)	**Taxable Benefits** (£s, to the nearest £100)	**Annual Performance Related bonuses** (Bands of £5,000)	**Long term Performance Related bonuses** (Bands of £5,000)	**Pension Benefits** (Bands of £2,500)	**Total** (Bands of £5,000)
Joseph Harrison * Chief Executive Officer	200-205	0	0	0	40-42.5	245-250
Terry Whittle Director of Finance	130-135	0	0	0	92.5-95	225-230
John Blakesley ** Deputy Chief Executive	110-115	0	0	0	0	110-115
Danielle Petch *** Director of HR & Workforce Development	130-135	0	0	0	12.5-15	145-150
Dr Ian Reckless Medical Director	205-210	0	0	0	0	205-210
Kate Jarman Director of Corporate Affairs	115-120	0	0	0	35-37.5	150-155
Emma Livesley **** Director of Operations	130-135	0	0	0	67.5-70	200-205
Nicola Burns-Muir ***** Director of Patient Care/Chief Nurse	135-140	0	0		95-97.5	230-235
Jacqueline Collier ****** Director of Partnerships & Financial Efficiency	120-125	0	0	0	22.5-25	140-145
Alison Davis Chair	45-50	0	0	0	N/A	45-50
Haider Hussain Non Executive Director	10-15	0	0	0	N/A	10-15
Andrew Blakeman Non Executive Director	10-15	0	0	0	N/A	10-15
Helen Smart Non Executive Director	10-15	0	0	0	N/A	10-15
Heidi Travis Non Executive Director	10-15	0	0	0	N/A	10-15
Dr Luke James (from June 21) Non Executive Director	10-15	0	0	0	N/A	10-15
Nicola McLeod (till January 2022) Non Executive Director	10-15	0	0	0	N/A	10-15
Professor James Tooley Non Executive Director	10-15	0	0	0	N/A	10-15

*The pension benefit for Joseph Harrison are payments relating to pension recycling allowance. Included in this value is an amount totalling £30k related to arrears for pension recycling allowance, £20k of which related to 2019/20 and 2020/21.

** In addition to the salary remuneration recorded for John Blakesley in the table above, additional salary is received from the Trust wholly owned subsidiary ADMK Ltd.

***The pension benefit for Danielle Petch are payments relating to pension recycling allowance.

**** The salary amount for Emma Livesley for 2021-22 included additional payments of £5k relating to untaken annual leave sold back to the Trust and arrears payment of £661 due to be paid June 22.

***** The salary amount for Nicola Burns-Muir includes a pay award arrears payment of £710 due to be paid in June 2022.

****** The salary amount for Jacqueline Collier for 2021-22 included additional payments of £1.5k relating to untaken annual leave sold back to the Trust. The pension amount recorded includes a pension recycling allowance.

Recycling unused employer contributions is considered necessary to recognise the fact that staff who have opted out of the pension scheme due to pension tax issues will not get the full value of benefits from their employer's pension contribution in comparison to other colleagues. These payments are one way to restructure the employee's total reward package in order to maintain its value.

Pensions and Benefits 2022/23 (subject to audit)

Name and Title	Year Ended 31 March 2023							
	Real increase in pension at pension age (Bands of £2,500) £000	**Real increase in pension lump sum at pension age** (Bands of £2,500) £000	**Total accrued pension at pension age at 31 March 2023** (Bands of £5,000) £000	**Lump sum at pension age related to accrued pension at 31 March 2023** (Bands of £5,000) £000	**Cash Equivalent Transfer Value at 31 March 2022** £000	**Real Increase in Cash Equivalent Transfer Value** £000	**Cash Equivalent Transfer Value at 31 March 2023 ***** £000	**Employer's contribution to stakeholder pension** £000
Terry Whittle Director of Finance	0-2.5	0	30-35	45-50	374	7	406	12
Nikki Burns-Muir Director of Patient Care (to end of Aug 22)	0-2.5	0-2.5	55-60	145-150	1,120	8	1,216	18
Kate Jarman Director of Corporate Services	0-2.5	0	25-30	30-35	320	0	351	16
Ian Reckless Medical Director	5-7.5	7.5 -10	50-55	105-110	753	87	889	26
Emma Livesley Director of Operations	2.5-5	0-2.5	40-45	70-75	639	31	708	19
Jacqueline Collier Director of Transformation & Partnerships (to 4 Aug 22)	0	0	0	0	47	0	0	0
Joseph Harrison Chief Executive Officer	N/A	N/A	70-75	165-170	N/A	N/A	1,427	29
Yvonne Christley Chief Nurse (from 1 Sep 22)	0-2.5	0	5-10	0	78	7	109	10

* Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, the NHSPS has revised its method to calculate the CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology.

** Pension benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgement

*** The table only reflects the Executives who are currently in the pension. John Blakesley, Jacqueline Collier and Danielle Petch chose not to be covered by the pension arrangements during the reporting year.

**** N/A = Not Available. Data may not be available for the prior year, where an individual was opted out at that point in time.

Pensions and Benefits 2021/22 (subject to audit)

Name and Title	Year Ended 31 March 2022							
	Real increase in pension at pension age (Bands of £2,500) £000	Real increase in pension lump sum at pension age (Bands of £2,500) £000	Total accrued pension at pension age at 31 March 2022 (Bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2022 (Bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2021 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2022 *** £000	Employer's contribution to stakeholder pension £000
Terry Whittle Director of Finance	5-7.5	7.5-10	30-35	45-50	305	50	374	19
Nikki Burns-Muir Director of Patient Care	5-7.5	7.5-10	50-55	145-150	1,002	98	1,120	19
Kate Jarman Director of Corporate Services	2.5-5	0-2.5	25-30	30-35	287	16	320	17
Dr Ian Reckless Medical Director	0	0	45-50	95-100	775	0	753	20
Emma Livesley Director of Operations	2.5-5	2.5-5	35-40	70-75	565	56	639	18
Jacqueline Collier Director of Transformation & Partnerships	0-2.5	0-2.5	2.5-5	5-10	28	4	47	14

* Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, the NHSPS has revised its method to calculate the CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology.

** Pension benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgement

*** The table only reflects the Executives who are currently in the pension. Joseph Harrison, John Blakesley and Danielle Petch chose not to be covered by the pension arrangements during the reporting year.

Directors' Expenses 2022/23 (not subject to audit)

Name and Title	Year Ended 31 March 2023	
	Other non-taxable expenses (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Professor Joseph Harrison Chief Executive Officer	600	300
Dr Ian Reckless Medical Director	0	0
Terry Whittle Director of Finance	0	0
Danielle Petch Director of HR & Workforce Development	0	0
Emma Livesley Director of Operations	0	0
Nicola Burns-Muir Director of Patient Care/Chief Nurse	0	0
Kate Jarman Director of Corporate Services	0	0
John Blakesley Deputy Chief Executive	0	1,100
Yvonne Christley (from Sept 22) Chief Nurse	0	0
Alison Davis Chair	0	0
Jacqueline Collier (to Aug 22) ****** Director of Partnerships & Financial Efficiency	0	0
Gary Marven Non Executive Director	0	300
Haider Husain Non Executive Director	0	0
Heidi Travis Non Executive Director	0	0
Dr Luke James (to Sept 22) Non Executive Director	0	0
Dr Devdeep Ahuja (from Sept 22) Non Executive Director	0	0
Helen Smart (to Jul 22) Non Executive Director	0	0
Jason Sinclair (from Sept 22) Non Executive Director	0	0
Professor James Tooley (to Jul 22) Non Executive Director	0	0
Mark Versallion (from Jan 23) Non Executive Director	0	0
Ganesh Baliah (from Jan 23) Associate Non Executive Director	0	0
Precious Zumbika-Lwanga (from Jan 23) Associate Non Executive Director	0	0
Beverley Messinger (from Apr 22) Non Executive Director	0	100

Directors' Expenses 2021/22 (not subject to audit)

Name and Title	Year Ended 31 March 2022	
	Other non-taxable expenses (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Professor Joseph Harrison Chief Executive Officer	0	0
Terry Whittle Director of Finance	0	0
John Blakesley Deputy Chief Executive	0	0
Danielle Petch Director of HR & Workforce Development	300	0
Dr Ian Reckless Medical Director	400	100
Kate Jarman Director of Corporate Services	0	0
Caroline Hutton Director of Operations	0	0
Emma Livesley Director of Operations	0	0
Nicola Burns-Muir Director of Patient Care/Chief Nurse	0	0
Jacqueline Collier Director of Partnerships & Financial Efficiency	0	0
Alison Davis Chair	0	0
Haider Husain Non Executive Director	0	0
Andrew Blakeman Non Executive Director	0	0
Helen Smart Non Executive Director	0	0
Heidi Travis Non Executive Director	0	0
Dr Luke James (from June 21) Non Executive Director	0	0
Nicola McLeod Non Executive Director	0	0
Professor James Tooley (to Jul 22) Non Executive Director	0	0

2.6.6 Governor Expenses

Governors are permitted to claim an allowance of £10 for any meeting of the Council of Governors they attend or an external meeting that they attend on behalf of the Trust e.g., Healthwatch Milton Keynes Executive. Governors did not claim any expenses.in 2022/23.

Joseph Harrison
Chief Executive
30 June 2023

2.7 Staff Report

This section of the report provides information on staff, including staff numbers, costs and key workforce performance information.

2.7.1 Analysis of Staff Costs (subject to audit)

In line with HM Treasury requirements, disclosures relating to staff costs are now required to be in included in the staff report section of the annual report.

Staff costs			2022/23	2021/22
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	179,838	1,830	**181,668**	155,042
Social security costs	19,968	0	**19,968**	17,310
Apprenticeship levy	872	0	**872**	729
Employer's contributions to NHS pensions	19,310	0	**19,310**	17,841
Pension cost - other	8,400	0	**8,400**	7,765
Temporary staff	0	14,186	**14,186**	8,463
Total staff costs	**228,388**	**16,016**	**244,404**	**207,150**

2.7.2 Analysis of Average Staff Numbers (subject to audit)

Average headcount - 2022/23

	Assignment Category				
Staff Group	**Fixed Term Temp**	**Non-Exec Director / Chair**	**Permanent**	**Zero Hour Locum / Bank**	**Total Headcount**
Add Prof Scientific and Technic	2	-	93	41	**136**
Additional Clinical Services	26	-	624	400	**1,050**
Administrative and Clerical	46	6	828	122	**1,003**
Allied Health Professionals	8	-	208	32	**248**
Estates and Ancillary	1	-	373	52	**426**
Healthcare Scientists	3	-	93	26	**121**
Medical and Dental	201	-	309	390	**900**
Nursing and Midwifery Registered	38	-	1,113	245	**1,396**
Grand Total	**325**	**6**	**3,642**	**1,307**	**5,280**

Average number of employees (WTE basis)

			2022/23	2021/22
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	513	36	**548**	520
Administration and estates	718	118	**836**	774
Healthcare assistants and support staff	870	161	**1,031**	989
Nursing, midwifery and health visiting staff	924	227	**1,151**	1,108
Scientific, therapeutic and technical staff	267	42	**309**	296
Healthcare science staff	78	12	**90**	86
Total average numbers	**3,370**	**597**	**3,966**	**3,773**

The following is a breakdown of staff by gender:

Headcount of Staff with Substantive Contracts as on 31/03/2022

Staff	Female	Male	Total
Senior Managers	8	10	18
Other Senior Managers	0	0	0
Employees	3,256	878	4,134
Total	**3,264**	**888**	**4,152**

As at 31 March 2023, the Trust Board comprised nine associate non-executive directors/non-executive directors and one chair (six males and four females) and eight executive directors (four males and four females).

"The health and wellbeing of our staff continues to be a top priority for the Trust against the backdrop of two challenging years due to the pandemic."

2.7.3 Absence rate for year to 31/03/2023

Sickness Absence - 2022/23

Trust Absence 12 months to 31 March 2023	Cumulative Abs (WTE)	Cumulative Avail (WTE)	Cumulative % Abs Rate (WTE)	Short Term % Abs Rate (WTE)	Long Term % Abs Rate (WTE)	No of Episodes
All Staff Groups	58,248	1,264,512	4.61%	2.21%	2.40%	8,412

The top ten reasons for Trust sickness absence are reported routinely to the Trust across a number of levels for visibility and action planning. Vast improvements have been made to the reporting of reasons for absence as categories have been refined to remove 'unknown' and 'other' as a primary reason for sickness absence. This has been achieved through continued rollout of the Trust's e-Rostering system so that all absence for all departments is recorded on Health Roster.

The health and wellbeing of our staff continues to be a top priority for the Trust against the backdrop of two challenging years due to the pandemic. Increased psychological support in the form of counselling and debrief sessions has been put into areas that have experienced significant challenges in the last year. The Trust has therefore remained within its target of 5% in 2022/23. Further reduction of absence has been identified as a key workforce objective for 2023/24.

2.7.4 Expenditure on consultancy

The Trust incurred £21k on consultancy in 2022/23, which related to consltancy advice from estates cost advisors , IT consultancy and VAT consultancy.

2.7.5 Staff Policies and actions applied during the Financial Year

Workforce Strategy (2021 – 2024)

To deliver the Trust's challenging agenda in line with the NHS Long Term Plan, an integrated approach to patient care, workforce management, organisational development and workforce planning is essential. The Trust re-evaluated itself against the NHS People Plan during the summer of 2022/23 to ensure that the MKUH Workforce Strategy remained in line with the national agenda and to re-visit its achievements so far, refreshing objectives as appropriate. The Trust continued its commitment to three objectives:

1. Ensuring we have the required people, representative of the community we serve:
   - Filling our vacancies, maximising the current workforce, and utilising appropriate levels of temporary staffing to fill any gaps based on acuity on the day.
   - Developing our Equality, Diversity & Inclusion programme to ensure our workforce is representative of the community we serve across all staff groups and grades, across all protected characteristics.
   - Making MKUH an employer of choice, evidenced by being in the top 10% comparators in the NHS staff survey.
2. Developing our people to ensure our values are reflected in all their interactions and that they treat everyone with empathy, compassion, kindness and respect:
   - Embedding our values into all staffing processes and procedures, such as recruitment, appraisals, disciplinaries, grievance, etc.
   - Delivering the "Living our Values" Trustwide programme and helping colleagues evidence our values in all they do.
3. Supporting our people to be healthy, happy, and safe in their roles, able to grow their careers at MKUH and access the development they need:
   - Continuing to grow our health and wellbeing and benefits offerings, listening to our workforce and where possible, bringing to life their ideas, wishes and desires for our workplace, aiming to make every day a great day at work.
   - Providing fulfilling and varied roles and offering training and development opportunities to enable colleagues to feel happy in their roles and supported in their long term careers at MKUH.
   - Developing our supervisor, leadership and management training programmes.
   - Developing our role/career specific training programmes.
   - Expanding the capacity and capability of our internal Organisational Development (OD) team to enable us to offer all aspects of personal and professional development to all colleagues.
   - Expanding our flexible working offering and embedding agile working practices across all areas, taking into account the specific needs of individuals and service delivery, ensuring the right people are on site at the right time to provide the required care

The delivery of workforce strategies is monitored by the Workforce Development and Assurance Committee, a sub-committee of the Trust Board, and by the Workforce teams via the Workforce Board, HR Systems Programme Board and Education Board.

Our Recruitment and Selection policy ensures that full and fair consideration is given to applications for employment made by disabled people and across the full range of protected characteristics. A Trust project is currently underway to explore even more inclusive recruitment processes, working with the Trust Network Leads to develop selection methods that support applicants from all backgrounds and who have specific challenges in successfully applying to work at MKUH. All jobs are advertised with flexible working options from the first day of employment and the Trust has developed an employment passport for staff members with particular adjustment needs, due to caring responsibilities or challenges relating to a disability, to share with recruiting managers if they apply for other roles internally. The 'Work Any Hours' campaign was launched in 2022 to give our employees even more flexibility with the start and finish of their shift times, allowing them to book Registered Nursing and Healthcare Support Worker shifts where they can set their own working hours.

The Trust has various means of supporting employees to continue their employment and receive training and retraining in the event that they should become disabled during their Trust employment. A comprehensive Sickness Absence and Attendance policy, 'Working with Disabilities' guidance and the Employee Passport provide policy and procedural guidance in this regard and managers, colleagues and interventions, such as adjustments to working roles and redeployments, are supported and facilitated by specialist Occupational Health Advisors, HR Advisors and HR Business Partners. External agencies, such as Access to Work, are also engaged on a case-by-case basis, where it is believed that the Trust, its managers, or its colleagues could benefit from expert technical or financial support. The appointment of a Disability Advisor to support managers, employees, and job applicants with adjustments and advice has supported this strategic approach to improved inclusivity.

The Trust's Appraisal and Statutory and Mandatory training frameworks ensure that training, career development, and promotion of disabled employees are facilitated through individualised actions and personal development plans that are aligned to the Trust's core values. Such an approach promotes equal opportunities through promotion of learning and development and it also seeks to reduce the impact of potential inequalities caused by the condition or disability of an individual in a supportive way. All Trust policies have an Equality Impact Assessment undertaken during the policy consultation process, ensuring that the Trust has due regard of particular issues and has considered implementation of mitigating actions in respect of all protected characteristics.

The Trust uses various means of communication to engage with the workforce. Such an approach ensures no group is left without receiving key messages. The discussions and outcomes of Trust meetings, such as Trust Executive Committee, are cascaded through to colleagues in person and via email. Monthly and weekly email newsletters are produced and posted on a vastly improved intranet site as well being sent direct to user.

