TheMKWay

NHS
Milton Keynes
University Hospital
NHS Foundation Trust

2023/24
Annual Report & Accounts

Milton Keynes University Hospital NHS Foundation Trust
Annual Reports and Accounts 2023/24

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 Trust and
was approved by the Board of Directors of Milton Keynes
University Hospital NHS Foundation Trust on 25 June 2024

Joseph Harrison
Chief Executive Officer
25 June 2024

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Chair's Introduction

I am delighted to be able to introduce the 2023/24 Annual Report for Milton Keynes University Hospital NHS Foundation Trust, as the Trust celebrates forty years delivering healthcare to its local communities.

Once again, our staff have worked tirelessly in times of unprecedented demand for the hospital's services. Whether to reduce waiting lists, or to treat unwell patients coming into our urgent and emergency services, MKUH staff have risen to the challenge of providing the best possible treatment and care, particularly during the winter months when pressures are typically greatest. I would like to thank all staff for their continued efforts and support. I know how dedicated our staff and the volunteers who support them are and they continue to impress me with their professionalism and commitment.

Staff are our greatest asset, and I was pleased to see more than 2,000 colleagues responded to the 2023 NHS Staff Survey. Once again, the Trust scored above average across all nine areas, and was amongst the top performers in two categories. However, we are also aware there are areas in which we can improve, particularly tackling racism and discrimination. The Trust has commissioned two external experts to work with the organisation to help us address these areas more effectively and ensure all our staff feel included, supported and valued.

As always, I was delighted to attend another special Staff Awards event in June, which recognises excellence in the work of colleagues across the Trust. These events are perfect for bringing individuals and teams together from all departments, to recognise exceptional achievements and showcase many of the ways colleagues are delivering not only excellent patient care but also excellent support services.

On the site of the hospital, it has been exciting to watch the progress of the construction of our brand-new Radiotherapy Centre, located adjacent to the Cancer Centre and completing our cancer services offering at MKUH; the 'topping out' ceremony took place on the 4th May. The Radiotherapy Centre is scheduled to open to patients by the end of 2024 transforming how cancer care is provided to them locally, many of whom currently have to travel long distances to undergo treatment.

We plan to have a Wellbeing Space in the Centre as well, to enhance patient experience and with this in mind we had a very successful charitable fundraising launch to raise money for it; the aim is to raise £500k.

Our estate development team have continued to work brilliantly with partner organisations to manage the construction of the new facility, and they are working hard on the progress of other developments in the pipeline. These include our Women and Children's Hospital, the new Oak Wards (providing 48 medical beds), and the opening of the new Community Diagnostic Centre at Whitehouse Health Centre. I would like to thank them for their sterling efforts in this regard. These developments are essential to the hospital's continued ambition to keep pace with the growth of our city, its diverse communities and the increasing need for services.

Our Governors at MKUH have continued to increase their engagement activities throughout 2023/24, attending many events in their constituencies and supporting membership recruitment, which is rising at a good rate. I would like to thank Lui Straccia and Kwame Mensa—Bonsu for their work in enabling the engagement development. These events help us to listen to people's views on their experiences of the services and hear what they want from their hospital. They are also vital in promoting the role of Governors within the community, encouraging members to nominate themselves as future Governors of the Trust.

Recruitment to Governor positions was particularly successful this year, and at one stage all 26 Governor seats were filled on the Council of Governors; although there has been a small turnover again, recruitment is under way and there is immense enthusiasm and commitment from the Governing body which bodes extremely well for future engagement, both with the community and the Trust itself. The role of the Governor is key to facilitating the co-production of new services with the public, helping to ensure that NHS health services are available to everyone across the areas we serve.

"I know how dedicated our staff and the volunteers who support them are and they continue to impress me with their professionalism and commitment."

I would also like to convey my thanks to all our partners in the community, who work with us to deliver and help to improve services, working collaboratively in what have been highly challenging times. The MK Integrated Discharge Hub, which was launched during 2023/24, the MK Deal, and the system flow work which involves multiple organisations, all demonstrate fantastic inter-agency working. This continues to help address inequalities in our diverse communities, as well as challenges around healthcare. Working with and supporting our partners is vital in our mission to provide 'joined up services', in a way that benefits patients, visitors, staff and communities. This work will continue into 2024/25, including current discussions under way with the Spinal Injuries Association (SIA) based in Milton Keynes, whose expertise and knowledge of caring for patients with existing spinal injuries will be invaluable to share; and Arts for Health with its emphasis on the health and wellbeing of staff and patients through creative projects, such as the development of the hospital courtyards.

There were some special celebrations and visits this year that I must include in my introduction:

- On the 21st of December a thank you event took place for many of our amazing volunteers. They provide such valuable support for our services, and we are very fortunate to have them.
- On the 17th April the Trust was awarded the Veteran Aware Accreditation by the Veterans Covenant Healthcare Alliance. This acknowledges the focus the organisation has given to caring for service personnel whether patients or staff. I would like to thank Johanna Hrycak particularly, as Armed Forces Covenant Support Officer, for the huge amount of work and dedication she has brought to this initiative, leading to this prestigious award.
- On the 24th May, The Countess Howe, His Majesty's Lord-Lieutenant of Buckinghamshire and a great supporter of the hospital, visited the Cancer Centre and had a tour of the Radiotherapy Centre under construction. She spoke with patients and staff and was highly complimentary of the services and developments.
- On the 5th July we celebrated the 75th birthday of the NHS, with various events around the hospital including tea in the 'tent' next to the Eaglestone restaurant. Frank Fiore, our Catering Manager personally baked an enormous cake shared by many members of staff.

I must also mention and thank all the volunteers in the Friends of Milton Keynes & Community organisation, who have been an outstanding support to the hospital over many years. I accompanied Clare Hill on one of her rounds with the Friend's trolley to the wards in the hospital and it was a fantastic insight into the work of the volunteers and particularly the value patients and staff placed on the service they provided.

As in previous years, there have been changes to our Trust Board and the Council of Governors. We said goodbye to Chief Finance Officer Terry Whittle, whom I would like to acknowledge and thank for his hard work and contributions during his time with us. I wish him well in his future plans. We were delighted to be able to appoint to his role Jonathan Dunk, who rejoined the Trust as Chief Finance Officer, having previously worked at MKUH between 2012-2016. Thank you also to Daphne Thomas, who supported as our Interim Chief Finance Officer, and who has now resumed her role as Deputy Director.

