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NHS
Milton Keynes
University Hospital
NHS Foundation Trust

2021/22

MKUH Annual Report

Milton Keynes University Hospital NHS Foundation Trust
Annual Report and Accounts
2021/22

Presented to Parliament pursuant to Schedule 7, paragraph 25(4) (a) of the National Health Service Act 2006

This report is based on guidance issued by the Independent Regulator of NHS Foundation Trusts and was approved by the Board of Directors of Milton Keynes University NHS Foundation Trust on 20 June 2022.

Professor Joseph Harrison
Chief Executive

20 June 2022

The Annual Report can be made available in other languages and formats on request

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Chair's Introduction

It is my privilege to introduce the Trust's Annual Report for the year 2021/22, a year which has been dominated once again by the COVID-19 pandemic.

Following on from 2020/21, COVID-19 has continued to significantly affect our lives, and that was particularly the case for staff, patients, volunteers, carers and visitors at Milton Keynes University Hospital (MKUH). Wherever possible, the Trust has sought to keep services running as close to normal as was possible. Our staff have continued to manage pandemic-related pressures in both their personal and working lives, and once again they have risen to the challenges posed by the waves of COVID infections.

The relentlessness of the virus cannot be underestimated, and so we appreciate the toll of the pandemic's effects on everyone concerned with the Trust, our partners, and communities of Milton Keynes. We are deeply grateful to everyone for pulling together and placing the welfare of patients and the other vulnerable people first. The support colleagues have given each other has also been exemplary and inspiring.

Collaboration with the community has continued to progress and I know that in the future, we will be building on the great foundations we have in place to extend and prioritise our work with partners across all sectors and our communities. We all have significant challenges ahead of us, and many of them are similar and overlap across organisations. We will continue to work towards the right solutions and ways of working so that healthcare and wellbeing in Milton Keynes and beyond can be the best it can possibly be. Quality healthcare must be equitable and accessible to everyone, regardless of background, circumstances, or postcode.

As a Foundation Trust, MKUH has a Council of Governors which plays a vital role in representing the interests of the hospital's members, staff and the public in general. With restrictions easing since the Omicron wave, the members of the Council have begun to increase their public engagement efforts as they know that is crucial in ensuring the Trust delivers services according to the needs of our communities. To this end, both Public and Staff Governors will become more active in the communities in 2022/23 and we hope you will engage with them about your experiences and views of the Trust, and those who are not members will sign up to become members of the Trust. The past couple of years have been challenging for all, but I would like to acknowledge the work of our Governors who I know are very passionate about MKUH and the NHS. The Governors' contributions are needed and are greatly appreciated as we all try to ensure that all stakeholders have a voice that can potentially influence the service provision by the Trust.

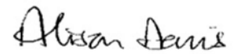
I would also like to recognise the fantastic contribution made by the Non-Executives Directors, working closely with our Executive Team, supporting them and providing the constructive challenge that is so valuable. Following the completions of the terms of office in January and March 2022, respectively, I would particularly like to thank Nicky Mcleod and Andrew Blakeman for their commitment and contributions to the Trust and wish them well for the future. In April 2021, we also thanked John Lisle for his contributions to the Trust as he stepped down for his role as a Non-Executive Director having joined during a very challenging period at the beginning of the pandemic.

I am also very grateful to our Chief Executive Professor Joe Harrison, who was named in HSJ's top 50 NHS Chief Executives for 2021, and the rest of the Executive Team for the efforts through 2021/22 which proved to be as challenging a period as the preceding 12 months. We were delighted to welcome Professor James Tooley who joined as a Non-Executive Director in April 2021 and congratulate Dr Luke James on his promotion from the Associate Non-Executive Director role in June 2021.

Throughout 2021/22, I have been pleased to see the Trust continue to advance its utilisation of digital technology and other on-site developments, which have enhanced the way staff work and helped them to provide the best possible patient care. While the pandemic inevitably disrupted our normal service provision, as with other NHS providers across the country, it did not negatively affect our focus and commitment to innovation and improvement. Our work in this area included: the next phase of the roll-out of our electronic patient record system known as eCare; the launch of our new electronic incident reporting system; the progress in the construction of our new Maple Centre which is on track to be operational in the autumn of 2022; and the refurbishment of the Trust's offices at Witan Gate House in the centre of Milton Keynes.

In addition to the technological and environmental advancements, we have been progressing with our Values in Leadership work and the Equality, Diversity and Inclusion agenda. The progress made with our Values in Leadership work was reflected in the results of the 2021 Staff Survey where MKUH achieved the top score for motivated staff, scored significantly better than the sector average for staff engagement and morale, and there were score improvements in staff feeling that the organisation acts fairly with regards to career progression. There is a lot still to be done but the ambition to create an organisation that offers more equitable opportunity and support to all to reach their full potential is an exciting one. As Milton Keynes expands and our population grows, we want to ensure that we have a workforce which is reflective of our communities and is one that enjoy being part of the MKUH family.

The pandemic has proved to be extremely challenging for the everyone, but I very much hope we can continue to look to the future with increasing optimism. Milton Keynes has so much to be proud of and, with the exciting developments we have in the pipeline at the Trust, we will continue work hard to deliver even better services for both the current and future generations.



Alison Davis
Chair

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Performance Report

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1.1 Overview of Performance

The performance overview provides a summary of the Trust's performance for 2021/22. 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 2021/22.

1.1.1 Chief Executive's Statement on Performance

The last few years have seen the NHS face arguably the most challenging period in its 74-year history. COVID-19 dominated 2021/22, just as it did the previous 12 months, and it is clear that the pandemic's impact will be felt by all for years to come. The Annual Report is an opportunity to reflect on the year and, as with last year's report, the effects of the pandemic must of course be taken into consideration when assessing the Trust's performance.

Throughout 2021/22, the Trust experienced some very busy periods, including during the COVID-19 Omicron-variant wave which began in December 2021.

As demand for services returned to pre-pandemic levels, the Trust has seen a steady improvement across some performance targets. In emergency care, the Trust's performance in relation to the four-hour target (the percentage of patients admitted or discharged from the Emergency Department within four hours) at the end of the financial year was 80.5%, against a target of 95%. Despite not meeting the national target, the Trust's performance placed it amongst the 25% of top-performing hospitals in the country. We anticipate the pressures on the Emergency Department will continue next year and, as a Trust, we are actively working to improve our performance.

The NHS has also seen an increase in the number of patients waiting for elective (planned) treatment, including operations, and again, MKUH is no exception. We continue to work extremely hard to reduce waiting lists as quickly as possible, while ensuring every patient receives the best and safest care and treatment possible.

Nationally the NHS has also seen the publication of the Ockenden Report into maternity services at Shrewsbury and Telford Hospital. The report makes recommendations and asks for action to be taken by every NHS maternity service provider to improve care and safety during pregnancy and birth. Our performance and progress against these recommendation and actions form part of our public Board reports.

Throughout the year, the Trust delivered a significant amount of elective – and particularly outpatient - care by using alternative technologies, including virtual clinics either by video or telephone to our patients. This has helped the Trust to achieve the national target set to have no patients waiting 104-plus weeks at the end of March 2022.

The challenge for the forthcoming year will be to maintain this position and achieve a target of having no patients waiting over 52 weeks by the end of March 2023.

For the financial year 2021/22, the Trust had a deficit of £1.6m, against a £1.3m surplus target on a non-control total basis. The Trust also agreed a £1.1m deficit financial plan[1] on a control total basis as part of a balanced[2] Bedford, Luton and Milton Keynes Integrated Care System position. The Trust ended the year reporting a deficit of £0.7m, £0.4m better than the planned control total basis.

One of the achievements in 2021/22 was the Vaccination Centre, based in the Trust's Academic Centre, which closed in November 2021 after administering COVID-19 booster vaccines to about 2,950 patients and staff. The Centre was run by staff from all kinds of departments and wards across the Trust and was a real testament to the flexibility and willingness of our staff to support the wider health needs of our community.

> *"The Vaccination Centre was ... a real testament to the flexibility and willingness of our staff to support the wider health needs of our community."*

Moving on to our technological advances, the Trust made a big step forward with the final phase of the Trust's eCARE roll-out in September 2021, which saw the electronic patient records system go live in theatres, anaesthetics, paediatrics and the Intensive Care Unit, meaning the system is now live across the whole Trust. The eCARE team, with support from the Trust's Data Quality Governance Group, are monitoring the progress of the delivery of the Phase C, with the expectation that it be delivered in FY22/23. eCARE helps our staff to provide quicker, safer and improved treatment to our patients by enabling staff to easily obtain up-to-date information on patients' health in on one easy-to-access, secure and confidential place. eCARE is a landmark for the Trust in terms of patient care and further reinforces our ambition to maximise our use of digital technology to enable our staff to provide the best treatment for patients.

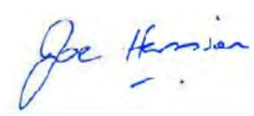
Also on the digital front, as a 'Fast Follower' of NHS England's Global Digital Exemplars programme, MKUH became the first Trust in the UK in May 2021 to use the Versius Surgical Robot System for major gynaecological procedures, having utilised the system for performing colorectal and general surgeries since its introduction in 2019. This advance has proved to be highly beneficial for our gynaecology patients and has been another example of #TeamMKUH leading the way for the NHS when it comes to use of technology and groundbreaking treatment and care. And the digital advances did not stop there: in December 2021, MKUH became the first Trust in the country to integrate the new national NHS Learning from the Patient Safety Events service, having partnered with software specialists Radar Healthcare.

We have also pressed on with the development of our hospital site, particularly with the construction of the exciting new Maple Centre which is scheduled to open by the end of 2022. With 26 beds and 16 assessment rooms, the centre will help to ensure patients can receive same-day emergency care.

Also on the development front, the new offices above our Cardiology department have been opened; our Witan Gate staff offices have been refurbished; an additional pharmacy is scheduled to be opened in April 2022 between the hospital's main entrance and the Outpatients department; and plans for the new Women and Children's Centre / surgical block continue apace. These all demonstrate just how quickly our hospital site is changing in order to meet the growing healthcare needs of the Milton Keynes population.

Finally, I must say a huge thank you to every single staff member and volunteer for their contributions throughout 2021/22. #TeamMKUH have continued to provide good, safe care to patients in often very testing circumstances. Our staff are our greatest asset, and we are committed to continuing investing in them as such. In February 2022, all staff members were given an extra day of annual leave as a thank you for their incredible efforts. Prior to that in November 2021, we held our annual Staff Awards virtually for the first time and, as always, the ceremony proved to be a wonderful recognition of achievements the previous 12 months.

We have all seen some extremely challenging times in the past year, but we look forward with hope and positivity for 2022/23 as we continue to focus on delivering the best possible care and services to the people of Milton Keynes and beyond.



Professor Joseph Harrison
Chief Executive
20 June 2022

1 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-line with international accounting rules
2 Where deficit and surplus plans of individual organisations achieve an aggregate break-even position across a local geographic system

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 3930 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.

1.1.3. Trust Objectives

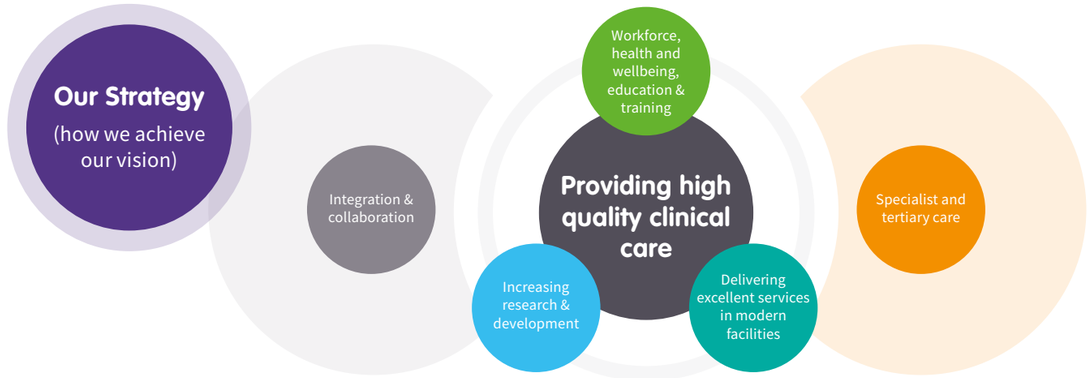
The Trust Board has agreed a process for agreeing and refreshing its objectives each year, ensuring that these remain linked to its vision, values and strategy.

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. Seventy-seven students will complete their MB ChB course at the hospital in the summer of 2022, with thirty-eight of those students based in the Trust on placement.

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.

Work on the development of our new Maple Centre has progressed and is on track to be operational in the autumn of 2022. The new Maple Centre, when completed, 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.

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 2021/22, the Trust recruited over 4,576 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.

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 at the end of the 2021/22 financial year, along with further details on risk management, are contained within the Annual Governance Statement from page **100** (and also under 1.2.15 – Major Risks on page **32**).

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.

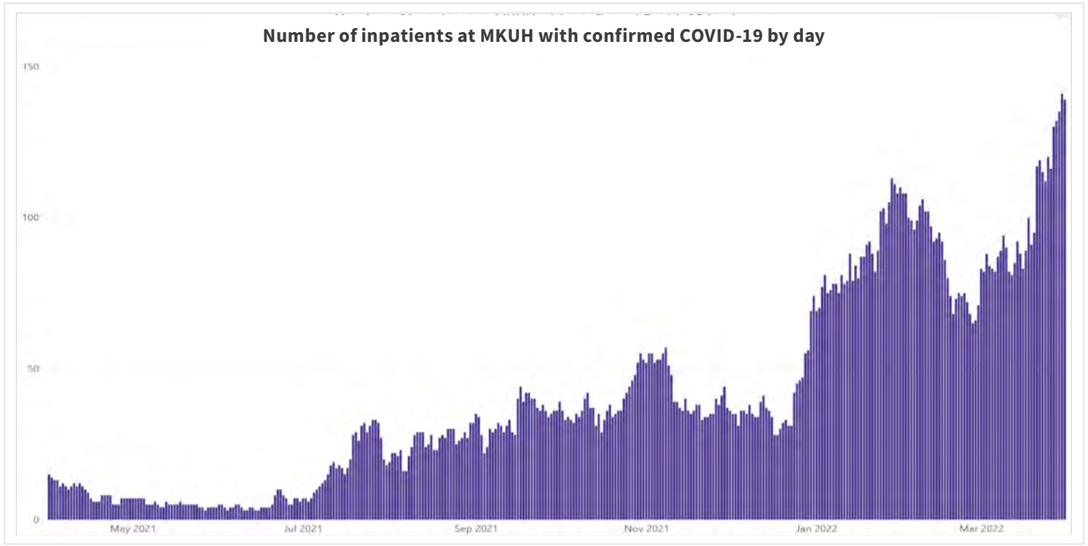
1.2 Performance Analysis

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 Impact of the COVID-19 Pandemic on Trust Operations

The COVID-19 pandemic has continued to have a significant impact across 2021/22 in relation to the provision of both emergency and planned care. The graph below shows the burden of COVID-19 in the hospital since April 2020 ('wave 1'). The situation experienced in January 2021 ('wave 2') has thankfully not recurred thanks to the impact of vaccination on the pandemic. Whilst the impact of new variants including Omicron has not been as much as was feared, scenario planning, the accelerated booster vaccination campaign and preparation in the final months of 2021 consumed much resource. Even at times when the burden of COVID has been lower, the provision of planned care has been challenging given the need to separate patient pathways, test patients prior to planned procedures, reduce bed densities, and ensure appropriate spacing and air handling in relation to invasive procedures (aerosol generating procedures, including lung function tests and diagnostic tests in ENT). Whilst in many areas we have returned to our pre-pandemic baseline in terms of activity (2018/19 +/- 10%), a significant backlog of patients requiring care has built up over the course of the pandemic.



1.2.2 Management of Healthcare-Associated or Nosocomial COVID-19 Infections

In common with most other NHS organisations, we have had a number of COVID outbreaks within the hospital over the course of the pandemic. These have been managed according to a standardised process with the involvement of Public Health England and infection prevention and control experts from the NHS Region (independent of MKUH).

An outbreak of an infectious disease is defined as two new cases linked in time and place. In relation to COVID-19, this can involve patients and/or staff. A key challenge is that by the time a first (index) case is identified, exposure and infection of others may well have occurred already.

NHS England have introduced defined timeframes in terms of the length of time between admission to a healthcare environment and a first positive COVID test. If this time period is relatively short, the patient likely acquired COVID in the community (and was asymptomatic and incubating the virus at the point of admission). If this time is longer, the likelihood is that the patient acquired COVID in hospital – whether from the environment, other patients or staff members.

The specific timeframes are as follows: community acquired (positive within 48 hours of admission); indeterminate healthcare associated (positive screen 3-7 days after admission with no prior hospital admission in the previous 14 days); probable healthcare associated (positive specimen 8-14 days after admission, or a specimen date 3-14 days after admission in previous 14 days); and, definite healthcare associated (positive specimen date 15 days or more following admission).

We are committed to being open, honest and transparent and to providing as much information, support and care as we can to families who have lost a loved one to Covid-19, particularly where that infection may have been acquired in hospital. Information (with personal information removed) on nosocomial infection is available on our website.

1.2.3 Activity

The variation of activity during 2021/22 compared to 2019/20 (pre-COVID) was as follows:

- **404,766 outpatient attendances, 5.2% more than 2019/20**
- **23,828 elective spells, 5.2% less than 2019/20**
- **31,524 non-elective admissions, 8.0% more than 2019/20**
- **100,429 ED attendances, 10.2% more than 2019/20**
- **3,724 babies were delivered, 4.1% more than 2019/20**

1.2.4 Key Performance Measures

The Trust measures performance in key service and quality areas against key national indicators, with each having nationally defined standards. The Trust has also developed a series of local service quality indicators in conjunction with Milton Keynes CCG, as well as a number of internal indicators of quality and performance that are not required to be reported nationally.

Where possible, relevant and applicable, performance indicators are consistently reported at aggregate Trust level, as well as at Divisional and CSU level to provide a more granular view. This approach provides an insight into 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 the agenda 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 allows correlations to be made across a wide range of information about different areas in the Trust to drive and inform a culture of continuous improvement.

The COVID-19 pandemic continued to have an impact on planned elective care across the entire NHS during 2021/22. As a result, the national standard for consultant-led Referral to Treatment (RTT) waiting times of 92% has not been viable for the Trust to achieve. However, during 2021/22, there has been a determined effort to manage patient waiting times through the clinical validation and management of incomplete elective pathways, considering their waiting times and clinical priority. This resulted in an expected increase in the number of long waiters both nationally and locally, but by the end of March 2022 the Trust confirmed zero patients waiting for more than 104 weeks. Considering the marked increase in demand during 2021/21, the improvement reflects a steady and closely managed recovery through the implementation of several waiting list initiatives including the provision of virtual clinics either by video or telephone, extra clinics and the procurement of extra capacity from the independent sector.

Diagnostic waiting times were also impacted by COVID-19, with performance reaching a low of 61% of patients waiting less than six weeks for a diagnostic test at the end of December 2021. Recovery efforts are ongoing and, considering the increase in demand for diagnostic tests during the year, achieving an improvement to 65% by the end of March 2022 reflects the determined steps taken to manage and improve diagnostic waiting times. The initiatives implemented to support the recovery efforts include the procurement of additional Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) equipment, the implementation of AI technology and significant adjustments to working arrangements for radiographers.

The table below summarises performance against key national indicators for 2021/22:

Indicator	Threshold/Target	Trust Performance	
National Requirements			
Clostridium Difficile Infections (hospital associated)	Ceiling: 10	13	Not Achieved
MRSA Bacteraemia (hospital associated)	Zero Tolerance	1	Not Achieved
31-Day Wait for first treatment: All Cancers (Diagnosis to Treatment)	85	95.3%	Not Achieved
62-Day Wait for first treatment: All Cancers (Urgent GP Referral to Treatment)	85%	70.6%	Not Achieved
Two Week Wait – All Cancers (Urgent GP Referral to First Appointment)	93%	86.5%	Not 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%	52.5% (March 2022)	Not Achieved
Maximum wait of 4 hours in the ED from arrival to admission, transfer or discharge	95%	83.9%*	Not Achieved
Acute Foundation Trust – Minimum Standards			
Friends and Family Test (Patient Recommend Rate)**	No Longer Required	No Longer Required	
Complaints responded to within the required timeframe	90%	91.0%	Not Achieved

* This figure represents the combined performance of the Trust's Type 1 and Type 3 units.
** From April 2020, a new question replaced the original Friends and Family Test question about whether people would recommend a service they used to their friends and family. The replacement question invites feedback on the experience of using the Trust's services, and 92.97% of respondents rated their experience of the Trust's services = as being either very good or good in 2021/22

1.2.5 Detailed Quality Performance Analysis

1.2.5.1 Referral to Treat (RTT)

The COVID-19 pandemic had a major impact on planned care across the entire NHS during 2021/22. As a result, the national standard for consultant-led Referral to Treatment (RTT) waiting times of 92% has not been viable to achieve locally or nationally.

Month 2021/22	National Target	Trust Performance
April	92%	61.5%
May	92%	64.5%
June	92%	67.3%
July	92%	69.3%
August	92%	66.4%
September	92%	61.0%
October	92%	58.7%
November	92%	56.2%
December	92%	57.3%
January	92%	55.8%
February	92%	53.8%
March	92%	52.5%

1.2.5.2 Accident and Emergency 4-hour target

The Trust did not achieve the target of treating 95% of patients attending the ED within 4 hours. However, its overall performance of 83.9% (all types) for the year placed it among the top performing trusts with a Type 1 department nationally.

Month 2021/22	National Target	Trust Performance
April	95%	91.6%
May	95%	89.4%
June	95%	87.9%
July	95%	85.4%
August	95%	82.3%
September	95%	82.1%
October	95%	80.7%
November	95%	81.8%
December	95%	81.5%
January	95%	83.2%
February	95%	80.5%
March	95%	80.5%

1.2.6 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.

The Trust continued the roll out of its Electronic Patient Record (EPR) system, known as eCare, which was first introduced in May 2018. Further roll out of eCARE, delayed due to the pressures caused by the COVID -19 pandemic, into Anaesthetics, Intensive Care, Paediatrics and Theatres was relaunched in May 2021. The aim of eCare is to better utilise technology to increase patient safety and clinical effectiveness with significant benefits already in evidence. We are constantly looking at growing these benefits when further functionalities of

the system are realised. It is expected that this system, together with other new technological innovations that the Trust is investing in, will revolutionise the way that care is provided across the hospital.