The Trust has made best use of advances in technology; direct emails are routinely used in addition to a variety of on-site and web based Chief Executive and Executive Director live Q&A sessions, along with use of social media to promote key messages and intiatives with colleagues and service users alike. More recently, the Trust has made use of local surveys via its web based applications, e.g. health and wellbeing and staff benefits surveys, Staff People Pulse. The sixth annual Event in the Tent in 2022 was held via a mix of 'Live' and face to face sessions which were also recorded for colleagues who could not be in attendance. Key note speakers on mental wellbeing and mindfulness presented, in addition to sessions from the Trust's Equality Network Leads and National Freedom to Speak Up Guardian. Such engagement activities have become increasingly important in 2022/23 as the Trust has sought to celebrate its successes at the Annual Staff Awards Ceremony, meaningfully engaging with its staff, and ensuring that mission critical information is disseminated at scale and pace

The Trust has a long standing Recognition Agreement with staff side partners; this was reviewed and strengthened in 2021/22 with additional provisions of time put into the Protected Working Time Policy in 2022/23 for key staff roles. The Recognition Agreement provides the governance framework for the monthly Joint Consultative and Negotiation Committee (JCNC) meetings which are chaired on an alternate basis by the Staff Side Chair and the Director of Workforce. The Medical and Dental Joint Local Negotiating Committee (JLNC) also falls under the governance framework of the JCNC. The staff side relationship continues to be strong with the ongoing provision of weekly staff side meetings with the Director and Deputy of Workforce to supplement the formal meeting structure.

Furthermore, the Trust's Management of Organisational Change Policy provides a framework, agreed in partnership with Staff Side colleagues, for consultations where organisational change is required. In this way, early Staff Side involvement in organisational change programmes is sought, in order to capitalise on consultation opportunities in a meaningful way with our colleagues and their representatives. Together these ensure that we seek the views of our workforce in a holistic and inclusive way, demonstrating our ongoing commitment to partnership working.

The Trust has numerous policies and procedures with regard to countering fraud and we work routinely with Counter Fraud specialists to support our efforts in this regard. The Trust has a comprehensive set of Standing Financial Instructions (SFIs) and a standalone counter fraud and reporting policy, including the involvement and roles of internal and external auditors. Separate to these, the Trust has its own Gifts, Donations and Hospitality Declarations policy in addition to specific clauses in the standard Trust contract of employment covering this area.

2.7.6 Staff side time spent on union facilities

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017. The regulations require that NHS employers publish certain information about trade union officials and facilities time. The following tables show facilities activity and cost among the unions that are recognised by the Trust over the course of 2022/23. These figures are collated and reported to the Trust's Joint Consultative and Negotiation Committee (JCNC).

Table 1 – Relevant union officials

Table 1 outlines the total number of MKUH employees who were relevant union officials during 2021/22.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
27	25.75

Table 2 – Percentage of time spent on facility time

Table 2 outlines the number of MKUH employees who were relevant union officials employed during the 2022/23 who 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%	3
1-50%	24
51%-99%	0
100%	0

Table 3 – Percentage of pay bill spent on facility time

Table 3 provides the percentage of the MKUH total pay bill spent on paying employees who were relevant union officials for facility time during 2022/23

Description	Figures
Total cost of facility time	£40,742.53
Total pay bill	£217,987,461.43
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

Table 4 provides the number hours spent by employees who were relevant union officials during 2022/23 on paid trade union activities, expressed as a percentage of total paid facility time hours.

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

2.62%

2.7.7 Health and Safety Performance and Staff Health and Wellbeing

In October 2022, the annual flu campaign was launched in conjunction with the Covid vaccination programme and the National Staff Survey. Trust staff were encouraged to arrange an appointment to take advantage of dedicated time to complete their surveys as well as receive their vaccinations. Unvaccinated staff were offered the vaccination as part of a targeted campaign where the vaccination was taken to them within their work areas. The Trust saw a number of frontline healthcare workers receive the vaccination both internally and externally via their GP or local Pharmacy, reaching 73% in total. During the flu campaign uptake of flu vaccinations was reported on a weekly basis to the executive team and socialised with the Trust via the CEO weekly newsletter and social media channels.

The Trust has continued to offer staff an Employee Assistance Programme (EAP) through our partner organisation Vivup, through which staff can access 24/7 support via a dedicated wellbeing portal and timely access to counselling services. We continue to offer face-to-face counselling sessions for staff two days per week, undertaken within the Occupational Health & Wellbeing department, enabling the counsellor to work with managers and others to build relationships and promote the service in departments and staff groups where uptake was low. This onsite provision has been well received and we now support staff with additional counselling sessions after they have completed their course of 6. A dedicated counsellor has also been available to work with staff within our critical care and respiratory departments on a weekly basis. The Trust has benefited from the support of a retired OH Physician who is working voluntarily with staff to offer a peer listening service.

In September 2022, an OH Physiotherapist was recruited to triage referrals and run clinics for staff members suffering from musculoskeletal injuries and conditions. This role is allowing the early intervention in cases of long-term sickness absence, providing treatment to ensure employees are able to return to work sooner, in addition to undertaking educational activities as a tool to prevent injuries in the first instance.

Other initiatives offered to staff include specific mental health support - 'You ok Doc'. This provides an additional weekly space for all BLMK GPs, hospital doctors and specialty doctors/consultants to share their stories, have conversations, and learn from each other on how to manage positively their mental health and wellbeing.

The Staff Hub continues to be a safe space for colleagues to take some time for themselves, to relax, recharge, reflect and process their feelings alone or with colleagues. To support staff through the winter, free breakfasts were provided in the Hub and nightworkers were able to partake in a free hot meal. Staff have also benefitted from discounted healthy meals in the staff restaurant, free tea and coffee, as well as reduced price roast dinners for their family on a Sunday. The Hub also has a 'staff pantry' where key ingredients such as rice and pasta, are available for free for those that are struggling financially.

The Staff Health and Wellbeing department undertakes both pre-employment and employment fitness for work assessments. It also provides an immunisation/ screening programme to ensure staff are protected against infectious and communicable diseases in line with Department of Health and Social Care guidance.

The Trust now has over 70 trained Mental Health First Aiders (MHFAs) who can be called upon in the first instance to help signpost colleagues to appropriate support as required. The Trust currently has 14 Health and Wellbeing Champions who meet monthly to explore possible improvements to our wellbeing programmes.

To support the spiritual needs of our staff of all faiths and beliefs, the Multi Faith Room and Chapel offers a quiet space for reflection at all times. Considerable work was undertaken to remodel the space to create separate prayer rooms for our Muslim colleagues, with separate washing facilities for men and women.

The Wellbeing steering group has been revised and meets on a bi-monthly basis, led by our Director of Workforce, with quarterly reporting to the overarching senior Workforce Board and also to the sub-Trust Board, Workforce and Development Assurance Committee. The Trust's Health and Wellbeing Strategy was reviewed in 2022. The Health and Wellbeing strategy is modelled against the national Wellbeing Framework and sets out our intent to engage with partners to ensure that the wellbeing of our workforce underpins excellent performance through education, prevention, and effective management of health conditions.

The Trust has used various means of communicating developments (payslip messages, email, health and wellbeing events, Event in the Tent, quarterly newsletter, workforce website) and the service has delivered a series of monthly activities in support of health and wellbeing education and prevention.

2.7.8 Staff Experience and Engagement

Staff engagement is the level of enthusiasm and dedication an employee feels toward their job, and this is critical to us as a Trust in the delivery of safe and effective patient care. How and why our staff engage links to our overall success as a Trust and as a local employer; engaged employees are more likely to be productive and higher performing, with greater job satisfaction and higher morale.

The NHS staff survey is conducted annually. From 2021/22 the survey questions have aligned to the seven elements of the NHS 'People Promise', and retains the two previous themes of engagement and morale. These replace the ten indicator themes used in previous years. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

2.7.8.1 NHS Staff Survey

The Annual Staff Survey showcases how we are performing as an employer, and is where our staff have a voice to share their feedback on their workplace experiences. The Trust aspires to improve its staff survey outcomes every year, to celebrate areas of great practice and innovation, and identify the ares where we can improve through our own development.

The 2022 Staff Survey was undertaken between September and November 2022 as part of the Trust's Protect and Reflect Event, where colleagues were provided with the opportunity to take protected time to receive their vaccinations (annual flu jab and Covid) and complete their individual survey. Running both together enabled colleagues to maximise their time away from the workplace.

By sharing the results of the Staff Survey with our teams and departments, we can support them to use the data as the principal way to measure distance travelled, to see and celebrate their progress, and take actions to maintain their best practice and great work, engaging with the journey for improvements and development.

The survey was coordinated by our provider IQVIA and initial responses were received in December 2022, with the final national results being released 9 March 2023.

MKUH belongs to the Acute and Acute & Community sector and is compared with and benchmarked against 124 other Acute and Acute Community Trusts.

2022 NHS Staff Survey

This organisation is benchmarked against:
Acute and Acute & Community Trusts

Organisation details

1,669 completed questionnaires

43% 2022 response rate

Benchmarking group details

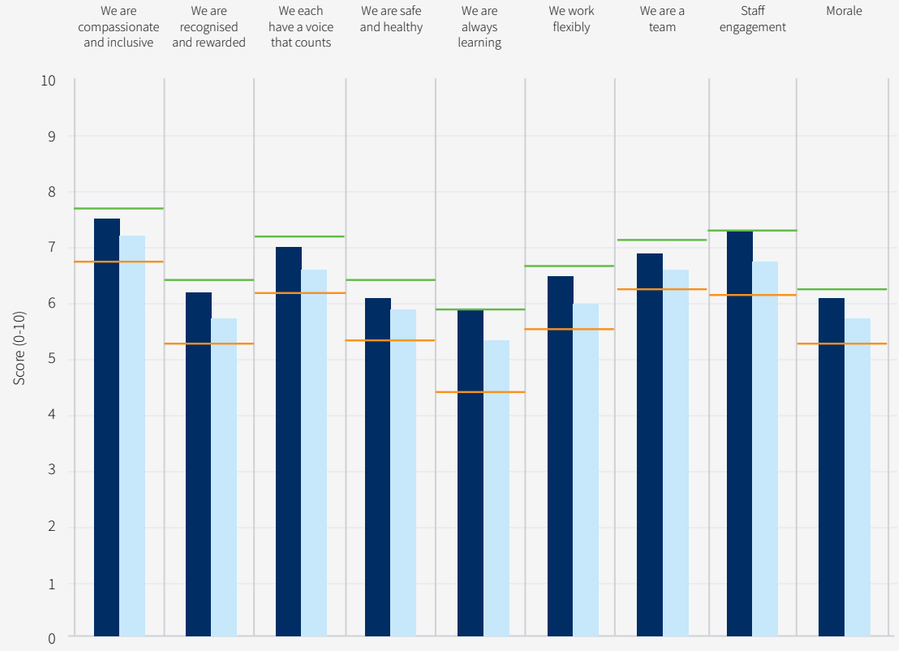
124 organisations in group

44% median response rate

431,292 completed questionnaires

The MKUH response rate for the 2022 staff survey was 43%, compared to 42.5% in 2021. Scores for each indicator, together with that of the Acute and Acute Community Trusts benchmarking group of 124 organisations are presented below:

Indicators	2022		2021	
('People's Promise' elements and themes)	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
1. We are compassionate and inclusive	**7.5**	**7.2**	**7.4**	**7.2**
2. We are recognised and rewarded	**6.2**	**5.7**	**6.2**	**5.8**
3. We each have a voice that counts	**7.0**	**6.6**	**7.0**	**6.7**
4. We are safe and healthy	**6.1**	**5.9**	**6.1**	**5.9**
5. We are always learning	**5.9**	**5.4**	**5.7**	**5.2**
6. We work flexibly	**6.5**	**6.0**	**6.4**	**5.9**
7. We are a team	**6.9**	**6.6**	**6.8**	**6.6**
Staff engagement	**7.3**	**6.8**	**7.2**	**6.8**
Morale	**6.1**	**5.7**	**6.1**	**5.7**



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff engagement	Morale
Trust	7.5	6.2	7.0	6.1	5.9	6.5	6.9	7.3	6.1
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	1,634	1,647	1,572	1,591	1,545	1,631	1,638	1,645	1,646

Scores for indicators in the subgroups, together with that of the benchmarking group Acute and Acute Community Trusts are presented below for the previous two years.

Subscores	2022		2021	
	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
Compassionate culture	7.4	7.0	7.4	7.1
Compassionate leadership	7.1	6.8	7.0	6.8
Diversity and equality	8.2	8.1	8.2	8.1
Inclusion	7.2	6.8	7.1	6.8
Autonomy and control	7.3	6.9	7.2	6.9
Raising concerns	6.8	6.4	6.8	6.4
Health and safety climate	5.7	5.2	5.6	5.2
Burnout	5.0	4.8	5.0	4.8
Negative experiences	7.8	7.7	7.7	7.7
Development	6.7	6.3	6.6	6.3
Appraisals	5.1	4.4	4.9	4.2
Support for work-life balance	6.5	6.1	6.4	6.0

Subscores	2022		2021	
	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
Flexible working	6.5	6.0	6.4	5.9
Team working	6.9	6.6	6.8	6.5
Line management	6.9	6.7	6.8	6.6
Motivation	7.4	7.0	7.4	7.0
Involvement	7.3	6.8	7.0	6.7
Advocacy	7.1	6.6	7.2	6.8
Thinking about leaving	6.3	5.9	6.2	6.0
Work pressure	5.5	5.0	5.4	5.0
Stressors	6.6	6.3	6.5	6.2

Summary of our Achievements:

- MKUH achieved the top score for Autonomy and Control, Appraisals, Motivation and Involvement.
- MKUH received 72 scores that were significantly better than the sector comparators.
- MKUH have the best national scores for “We Are Always Learning” and “Staff Engagement”.
- There were score improvements in staff feeling that the organisation acts fairly with regard to career progression/promotion.
- There have been some improvements in the WRES metrics this year for staff who are an ethnic minority experiencing harassment/bullying/abuse from service users/patients.

The next steps and areas identified for improvement as a result of the 2022 survey are:

1. Continue with the application of Health Roster processes to monitor and manage staff hours through Check and Challenge Meetings.
2. Continue the work to address staff experience of violence and aggression from patients and service users.
3. Continue to work with the networks and management teams to address discrimination.

Action plans to address areas of concern

The 2022 action plan incorporates and builds upon the elements which have worked well in previous years. It also includes the priorities which have been identified as key areas to work upon (these are questions with decreasing scores or in the 20% lowest percentiles).

1. Utilise the ‘listening event’ approach to share and review department level data with each team. This will be taken forwards by Divisional and Corporate HRBPs with managers for each Directorate, CSU and/or team.
2. Establish a working group to explore issues around staff hours and review additional training for managers to manage staff better and allocate work fairly. This will include analysis of eRostering utilisation, efficiency, and use of focus groups in particular areas of exemplar practice and/or to understand further means of improvement.
3. Continue to embed changes through the Violence and Unacceptable Behaviour Steering Group with a focus on increased training, review of the patient environment, staff feedback sessions, and an increased communications campaign.
4. Embed and consolidate actions taken at a Trust level to maintain staff engagement levels, celebrate and build on this success and review practices continually.
5. Begin to plan to deliver an improved response rate for next year’s survey, repeating this year’s success of the Protect and Reflect event, working from late summer 2023 onwards to ensure that all colleagues get time in their diaries to attend the event, get their flu / seasonal vaccination(s) and complete their survey following ongoing engagement in line with point 4, above.
6. Feedback and progress reports will be shared with Workforce Board and updates to the Workforce Development and Assurance Committee and Trust Executive Committee throughout 2023.

2.7.9 Off-payroll Engagements

The Trust engaged in two off-payroll arrangements in 2022/23.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater	2022/23 Number of engagements
No. of existing engagements as of 31 Mar 2023	**0**
Of which:	
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 2: All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater	2022/23 Number of engagements
Number of new engagements, or those that reached six months in duration, between 01 Apr 2022 and 31 Mar 2023	**2**
Of which:	
Number assessed as within the scope of IR35	1
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the trust’s payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2022 and 31 Mar 2023	2022/23 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	18

The Trust has a policy of using its own payroll for the purposes of employment. In the event that any further off-payroll arrangements are required, the Trust uses the HMRC CEST assessment tool which seeks to test the nature of the engagement, whether the individual is aware of their obligations in respect of payment of tax and require them to provide assurances in this regard before they are engaged. Following completion, approval is sought of the director of finance and/or director of workforce in order to finalise the arrangement.

2.7.10 Exit Packages (subject to audit)

Two exit packages were paid by the Trust as compulsory redundancies in 2022/23 (none in 2021-22). Please see the table below:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000			
£10,000 - £25,000			
£25,001 - £50,000			
£50,001- £100,000			
£100,001 - £150,000	2		2
£150,001 - £200,000			
Etc			
Total number of exit packages by type	2		2
Total resource cost	**£219k**		**£219k**

2.7.11 Equality, Diversity and Inclusion

The Trust has a longstanding commitment to ensuring that our services and employment practices are fair, accessible, and appropriate for all patients, visitors, and carers in the community we serve, as well as the talented and diverse workforce we employ. The Trust Board receives a comprehensive annual report of equality and diversity information, the last of which was in 2022.

The Trust remains committed to providing an environment equally welcoming to people of all backgrounds, cultures, nationalities and religions. Our Trust values of 'Care, Collaboration, Contribution, and Communication' and underpinning behaviours were developed through an extensive Trust-wide consultation and engagement programme in 2021 which is now being fully embedded across the Trust. A refreshed behaviours framework has been developed and is being rolled out in 2023.

The Executive Workforce lead and the patient services lead for Equality, Diversity and Inclusion are both members of the Workforce and Development Assurance Committee which is responsible for overseeing equality, diversity and inclusion for the Trust and through which Trust Board is informed.

Supporting the local staff survey outcomes, regional and national requirements (Workforce Race Equality Standard and Equality Delivery System 2 and Public Sector Equality Duty of the Equality Act 2010), an equality, diversity and inclusion forum was established in 2015 to oversee this sphere of activity and acts as a steering group for both our workforce and patient care and experience. This work is now led by the Equality, Diversity and Inclusion Leads, and engagement with Milton Keynes Council and the Bedfordshire, Luton and Milton Keynes joint CCG has been built into activities with mutual benefits resulting from our approach in this regard.

The Trust is an accredited 'Disability Confident' Employer and was an active participant in the formative stages of the Workforce Disability Equality Standard prior to its introduction in April 2019. The Trust's Ability Network was launched in 2018/19 to support staff engagement and ensure that underrepresented colleagues can have peer support and a collective voice within the organisation. The Trust aims to obtain Disability Confident Leadership status and is taking steps to achieve this.