We also said goodbye to one of our Non-Executive Directors (NEDs), Bev Messinger, whom I would also like to thank for her contributions as part of the Board team during her time with MKUH. A recruitment process has been under way and a replacement NED should be in post in the early part of the financial year 2024/2025.

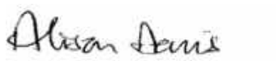
Furthermore, I would like to thank all those Governors who have finished their role this year, for their contributions and support of MKUH:

- Ann Thomas
- Shirley Moon
- Lesley Bell
- Pirran Salter
- Yolanda Potter

It is always a pleasure to welcome new Governors and those detailed below are already engaging and demonstrating their enthusiasm for working with MKUH to benefit their constituents:

- Kat Jaitly
- Dianna Moylan
- Ken Rowe
- Andy Forbes
- Francesca Vernon
- Rachel Medill MBE
- Doug McWhinnie

And finally, my thanks go to our Chief Executive Joe Harrison, the Executives and Non-Executive/Associate Board members, for their hard work, commitment, and ongoing support of staff as they strive to ensure the people of Milton Keynes and beyond access the best possible healthcare. As always there are challenges ahead, but there are also many exciting developments and opportunities which we will embrace.



Alison Davis
Chair

1. Performance Report

1.1 Overview of Performance

The performance overview provides a summary of the Trust's performance for 2023/24. 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 2023/24.

1.1.1 Chief Executive's Statement on Performance

It is a pleasure to introduce the Annual Report for Milton Keynes University Hospital (MKUH) for 2023/24, as we celebrate forty years since the hospital opened in 1984.

I have been Chief Executive of MKUH for over a quarter of that time and despite the challenges we have faced and continue to face as a Trust, the future and the opportunities here excite me more than ever before.

The year of 2023/24 presented some unique challenges for our hospital, including a brief period of unprecedented demand for urgent and emergency services in January 2024 when the Trust declared a critical incident, the highest level of escalation. We opened up 114 escalation beds and temporarily redirected resources to help to manage the situation effectively, enabling the surge in demand to be met. I would like to thank all staff for their efforts to support the Trust and the Emergency Department during that challenging period. It was a real demonstration of the spirit of #TeamMKUH.

The year also presented the challenge of several strikes by both junior doctors and consultants represented by the British Medical Association throughout the year, which placed additional strain on our Trust, including the Emergency Department. It is regrettable that we did have to postpone several appointments and procedures during these periods of industrial action and I know teams have worked incredibly hard to ensure patients were rebooked for as soon as possible. As always, in challenging situations, #TeamMKUH responded by working collaboratively to ensure that our services continued to operate as close to normal as possible and patients were able to receive the care and treatment required in a timely manner.

These challenges came as staff continued to work exceptionally hard to reduce the waiting times for patients requiring elective (planned) treatment, including operations. The Trust has made significant progress to reduce waiting times across all specialties with the introduction of various initiatives, including implementing dedicated elective surgery days for cancer and paediatrics, opening a new mobile theatre unit to increase clinical capacity, and increasing diagnostic services, both on-site and in the community. These initiatives, as well as the continued support, commitment and dedication from all colleagues across the whole hospital, ensure our patients are safely seen and treated as quickly as possible. Once again, I wish to thank all colleagues across the organisation for their unwavering commitment during these challenging times.

Speaking of colleagues, in March 2024, the results from the 2023 NHS Staff Survey were published, which showed that more than 2,000 #TeamMKUH colleagues participated. I was pleased to note that the feedback we received was largely positive, with improvements being made in some of the areas in which staff told us we could improve. Across all nine elements surveyed, MKUH scored above average in each area, performing highest in the categories of 'We are inclusive and compassionate' and 'We each have a voice that counts'. The survey results also identified several areas for improvement, including ensuring all colleagues across the organisation feel their work is valued, providing equitable opportunities for growth and progression, and continuing to tackle racism and discrimination. We are determined to improve in these areas and will continue to listen and work closely with our staff to make MKUH the best possible place to work.

Appropriately rewarding and recognising staff is an area we have continued to make progress on year on year. In 2023 we celebrated another record-breaking number of nominations for our Staff Awards, with over 900 received across our award categories. More than 200 shortlisted colleagues and peers from across the organisation were in attendance, with awards presented to teams and individuals from all four of the Trust's divisions, and I would like to offer my congratulations to all those nominated, which reflects not only a culture of praise, but also how proud we are all be members of #TeamMKUH.

I would also highlight the fantastic success the Trust has had in filling vacancies and reducing staff turnover. This has been a focus for our HR team who have worked extremely hard to achieve this.

Another area of positive news was in the summer of 2023 when the Trust's Maternity Services were rated 'Good' by the Care Quality Commission, with the service being awarded 'outstanding' for the well-led domain. This made MKUH one of only two acute Trusts in the country to receive this rating in maternity care. This is testament to the brilliant work of so many colleagues across #TeamMKUH, demonstrating the high standards of our staff to deliver the best possible care and treatment to patients to ensure we meet the needs of our local communities.

We are always striving to meet the needs of our ever-growing communities by continuing to develop our estate, which during the year saw significant progress with the construction of our new Radiotherapy Centre, as well as some early preparation work for the development of our new Oak Wards. In addition to these projects, there are several other exciting developments planned as we prepare our site ahead of the proposed construction of our new Women's and Children's Hospital.

The development of the hospital was one of the focuses when, in August 2023, the Trust welcomed Prime Minister Rishi Sunak to the site to showcase some of the fantastic work that is going on across the hospital. The Prime Minister was taken to our new state-of-the-art Maple Centre, which opened in October 2022 as one of the largest facilities of its kind in the country, providing same day emergency care services, ensuring more of our patients are seen and treated in a timely manner. He was impressed with how the Trust is progressing its development and we look forward to being able to continue with that in the coming months and years.

I would also like to point out several awards which recognised the Trust's achievements during 2023/24. These included a shortlisting for the 'Empowering Patients Through Digital' Award at the HSJ Digital

Awards 2023 for the ongoing development of our MyCARE patient portal. An upgrade to the portal in July 2023 now means that patients have greater control over their care journey, providing access to their medical records, including lab results, medications, procedures, allergies, conditions, vital signs, and immunisations. More recently, the Trust integrated the national Friends and Family Test (FFT) feedback through the MyCARE portal, making it even easier for patients to provide their feedback on the care and experience they received. The increased responses allow the hospital to understand where we are performing well as well as where the areas for improvement are. This was a fantastic achievement and one that we are all extremely proud of, enabling our patients to have a greater ownership over their care, and we will continue to work closely in collaboration with our staff, patients and partners to develop the platform further.