In 2019/20 the Trust took delivery of a state-of-the-art surgical robot. Clinicians have undertaken comprehensive training using the robot before going live in theatres, and the use of robots to assist in clinical procedures continued to expand in the hospital in 2021/22. To date, the outcomes from robot-assisted clinical procedures have been impressive, with both clinical staff and patients giving positive feedback.

In 2021/22 the Trust also continued with the increasing utilisation of AI technological solutions, largely in clinical areas such as Imaging. The footprint of AI technology in the Trust's clinical operations would continue through 2022/23.

1.2.7 Impending Developments and Future Development Trends

Maple Centre

Work on the development of our new Maple Centre has progressed and is on track to be operational in the autumn of 2022. The new Maple Centre, when completed, 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. Patients attending the Centre will receive full nursing and medical assessments of their physical and healthcare needs. Treatment options will be 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 will be 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 will provide:

- 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 will be 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.

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 and March 2022, amounting to £2.035m, 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 2022/23.

Key areas of focus will be:

i) Developing an understanding of population, demographics and activity underpinning the need for development and supporting the development of the economic and financial case;

ii) Development of an innovative approach to our delivery of care, clinical models and pathways.

iii) Development of digital pilots to develop an understanding of how digital can support and transform patient care

iv) Development of Communications and Engagement Strategy to develop both internal and external engagement, bringing in important patient and stakeholder group voices into the programme.

v) Development of the workforce model we employ to deliver that care and how this will be supported by the digital strategy for the organisation.

vi) 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 2022 when the National New Hospitals Programme Business Case is due to be approved.

Other developments under the New Hospital Programme include:

Imaging Centre

As part of the enabling funding, we were able to progress with the development of our Imaging Centre to detailed design. Planning permission has been obtained for the new Imaging Centre which would create a new home for two MRIs, two CTs and 7 ultrasound rooms plus support accommodation. The Centre has been designed to simplify and improve flow through our radiology services creating a single point of access for main radiology services. This building will enhance environment and efficiency for both patients and staff. The project is currently on hold pending the release of further enabling funding from the National New Hospitals Programme.

Radiotherapy

Construction of a new Radiotherapy Centre has been commissioned as an extension of our Cancer Services on site. 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. The proposal has been developed to detailed design and planning submission for the project has been made to Milton Keynes Council. Work is ongoing to secure funding for the project which is targeted to commence on site by the end of 2022/23.

1.2.8 Review of Financial Performance

Overview

The financial year ending on 31st March 2022 has been another extraordinary year for the NHS. At the beginning of the new finance year in April 2021, the NHS was emerging from another wave of COVID-19. Priorities for the year ahead included restoration of clinical services most disrupted during the acute stages of the pandemic, acceleration of vaccination rollout to local communities and maximising capacity for planned care services to tackle the accumulated waiting list backlog.

In approaching these priorities, the NHS needed to balance the provision of safe care, compliant with strict infection control guidelines, whilst increasing the capacity available to care for patients as fast as possible.

For the reasons outlined above, 2021/22 was very much a year of transition for the NHS in the response to the COVID-19 pandemic. Transition was also the theme of the national funding regime for NHS services. Familiar elements included a continuation of the fixed funding 'block contract' approach to payment for local services. This provided valuable income surety to the Trust during periods of volatility and disruption to service provision. Despite interruption to services from COVID-19 outbreaks being less acute than during 2020/21, not having to contend with unpredictable funding flows (based on payment for activity performed) helpfully increased certainty with NHS resource management.

In addition to block funding to cover core service costs, organisations were able to earn additional payments linked to restoration of clinical service activity levels, and to cover premium costs of treating patients waiting for care because of the pandemic. The Trust was successful in qualifying for additional resources for our population, with further details noted below.

Overall, 2021/22 was a successful year for the Trust, highlights from a financial perspective were:

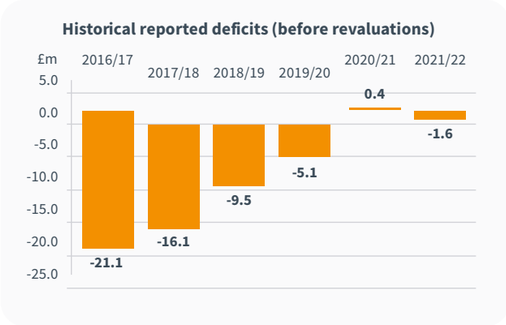
- Continued delivery of financial performance better than plan
- Successfully securing additional resources of £12m for Elective Recovery Funding and £3m for accelerator schemes to provide additional care capacity
- A significant capital investment of £32m in estate modernisation and new medical equipment
- Cash balance of £58m
- Collaborating successfully with local partners to manage resources and risk for our local population
- Progress towards Future Focused Finance Accreditation Level 1
- HFMA Eastern Branch award winning team member 'Overcoming Adversity' category

Income and expenditure summary

The Trust agreed a £1.1m deficit financial plan[3] as part of a balanced[4] Bedford, Luton and Milton Keynes Integrated Care System position. The Trust ended the year reporting a deficit of £0.7m, £0.4m better than planned.

The Trust places great emphasis on delivering the business plan. This brings credibility to the organisation and makes us a valued, dependable NHS partner. Despite the uncertainty associated with facing some of the operational challenges outlined above, the Trust was pleased to continue our track record of delivery. The historical financial results dating back to 2015/16 are illustrated in Table 1.

Table 1 - Historical financial performance



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-line with international accounting rules

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

The Trust receives funding for clinical service provision as income payable under contracts with either local or regional commissioner organisations. During 2021/22, the Trust received income totalling £327m, predominantly (c.83%) from local Clinical Commissioning Groups for the provision of core acute services.
This was an increase of approximately 9% compared to the prior year which was largely due to additional payments received for the recovery of planned care services. These funds were paid from the national Elective Recovery Funding policy which was implemented during 2021/22. Table 2 outlines the historical funding position.

Table 2 - Historical funding sources

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

The provision of healthcare services is dependent on skilled clinical professionals working with hi-tech facilities to diagnose, treat and initiate recovery of patients receiving care. Much of the cost-base of the hospital is therefore allocated to pay for staffing and to cover the cost of medical equipment and drugs. Table 3 below illustrates the 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
Employment related costs	154,241	159,322	166,120	184,967	199,980	207,150
Drugs Costs	17,468	19,605	21,244	22,834	22,422	26,476
Clinical Supplies and Services	19,035	19,160	20,569	21,831	23,094	25,117
Premises	12,005	12,615	13,159	14,523	18,443	20,836
Other operating expenses	29,732	29,535	38,817	40,780	33,061	44,944
Total Operating Expenses	**232,481**	**240,237**	**259,909**	**284,935**	**297,000**	**324,523**

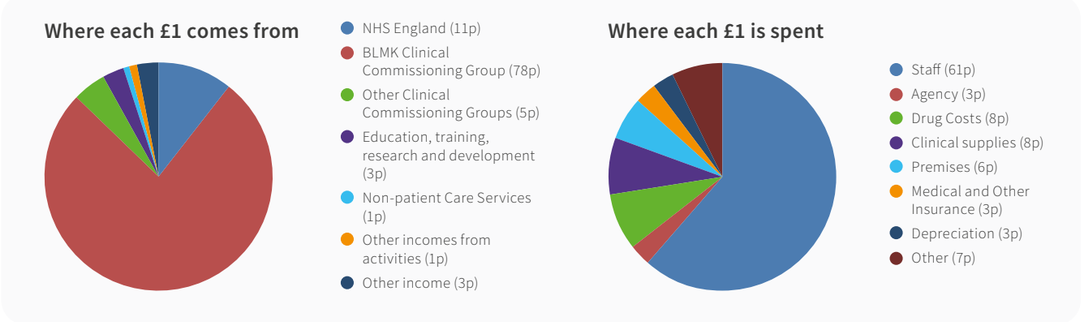
Key changes from the prior year are for pay (employment related costs - £7.2m increase) due to a national pay award for NHS staff, additional costs for staffing capacity for planned care recovery and pay costs to cover periods of high sickness absence (e.g., during the Omicron wave).

Drug costs and clinical supplies and services increased by £6.1m because of increased clinical workload during the year (e.g., reinstating services impacted during the initial phases of COVID-19).

Other operating expenses increased by £11.5m, this included £4.4m of additional costs to support the elective recovery from the independent sector and £1.3m relating to depreciation of the Trust's fixed assets. Lease costs for premises increased by £0.9m because of new leases entered in the year, including an offsite healthcare facility at Whitehouse Park.

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.

Chart 1 - Where funding comes from and how it is spent



The Trust continued to invest significantly in new infrastructure and equipment to support the delivery of quality healthcare delivered in modern facilities. In 2021/22, capital investment totalled £31.8m. This total includes investment in 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.

During the year the Trust decided to increase the use of vesting[5] practices to ensure the organisation was able to secure assets (e.g., medical equipment such as beds and diagnostic scanning equipment). Careful considerations are taken for vesting arrangements, specifically in the content of securing value for money when managing taxpayer resources. The Trust is confident the increased level of vested assets was appropriate and enabled the organisation to secure assets that were either experiencing supply chain pressures (e.g., extended lead times) or faced pricing volatility because of inflationary price increases.

Table 4 illustrates the historical capital expenditure profile.

Table 4 – 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
Building & Engineering	3,798	7,430	6,330	17,918	22,871	20,313
Medial and Surgical Equipment	2,569	2,250	2,828	2,385	5,509	6,676
IT	3,322	7,144	6,815	4,521	12,463	4,843
Total	**9,689**	**16,824**	**15,973**	**24,824**	**40,843**	**31,832**

Notable capital investments included:

- Maple Centre construction - £8.3m
- Investment in diagnostic equipment (CT/MRI/ Cardiac) - £5.4m
- Information Technology - £2.9m
- Solar panels and roof infrastructure - £2.2m
- Replacement of beds - £1.5m

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

- Completing the Maple Centre (autumn 2022)
- Development of investment case for Radiotherapy Services
- Investment in offsite Endoscopy services
- Developing the business case for the New Hospital Programme (Women's and Children's services and Elective Surgery block)

5 Vesting describes the process of transferring legal title of ownership of assets

1.2.9 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.

1.2.10 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 donations made from independent charity The Friends of MK Hospital and Community, which celebrated its 40th anniversary in 2019 and continue to raise funds through profits from its hospital shop and other events in the community.

Board of Directors and Accounts' Preparation

The Annual Report and Accounts have been prepared under a direction issued by NHS Improvement. 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 improvement, 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 Improvement 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 Deloitte LLP 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 Improvement 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 Improvement 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 2022/23

The COVID-19 pandemic has had a significant impact on how the hospital provides its services which is expected to continue during 2022/23. The Trust will continue to work hard to deliver those routine operations that were cancelled during winter 2021/22 as a result of the Omicron wave of the pandemic and reduce the waiting list for these operations. It is also important to the Trust to continue to ensure the health and well-being of staff and the safety of its patients.

The Trust will also continue to work with local partners, including those within Bedfordshire, Luton and Milton Keynes ICS (Integrated Care System), in its response to COVID-19, and as part of wider provision of health services for the population of Milton Keynes.

1.2.11 Environmental Sustainability

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.

Leadership

The Executive lead for our #MKUHGreenerFuture plan is the Director of Finance, who will oversee the development of all sustainability plans across the organisation, ensuring that departmental actions remain on track and are appropriately delivered.

Workforce

Over 2021/22 the Workforce team have supported the move to the home working/agile working model, increased the Staff Health and Wellbeing offering, provided staff with access to green spaces, improved staff awareness of and the importance of green and encouraged staff to get involved, through sharing ideas and empowering changes. From 2022/23, Carbon Training and Carbon Pledge would be introduced in staff appraisals .

Sustainable Models of Care

Over 2021/22 initiatives undertaken under the sustainable models of care model included moves to increase virtual appointments and to ensure complex patients with mental health challenges are treated on multiple care pathways in a single visit and patient-initiated follow-ups to reduce unnecessary travel to the hospital site.

Targets for 2022/23 include to:

- Develop an understanding of the impact of care models on carbon production
- Provide more services online to enable patients to choose between face-to -face or remote appointments.
- Review use of single use devices across the site and identify targets for reduction
- Increasing the roll-out of our patient- initiated follow-up programme following a successful pilot to specialties
- Explore medical device remanufacturing opportunities across consumables.
- Working with local partners on the development of new wearable technology reducing hospital admissions

Digital

Over the past year the digital agenda has supported the move to remote outpatient appointments, created the BIM foundational items such as Trust owned and cloud hosted common data environment, moved to 50% of server estate now migrated to the Azure cloud and supported the necessary access and devices to regularly work from home

Targets for 2022/23 include to:

- Achieve 75% migration to the Azure Cloud.
- Provide more services online to enable patients

Travel and Transport

Over the past year the Travel and Transport workstream has installed 16 staff electric vehicle charging points, provided free of charge, made 62 secure cycle storage units available and invested £120k on improving staff changing and shower facilities.

Targets for 2022/23 include to:

- Expand the staff changing and shower facilities
- Promote the existing SmartGo Milton Keynes 10% discount on Arriva annual bus pass
- Expand the electric charging infrastructure
- Re-introduce real time bus information in the hospital's foyer area at the main entrance

Estates & Facilities

Over 2021/22 Estates and Facilities have switched to a 100% renewable electricity tariff, completed the replacement of 6,500 square metres of roof on the oldest part of the estate, commissioned over 2,500 solar panels, and a further 7,500 square metres of roofing replacement. 800 additional solar panels will be installed by July 2022 allowing the generation of up to 1 gigawatt of electricity for the site to consume every year.

In February 2022 the Trust completed the upgrade of two high voltage transformers enabling additional electrical capacity in preparation for further site development and the move away from fossil fuels. Other initiatives implemented have ensured that no operational waste is sent to landfill and that waste is re-used or recycled where possible.

The Trust has also:

- Implemented a policy of refurbish-first approach to our site
- Undertaken first stage of installing LED lighting
- Replaced estates maintenance vans with electric vehicle alternatives
- Installed a NextBike station with 20 bikes outside the main entrance for use by staff and patients
- Trialled the use of waterless urinals to reduce water consumption.

Targets for 2022/23 include to:

- Complete full implementation of LED lighting & % energy efficiency / solar
- Commence implementation of phase 2 heat decarbonisation strategy subject to funding streams
- Develop a waste strategy throughout the Trust to ensure we are minimising waste and supporting the circular economy
- Set the Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding rating as the aspiration for new sustainable build schemes.

Medicines

Over the past year Medicines have:

- Liaised with Anaesthetists and Theatre staff to achieve targets on volatile gas usage
- Started working to achieve tasks and targets around nitrous oxide usage
- Liaised with the BLMK ICS to identify what can be achieved by the Trust in the context of the ICS's Plan on Pressured Metered dose inhalers

Targets for 2022/23 include the:

- Development of an area prescribing approach with ICS around the lower emission prescribing of inhalers, education, and disposal
- 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

Procurement

Over the past year Procurement have moved to 100% recycled unbleached paper, liaised with suppliers to review products for more sustainable options and work with external stakeholders, such as East of England and NHS Supply Chain to look at sustainability opportunities such as refurbished medical devices.

Targets for 2022/23 include:

- Reducing the use of clinical and non-clinical single-use plastic items
- Reusing or reprocessing equipment (such as walking aids)

Food & Nutrition

Over the past year Procurement has also introduced:

- Steamplicity which has increased patient choice and reduced waste through individual portion control. Food waste has declined from 17% to 2%.
- Vegware containers, which are plant-based compostable foodservice packaging
- Vegan and vegetarian options for staff and patients

Targets for 2022/23 include the:

- Establishment of a process to recycle all Steamplicity packaging
- Enhancing food waste reduction further through partnering with the Guardians of Grub initiative.

Carbon Agenda

In addition, the Trust is committed to reducing carbon emissions as part of the national sustainability agenda.

The following table shows CO_2 performance per annum to date:

- 2012/13 – 11,183 Tonnes
- 2013/14 – 10,508 Tonnes
- 2014/15 – 9,786 Tonnes
- 2015/16 – 9,426 Tonnes
- 2016/17 – 9,660 Tonnes
- 2017/18 – 9,728 Tonnes
- 2018/19 – 9,075 Tonnes
- 2019/20 – 9,241 Tonnes
- 2020/21 – 6,557 Tonnes
- 2021/22 – 3976 Tonnes

The 100% renewable electricity tariff has resulted in a significant overall reduction in CO_2 emissions at MKUH. The remainder of our emissions are largely made up from Gas, with no effective Net Carbon Zero alternative currently available although options to deliver this are in the Infrastructure and Energy Strategy.

1.2.12 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.

The next steps under this partnership model include:

- Steps to reduce our HTI waste by looking at implementing reusable sharps bins which can result in a 91% CO_2 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.
- 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 landfills.
- Investigations into the prospect of recycling disposable curtains.

1.2.13 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.

1.2.14 Human Rights issues

The Trust takes account of the provisions of the Human Rights Act 1998, insofar as they relate to the provision of healthcare, as well as the NHS Constitution. The Trust pays particular attention to the NHS' seven key principles. With regard to principle 1 (the NHS provides a comprehensive service available to all), the Trust ensures that its service provision is based entirely on clinical need and priority. The Trust has in place a Patient Access Policy, last updated in March 2019, which sets the standards to be followed in relation to waiting list management and restates the commitment to and expectation of a maximum of 18 weeks' waiting time from referral to the start of treatment.

The Trust is also guided by principle 4 (the patient will be at the heart of everything the NHS does). In this regard, in 2019/20 the Trust devised a new Patient Experience Strategy to help ensure that patients' experience of accessing care at the Trust guides changes and improvements to service delivery. Feedback received via the various patient surveys and the Friends and Family Test also gives good indications of the level of patient satisfaction with the Trust's services.

The Trust has made significant progress in analysing data on hospital attendances and admissions to have a better understanding of its service provision from an equity and equality perspective. Whilst some of the key indicators reviewed might represent that there are areas that the Trust can focus on improving for certain cohorts of communities (ethnic, gender, age, deprivation etc), it is important to review these indicators recognising the social and cultural aspects which may influence the outcome of a particular indicator. For example, is the DNA rate influenced by deprivation within certain ethnic groups compared to others and are there social and cultural aspects influencing the outcome of the performance indicator.

The Trust in 2022/23 will review the extent of the impact of these social and cultural aspects on these performance indicators before it establishes a course of action which is proportional and representative to provide the greatest positive impact on these cohorts of communities.

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 investment in an Equality, Diversity and Inclusion team, 2021/22 saw the strengthening of staff networks, such as the Women's Network, Pride @ MKUH Network, Ability Network, and the establishment of others such as the Black, Asian and Minority Ethnic (BAME) Network, the Armed Forces Netwok, 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.

1.2.15 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 at the end of the 2021/22 financial year:

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
1	Quality & Clinical Risk Committee	Director of Operations	If the Trust's ED does not have adequate staffing and estate capacity, and effective escalation plans, it will not be able to maintain patient safety during periods of overwhelming demand.	4x4=16	4x2=8	• Clinically and operationally agreed escalation plan • Adherence to national OPEL escalation 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.
2	Quality & Clinical Risk Committee	Medical Director	If an effective reporting, investigation and learning loop is not established and maintained, the Trust will fail to embed learning and preventative measures following serious incidents/ Never Events.	4x4=16	4x2=8	• Improvement in incident reporting rates • SIRG reviews all evidence and action plans associated with Sis • Actions are tracked • Trust-wide communications in place • Debriefing systems in place • Training available • Appreciative Inquiry training programme started (December 2020) • Commencement of patient safety specialist role (April 2021)
3	Quality & Clinical Risk Committee	Medical Director	If the Trust is unable to accurately predict demand (for example, relating to the COVID-19 pandemic) and re-purpose its resources (physical, human and financial) with agility, the Trust will fail to manage clinical risk during periods of sustained or rapid change in the level or type of demand.	4x4=16	4x2=8	• Board approved major incident plan and procedures. • Rigorous monitoring of capacity, performance and quality indicators. • Established command and control governance mechanisms. • Gold (Daily) Level 3/4 Incident management.
4	Quality & Clinical Risk Committee	Deputy CEO	If the Trust does not carefully manage its significant digital change programme, then the delivery of clinical services will be impaired.	4x2=8	4x2=8	• Robust governance structures in place with programme management at all levels • Clinical oversight through CAG • Thorough planning and risk assessment • Regular review of resourcing • Regular review of progress • Risks and issues reported • Track record of successful delivery of IT projects
5	Quality & Clinical Risk Committee	Director of Operations	If the Trust is unable to provide capacity to match demand for elective care, (such as for cancer and screening programmes), there is a risk that this could lead to patient harm.	5x4=20	5x2=10	• Compliance with national guidance. • Granular understanding of demand and capacity requirements with use of national tools. • Robust oversight at Board, and Board Committees. • 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 • Use of the Independent Sector. • Extension of working hours and additional waiting list initiatives to compensate capacity deficits through distancing and Infection Prevention and Control requirements. • Additional capacity being sourced, and services reconfigured.
6	Quality & Clinical Risk Committee	Medical Director	If the Trust does not establish and maintain effective capacity management processes it will be unable to cope with high demand for ITU and inpatient care during a public health crisis (or due to the COVID -19 pandemic).	5x2=10	5x2=10	• Real time visibility of regional demand/ capacity. • Increased capacity across the hospital. • Increased capacity for ITU. • Clear escalation plans.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
7	Quality & Clinical Risk Committee	Medical Director	If the radiotherapy pathway provided until 2019/20 in Milton Keynes by Genesis Care (under contract with OUH) is not replaced, the access and experience of patients on clinical oncology (radiotherapy) pathways will continue to be negatively impacted.	4x4=16	4x2=8	• Contingency for the provision of treatment to patients in Oxford and the ongoing provision of palliative and prostate radiotherapy at Linford Wood or in Northampton • Promotion of agreement between OUH and Northampton General Hospital to facilitate access to facilities at Northampton for those who prefer treatment in this location. • Proactive communications strategy in relation to current service delivery issues.