The Trust now has a total of seven networks:

- Pride @ MKUH for LGBTQ+ employees
- Ability Network for employees with disabilities
- Women's Network for employees who identify as female
- BAME Network for employees who identify as black, Asian, or minority ethnic
- Faith & Belief Network for employees who have religious beliefs
- Armed Forces Network for employees who have served/or do serve in the Armed Forces
- Carers Network for employees who have caring responsibilities

Network activity has increased significantly over the last five years with each network now playing an active role in many areas of Equality, Diversity and Inclusion. To promote intersectionality between the networks, and to raise the voices of the networks to the most senior level, the Trust implemented the Inclusion Leadership Council, a bi-monthly meeting chaired by the Trust Chair. This meeting aims to bring the networks together and provide them with an opportunity to engage with members of the Executive to affect change.

In 2023, each network was assigned a £1,000 budget to spend on network promotion, activities and education. This budget will refresh each financial year and provides the networks with the opportunity to invest in promotional materials to increase awareness and recruit new members.

The networks are critical to improving the collective voice of the organisation and have also been involved in the delivery of actions aligned to the various statutory Equality, Diversity and Inclusion such as WRES, WDES, and Gender Pay Gap reports which can be found here: **https://www.mkuh.nhs.uk/about-us/public-documents/equality-diversity-inclusion**

The Equality, Diversity and Inclusion Agenda of the Trust supports all of the protected characteristics and is recognised as being critical to retention and the experience of our staff. Investment has been supported in 2022/23 as the Trust seeks to improve its breadth of understanding and influence on the diversity of its colleagues. A cultural intelligence programme continues to be rolled out with support from external experts to work with key stakeholders in the Trust's leadership and management team. This will be supported by a wider roll out of cultural awareness training for employees in 2023/24.

In conjunction with the networks, the Trust has undertaken a number of key actions in 2022/23 to drive the equality agenda forward:

- Development or WRES/WDES action plans and infographics
- Signed up to the East of England Anti-Racism Pledge
- ED&I rounds conducted by the ED&I team across the Trust
- Listening events conducted with staff networks regarding WRES/WDES and staff survey results
- Introduction of a Disability Advisor role to support employees and candidates with workplace adjustments
- Extensive community outreach

To further improve inclusivity, the Trust is planning a Talent Management Programme specifically for those staff in minority ethnic groups. The Trust is also running campaigns aimed at increasing the disability workforce. The Trust is reviewing recruitment processes to make them more inclusive to improve candidate experience at interview for those that may require additional support due to less visible disabilities. The aim is to improve the experience of our staff and ensure they have fair access to career progression. Recruitment Specialist roles have been introduced in 2022/23 to provide challenge and support for recruitment decisions at shortlisting and interview stage as part of the Trust's commitment to fair recruitment practices.

2.7.12 Workforce Resourcing

In 2022/23, the Trust has continued to pursue automation and use of electronic systems to improve the efficiency of its resourcing activity. In 2022/23, delivery of objectives in the Workforce Strategy and Plan and the NHS People Plan, has enabled the Trust to attract a higher number of applications and maintain a steady vacancy rate of 9%, despite an increase in the overall WTE establishment across the Trust. The Trust has continued to focus attention and resources on both the recruitment and retention of staff to mitigate the current nationwide shortages in the labour market particularly for nurses and a number of allied health professional and healthcare scientist posts. The coming year will see a focus on values based interviewing processes, greater support to recruiting managers, introduction of recruitment practices that will promote inclusivity, and ensuring career development opportunities within the Trust are more accessible.

The 2022/23 resourcing highlights and project work are as follows:

- Increased volume of recruitment activity
  - number of applications received has trebled between 21/22 and 22/23
  - number of new starters doubled between 2021-22 and 2022-23
  - Specialist Recruitment events held to recruit Nurses, Nursing Associates, Maternity Care Assistants, and Healthcare Support Workers
- Highly successful International Recruitment campaign for nurses
  - 125 internationally trained nurses joined MKUH in 2022; 116 are now working as NMC registered nurses
  - 30 internationally trained nurses have arrived at MKUH in 2023 and 46 are going through pre-employment checks
- Improved processes and efficiency
  - greater efficiency conducting pre-employment checks; increased number of available appointments from 20 to over 45 per week
  - Time to Hire reduced significantly
  - new processes introduced for Honorary recruitment for all roles
  - reintroduced weekly 'Risk' panel to review, discuss and risk assess matters relating to pre-employment checks ensuring effective and quick resolution of employment risks.
- Increased promotion of MKUH as major employer of choice
  - launch of MKUH Attraction Campaign with multi-media campaigns
  - 'Working at MKUH' microsite
  - online resources for applicants
  - key employer and presenter at MK Jobs Show

The Trust is using our position as a regional employer of choice to entice our local community to work for their local hospital by holding open events for potential employees to find out more about the roles in the Trust, developing tools to support potential candidates through the application process, joint recruitment activities across BLMK and attendance at local career, education and job shows.

2.7.13 Statutory and Mandatory Training

Statutory training is that which an organisation is legally required to provide as defined by law or where a statutory body has instructed organisations to provide training based on legislation.

Mandatory training is that which is determined essential by an organisation for the safe and efficient running in order to reduce organisational risks, comply with policies, and meet government guidelines.

MKUH mandatory training competencies are mapped to the Core Skills Training Framework. There has been a steady improvement in statutory and mandatory training compliance – the table below shows the compliance rate by year and at the end of each quarter.

	Q1	Q2	Q3	Q4
2017/2018	91%	89%	90%	89%
2018/2019	90%	89%	90%	93%
2019/2020	93%	92%	94%	94%
2020/2021	94%	95%	95%	97%
2021/2022	96%	95%	96%	94%
2022/2023	95%	92%	94%	94%

The Corporate Trust Induction Programme runs face-face on a fortnightly basis, with the majority of Statutory and Mandatory training completed by e-learning.

Mandatory training is reported at Workforce Board, Workforce and Development Assurance Committee (quarterly) and Trust Executive Committee (monthly).

2.7.14 Learning & Development

Appraisal compliance has been met for the majority of the year. The appraisal system has been enhanced by the addition of 'mini-appraisals' at 6 months for new starters and the Trust's Probationary Period Policy.

	Q1	Q2	Q3	Q4
2018/2019	84%	85%	85%	85%
2019/2020	95%	91%	93%	94%
2020/2021	92%	92%	90%	95%
2021/2022	91%	91%	91%	91%
2022/2023	88%	91%	92%	91%

During 2022/23 the majority of development programmes continued to be provided through online teaching. The MK Managers Way Induction programme was launched in January 2023 and has been well receieved. This face-face programme runs over 3 days at the start of a new manager's employment, and covers all the essential subjects and required knowledge to enable them to carry out their roles effectively from early on in their management career with the Trust.

In 2022/23 just under 300 requests for Continued Professional Development funding were received and approved.

Coaching sessions led by FY doctors on the Situational Judgement Test (SJT) and the Prescribing Safety Assessment (PSA) saw an increase in the PSA pass rate at first attempt from 60% to 88%. Further initiatives such as Medicines Management Workshops and Case Based Prescribing Sessions are to be rolled out across all blocks following successful pilots.

Collection of student feedback has been improved through the introduction of QR codes and data collection via MS Forms which has led to instantly available feedback to educators. A new student handbook developed in collaboration with the postgraduate team has been produced in order to mirror information given to new foundation doctors to increase sense of belonging to the MKUH family.

Face to face induction has been re-introduced for new medical students. Two optional 'pre-induction drop-in sessions' were held on Teams prior to the induction week to facilitate the large amount of information and administration required by the students to attend to in preparation for the induction week. As a result, students felt better prepared for induction week, felt welcomed by the Trust and were able to focus on the required outcomes.

A new model for assistantships was piloted in two areas: medicine and surgery. Students were historically placed in wards rather than teams and feedback suggested that they felt unsure of role. They are now added to the FY rota and work alongside a named junior doctor for the 4 weeks of the assistantships across all shifts. Students report feeling better integrated into the clinical teams and this will now be rolled out across all assistantships commencing in May 2023.

The Clinical Skills & Simulation Team ran a total of 479 training programmes over 2022/23, which were attended by 4,249 staff. Several regional courses are now run from MKUH, including: RIACT, Thames Valley Critical Care Course, Immersive Ward Simulation.

MKUH Human Factors workshops were nominated as a finalist in the Health Service Journal Awards 2022, within the Education & Training category.

Practice Education have supported the 125 internationally educated nurses with preparation for their test of competence. Through 2023 Practice Education will continue to support a further 100 internationally educated nurses.

Practice Education continues to support each nurse through their first year of registration through the Trust Preceptorship Programme. It is anticipated that we will support approximately 190 nurses through Preceptorship in 2023.

2.7.15 Widening Participation

As of at the end of March 2023, MKUH has 143 members of staff enrolled onto apprenticeship programmes. In 2022/23, 68 individuals commenced on programme. Work continues to increase apprenticeship uptake within the Trust, as the team continues to identify new education providers and new apprenticeships, including a maternity placement offer.

During 2022/23, the Trust hosted 117 students for placement in a mixture of non-clinical and clinical settings. The Apprenticeship Team and other Trust NHS ambassadors have had contact with around 2,250 young people in the local area: either through virtual careers and employability sessions or more recently, in person via fairs and other community events.

In Q1 of 2022, Workforce and OD Teams collaborated with the Princes Trust on an employability project called ‘Get into Health’. The Trust provided NHS careers and employability skills sessions and candidates were offered guaranteed interviews for Health Care Support Worker posts.

With regards to school outreach, in 2022, the apprenticeship team and Trust NHS ambassadors attended various events and from these, reached out to 2,158 young people.

3

Code of Governance Disclosures

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Code of Governance

Milton Keynes University Hospital Foundation Trust (the Trust) has applied the principles of the Code of Governance for NHS Provider Trusts on a 'comply or explain' basis. The Code of Governance for NHS Provider Trusts, most recently revised in October 2022, is based on the principles set out in the 2012 version of the UK Corporate Governance Code.

The Board of Directors considers that it was compliant with the provisions of the revised Code of Governance for NHS Provider Trusts.

As per 'The Code of Governance for NHS Provider Trusts' (updated October 2022),

'the Board of Directors is a unitary board. This means that within the Board of Directors, the non-executive directors and executive directors make decisions as a single group and share the same responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy.'

3.1 NHS England Improvement Oversight Framework

NHS England's oversight framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

- quality of care, access and outcomes
- preventing ill health and reducing inequalities
- finance and use of resources
- people
- leadership and capability.

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

3.2 Single Oversight Framework - Segmentation

As of March 2023, the Trust is in Segment 2 of the Single Oversight Framework. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England website.

3.3 Statement of the Chief Executive's responsibilities as the Accounting Officer of Milton Keynes University Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS England.

NHS England, in exercise of the powers conferred on Monitor by the National Health Service Act 2006 has given accounts directions which require Milton Keynes University 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 Milton Keynes University 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 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 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 not 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.

Joseph Harrison
Chief Executive
27 June 2023

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Annual Governance Statement

2022/23

Annual Governance Statement 2022/23

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 Milton Keynes University 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 Milton Keynes University 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

Leadership of the Risk Management Process:

Board of Directors

The Board of Directors (Board) has overall responsibility for the identification and effective management of principal risks to the achievement of the Trust's strategic objectives. These risks are captured on and managed through the Board Assurance Framework (BAF). The Trust has ten primary strategic objectives; namely:

- Keeping you safe in our hospital
- Improving your experience of care
- Ensuring you get the most effective treatment
- Giving you access to timely care
- Working with partners in MK to improve everyone's health and care
- Increasing access to clinical research and trials
- Spending money well on the care you receive
- Employ the best people to care for you
- Expanding and improving your environment
- Innovating and investing in the future of your hospital

The breadth of these objectives means that the BAF contains a broad spectrum of risks of which the Board has oversight.

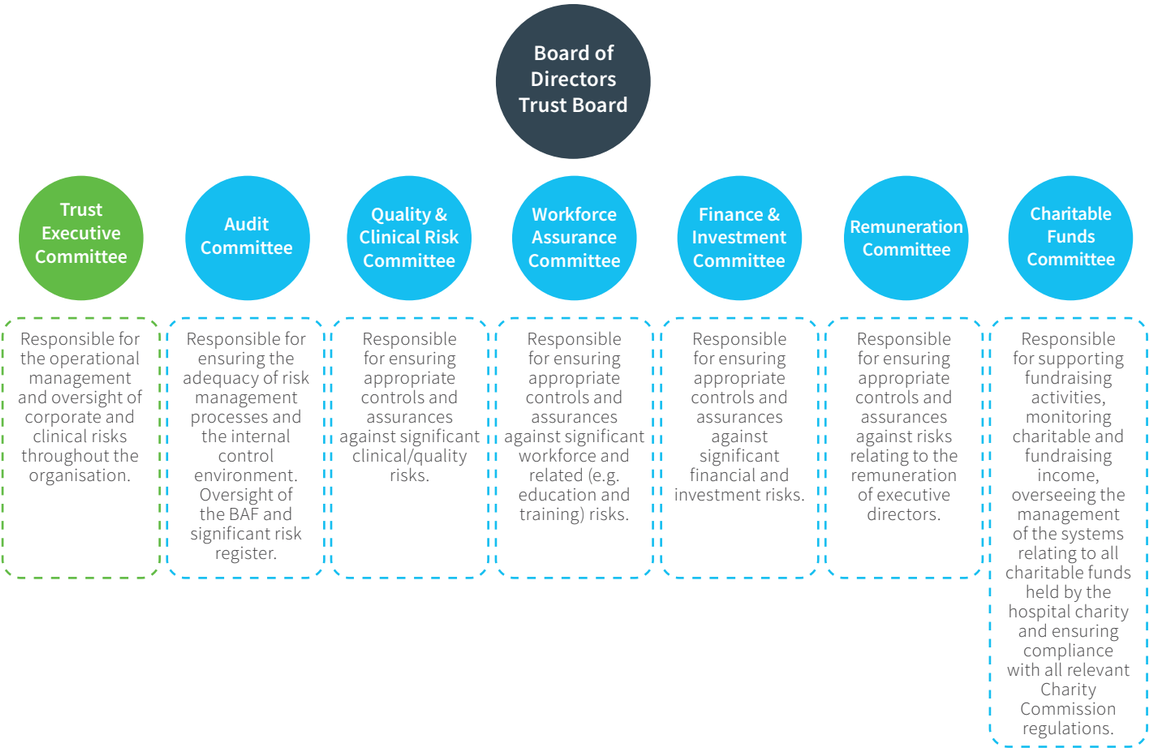
Board Committees

The Board delegates the testing of assurance and management controls on the BAF to its Committees.

Each Committee is responsible for risks to the achievement of objectives within its terms of reference.

In addition, the Quality and Clinical Risk Committee has a wider oversight role on the effective management of clinical risk.

The Audit Committee has a wider oversight role on the effective management of corporate risk and provides assurance to the Board on the adequacy of the systems and processes surrounding the management of risk throughout the organisation.



Executive Leadership and Management Oversight

The Director of Corporate Affairs is the executive lead for risk management. The Trust's Senior Information Risk Owner (SIRO) is the Deputy Chief Executive, who is responsible for, and oversees all information risks within the Trust. The Trust's Caldicott Guardian is the Medical Director, who is ultimately responsible for the correct use of patient identifiable information. Both the SIRO and the Caldicott Guardian have undertaken the required training to discharge their responsibilities effectively.

All directors and divisional managers have a leadership responsibility for risk management within their own areas and are accountable to the trust Board via general and specific reports.

Risk is reviewed throughout the corporate governance structure, including at the monthly Risk and Compliance Board (RCB), Divisional Boards, Management and Performance Board and Trust Executive Committee (TEC). The RCB reviews risks rated 15 and above on the significant risk register (SRR). It challenges the control measures and actions being taken; assesses risk score; approves corporate risks; reviews linked risks across specialties/ departments and divisions and reviews the aggregated risk profile, with an escalation report to TEC.

Divisional and departmental risk registers are also reviewed on a rotational basis to ensure that the risks are relevant and appropriate, that risks are being effectively identified, assessed, mitigated and managed. The RCB receives reports on the number of overdue incidents, audit compliance, trust documentation and reports on other compliance reports e.g., CQC/ regulatory guidelines and other relevant statutory, legislative, or regulatory compliance requirements or guidance. This is also reported to the Trust Executive Committee.

During major incidents risk management includes managing a dynamic risk environment of pressing operational risks. These are managed through the Bronze/ Silver/ Gold incident command structure (described and prescribed through the Emergency Preparedness Response Framework). This leads to different governance arrangements for risk, with intense daily management, in addition to routine reporting and management (as in 'normal' times).

Equipping and Training Staff to Manage Risk and Learning from Good Practice

The identification, assessment and management of risk is the responsibility of all staff. The Trust's mandatory training programme, which forms part of the staff induction, includes responsibilities and processes relating to risk management which encompasses fire safety, health and safety and clinical risk. Levels of compliance with mandatory training are reported to the Board as part of the monthly performance dashboard. Further guidance on risk management issues is disseminated to staff through briefing systems either electronically including the intranet or via meetings.

Learning from Good Practice

The Trust's central risk management team work effectively with the Trust's internal auditors to continually challenge and improve risk management processes as part of the annual development and audit programme. The central risk team holds regular dedicated sessions on improving practice, using external reports on good practice and industry recommendations to facilitate ongoing improvements to risk management. This includes and involves divisional risk and governance leads.