In October 2023 the Trust further received its Gold Armed Forces Covenant, from the Ministry of Defence Employer Recognition Scheme, reflecting the substantial work that we have done to support patients who are veterans and staff who are reservists or spouses of members of the Armed Forces, as well as establishing links with veteran services so that both staff and patients can access the support they need. It is another example of how the Trust is striving to meet the needs of our communities and we will continue to progress this as a priority throughout next year and beyond.

Finally, as always, I would like to convey my deep thanks to every single staff member and volunteer who has worked so diligently to treat and care for patients throughout the year, in spite of the challenges we have faced. There is a lot of work for all of us to do, and some truly exciting times ahead of us to further improve and develop the hospital for our patients and communities for the next forty years and beyond, and it is our dedicated staff, who are so passionate about delivering the best possible treatment and care, who will be at the forefront of all of it.

Professor Joseph Harrison
Chief Executive Officer
25 June 2024

1.1.2 Purpose and Activities of the Trust

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

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

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:

We Care

We deliver safe, effective and high-quality care for every patient. We treat everyone who uses our services, and their families, friends and carers, with dignity, respect and compassion; and we treat each other as we would wish to be treated ourselves.

We Communicate

We say #hellomynameis; we keep patients informed about and involved and engaged in their treatment and care; and each other informed about what's happening in our hospital. We know we can speak up to make sure our hospital is safe and our patients are well cared for.

We Collaborate

We are #TeamMKUH. We work together and with GPs, primary care, community care, social care and mental health providers and other hospitals to deliver great care and services for people in Milton Keynes, Buckinghamshire and beyond.

We Contribute

We develop goals and objectives in support of the hospital's vision and strategy. We are willing to join in and play our part to make our hospital the best it can be. We acknowledge and share good practice so that others can learn what works well and why, and we learn from others so that we keep improving the care and services we provide.

Trust's Strategy

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.

Trust's Objectives

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 Emergency Department (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 20 bed Phoenix Unit, as it was named, opened 5 November 2012.

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

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

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

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

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

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

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

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

1.1.5 Key Risks and Issues

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. These risks are managed through the risk management processes in place in the Trust, with oversight and scrutiny through executive and non-executive chaired boards and committees. The risks which were identified on the Board Assurance Framework and Corporate Risk Register at the end of the 2023/24 financial year, along with further details on risk management, are contained within the Annual Governance Statement from page **92** (and also under 1.2.15 – Major Risks on page **30**).

1.1.6 Going Concern Disclosure

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

1.2 Performance Analysis

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

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

1.2.1 Activity

The variance in activity during 2023/24 compared to 2022/23 was as follows:

Activity Type	2022/23	2023/24	% Variance
Outpatient Attendances	413,979	441,082	6.55%
Elective Spells	25,568	26,620	4.11%
Non-elective Spells	28,118	29,460	4.77%
Emergency Department Attendances	101,212	101,045	-0.17%
Babies Delivered	3,514	3,787	7.77%

1.2.2 Key Performance Measures

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

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

The post COVID-19 pandemic influenced backlog continued to impact planned care across the NHS during 2023/24. As a result, the constitutional standard for consultant-led Referral to Treatment (RTT) waiting times of 92% was not deemed viable or realistic for the NHS to achieve during this period of recovery. However, there is a continued effort to manage the backlog and waiting times through clinical validation and robust management of pathways, considering patient waiting time and clinical priority. This approach has resulted in an ongoing challenge with waiting times nationally and locally, but at the end of March 2024 the Trust reported zero patients waiting more than 2-years and 37 patients waiting more than 18-months for treatment. This reflects the steady and sensitively managed recovery.

Diagnostic waiting times were also inevitably impacted by COVID-19. Recovery efforts in this area are ongoing, and the trust achieved a performance of 61% of patients waiting less than six weeks for a diagnostic test at the end of March 2023.

The table below summarises performance against key national indicators for 2023/24:

Indicator	Threshold/ Target	Trust Performance	
National Requirements			
Clostridium Difficile Infections (hospital associated)	Ceiling: 13	27	Not Achieved
MRSA Bacteraemia (hospital associated)	Zero Tolerance	0	Achieved
31-Day Wait for first treatment: All Cancers (Diagnosis to Treatment)	96%	94.9%	Not Achieved
62-Day Wait for first treatment: All Cancers (Urgent GP Referral to Treatment)	85%	57.6%	Not Achieved
Two Week Wait – All Cancers (Urgent GP Referral to First Appointment)	93%	77.7%	Not Achieved
28 days to faster diagnosis– All Cancers (Urgent GP Referral to First Appointment)	75%	72.8%	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%	36.2%	Not Achieved
Maximum wait of 4 hours in the ED from arrival to admission, transfer or discharge	95%	74.9%*	Not Achieved
Acute Foundation Trust – Minimum Standards			
Complaints responded to within the required timeframe	90%	64.1%	Not Achieved

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

1.2.3 Detailed Quality Performance Analysis

1.2.3.1 Referral to Treatment (RTT)

The COVID-19 pandemic influenced backlog continued to impact planned care across the NHS during 2023/24. As a result, the national standard for RTT waiting times of 92% within 18-weeks has not been viable to achieve locally or nationally.

Month 2023/24	National Target	Trust Performance
April	92%	46.2%
May	92%	44.5%
June	92%	43.2%
July	92%	40.6%
August	92%	39.4%
September	92%	38.1%
October	92%	37.2%
November	92%	35.8%
December	92%	33.2%
January	92%	34.6%
February	92%	34.8%
March	92%	36.2%

1.2.3.2 Accident and Emergency 4-hour target

The Trust did not achieve its target of treating 95% of patients attending the Emergency Department within 4 hours. However, the overall performance of 74.9% (all types) for the year placed it among the top performing trusts with a Type 1 department nationally.