8	Quality & Clinical Risk Committee	Chief Nurse	If the Trust does not effectively work with patients and families in delivering care and positive patient experience the national patient surveys may not demonstrate improvement.	4x4=16	4x2=8	• Corporate Patient and Family Experience Team function, resources and governance arrangements in place at Trust, division and department levels, including but not limited to:
						  • Patent Experience Strategy
						  • Learning Disabilities Strategy
						  • Dementia Strategy
						  • Nutrition steering group
						  • Catering steering group
						  • Domestic planning group
						  • Discharge steering group
						  • Induction training
						• 15 Step 'Challenge
						• Monthly Patient Experience Board, with each quarter having a theme:
						  • Governance
						  • Listening' review of all feedback.
						  • Learning and Change' from feedback and co-production

9	Quality & Clinical Risk Committee	Chief Nurse	If the Trust does not effectively work to use feedback from complaints and PALS contacts to inform learning and embed related changes patient experience will not be improved.	4x3=12	4x2=8	• Corporate Patient and Family Experience Team function, resources and governance arrangements in place at Trust, division and department levels, including but not limited to:
						  • Patent Experience Strategy
						  • Learning Disabilities Strategy
						  • Dementia Strategy
						  • Nutrition steering group
						  • Catering steering group
						  • Domestic planning group
						  • Discharge steering group
						  • Induction training
						• Customer service training – NHS Elect program
						• Leadership training includes how to receive feedback from patients.
						• Appreciative inquire approach to support complaints handling and response letters.
						• Monthly divisional meetings with Head of Patient and Family Experience to review themes, complaints, associated changes, and learning.

10	Quality & Clinical Risk Committee	Director of Corporate Affairs	If clinical audit requirements are not completed the Trust will fail to meet the requirements of clinical compliance regimes including the National Institute for Health and Care Excellence (NICE).	4x3=12	4x2=8	• Designated audit leads in CSUs/ divisions. • Clinical governance and administrative support - allocated by division. • Recruited additional clinical governance post to medicine to support audit function (highest volume of audits) • Audit programme being simplified, with increased collaboration and work through the QI programme. • Audit compliance criteria being segmented to enable focus on compliance with data returns; opportunity for learning/ changing practice and communication/ engagement. • Monthly review of all compliance requirements, including NICE and policies.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
11	Audit Committee	Director of Operations	If the Trust is unable to establish robust governance around data quality processes, there is the risk that this could lead to patient harm, reputational damage and regulatory failure.	4x3=12	4x2=8	• Robust governance around data quality processes including executive ownership. • Audit work by data quality team • More robust data input rules leading to fewer errors.
12	Trust Executive Committee	Director of Operations	If the Trust does not establish and maintain effective capacity management processes it will be unable to achieve waiting time targets due to seasonal emergency pressure (or further COVID -19 surges).	5x4=20	5x2=10	• 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.
13	Finance and Investment Committee	Director of Finance	If the Trust does not have a sufficient capital expenditure limit (CDEL) then the Trust will not be able to complete the level of planned capital investment.	4x4=16	4x2=8	• The Trust is introducing enhanced in-year capital spend monitoring to proactively manage in-year underspends across other capital schemes. Where agreed by management (e.g., subject to risks and strategic need) underspends across other capital schemes could free-up capital expenditure limit for utilisation against bond schemes. • The Trust is engaging with NHSE/I regional colleagues and Integrated Care System partners to monitor planned capital expenditure limits (CDEL) across both ICS and regional organisations to proactively reassign available CDEL.
14	Finance and Investment Committee	Deputy Chief Executive	If the Trust does not maintain investment in its IT infrastructure and systems, then all operational systems will be severely affected by IT failures such infiltration by cyber criminals.	5x3=15	5x2=10	• 2 dedicated cyber security posts • Good network protection from cyber security breaches such as Advanced Threat Protection (ATP) – A part of the national programmes to protect the cyber security of the hospital. • All Trust PCs less than 4 years old • Purchase new hardware – not implemented yet • EPR investment

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
15	Finance and Investment Committee	Director of Finance	If there is insufficient strategic capital funding available, then the Trust will be unable to invest in the site to maintain pace with the growth of the Milton Keynes population's demand for hospital services.	4x4=16	4x2=8	• 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.
16	Finance and Investment Committee	Director of Finance	If the future 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.	4x4=16	4x2=8	• 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 (until September 2021) • Budgets updated for FY22 based on prevailing finance regime (September – March 2022); financial controls and oversight to be reintroduced to manage financial performance. • Cost efficiency programme to be relaunched to target focus on areas of greatest opportunity.
17	Quality and Clinical Risk Committee	Medical Director	If the pathway for patients requiring Head and Neck (H&N) cancer services is not improved, users of MKUH services will continue to face disjointed care, unacceptably long delays for treatment and the risk of poor clinical outcomes.	4x5=20	4x2=8	• MKUH clinicians have escalated concerns (both generic and patient specific) to the management team at Northampton. • 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 EoE specialist cancer commissioners.
18	Finance and Investment Committee and Quality & Clinical Risk Committee	Deputy Chief Executive	Insufficient capacity in the Neonatal Unit to accommodate babies requiring special care.	4x2=8	4x2=8	• Reconfiguration of cots to create more space. • Additional cots to increase capacity. • Parents asked to leave the Neo Natal Unit during interventional procedures, ward rounds, etc to increase available space. • HIP2 funding for new Women and Children's Hospital announced.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
19	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not retain staff, then posts will be vacant resulting in workforce shortages across the hospital or increased temporary staffing expenditure.	4x2=8	4x2=8	Variety of organisational change/staff engagement activities, e.g. • Event in the Tent, • Schwartz Rounds and coaching collaboratives. • Recruitment and retention premia policy • We Care programme • Onboarding and exit strategies/ reporting • Annual Staff Survey • Learning and development programmes • Health and wellbeing initiatives, including P2P and Care First • Staff recognition - staff awards, long service awards, GEM • Leadership development and talent management • Succession planning • Enhancement and increased visibility of benefits package • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience /environment.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
20	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not recruit to vacancies in the short term (0-18 months) then there will be workforce shortages across the hospital and/ or increased temporary staffing expenditure.	4x4=16	4x2=8	• Active monitoring of workforce key performance indicators. • Targeted overseas recruitment activity. • Apprenticeships and work experience opportunities. • Exploration and use of new roles to help bridge particular gaps. • Use of recruitment and retention premia as necessary • 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 • Review of benefits offering and assessment against peers • Creation of recruitment “advertising” films • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience/ environment. • Targeted recruitment to reduce hard to fill vacancies.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
21	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not recruit to vacancies in the long term (19+ months) then there will be workforce shortages across the hospital and/ or increased temporary staffing expenditure.	4x2=8	4x2=8	• Monitoring of uptake of placements & training programmes. • Targeted overseas recruitment activity. • Apprenticeships and work experience opportunities. • Expansion and embedding of new roles across all areas. • Rolling programme to recruit pre-qualification students. • Use of enhanced adverts, social media and recruitment days. • Review of benefits offering and assessment against peers. • Development of MKUH training programmes. • Workforce Planning • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience /environment. • International workplace plan. • Assisted EU staff to register for settled status and discussed plans to stay/ leave with each to provide assurance that there will be no large-scale loss of EU staff post-Brexit.
22	Quality & Clinical Risk Committee	Medical Director	If the pathway for patients requiring percutaneous coronary intervention (PCI) is not improved, users of MKUH services will continue to face unacceptably long delays when admitted with non-ST elevation MI (heart attack) or ACS (acute coronary syndrome).	3x3=9	3x1=3	MKUH is working with Oxford University Hospitals to develop an 'OUH @ MKUH' satellite laboratory in Milton Keynes. This will allow patients to access very high-quality services in Milton Keynes (Oxford's cardiology research profile is world-leading attracting and retaining the best clinicians).
23	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not maintain stocks of Personal Protective Equipment (PPE) and continue implementing the enhanced infection control measures it will be unable to maintain a safe working environment during the COVID-19 pandemic.	4x2=8	4x2=8	• Incident command structure in place • Oversight on all critical stock, including PPE • Immediate escalation of issues with immediate response through Gold/ Silver • National and regional response teams in place • Workforce and Workplace Risk Assessments completed and any necessary equipment or working adjustments implemented. • Staff COVID-19 Self-Test and vaccine offer to all MKUH workers.
24	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not implement and progress staff health and wellbeing initiatives, there is the risk of staff burning out during or due to the COVID-19 pandemic.	5x3=15	5x2=10	• Significant staff welfare programme in place, with mental health, physical health and support and advice available. • Staff Hub in use. • Remote working wellness centre in place. • 12 weeks of wellbeing focus from January to March.

1.2.16 Overseas Operations

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

Professor Joseph Harrison
Chief Executive
20 June 2022

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 NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles 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 Monitor NHS Foundation Trust Code of Governance.

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 at 31 March 2022 is detailed below:

Non-Executive Directors	
Alison Davis	**Chair**
Andrew Blakeman	Non-Executive director (Senior Independent Director)
Helen Smart	Non-Executive director
Heidi Travis	Non-Executive director
Haider Husain	Non-Executive Director
Professor James Tooley	Non-Executive Director (from April 2021)
Dr Luke James	Non-Executive Director (promoted from an Associate role in June 2021)

Executive Directors	
Professor Joseph Harrison	**Chief Executive**
John Blakesley	Deputy Chief Executive
Nicky Burns-Muir	Director of Patient Care and Chief Nurse
Dr Ian Reckless	Medical Director and Deputy Chief Executive
Emma Livesley	Director of Operations
Danielle Petch	Director of Workforce
Terry Whittle	Director of Finance
Kate Jarman	Director of Corporate Affairs (non-voting)
Jacqueline Collier	Director of Transformation & Partnerships (non-voting)

> *"The role of the Board, led by the Chair, is to provide effective and proactive leadership of the Trust"*

Other Board Members during 2021/22	
Nicky McLeod	Non-Executive Director (till January 2022)

2.1.2 Biographies of Board Directors

Biographies for individuals who were serving as directors on the Board as at 31 March 2022 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.

Andrew Blakeman, Non-Executive Director (Senior Independent Director from 1 March 2018) (Chair, Audit Committee)

Andrew joined the Trust in February 2016 for a three-year period and is currently in his second term of office. He is a Chartered Accountant and has worked for BP for over 20 years in a variety of senior financial roles, most recently as Chief Financial Officer for BP's UK petrol station business. Andrew was a non-executive director on the board of NHS Blood & Transplant from 2008 to 2016 and was Chair of the Governance and Audit Committee, which covered audit, risk, quality and clinical governance. He also sits on the Quality and Clinical Governance Committee of Public Health England. He lives in Oxfordshire.

Helen Smart, Non-Executive Director (Chair, Quality and Clinical Risk Committee)

Helen joined the Trust in March 2018. A nurse and health visitor by background, she has worked across the NHS since 1986, and has held a variety of senior Executive roles. These include: - Executive Director of Nursing and Operational Director for Learning Disability Services at Northamptonshire Healthcare Trust, Deputy Director of Commissioning for Primary Care at NHS Bedfordshire.

After 7 years in the role of Director of Community Services and Lead Nurse for South Essex Partnership University NHS Foundation Trust Helen retired in 2017. Since then, Helen has been operating as a consultant, and roles include working with the North Central London STP as Programme Director for the Care Closer to Home programme across five CCGs, Director for Community Services at Hertfordshire Partnership Foundation Trust, Transformation Consultant for Barnet, Enfield, and Haringey. Helen has also worked for the Department of Health, and in advisory roles for the CQC and at a Governmental level. Helen is passionate about the NHS and the delivery of excellent patient care and services. She lives in South Northamptonshire.

Heidi Travis, Non-Executive Director (Chair, Finance and Investment Committee)

Heidi joined the Trust 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

Haider joined the Trust 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.

Professor James Tooley, Non-Executive Director

James joined the Trust in April 2021. He was appointed Vice-Chancellor at the University of Buckingham on 1st October 2020, where he is also Professor of Educational Entrepreneurship and Policy. For two decades he was professor of education policy at Newcastle University, during which took five years' unpaid leave, to enable him to foster research-based entrepreneurial projects in education in the developing world. James was previously an academic at the Universities of Oxford and Manchester.

James' ground-breaking research on low-cost private education has won numerous awards, including gold prize in the first International Finance Corporation/ Financial Times Private Sector Development Competition, a Templeton Prize for Free Market Solutions to Poverty, and the National Free Enterprise Award from the Institute of Economic Affairs, London. His book based on this research, The Beautiful Tree: A personal journey into how the world's poorest are educating themselves", (Penguin), was a best-seller in India and won the Sir Antony Fisher Memorial Prize. Other of his books include Education, War and Peace and Liberty to Learn.

James has co-founded chains of low-cost schools in Ghana (Omega Schools), India (Cadmus Education), Honduras (Cadmus Academies) and, most recently, in England (Independent Grammar Schools). He is also involved with large associations of low-cost private schools, including as Patron of the Association of Formidable Educational Development (Nigeria) and Chief Mentor of the National Independent Schools Alliance (India). He lives in Buckinghamshire.

Dr Luke James, Non-Executive Director

Luke joined the Trust in May 2020 as an Associate Non-Executive and was appointed as a substantive Non-Executive Director in June 2021. Luke is currently the Group Deputy Chief Medical Officer for Bupa. He qualified in 1998 from UCL, is a qualified medical educator and appraiser and has over 20 years of clinical and management experience both within the NHS and private healthcare sector. He has also worked extensively in the medical insurance business both within the UK and globally. Luke has a strong background in clinical quality and governance having spent several years as a Milton Keynes CCG board member responsible for planned secondary care and primary care quality. He is passionate about advances in healthcare technology and the potential this has to improve quality and outcomes for patients. He is a keen sportsman and continues to play tennis and football.

Professor 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.

Nicky Burns-Muir, Director of Patient Care and Chief Nurse

Nicky joined the Trust in 2016 as Deputy Chief Nurse. Prior to this Nicky worked as a senior nurse for 10 years in district general hospitals as well as tertiary trusts. She has undertaken many roles in her career including Head of Nursing for Cancer at Great Ormond Street Hospital. Nicky has an MBA from Exeter University and a master's degree in Leadership in Health from Kingston University. Nicky is also a trained coach and uses her coaching style to champion leadership and professional standards in Nursing, Midwifery and Therapies in order to drive high quality care and patient experience.

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 a member of the HFMA Policy and Research Committee. Terry is a keen 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.

Jacqueline Collier, Director of Transformation & Partnerships

Jacqueline joined the Trust in March 2021. She moved back into the NHS after developing a depth of knowledge and experience over the last 12 years working in healthcare consulting where she led teams to deliver large scale hospital productivity and transformation programmes. In 2015, her work was recognised as she was awarded two national consulting awards - Performance Improvement Consultant of the Year and Overall Management Consultant of the Year, both awards across all sectors. Jacqueline is an alumnus of the NHS Graduate Management Training Scheme and worked for a period in operational management after completing the scheme. She has a 1st Class BSc in Biomedical Science from Sheffield University and an MSc in Healthcare Leadership and Management. Jacqueline is passionate about developing and supporting people to deliver sustainable change which will improve the experience of our patients.

2.1.3 Balance of Board Members and Independence

At the end of the financial year 2021/22, the Board of Directors comprised:

- Chair of the Trust
- Six further voting Non-Executive Directors
- The Chief Executive
- Six further voting Executive Directors
- Two non-voting Executive Directors

As at 31 March 2022, 50% of the Board of Directors were female (there were eight female and eight male Board members).

The Board of Directors does not have its full complement of voting Non-Executive Directors as the recruitment processes has not been completed for the successor of Nicky McLeod, who retired from the Board in January 2022.

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 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:

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

When there is a 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 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 non-executive director of the Trust.

A non-executive director may resign from their roles 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 2021/22.

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 Improvement 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 2022 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

	Board of Directors	Audit Committee	Charitable Funds Committee	Finance & Investment Committee	Quality & Clinical Risk Committee	Remuneration Committee	Workforce Development Assurance Committee	Council of Governors	Appointments Committee
Alison Davis	6/6		4/4	8/11	3/4	1/1		4/4	2/2
Andrew Blakeman	5/6	6/6			4/4	1/1		2/4	
Danielle Petch	6/6					1/1	3/3		
Emma Livesley	6/6			9/11	2/4				
Haider Husain	6/6	6/6	4/4			0/1	2/3	4/4	
Heidi Travis	6/6		4/4	11/11		1/1		2/4	
Helen Smart	5/6	5/6			3/4	1/1	1/3	2/4	
Dr Ian Reckless	5/6			8/11	4/4				
Professor Joseph Harrison	6/6			11/11	2/4	1/1		4/4	
John Blakesley	6/6								
Kate Jarman	6/6		4/4		4/4			2/4	
Nicky Burns–Muir	6/6				3/4				
Nicky McLeod	3/5				3/3	1/1	2/3	2/4	
Terry Whittle	5/6			10/11					
Jacqueline Collier	6/6								
Dr Luke James	5/6			6/9	4/4	1/1		3/4	
Professor James Tooley (From April 2021)	3/6			6/11		0/1		2/4	

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 Andrew Blakeman, a Non-Executive Director of the Trust. Mr Blakeman has relevant financial experience, and therefore has the skills and knowledge to effectively perform this role. During the course of 2021/22, the other permanent members of the Committee were Helen Smart and Haider Husain.

The Committee met virtually on six occasions during 2021/22. 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. 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 2021/22. 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 have provided external audit services to the Trust since April 2012 when it was engaged on a five-year contract. In December 2016, the Council of Governors commenced the process, through an open procurement competition, of appointing new auditors. In May

2017, the Council of Governors agreed that Deloitte would be reappointed as the Trust's external auditors for 3 years with effect from July 2017 till July 2020. The Council has since approved two 1-year extensions, and the final contract extension will end in July 2022.

For the 2021/22 audit, the Trust incurred statutory audit fees of £156,840 (including irrecoverable VAT) and no other auditor remuneration (including irrecoverable VAT).

The following steps were taken during 2021/22 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.
- The Trust and the auditors ensured that fees for the provision of non-audit services by the external auditors did not exceed 70% of the audit fee, as mandated by the updated Auditor Guidance Note 1 issued in December 2016. The external auditors also did not perform any of the prohibited non-audit services set out in the guidance note. Details of the fees that were charged for non-audit work have been disclosed in the external auditors' report, and no further fees were charged.
- The external auditors have continued throughout the year to review their independence and ensure that appropriate safeguards are in place. These include the rotation of senior partners and professional staff, and the involvement of additional partners and professional staff to carry out reviews of the work performed and to advise as necessary.

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 once in 2021/22.

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 2021/22.

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.

With the easing of the restrictions imposed as a result of the COVID-19 pandemic, members of the Council of Governors have begun to have limited engagement with members of the Trust and of the public. A Membership and Engagement Manager was seconded from the Communications Team to the Trust Secretariat in September 2021 to lead the implementation of a Governors' Member and Engagement Strategy. The Strategy was approved by the Council of Governors in November 2021, and steps were being taken to restore Governor engagement activity with the Trust's membership and general public.

2.2.1 Membership of the Council of Governors

The Council of Governors is chaired by the Trust Board Chair. It consists of thirteen Governors elected by public members of the Trust (four vacancies as at 31 March 2022) and representing different geographical constituencies, six Governors elected by staff of the Trust (no vacancies as at 31 March 2022), and four appointed Governors (no vacancies as at 31 March 2022).

The table at Appendix 2 (page **125**) lists the Governors and their attendance record at the three 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 Improvement 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 Improvement 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.

"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."

2.2.4 Elections

In 2021/22 elections were held for the following seats on the Council of Governors.

Date	Constituency (see Appendix 1 for key)	Result
November 2021	**PUBLIC:** Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	Martin Nevin (elected)
November 2021	**PUBLIC:** Hanslope Park, Olney, Sherington, Newport Pagnell	Shirley Moon (elected)
November 2021	**STAFF:** Non-Clinical Staff Groups (Admin & Clerical, Estates, Finance. HR, Management)	Stevie Jones (elected)
November 2021	**PUBLIC:** Linford South, Bradwell, Campbell Park	Deborah Lewis (elected)*

*NB Deborah Lewis resigned in December 2021 due to personal reasons.

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. However, for the majority of 2021/22, as a result of the COVID-19 pandemic restrictions, Governors were unable to visit the hospital site or attend internal or external meetings face to face, severely limiting the activities Governors would normally expect to participate in. Nevertheless, Council of Governors and associated meetings continued to be held virtually.

Development and knowledge-building opportunities were similarly curtailed but the 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. These included a comprehensive overview of the structure of the NHS; the statutory role and responsibilities of Governors; an overview of NHS finance; the importance of quality in healthcare; and key skills to hold the Board to account effectively.

Additionally, the Governors held virtual informal discussions with the Chairs of Board Committees and other Non-Executive Directors which helped provide assurance on the performance of the Board of Directors.

The Trust supported engagement by the Lead Governor with his 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. Active participation also continued with groups across the hospital that seek to improve the experience of patients with cancer. 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. As part of the refreshed Membership and Engagement Strategy, Governors reached out to the community, giving talks at various venues across Milton Keynes raising awareness of their role and the hospital's activities. Their presence on social media also increased.

In 2021/22 the Council of Governors meetings included presentations on topical issues such as developments within the integrated care system for Bedford, Luton and Milton Keynes, and the staff survey results. Governors received summary reports of the deliberations at Board Committee 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, in line with the Trust's Constitution, formally met four times during the year, (excluding the Annual Members' Meeting held in November 2021). Details of Governors' attendance at the four Council of Governors meetings held in 2021/22 are included in Appendix 2 (page **125**).

2.3 Membership

Milton Keynes University Hospital NHS Foundation Trust is committed to establishing and growing an effective and engaged membership, and during 2021/22, a number of steps including the appointment of a Membership and Engagement Manager have been taken to improve engagement with the Trust's membership.

In November 2021, the Council of Governors approved a Membership and Engagement Strategy which has a major objective of reversing the decline in public membership of Milton Keynes University Hospital Foundation Trust (MKUH FT). The other major objective is for the development of a membership database which was representative of those who were eligible to be members of the Foundation Trust.

Under the auspices of the Strategy, the Membership and Engagement Manager conducted a membership survey and database cleanse in March 2022. The survey provided a platform of responses and the engagement actions which need to be implemented, while the database cleanse resulted in a core public membership with whom the Trust could actively engage with. In 2022/23, the work to implement the Strategy would be stepped up to grow a diverse and engaged public membership.