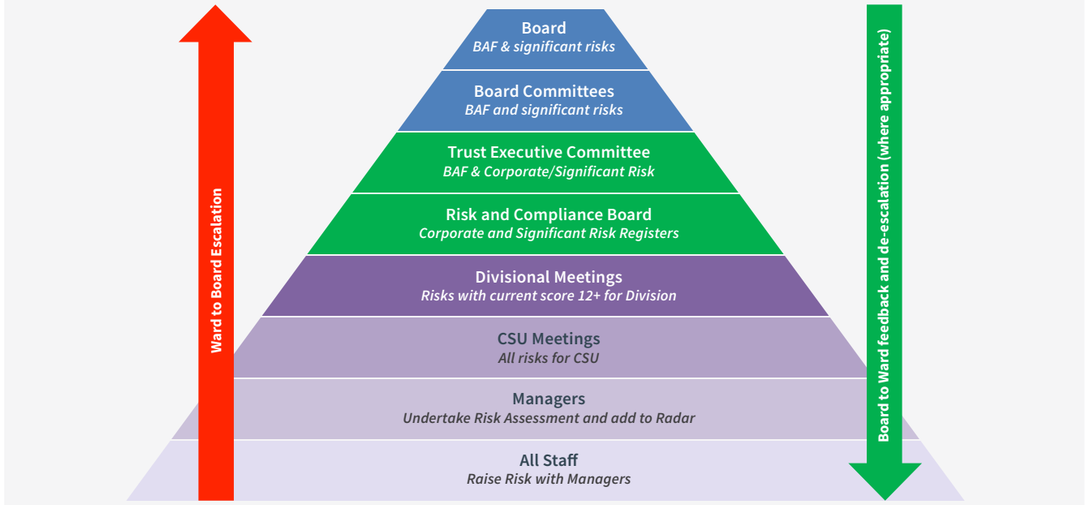
Organisationally, good practice and learning identified through risk assessments and incidents is shared through routine communications, training, meetings, briefing and de-briefing sessions and committees.

The Risk and Control Framework

Risk Management Strategy

Risk management is an integral part of the Trust's management, governance structure and internal control processes. It is the process through which the Trust identifies, assesses and analyses the risks inherent to and arising from its activities; whether clinical or non-clinical, including strategic, financial, workforce or any other; and ensures robust and effective controls and assurances are in place.

The Trust has a Risk Management Strategy (updated and approved in the reporting period), which sets out a delegated governance structure through which risks are monitored and managed. It sets out a systematic process for the identification, recording and management of risk through its specialty, divisional and significant risk registers and clearly defines the escalation and de-escalation of risk as detailed in the diagram below:



The Risk Management Strategy sets out how risk appetite is determined, with the Board of Directors setting risk appetite against the Trust's ten strategic objectives during annual risk appetite development and review.

Quality Governance Arrangements

The Trust operates within the NHS Foundation Trust statutory and regulatory environment and its quality governance arrangements are regularly reviewed to ensure compliance with relevant regulatory (and other legal or professional) standards. This includes the NHS England and Care Quality Commission combined Well-Led Framework. The Trust was inspected under the Well Led Framework by the CQC and NHS England in 2019 and received a rating of Good overall.

The Trust has a well-defined quality governance structure in place, designed to provide 'ward to Board' visibility, reporting and assurance across the quality agenda.

The Executive and the Trust Board seek information and assurance on compliance. Improvements in the reporting period include an assurance rating against performance information reported to the Board, based on data quality confidence levels. The Trust also has an established Data Quality Governance Group to provide scrutiny, challenge and assurance on all aspects of data quality.

The Trust ensures compliance with CQC registration requirements is monitored and assessed through its governance structure. This includes compliance monitoring at the Risk and Compliance Board; proactive assessment through the Clinical Quality Board; proactive assessment through the clinical divisional management; and independent peer review (e.g., Healthwatch enter and view). Compliance is assured through the Quality and Clinical Risk Committee.

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

The Board has sought assurance on the management of risks to data security, with reports and presentations to the Audit Committee and to the Board during 2022/23. Data security (compromise through deliberate attack; and breach through inadequate controls) are risks on the Trust Risk Register are actively monitored and assurance-assessed through the Board Committees.

Major Risks

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. The following risks were identified on the Board Assurance Framework and the Corporate Risk Register at the end of the 2022/23 financial year:

No.	Oversight Committee	Executive Lead	Risk Description	Risk Mitigations	Current Risk Rating	Target Risk Rating
1	Workforce and Development Assurance Committee	Director of Workforce	If staffing levels are insufficient in one or more wards or departments, then patient care may be compromised, leading to an increased risk of harm.	**1.** Staffing/Roster Optimisation • Exploration and use of new roles. • Check and Confirm process • Safe staffing, policy, processes and tools **2.** Recruitment • Recruitment premia • International recruitment • Apprenticeships and work experience opportunities • Use of the Trac recruitment tool to reduce time to hire and candidate experience • Rolling programme to recruit pre-qualification students • Use of enhanced adverts, social media and recruitment days • Rollout of a dedicated workforce website • Creation of recruitment "advertising" films • Targeted recruitment to reduce hard to fill vacancies. **3.** Retention • Retention premia • Leadership development and talent management • Succession planning • Enhancement and increased visibility of benefits package • Schwartz Rounds and coaching collaboratives. Onboarding and turnover strategies/reporting • Learning and development programmes • Health and wellbeing initiatives, including P2P and Care First • Staff recognition - staff awards, long service awards • Review of benefits offering and assessment against peers	5x3=15	5x1=5
2	Quality & Clinical Risk Committee	Chief Operating Officer	If emergency or elective care pathways are delayed, then patients will wait longer to access treatment, leading to potential risk of harm.	• Clinically risk assessed escalation areas available • Surge plans • Emergency admission avoidance pathways, SDEC and ambulatory care services • Maximising Use of Independent Sector • Divisional and CSU management of Waiting Lists • Agreement of local standards and criteria for alternative pathway management – clinical prioritisation and validation • Long-wait harm reviews • Extension of working hours and additional Waiting List Initiatives to compensate for capacity deficits through distancing and Infection Prevention and Control requirements • Additional capacity being sourced and services reconfigured • Winter escalation plans to flex demand and capacity • Plans to maintain urgent elective work and cancer services through periods of peak demand • Agreed plans with local system • National lead if level 4 incident, with established and tested plans • Significant national focus on planning to maintain elective care	5x4=20	5x2=10
3	Quality & Clinical Risk Committee	Chief Operating Officer	If there is overwhelming demand for emergency care on successive days, then patients will not receive timely care, leading to the potential for harm.	• Clinically and operationally agreed escalation plan • Adherence to national Operational Pressures Escalation Levels (OPEL) management system • Clinically risk assessed escalation areas available • Surge plans, COVID- specific SOPs and protocols have been developed • Emergency admission avoidance pathways, SDEC and ambulatory care services	5x4=20	5x2=10

No.	Oversight Committee	Executive Lead	Risk Description	Risk Mitigations	Current Risk Rating	Target Risk Rating
4	Finance & Investment Committee	Director of Finance	If there is insufficient, then the Trust may be unable to meet financial plans and targets or deliver its strategic aims, leading to service failure and regulatory intervention.	• The Trust has a process to target the investment of available capital finance to manage risk and safety across the hospital • The Trust is tactically responsive in pursuing central NHSE/I capital programme funding to supplement the business-as-usual depreciation funded capital programme. • Cost and volume contracts replaced with block contracts (set nationally) for clinical income • Top-up payments available where COVID- 19 leads to additional costs over and above block sum amounts • Budgets updated to support known cost pressures and backlog recovery programmes • Financial efficiency programme established to identify efficiencies in cost base.	5x4=20	5x2=10
5	Quality & Clinical Risk Committee	Medical Director	If the pathway for patients requiring head and neck cancer services is not improved, then users of MKUH services will continue to face disjointed care, leading to unacceptably long delays for treatment and the risk of poor clinical outcomes	• MKUH clinicians have escalated concern (both generic and patient specific) to the management team at Northampton NHS FT • MKUH clinicians are advocating 'mutual aid' from other cancer centres (Oxford, Luton) where appropriate. The issue has been raised formally at Executive level, and with East of England specialist cancer commissioners • Safety-netting for patients in current pathway • CEO to regional director escalation • Report into cluster of serious incidents produced by Northampton NHS FT and shared with commissioners	5x4=20	5x2=10
6	Finance & Investment Committee	Director of Finance	If the NHS funding regime is not sufficient to cover the costs of the Trust, then the Trust will be unable to meet its financial performance obligations or achieve financial sustainability.	• Internal budgetary review/financial performance oversight processes to manage/mitigate cost pressures • Financial efficiency programme identifies headroom for improvement in cost base. • Close monitoring/challenge of inflationary price rises. • Medium term financial modelling commencement with ICS partners. • Escalation of key risks to NHSE regional team for support.	4x5=20	4x2=8

No.	Oversight Committee	Executive Lead	Risk Description	Risk Mitigations	Current Risk Rating	Target Risk Rating
7	Quality & Clinical Risk Committee	Chief Operating Officer	If the escalation beds are open across the medical and surgical divisions then the additional patients that will need to be seen will put additional demand on the Inpatient Therapy Services that are already stretched due to long term vacancies.	• Therapy staff attend board rounds and work with the Multi-Disciplinary Team to determine priority patients • The skills mix and workforce is reviewed twice weekly between Occupational Therapy and Physiotherapy to determine cover for the base wards. • To work closely with community services to raise awareness and to increase discharge opportunities • Therapies supporting new discharge pathway/process in the Trust • Recruitment of PT and OT band 5's • Locum cover for vacant posts. • Daily attendance at 10.30 system wide discharge call. • Inpatient Therapy Service participation in Multi Agency Discharge Events (MADE) • Review of staffing model across inpatient medical and frailty wards.	4x5=20	2x3=6
8	Quality & Clinical Risk Committee	Chief Operating Officer	If there is a delay with imaging reporting for CT and MRI for patients on cancer pathways, then there could be a delay with diagnosis and the commencement of treatment.	• PTL tracking to escalate to imaging leads • Agency Locum Consultant appointed 2 days a week to uplift internal reporting capacity • Temporary reduction in double reporting for Quality Assurance to increase real-time scan reporting • Current Radiologists doing 30% over standard reporting levels.	4x5=20	4x2=8
9	Quality & Clinical Risk Committee	Director of Corporate Affairs	If all known incidents, accidents and near misses are not reported on the Trust's incident reporting system (Radar), then the Trust will be unable to robustly investigate all incidents and near-misses within the required timescales.	• Incident Reporting Policy • Incident Reporting Mandatory/ Induction Training • Incident Reporting Training Guide and adhoc training as required • Daily review of incidents by Risk Management Team to identify potential Serious Incidents and appropriate escalation • Serious Incident Review Group (SIRG) ensure quality of Serious Incident Investigations • SIRG ensure appropriate reporting of Serious Incidents to Commissioners • Standard Operating Procedure re Risk & Governance Team, supporting the closure of incident investigations during unprecedented demand on service • Implementation of new Risk Management Software to make incidents easier to report and improve engagement with staff	4x4=16	4x3=12

No.	Oversight Committee	Executive Lead	Risk Description	Risk Mitigations	Current Risk Rating	Target Risk Rating
10	Quality & Clinical Risk Committee	Deputy Chief Executive	If staff across MKUH continue to use eCARE in the same way, that the volumes of requests made to the IT Department remain at their current rate, and the volume of change and project work continues at the current volume then the IT Department will become less responsive and a range of functions within eCARE will continue to be left without action.	• Prioritisation of workload is in place to cover the most impacting of issues or projects	5x3=15	3x1=3
11	Quality & Clinical Risk Committee	Deputy Chief Executive	If there is a global shortage of electronic components, then this can impact the lead times for delivery of medical equipment.	• Medical Devices Manager (MDM) is in liaison with suppliers for delivery per each approved Business Case for medical equipment procurement and providing support/advice to each Division's lead • Clinical Contingency arrangement, • Finance lead for Business Cases is reminding all attendees at each meeting to get their Business Cases ready • Wards/depts are borrowing from other wards/depts within the Trust as a normal practice or leasing, renting, arranging a loan via any other supplier • The advice on alternative suppliers are available via the MDM • Procurement has a list from the NHS Supply Chain route advising on delivery lead times • Regular inspection and maintenance of current equipment • Rolling programme of equipment replacement regularly reviewed and issues escalated at early stage..	5x3=15	5x2=10
12	Audit Committee	Director of Corporate Affairs	If recommendations and actions from audit are not evidenced, monitored and completed in the Trust; then required changes to practice may not implemented and we may not be meeting best practice criteria;	• A head of quality improvement and quality improvement lead were appointed in 2022/23 to lead and manage the improvement agenda.	3x4=12	3x1=3

The Board Assurance Framework is actively scrutinized in every Board Committee and at the Board. The Board usually holds a minimum of two risk and assurance plenary sessions every year to enable risk appetite to be effectively reviewed and assessed and for principal risks against the achievement of the Trust's strategic objectives to be assessed and reviewed holistically. This includes risks to compliance with the Trust's licence; and compliance assessments and risks are also embedded in Board reporting. The Board formally reviews compliance against its licence during its annual declarations and in line with statutory and regulatory requirements.

Every principal risk has an executive risk owner, responsible for the active and ongoing management of that risk; including assessment of risk likelihood and severity (5x5 matrix), proximity, controls, assurance of controls (three lines of defence) and additional mitigating actions required. The executive director presents the risks they take ownership for at the relevant Board Committee (all risks are assigned to a sub-Committee). The sub-Committee chair includes their views on assurance and any matters for escalation to the Board in the upward report from the Board Committee to the Board. The Board then reviews both the sub-Committee reports on risk; the Board Assurance Framework and corporate risk profile and is able to challenge executive risk owners at each meeting.

In 2022/23, as part of the Risk Management Team's risk management improvement programme, a risk training programme for managers and risk owners was implemented. The training programme is embedded in the Trust's Risk Management Framework and would support staff in the identification, assessment and management of risks.

The Trust self certifies against the Corporate Governance Statement, required under NHS Foundation Trust Condition 4 (8)(b)] based on information and assurance received at the Board and its sub-Committees.

Incident Reporting

In addition to the framework for risk management; the Trust places a strong emphasis on incident reporting; evidenced through a year-on-year improvement in the percentage of staff feeling confident to report incidents.

The Trust has a Serious Incident Review Group, which meets weekly, to provide objective review of potential serious incidents and moderate harm incidents. The Trust has also established 'summits' for falls and pressure ulcers to ensure rapid dissemination of learning and understanding of causal or contributory factors. This is embedded in the Trust's governance structure; reporting upwards to Board Committees (Management and Performance Board, Trust Executive Committee, Quality and Clinical Risk Committee) and to the Board; and downwards through the divisional and clinical specialty unit structures to ensure appropriate briefing and learning.

Risk Management

The Trust recognises that effective risk management relies on contributions from outside the organisation as well as from within, and there are therefore arrangements in place to work collaboratively with key external stakeholders and partner organisations, including Milton Keynes ICS, Milton Keynes Council and Healthwatch Milton Keynes. The Trust also contributes to the identification and management of risk in the Bedfordshire, Luton and Milton Keynes ICS. These arrangements cover operational and strategic issues such as service planning and commissioning, performance management and scrutiny, research, education and clinical governance. Commentary and issues arising from this engagement are captured within the Trust's risk processes and taken into account in the risk grading matrix referred to above.

These and other stakeholders have opportunities to raise issues relating to risks which impact upon them, including:

a. Patients and public

- Participation in the "15 steps" process (an assessment of patient areas by patients, non-executive directors and Governors)
- Involvement with and by the Milton Keynes Health and Wellbeing Board
- Attendance at the Trust's Annual Members' Meeting
- Structured and ad hoc engagement with and from Healthwatch MK
- Patient-Led Assessments of the Care Environment (PLACE)
- Representation from Milton Keynes Council, Healthwatch MK, MKCCG and community groups on the Council of Governors
- Patient stories delivered at Board meetings

b. Staff

- Messages emerging from the annual staff survey
- Chief Executive weekly Q&As and live online events
- Questions submitted by members of staff to the Chief Executive via the "Ask Joe" section of the Trust intranet
- Quarterly staff magazine
- Annual programme of engagement events
- Appointment of Freedom to Speak Up Guardians in January 2017 as conduits through whom staff may raise concerns and make protected disclosures under the Public Interest Disclosure Act 1998

c. Health partners

- Regular performance review meetings with the system partners, including other providers, ICSs, GPs, Ambulance Trusts and Local Authorities with whom the Trust has working relationships
- Active involvement in the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System, which involves all of the NHS commissioner and provider organisations, as well as local authority social care providers across the three areas
- Attendance at the Milton Keynes Health and Wellbeing Board and Integration Board

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, including completion and publication of the Workforce Racial Equality Standards.

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

The Foundation Trust is fully compliant NHS England's NHS Long Term Plan as described under the Staff Policies and actions applied during the Financial Year's section (**73**).

The Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS23 guidance.

Review of Economy, Efficiency and Effectiveness of the Use of Resources

Information Governance

The Trust has regular liaison with the Information Commissioner's Office to ensure that any incident meeting the criteria for reporting is reported and investigated in a timely way.

There have been no serious incidents reported in this reporting year. The Trust has a publication scheme and information about how it complies with the General Data Protection Regulations, Freedom of Information Act and other relevant legislation on its website.

Reported Incident 2022/23			
Reference	**Reported**	**What Happened**	**Reported to**
32815	21/06/2023	An external individual was mistakenly copied into an email sent to an employee in respect of their witness statement gathered as part of a Maintaining High Professional Standards (disciplinary) investigation. A copy of their draft statement was attached to the email.	Not required to report
29443	13/09/2022	312 members of the public were sent an email regarding volunteering opportunities for the Trust. Unfortunately, they were not blind copied, so their email addresses have been shared.	ICO

Data Quality and Governance

We live and work in a society that is increasingly rich with data and where data is critical to effective, evidence-based decision-making. At MKUH we are work proactively to embrace the opportunities that this digital age presents us with every day. It is essential that we have good levels of confidence in the data that we access and use every day, to ensure it is fit for its intended purpose. Government's ambition is to drive digital transformation up the agenda across public services to enable the UK to become a world leader on AI. This is predicated on having access to good quality data to inform decision-making and service delivery.

Data quality is inherently a risk that will always exist for an organisation to an extent. The challenge is for us to minimise that risk through the appropriate governance framework and by embedding a continuous improvement and learning culture across the Trust.

In recent years we have increasingly acknowledged the importance of data quality as a key component in supporting the continuous delivery of improved patient care and clinical quality in the digital age. Data quality is incorporated into the Trust objectives and an Executive Director has responsibility for leading on the overarching delivery of continued improvement in data quality, supported by the other Executive Directors and governance committees.