Month 2022/23	National Target	Trust Performance
April	95%	75.1%
May	95%	73.5%
June	95%	74.4%
July	95%	75.3%
August	95%	73.7%
September	95%	70.0%
October	95%	75.7%
November	95%	75.1%
December	95%	75.1%
January	95%	75.7%
February	95%	76.9%
March	95%	78.1%

1.2.4 Development of the Business During the Year

Whitehouse Community Diagnostic Centre

On 12 July 2023, the Trust opened a new Community Diagnostic Centre (CDC) at Whitehouse Healthcare Centre in Milton Keynes. As part of the government-led initiative to expand diagnostic services in the local community, this new facility will help us to see more patients in an environment that is easy to access and away from the busy hospital site. Endoscopy, as well as MRI, some cardiac echo and respiratory sleep study diagnostic tests, are services now available at the Whitehouse CDC.

1.2.5 Impending Developments and Future Development Trends

Radiotherapy Centre

The construction of a new Radiotherapy Centre is on track and will be completed in April 2024 but not available to treat patients until September 2024. The new facility will be delivered in partnership with Oxford University Hospital (OUH) and will complete our cancer care services at MKUH.

The new Radiotherapy Centre will make it much easier for cancer patients to receive life-saving treatment closer to home. Currently, almost all patients from Milton Keynes and the surrounding area who need radiotherapy travel much further afield to Oxford and other towns for their treatment.

Once complete, the new facility will offer space for two medical linear accelerators (LINAC), one of which will initially be installed and commissioned for the building's opening. The new centre will also provide a CT scanner area, clinical spaces, and its own welcoming reception with a waiting area. Direct internal access to the Cancer Centre will also be available, allowing patients to move between the two facilities as part of their treatment.

To alleviate the pressure on parking in the area, an additional 30 spaces are being provisioned for staff and patients next to the Radiotherapy Centre. Space for a mobile PET CT scanner will also be created. This additional parking is expected to be completed in July 2024.

New Hospital Programme (NHP)

In May 2023, the Secretary of State of Health and Social Care announced that MKUH would receive funding to build a new Women's and Children's Hospital with additional surgical capacity as part of the government's New Hospital Programme (NHP). In January 2024, the Trust submitted a refreshed Strategic Outline Case (SOC), which aligned our programme with the national scheme and encompassed its spatial, cost and digital targets, amongst others. The impact of this to our scheme was a revised scope which focuses on the women's and children's function and improved adjacencies in consideration of planned and unplanned care developed following the COVID 19 pandemic. Feedback from the National NHP has been positive, and we expect further guidance will be issued after the Major Projects Review Group (MPRG) meets in April 2024.

As part of our NHP enabling works, we are progressing forward with three key areas of work.

1. **A new Imaging Centre** - A business case was submitted on 9 February 2024 and awaits approval.
2. **Construction of a multi-story car park** - A business case was submitted on 30 January and awaits approval.
3. **High-voltage main power supply** - Our business case has been approved, and the project is progressing.

We anticipate further confirmation of programme dates in the early summer of 2024 when the National New Hospitals Programme Business Case (version 3) is due to be approved.

Initial funding of £1.7 million has been awarded for the ongoing development of our NHP scheme in 2024/25. However, additional funding will be required to support the completion of our Outline Business Case (OBC), which we hope to submit by the end of 2024/25. We anticipate this additional funding will be announced following the approval of the programmatic business case.

In line with the national programme, the construction of a new Women's and Children's Hospital with additional surgical capacity at MKUH is expected to be completed by 2030.

Lloyd Court Community Diagnostic Centre

As part of the government's national initiative to bring essential diagnostic services into the local community, MKUH will open a second Community Diagnostic Centre (CDC) at Lloyds Court, Central Milton Keynes, in early summer 2024.

Following the successful opening of Whitehouse CDC, we are delighted to be able to extend our delivery of potential life-saving checks, tests, and scans within this central and easily accessible location within Milton Keynes.

Lloyds Court will provide services, including ophthalmology, DEXA, ultrasound, and phlebotomy. Once fully operational, the new centre will deliver many thousands of extra tests, checks, and scans a year.

The introduction of CDCs is hoped to help provide patients with earlier diagnoses, reduce hospital visits and wait times, and contribute to the NHS's net zero ambitions.

Salix Programme

MKUH has met an important milestone in its Greener Future ambitions as we commence work to improve the carbon efficiency of our estate in several areas. This follows the successful bid of £2.6 million in funding as part of the Government's Public Sector Decarbonisation Scheme to improve the hospital environment while moving to net carbon-zero solutions.

Our scheme has three areas of work:

1. **Installing Energy-Efficient Windows** - Double-glazed, thermo-resilient windows and doors will be installed in some of the older areas of our estate. This upgrade will significantly enhance the area's energy efficiency while also improving the hospital environment for patients and staff.
2. **Upgrading Theatre Ventilation** - The ventilation systems in our theatres are due for replacement. Our work will see the ventilation system in these theatres upgraded to a new energy-efficient system, providing improved air quality while contributing to our carbon net-zero targets. Ventilation upgrades will also take place in the Hospital Sterilisation & Decontamination Unit (HSHU) and Cardiology Outpatients.
3. **Sterile Service Upgrade** - Sterile Services will be transitioning from a gas-powered steam sterilisation system to an electrically heated one. These improvements will not only support our energy efficiency targets but also modernise our sterilisation facilities, ensuring that they are fit for the future.

Oak Wards

Responding to the growing needs of the local community, MKUH is developing plans to build a new ward block, named 'Oak Wards', to the east of the hospital site, which would provide 48 new beds at the Trust.

The proposed £25 million development will provide two 24-bed wards across two floors to increase the hospital's medical beds capacity. There is also the potential to double this capacity to a total of 96 medical beds with a second expansion phase in the future.

If the Trust's business case for Oak Wards is approved, we anticipate that construction will start in summer 2024, with an aimed completion date of November 2025.

1.2.6 Review of Financial Performance

Overview

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

The financial year ending on 31st March 2024 has presented many operational challenges for the Trust but, despite these pressures, the organisation has delivered upon its core financial plans. National planning guidance for 2023/24 stipulated the requirement to deliver the continued recovery of planned care services, with a particular focus on maximising clinical capacity to ensure patients were diagnosed, treated, and cared for in a timely way. In addition the guidance set clear expectations regarding continued improvements in timely provision of emergency care and diagnostic services. Each of these requirements meaning the financial pressures on the organisation have continued to grow.

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

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

The 2023/24 Trust financial plan provided additional revenue investment in clinical service budgets as a basis for the delivery of additional capacity during the year. Additional investment priorities included funding enhanced diagnostic imaging capacity (e.g., MRI and CT services) and providing necessary funding towards elective (planned) activity recovery for both inpatients and outpatients.