2.3.1 Number and Analysis of Members

	2020/21	2021/22
Public constituency		
At year start 1 April	5382	5372
New members	28	63
Members leaving	38	3545*
At year end 31 March	5372	1890
Staff constituency		
At year start (1 April)	2997	3054
At year end (31 March)	3054	3831
Public constituency: Age (years)		
0-16	0	1
17-21	20	10
22+	2095	1200
Not declared	3257	679
Public constituency: Ethnicity		
White	4213	1418
Mixed	85	37
Asian or Asian British	342	159
Black or Black British	247	120
Other	71	35
Not declared	414	121
Public constituency: Gender		
Male	2097	779
Female	3275	1108
Undeclared	0	3

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

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 1890 public members and 3831 staff members on its membership register. The total membership is therefore 5721

2.3.3 Membership Recruitment and Engagement

In 2022/23, the work to implement the new Membership and Engagement Strategy would be stepped up to grow a diverse and engaged public membership. The implementation work would be conducted with the active support of the Council of Governors.

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 2021 and 31 March 2022. The Trust has not participated in any inspections by the CQC during the reporting period.

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.

Milton Keynes Clinical Commissioning Group

The Trust has established a working relationship with the CCG 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 addition, the Council has maintained Councillor Andy Reilly as it's representative on the Council of Governors.

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

Throughout 2021/22 collaboration continued as appropriate between the Council of Governors and 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.

Healthwatch Milton Keynes' CEO sits as an appointed governor on Milton Keynes Hospital's Council of Governors. Healthwatch Milton Keynes more generally supports the hospital with volunteers to undertake 15 steps and PLACE assessments, but this has continued to be postponed due to the Covid-19 pandemic. During this period Healthwatch Milton Keynes continued to liaise with the Trust, patient experience staff and the PALs team to ensure patients were supported with advice and information about accessing health services when they needed help. Healthwatch Milton Keynes supported the distribution of key messages from Milton Keynes hospital so that the public and patients were fully informed about the work of the Trust during the pandemic. Healthwatch Milton Keynes have also worked with the Trust to support awareness raising of hospital membership.

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 91% (59,051 in volume) and 93% (£166,160,366 in value). (2020-21 95% 55,862 in volume and 95% £148,724,333 in value).

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

(Not subject to audit)

For the Year Ended 31st March 2021			
	Number of Invoices Paid within 30 days	**Total Number of Invoices Paid**	**% Number paid within 30 days**
NHS	1,590	2,124	75%
Non-NHS	57,461	62,923	91%
Total	**59,051**	**65,047**	**91%**
	Value of Invoices Paid within 30 days	**Total Value of Invoices Paid**	**% Value paid within 30 days**
NHS	4,123,645	7,553,282	55%
Non-NHS	162,036,721	171,825,216	94%
Total	**166,160,366**	**179,378,498**	**93%**

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).

Public Contracts Regulations 2015: Regulation 113(7) Statutory Disclosure			
Financial Year 2021/22	**Percentage of commercial invoices paid within 5 days**	**Percentage of commercial invoices paid within 30 days**	**Total Amount of potential commercial liability from April 2021 £**
Full Year	1.93%	91.71%	297,826.65

(Not subject to audit)

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 Deloitte LLP 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 2022 there were no Trust Board members employed via non-payroll means.

A number of Board level changes took place in 2021/22. Professor James Tooley joined the Board as a Non-Executive Director representing the University of Buckingham in April 2021. In June 2021, Dr Luke James became a substantive Non-Executive Director in place of John Lisle who retired at the end of March 2021.

Nicky McLeod retired from the Board in January 2022 and steps are being taken to complete the recruitment processes for her replacement.

There were eight Non-Executive Directors and nine Executive Directors on the Board of Directors in 2021/22.

In 2021/22 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 **70** - **72**. They do not receive any other payments from the Trust.

2.6.2.1 Service Contract Obligations and Policy on Payment for Loss of 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 **44**. 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 **44** to **47**).

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 one occasion in 2021/22. Information on attendance is contained within the Directors' Report.

The Trust reviewed its remuneration practice relating to executive directors during 2019/20 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. In 2019/20, the Council reviewed the remuneration of Non-Executive Directors as it had remained at the same level for five years. The Council agreed that the remuneration of Non-Executive Directors should increase from £12,000 a year to £13,000 a year from 1 March 2020. The Council agreed that the remuneration of the Trust Board Chairman should increase from £45,000 to £47,100 upon the appointment of the next Chair. The Council also agreed that 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.

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 2021-22 was £200,000-£205,000 (*Restated 2020-21 £200,000-£205,000). There was no change between 2020-21 and 2021-22.

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.

*The highest paid director figure for 2020-2021 has been revised from £210-215k to £200-205k to remove the impact of payments for recycling contributions. This pension recycling allowance is now reflected in the pension benefits.

For employees of the Trust as a whole, the range of remuneration in 2021-22 was from £7,085 to £204,196 (**Restated 2020-21 £8,318 to £202,599). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 6.4%. No employee(s) received remuneration in excess of the highest-paid director in 2021-22.

**The range of remuneration amounts for 2020-2021 have been revised from £8,473 to £213,696 to £8,318 to £202,599 to reflect the review undertaken of the calculation, which was adjusted to reflect FreM requirements and to remove the impact of payments for recycling contributions which have been re-categorised to pension contributions.

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.

The difference in percentage change in average employee remuneration is caused by the trust introducing enhanced rates for bank staff which continued up until March 2022. Furthermore, as the data used is based on the reporting period end date, the Trust saw significantly higher annual leave payments in March 2022 compared to March 2021.

2021/2022	25th Percentile	Median	75th Percentile
Salary Component of Pay	£24,146	£33,267	£44,950
Total pay and benefits excluding pension benefits	£24,146	£33,267 (Prior year revised £31,988)	£44,950
Pay and benefits excluding pension: pay ratio for highest paid director	8.5	6.1 (Prior year revised 6.3)	4.5

For reference, the prior year figures have changed as per the below table.

2020/2021	Median (Original)	Median (Revised)
Salary Component of Pay	£34,234	£31,988
Total pay and benefits excluding pension benefits	£34,234	£31,988
Pay and benefits excluding pension: pay ratio for highest paid director	6.2	6.3

NB: Median and pay ratios have been restated to reflect the review undertaken of the calculation, which was adjusted to reflect FreM requirements

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
Andrew Blakeman	Non-Executive Director	Feb 2016	Mar 2022	1 month
Helen Smart	Non-Executive Director	March 2018	Feb 2024	1 month
Heidi Travis	Non-Executive Director	March 2018	Feb 2024	1 month
Haider Husain	Non-Executive Director	April 2020	March 2023	1 month
Professor James Tooley	Non-Executive Director	April 2021	March 2024	1 month
Dr Luke James	Non-Executive Director	June 2021	May 2024	1 month

Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Professor Joseph Harrison	Chief Executive	Feb 2013	N/A	6 months
Nicola Burns-Muir	Director of Patient Care and Chief Nurse	April 2019	N/A	6 months
Emma Livesley	Director of Operations	September 2019	N/A	6 months
Dr Ian Reckless	Medical Director	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	May 2014	N/A	6 months
Jacqueline Collier	Director of Transformation & Partnerships	March 2021	N/A	6 months

Other Board members during 2020/21

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Nicky McLeod	Non-Executive Director	Feb 2019	Jan 2022	1 month

2.6.5 Directors' Remuneration Report Statement 2020/21 (subject to audit)

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 2021/22

Name and Title	Year Ended 31 March 2022					
	Salary (Bands of £5,000) £000	**Taxable Benefits** (To the nearest £100) £000	**Annual Performance Related bonuses** (Bands of £5,000) £000	**Long term Performance Related bonuses** (Bands of £5,000) £000	**Pension Benefits** (Bands of £2,500) £000	**Total** (Bands of £5,000) £000
Professor 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	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 Chairman	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 2021) 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 Professor 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.

Salaries & Expenses - Directors Remuneration Statement 2020/21

Name and Title	Year Ended 31 March 2021					
	Salary (Bands of £5,000) £000	**Taxable Benefits** (To the nearest £100) £000	**Annual Performance Related bonuses** (Bands of £5,000) £000	**Long term Performance Related bonuses** (Bands of £5,000) £000	**Pension Benefits** (Bands of £2,500) £000	**Total** (Bands of £5,000) £000
Professor Joseph Harrison* Chief Executive Officer	200-205	0	0	0	10-12.5	210-215
Mike Keech (to November 2021)** Director of Finance	90-95	0	0	0	40-42.5	130-135
Sophia Aldridge (from November 2020 to February 2021) Interim Director of Finance	45-50	0	0	0	0	45-50
Terry Whittle (from February 2021)*** Director of Finance	10-15	0	0	0	2.5-5	15-20
John Blakesley****** Deputy Chief Executive	105-110	0	0	0	0	105-110
Danielle Petch******* Director of HR & Workforce Development	120-125	0	0	0	12.5-15	135-140
Dr Ian Reckless******** Medical Director	195-200	0	0	0	57.5-60	255-260
Emma Goddard Director of Service Development	0	0	0	0	0	0
Kate Jarman Director of Corporate Affairs	110-115	0	0	0	27.5-30	140-145
Caroline Hutton Director of Clinical Services	0	0	0	0	0	0
Emma Livesley Director of Operations	115-120	0	0	0	92.5-95	210-215
Nicola Burns-Muir******** Director of Patient Care/Chief Nurse	135-140	0	0	0	172.5-175	310-315
Jacqueline Collier (from March 2021) Director of Partnerships & Financial Efficiency	0-5	0	0	0	0	0-5
Simon Lloyd (to January 2021) Chairman	35-40	0	0	0	N/A	35-40
Alison Davis (from Feb 2021) Chairman	5-10	0	0	0	0	5-10

Salaries & Expenses - Directors Remuneration Statement 2020/21 (continued)

Name and Title	Year Ended 31 March 2021					
	Salary (Bands of £5,000) £000	**Taxable Benefits** (To the nearest £100) £000	**Annual Performance Related bonuses** (Bands of £5,000) £000	**Long term Performance Related bonuses** (Bands of £5,000) £000	**Pension Benefits** (Bands of £2,500) £000	**Total** (Bands of £5,000) £000
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
John Lisle (from April 2020 to March 2021) 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
Professor John Clapham (to June 2020) Non-Executive Director	0-5	0	0	0	N/A	0-5
Nicola McLeod Non-Executive Director	10-15	0	0	0	N/A	10-15

* The value of the salary remuneration for Professor Joe Harrison has been revised from £210-215k to £200-205k to remove the impact of pension recycling allowance received. This pension recycling allowance is now reflected in the pension benefits which has been revised from £0 to £10-12.5k.
** The value of the pension benefit is calculated as at 31 March 2021. As a result, the pension benefit for Mike Keech reflects an entitlement to additional NHS pension accrued whilst employed by another NHS organisation following his departure from the Trust on 9th November 2020, the value shown is the pro-rata of the full year benefit.
*** The value of the pension benefit is calculated as at 31 March 2021. As a result, the pension benefit for Terry Whittle reflects an entitlement to additional NHS pension accrued whilst employed by another NHS organisation following his commencement with the Trust on 24th February 2021, the value shown is the pro-rata of the full year benefit.
**** 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 value of the salary remuneration for Danielle Petch has been revised from £135-140k to £120-125k to remove the impact of pension recycling allowance received. This pension recycling allowance is now reflected in the pension benefits which has been revised from £0 to £12.5-15k.
******The value of the salary remuneration for Dr Ian Reckless has been revised from £200-205k to £195-200k to remove the impact of pension recycling allowance received. This pension recycling allowance is now reflected in the pension benefits which has been revised from £55-57.5k to £57.5-60k.
******* The salary amount for Nicola Burns-Muir in 2020-21 included additional payments of £14k relating to untaken annual leave sold back to the Trust.

Pension Benefits 2021/22

Name and Title	**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 2021** (Bands of £5,000) £000	**Lump sum at pension age related to accrued pension at 31 March 2021** (Bands of £5,000) £000	**Cash Equivalent Transfer Value at 1 April 2020** £000	**Real Increase in Cash Equivalent Transfer Value** £000	**Cash Equivalent Transfer Value at 31 March 2021*** £000	**Employer's contribution to stakeholder pension** £000
Terry Whittle Director of Finance	5-7.5	7.5-10	30-35	45-40	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
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

NOTES
* 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. Professor Joseph Harrison, John Blakesley and Danielle Petch chose not to be covered by the pension arrangements during the reporting year.

Pension Benefits 2020/21

Name and Title	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 2021 (Bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2021 (Bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2020 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2021* £000	Employer's contribution to stakeholder pension £000
Mike Keech Director of Finance (to Nov 2020)	2.5-5	0	10-15	N/A	75	16	113	12
Terry Whittle Director of Finance (from 24th February 2021)	0-2.5	0-2.5	20-25	40-45	265	4	303	2
Nikki Burns-Muir Director of Patient Care	7.5-10	17.5-20	45-50	135-140	811	168	997	18
Caroline Hutton Director of Service Improvement	2.5-5	0-2.5	50-55	105-110	915	45	980	20
Kate Burke Director of Corporate Services	0-2.5	0	20-25	30-35	260	10	286	16
Emma Goddard Director of Service Improvement	0	0	15-20	N/A	187	0	193	9
Ian Reckless Medical Director	0-2.5	2.5-5	45-50	105-110	709	35	771	11
Emma Livesley Director of Operations	5-7.5	7.5-10	30-35	65-70	470	75	562	17

NOTES

* 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

**** Kate Burke (Director of Corporate Services) is the same as Kate Jarman (Director of Corporate Affairs)

Please note: The table only reflects the Executives who are currently in the pension

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

Name and Title	Year Ended 31 March 2021	
	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
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 Transformation & Partnerships	0	0
Alison Davis (from February 2021) 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 2021) Non-Executive Director	0	0
Nicola McLeod Non-Executive Director	0	0
Professor James Tooley Non-Executive Director	0	0

Directors' Expenses 2020/21 (not subject to audit)

Name and Title	Year Ended 31 March 2021	
	Other non-taxable expenses (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Professor Joseph Harrison Chief Executive Officer	400	100
Mike Keech (to November 2020) Director of Finance	0	0
Sophia Aldridge (from November 2020 to February 2021)	0	0
Terry Whittle (from February 2021)	0	0
John Blakesley Deputy Chief Executive	0	0
Danielle Petch Director of HR & Workforce Development	0	100
Dr Ian Reckless Medical Director	100	0
Emma Goddard (to December 2020) Director of Service Development	0	0
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 (from March 2021) Director of Transformation & Partnerships	0	0
Simon Lloyd (to January 2021) Chairman	0	0
Alison Davis (from February 2021) Chair	0	0
Haider Husain Non-Executive Director	0	0
Andrew Blakeman Non-Executive Director	0	0
John Lisle (from April 2020 to March 2021) Non-Executive Director	0	0
Helen Smart Non-Executive Director	0	0
Heidi Travis Non-Executive Director	0	0
Professor John Clapham (to June 2020) Non-Executive Director	0	0
Nicola McLeod 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. As, in-person engagements with members of the Trust and of the public, as well as on-site meetings were limited in 2020/21 and 2021/22 due to the COVID-19 pandemic, Governors did not claim any expenses.

Professor Joseph Harrison
Chief Executive
20 June 2022

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 the HM Treasury requirements, some previous accounts disclosures relating to staff costs are now required to be included in the staff report section of the annual report instead. The following tables link to data contained in the FTC and are included here for ease of formatting for the annual report. They should not be included in the annual accounts and these tables are not a complete list of numerical disclosures for the staff report.

Staff costs			2020/21	2019/20	2018/19
	Permanent	Other	Total	Total	Total
	£000	£000	£000	£000	£000
Salaries and wages	153,114	1,928	156,651	138,536	127,341
Social security costs	17,310	0	15,985	14,803	13,887
Apprenticeship levy	729	0	742	694	654
Employer's contributions to NHS pensions	17,841	0	16,579	15,321	14,562
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	7,765	0	7,214	6,656	0
Other employment benefits	0	0	13	0	0
Temporary staff	0	8,463	2,796	8,957	9,676
Total gross staff costs	**196,759**	**10,391**	**199,980**	**184,967**	**166,120**

2.7.2 Analysis of Average Staff Numbers (Not subject to audit)

	Assignment Category				
Staff Group	**Fixed Term Temp**	**Non-Exec Director / Chair**	**Permanent**	**Zero Hour Locum / Bank**	**Total Headcount**
Add Prof Scientific and Technic	2	-	124	34	160
Additional Clinical Services	23	-	611	389	1,023
Administrative and Clerical	36	8	802	144	990
Allied Health Professionals	14	-	181	23	218
Estates and Ancillary	1	-	354	60	415
Healthcare Scientists	1	-	84	21	106
Medical and Dental	205	-	277	368	850
Nursing and Midwifery Registered	21	-	1,088	207	1,316
Grand Total	**303**	**8**	**3,521**	**1,246**	**5,078**

Average number of employees (WTE basis) (subject to audit)

			2021/22	**2020/21**
	Permanent	**Other**	**Total**	**Total**
	Number	Number	Number	Number
Medical and Dental	491	29	**520**	501
Administration and Estates	663	111	**774**	770
Healthcare assistants and other support staff	827	162	**989**	940
Nursing, midwifery and health visiting staff	921	187	**1,108**	1,057
Scientific, therapeutic and technical staff	272	24	**296**	283
Healthcare science staff	75	11	**86**	82
Total average numbers	**3,249**	**524**	**3,773**	**3,633**

The following is a breakdown of staff by gender:

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

Staff	**Female**	**Male**	**Total**
Directors	7	8	15
Other Senior Managers	0	0	0
Employees	3086	829	3915
Total	**3093**	**837**	**3930**

As at 31 March 2022, the Trust Board comprised six non-executive directors and one chair (four males and two females) and nine executive directors (four males and five females).

"The health and wellbeing of our staff continues to be a top priority for the Trust, in terms of improving workforce effectiveness and its effect on patient care and experience."

2.7.3 Absence rate for year to 31/03/2022

Sickness Absence - 2021/22

Trust Absence 12 months to 31 March 2020	**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	64,381	1,216,294	5.29%	2.28%	3.01%	8,138

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. Repeated waves of covid have had a significant impact on absence rates for staff, with a high level of absence from December through to March. Cases of long-term covid and long-absences due to delays in treatment as a result of the pandemic have been treated sensitively, with extended phased returns to work being put into place to improve retention. The Trust has therefore remained above its target of 4% in 2021/22 and plans are in place to support a return to pre-covid levels of absence in line with policy.

2.7.4 Expenditure on consultancy

The Trust did not incur any expenditure on consultancy in 2021/22.

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 2021/22 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 committed 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 its Workforce 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 Trust has various means of supporting employees to continue their employment and receive training and retraining in the event that they should become disabled persons during their Trust employment. A comprehensive Sickness Absence and Attendance policy, 'Working with Disabilities' guidance and the newly adopted 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, HR Advisor and HR Business Partner input. 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 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 our 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 concurrent to messaging via a popular and prevalent mobile phone instant messaging system.

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 fifth annual Event in the Tent in June 2021 was held via 'Live' 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. The Armed Forces Covenant was signed during the event to strengthen the Trust's commitment to working with veterans and their families to provide improved healthcare resources and job opportunities. Such engagement activities have become increasingly important in 2021/22 as the Trust has sought to celebrate its successes, with its first online Staff Awards Ceremony held in November, meaningfully engaging its staff, and ensuring that mission critical information is disseminated at scale and pace in the changing landscape of the pandemic e.g. use of Personal Protective Equipment, the repurposing of ward areas, Covid-19 related studies, testing and staff helplines.

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 November 2021. 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 was greatly strengthened in 2021/22 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 introduced a number of new policies this year, either to support its enhanced benefits package or to provide structure and clarity on workforce matters.

In 2021/22, two new policies were published to provide options for employees to manage their annual leave entitlement flexibly, specifically the Buying & Selling of Annual Leave Policy, and the Lifetime Annual Leave Account Policy. These policies provide employees with a new and innovative way to flex how they use their entitlement, either by buying or selling leave, or by reserving a portion in a leave account for use in later annual leave years to book as a large block of leave or as and when required. As staff add to their banked leave each year, this gives them the possibility of saving up holiday time to take a longer trip abroad, or have a summer holiday off with the family. Both policies have been well received by staff.

The Trust also introduced a #TeamMKUH Reservists for Emergency Redeployment Policy which provides non-clinical employees with the opportunity to volunteer in 'mission critical' roles during serious incidents and/or times of increased site pressure. This was particularly valuable during the 2021/22 winter period, with non-clinical staff supporting wards with key tasks such as restocking supplies, handing out meals, and providing patient comfort and companionship.

Other published policies this year include a Death in Service Policy and Procedure, which outlines the process when an employee passes away and details the support available, in addition to a Right to Work Policy and Procedure, which formalises the process for managing right to work checks.

As per national requirements, the Trust made adequate preparations for the legal requirement for patient facing employees to have received two doses of an MHRA approved Covid-19 vaccine prior to 01 April 2022. These preparations included an extensive programme of obtaining and verifying employee vaccination records, in addition to the development of a Vaccination as a Condition of Deployment (VCOD) Policy and Procedure. The VCOD requirements were ultimately overturned by the Government and not implemented, however the Trust had taken all appropriate steps to ensure that it was prepared for the implementation.

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 2021/22. 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
26	23.56

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 2021/22 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%	5
1-50%	21
51%-99%	
100%	

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 2021/22

Description	Figures
Total cost of facility time	£33,248.86
Total pay bill	£1,501,551.87
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	2.21%

Table 4 – Paid trade union activities

Table 4 provides the number hours spent by employees who were relevant union officials during 2021/22 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

3.07%

2.7.7 Health and Safety Performance and Staff Health and Wellbeing

In line with national and regional guidelines, the health and wellbeing of our staff continues to be one of the main priorities for the Trust. This was acknowledged as a critical requirement as the Covid 19 pandemic continued, with the sustained recognition that staff required responsive health and wellbeing support. The pandemic has had a significant impact on the physical, mental and psychological health of all staff, which has compelled the NHS and the Trust to put a much greater focus on health and wellbeing, therefore within the strategic workforce direction for 2021/22, targeted support has continued to be delivered via core Staff Health and Wellbeing initiatives and promotion.