The Trust has implemented a wide range of clinical and administrative information systems, designed to improve the richness and completeness of information that is used to manage and treat our patients. Assurance against the quality and completeness of this information is systematically monitored in several ways, and externally through national benchmarking against key data quality metrics and internally through national reporting and local performance improvement groups. The Trust has an Executive-led Data Quality Governance Group with membership from across the organisation. The primary focus of the Group is to focus on key priority areas as outlined in the NHS Operating Planning Framework, with a view to evolving the underlying governance frameworks and processes to deliver improved outcomes.

We recognise that the management of data quality is central to supporting transformation and digital maturity. During 2022/23 the Trust continued to make demonstrable progress in strengthening its teams that are dedicated to Data Quality audit, compliance as well as investing in systems and training. Having such teams embedded provides us with a robust framework for identifying and managing data quality issues, utilising a combination of system expertise and policy knowledge, particularly in relation to emergency, outpatient and elective care. This in turn supports a reduction in the risks related to data quality; monitored by a bi-weekly Data Quality Governance Group and the Risk & Compliance Board.

The post COVID-19 pandemic challenge and subsequent need for us to address the backlog of patients waiting for treatment and manage longer waiting times, progress in some areas was inevitably delayed. In 2022/23, progress has been evident with positive outcomes:

- RPAS was successfully implemented in May 2022 and has driven a continued focus on outpatient data quality since go-live. Learnings from the RPAS project have been key to improvements being made to the way in which data is entered, extracted and analysed, often before even being made available for data quality checks. The Trust will continue, supported by the Executive Team and associated committees and management teams, to improve upon the work from last few years and ensure that patients can continue to expect excellent patient care, delivered using the best information possible.
- The Trust continues to improve the management of waiting lists through the production of daily reports on long-waiters, with weekly meetings to ensure patients are regularly reviewed and prioritised. This is also supported by regular clinical reviews and telephone conversations with patients to offer earlier dates where appropriate and where capacity allows the Trust to do so. This robust approach to managing waiting lists has ensured that the Trust delivered on its commitment to having no patients waiting over 2-years for treatment at the end of March 2023. The Trust has also increased its focus on improving data quality by utilising the nationally produced LUNA reports from NHS Digital. These reports offer an up-to-date national view of data quality from all providers in England.
- The delivery of the third phase of eCARE development (Phase C) that rolled out key functionality to paediatrics and theatres including anaesthetics. Phase C contained important upgrades to clinical functionality to improve data quality.

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 the performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and quality and clinical risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process of maintaining and reviewing the effectiveness of the system of internal control during 2022/23 was maintained and reviewed by the Board throughout the year via:

- Reliance upon the Audit Committee for assurance that the system of internal control is sound
- Assurances from the Quality and Clinical Risk Committee on issues relating to clinical governance, clinical risk and quality governance
- The structure, nature and content of the Board meetings during 2022/23 which enabled the Board to provide adequate challenge on and gain suitable assurance in relation to issues including performance, quality and safety
- The engagement of an effective internal and external audit plan; with an internal audit programme designed to target areas where the control environment could be further developed and strengthened
- A prioritised clinical audit programme, covering national statutory and mandatory audits

Board of Directors

The governance framework of the Trust is defined in the information on the Trust Board and its Committees and the Council of Governors in Section 2 of the Annual Report. It explains the scope of each Committee and the issues reported to it. The attendance of Non-Executive Directors and Executive Directors at Board and Board Committee meetings is detailed on page **45** of the Report.

The Audit Committee

The Audit Committee provides assurance to the Board on:

- The effectiveness of the organisation's governance, risk management and internal control systems;
- The integrity of the Trust's financial statements, the Trust's Annual Report and in particular the statement on internal control;
- The work of internal and external audit and any actions arising from their work.

The Audit Committee has oversight of the internal and external audit functions and makes recommendations to the Board and to the Appointments Committee of the Council of Governors where appropriate on their reappointment.

The Audit Committee reviews the findings of other assurance functions such as external regulators and scrutiny bodies and other committees of the Board.

The executive directors have provided all the information contained in the Annual Report and accounts. The non- executive directors have had an opportunity to comment on the draft document and the audit committee reviews the report and considers it fair, balanced and understandable.

The Finance and Investment Committee

The Finance and Investment Committee focuses on financial and investment issues and takes an overview of operational activity and performance against national and local targets.

Internal Audit

The Audit Committee agrees an annual risk based internal audit plan and receives reports on the outcomes of the reviews of the system of internal control during the course of the financial year.

RSM (appointed in May 2018) are the providers for internal audit and for 2022/23 the Head of Internal Audit Opinion was reasonable assurance with the organisation having an adequate and effective framework for risk management, governance and internal control. The Opinion noted that, during their work, the internal auditors identified further enhancements to the framework for risk management, governance and internal control to ensure that it remains adequate and effective.

In 2022/23 RSM completed 5 internal audit reports which covered the following areas:

- Discharge Planning
- Complaints Management
- Assurance Mapping
- Waiting List Management
- Financial Sustainability
- Risk Management

External Audit

Grant Thornton, the external auditor provides assurance to the Trust on an ongoing basis by

attending all Audit Committee meetings and by undertaking the annual audit of the Accounts and Annual Report. For 2022/23, the external auditor has concluded that the financial statements give a true and fair view of the state of the Trust's affairs and have been properly prepared in accordance with the accounting policies directed by NHS England, and in accordance with the National Health Services Act 2006.

Conclusion

My review confirms that Milton Keynes University Hospital NHS Foundation Trust has a generally sound system of governance that supports the achievement of its policies, aims and objectives, and no significant internal control issues have been identified.

Joseph Harrison
Chief Executive
Date: 30 June 2023

As Accountable Officer, I am satisfied the Accountability Report is a fair and balanced account of the areas that it covers.

Joseph Harrison
Chief Executive
Date: 30 June 2023

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Appendices

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Appendix 1: Constituencies and Governors

as at 31 March 2023

		Constituency	No.	Governors
PUBLIC (ELECTED)	A	Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Babs Lisgarten
				VACANT
	B	Emerson Valley, Furzton, Loughton Park	2	William Butler
				Andrea Vincent
	C	Linford South, Bradwell, Campbell Park	2	VACANT
				VACANT
	D	Hanslope Park, Olney, Sherington, Newport Pagnell	2	Shirley Moon
				Christine Thompson
	E	Walton Park, Danesborough, Middleton, Woughton	2	Niran Seriki
				VACANT
	F	Stantonbury, Stony Stratford, Wolverton	2	Ann Thomas
				Robert Johnson-Taylor
	G	Outer catchment area	2	John Garner
				Tom Daffurn
	H	Extended area	1	Baney Young
APPOINTED STAFF (ELECTED)	I	Doctors and Dentists	1	Professor Hany Eldeeb
	J	Nurses and Midwives	2	Caroline Kintu
				Tracy Rea
	K	Scientists, technicians and allied health professionals	1	Yolanda Potter
	L	Non-clinical staff groups e.g. admin & clerical, estates, finance, HR, management	3	Emma Isted
				Stevie Jones
				Pirran Salter
	N	Milton Keynes Business Leaders	1	Andrew Buckley
	O	Healthwatch Milton Keynes	1	Maxine Taffetani
	P	Community Group (Seat to be filled)	1	VACANT
	Q	Milton Keynes Council	1	Councillor Keith McLean

Appendix 2: Council of Governors' Attendance

Name	16 May 2022	05 December 2022	13 February 2023	Total
Babs Lisgarten	✓	✓	✓	**3**
Martin Nevin (November 2021 to March 2023)	x	x	x	**0**
William Butler	x	✓	✓	**2**
Jordan Coventry (February 2021 to December 2022)	x	x		**0**
Akin Soetan (March 2018 to December 2022)	x	x		**0**
Shirley Moon	✓	✓	✓	**3**
Niran Seriki	x	✓	x	**1**
Clare Hill	x	✓	✓	**2**
Ann Thomas	✓	✓	x	**2**
Robert Johnson Taylor	x	✓	x	**1**
Lucinda Mobaraki (September 2019 to October 2022)	x			**0**
John Garner		x	x	**0**
Baney Young		✓	✓	**2**
Dr Raju Thomas Kuzhively (April 2020 to June 2022)	x			**0**
Elizabeth Maushe (February 2021 to September 2022)	✓			**1**
Tracy Rea	x	x	✓	**1**
Yolanda Potter	✓	✓	✓	**3**
Emma Isted	x	x	x	**0**
Stevie Jones	✓	✓	x	**2**
Pirran Salter	✓	x	✓	**2**
Andrew Buckley	x	✓	x	**1**
Maxine Taffetani	✓	✓	✓	**3**
Clare Walton (August 2017 to June 2022)	x			**0**
Councillor Andy Reilly (January 2020 to May 2022)				**0**
Councillor Keith McLean (Joined in June 2022)		✓	✓	**2**

Appendix 3: Glossary

AO	Accountable Officer	A person responsible to report or explain their performance in a given area.
BAF	Board Assurance Framework	Board document to assure the Board that risks to strategic priorities are being managed
ICS	Integrated Care Service	ICSs are partnerships of organisations that come together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area
CEO	Chief Executive Officer	Leads the day-to-day management of the Foundation Trust
CIP	Cost Improvement Programme	Also known as Transformation programme. This is a programme agreed by the Trust at the start of the financial year, setting out the savings, usually from efficiencies, that it expects to make during the year.
CQC	Care Quality Commission	Regulator for clinical excellence
CQUIN	Clinical Quality Incentive Scheme	The CQUIN payment framework makes a proportion of providers' income conditional on quality and innovation.
RADAR	RADAR	Risk management system
DHSC	Department of Health and Social Care	The government department responsible for government policy on health and adult social care matters in England
Duty of Candour	Duty of Candour	Duty of candour means NHS organisations have a legal duty to inform and apologise to patients if mistakes have been made in the delivery of their care or treatment, or where moderate or severe harm has been caused.
ED	Emergency Department	Formerly known as Accident & Emergency
EPR	Electronic Patient record	Also known as eCare. The Trust's system of managing and recording interactions patients electronically
Healthwatch	Healthwatch	Local independent health and social care critical friend
HSCA	Health and Social Care Act 2012	An Act of parliament providing the most extensive reorganisation of the NHS since it was established, including extending the roles and responsibilities of governors
MKUH	Milton Keynes University Hospital	
MRI	Magnetic Resonance Imaging	A medical imaging technique
MRSA	Methicillin-Resistant Staphyloccus Aureus	A bacterium responsible for several difficult-to-treat infections in humans
NICE	National Institute for Health and Care Excellence	Provides national guidance and advice to improve health and social care
PALS	Patient advice and liaison service	You can talk to PALS who provide confidential advice and support to patients, families and their carers, and can provide information on the NHS and health related matters.
PLACE	Patient-Led Assessments of the Care Environment	Local people go into hospitals as part of teams to assess how the environment supports patient's privacy and dignity, food cleanliness and general building maintenance
RTT	Referral to treatment	Used as part of the 18 week indicator
SRR	Significant risk register	Risks scored 15 and over
WTE	Whole time employees	Member of staff contracted hours for full time

Appendix 4:
Annual Accounts 2022/23

Presented to Parliament pursuant to Schedule 7, paragraphs 24 and 25 of the National Health Service Act 2006.

Milton Keynes University Hospital NHS Foundation Trust

Accounts

Year Ended 31 March 2023

Independent auditor's report to the Council of Governors of Milton Keynes University Hospital NHS Foundation Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Milton Keynes University Hospital NHS Foundation Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2022-23 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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

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

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

Other information

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

report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under 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) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2022/23 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements of the NHS foundation trust annual reporting manual 2022/23; and
- based on the work undertaken in the course of the audit of the financial statements the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, fraudulent expenditure recognition and significant accounting estimates. We determined that the principal risks were in relation to:
    - improper revenue recognition
    - completeness of expenditure and associated creditor balances
    - existence and valuation of expenditure accruals
    - management override of controls
    - revaluation of land and buildings
- Our audit procedures involved:
  - Testing of income and year end receivables to invoices and cash payment or other supporting evidence;
  - testing of year end payments made and invoices received to ensure liabilities have been recorded in the correct year;
  - testing of year end accruals to ensure that are fairly stated;
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria defined as part of our risk assessment;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;
  - testing of arrangements that contain the right to use an asset to ensure that they had been treated in line with the new leasing standard;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and building valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation

- knowledge of the health sector and economy in which the Trust operates
- understanding of the legal and regulatory requirements specific to the Trust including:
  - the provisions of the applicable legislation
  - NHS England's rules and related guidance
  - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – 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 to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, they will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2023.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Milton Keynes University Hospital NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Dean

Matthew Dean, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

30 June 2023

Independent auditor's report to the members of the Council of Governors of Milton Keynes University Hospital NHS Foundation Trust

In our auditor's report issued on 30 June 2023, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2023, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2023 issued on 30 June 2023 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by 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.

No matters have come to our attention since 30 June 2023 that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – 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 to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied 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 undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Matthew Dean

Matthew Dean, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor London

10 August 2023

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Milton Keynes University Hospital NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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 Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Dean

Matthew Dean, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor London

10 August 2023

FOREWORD TO THE ACCOUNTS

MILTON KEYNES UNIVERSITY HOSPITAL NHS FOUNDATION TRUST

Milton Keynes University Hospital NHS Foundation Trust ("the Trust") acts as an acute Hospital for Milton Keynes.

These accounts for the year ended 31 March 2023 have been prepared by Milton Keynes University Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Joe Harrison

Chief Executive

Date: 30 June 2023

Statement of Comprehensive Income for the Year Ended 31 March 2023

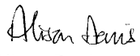
	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	2.1-2.4	341,830	307,663
Other operating income	2.2	23,542	19,559
Operating expenses	3-6	(367,597)	(324,523)
Operating (deficit)/surplus from continuing operations		**(2,225)**	**2,699**
FINANCE COSTS			
Finance income	7.1	871	36
Finance expenses	7.2	(872)	(267)
PDC dividends payable		(5,063)	(4,052)
NET FINANCE COSTS.		**(5,064)**	**(4,283)**
Other losses on disposal of assets		(8)	(48)
(DEFICIT)FOR THE YEAR		**(7,297)**	**(1,632)**
Other Comprehensive Income			
Will not be reclassified subsequently to surplus or deficit:			
Impairments	7.3	(859)	(3,983)
Revaluations	17	8,794	6,453
Fair value (losses) on equity instruments designated at FV through OCI		(229)	(2,605)
Total other comprehensive income/(expense)		7,706	(135)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**409**	**(1,767)**

The notes to the accounts are on pages 153-194

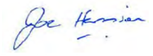
Statement of Financial Position As at 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
NON-CURRENT ASSETS			
Intangible assets	8	19,628	22,255
Property, plant and equipment	9	204,289	189,631
Right of use assets	9.3	24,376	0
Other investments / financial assets	21.2	98	327
Trade and other receivables	12	3,244	716
TOTAL NON-CURRENT ASSETS		**251,635**	**212,930**
CURRENT ASSETS			
Inventories	11	5,151	4,055
Trade and other receivables	12	15,841	10,705
Cash and cash equivalents	13	29,995	57,975
TOTAL CURRENT ASSETS		**50,987**	**72,735**
CURRENT LIABILITIES			
Trade and other payables	14.1	(51,596)	(60,375)
Deferred Income	14.2	(17,952)	(19,387)
Borrowings	15	(1,759)	(184)
Provisions	16	(2,839)	(2,432)
TOTAL CURRENT LIABILITIES		**(74,146)**	**(82,378)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**228,476**	**203,287**
NON-CURRENT LIABILITIES			
Borrowings	15	(22,659)	(5,431)
Provisions	17	(1,823)	(1,810)
Deferred Income	14.2	(1,000)	(1,500)
TOTAL NON-CURRENT LIABILITIES		**(25,482)**	**(8,741)**
TOTAL ASSETS EMPLOYED		**202,994**	**194,546**
FINANCED BY			
Public dividend capital		283,171	275,131
Revaluation reserve	18	60,515	52,580
Financial assets at FV through OCI reserve		(2,577)	(2,348)
Income and expenditure reserve		(138,115)	(130,817)
TOTAL TAXPAYERS' EQUITY		**202,994**	**194,546**

The Financial Statements and notes on pages 153-194 were approved by the Board and authorised for issue on 30 June 2023 **and signed on its behalf by:**



Alison Davis
Chairman



Joe Harrison
Chief Executive

Terry Whittle
Director of Finance

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

	Note	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Financial assets at FV through OCI reserve	Total
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022		**275,131**	**52,580**	**(130,818)**	**(2,348)**	**194,545**
Deficit for the year		0	0	(7,297)	0	**(7,297)**
Impairments	7.3	0	(859)	0	0	**(859)**
Revaluations – PPE	18	0	8,794	0	0	**8,794**
Revaluations – ROU assets		0	0	0	0	**0**
Public Dividend Capital received		8,040	0	0	0	**8,040**
Fair value losses on equity instruments designated at FV through OCI		0	0	0	(229)	**(229)**
Taxpayers' and others' equity at 31 March 2023		**283,171**	**60,515**	**(138,115)**	**(2,577)**	**202,994**
Taxpayers' and others' equity at 1 April 2021		**259,858**	**50,110**	**(129,185)**	**257**	**181,040**
Deficit for the year		0	0	(1,632)	0	**(1,632)**
Impairments		0	(3,983)	0	0	**(3,983)**
Revaluations		0	6,453	0	0	**6,453**
Public Dividend Capital received		15,273	0	0	0	**15,273**
Fair value gains on equity instruments designated at FV through OCI		0	0	0	(2,605)	**(2,605)**
Taxpayers' and others' equity at 31 March 2022		**275,131**	**52,580**	**(130,817)**	**(2,348)**	**194,546**

Information on reserves

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

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

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

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

Statement of Cash flows For the Year Ended 31 March 2023

	Trust	
	31 March 2023	**31 March 2022**
	£000	**£000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (deficit)/surplus from continuing operations	(2,225)	2,699
Operating (deficit)/surplus	**(2,225)**	**2,699**
Non-cash income and expense:		
Depreciation and amortisation	14,941	11,278
Impairments and reversals of impairments	1,899	715
Income recognised in respect of capital donations (cash and non-cash)	(181)	(561)
(Increase)/decrease in receivables and other assets	(8,203)	5,405
(Increase) in inventories	(1,096)	(375)
(Decrease)/increase in payables	(7,238)	12,124
(Decrease)/increase in other liabilities	(1,935)	5,945
Increase/(decrease) in provisions	420	(338)
Other movements in operating cash flows	1,730	(817)
Net cash (used in)/generated from operating activities	**(1,888)**	**36,075**
Cash flows from investing activities		
Interest received	871	36
Purchase of intangible assets	(2,673)	(3,134)
Purchase of property, plant, equipment	(25,098)	(34,425)
Initial direct costs or upfront payments in respect of new right of use assets (lessee)	(40)	0
Receipt of cash donations to purchase capital assets	181	516
Net cash (used in) investing activities	**(26,759)**	**(37,007)**
Cash flows from financing activities		
Public dividend capital received	8,040	15,273
Capital element of lease liability repayments	(2,235)	(201)
Interest element of lease liability repayments	(378)	(267)
PDC dividend paid	(4,760)	(4,663)
Net cash generated from financing activities	**667**	**10,142**
(Decrease)/increase in cash and cash equivalents	**(27,980)**	**9,210**
Cash and cash equivalents at 1 April	**57,975**	**48,765**
Cash and cash equivalents at 31 March	**29,995**	**57,975**

NOTES TO THE ACCOUNTS

1.0 Accounting policies and other information

Basis of Preparation
These accounts for the year ended 31 March 2023 have been prepared by the Trust in accordance with the National Health Service Act 2006.