The target outlined in the national guidance for planned care service recovery, was to deliver 106% of value weighted activity (a combination of price per treatment x treatment volumes) compared to a 2019/20 baseline year. The payment regime is commonly referred to as the Elective Recovery Fund (ERF). The Trust received a funding allocation to meet the 106% target, with the incentive to earn additional payment for activity completed above the target.

The target was reduced to 102% during the year to recognise the impact of industrial action. At the end of the financial year the Trust significantly over-achieved against this target, undertaking volumes of planned care activity at significantly higher levels than previous years, thus also earning additional funding in line with this over-achievement.

Additional detail on the years financial picture is outlined in relevant sections below, including a focus on income, expenditure and capital investments made.

To summarise the key financial metrics:

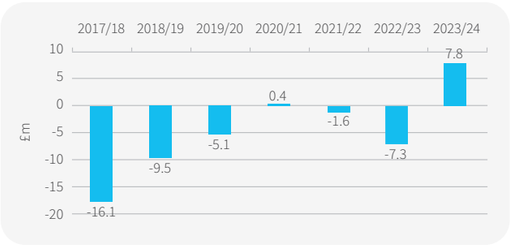
- The Trust's revenue financial position was fully delivered, consistent with its break-even financial plan.
- We successfully secured new capital resources for our population. This including £4m for a Community Diagnostic Centre, Digital Diagnostic Funding of £0.6m, IT digitalisation £0.1m and £2.7m for continuing the design of the New Hospital Programme and enabling schemes. In addition a further £3m was secured to support additional Hospital capacity.
- An overall capital investment of £41.4m made over the year in estate modernisation and new medical equipment.
- At the end of the year the Trust retained a cash balance of £27m.
- Over the year we have collaborated successfully with local partners to manage resources and risk for our local population.
- The Trust Finance team awarded Future Focused Finance Accreditation Level 2.

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

Income and expenditure summary

The Trust agreed a break-even financial plan[2] as part of a balanced Bedford, Luton and Milton Keynes Integrated Care System position, and the Trust ended the year reporting a technical surplus position of £7.8m but breakeven (on a Control Total basis). The historical financial results dating back to 2016/17 are illustrated in Table 1.

Table 1 – Historical financial performance



The Trust receives funding for clinical service provision as income payable under contracts through either local or regional commissioner organisations. During 2023/24, the Trust received income totalling £417m, predominantly (c.79%) from the local Integrated Care Board (ICB) for the provision of core acute services and other services. This was an increase of 14% compared to the prior year, due to additional income relating to delivery of the elective recovery. See Table 2 below:

Table 2 - Funding sources

	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000	2023/24 Actual £000
NHS England	29,315	29,224	37,760	35,181	34,742	62,729	50,589
CCG/ICB	167,465	176,884	192,816	216,312	270,428	276,359	328,446
Other Income from patient care activities	4,111	6,383	4,342	2,027	2,493	2,742	3,304
Other Operating Income	26,744	40,890	47,127	47,751	19,559	23,542	34,497
Total Operating Income	**227,635**	**253,381**	**282,045**	**301,271**	**327,222**	**365,372**	**416,836**

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

Table 3 - Historical expenditure

	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000	2023/24 Actual £000
Employment related costs	159,322	166,120	184,967	199,980	207,150	244,404	260,808
Drugs Costs	19,605	21,244	22,834	22,422	26,476	27,960	32,711
Clinical Supplies and Services	19,160	20,569	21,831	23,094	25,117	27,507	31,745
Premises	12,615	13,159	14,523	18,443	20,836	18,872	24,208
Other operating expenses	29,535	38,817	40,780	33,061	44,944	48,854	53,395
Total Operating Expenses	**240,237**	**259,909**	**284,935**	**297,000**	**324,523**	**367,597**	**402,867**

2. 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.

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

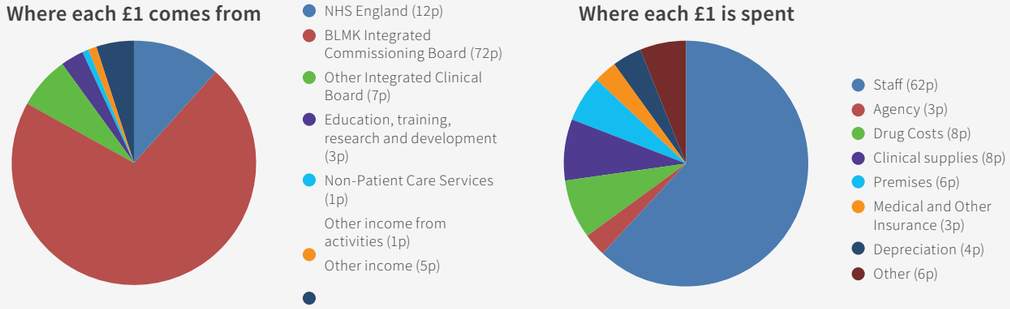
Key changes from the prior year are for pay (employment related costs - £16.4m increase) due to a national pay award for NHS staff, additional costs for staffing capacity for planned care recovery, other staff banding costs and additional pay costs to cover periods of industrial action in year. This partially offset by a significant reduction in Agency costs.

Drug costs and clinical supplies and services increased by £9m because of increased clinical workload during the year, primarily relating to elective care recovery.

Premises costs increased by £5.3m, which includes the investments of c.£1.2m the Trust have been making in digital solutions to support the clinical and non-clinical areas. Example includes the continued roll out of the Trusts patient portal (Zesty), the E-triage system in the Emergency Department, and improved mobile access to clinical systems. Other increases relate to utilities (£1.3m), accommodation rental including rental costs associated with overseas nurse recruitment (£0.5m), and the continued repair and upkeep of the Trusts Estate (£2.1m).

Other operating expenses increased by £4.5m, this including £0.8m of additional costs to support the elective recovery from the independent sector and £2.3m relating to depreciation of the Trust's fixed assets. There were increased premiums for the Trust's medical and other insurance of £1.5m, offset by smaller reductions of £0.1m across a number of areas.