The Covid Staff helpline was maintained by the Staff Health and Wellbeing team, offering advice and support to staff and managers on a range of issues such as isolation requirements, risk assessment processes, and coordination of PCR testing. The Trust continued its participation in asymptomatic Lateral Flow Testing in 2021/22. The team also managed the Trust's staff PCR testing (swabbing) process which was offered at various locations across the Trust to ensure that colleagues and household members could have quick, direct and responsive access to testing in line with Government criteria and as required, to support advice to enter isolation and/or a quick return to the workplace. Quick-turnaround Covid tests were given onsite to critical healthcare workers who met the testing criteria to ensure that patient services were not adversely affected by unnecessary covid-related self-isolation absence due to pending test results.

All staff were asked to complete a Covid-19 individual risk assessment. The risk assessments were carried out by the staff member and their manager and for staff with certain medical conditions, these were reviewed by the Divisional Triumvirate and then forwarded to the Trust Risk Assessment Panel, which consisted of an Executive Director, Occupational Health and HR. The risk assessment process was reviewed regularly as guidance from NHS Employers changed and staff were supported with transitioning back into their substantive roles and responsibilities through the year.

In October 2021, 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 high number of frontline healthcare workers receive the vaccination both internally and externally via their GP or local Pharmacy, reaching 81% 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 supported managers and staff through the development of a toolkit to support those who were hesitant to have the Covid-vaccine. Q&A sessions were run to publicise

vaccination benefits, as well as additional onsite vaccination clinics, including a bespoke clinic for those with hesitancy related to phobias. Managers were given the tools to lead and hold one to one conversations with their staff to provide reassurance and information on vaccination to better inform their choices.

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. In June 2021, the counselling service was able to return to face-to-face sessions within the department which enabled 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 is also now available to work with staff within our critical care and respiratory departments on a weekly basis. The Trust has also benefited from the support of a retired OH Physician who is working voluntarily with staff to offer a peer listening service. A Q&A in relation to PTSD was delivered to staff within the Critical Care Unit.

Other initiatives offered to staff included 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. This has been particularly valuable throughout the pandemic.

The Long Covid Support Group has continued to bring together sufferers of Long Covid and provide support and practical advice for the management of their condition. The Trust's Therapies team collaborates with the group and individuals, providing specialist advice about reasonable adjustment for workplaces.

In March 2021, the Trust closed its Covid vaccination site as hubs and community clinics took on the wider vaccination programme. In September 2021 the Trust re-opened its staff Covid vaccination hub as part of its Protect and Reflect event, where staff could book a slot to have their flu and covid vaccinations, as well as complete their staff survey. The vacination site closed in November 2021. During December 2021, the Trust collaborated with the ICS and colleagues in the community to re-open an MKUH Covid Vaccination Hub at Milton Keynes - Saxon Court, to meet increased public demand following national announcements to expand the Covid Booster Programme.

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 2021, several key features are planned including a staff physiotherapy early intervention service for colleagues suffering with musculoskeletal complaints. 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, as engaged employees are more likely to be productive and higher performing, with greater job satisfaction and higher morale.

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 areas where we can improve through our own development.

The 2021 Staff Survey was undertaken between September and November 2021 as part of the Trust's Protect and Reflect Event, where colleagues were provided with the opportuntiy 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 Quality Health and initial responses were received in February 2022, with the final national results being released 30 March 2022.

MKUH belongs to the Acute and Acute & Community sector and is compared with and benchmarked against 126 other Acute and Acute Community Trusts.

2021 NHS Staff Survey

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

Organisation details

1,589 completed questionnaires

42% 2021 response rate

Benchmarking group details

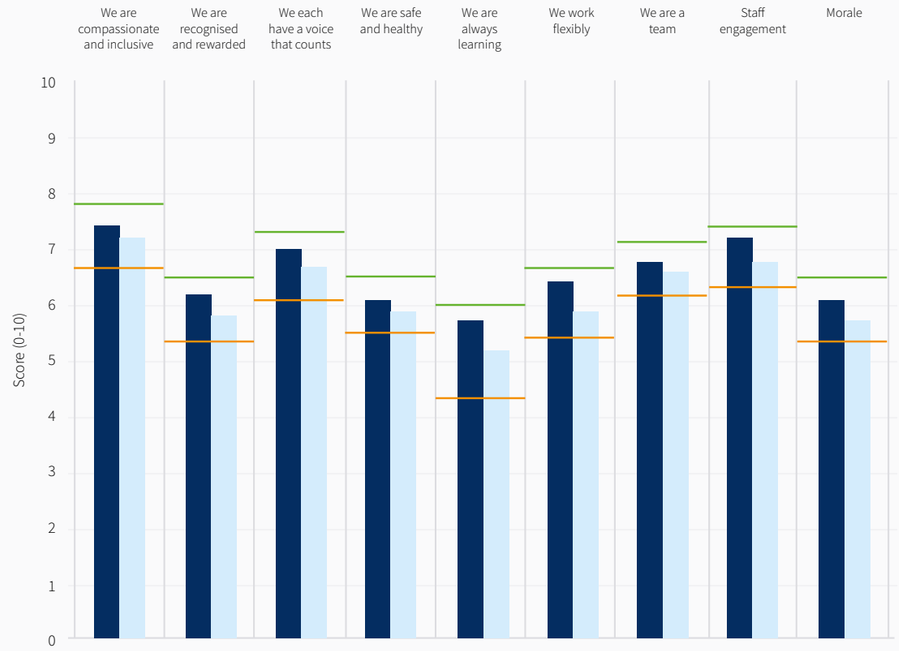
126 organisations in group

46% median response rate

444k completed questionnaires

The MKUH response rate for the 2021 Staff Survey was 42.5%, compared to 45.5% in 2020. Scores for each indicator, together with that of the Acute and Acute Community Trusts benchmarking group of 126 organisations are presented below:

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



Best	7.8	6.5	7.3	6.5	6.0	6.7	7.1	7.4	6.5
Trust	7.4	6.2	7.0	6.1	5.7	6.4	6.8	7.2	6.1
Average	7.2	5.8	6.7	5.9	5.2	5.9	6.6	6.8	5.7
Worst	6.7	5.3	6.1	5.5	4.3	5.4	6.2	6.3	5.3
Responses	1,573	1,572	1,522	1,525	1,418	1,550	1,567	1,576	1,575

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	2020		2019	
	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
Equality, diversity and inclusion	**9.0**	**9.1**	**9**	**9**
Health and wellbeing	**6.4**	**6.1**	**5.8**	**5.9**
Immediate managers	**7.0**	**6.8**	**6.8**	**6.8**
Morale	**6.4**	**6.2**	**6.2**	**6.1**
Quality of appraisals	**Not asked in 2020**		**5.6**	**5.6**
Quality of care	**7.7**	**7.5**	**7.6**	**7.5**
Safe environment – bullying and harassment	**8.1**	**8.1**	**7.9**	**7.9**
Safe environment – violence	**9.3**	**9.5**	**9.3**	**9.4**
Safety culture	**6.8**	**6.8**	**6.7**	**6.7**
Staff engagement	**7.3**	**7.0**	**7.1**	**7**

Please note, it has not been possible to add the 2021 results into the table as the quesitons and groupings were amended in 2021. Please see previous table above for the 2021 results.

Summary of our Achievements:

- MKUH achieved the top score for motivated staff
- The Trust outperformed the vast majority of the comparator Trusts with only 4 questions out of 111 where MKUH performed 'worse' than the sector as whole
- 73 scores were significantly better than the sector comparators
- MKUH scored significantly better than the sector average for staff engagement and morale.
- There were score improvements in staff feeling that the organisation acts fairly with regards to career progression/promotion
- There were significant score improvements for staff feeling that they have a voice that counts
- The Trust made improvements in staff feeling personally discriminated at work by other staff

The next steps as a result of the 2021 survey are:

1. Utilise the Staff Survey Goes Large approach, as rolled out in previous years to share and review department level data with each team.
2. Continue the work to address staff working additional hours and to reduce violence and aggression.
3. Continue to work with the networks and management teams to address discrimination.

This is a good staff survey when taken in the context of Covid-19 and the challenging time staff have experienced. Even though MKUH appears to slip backwards against last year's results the Trust still outperformed comparator Trusts. Areas for improvement remain as they have been in previous years, with no new development areas emerging. The improvement work planned as a result of the survey complements the Trust's Organisational Development approach and aligns with its local NHS People Delivery Plan.

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 we think are most important to improve upon, which are questions which were decreasing in scores or in the 20% lowest percentiles.

1. Utilise the Staff Survey Goes Large 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 better manage staff and allocating work fairly. This will include analysis of eRostering utilisation and 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, feedback sessions from staff 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 next year's survey:
6. Repeat this year's success of the Protect and Reflect event, working from late summer 2022 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.
7. Feedback and progress reports will be shared with Workforce Board and updates to the Workforce Development and Assurance Committee and Trust Executive Committee throughout 2022.

2.7.9 Off-payroll Engagements

The Trust has engaged in two off-payroll arrangements in 2021/22.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2022, earning £245 per day or greater	2021/22 Number of engagements
No. of existing engagements as of 31 Mar 2022	**2**
Of which:	
Number that have existed for less than one year at the time of reporting	2
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 2022 earning £245 per day or greater	2021/22 Number of engagements
Number of new engagements, or those that reached six months in duration, between 01 Apr 2021 and 31 Mar 2022	**1**
Of which	
Number assessed as within the scope of IR35	1
Number assessed as not within the scope of IR35	0
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 2021 and 31 Mar 2022	2021/22 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
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

No exit packages were paid by the Trust in 2021/22, whether through compulsory redundancy, voluntary redundancy, or any other type of agreed exit package.

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 2021.

The Trust remains committed to providing an environment equally welcoming to people of all backgrounds, cultures, nationalities and religions. Our 'We Care' values were developed in 2018/19 and an extensive Trust-wide consultation and engagement programme in 2021 has helped underpin those values with a new set of objectives and behaviours that the Trust commits to.

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 established its first staff network in 2017/18 (Pride @ MKUH) and now has a total of eight 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 since 2019/20, 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.

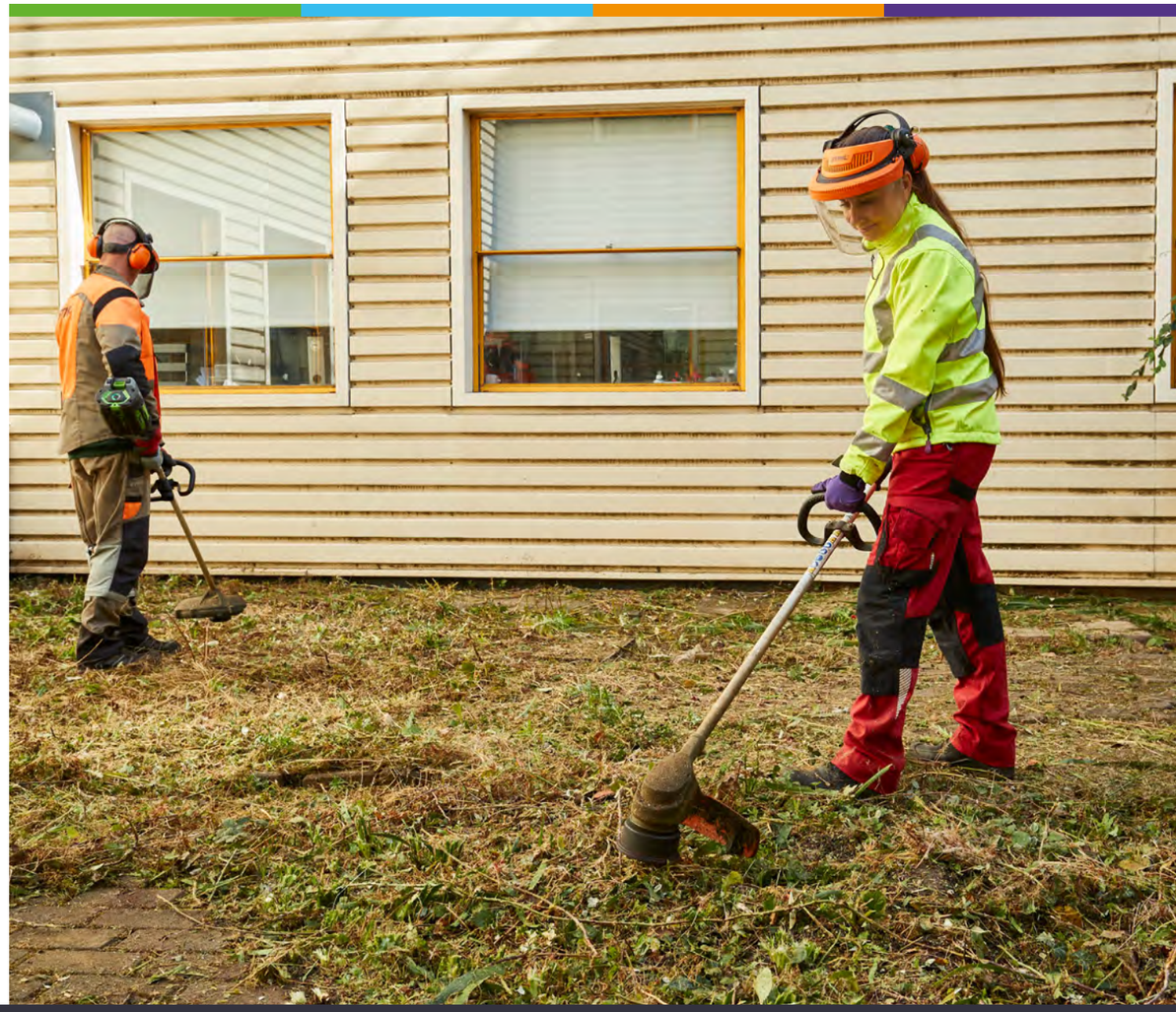
The networks are critical to improving the collective voice of the organisation and have also been involved in the delivery of actions aligned to the various statutory Equality, Diversity and Inclusion such as WRES, WDES, and Gender Pay Gap reports which can be found here: https://www.mkuh.nhs.uk/about-us/public-documents/equality-and-diversity

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 2021/22 as the Trust seeks to improve its breadth of understanding and influence on the diversity of its colleagues. A cultural intelligence programme has been commissioned with 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 2022.

In conjunction with the networks, the Trust has undertaken a number of key actions in 2021/22 to drive the equality agenda forward:

- Development or WRES/WDES action plans and infographics
- Development of a Disability Inclusion Plan
- Roll out of rainbow lanyard scheme
- Creation of LGBTQ+ allyship framework
- Coaching and mentoring support for BAME employees
- Implementation of Chief Nurse Fellowship scheme for BAME employees
- Development of Menopause Policy and Procedure
- Extensive community outreach

The percentage of staff feeling discriminated against due to their ethnicity has decreased by 0.5% according to the staff survey (question 16c). The percentage of staff feeling discriminated against due to a disability has decreased by 2.7% according to the staff survey (question 16c). 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.



2.7.12 Workforce Resourcing

In 2021/22 the Trust continued to pursue automation and use of electronic systems to improve the efficiency of its resourcing activity. Over the last year, under the Workforce Strategy and Plan and the NHS People Plan, specific improvements have been made to the onboarding of staff, recruitment and retention packages, increase in staff bank recruitment, staff retention, turnover, and staff engagement metrics. At the end of the financial year, the Trust's turnover rate was 11.2% against its threshold of 10%. Whilst enjoying a relatively stable workforce during the pandemic, trends for turnover started to return to pre-covid levels as staff begin to feel ready to explore new challenges. Similarly, the Trust's stability rate reduced to 84.8%, reflecting this change. The vacancy rate at year end decreased to 8.1%, despite an increase in establishment and an additional headcount of 105 compared to the previous year.

The 2021/22 resourcing highlights and project work are as follows:

- High volume recruitment has continued throughout the pandemic to meet increasing establishment demands
- An extensive international nurse recruitment programme started with the first cohort arrival in January 2022 with 41 nurses commenced by year end.
- The recruitment team have been showcasing the Trust at recruitment events including the MK Jobs Show.
- The streamlining of recruitment processes including factual references, telephone shortlisting support for line-managers, automatic re-advertising for unsuccessful posts has improved recruitment times.
- Fast-tracking onto the bank for student nurses on placement at MKUH.
- A 'refer a friend' scheme has been created with launch date in 2022/23.
- A review of recruitment processes with the networks to ensure inclusivity has begun.
- Introduction of a new recruitment and retention initiative process for assessing 'Hard to Recruit' posts and designating them an associated premia.
- Time-limited application of a variety of enhanced bank rates to respond to fluctuations in demand for critical areas and departments
- Development of the staff benefits portal, these include a car leasing scheme with two additional providers added in 2021/22, purchase of electrical goods, enhanced Employee Assistance Programme and counselling and health and wellbeing support.

The Trust continues to grow its reputation as a regional employer of choice and views its resourcing challenge as an opportunity to reach out to our community and build a diverse workforce which reflects the community we serve. The Trust issues an increasing number of honorary contracts to visitors who want to find out more about the work we do in the Trust, along with placements of students, work experience, observerships and apprenticeships, helping to build regional reputation and promote the employment offering.

> *"The Trust continues to build its reputation as a regional employer of choice and views its resourcing challenge as an opportunity to reach out to our community and build a diverse workforce which reflects the community we serve."*

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 – 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%

In November 2021 face to face Corporate Trust Induction restarted after a 20-month gap due to Covid restrictions. Collaboration with the Practice Education and Projects team has led to the creation of a significant number of online courses for the Trust. Most Statutory and Mandatory training continues to be 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 was sustained in 2021/22 despite the impact of Covid-19 on our workforce. The appraisal system has been enhanced by the addition of Health and Wellbeing Conversations as per the NHS People Plan, the advent of 'mini-appraisals' at 6 months for new starters and the Trust's Probationary Period Policy.

The table below illustrates that although the annual appraisal compliance rate at the end of each quarter:

	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%

During the pandemic, development programmes reverted to online teaching which were enhanced by small presentation events such as the 'Leaders Engaging in Action' programme.

In 2021/22 over 250 requests for Continued Professional Development funding were received and approved. An in-house multi-professional mental health training programme was developed, using part of the annual CPD allocation to second a Mental Health Practitioner.

The Trust, in partnership with the University of Buckingham, hosts an independent Medical School. The first medical students commenced preclinical training at the University in January 2015. In March 2022, the Trust welcomed 60 new medical students to the Trust. In the same month, 36 students sat their Final Professional Exams which the Trust was able to host successfully in the Academic Centre for the first time since March 2019. Results are eagerly awaited in preparation for Graduation in Summer 2022. There will be 77 students graduating over the next six months, with 36 students currently on placement at MKUH.

2.7.15 Widening Participation

MKUH currently has 123 members of staff enrolled onto apprenticeship programmes. During 2021/22, 80 individuals commenced on programme and the Trust has exceeded the Public Sector Target for the first time this year, hitting 2.42% apprenticeship starts in 2021/22 as a proportion of the Trust's total headcount.

The Education and Skills Funding Agency have described the Trust as an exemplar employer regarding widening participation. Data from the 'End of Programme Apprenticeship Survey' showed:

- 93% felt they were well supported by their managers
- 92% felt they were supported well by the Apprenticeship Team
- 93% of apprentices would consider completing another apprenticeship at MKUH
- 83% would recommend an apprenticeship to friends, family & colleagues.

Work experience was reinstated in July 2021 and the Trust hosted 56 students for placement in a mixture of non-clinical and clinical settings. Health Education England have featured the Trust as a case study, as MKUH are one of only a few Trusts who have re-established these programmes. 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. MKUH became a signatory for the 'Care Leaver Covenant', providing NHS career advice and guidance to care leavers in the southeast and London regions; the team have supported 26 individuals to access functional skills provision, of which so far 13 have successfully passed their Maths and English exams.

Workforce and OD Teams have collaborated with the Princes Trust on an employability project called 'Get into Health'. The Trust has provided NHS Careers and employability skills sessions and candidates were offered guaranteed interviews for Health Care Support Worker posts.

93% of apprentices felt they were **well supported** by their managers

3 Code of Governance Disclosures

3.1 - 3.2 Regulatory Disclosures **98**

3.3 Statement of the Chief Executive's Responsibilities as Accounting Officer **99**

Monitor Code of Governance

Milton Keynes University Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors considers that it was compliant with the provisions of the revised Monitor NHS Foundation Trust Code of Governance.

As per 'The NHS Foundation Trust Code of Governance' (updated July 2014),

'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/NHS Improvement Oversight Framework

NHS England/NHS Improvement'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 2022, 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 Improvement 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 Improvement.

NHS Improvement, 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 Improvement, 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.

Professor Joseph Harrison
Chief Executive
20 June 2022

4 Annual Governance Statement 2021/22

Annual Governance Statement 2021/22

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively.

I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of 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 2022 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:

1. Keeping you safe in our hospital
2. Improving your experience of care
3. Ensuring you get the most effective treatment
4. Giving you access to timely care
5. Working with partners in MK to improve everyone's health and care
6. Increasing access to clinical research and trials
7. Spending money well on the care you receive
8. Employ the best people to care for you
9. Expanding and improving your environment
10. 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.

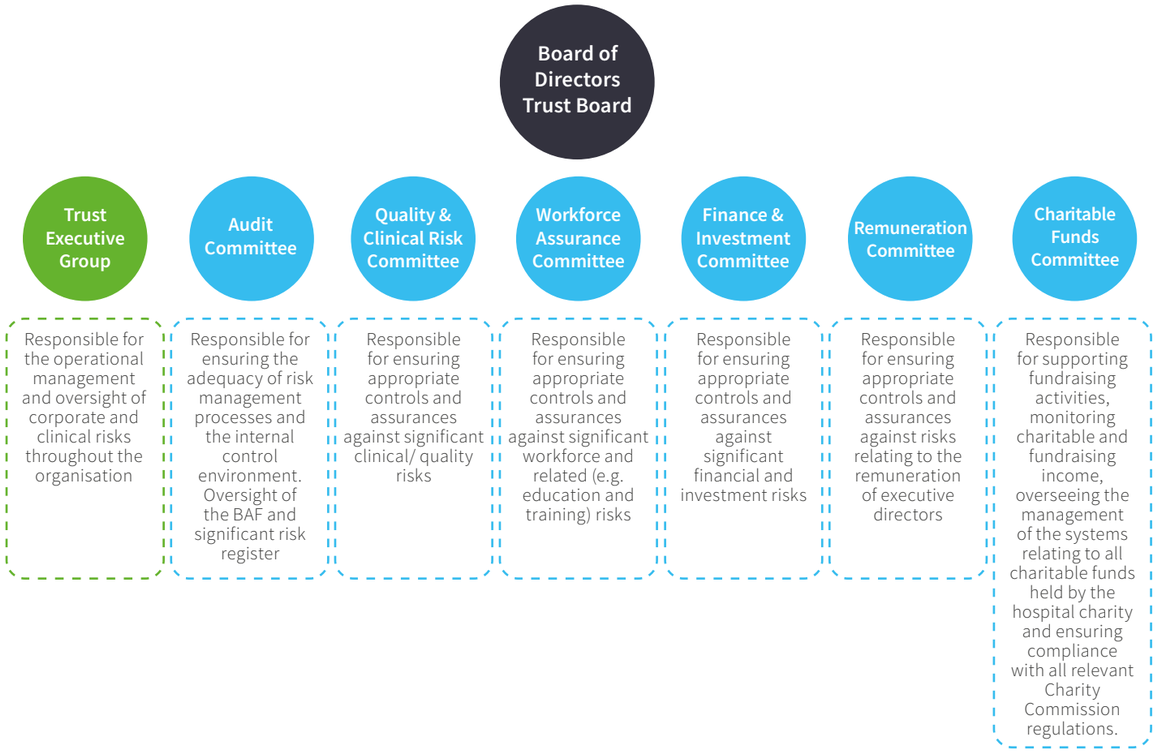
Board Committees

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 organization.