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.

Operating Segments
The Board of Directors are of the opinion that the Trust's operating activities fall under the single heading of "Healthcare" for the purposes of segmental reporting in accordance with International Financial Reporting Standard 8.

Consolidation
From 1 April 2014, the NHS has had to apply IFRS 10,'Consolidated Financial Statements in respect of consolidating Charitable Funds. The Trust has reviewed the criteria under IFRS 10, and it meets the criteria in respect of having an interest and control of MK Hospital NHS charity and ADMK Limited (ADMK – wholly owned subsidiary), both of whom are incorporated in the UK, and it directly benefits from the activities of the charitable funds and ADMK.

However, it has not consolidated the charitable funds or ADMK into these accounts because the Trust does not consider them to be material. The Charitable fund's income and expenditure represents only 0.1% of the Trusts position and ADMK only 0.1% so they are not material to the accounts of the Trust.

From the 1 April 2014, the NHS has applied IFRS 11, 'Joint Arrangements' and IFRS 12, 'Disclosure of Interests in Other Entities,' however the Trust has decided not to recognise the Milton Keynes Urgent Care Services in these accounts due to this position not being material to the Trusts accounts. See Note 10.

Critical Judgements and Key Sources of Estimation Uncertainty
In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates, but the underlying assumptions are regularly updated. Revisions to accounting estimates, which only affect that period, are recognised in the period in which the estimate is revised. If the revision affects both current and future periods it is recognised in the period of the revision and future periods.

Critical judgements in applying accounting policies:
There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuations of Land and Buildings
The most significant estimate within the accounts is the value of land and buildings. In accordance with International Accounting Standards, a full property valuation is carried out on the Trust's land and buildings every five years, with a review of the market indices undertaken each year to assess for material changes; and interim desktop valuations initiated as required. The Trust has as at the 31st March 2023 initiated a desktop valuation and engaged the District Valuer Services to provide the valuation on an alternative site basis due to the addition of a new building (Maple

Centre). The District Valuer Services (DVS), has applied suitable indices to reflect changes in the building costs and local land price movements since the date of the last valuation. The source of estimation uncertainty relates to the selection of the valuation techniques applied and the input factors used therein; primarily build costs, the asset's remaining economic life and the floor area of the modern equivalent asset. The Trust continues to judge it to be appropriate to use its assumptions regarding the location of a hypothetical site for the hospital when performing the modern equivalent asset valuation and as a result, it estimated that there had been an increase in the value of its assets by £8.8m which was reflected as an increase in non-current assets. The next full revaluation is due March 2027.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Valuations do not take into account future potential changes in market value which cannot be predicted with any certainty therefore, between valuations, management reviews the values for any material changes and makes judgements about market changes and assesses whether the carrying amount does not differ materially from that which would be expected using fair value at the end of the reporting period. The review of the estate values carried out in 2022/23 resulted in an overall increase in the revaluation reserve of £8.8m. The carrying amount of the revalued assets at the end of the reporting period is £159.1m (£135.9m 2021-22).

The valuation exercise was carried out in March 2023 with a valuation date of 31 March 2023. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has not declared any 'material valuation uncertainty' in the valuation report. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements.

1.1 Going concern

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

1.2 Accounting convention

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

1.3 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.

Payment terms are standard reflecting cross government principles.

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

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective

recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

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

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

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

NHS Pension scheme income
The Trust receives notional income from NHS England relating to the funding difference on the NHS pension scheme between the Trust's contribution of 14.38% and the expected employers' pension contribution of 20.68%. This difference of 6.3% has been funded and paid directly to the NHS BSA centrally by NHS England.

Education and training income
Health Education England (HEE) is a non-departmental public body, which is part of the NHS and supplies funding towards recruiting, educating and training healthcare workers. The Trust receives income from HEE for these purposes, which due to their project nature, will be completed over a number of months. In accordance with IFRS 15, the Trust recognises revenue for these projects as and when the associated performance obligations are satisfied.

1.4 Other forms of income

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

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

1.5 Expenditure on goods and services

Expenditure on goods and services is recognised when, and to the extent that, the goods or services have been received. It 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 non-current assets such as property, plant and equipment.

1.6 Expenditure on employee benefits

Short –term employee benefits
Salaries, wages and employment-related payments, including termination benefits, are recognised in the period in which the service is received from employees. Annual leave entitlement is actively encouraged to be taken in the year that it is earned, however there are exceptional circumstances when the annual leave entitlement may be carried forward into the following year. Untaken leave is accrued on an average five days carry forward for medical staff, excluding junior doctors and registrars in training. All other staff are accrued based on annual data collection of untaken hours applied to their hourly rate of pay. The cost of this annual leave entitlement earned but not taken at the end of the financial year is recognised as a liability in the financial statements.

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

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

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

Employer Contributions
The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.68% of pensionable pay.

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

Scheme Liabilities
The liabilities of the pension scheme as at 31 March 2022 were £869.9 billion. The national deficit of the scheme was £19.4 billion as per the last scheme valuation by the Government Actuary as at 31 March 2016. The conclusion of the valuation was that the scheme continues to operate on a sound financial basis. Employer contribution rates are reviewed every four years following the scheme valuation, on advice from the actuary. Tiered employer contribution rates were recommended and those applicable from the 1 April 2015 to 31 March 2023 were: a lower limit of 5% and an upper limit of 14.5% of pensionable pay. Employers' pension cost contributions are charged to operating expenses as and when they become due. The value of the trusts' employer's pension contributions 2022/23 is £27.7m (£25.6m 2021/22).

During 2022/23, NHS employers have been paying an employer contribution of 14.38% to the NHS pension scheme. However, from 1 April 2019, the employers' pension contribution is actually 20.68%. The difference of 6.3% has been funded and paid to the NHS BSA centrally by NHS England. The value of this additional pension payment included in in the value above is £7.8m.

Pension costs-NEST Pension Scheme
From the 1 October 2013 the Trust has participated in the Government's Auto Enrolment Pension scheme. It has auto enrolled those employees who are not eligible for the NHS Pensions scheme into an alternative pension scheme run by National Employers Savings Trust (NEST).
The employer's contributions for all eligible staff is 3%. The Trust currently has, at the 31 March 2023, 114 employees enrolled into NEST and the employers' contributions for the current financial year have been £88k.

1.7 Property, Plant and Equipment

Recognition
Property, Plant and Equipment (PPE) 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 will be supplied to the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and
- the item has a cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, and are anticipated to have simultaneous disposal dates and are under single managerial control

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

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 replace 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
The Trust capitalises assets that individually have a cost of at least £5,000 or form a group of assets which individually have a cost of more than £250 and collectively have a cost of at least £5,000, where the assets are: functionally interdependent; have broadly simultaneous purchase dates; are anticipated to have simultaneous disposal dates and are under single managerial control.

Assets will also be capitalised if they form part of the initial set-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost. In accordance with IAS23, borrowing costs directly attributable to the financing of PPE are also capitalised up until all the activities necessary to prepare the asset for its intended use are complete.

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

useful lives.

Valuation
All property, plant and equipment assets are measured initially at cost, representing the cost 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. All assets are measured subsequently at current value.

The carrying value of fixtures and equipment are written off over the remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from current value.

Land and buildings are re-valued where a movement in current values is considered to be material. Current values are determined as follows:

- Land and non-specialised operational assets – Existing use value.
- Specialised assets – depreciated replacement cost applying the modern equivalent asset principle.

HM Treasury adopted a standard approach to depreciated replacement cost valuations on a modern equivalent asset where it would meet the location requirements of the service being provided; an alternative site can be valued.

In any event, professional valuations are carried out every five years, with a review of the market indices undertaken each year to assess for material changes, and interim desktop valuations initiated as required. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards Manual.

The Trust has as at the 31st March 2023 initiated a desktop valuation and engaged the District Valuer Services to provide the valuation on an alternative site basis due to the addition of a new building (Maple Centre). The District Valuer Services (DVS) has applied suitable indices to reflect changes in the building costs and local land price movements since the date of the last valuation. As a result, it estimated that there had been an increase in the value of its assets by £8.8m which was reflected as an increase in non-current assets. The next full revaluation is due March 2027.

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 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 DVS is the commercial arm of the Valuation Office Agency, which is an executive agency of HM Revenue & Customs (HMRC). It provides professional property advice across the public sector in England, Wales and Scotland.

Buildings are valued at depreciated replacement cost on a modern equivalent asset basis for buildings which qualify as a specialised operational property asset which is consistent with IAS 16, with regard to the suitable indices that reflect changes in the building costs.

Non specialised operational property, including land, is assessed at existing use value whilst non-operational property, including surplus land is valued on the basis of market value. Cost includes professional fees (but not other borrowing costs which are recognised as expenses immediately), as allowed by IAS 23 for assets held at fair value.

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

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

Depreciation
Items of Property, Plant and Equipment are depreciated over their remaining 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' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, dwellings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset based on assessments by the Trust's professional valuers. Right of use assets are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the following estimated lives:

Asset Category	**Estimated life (in years)**
Buildings excluding dwellings	7 to 90
Dwellings	30 to 44
Plant and Machinery	3 to 20
Transport Equipment	7
Information Technology	5 to 15
Furniture and Fittings	5 to 15
Right of use	Over the lease term

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 been previously recognised in operating expenses, in which case they are recognised in operating expenditure.

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

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

Impairments
In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to the 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 service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised as operating expenditure to the extent that the asset is restored to its 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. Where impairment arises from a clear consumption of economic value, this is taken in full to operating expenses.

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 then ceases to be charged and the assets are not re-valued, 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 life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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.

Donated and grant funded assets
Government grants are grants from Government bodies other than income from CCG's or NHS Trusts for the provision of services. 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.

1.8 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 when it is probable that future economic benefits will flow to, or service potential will be provided, to the Trust where the cost of the asset can be measured reliably.

Internally Generated
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised and is recognised as an operating expense in the period that it is incurred.

Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

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

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

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

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

Amortisation
Intangible assets are amortised on a straight-line basis over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits over the following estimated lives:

Asset Category	Estimated life in years
Purchased computer software & Licences	2 to 10
Development	2 to 10
Internally generated IT	2 to 10

1.9 Inventories

Inventories comprise mainly of drugs and consumable medical products which are held at the lower of cost or net realisable value. The cost formula is determined by using the latest cost price from suppliers. Due to the high turnover of inventories and the low value held, the Trust considers this method to be an appropriate basis of measurement. Net realisable value is the estimated selling price less estimated costs to achieve a sale.

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

1.10 Cash and cash equivalents

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

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

1.11 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 Office for National Statistics (ONS).

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

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.

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income. The trust holds financial assets measured at amortised cost and fair value through other comprehensive income. After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial liabilities are classified as "fair value through profit or loss" or as "other financial liabilities"
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability.

Financial assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income:

- Equity Investments – the decision was made due to the potential volatility in the market prices of shares and the subsequent impact this could have on planning and the Trust outturn position.

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.

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

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

Balances with core central government departments (including their executive agencies), the Government's Exchequer Funds, Bank of England and Government Banking Service are excluded from recognising stage-1 and stage-2 impairments. In addition, any Government Exchequer Funds' assets where repayment is ensured by primary legislation are also excluded from recognising stage-1 and stage-2 impairments. ALBs are excluded from the exemption unless they are explicitly covered by a guarantee given by their parent department.

Balances between a parent department and its executive agencies and ALBs are not covered by the exception from recognising ECLs noted in the IFRS 9 adaptation above. Liabilities with core central government departments (including their executive agencies), the Government's Exchequer Funds, and the Bank of England are assessed as having zero 'own credit risk' by the entities holding these liabilities.

The Government's Exchequer Funds include: The National Loans Fund, all Consolidated Funds, the Contingencies Fund, the Exchange Equalisation Account, the Debt Management Account, the Public Works Loan Board, and Commissioners for the Reduction of the National Debt.

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

1.12 Leases

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

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to

extend or terminate the lease which the Trust is reasonably certain to exercise.

IFRS 16 Leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard have been employed. These are as follows;

The Trust has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.
On initial application The Trust has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the Trust in applying IFRS 16. These include;

The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.

The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.

The Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.14 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The Trust is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 the Trust has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

The Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to

ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

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.

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 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. Irrecoverable VAT on lease payments is expensed as it falls due.

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

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

applied to the remaining lease payments.

The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

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

Where the Trust is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

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

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

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component if it is considered to be material and the classification for each is assessed separately.

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount at the statement of financial position date, for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate of the expenditure can be made. 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 rate. The rate for salary related provisions i.e. injury benefit provisions is 1.7% and long term provisions is 2.0% in real terms is applied.

Clinical Negligence
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS resolution, which in return, settles all clinical negligence claims. Although the 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 the NHS Resolution on behalf of the trust is disclosed at note 17 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 the 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.

1.14 Contingencies

Recognition
Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control. They are not recognised as assets but are disclosed in note 20 unless

the probability of a transfer of economic benefit 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.

1.15 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 original NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

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

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

1.16 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.

1.17 Corporation Tax

The Trust does not foresee that it will have any material commercial activities on which a corporation tax liability will arise under the guidance issued by HM Revenue and Customs.

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.

1.19 Foreign Exchange

The functional and presentational currencies of the Trust are sterling**.** A transaction which is denominated in a foreign currency is translated into sterling at the exchange rate ruling on the dates 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 retranslation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

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 Finance Reporting Manual (FReM).

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.

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

1.22 Gifts

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

1.23 Early adoption of standards, amendments and interpretations

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

1.24 Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted.

IFRS 17 Insurance Contracts
This standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It is not expected that that this will have a material impact on the Trust. The effective date was due to be 2020/21 but has been delayed by HM Treasury until 2023/24.

2. Operating Income

IFRS 8 requires the disclosure of results of significant operating segments, the Trust considers that it has only one operating segment, Healthcare.

2.1 Operating Income from Activities arising from Commissioner Requested Services

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

The Trust's commissioner requested services is the total income from activities excluding private patient income and non–protected clinical income. Non protected income relates to overseas patients, the NHS Injury Scheme and other Non-NHS bodies.

	2022/23 £000	2021/22 £000
Income from services designated (or grandfathered) as commissioner requested services	316,115	285,928

Income from services not designated as commissioner requested services	25,715	21,735
Total	**341,830**	**307,663**

2.2 Operating Income from patient Care Activities (By Nature)

	2022/23 £000	2021/22 £000
Income from Activities		
Aligned payment & incentive (API) contract income / system block income	282,014	263,384
High cost drugs income from commissioners	33,850	21,842
Other NHS clinical income	251	702
Private patient income	475	461
Elective recovery fund**	8,245	12,180
Agenda for change pay offer central funding	6,583	0
Additional pension contribution central funding*	8,400	7,765
Other clinical income	2,012	1,329
Total income from activities	**341,830**	**307,663**

	2022/23	2021/22
Other operating income from contracts with customers	**£000**	**£000**
Research and development	1,645	1,457
Education and training	10,019	7,430
Donated equipment from DHSC for COVID response (non-cash)	0	45
Cash donations for the purchase of capital assets - received from NHS charities	181	154
Cash donations for the purchase of capital assets - received from other bodies	0	362
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	626	788
Non-patient care services to other bodies	2,377	2,314
Reimbursement and top up funding	543	861
Car parking	1,388	1,050
Staff Accommodation	1,048	1,041
Catering	650	548
Salary income	1,381	1,012
Other income	3,684	2,497
Total other operating income	**23,542**	**19,559**

*The employer contribution rate for NHS pensions increased from 14.38% to 20.68% (excluding administration charge) from 1 April 2019. For 2019-2023, NHS providers continue 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.

**The Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity

The Trust can confirm that there are no fees or charges raised under legislation, where the full cost exceeds £1 million, or the service is otherwise material in relation to the accounts.

2.3 Private patient income

The Health and Social Care Act from the 1st October 2012 repealed the statutory limitation on private patient income in section 44 of the National Health Services Act 2006. The Trust earned 0.1% of total patient care income from private patients in 2022/23 and 0.1% in 2021/22.