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 and where it is received from:



Capital expenditure overview

The Trust continued to invest significantly in new infrastructure and equipment to support the delivery of quality healthcare. In 2023/24, capital investment totalled £41.4m. This total includes the on-going build for the Radiotherapy Centre, which is expected to be treating patients during the Autumn of 2024 enabling local patients to receive radiotherapy closer to home. The Trust created two Community Diagnostic Centres, one at Whitehouse Park offering Endoscopy and other diagnostic services, and the second located at Lloyds Court in Central Milton Keynes, which will provide additional diagnostic services to Milton Keynes patients.

The Trust continued work on the development of the New Hospital Programme, securing funding in year for one of the key enabling projects relating to the upgrade of the sites High Voltage network. This is vital to support the future development of the hospital site in anticipation of the New Hospital Build. There was also continued investment in areas such as energy infrastructure, to accelerate progress of the Trust's Green Plan[4], which included the renewal of HSDU washers and air handling units and included a programme of window replacement. These initiatives were funded from a Salix Grant.

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

Table 4 - Historical capital expenditure profile.

	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000	2021/22 Actual £000	2022/23 Actual £000	2023/24 Actual £000
Building & Engineering	8,843	7,704	18,503	27,114	24,033	23,860	32,782
Medial and Surgical Equipment	2,250	2,828	2,385	5,509	4,806	2,771	6,294
IT	5,731	5,441	3,936	8,220	2,992	2,773	2,568
Leases						1,479	-264
Total	**16,824**	**15,973**	**24,824**	**40,843**	**31,831**	**30,883**	**41,380**

Notable capital investments included:

- Ongoing build of the Radiotherapy Centre (expected to be completed in Spring 2024) - £10m.
- Refurbishment and Equipment for the Community Diagnostic Centres at Lloyds Court and Whitehouse Park Centre - £6.8m.
- Investment in an additional Surgical Robot - £0.8m.
- Infrastructure costs (including design work for additional chemotherapy car park and replacement of flat roofs) - £2.0m.
- Investment in design work for hospital capacity schemes - £2.0m.
- Design work for the New Hospital Programme business case and enabling schemes - £2.2m.
- Build work for NHP Enabling Scheme HV - £0.5m.
- Refurbishment of Children's Milton Mouse facility to create additional paediatric facilities - £0.9m.
- Creation of a Urology Investigation Unit - £0.6m.
- Information Technology - £2.4m, including a number of IT systems developments.
- Purchase of the Academic Centre, including IT connectivity - £4.8m.
- Investments in sustainability and green initiatives (including window replacement, replacement of HSDU washers and air handling units, upgrades to LED lighting and EV chargers) - £3.9m.
- Upgrade to the Trusts Fire alarm access system and fire doors - £1.2m.

Looking forward, the Trust is planning on continued essential investment in the site and facilities, to ensure an ability to deliver the services and capacity required by our patient population. Notable developments will include:

- Completion of the Radiotherapy Centre.
- Completion of the Community Diagnostic Centres (Lloyds Court).
- Business case development for the New Hospital Programme (Women's and Children's services and Elective Surgery block).
- Complete the HV upgrade NHP enabling scheme.
- Continue with the replacement of windows and air handling units relating to the Salix project.
- Complete the chemotherapy car park.
- Finalise the design, and start the build, for additional ward capacity.

1.2.7 Counter Fraud

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

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

1.2.8 Statutory and Other Declarations

Compliance with HM Treasury Cost Allocation and Charging Guidance

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

Accounting Policies and Other Retirement Benefits

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

Political and Charitable Donations

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

The Trust also continues to benefit from charitable support and donations made by individuals, groups, companies and philanthropists in the community, as well as investing in our own fundraising through Milton Keynes Hospital Charity. The Trust is very lucky to have the support of local charity partners such as the Friends of MK Hospital and Community, Emily's Star, Al's Pals, the Henry Allen Trust, the Lewis Foundation, Ailsa's Aim and many others.

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

Board of Directors and Accounts' Preparation

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

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

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

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

Critical Accounting Judgements

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

Audit Disclosure

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

Statement on Report as Fair, Balanced and Understandable

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

1.2.9 Environmental Sustainability

The established Trust Green Group community has progressed on the vision set out in the Trusts Green Plan and delivered various initiatives under the key themes. Everyone involved has been keen to make a positive impact on reducing carbon emissions at MKUH.

The MKUH Green Plan is being progressively implemented across the Trust, supported by key events and communications aimed at raising awareness and involving MKUH colleagues, visitors, and patients. Significant delivery has been achieved on the current 3 year MKUH Green Plan.

Highlights from key schemes are outlined below from 2023/24. The next phase is to meet with the Green project team, collaborate with Bedford, Luton and Milton Keynes (BLMK) and create an outline for the revised 3-year plan for 2024/2027 incorporating priorities on the way to meet the net carbon zero (NCZ) target for 2030 at MKUH. The ambitions set out below for 2024-2027 and will be comprehensive after the reset of the next 3 year plan.

Adaptation

Adaptation is the process of adjusting our systems and infrastructure to continue to operate effectively while the climate changes.

The Trust has a new Climate Change risk register in place and a Climate Change Adaptation risk assessment has been approved by the Emergency Planning steering committee. This is being shared with the BLMK adaptation group as good practice for other trusts to create similar documents. The Trust also has approved its Adverse Weather and Health Policy outlining how the hospital will respond to national health weather alerts aligned to national planning arrangements. There is on-going collaborative work with BLMK and East of England (EofE) to develop a standardised climate plan.

Medicines

Over the past year in Medicines the following Green initiatives have made significant progress:

- A reduction in use of Ethyl Chloride spray with a move to reusable cold sticks.
- Stopped the clinical use of the Desflurane Volatile Anaesthetic gas ahead of the NHSE commitment to stop using by March 2024 and European Union proposal to prohibit use on 1 January 2026.
- Continued with communication to educate and inform patients and staff to dispose of inhalers via Community pharmacies for recycling.
- Nitrous oxide use has declined and a plan to decommission the piped Nitrous oxide will complete in 2024.
- Re-issue unused medication that was issued to wards.
- Anaesthetic gas usage has enabled users to identify alternatives and influence change.

Ambitions for **2024 to 2027** include:

- Complete final steps to decommission piped nitrous oxide gas and replace these with cylinders.
- Use NHS Greener Pharmacy guidance to improve on sustainable outcomes.
- Continue to work collaboratively with BLMK ICS colleagues to encourage a dedicated post for a Lead Pharmacist to provide expert advice and structures on reducing carbon emissions and a standardised Pharmacy approach.
- Look to replace plastic medication bags with an alternative approach.
- Reduce the amount of paper being used when ward take home medication is dispensed.
- To develop and run a pilot on return medication to avoid waste and reuse.
- Work collaboratory with BLMK ICB to explore improvements in pressured Metered dose inhalers and communicate with manufacturers to understand the improvements that will be made to increase CFC – free inhalers.