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.

The Trust has an established Risk and Compliance Board (RCB) which meets monthly and is chaired by the Director of Corporate Affairs. 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.

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 the last year, dealing with the COVID-19 pandemic, risk management has included managing a dynamic risk environment of pressing operational risks. These have been managed through the Bronze/ Silver/ Gold incident command structure, that is a requirement during a Level 4 national incident (and is described and prescribed through the Emergency Preparedness Response Framework). This has led 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.

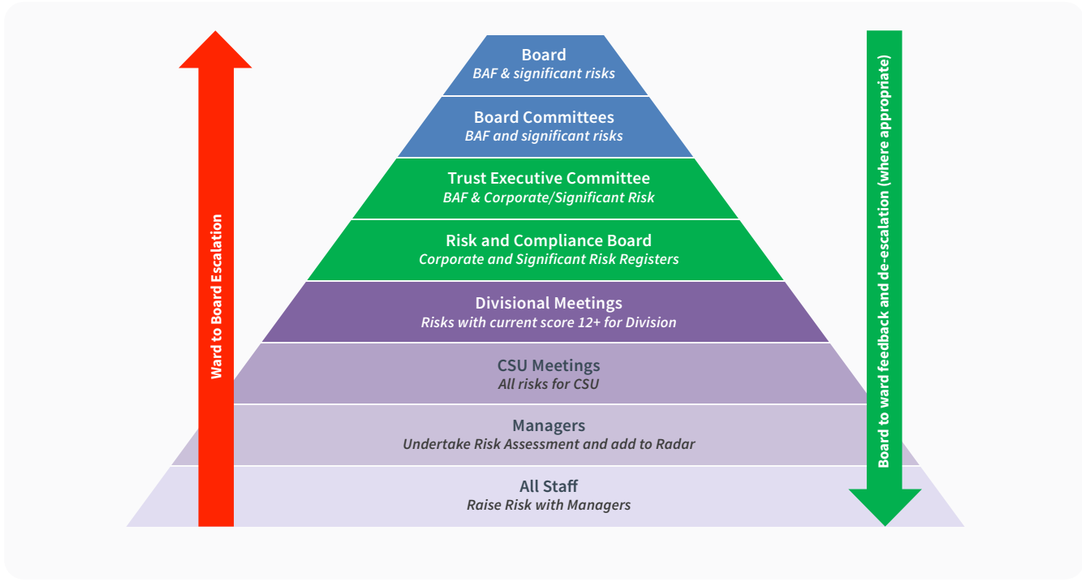
Organisationally, good practice and learning identified through risk assessments and incidents is shared through routine communications, training, meetings, briefing and de-briefing sessions and committees.

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 Improvement and Care Quality Commission combined Well-Led Framework. The Trust was inspected under the Well Led Framework by the CQC and NHS Improvement 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 2021/22. Data security (compromise through deliberate attack; and breach through inadequate controls) are risks on the Board Assurance Framework which 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 at the end of the 2021/22 financial year:

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
1	Quality & Clinical Risk Committee	Director of Operations	If the Trust's ED does not have adequate staffing and estate capacity, and effective escalation plans, it will not be able to maintain patient safety during periods of overwhelming demand.	4x4=16	4x2=8	• Clinically and operationally agreed escalation plan • Adherence to national OPEL escalation 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.
2	Quality & Clinical Risk Committee	Medical Director	If an effective reporting, investigation and learning loop is not established and maintained, the Trust will fail to embed learning and preventative measures following serious incidents/ Never Events.	4x4=16	4x2=8	• Improvement in incident reporting rates • SIRG reviews all evidence and action plans associated with Sis • Actions are tracked • Trust-wide communications in place • Debriefing systems in place • Training available • Appreciative Inquiry training programme started (December 2020) • Commencement of patient safety specialist role (April 2021)
3	Quality & Clinical Risk Committee	Medical Director	If the Trust is unable to accurately predict demand (for example, relating to the COVID-19 pandemic) and re-purpose its resources (physical, human and financial) with agility, the Trust will fail to manage clinical risk during periods of sustained or rapid change in the level or type of demand.	4x4=16	4x2=8	• Board approved major incident plan and procedures. • Rigorous monitoring of capacity, performance and quality indicators. • Established command and control governance mechanisms. • Gold (Daily) Level 3/4 Incident management.
4	Quality & Clinical Risk Committee	Deputy CEO	If the Trust does not carefully manage its significant digital change programme, then the delivery of clinical services will be impaired.	4x2=8	4x2=8	• Robust governance structures in place with programme management at all levels • Clinical oversight through CAG • Thorough planning and risk assessment • Regular review of resourcing • Regular review of progress • Risks and issues reported • Track record of successful delivery of IT projects
5	Quality & Clinical Risk Committee	Director of Operations	If the Trust is unable to provide capacity to match demand for elective care, (such as for cancer and screening programmes), there is a risk that this could lead to patient harm.	5x4=20	5x2=10	• Compliance with national guidance. • Granular understanding of demand and capacity requirements with use of national tools. • Robust oversight at Board, and Board Committees. • 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 • Use of the Independent Sector. • Extension of working hours and additional waiting list initiatives to compensate capacity deficits through distancing and Infection Prevention and Control requirements. • Additional capacity being sourced, and services reconfigured.
6	Quality & Clinical Risk Committee	Medical Director	If the Trust does not establish and maintain effective capacity management processes it will be unable to cope with high demand for ITU and inpatient care during a public health crisis (or due to the COVID -19 pandemic).	5x2=10	5x2=10	• Real time visibility of regional demand/ capacity. • Increased capacity across the hospital. • Increased capacity for ITU. • Clear escalation plans.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
7	Quality & Clinical Risk Committee	Medical Director	If the radiotherapy pathway provided until 2019/20 in Milton Keynes by Genesis Care (under contract with OUH) is not replaced, the access and experience of patients on clinical oncology (radiotherapy) pathways will continue to be negatively impacted.	4x4=16	4x2=8	• Contingency for the provision of treatment to patients in Oxford and the ongoing provision of palliative and prostate radiotherapy at Linford Wood or in Northampton • Promotion of agreement between OUH and Northampton General Hospital to facilitate access to facilities at Northampton for those who prefer treatment in this location. • Proactive communications strategy in relation to current service delivery issues.

8	Quality & Clinical Risk Committee	Chief Nurse	If the Trust does not effectively work with patients and families in delivering care and positive patient experience the national patient surveys may not demonstrate improvement.	4x4=16	4x2=8	• Corporate Patient and Family Experience Team function, resources and governance arrangements in place at Trust, division and department levels, including but not limited to:
						  • Patent Experience Strategy
						  • Learning Disabilities Strategy
						  • Dementia Strategy
						  • Nutrition steering group
						  • Catering steering group
						  • Domestic planning group
						  • Discharge steering group
						  • Induction training
						• 15 Step 'Challenge
						• Monthly Patient Experience Board, with each quarter having a theme:
						  • Governance
						  • Listening' review of all feedback.
						  • Learning and Change' from feedback and co-production

9	Quality & Clinical Risk Committee	Chief Nurse	If the Trust does not effectively work to use feedback from complaints and PALS contacts to inform learning and embed related changes patient experience will not be improved.	4x3=12	4x2=8	• Corporate Patient and Family Experience Team function, resources and governance arrangements in place at Trust, division and department levels, including but not limited to:
						  • Patent Experience Strategy
						  • Learning Disabilities Strategy
						  • Dementia Strategy
						  • Nutrition steering group
						  • Catering steering group
						  • Domestic planning group
						  • Discharge steering group
						  • Induction training
						• Customer service training – NHS Elect program
						• Leadership training includes how to receive feedback from patients.
						• Appreciative inquire approach to support complaints handling and response letters.
						• Monthly divisional meetings with Head of Patient and Family Experience to review themes, complaints, associated changes, and learning.

10	Quality & Clinical Risk Committee	Director of Corporate Affairs	If clinical audit requirements are not completed the Trust will fail to meet the requirements of clinical compliance regimes including the National Institute for Health and Care Excellence (NICE).	4x3=12	4x2=8	• Designated audit leads in CSUs/ divisions. • Clinical governance and administrative support - allocated by division. • Recruited additional clinical governance post to medicine to support audit function (highest volume of audits) • Audit programme being simplified, with increased collaboration and work through the QI programme. • Audit compliance criteria being segmented to enable focus on compliance with data returns; opportunity for learning/ changing practice and communication/ engagement. • Monthly review of all compliance requirements, including NICE and policies.
11	Audit Committee	Director of Operations	If the Trust is unable to establish robust governance around data quality processes, there is the risk that this could lead to patient harm, reputational damage and regulatory failure.	4x3=12	4x2=8	• Robust governance around data quality processes including executive ownership. • Audit work by data quality team • More robust data input rules leading to fewer errors.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
12	Trust Executive Committee	Director of Operations	If the Trust does not establish and maintain effective capacity management processes it will be unable to achieve waiting time targets due to seasonal emergency pressure (or further COVID -19 surges).	5x4=20	5x2=10	• 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.
13	Finance and Investment Committee	Director of Finance	If the Trust does not have a sufficient capital expenditure limit (CDEL) then the Trust will not be able to complete the level of planned capital investment.	4x4=16	4x2=8	• The Trust is introducing enhanced in-year capital spend monitoring to proactively manage in-year underspends across other capital schemes. Where agreed by management (e.g., subject to risks and strategic need) underspends across other capital schemes could free-up capital expenditure limit for utilisation against bond schemes. • The Trust is engaging with NHSE/I regional colleagues and Integrated Care System partners to monitor planned capital expenditure limits (CDEL) across both ICS and regional organisations to proactively reassign available CDEL.
14	Finance and Investment Committee	Deputy Chief Executive	If the Trust does not maintain investment in its IT infrastructure and systems, then all operational systems will be severely affected by IT failures such infiltration by cyber criminals.	5x3=15	5x2=10	• 2 dedicated cyber security posts • Good network protection from cyber security breaches such as Advanced Threat Protection (ATP) – A part of the national programmes to protect the cyber security of the hospital. • All Trust PCs less than 4 years old • Purchase new hardware – not implemented yet • EPR investment
15	Finance and Investment Committee	Director of Finance	If there is insufficient strategic capital funding available, then the Trust will be unable to invest in the site to maintain pace with the growth of the Milton Keynes population's demand for hospital services.	4x4=16	4x2=8	• 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.
16	Finance and Investment Committee	Director of Finance	If the future 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.	4x4=16	4x2=8	• 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 (until September 2021) • Budgets updated for FY22 based on prevailing finance regime (September – March 2022); financial controls and oversight to be reintroduced to manage financial performance. • Cost efficiency programme to be relaunched to target focus on areas of greatest opportunity.
17	Quality and Clinical Risk Committee	Medical Director	If the pathway for patients requiring Head and Neck (H&N) cancer services is not improved, users of MKUH services will continue to face disjointed care, unacceptably long delays for treatment and the risk of poor clinical outcomes.	4x5=20	4x2=8	• MKUH clinicians have escalated concerns (both generic and patient specific) to the management team at Northampton. • 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 EoE specialist cancer commissioners.
18	Finance and Investment Committee and Quality & Clinical Risk Committee	Deputy Chief Executive	Insufficient capacity in the Neonatal Unit to accommodate babies requiring special care.	4x2=8	4x2=8	• Reconfiguration of cots to create more space. • Additional cots to increase capacity. • Parents asked to leave the Neo Natal Unit during interventional procedures, ward rounds, etc to increase available space. • HIP2 funding for new Women and Children's Hospital announced.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
19	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not retain staff, then posts will be vacant resulting in workforce shortages across the hospital or increased temporary staffing expenditure.	4x2=8	4x2=8	Variety of organisational change/staff engagement activities, e.g. • Event in the Tent, • Schwartz Rounds and coaching collaboratives. • Recruitment and retention premia policy • We Care programme • Onboarding and exit strategies/ reporting • Annual Staff Survey • Learning and development programmes • Health and wellbeing initiatives, including P2P and Care First • Staff recognition - staff awards, long service awards, GEM • Leadership development and talent management • Succession planning • Enhancement and increased visibility of benefits package • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience /environment.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
20	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not recruit to vacancies in the short term (0-18 months) then there will be workforce shortages across the hospital and/ or increased temporary staffing expenditure.	4x4=16	4x2=8	• Active monitoring of workforce key performance indicators. • Targeted overseas recruitment activity. • Apprenticeships and work experience opportunities. • Exploration and use of new roles to help bridge particular gaps. • Use of recruitment and retention premia as necessary • 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 • Review of benefits offering and assessment against peers • Creation of recruitment “advertising” films • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience/ environment. • Targeted recruitment to reduce hard to fill vacancies.

No.	Oversight Committee	Executive Lead	Risk Description	Current Risk Rating	Target Risk Rating	Risk Mitigations
21	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not recruit to vacancies in the long term (19+ months) then there will be workforce shortages across the hospital and/ or increased temporary staffing expenditure.	4x2=8	4x2=8	• Monitoring of uptake of placements & training programmes. • Targeted overseas recruitment activity. • Apprenticeships and work experience opportunities. • Expansion and embedding of new roles across all areas. • Rolling programme to recruit pre-qualification students. • Use of enhanced adverts, social media and recruitment days. • Review of benefits offering and assessment against peers. • Development of MKUH training programmes. • Workforce Planning • Recruitment and retention focussed workforce strategy and plan to fill vacancies, develop new roles and deliver improvement to working experience /environment. • International workplace plan. • Assisted EU staff to register for settled status and discussed plans to stay/ leave with each to provide assurance that there will be no large-scale loss of EU staff post-Brexit.
22	Quality & Clinical Risk Committee	Medical Director	If the pathway for patients requiring percutaneous coronary intervention (PCI) is not improved, users of MKUH services will continue to face unacceptably long delays when admitted with non-ST elevation MI (heart attack) or ACS (acute coronary syndrome).	3x3=9	3x1=3	MKUH is working with Oxford University Hospitals to develop an 'OUH @ MKUH' satellite laboratory in Milton Keynes. This will allow patients to access very high-quality services in Milton Keynes (Oxford's cardiology research profile is world-leading attracting and retaining the best clinicians).
23	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not maintain stocks of Personal Protective Equipment (PPE) and continue implementing the enhanced infection control measures it will be unable to maintain a safe working environment during the COVID-19 pandemic.	4x2=8	4x2=8	• Incident command structure in place • Oversight on all critical stock, including PPE • Immediate escalation of issues with immediate response through Gold/ Silver • National and regional response teams in place • Workforce and Workplace Risk Assessments completed and any necessary equipment or working adjustments implemented. • Staff COVID-19 Self-Test and vaccine offer to all MKUH workers.
24	Workforce & Development Assurance Committee	Director of Workforce	If the Trust does not implement and progress staff health and wellbeing initiatives, there is the risk of staff burning out during or due to the COVID-19 pandemic.	5x3=15	5x2=10	• Significant staff welfare programme in place, with mental health, physical health and support and advice available. • Staff Hub in use. • Remote working wellness centre in place. • 12 weeks of wellbeing focus from January to March.

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.

The Risk Management Team have since September 2021 also been implementing a risk management improvement programme, and in 2021/22 the Team have updated the Trust's Risk Management Strategy, and the processes for identifying, recording and communicating risk. In 2022/23 the Team will implement actions to establish a risk training programme for staff and a horizon scanning process to support the identification, assessment and management of future 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.

COVID-19 and the Risk and Control Environment

The Trust adapted its governance structure to ensure that the command structure could work as set out in its major incident and emergency planning policies, ensuring clear reporting and decision-making structures and processes both for the pandemic and in remaining day-to-day business. The Trust also responded to changes in the regulatory and national control environment – for example on procurement – to ensure compliance. The Trust has been able to respond promptly and effectively throughout the crisis, with its established command structures and control environment adapting and working effectively throughout.

The Trust has adopted all national guidance around the suspension of routine planned activity and so business continuity and service impact has been thoroughly assessed, planned and is in line with all other acute Trusts. The Trust has enabled significant numbers of staff to work from home through a responsive digital operational plan, which has enabled business continuity across support functions.

Overall, the Trust has responded quickly and effectively to an unprecedented healthcare emergency and would like to recognise the extraordinary efforts of its staff in enabling acute hospital provision and service continuity for the Milton Keynes community.

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 CCG, 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 Integrated Care System. 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 Event in the Tent
- 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, CCGs, 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 with the registration 22 (**https://improvement.nhs.uk/resources/developing-workforce-safeguards/74**) requirements of the Care Quality Commission as described under the 'Staff Policies and actions applied during the Financial Year's section (page **80**).

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.

Data Quality and Governance

Data quality is inherently a risk that will always exist to some degree, and the challenge is to minimise the impact of this risk through appropriate governance arrangements and the development of a learning culture. The Trust has over the last few years increasingly recognised the importance of data quality as a key component to support the continuous delivery of improved patient care and clinical quality. Consequently, data quality is built 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 series of major clinical and administrative information systems designed to improve the richness and completeness of key information used to manage and treat patients. Assurance against the quality and completeness of this information is monitored through a variety of mechanisms, including externally through national benchmarking against key data quality metrics and internally through national reporting and local performance improvement groups. The Trust has also redefined the role of the Data Quality Compliance Board through the creation of a Data Quality Governance Group with expanded membership. The focus of the Data Quality Governance Group is to focus on key priorities area which are identified in the NHS Operating Planning Framework with a view to improving underlying governance structures and processes to provide improved outcomes.

It is also recognised that management of data quality issues is central to any lasting change and in FY21/22 the Trust continued to make considerable progress towards strengthening teams dedicated to audit, compliance and systems and training. Having these teams in place has created a robust control for the management of data quality issues with a combination of system expertise and policy knowledge. This in turn has supported a reduction in the risks around data quality; monitored by a bi-weekly Data Quality Governance Group and the Risk and Compliance Board.

However, with the post COVID-19 pandemic challenges and the demands on the Trust to address the backlog in the patients waiting list, the Trust's progress in some areas has been delayed. Two of the key areas are:

- The implementation of RPAS designed to help prevent clerical staff from making key data quality errors that continue to impact upon performance and operational reporting. As a precursor to the implementation of RPAS, a series of data quality scripts were used to correct existing data quality issues. On the implementation of these data quality scripts, it was evident that further work needed to be undertaken to ensure that the scripts addressed the key areas of concerns. The Data Quality Governance Group monitored the progress and impact of these scripts to ensure there was oversight on the implementation and no adverse impact resulted from the implementation of the data quality scripts.
- The delivery of the third phase of eCARE development (Phase C) that rolls out key functionality to paediatrics and theatres including anaesthetics. Phase C contains important upgrades to clinical functionality that will improve data quality. The eCARE team, with support from the Data Quality Governance Group, are monitoring the progress of the delivery of the Phase C, with the expectation that it be delivered in FY22/23.

Given the delays in the implementation of RPAS, the Trust strengthened it management of waiting lists through daily reports on long waiters with weekly meetings focused on the ensuring that every patient was reviewed constantly. This was followed by regular clinical reviews and telephone conversations with patients to move them to earlier operation dates capacity allowed the Trust to do so. This robust approach to managing waiting lists ensured the Trust delivered on its commitment to having no patients waiting over 104 weeks at the end of March 2022. In addition to these weekly meetings, the Trust has enhanced its focus improving data quality by using the nationally produced LUNA reports from NHS Digital.

RPAS was scheduled for implementation in May 2022 and at the time of publication of the Annual Report. Progress is now focused on the delivery of Phase C. The Trust will continue, supported by the Executive Team and associated committees and management teams, to improve upon the work from last year and ensure that patients can continue to expect excellent patient care delivered using the best information possible.

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 2021/22 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 2021/22 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 **50** 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 2021/22 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 2021/22 RSM completed 8 internal audit reports which covered the following areas:

- Complaints and PALS
- Conflicts of Interest
- Key Financial Controls
- Cyber Security – Remote Working and Operational Resilience
- Patient Experience
- Consultant Job Planning
- Freedom to Speak Up
- Risk Management

External Audit

Deloitte LLP, 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 2021/22, 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 Improvement, 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.