2.4 Operating Income from Patient Care Activities (by source)

Income from patient care activities received from:	2022/23 £000	2021/22 £000
NHS England	62,729	34,742
CCGs	65,117	270,428
ICBs	211,242	0
Local authorities	329	79
Other NHS foundation trusts	528	702
NHS other	6	0
Non-NHS: private patients	475	461
Non-NHS: overseas patients (chargeable to patient)	690	191
NHS injury scheme (was RTA)	655	1,053
Non-NHS: other	59	7
Total income from activities	**341,830**	**307,663**
Of which:		
Related to continuing operations	341,830	307,663

The responsibility for the commissioning of Healthcare services is from two main NHS Bodies, Integrated Care Board (ICB's) and NHS England. The major ICB for the Trust is NHS Bedfordshire, Luton and Milton Keynes who form the BLMK ICB, which accounts for 74% (2022: 83%) of the Trust's clinical income.

NHS England commissions nationally for a number of specialist services which includes HIV, Neonatology and Specialist Cancers and screening. The Trust received £37.0m 2022/23 in respect of these services (£34.7m 2021/22). The Trust also received an additional £1.6m 2022/23 (£1.7m 2021/22) from the Cancer Drugs Fund.

2.5 Transaction price allocated to remaining performance obligations

At 31st March 2022 there were no revenue from existing contracts allocated to remaining performance obligations.

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

2.6 Analysis of overseas visitors' income

	2022/23 £000	2021/22 £000
Income recognised this year	**690**	**191**
Cash payments received in-year	156	156
Amounts added to provision for impairment of receivables	283	118
Amounts written off in-year	**251**	**17**

3. Operating expenses

3.1 Operating expenses (by Type)

	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	2,989	3,342
Purchase of healthcare from non-NHS and non-DHSC bodies	9,550	7,474
Staff and executive directors' costs	238,305	202,065
Remuneration of non-executive directors	147	133
Supplies and services - clinical (excluding drugs costs) *	22,307	20,150
Supplies and services - general	5,200	4,967
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	27,960	26,476
Inventories written down (net including drugs)	0	2
Consultancy costs	21	14
Establishment	1,902	1,649
Premises	18,872	20,836
Transport (including patient travel)	809	589
Depreciation on property, plant and equipment	11,804	8,569
Amortisation of intangible assets	3,137	2,709
Net impairments	1,899	715
Increase/(decrease) in provision for impairment of receivables	388	549
Change in provisions discount rate(s)	(2)	68
Audit fees payable to the external auditor		
Audit services- statutory audit	168	157
Internal audit costs	79	62
Clinical negligence	10,086	9,503
Legal fees	1,434	1,841
Insurance	218	127
Research and development	1,185	827
Education and training	6,526	5,014
Rentals under operating leases	180	1,999
Redundancy costs – staff costs	219	0
Car parking & security	38	29
Hospitality	67	32
Losses, ex gratia & special payments	312	260
Other services	639	551
Other	1,158	3,814
Total	**367,597**	**324,523**
Of which:		
Related to continuing operations	367,597	324,523

*includes £0.6m utilisation in 2022/23 of consumables donated from DHSC group bodies for COVID response (£1m 2021/22).

4. Staff costs

4.1 Staff costs

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	181,668	155,042
Social security costs	19,968	17,310
Apprenticeship levy	872	729
Employer's contributions to NHS pensions	19,310	17,841
Pension cost - employer contributions paid by NHSE (6%)	8,400	7,765
Temporary staff	14,186	8,463
Total gross staff costs	**244,404**	**207,150**

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind and include the additional 6.3% increase in employer's pension contribution which is being funded by NHS England on behalf of providers.

4.2 Retirements due to ill-health

During 2022/23 there were 3 early retirements from the Trust totalling £165k agreed on the grounds of ill-health (2 in the year ended 31 March 2022).

The cost of the ill-health retirement will be borne by the NHS Business Services Authority - Pensions Division.

4.3 Employee benefits

There were no employee benefits in 2022/23 or 2021/22

4.4 Termination benefits

There were 2 termination benefits totalling £219k and no non-compulsory departures agreed in 2022/23 (none in 2021/22).

Termination Benefits	2022/23 Number of compulsory redundancies	2022/23 Cost of compulsory redundancies	2021/22 Number of compulsory redundancies	2021/22 Cost of compulsory redundancies
Exit package cost band (including any special payment element)		**£000**		**£000**
£100,001 - £150,000	2	219	0	0
Total	**2**	**219**	**0**	**0**

4.5 Salary and pension entitlements of Directors

The aggregate amounts payable to directors were:

	2022/23 £000	2021/22 £000
Salary	1,476	1,416
Employer's pension contributions	129	168

Total	**1,605**	**1,584**

5. Better Payment Practice Code

5.1 Better Payment Practice Code- measure of compliance

	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Non-NHS				
Total bills paid in the year	74,266	194,889	62,923	171,825
Total bills paid within target	62,199	175,339	57,461	162,037
Percentage of bills paid within target	**84%**	**90%**	**91%**	**94%**
NHS				
Total bills paid in the year	2,004	16,996	2,124	7,553
Total bills paid within target	1,492	13,856	1,590	4,124
Percentage of bills paid within target	**75%**	**82%**	**75%**	**55%**
Total				
Total bills paid in the year	76,270	211,885	65,047	179,378
Total bills paid within target	63,691	189,195	59,051	166,160
Percentage of bills paid within target	**84%**	**89%**	**91%**	**93%**

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. There were no payments made in year in respect of late payment of invoices under the Late Payment of Commercial Interest Act 1998 (2021/22 £0).

6. Audit Fees

The Trust incurred statutory audit fees totalling £168,000 including irrecoverable VAT, (£156,840 in 2021/22) there were no other auditor remuneration costs in 2022/23 or 2021/22).

6.1 Limitation on auditor's liability

There is a £2m limitation on auditor's liability for external audit work carried out for the financial years 2022/23 (£0.5m 2021/22). The Trust changed their external auditors during the year.

7. Finance income and expense

7.1 Finance income

	2022/23 £000	2021/22 £000
Interest on bank accounts *	871	36
Total finance income	**871**	**36**

* There were eight increases in the bank rate in 2022/23 which affected the rate of interest the National Loans Fund pays to Government Banking customers that have interest bearing accounts. HM Treasury applied the margin of 0.11% which means the National Loans Fund interest rate payable was 4.14% as at March 2023 (0.64% as at March 2022).

7.2 Finance expenses

	2022/23 £000	2021/22 £000
Interest expense:		
Interest on lease obligations *	872	267
Total interest expense	**872**	**267**

* Interest on lease obligations in 2022/23 includes IFRS 16 adoption impacts relating to Right of Use assets and the unwinding of discounting.

7.3 Impairment of assets (PPE)

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus resulting from:		
Abandonment of asset under construction	0	321
Other	60	0
Changes in market price	1,839	394
Total net impairments charged to operating surplus	**1,899**	**715**
Impairments charged to the revaluation reserve	859	3,983
Total net impairments	**2,758**	**4,698**

The Trust applies a modern equivalent asset principle which reflected an alternative site valuation. In adopting the Modern Equivalent Asset – with alternative site approach, the valuation of land and buildings reflects the extent of estate required for the provision of the same service as already provided by the existing estate but not in the same form or location.

8. Intangible Assets

8.1 Intangible assets – 2022/23

	Software licences £000	Internally generated information technology £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	**7,919**	**7,402**	**1,888**	**11,856**	**29,065**
Additions	410	525	0	603	**1,538**
Reclassifications	5,653	2,054	1,065	(9,213)	**(441)**
Disposals / derecognition	(244)	(32)	0	(434)	**(710)**
Gross cost at 31 March 2023	**13,738**	**9,949**	**2,953**	**2,812**	**29,452**
Amortisation at 1 April 2022 - brought forward	**1,897**	**3,505**	**1,408**	**0**	**6,810**
Provided during the year	1,624	1,247	236	30	**3,137**
Reclassifications	742	(1,049)	337	(30)	**0**
Disposals / derecognition	(109)	(14)	0	0	**(123)**
Amortisation at 31 March 2023	**4,154**	**3,689**	**1,981**	**0**	**9,824**
Net book value at 31 March 2023	**9,584**	**6,260**	**972**	**2,812**	**19,628**
Net book value at 1 April 2022	**6,022**	**3,897**	**480**	**11,856**	**22,255**

Note 8.1 Intangible assets - 2021/22

	Software licences £000	Internally generated information technology £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2021 - brought forward	**12,809**	**11,048**	**1,891**	**10978**	**36,726**
Prior period adjustment	(5,127)	(3,703)	(3)		(8,833)
Valuation / gross cost at 1 April 2021 - restated	**7,682**	**7,345**	**1,888**	**10,978**	**27,893**
Additions	556	295	0	2,141	**2,992**
Reclassifications	1230	0	0	(1,239)	(9)
Disposals / derecognition	(1,549)	(238)	0	(24)	**(1,811)**
Valuation/gross cost at 31 March 2022	**7,919**	**7,402**	**1,888**	**11,856**	**29,065**
Accumulated amortisation at 1 April 2021 - brought forward	**6,932**	**6,584**	**1,175**	**0**	**14,691**
Prior period adjustment	(5,127)	(3,703)	(3)		(8,833)
Accumulated amortisation at 1 April 2021 - restated	**1,805**	**2,881**	**1,172**	0	**5,858**
Provided during the year	1,611	862	236	0	**2,709**
Disposals / derecognition	(1,519)	(238)	0	0	**(1,757)**
Amortisation at 31 March 2022	**1,897**	**3,505**	**1,408**	**0**	**6,810**
Net book value at 31 March 2022	**6,022**	**3,897**	**480**	**11,856**	**22,255**
Net book value at 1 April 2021	**5,877**	**4,464**	**716**	**10,978**	**22,035**

The Trust reviewed intangible assets held with a nil net book value, it determined that a significant number of these assets were no longer in use. Whilst they had a carrying value of nil, and therefore had no impact on its prime financial statements, the non-current asset disclosure in the financial statements recognised an overstatement of £10.59m in gross cost and accumulated depreciation for 2021/22.

The Trust reviewed the impact of this overstatement under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and has determined that there are grounds for a prior period adjustment.

IAS 8 defines prior period errors as "omissions from, and misstatements in, an entity's financial statements for one

or more prior periods arising from a failure to use, or misuse of, reliable information that:

(a) was available when financial statements for those periods were authorised for issue; and
(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. "

The Trust has reviewed the information available and has determined that both these statements are true of the information that was available to it at the time of the preparation and presentation of the financial statements for 2021/22 and 2022/23.

The Trust has reviewed the error for nature and magnitude in terms of materiality and whether the error would have influenced the decisions of the primary users of the financial statements. Whilst the Trust does not believe that the error would have swayed decisions made about the Trust by the primary users as there is no impact on the balances in the financial statements, it has deemed the misstatement to be material in nature due to the high value of the overstated gross cost and accumulated depreciation.

In view of the above, the Trust has made an adjustment to the Intangible non-current asset disclosure for gross cost and accumulated depreciation in the 2021/22 financial statements of £10.59m, of which £8.83m related to opening balance adjustments and £1.76m relating to in year (2021/22) disposals.

9. Property, Plant and Equipment

Property, plant and equipment as at 31st March 2023 is broken down in the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 – brought forward	**4,076**	**130,869**	**980**	**27,442**	**30,512**	**18**	**10,149**	**1,060**	**205,106**
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	**(320)**	**(5,855)**	**(640)**	**0**	**(1,512)**	**0**	**0**	**0**	**(8,327)**
Additions	0	10,196	0	10,336	2,863	0	1,443	90	**24,928**
Reclassifications	0	17,693	40	(24,911)	6,844	0	775	0	**441**
Revaluation	120	2,375	(11)	0	0	0	0	0	**2,484**
Disposals / de-recognition	0	(393)	0	(673)	(1,267)	0	(1,555)	(3)	**(3,891)**
Valuation/gross cost at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**37,440**	**18**	**10,812**	**1,147**	**220,741**
Accumulated depreciation at 1 April 2022 - brought forward	**0**	**0**	**0**	**0**	**11,933**	**18**	**3,298**	**225**	**15,474**
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	**0**	**0**	**0**	**0**	**(1,312)**	**0**	**0**	**0**	**(1,312)**
Provided during the year	0	4,446	10	0	3,331	0	1,523	115	**9,425**
Impairments	0	1,854	0	0	60	0	0	0	**1,914**
Revaluation	0	(6,300)	(10)	0	0	0	0	0	**(6,310)**
Disposals / de-recognition	0	0	0	0	(1,254)	0	(1,486)	0	**(2,740)**
Accumulated depreciation at 31 March 2023	**0**	**0**	**0**	**0**	**12,758**	**18**	**3,335**	**340**	**16,451**
Net book value at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**24,682**	**0**	**7,477**	**807**	**204,289**
Net book value at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**18,579**	**0**	**6,851**	**835**	**189,631**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**3,861**	**120,401**	**910**	**22,829**	**37,063**	**44**	**15,887**	**960**	**201,955**
Prior period adjustment	0	0	0	0	(12,455)	(26)	(7,127)	(223)	**(19,831)**
Valuation/gross cost at 1 April 2021 restated	**3,861**	**120,401**	**910**	**22,829**	**24,608**	**18**	**8,760**	**737**	**182,124**
Additions	0	2,864	0	22,306	1,881	0	1,670	119	**28,840**
Reclassifications	0	10,845	0	(16,019)	4,795	0	181	207	**9**
Impairments	0	(4,377)	0	(321)	0	0	0	0	**(4,698)**
Revaluation	215	1,525	70	0	0	0	0	0	**1,810**
Disposals / de-recognition	0	(389)	0	(1,353)	(772)	0	(462)	(3)	**(2,979)**
Valuation/gross cost at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**30,512**	**18**	**10,149**	**1,060**	**205,106**
Accumulated depreciation at 1 April 2021 - brought forward	**0**	**0**	**0**	**0**	**22,362**	**44**	**9,651**	**371**	**32,428**
Prior period adjustment	0	0	0	0	(12,455)	(26)	(7,127)	(223)	**(19,831)**
Accumulated depreciation at 1 April 2021 restated	**0**	**0**	**0**	**0**	**9,907**	**18**	**2,524**	**148**	**12,597**
Provided during the year	0	4,612	31	0	2,632	0	1,214	80	**8,569**
Revaluation	0	(4,612)	(31)	0	0	0	0	0	**(4,643)**
Disposals / de-recognition	0	0	0	0	(606)	0	(440)	(3)	**(1,049)**
Accumulated depreciation at 31 March 2022	**0**	**0**	**0**	**0**	**11,933**	**18**	**3,298**	**225**	**15,474**
Net book value at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**18,579**	**0**	**6,851**	**835**	**189,631**
Net book value at 31 March 2021	**3,861**	**120,401**	**910**	**22,829**	**14,701**	**0**	**6,236**	**589**	**169,526**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2023								
Owned	3,876	133,446	369	12,194	23,497	7,477	807	**181,665**
Government granted	0	21,439	0	0	711	0	0	**22,150**
Donated	0	0	0	0	474	0	0	**474**
Total at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**24,682**	**7,477**	**807**	**204,289**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022								
Owned	3,756	105,130	340	27,442	16,854	6,851	835	**161,207**
Finance leased	320	5,855	640	0	200	0	0	**7,015**
Government granted	0	13,867	0	0	0	0	0	**13,867**
Donated	0	6,017	0	0	1,525	0	0	**7,542**
Total at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**18,579**	**6,851**	**835**	**189,631**

9.1 Analysis of Plant, Property and Equipment

The Trust did not receive any PPE donations from DHSC in relation to the Covid-19 response in the year (£45k in 2021/22). The Trust does not have any government granted or donated assets which have any restrictions or conditions imposed on them.

The Trust can disclose that there have been no disposals in year of land and building assets used for the delivery of commissioner requested services (CRS). In addition, as at 31 March 2022, the Trust had no land and buildings valued at open market value.

Property, plant & equipment at 31 March 2023 include £0.1m of items where legal title has passed to the Trust and assets paid for but which had not been physically received (31 March 2022: £7.1m)

The Trust reviewed assets held with a nil net book value, it determined that a significant number of these assets were no longer in use. Whilst they had a carrying value of nil, and therefore had no impact on its prime financial statements, the PPE non-current asset disclosure in the financial statements recognised an overstatement of £20.9m in gross cost and accumulated depreciation for 2021/22 and £1.6m for 2022/23.

The Trust reviewed the impact of this overstatement under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and has determined that there are grounds for a prior period adjustment.

IAS 8 defines prior period errors as "omissions from, and misstatements in, an entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

(a) was available when financial statements for those periods were authorised for issue; and
(b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. "

The Trust has reviewed the information available and has determined that both these statements are true of the information that was available to it at the time of the preparation and presentation of the financial statements for 2021/22 and 2022/23.

The Trust has reviewed the error for nature and magnitude in terms of materiality and whether the error would have influenced the decisions of the primary users of the financial statements. Whilst the Trust does not believe that the error would have swayed decisions made about the Trust by the primary users as there is no impact on the balances in the financial statements, it has deemed the misstatement to be material in nature due to the high value of the overstated gross cost and accumulated depreciation. In view of the above, the Trust has made an adjustment to the PPE non-current asset disclosure for gross cost and accumulated depreciation in the 2021/22 financial statements of £20.9m (of which £19.8m related to opening balance adjustments and £1.04m to in year disposals) and £1.59m in 2022/23.

9.2 Capital commitments

There are 13 **c**apital commitments totalling £10.889m (2021/22 £9.3m) under PPE capital expenditure. There are also 2 capital commitment under intangibles of £0.04m (2021/22 £0.1m).

9.3 Right of use assets 2022/23

	Property £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	6,815	1,512	0	0	8,327	0
IFRS 16 implementation - adjustments for existing operating leases / subleases	13,827	2,206	28	106	16,167	474
Additions	2,905	31	2	0	2,938	0
Remeasurements of the lease liability	1,502	(24)	1	0	1,479	0
Impairments	(844)	0	0	0	(844)	0
Disposals / derecognition	0	(1,227)	(3)	0	(1,230)	0
Valuation/gross cost at 31 March 2023	**24,205**	**2,498**	**28**	**106**	**26,837**	**474**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	0	1,312	0	0	1,312	0
Provided during the year	1,806	527	11	35	2,379	24
Disposals / derecognition	0	(1,227)	(3)	0	(1,230)	0
Accumulated depreciation at 31 March 2023	**1,806**	**612**	**8**	**35**	**2,461**	**24**
Net book value at 31 March 2023	**22,399**	**1,886**	**20**	**71**	**24,376**	**450**
Net book value of right of use assets leased from other NHS providers						0
Net book value of right of use assets leased from other DHSC group bodies						450

The Trust reviewed assets held with a nil net book value, it determined that a significant number of these assets were no longer in use. Whilst they had a carrying value of nil, and therefore had no impact on its prime financial statements, the ROU non-current assets recognised an overstatement of £0.68m in gross cost and accumulated depreciation for 2022-23 and has been adjusted for in these financial statements.