Estates & Facilities

Some of the progress in the last year to decarbonise the Estate includes:

- Installation of additional Electric vehicle charging points.
- Further LED lighting replacement.
- Increased the empathic building footprint to include off site premises at Witan Gate to provide improved air quality and work environment.
- Zero waste to landfill. Recycling of plastics and general waste. Glass, cardboard, and dry mixed recycling waste reprocessed as construction materials.
- Installation of new efficient double-glazed windows to Phase 2 of the hospital site and the replacement of four air handling units.
- Commenced work on the Radiotherapy building, which will be fully electrically powered and has low carbon concrete for the radiotherapy bunkers.
- Implemented a refurbish-first approach in the development of the Community Diagnostics centre in central MK and refurbishment projects across the Trust.
- Replaced estates maintenance vans with electric vehicle alternative.
- Use Green electricity and Trust owned solar electricity.
- Installed air quality sensor pilot in loading bays, data reviewed to make continual air quality improvements.

Ambitions for **2024 to 2027** include:

- Plans to replace existing gas fired steam plant with electrical alternative.
- Phase 2 heat decarbonisation and its replacement with electrically generated heating alongside wider upgrades on the thermal performance of the Phase 2 buildings.
- Rollout of waterless urinals.
- Further installation of double glazed windows across the site.
- Further LED lighting investment across the trust.
- Continue the development of the waste strategy throughout the Trust to ensure we are minimising waste and supporting the circular economy.
- Install further EV charging for both staff and public charging.
- Continue to drive energy efficiency through smart building management.
- Implemented empathic building and building management systems in our Pines Suite offices, which will allow us to better manage the working environment.

Procurement

Some of the progress over the last year include:

- Continued the replacement of additional bed frames and mattresses across the Trust.
- A new trauma service consumables contract is in place resulting in the removal of any ad hoc deliveries.
- Rationalisation of continence products has reduced the type and volume and clinical waste disposal costs. There has been a 20% reduction in the number of items used over 12 months.
- Initiate a change of a product for skin-prep used prior to cannulation/phlebotomy from the current option which uses a plastic and glass applicator to an impregnated wipe. This will reduce the number of delivery trips as it's a less bulky products and reduce clinical waste as the new product can be disposed of in the domestic waste stream.
- Review undertaken of all procedure packs used across the Trust to reduce waste e.g., dressing changes, catheterisation, suturing and labour/ delivery. The Trust will continue working with NHS Supply Chain to get unnecessary items removed from the packs including cotton wool, plastic forceps and metal clips.
- Implement use of reusable isolation gowns in relevant areas. Trauma and Orthopaedics (T&O) will be converting to reusable reinforced gowns in May 2024. Other areas to be reviewed for use during 2024/25 will include Maternity, Dermatology and Cardiology.

Ambitions for **2024 to 2027** include:

- Investigate the option of purchasing multiple surgical instrument kits for T&O to reduce transport to and from the Trust.
- Plan to review the use of reusable hats for theatres.
- Review the use of reusable tourniquet for phlebotomy, anti-natal clinic and Out-patients .
- Put in a place a spinal agreement which will support consignment stock and reduce the frequency of transportation of kits.
- Review alternative surgical suppliers who will collect and recycle used instruments.
- Review the hindfoot nailing agreement to implement a consignment stock arrangement which will reduce the frequency of transportation.
- Look at implementing reusable isolation gowns Maternity, Dermatology and Cardiology.

1.2.10 Waste Management

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

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

- Glass, cardboard and dry mixed recycling waste is reprocessed as construction materials.
- All plastic waste is recycled.
- Food waste is anaerobically digested to produce biofertiliser and the captured gas is converted for use as district/industrial/commercial heating and also into green electricity.
- General waste sorted and approximately 21% of which is recycled, and the remainder incinerated in an energy from waste facility to produce electricity.
- High Temperature Incineration (HTI) clinical wastes are incinerated, and the captured energy is used to power the Alexandra Hospital and the plant itself.
- Reduction of HTI waste by implementing reusable sharps bins has resulted in a 91% Co2 emissions reduction (or 105.78 tonnes) compared to single use plastic sharps bins. Over a 12-month period this equated to 18.2 tonnes of single use plastics not having been produced and incinerated and therefore has prevented 27,592 single use containers from being manufactured. Having the reusable sharps bins has saved Co2 emissions the equivalent of a London bus travelling 46,039 miles per year.

The next steps under this partnership model include:

- Work towards having a compaction unit on site for the offensive waste stream, removing this from the clinical waste collections and directing the waste to an energy waste facility. This would reduce the requirement for the number of collections of clinical waste from MKUH, reducing emissions from vehicles and is following the guidance from NHSE for as much waste as possible to be redirected from landfill.
- Continued work towards national target of 60:20;20 split for offensive, alternative treatment and high temperature incineration wastes.
- Contract tender process for contract award in February 2025. Considerations to include new waste innovations by bidders in view of environmental targets.

1.2.11 Social and Community Issues

In Milton Keynes, the population size has increased by 15.3%, from around 248,800 in 2011 to 287,000 in 2021. This is the second highest population in the South-East region, and significantly higher than the overall increase for England (6.6%). In 2021, Milton Keynes ranked 52nd for total population out of 309 local authority areas in England, moving up 12 places in a decade. As one of the fastest growing local authorities in England, Milton Keynes is forecast to increase in population to 308,500 by 2026, to 341,000 by 2041, and to 500,000 by 2050. By way of context, in 1967 Milton Keynes was designated as a new town, with the area having a population of 60,000. By 2021, nearby areas like **Bedford** and **Central Bedfordshire** had seen their populations increase by around 17.7% and 15.7%, respectively, while others such as **North Northamptonshire** saw an increase of 13.5% and **Buckinghamshire** saw smaller growth (9.5%).

According to the latest Census, between 2011 and 2021 there has been an increase of 43.6% in people aged 65 years and over, an increase of 11.6% in people aged 15 to 64 years, and an increase of 12.3% in children aged under 15 years. The percentage increase in those aged 65 and over is significant – the highest in the South-East region - and the associated rise in demand for healthcare services will be substantial.