Professor Joseph Harrison
Chief Executive
20 June 2022

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

Professor Joseph Harrison
Chief Executive
20 June 2022

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Appendices

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Appendix 1: Constituencies and Governors

		Constituency	No.	Governors
PUBLIC (ELECTED)	A	Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Barbara Lisgarten
				Martin Nevin
	B	Emerson Valley, Furzton, Loughton Park	2	William Butler
				Jordan Coventry
	C	Linford South, Bradwell, Campbell Park	2	VACANT
				Akin Soetan
	D	Hanslope Park, Olney, Sherington, Newport Pagnell	2	Shirley Moon
				VACANT
	E	Walton Park, Danesborough, Middleton, Woughton	2	Niran Seriki
				Clare Hill
	F	Stantonbury, Stony Stratford, Wolverton	2	Ann Thomas
				Robert Johnson-Taylor
	G	Outer catchment area	2	Lucinda Mobaraki
				VACANT
	H	Extended area	1	VACANT
APPOINTED STAFF (ELECTED)	I	Doctors and Dentists	1	Raju Thomas Kuzhively
	J	Nurses and Midwives	2	Elizabeth Maushe
				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 Jone
				Pirran Salter
	N	Milton Keynes Business Leaders	1	Andrew Buckley
	O	Healthwatch Milton Keynes	1	Maxine Taffetani
	P	Community Action:MK	1	Clare Walton
	Q	Milton Keynes Council	1	Andy Reilly

Appendix 2: Council of Governors' Attendance

	11 May 2021	12 July 2021	21 November 2021	27 January 2022	Total
Barbara Lisgarten	✓	x	✓	✓	**3**
Alan Hastings (till November 2021)	✓	✓			**2**
William Butler	x	x	✓	✓	**2**
Jordan Coventry	x	x	x	x	**0**
Ekroop Kular (Resigned in November 2021)	x	x			**0**
Akin Soetan	x	x	x	x	**0**
Dr Alan Hancock (till February 2022)	✓	✓	✓	✓	**4**
Brian Lintern (till November 2021)	✓	✓			**2**
Niran Seriki	✓	x	✓	✓	**3**
Clare Hill	x	✓	✓	✓	**3**
Ann Thomas	✓	✓	✓	✓	**4**
Robert Johnson Taylor	x	x	✓	✓	**2**
Lucinda Mobaraki	✓	✓	✓	✓	**4**
Raju Thomas Kuzhively	x	x	x	x	**0**
Elizabeth Maushe	✓	x	x	x	**1**
Tracy Rea	✓	x	✓	✓	**3**
Yolanda Potter	✓	✓	✓	✓	**4**
David Barber (Resigned in April 2021)	x				**0**
Emma Isted	✓	✓	✓	✓	**4**
Pirran Salter	x	x	x	x	**0**
Martin Nevin (Elected in November 2021)			x	x	**0**
Deborah Lewis (Elected in November 2021 and Resigned in December 2021)			✓		**1**
Shirley Moon (Elected in November 2021)			✓	✓	**2**
Andrew Buckley	✓	x	x	x	**1**
Maxine Taffetani	✓	✓	✓	✓	**4**
Clare Walton	x	x	x	x	**0**
Andy Reilly	✓	✓	✓	✓	**4**

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
CCG	Clinical Commissioning Group	Led by local GPs to commission services
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.
Datix	Datix	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 2020/21

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 2022

Independent auditor's report to the board of governors and board of directors of Milton Keynes University Hospital NHS Foundation Trust

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Milton Keynes University Hospital NHS Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements 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
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the 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 foundation trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The going concern basis of accounting for the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of accounting officer
As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 foundation trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the foundation trust without the transfer of the foundation trust's services to another public sector entity.

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.

Annual Accounts 2021/22 *Milton Keynes University Hospital NHS Foundation Trust*

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the foundation trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

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

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

- determination of whether an expenditure is capital in nature, and for major projects the value of work completed at 31 March 2022 are subjective: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature.
- accruals and deferred income recorded at 31 March 2022 and the timing of their recognition at year-end is subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2022; we tested a sample of deferred income items to supporting documentation and evaluated management's assessment as to whether the criteria for revenue recognition had been met as at 31 March 2022.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006
In our opinion:

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

Matters on which we are required to report by exception

Use of resources
Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources
The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation 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 foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in December 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements
Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, 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 respect of these matters.

Reports in the public interest or to the regulator
Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certification of completion of the audit
We cannot formally conclude the audit and issue an audit certificate until we have completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report). We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report
This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Milton Keynes University Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the

National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gooding (Key Audit Partner) For and on behalf of Deloitte LLP Appointed Auditor
St Albans, United Kingdom
Date: 21 June 2022

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements
In our audit report for the year ended 31 March 2022 issued on 21 June 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the foundation trust's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2022 on 21 June 2022, we had not completed our work on the foundation trust's arrangements and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit
In our audit report for the year ended 31 March 2022 issued on 21 June 2022, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed our work in this area.

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

We have nothing to report in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

Jonathan Gooding (Key Audit Partner) For and on behalf of Deloitte LLP Appointed Auditor
St Albans, United Kingdom
Date: 25 August 2022

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 2022 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.

Professor Joe Harrison

Chief Executive

Date: 20 June 2022

Statement of Comprehensive Income for the Year Ended 31 March 2022

	Note	2021/22 £000	2020/21 £000
Operating income from patient care activities	2.1-2.5	307,663	253,520
Other operating income	2.2	19,559	47,751
Operating expenses	3-6	(324,523)	(297,000)
Operating surplus from continuing operations		**2,699**	**4,271**
FINANCE COSTS			
Finance income	7.1	36	4
Finance expenses	7.2	(267)	(280)
PDC dividends payable		(4,052)	(3,601)
NET FINANCE COSTS.		**(4,283)**	**(3,877)**
Other losses on disposal of assets		(48)	0
(DEFICIT)/ SURPLUS FOR THE YEAR		**(1,632)**	**394**
Other Comprehensive Income			
Will not be reclassified subsequently to surplus or deficit:			
Impairments	7.3	(3,983)	0
Revaluations	18	6,453	1,700
Fair value (losses)/gains on equity instruments designated at FV through OCI		(2,605)	257
Total other comprehensive (expense)/income		(135)	1,957
TOTAL COMPREHENSIVE (EXPENSE)/ INCOME FOR THE YEAR		**(1,767)**	**2,351**

The notes to the accounts are on pages 156 - 194

Statement of Financial Position As at 31 March 2022

	Note	31 March 2022 £000	31 March 2021 £000
NON-CURRENT ASSETS			
Intangible assets	8	22,255	22,035
Property, plant and equipment	9	189,631	169,526
Other investments / financial assets	22.1	327	432
Trade and other receivables	12	716	598
TOTAL NON-CURRENT ASSETS		**212,930**	**192,591**
CURRENT ASSETS			
Inventories	11	4,055	3,680
Trade and other receivables	12	10,705	19,826
Cash and cash equivalents	13	57,975	48,765
TOTAL CURRENT ASSETS		**72,735**	**72,271**
CURRENT LIABILITIES			
Trade and other payables	14.1	(60,375)	(58,484)
Deferred Income	14.2	(19,387)	(14,942)
Borrowings	15	(184)	(202)
Provisions	17	(2,432)	(2,735)
TOTAL CURRENT LIABILITIES		**(82,378)**	**(76,363)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**203,287**	**188,499**
NON-CURRENT LIABILITIES			
Borrowings	15	(5,431)	(5,614)
Provisions	17	(1,810)	(1,845)
Deferred Income	14.2	(1,500)	0
TOTAL NON-CURRENT LIABILITIES		**(8,741)**	**(7,459)**
TOTAL ASSETS EMPLOYED		**194,546**	**181,040**
FINANCED BY			
Public dividend capital		275,131	259,858
Revaluation reserve	18	52,580	50,110
Financial assets at FV through OCI reserve		(2,348)	257
Income and expenditure reserve		(130,817)	(129,185)
TOTAL TAXPAYERS' EQUITY		**194,546**	**181,040**

The Financial Statements and notes on pages 156 -194 were approved by the Board and authorised for issue on 20 June 2022 **and signed on its behalf by:**

Alison Davis
Chairman

Professor Joe Harrison
Chief Executive

Terry Whittle
Director of Finance

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2022

	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 2021		**259,858**	**50,110**	**(129,185)**	257	**181,040**
Deficit for the year		0	0	(1,632)	0	**(1,632)**
Impairments	7.3		(3,983)			**(3,983)**
Revaluations	18	0	6,453	0	0	**6,453**
Public Dividend Capital received		15,273	0	0	0	**15,273**
Fair value losses on equity instruments designated at FV through OCI		-	0	0	(2,605)	**(2,605)**
Taxpayers' and others' equity at 31 March 2022		**275,131**	**52,580**	**(130,817)**	**(2,348)**	**194,546**
Taxpayers' and others' equity at 1 April 2020		**105,258**	**48,410**	**(129,579)**	0	**24,089**
Surplus for the year		0	0	394	0	**394**
Revaluations		0	1,700	0	0	**1,700**
Public Dividend Capital received		154,600	0	0	0	**154,600**
Fair value gains on equity instruments designated at FV through OCI		-	0	0	257	**257**
Taxpayers' and others' equity at 31 March 2021		**259,858**	**50,110**	**(129,185)**	**257**	**181,040**

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 2022

	Trust	
	31 March 2022	**31 March 2021**
	£000	**£000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus from continuing operations	2,699	4,271
Operating surplus	**2,699**	**4,271**
Non-cash income and expense:		
Depreciation and amortisation	11,278	9,947
Impairments and reversals of impairments	715	11
Income recognised in respect of capital donations (cash and non-cash)	(561)	(840)
Decrease in receivables and other assets	5,405	10,164
(Increase) in inventories	(375)	(286)
Increase in payables	12,124	9,819
Increase in other liabilities	5,945	12,670
(Decrease)/Increase in provisions	(338)	1,549
Other movements in operating cash flows	(817)	0
Net cash generated from operating activities	**36,075**	**47,305**
Cash flows from investing activities		
Interest received	36	4
Purchase of intangible assets	(3,134)	(7,753)
Purchase of property, plant, equipment	(34,425)	(27,144)
Sale of property, plant & equipment	0	358
Receipt of cash donations to purchase capital assets	516	113
Net cash (used in) investing activities	**(37,007)**	**(34,422)**
Cash flows from financing activities		
Public dividend capital received	15,273	154,600
Loans Repaid to the Department of health	0	(130,852)
Capital element of finance lease rental payments	(201)	(221)
Interest on DHSC loans	0	(273)
Interest paid on finance lease liabilities	(267)	(280)
PDC dividend paid	(4,663)	(3,378)
Net cash generated from financing activities	**10,142**	**19,596**
Increase in cash and cash equivalents	**9,210**	**32,479**
Cash and cash equivalents at 1 April	**48,765**	**16,286**
Cash and cash equivalents at 31 March	**57,975**	**48,765**

NOTES TO THE ACCOUNTS

1.0 Accounting policies and other information

Basis of Preparation
These accounts for the year ended 31 March 2022 have been prepared by the Trust in accordance with the National Health Service Act 2006.

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2021/22 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 circumstances of the Trust for the purpose of giving a true and fair view has been selected. The 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 0.4% 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 an interim valuation after three years. The Trust has as at the 31 March 2022 undertaken a full valuation on an

alternative site basis after taking advice from a RICS qualified valuer, the District Valuer Services (DVS), on suitable indices to apply to reflect changes in the building costs and local land price movements since the date of the last valuation. 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 £2.1m 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 make 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 2021/22 resulted in an overall increase in the revaluation reserve of £2.1m. The carrying amount of the revalued assets at the end of the reporting period is £135.9m (£125.2m 2020-21)

The valuation exercise was carried out in March 2022 with a valuation date of 31 March 2022. 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. In 2021/22 and 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in

2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, 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. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

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.

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.

1.4 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.

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

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

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

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

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

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

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. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

Scheme Liabilities
The liabilities of the pension scheme as at 31 March 2021 were £757.1 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 2022 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 expected value of the trusts' employer's pension

contributions 2021/22 is 25.6m (£23.8m 2020/21)

During 2021/22, 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 2022, 123 employees enrolled into NEST and the employers' contributions for the current financial year have been £85k.

1.6 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, together with a three-year interim/desk top valuation. 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 2022 undertaken a full valuation after taking advice from a RICS qualified valuer from District Valuer Services (DVS) on suitable indices to apply, 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 £2.1m 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 borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Until 31 March 2008, plant, machinery, vehicles, furniture and fittings were carried at replacement cost, based on indexation and depreciation of historic cost. New assets are carried at depreciated historic cost, unless this is considered to be materially different from fair value due to significant volatility in asset values.

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.

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. Leasehold buildings 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
Leased assets	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 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.

In 2021/22 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.

1.7 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

1.8 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.

In 2021/22, 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.

1.9 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.

1.10 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.

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 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.

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).

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

1.11 Leases

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.

Finance Leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.
The asset and liability are recognised at the commencement of the lease, thereafter the asset is accounted for as an item of property, plant and equipment and the lease liability is de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating Leases
Other leases are regarded as operating leases and the rentals are charged to the operating expenses on a straight-line basis over the term of the lease. Lease incentives are recognised initially in other liabilities on the statement of financial position as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

The Trust as lessor
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 - Rental income from operating leases is recognised on a straight-line 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.

1.12 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 minus 1.3% and long term provisions is 1.99% 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 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).

1.20 Losses and Special payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

However, the losses and special payments note is compiled directly from the losses and special payments register which reports on an accruals basis with the exception of provisions for future losses.

1.21 Gifts

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

1.22 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

1.23 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 16 Leases
IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged. IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.95% The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

Estimated impact on 1 April 2022 statement of financial position	**£000**
Additional right of use assets recognised for existing operating leases	13,662
Additional lease obligations recognised for existing operating leases	(13,662)
Net impact on net assets on 1 April 2022	**0**
Estimated in-year impact in 2022/23	**£000**
Additional depreciation on right of use assets	(1,964)
Additional finance costs on lease liabilities	(122)
Lease rentals no longer charged to operating expenditure	2,043
Estimated impact on surplus / deficit in 2022/23	**(43)**
Estimated increase in capital additions for lease remeasurements in 2022/23	**309**
Estimated increase in capital additions for new leases commencing in 2022/23	**0**

Other standards, amendments and interpretations

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.

	2021/22 £000	2020/21 £000
Income from services designated (or grandfathered) as commissioner requested services	285,928	240,834
Income from services not designated as commissioner requested services	21,735	12,686
Total	**307,663**	**253,520**

2.2 Operating Income from patient Care Activities (By Nature)

	2021/22 £000	2020/21 £000
Income from activities		
Block contract / system envelope income *	263,384	218,893
High-cost drugs income from commissioners	21,842	18,662
Other NHS clinical income	702	3,279
Private patient income	461	285
Additional pension contribution central funding**	7,765	7,214
Elective recovery fund***	12,180	0
Other Non-NHS clinical income	1,329	5,187
Total income from activities	**307,663**	**253,520**

	2021/22	2020/21
Other operating income from contracts with customers:	**£000**	**£000**
Research and development	1,457	978
Education and training	7,430	8,128
Non-patient care services to other bodies	2,314	1,338
Reimbursement and top up funding	861	26,465
Car parking	1,050	704
Staff Accommodation	1,041	1,195
Catering	548	516
Salary income	1,012	867
Other income	2,497	2,799
Other non-contract operating income		
Receipt of capital grants and donations	516	113
Contributions to expenditure - consumables (inventory) donated from DHSC group	788	3,921
Donated equipment from DHSC for COVID response (non-cash)	45	727
Total other operating income	**19,559**	**47,751**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. For the first half of the 2020/21 comparative year, these blocks were set for individual providers directly and in the second half of 2020/21, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity.

**The employer contribution rate for NHS pensions increased from 14.38% to 20.68% (excluding administration charge) from 1 April 2019. For 2019-2022, 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.

***In 2021/22, 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. This replaced the other reimbursement and top ups received in 2020/21 to reimburse specific costs incurred and to support the delivery of services.

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 Provision of goods and services for the purposes of health service

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 purpose. This is in accordance with Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

	2021/22 £000	2020/21 £000
Income from the provision of goods and services for the purposes of the health service	285,928	240,834
Income from the provision of goods and services for any other purpose	41,294	60,437
Total	**327,222**	**301,271**

2.4 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 2021/22 and 0.1% in 2020/21.

2.5 Operating Income from Patient Care Activities (by source)

Income from patient care activities received from:	2021/22 £000	2020/21 £000
CCGs and NHS England	305,170	251,493
Local authorities	79	108
Other NHS foundation trusts	702	795
NHS other	0	38
Non-NHS: private patients	461	285
Non-NHS: overseas patients (chargeable to patient)	191	213
NHS injury scheme (was RTA)	1,053	445
Non-NHS: other	7	143
Total income from activities	**307,663**	**253,520**
Of which:		
Related to continuing operations	307,663	253,520

The responsibility for the commissioning of Healthcare services is from two main NHS Bodies, Integrated Care Systems (ICS's) and NHS England. The major ICS for the Trust is NHS Bedfordshire, Luton and Milton Keynes CCG's who form the BLMK ICS, which accounts for 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 £34.7m 2021/22 in respect of these services (£35.2m 2020/21). The Trust also received an additional £1.7m 2021/22 (£0.7m 2020/21) from the Cancer Drugs Fund.

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

	2021/22 £000	2020/21 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	0	884
Total	**0**	**884**

2.7 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.

2.8 Analysis of overseas visitors' income

	2021/22 £000	2020/21 £000
Income recognised this year	**191**	**213**
Cash payments received in-year	156	107
Amounts added to provision for impairment of receivables	118	96
Amounts written off in-year	**17**	**81**

3. Operating expenses

3.1 Operating expenses (by Type)

	2021/22	2020/21
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,342	4,132
Purchase of healthcare from non-NHS and non-DHSC bodies	7,474	3,042
Staff and executive directors' costs	202,065	194,721
Remuneration of non-executive directors	133	142
Supplies and services - clinical (excluding drugs costs) *	20,150	18,914
Supplies and services - general	4,967	4,180
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	26,476	22,422
Inventories written down (net including drugs) **	2	104
Consultancy costs	14	44
Establishment	1,649	1,840
Premises	20,836	18,443
Transport (including patient travel)	589	657
Depreciation on property, plant and equipment	8,569	7,582
Amortisation of intangible assets	2,709	2,365
Net impairments	715	11
Increase/(decrease) in provision for impairment of receivables	549	(633)
Change in provisions discount rate(s)	68	42
Audit fees payable to the external auditor		
Audit services- statutory audit	157	108
Other auditor remuneration (external auditor only)	0	7
Internal audit costs	62	62
Clinical negligence	9,503	8,576
Legal fees	1,841	813
Insurance	127	158
Research and development	827	1,040
Education and training	5,014	5,755
Rentals under operating leases	1,999	1,059
Car parking & security	29	45
Hospitality	32	18
Losses, ex gratia & special payments	260	155
Other services	551	561
Other	3,814	635
Total	**324,523**	**297,000**
Of which:		
Related to continuing operations	324,523	297,000

*includes £1m utilisation of consumables donated from DHSC group bodies for COVID response.

** includes Inventories written down for consumables donated from DHSC group bodies for COVID response.

3.2 Operating lease

Operating lease includes rentals for premises, a variety of medical equipment as well as photocopiers and lease cars.

	Buildings	Other	Total
	£000	£000	£000
Future minimum lease payments due			
- not later than one year;	1,459	959	2,418
- later than one year and not later than five years;	4,417	1,701	6,118
- later than five years.	6,279	0	6,279
Total at 31 March 22	**12,155**	**2,660**	**14,815**

	Buildings	Other	Total
	£000	£000	£000
Future minimum lease payments due			
- not later than one year;	982	151	1,133
- later than one year and not later than five years;	1,392	251	1,643
- later than five years.	444	0	444
Total at 31 March 2021	**2,818**	**402**	**3,220**

4. Staff costs

4.1 Staff costs

	2021/22	2020/21
	Total	Total
	£000	£000
Salaries and wages	155,042	156,651
Social security costs	17,310	15,985
Apprenticeship levy	729	742
Employer's contributions to NHS pensions	17,841	16,579
Pension cost - employer contributions paid by NHSE (6%)	7,765	7,214
Other employment benefits	0	13
Temporary staff	8,463	2,796
Total gross staff costs	**207,150**	**199,980**

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind and include the additional 6% 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 2021/22 there were 2 early retirements from the Trust totalling £55k agreed on the grounds of ill-health (0 in the year ended 31 March 2021).

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 2021/22 (£63k in 2020/21).

4.4 Termination benefits

There were no termination benefits and no non-compulsory departures agreed in 2021/22 or 2020/21.

4.5 Salary and pension entitlements of Directors

The aggregate amounts payable to directors were:

	2021/22	2020/21
	£000	£000
Salary	1,416	1,288*
Taxable benefits	0	0
Employer's pension contributions	168	102
Total	**1,584**	**1,390**

*The salary amounts for 2020-2021 have been revised from £1,314k to £1,288k to remove the impact of payments for recycling contributions which have been re-categorised to pension contributions. This pension recycling allowance is now reflected in the pension benefits which has been revised from £76k to £102k. Further details of directors' remuneration can be found in the remuneration report.

5. Better Payment Practice Code

5.1 Better Payment Practice Code- measure of compliance

	2021/22 Number	2021/22 £000	2020/21 Number	2020/21 £000
Non-NHS				
Total bills paid in the year	62,923	171,825	56,768	148,994
Total bills paid within target	57,461	162,037	54,137	143,785
Percentage of bills paid within target	**91%**	**94%**	**95%**	**97%**
NHS				
Total bills paid in the year	2,124	7,553	2,186	7,255
Total bills paid within target	1,590	4,124	1,725	4,940
Percentage of bills paid within target	**75%**	**55%**	**79%**	**68%**
Total				
Total bills paid in the year	65,047	179,378	58,954	156,250
Total bills paid within target	59,051	166,160	55,862	148,724
Percentage of bills paid within target	**91%**	**93%**	**95%**	**95%**

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).

6. Audit Fees

The Trust incurred statutory audit fees totalling £156,840 including irrecoverable VAT, (£108,000 in 2020/21) there were no other auditor remuneration costs in 21/22 (£7,200 in 20/21). Other auditor remuneration is detailed below.

6.1 Audit fees

	2021/22 £000	2020/21 £000
Other auditor remuneration paid to the external auditor:		
All assurance services not falling within items above	0	7
Total	**0**	**7**

6.2 Limitation on auditor's liability

There is a £0.5m limitation on auditor's liability for external audit work carried out for the financial years 2021/22 and 2020/21.

7. Finance income and expense

7.1 Finance income

	2021/22 £000	2020/21 £000
Interest on bank accounts *	36	4
Total finance income	**36**	**4**

* There were three changes in the bank rate in 21/22 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 paid a new interest rate of 0.14% from December 2021, 0.39% from February 2022 and 0.64% from March 2022.

7.2 Finance expenses

	2021/22 £000	2020/21 £000
Interest expense:		
Finance leases	267	280
Total interest expense	**267**	**280**

7.3 Impairment of assets (PPE)

	2021/22 £000	2020/21 £000
Net impairments charged to operating surplus resulting from:		
Abandonment of asset under construction*	321	0
Changes in market price	394	11
Total net impairments charged to operating surplus	**715**	**11**
Impairments charged to the revaluation reserve	3,983	0
Total net impairments	**4,698**	**11**

In 2018/19 the Trust adopted 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.