9.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in Note 15.

	2022/23 £000
Carrying value at 31 March 2022	5,615
IFRS 16 implementation - adjustments for existing operating leases	16,167
Lease additions	2,898
Lease liability remeasurements	1,479
Interest charge arising in year	872
Lease payments (cash outflows)	(2,613)
Carrying value at 31 March 2023	**24,418**

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 3.1. Cash outflows in respect of leases recognised on SoFP are disclosed in the reconciliation above.

9.5 Maturity analysis of future lease payments at 31 March 2023

	31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	2,447	26
- later than one and not later than five years;	9,890	104
- later than five years.	19,330	364
Total gross future lease payments	**31,667**	**494**
Finance charges allocated to future periods	(7,249)	(41)
Net lease liabilities at 31 March 2023	**24,418**	**453**
Of which:		
- Current	1,759	22
- Non-current	22,659	431

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

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

	31 March 2022 £000
Undiscounted future lease payments payable in:	
- not later than one year;	436
- later than one year and not later than five years;	1,324
- later than five years.	7,194
Total gross future lease payments	**8,954**
Finance charges allocated to future periods	(3,339)
Net finance lease liabilities at 31 March 2022	**5,615**
Of which payable:	
- not later than one year;	184
- later than one year and not later than five years;	419
- later than five years.	5,012

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

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

	2021/22 £000
Operating lease expense	
Minimum lease payments	1,999

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	2,418
- later than one year and not later than five years;	6,118
- later than five years.	6,279
Total	**14,815**

9.8 Leases – other information

The Trust recognised lease liabilities of £2.2m within future lease payments in respect of staff accommodation properties that are on rolling 12-month contracts. These leases are in the process of being re-negotiated.

9.9 Initial application of IFRS 16 on 1 April 2022

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

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.11.

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

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

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**17,125**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**16,297**
Less:	
Commitments for short term leases	(427)
Other adjustments:	
Finance lease liabilities under IAS 17 as at 31 March 2022	5,615
Other adjustments	297
Total lease liabilities under IFRS 16 as at 1 April 2022	**21,782**

10. Investments Carrying Amount

Associate entities are those over which the Trust has the power to exercise a significant influence, but not control over the operating and financial management policy decisions. This is generally demonstrated by the Trust holding in excess of 20% but no more than 50% of the voting rights.

With effect from August 2009 the Trust has an associate investment in Milton Keynes Urgent Care Services, a community interest company (CIC) and holds an equity investment of 40% voting rights. The sum of the investment was £40. The entity is incorporated in the UK and accounted for at cost.

The Trust has chosen not to reflect any surplus or deficit from the associate in the Trust accounts as the Trust deems the impact of its share to not be material. In the event of any impact becoming material, the Trust will review the position and reflect this as appropriate.

11. Inventories

	Drugs	Consumables	Consumables donated from DHSC group bodies	Energy	Total
	£000	£000	£000	£000	£000
As at 1 April 2022	**1,402**	**2,477**	**85**	**91**	**4,055**
Additions	36,384	29,081	626	158	**66,249**
Inventories consumed	(36,231)	(28,224)	(644)	(54)	**(65,153)**
As at 31st March 2023	**1,555**	**3,334**	**67**	**195**	**5,151**
As at 1 April 2021	**1,230**	**2,115**	**275**	**60**	**3,680**
Additions	26,651	24,561	788	74	**52,074**
Inventories consumed	(26,479)	(24,199)	(976)	(43)	**(51,697)**
Write-down of inventories	0	0	(2)	0	**(2)**
As at 31st March 2022	**1,402**	**2,477**	**85**	**91**	**4,055**

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 £0.6m of items purchased by DHSC, these are included in the consumable additions disclosed above.

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 consumable expenses disclosed above.

12. Trade and Other Receivables

	31 March 2023	31 March 2022
	£000	£000
Opening balances	**11,421**	**20,424**
Current		
Contract receivables *	12,642	8,125
Capital receivables	252	252
Allowance for impaired contract receivables /assets	(1,559)	(1,256)
Prepayments (non-PFI)	2,371	1,543
PDC dividend receivable	368	671
VAT receivable	1,767	1,370
Total current trade and other receivables	**15,841**	**10,705**
Non-current		
Contract receivables	2,998	506
Allowance for impaired contract receivables / assets	(134)	(120)
Clinician pension tax provision reimbursement funding from NHSE	380	330
Total non-current trade and other receivables	**3,244**	**716**
Total receivables	**19,085**	**11,421**
Of which receivables from NHS and DHSC group bodies:		
Current	9,844	4,166
Non-current	380	330

* Contract receivables in 2022/23 includes £6.5m relating to the national pay award arrears due from NHS England.

At the Statement of Financial Position date there were no material concentrations of risk, the maximum exposure to credit risk being the carrying values of trade receivables.

12.1 Allowance for credit loss

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2022 - brought forward	1,376	0
Changes in existing allowances	388	0
Utilisation of allowances (write offs)	(71)	0
Allowances as at 31 Mar 2023	**1,693**	**0**

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2021 - brought forward	867	0
Reversals of allowances	801	0
Changes in existing allowances	(252)	0
Utilisation of allowances (write offs)	(40)	0
Allowances as at 31 Mar 2022	**1,376**	**0**

13. Cash and cash equivalents

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

	2022/23	2021/22
	£000	£000
At 1 April	**57,975**	**48,765**
Net change in year	(27,980)	9,210
At 31 March	**29,995**	**57,975**
Broken down into:		
Cash at commercial banks and in hand	46	55
Cash with the Government Banking Service	29,949	57,920
Total cash and cash equivalents as in SoFP	**29,995**	**57,975**
Total cash and cash equivalents as in SoCF	**29,995**	**57,975**

14. Liabilities

14.1 Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Current		
Trade payables	13,722	24,110
Capital payables	3,262	4,803
Accruals	18,808	17,508
Annual leave accrual	4,681	3,287
Social security costs	2,809	2,842
VAT payables	0	1
Other taxes payable	2,753	2,673
Pension contributions payable	2,734	2,602
Other payables	2,827	2,549
Total current trade and other payables	**51,596**	**60,375**
Of which payables from NHS and DHSC group bodies:		
Current	2,914	16,801
Non-current	0	0

14.2 Other liabilities

	31 March 2023	31 March 2022
	£000	£000
Opening balance	**20,887**	**14,942**
Deferred income: contract liabilities	17,952	19,387
Total other current liabilities	**17,952**	**19,387**
Deferred income: contract liabilities	1,000	1,500
Total other non-current liabilities	**1,000**	**1,500**
Total other liabilities*	**18,952**	**20,887**

* The deferred income balance includes £8.2m relating to elective activity recovery for 2023-24. Additional deferred income is included in the 2022-23 balance including £1.5m relating to the equity investment in Arcturis Data Limited (formerly known as Sensyne Health Plc).

15. Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Lease liabilities*	1,759	184
Total current borrowings	**1,759**	**184**
Non-current		
Lease liabilities*	22,659	5,431
Total non-current borrowings	**22,659**	**5,431**

*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 9.3.

15.1 Reconciliation of liabilities arising from financing activities.

	Lease Liabilities £000
Carrying value at 1 April 2022	**5,615**
Cash movements:	
Financing cash flows - payments and receipts of principal	(2,235)
Financing cash flows - payments of interest	(378)
Non-cash movements:	
Impact of implementing IFRS 16 on 1 April 2022	16,167
Additions	2,898
Lease liability remeasurements	1,479
Interest charge arising in year (application of effective interest rate)	872
Carrying value at 31 March 2023	**24,418**

	Lease Liabilities £000
Carrying value at 1 April 2021	**5,816**
Cash movements:	
Financing cash flows - payments and receipts of principal	(201)
Financing cash flows - payments of interest	(267)
Non-cash movements:	
Additions	267
Carrying value at 31 March 2022	**5,615**

16. Provisions

	Pensions Early departure costs £000	Pensions Injury benefits £000	Other legal claims * £000	Lease dilapidations £000	Clinician pension tax £000	Other ** £000	Total £000
At 1 April 2022 - brought forward	**18**	**867**	**2,090**	**211**	**330**	**727**	**4,242**
Change in the discount rate	3	26	0	(24)	0	(7)	**(2)**
Arising during the year	0	0	167	0	50	287	**504**
Utilised during the year	(3)	(34)	(5)	0	0	0	**(42)**
Reversed unused	0	0	(40)	0	0	0	**(40)**
At 31 March 2023	**18**	**859**	**2,212**	**187**	**380**	**1,007**	**4,662**
Expected timing of cash flows:							
- not later than one year;	3	34	2,210	0	0	592	**2,839**
- later than one year and not later than five years;	12	141	2	187	0	412	**754**
- later than five years.	3	684	0	0	380	3	**1,069**
Total	**18**	**859**	**2,212**	**187**	**380**	**1,007**	**4,662**

	Pensions- Early departure costs £000	Pensions - Injury benefits £000	Other legal claims £000	Lease dilapidations £000	Clinician pension tax £000	Other £000	Total £000
At 1 April 2021 - as previously stated	**18**	**876**	**909**	**119**	**353**	**2,306**	**4,580**
Change in the discount rate	3	26	0	16	0	23	**68**
Arising during the year	0	0	1,227	76	0	0	**1,303**
Utilised during the year	(3)	(35)	(19)	0	0	0	**(57)**
Reversed unused	0	0	(27)	0	(23)	(1,602)	**(1,652)**
At 31 March 2022	**18**	**867**	**2,090**	**211**	**330**	**727**	**4,242**
Expected timing of cash flows:							
- not later than one year;	3	33	2,090	0	0	306	**2,432**
- later than one year and not later than five years;	12	140	0	0	0	419	**571**
- later than five years.	3	694	0	211	330	2	**1,239**
Total	**18**	**867**	**2,090**	**211**	**330**	**727**	**4,242**

* Other legal claims include contractual changes £2.2m
** Other claims include contractual building removal costs, IR35 liability and VAT costs £1m

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event and it is probable that the Trust will be required to settle the obligation and a reliable estimate can be made of the obligation.

Pension provisions
The above provision for pension costs relate to:

- additional pension liabilities arising from early retirements whereby, unless due to ill-heath, these are not funded by the NHS Pension Scheme, as noted within note 1.5 the full amount of such liabilities is charged to the income and expenditure account at the time the Trust commits itself to the retirement and
- reimbursement of clinician's pension tax liability.

Legal provisions
The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure 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 the Treasury's discount rate of 1.04% combined OBR CPI (Office of Budget Responsibility Consumer Price Index) inflation and discount rates.

NHS Resolution
NHS Resolution (NHSR) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSR is administratively responsible for all clinical negligence cases, and all clinical negligence claims are recognised in the accounts of the NHSR, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSR on behalf of the Trust is £151m (year ended 31 March 2022 £225.7m). No contingencies or provisions are in the accounts at 31 March 2023 in relation to these cases, even though the legal liability for them remains with the Trust.

Other schemes
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 the NHSR 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.

17. Revaluation Reserve

	Property, plant and equipment £000	ROU assets £000	Total £000
Revaluation Reserve at 1 April 2022	**52,580**	**0**	**52,580**
Transfer of revaluation reserve associated with existing finance leases on 1 April 2022	(3,996)	3,996	0
Impairment losses property, plant and equipment	(15)	(844)	(859)
Revaluations	8,794	0	8,794
Revaluation Reserve at 31 March 2023	**57,363**	**3,152**	**60,515**
Revaluation Reserve at 1 April 2021	**50,110**	**0**	**50,110**
Impairment losses property, plant and equipment	(3,983)	0	(3,983)
Revaluations	6,453	0	6,453
Revaluation Reserve at 31 March 2022	**52,580**	**0**	**52,580**

18. Post Balance Sheet events

There are no post balance sheet events.

19. Contingent Liabilities

The Trust has reviewed its liabilities and it does not consider that it has any material contingent liabilities for the forthcoming financial year. The provisions that the Trust has made for liabilities and charges are disclosed in note 17 including provisions held by the NHSLA as at 31 March 2023 in respect of clinical negligence liabilities of the NHS Foundation Trust.

20. Related Party Transactions

The Trust is a body corporate established by the Secretary of State for Health. Government departments and their agencies are considered by HM Treasury as being related parties. During the year, the Trust has had a significant number of material transactions with other NHS bodies and in the ordinary course of its business with other Government departments and other central and local Government bodies. Materiality in this context is considered to be over £6m and transactions have been prepared on an accruals basis.

Department of Health and Social Care
NHS Bedfordshire, Luton and Milton Keynes ICB
NHS England
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB
NHS Resolution
Health Education England
East of England Regional Office
HMRC
NHS Pensions
NHS Improvement

There are additional related parties of ADMK Ltd and MK Charity (by virtue of the Trust holding a controlling interest) and the Milton Keynes Urgent Care Service (an associate investment), with which there have been no significant transactions in year.

2022/23

	Payments to related party £000 exp	Receipts from related party £000 inc	Amts owed to related party £000 payable	Amts due from related party £000 receivable
MK Charity	0	362	0	129
ADMK Ltd	8,147	153	359	41
Total	**8,147**	**515**	**359**	**170**

2021/22

	Payments to related party £000 exp	Receipts from related party £000 inc	Amts owed to related party £000 payable	Amts due from related party £000 receivable
MK Charity	0	451	0	51
ADMK Ltd	1,089	107	825	5
Total	**1,089**	**558**	**825**	**56**

The key management personnel of the Trust are all directors of the Trust. Their remuneration is disclosed in note 4.5. During the year none of the members of the key management personnel, or parties related to them, have undertaken any material transactions with the Trust.

21. Financial Instruments

21.1 Financial Risk Management

Interest Rate Risk

The Trust's borrowings relate to leases. Under IFRS16 the lease liabilities' remeasurements are exposed to interest rate fluctuations. The Trust's risk of exposure is significantly offset by the interest income generated by the cash held at the bank.

Liquidity Risk

The Trust's net operating income is mainly incurred under legally binding contracts with the regional ICB's, which are financed from resources voted annually by Parliament. The Trust is paid in 12 monthly instalments throughout the year, which significantly reduces the liquidity risk.

Credit Risk

Credit risk represents the risk that a counterparty will not meet its obligations leading to a financial loss for the Trust. Trade receivables are significantly comprised of receivables from NHS and DHSC bodies, which reduces credit risk to the Trust. Aged receivables are also provided for in line with GAM guidance.

21.2 Financial assets by category

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income: investment shares in Induction Healthcare Group Plc and Arcturis Data Limited (formerly Sensyne Health Plc).
There is no material difference between the carrying value and fair value of the Trust's cash and cash equivalents, nor trade and other receivables.

	Held at amortised cost	Held at fair value through OCI	Total carrying value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2022			
Trade and other receivables excluding non-financial assets	14,198	0	**14,198**
Other investments / financial assets	0	98	**98**
Cash and cash equivalents	29,995	0	**29,995**
Total at 31 March 2023	**44,193**	**98**	**44,291**

	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2021			
Trade and other receivables excluding non-financial assets	7,507	0	**7,507**
Other investments / financial assets	0	327	**327**
Cash and cash equivalents	57,975	0	**57,975**
Total at 31 March 2022	**65,482**	**327**	**65,809**

21.3 Financial liabilities by category

	Held at amortised cost.	Held at amortised cost.
	2022/23 £000	2021/22 £000
Carrying values of financial liabilities as at 31 March		
Obligations under leases	24,418	5,615
Trade and other payables excluding non-financial liabilities	41,353	52,310
Provisions under contract	4,661	3,358
Total at 31 March	**70,432**	**61,283**

The increased obligations under leases relate to lease liabilities, as a result of the accounting changes following the adoption of IFRS 16.
There is no material difference between the carrying value and the fair value of the Trusts' trade and other payables.

21.4 Maturity of Financial Liabilities

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

	31 March 2023	31 March 2022
	£000	£000
In one year or less	46,639	55,142
In more than one year but not more than five years	10,643	1,743
In more than five years	20,399	7,737
Total	**77,681**	**64,622**

The increased financial liabilities relate to lease liabilities, as a result of the accounting changes following the adoption of IFRS 16.

22 Third Party assets

The Trust held no third-party assets at the end of financial year 2022/23.

23. Losses and special payments

There were 57 cases at 31 March 2023 of losses and special payments totalling £384k approved during the year (97 cases to 31 March 2022 totalling £290k).

	31 March 2023 Total number of cases	31 March 2023 Value £000	31 March 2022 Total number of cases	31 March 2022 Value £000
LOSSES:				
1. Losses of cash due to:				
b. overpayment of salaries etc.	4	22	21	19
2. Fruitless payments and constructive losses	0	0	0	0
3. Bad debts and claims abandoned in relation to:				
a. private patients	1	0	2	0
b. overseas visitors *	4	251	16	17
c. other	3	15	13	19
4. Damage to buildings, property etc. (including stores losses) due to:				
b. stores losses	24	86	24	84
c. other	2	1	2	141
Total Losses	**38**	**375**	**78**	**280**
SPECIAL PAYMENTS:				
5. Compensation under legal obligation	0	0	0	0
6. Extra contractual to contractors	0	0	0	0
7. Ex gratia payments in respect of:				
a. loss of personal effects	16	8	19	10
g. other	3	1	0	0
8. Special severance payments	0	0	0	0
9. Extra statutory and regulatory	0	0	0	0
Total Special Payments	**19**	**9**	**19**	**10**
Total Losses and Special Payments	**57**	**384**	**97**	**290**

*Bad debts for overseas visitors included 1 payment of £151k related to the repatriation costs of an overseas patient.

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NHS Foundation Trust

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