*The asset abandoned related to design works for an Imaging Centre. Due to changes in the capital landscape the scheme was deemed unviable at this time and the decision made not to progress any further.

8. Intangible Assets

8.1 Intangible assets – 2021/22

	Software & licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2021 - brought forward	**12,809**	**11,048**	**1,891**	**10,978**	**36,726**
Additions	556	295	0	2,141	**2,992**
Reclassifications	1,230	0	0	(1,239)	**(9)**
Disposals/derecognition	(30)	0	0	(24)	**(54)**
Gross cost at 31 March 2022	**14,565**	**11,343**	**1,891**	**11,856**	**39,655**
Amortisation at 1 April 2021 - brought forward	**6,932**	**6,584**	**1,175**	**0**	**14,691**
Provided during the year	1,611	862	236	0	**2,709**
Amortisation at 31 March 2022	**8,543**	**7,446**	**1,411**	**0**	**17,400**
Net book value at 31 March 2022	**6,022**	**3,897**	**480**	**11,856**	**22,255**
Net book value at 31 March 2021	**5,877**	**4,464**	**716**	**10,978**	**22,035**

Note 8.2 Intangible assets – 2020/21

	Software & licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**11,740**	**11,048**	**1,891**	**3,827**	**28,506**
Additions	945	0	0	7,275	**8,220**
Reclassifications	124	0	0	(124)	**0**
Gross cost at 31 March 2021	**12,809**	**11,048**	**1,891**	**10,978**	**36,726**
Amortisation at 1 April 2020 - brought forward	**5,473**	**5,930**	**923**	**0**	**12,326**
Provided during the year	1,459	654	252	0	**2,365**
Amortisation at 31 March 2021	**6,932**	**6,584**	**1,175**	**0**	**14,691**
Net book value at 31 March 2021	**5,877**	**4,464**	**716**	**10,978**	**22,035**
Net book value at 31 March 2020	**6,267**	**5,118**	**968**	**3,827**	**16,180**

9. Property, Plant and Equipment

Property, plant and equipment as at 31st March 2022 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 2021 - brought forward	**3,861**	**120,401**	**910**	**22,829**	**37,063**	**44**	**15,887**	**960**	**201,955**
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)	(166)	0	(22)	0	**(1,930)**
Valuation/gross cost at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**43,573**	**44**	**17,716**	**1,286**	**225,986**
Accumulated depreciation at 1 April 2021 - brought forward	**0**	**0**	**0**	**0**	**22,362**	**44**	**9,651**	**371**	**32,428**
Provided during the year	0	4,612	31	0	2,632	0	1,214	80	**8,569**
Impairments	0	0	0	0	0	0	0	0	**0**
Revaluation	0	(4,612)	(31)	0	0	0	0	0	**(4,643)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Accumulated depreciation at 31 March 2022	**0**	**0**	**0**	**0**	**24,994**	**44**	**10,865**	**451**	**36,354**
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	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**3,841**	**119,316**	**885**	**4,270**	**31,641**	**26**	**11,644**	**903**	**172,526**
Additions	0	3,404	0	21,732	3,754	0	3,651	82	**32,623**
Reclassifications	0	794	0	(3,134)	1,755	18	592	(25)	**0**
Revaluation	20	(2,881)	25	0	0	0	0	0	**(2,836)**
Disposals / de-recognition	0	(232)	0	(39)	(87)	0	0	0	**(358)**
Valuation/gross cost at 31 March 2021	**3,861**	**120,401**	**910**	**22,829**	**37,063**	**44**	**15,887**	**960**	**201,955**
Accumulated depreciation at 1 April 2020 - brought forward	**0**	**0**	**1**	**0**	**20,189**	**26**	**8,854**	**301**	**29,371**
Provided during the year	0	4,495	29	0	2,189	4	797	68	**7,582**
Impairments	0	11	0	0	0	0	0	0	**11**
Revaluation	0	(4,506)	(30)	0	0	0	0	0	**(4,536)**
Reclassifications	0	0	0	0	(16)	14	0	2	**0**
Accumulated depreciation at 31 March 2021	**0**	**0**	**0**	**0**	**22,362**	**44**	**9,651**	**371**	**32,428**
Net book value at 31 March 2021	**3,861**	**120,401**	**910**	**22,829**	**14,701**	**0**	**6,236**	**589**	**169,526**
Net book value at 31 March 2020	**3,841**	**119,316**	**884**	**4,270**	**11,452**	**0**	**2,790**	**602**	**143,155**

	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**

	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 2021								
Owned	3,561	96,262	310	22,829	13,516	6,236	589	**143,302**
Finance leased	300	5,637	600	0	271	0	0	**6,808**
Government granted	0	12,669	0	0	0	0	0	**12,669**
Donated	0	5,833	0	0	914	0	0	**6,747**
Total at 31 March 2021	**3,861**	**120,401**	**910**	**22,829**	**14,701**	**6,236**	**589**	**169,526**

9.1 Analysis of Plant, Property and Equipment

The Trust received PPE donations in the year of £45k from DHSC in relation to the Covid-19 response. 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 2022 include £7.1m of items where legal title has passed to the Trust and assets paid for but which had not been physically received (31 March 2021: £3.1m).

9.2 Capital commitments

There are 25 capital commitments totalling £9.3m under PPE capital expenditure, the largest of which relates to the Pathway programme for 2022/23 £6.2m, South site Infrastructure £0.9m and the car park extension and new road access £0.7m. There is also 1 capital commitment under intangibles for the Pathlake project £0.1m.

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 £000	Consumables £000	Consumables donated from DHSC group bodies £000	Energy £000	Total £000
As at 1 April 2021	**1,230**	**2,115**	**275**	**60**	**3,680**
Additions	26,651	24,561		74	**51,286**
Additions (donated) - from DHSC	0	0	788	0	**788**
Inventories consumed (recognised in expenses)	(26,479)	(24,199)	(976)	(43)	**(51,697)**
Write-down of inventories recognised as an expense	0	0	(2)	0	**(2)**
As at 31st March 2022	**1,402**	**2,477**	**85**	**91**	**4,055**
As at 1 April 2020	**1219**	**2,115**	**0**	**60**	**3,394**
Additions	22,422	23,364	3,921	44	**49,751**
Inventories consumed (recognised in expenses)	(22,411)	(23,364)	(3,542)	(44)	**(49,361)**
Write-down of inventories recognised as an expense	0	0	(104)	0	**(104)**
As at 31st March 2021	**1,230**	**2,115**	**275**	**60**	**3,680**

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 2021/22 the Trust received £0.7m 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 2022 £000	31 March 2021 £000
Opening balances	**20,424**	**25,582**
Current		
Contract receivables	8,125	12,665
Capital receivables	252	0
Allowance for impaired contract receivables /assets	(1,256)	(796)
Prepayments (non-PFI)	1,543	5,919
PDC dividend receivable	671	60
VAT receivable	1,370	1,978
Total current trade and other receivables	**10,705**	**19,826**
Non-current		
Contract receivables	506	316
Allowance for impaired contract receivables / assets	(120)	(71)
Clinician pension tax provision reimbursement funding from NHSE	330	353
Total non-current trade and other receivables	**716**	**598**
Of which receivables from NHS and DHSC group bodies:		
Current	4,166	7,274
Non-current	330	353

The changes made to the financial regime of the NHS in 2020-21 in response to the COVID-19 pandemic continued during 2021/22. Block contract values for all services commissioned by NHS England and NHS Improvement and Clinical Commissioning Groups (CCG's) were paid in advance of the relevant service period and as such, led to a reduction in contract receivables in 2021/22 and 2020/21.

Changes were made during 2021/22 to the methodology for calculating compensation recovery cases, as a result of this change, the allowance for impaired contract receivables increased.

NHS receivables are considered recoverable because the majority of trade is with CCG's, as commissioners for NHS patient care services. CCGs are funded by the Government to purchase NHS patient care services, therefore no credit scoring of them is considered to be necessary. The Trust has previously recognised an impairment for receivables which related to CCG income however, as a result of the changes to the financial regime, in response to the COVID pandemic, the Trust has released any provision held and has not recognised any further impairment related to CCG income in 2021/22 or 2020/21. Similarly, other receivables with related parties are with other Government bodies, so no credit scoring is considered necessary.

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 £000	All other receivables £000
Allowances as at 1 Apr 2021 - brought forward	867	0
New allowances arising	801	0
Changes in existing allowances	(252)	0
Utilisation of allowances (write offs)	(40)	0
Allowances as at 31 Mar 2022	**1,376**	**0**

	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 Apr 2020 - brought forward	1,829	0
New allowances arising	114	0
Changes in existing allowances	(747)	0
Utilisation of allowances (write offs)	(329)	0
Allowances as at 31 Mar 2021	**867**	**0**

The provision for impairment of receivables increased in 2021/22. The main increase was due to the change in methodology for calculating compensation recovery cases.

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.

	2021/22 £000	2020/21 £000
At 1 April	**48,765**	**16,286**
Net change in year	9,210	32,479
At 31 March	**57,975**	**48,765**
Broken down into:		
Cash at commercial banks and in hand	55	22
Cash with the Government Banking Service	57,920	48,743
Total cash and cash equivalents as in SoFP	**57,975**	**48,765**
Total cash and cash equivalents as in SoCF	**57,975**	**48,765**

14. Liabilities

14.1 Trade and other payables

	31 March 2022 £000	31 March 2021 £000
Current		
Trade payables	26,712	17,147
Capital payables	4,803	15,036
Accruals	20,795	19,110
Social security costs	2,842	2,533
VAT payables	1	0
Other taxes payable	2,673	2,264
Other payables	2,549	2,394
Total current trade and other payables	**60,375**	**58,484**
Of which payables from NHS and DHSC group bodies:		
Current	16,801	12,566
Non-current	0	0

14.2 Other liabilities

	31 March 2022 £000	31 March 2021 £000
Opening balance	**14,942**	**2,272**
Deferred income: contract liabilities	19,387	14,942
Total other current liabilities	**19,387**	**14,942**
Deferred income: contract liabilities	1,500	0
Total other non-current liabilities	**1,500**	**0**
Total other liabilities*	**20,887**	**14,942**

* The deferred income balance includes £11.6m relating to elective activity recovery for 2022-23, this was deferred in 2020-2021 and was originally planned for activity recovery in 2021-22 but due to the ongoing Covid-19 pandemic, the Trust was unable to recover elective activity as planned. Additional deferred income is included in the 2021-22 balance including £2m relating to the equity investment in Sensyne Health PLC.

15. Borrowings

	31 March 2022 £000	31 March 2021 £000
Current		
Obligations under finance leases	184	202
Total current borrowings	**184**	**202**
Non-current		
Obligations under finance leases	5,431	5,614
Total non-current borrowings	**5,431**	**5,614**

15.1 Reconciliation of liabilities arising from financing activities.

	Finance leases £000	Total £000
Carrying value at 1 April 2021	**5,816**	**5,816**
Cash movements:		
Financing cash flows - payments and receipts of principal	(201)	**(201)**
Financing cash flows - payments of interest	(267)	**(267)**
Non-cash movements:		
Interest charge arising in year (application of effective interest rate)	267	**267**
Carrying value at 31 March 2022	**5,615**	**5,615**

	*Loans from DHSC £000	Finance leases £000	Total £000
Carrying value at 1 April 2020	**131,125**	**6,037**	**137,162**
Cash movements:			
Financing cash flows - payments and receipts of principal	(130,852)	(221)	**(131,073)**
Financing cash flows - payments of interest	(273)	(280)	**(553)**
Non-cash movements:			
Additions	0	280	**280**
Carrying value at 31 March 2021	**0**	**5,816**	**5,816**

*Interim loans totalling £130.9m interim loan principal as at 31 March 2020 were converted to PDC in 2020-21, therefore no further interest was payable in 2021-22.

16. Finance Lease Obligations

Minimum Lease Payments

	31 March 2022 Buildings £000	31 March 2022 Other £000	31 March 2022 Total £000
Gross lease liabilities	**8,757**	**197**	**8,954**
of which liabilities are due:			
- not later than one year;	313	123	436
- later than one year and not later than five years;	1,250	74	1,324
- later than five years.	7,194	0	7,194
	8,757	197	8,954
Finance charges allocated to future periods	(3,338)	(1)	(3,339)
Net lease liabilities	**5,419**	**196**	**5,615**
of which payable:			
- not later than one year;	62	122	184
- later than one year and not later than five years;	345	74	419
- later than five years.	5,012	0	5,012
	5,419	**196**	**5,615**

Minimum Lease Payments

	31 March 2021 Buildings £000	31 March 2021 Other £000	31 March 2021 Total £000
Gross lease liabilities	**9,070**	**353**	**9,423**
of which liabilities are due:			
- not later than one year;	313	155	468
- later than one year and not later than five years;	1,250	198	1,448
- later than five years.	7,507	0	7,507
	9,070	353	9,423
Finance charges allocated to future periods	(3,598)	(9)	(3,607)
Net lease liabilities	**5,472**	**344**	**5,816**
of which payable:			
- not later than one year;	53	149	202
- later than one year and not later than five years;	306	195	501
- later than five years.	5,113	0	5,113
	5,472	**344**	**5,816**

The finance lease items include the Trust's Accommodation Block, Beds and car park equipment.

The accommodation block has no option to extend or purchase in the current lease agreement. The Trust entered the seven-year extension period of the beds lease in 2016/17, with no option to purchase under the current lease terms.

The Trust entered into a four-year lease for the car park equipment, with two options to extend for a period of one year at each option. The Trust has exercised the option to extend at the first point and committed to a term of five years in total with the equipment passing to the Trust at the end of the contract.

17. Provisions

	Pensions Early departure costs £000	Pensions Injury benefits £000	Other* legal claims £000	Clinician pension tax £000	Other** £000	Total £000
At 1 April 2021	**18**	**876**	**909**	**353**	**2,425**	**4,580**
Change in the discount rate	3	26	0	0	39	**68**
Arising during the year	0	0	1,227	0	76	**1,303**
Utilised during the year	(3)	(35)	(19)	0	0	**(57)**
Reversed unused	0	0	(27)	(23)	(1,602)	**(1,652)**
At 31 March 2022	**18**	**867**	**2,090**	**330**	**938**	**4,242**
Expected timing of cash flows:						
- not later than one year;	3	33	2,090	0	306	**2,432**
- later than one year and not later than five years;	12	140	0	0	419	**571**
- later than five years.	3	694	0	330	213	**1,239**
Total	**18**	**867**	**2,090**	**330**	**938**	**4,242**

***** Other legal claims include contractual changes £1.9m

****** Other claims include contractual dilapidation, repairs and building removal costs £0.6m

	Pensions Early departure costs £000	Pensions Injury benefits £000	Other* legal claims £000	Clinician pension tax £000	Other** £000	Total £000
At 1 April 2020	**45**	**870**	**624**	**301**	**1,192**	**3,031**
Change in the discount rate	(20)	40	0	0	22	**42**
Arising during the year	0	0	413	52	1,805	**2,270**
Utilised during the year	(7)	(34)	(12)	0	(120)	**(173)**
Reversed unused	0	0	(116)	0	(474)	**(590)**
At 31 March 2021	**18**	**876**	**909**	**353**	**2,425**	**4,580**
Expected timing of cash flows:						
- not later than one year;	3	34	909	0	1,789	**2,735**
- later than one year and not later than five years;	12	139	0	0	516	**667**
- later than five years.	3	703	0	353	120	**1,178**
Total	**18**	**876**	**909**	**353**	**2,425**	**4,580**

* Other legal claims include contractual changes £0.8m

** Other claims include contractual dilapidation, repairs and building removal costs £1.7m and clinician's pension tax reimbursement £0.3m

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 £225.7m (year ended 31 March 2021 £158.8m). No contingencies or provisions are in the accounts at 31 March 2022 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.

18. Revaluation Reserve

	Property, plant and equipment £000
Revaluation Reserve at 1 April 2021	**50,110**
Impairment losses property, plant and equipment	(3,983)
Revaluations	6,453
Revaluation Reserve at 31 March 2022	**52,580**
Revaluation Reserve at 1 April 2020	**48,410**
Revaluations	1,700
Revaluation Reserve at 31 March 2021	**50,110**

19. Post Balance Sheet events

There are no post balance sheet events.

20. 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 2022 in respect of clinical negligence liabilities of the NHS Foundation Trust.

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21. 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. Most of these transactions have been with HMRC in respect of deductions and payment of PAYE, NHS Pensions Agency, Milton Keynes Council in respect of payment of rates and BLMK which is the Trust's regional commissioner of NHS services. There are additional related parties of NHSI, ADMK Ltd, MK Charity and the Milton Keynes Urgent Care Service, with which there have been no significant transactions in year.

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 Related parties

	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
NHS Bodies	7,031	32,726	696	1,224
Buckinghamshire Healthcare NHS Trust	738	57	286	20
NHS Bedfordshire, Luton and Milton Keynes CCG	155	254,911	8,840	1,427
NHS England	11	1,350	20,773	42
NHS Buckingham CCG	0	12,334	0	0
Bedfordshire Hospitals NHS Foundation Trust	474	1,191	1,268	372
Oxford University Hospital NHS FT	1,269	1,982	468	204
NHS Resolution	9,503	0	525	0
Central and North West London NHS Foundation Trust	431	1,068	35	68
Health Education England	11	4,559	1,492	136
Other WGA Bodies				
Other WGA Bodies	27	3		83
NHS Blood and Transplant (outside DH Group)	1,394	8	28	3
Milton Keynes Council	2,168	80	2,160	
HMRC	18,039	0	5,515	1,370
NHS Pensions	25,606	0	2,602	0
MK Charity	0	451	0	51
ADMK Ltd	1,089	107	825	5
Total	**67,946**	**310,827**	**45,513**	**5,005**

	2020/21			
	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
NHS Bodies	2,798	5,831	2,083	293
Buckinghamshire Healthcare NHS Trust	1,531	59	707	34
NHS Milton Keynes CCG	0	181,640	10,144	197
NHS Bedfordshire CCG	24	18,228	24	2,000
NHS England	(4)	54,720	11,352	3,966
NHS Buckingham CCG	0	12,248	0	0
Bedfordshire Hospitals NHS Foundation Trust	412	420	972	242
Oxford University Hospital NHS FT	1,056	2,016	562	93
NHS Resolution	8,591	48	368	0
Central and North West London NHS Foundation Trust	461	1,139	80	215
Health Education England	0	2,655	241	174
Other WGA Bodies				
Other WGA Bodies	42	0	0	46
NHS Blood and Transplant (outside DH Group)	1,268	8	15	0
Local Authorities	21	107	0	0
HMRC	16,727	0	4,797	1,979
NHS Pensions	23,793	0	2,394	0
MK Charity	0	461	0	0
ADMK Ltd	428	74	26	0
Total	**57,148**	**279,654**	**33,765**	**9,239**

22. Financial Instruments

	31 March 2022 £000	31 March 2021 £000
Cash	57,975	48,765
Total Capital	**57,975**	**48,765**
Total capital	57,975	48,765
Borrowings	5,615	5,816
Overall financing	**63,590**	**54,581**
Capital to overall financing ratio	**91%**	**89%**

Capital Risk Management

The Trust's capital management objectives are:

- to ensure the Trust's ability to continue as a going concern; and
- to provide an adequate return to reinvest in healthcare services by providing healthcare services commensurately with the level of risk of receiving income for those services provided.

The Trust monitors capital on the basis of the carrying amount of Public Dividend Capital less cash presented on the face of the balance sheet.

The Trust sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Trust manages the capital structure and makes adjustments to it in-light of changes in economic conditions and the risk characteristics of the underlying assets.

Interest Rate Risk

The Trust is not exposed to significant interest rate risk as the Borrowings are all at a fixed rate of interest.

Liquidity Risk

The Trust's net operating income is mainly incurred under legally binding contracts with the regional ICS'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.

22.1 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 Plc and Sensyne Health.

	Held at amortised cost £000	Held at fair value through OCI £000	Total book value £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**

	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 2020			
Trade and other receivables excluding non-financial assets	12,467	0	**12,467**
Other investments / financial assets	0	432	**432**
Cash and cash equivalents	48,765	0	**48,765**
Total at 31 March 2021	**61,232**	**432**	**61,664**

22.2 Financial liabilities by category

	Held at amortised cost.	Held at amortised cost.
	2021/22 £000	2020/21 £000
Carrying values of financial liabilities as at 31 March		
Obligations under finance leases	5,615	5,816
Trade and other payables excluding non-financial liabilities	52,310	51,288
Provisions under contract	3,358	3,698
Total at 31 March	**61,283**	**60,802**

22.3 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 2022	31 March 2021
	£000	£000
In one year or less	55,142	54,585
In more than one year but not more than five years	1,743	1,964
In more than five years	7,737	7,860
Total	**64,622**	**64,409**

23 Third Party assets

The Trust held no third-party assets at the end of financial year 2021/22.

24. Losses and special payments

There were 97 cases at 31 March 2022 of losses and special payments totalling £290k approved during the year (128 cases to 31 March 2021 totalling £433k). Special payments for 2020/21 have been restated to include a nationally approved and funded payment of £193k to Trust staff in respect of overtime corrective payments following the resolution of the Flowers case. This was accrued at 31 March 2021 following HM Treasury approval of the payments, but was not reported as a special payment. This has been restated following clarification from NHS Improvement on reporting requirements for this settlement. This has been shown as a single special payment following national guidance on the case.

	31 March 2022 Total number of cases	31 March 2022 Value £000	31 March 2021 Total number of cases Restated	31 March 2021 Value £000 Restated
LOSSES:				
1. Losses of cash due to:				
b. overpayment of salaries etc.	21	19	40	10
2. Fruitless payments and constructive losses	0	0	0	0
3. Bad debts and claims abandoned in relation to:				
a. private patients	2	0	0	0
b. overseas visitors	16	17	31	81
c. other	13	19	26	49
4. Damage to buildings, property etc. (including stores losses) due to:				
b. stores losses	24	84	24	98
c. other	2	141	0	0
Total Losses	**78**	**280**	**121**	**238**
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	19	10	4	1
f. Overtime corrective payments (nationally funded)	0	0	1	193
i. other	0	0	2	1
8. Special severance payments	0	0	0	0
9. Extra statutory and regulatory	0	0	0	0
Total Special Payments	**19**	**10**	**7**	**195**
Total Losses and Special Payments	**97**	**290**	**128**	**433**

NHS
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NHS Foundation Trust

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