In 2021 the ethnic diversity (represented by those from an ethnic group other than 'white') in Milton Keynes was 28.2%. Asian, Asian British or Asian Welsh populations made up 12.4%; black, black British, black Welsh, Caribbean or African populations made 9.7%; mixed or multiple ethnic groups made up 4.1%; and other ethnic groups made up 2%. 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.

In Milton Keynes, as of 2021, 62% 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.

For levels of deprivation, Milton Keynes ranks 107 out of 151 upper tier and unitary authorities (1 is the most deprived). This overall ranking masks areas of significant deprivation in certain areas of the city, and widening health inequalities. 18 out of 152 small areas in Milton Keynes are ranked in the most deprived 20% nationally, with 8 among the most deprived 10%. The most deprived areas fall within the Bletchley East and Woughton & Fishermead wards. Both are ranked in the 3% most deprived areas in England.

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

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

1.2.12 Human Rights Issues

The Trust is cognisant of the human rights of both current and prospective members of staff in carrying out its work. The requirement within the Human Rights Act that there be no discrimination in the application of human rights on any ground informs the Trust's approach to engaging with its staff. Following the Trust's further investment in its Equality, Diversity and Inclusion team, 2023/24 saw the strengthening of staff networks sponsored by an executive Director, such as the Women's Network, Pride @ MKUH Network, Ability Network, the Black, Asian and Minority Ethnic (BAME) Network, the Armed Forces Network, Faith and Belief Network, and the establishment of a Neurodiversity 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.

1.2.13 Major Risks

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. The following high-level risks were identified on the Board Assurance Framework and Corporate Risk Register at the end of the 2023/24 financial year:

No.	Oversight Committee	Executive Lead	Risk Description	Mitigating Actions	Current Risk Rating	Target Risk Rating
1	Workforce and Development Assurance Committee	Chief People Officer	If staffing levels are insufficient in one or more wards or departments, then patient care may be compromised, leading to an increased risk of harm.	1. Staffing/Roster Optimisation • Exploration and use of new roles. • Check and Confirm process. • Safe staffing, policy, processes and tools. 2. Recruitment • Recruitment premia. • Bespoke recruitment for hard to fill roles. • Apprenticeships and work experience opportunities. • Use of the Trac recruitment tool to reduce time to hire and candidate experience. • Rolling programme to recruit pre-qualification students. • Use of enhanced adverts, social media and recruitment days. • Rollout of a dedicated workforce website. • Creation of recruitment "advertising" films. • Targeted recruitment to reduce hard to fill vacancies. 3. Retention • Retention premia. • Leadership development and talent management. • Succession planning. • Enhancement and increased visibility of benefits package. • Schwartz Rounds and coaching collaboratives. Onboarding and turnover strategies/reporting. • Learning and development programmes. • Health and wellbeing initiatives, including P2P and Care First. • Staff recognition - staff awards, long service awards. • Review of benefits offering and assessment against peers.	5x2 = 10	5x1 = 5
2	Quality & Clinical Risk Committee	Chief Operating Officer	If emergency or elective care pathways are delayed, then patients will wait longer to access treatment, leading to potential risk of harm.	1. Overwhelming demand for emergency care • Clinically and operationally agreed internal escalation plan with surge capacity. • System agreed escalation plan driven by OPEL status and related actions. • Emergency admission avoidance pathways. Ongoing development of SDEC and ambulatory care services. • Integrated discharge team working. • ED performance dashboard available on Trust intranet. • Daily review of ED breach performance. • New clinical standards for ED. 2. Inability to treat elective (planned) patients due to emergency demand: • Daily bed management of the hospital site to ensure both elective and emergency pathways are maintained in equilibrium with Executive oversight. • Effective daily discharge processes to keep elective capacity protected and avoid cancellations – Board rounds. • Additional waiting list initiatives (WLI) where there is resource and capacity to maintain reduction of the pandemic induced backlog. 3. Patients delayed in elective backlogs (including cancer) • Routine and diligent validation and clinical prioritisation of patient records on waiting lists. • Daily/Weekly management of patient tracking list (PLT) up to Executive level. • Restore and recovery weekly cancer meetings. • Clinical reviews and full harm review of long waiting patients, including root cause analysis (RCA). • Limited diagnostic capacity to service the demand. • Repatriation of outsourced capacity in 2023 – 2024. 4. Inability to discharge elective patients to onward care settings. • Daily review and MK system call of all Non-Criteria to Reside patients.	5x4 = 20	5x2 = 10

No.	Oversight Committee	Executive Lead	Risk Description	Mitigating Actions	Current Risk Rating	Target Risk Rating
3	Quality & Clinical Risk Committee	Chief Operating Officer	If there is overwhelming demand for emergency care on successive days, then patients will not receive timely care, leading to the potential for harm.	• Adherence to national OPEL escalation management system. • Clinically risk assessed escalation areas available. • Surge plans, COVID- specific SOPs and protocols have been developed. • Continued development of Emergency admission avoidance pathways, SDEC and ambulatory care services.	5x4 = 20	5x2 = 10
4	Finance & Investment Committee	Chief Finance Officer	If there is insufficient, then the Trust may be unable to meet financial plans and targets or deliver its strategic aims, leading to service failure and regulatory intervention.	• The Trust has established management processes to prioritise investment of available capital resources to manage emerging risk and safety across the hospital. • The Trust is responsive in pursuing additional central NHSE capital programme funding as/when additional funding is available. • The Trust is agile in responding to late notified capital slippage from across the ICS and wider region to take advantage of additional capital budget.	5x4 = 20	5x2 = 10
5	Quality & Clinical Risk Committee	Chief Medical Officer	If the pathway for patients requiring head and neck cancer services is not improved, then users of MKUH services will continue to face disjointed care, leading to unacceptably long delays for treatment and the risk of poor clinical outcomes.	• Milton Keynes University Hospital NHS FT (MKUH) clinicians have escalated concerns (both generic and patient specific) to the management team at Northampton. MKUH clinicians are advocating mutual aid from other. • Use of Cancer Centres (Oxford, Luton) where appropriate. The issue has been raised formally at Executive level, and with East of England specialist cancer Commissioners. • Safety-netting for patients in current pathway. • CEO to regional director escalation. • Report into cluster of serious incidents produced by Northampton and shared with Commissioners. • Joint commitment confirmed at Milton Keynes University Hospital NHS FT / Oxford University Hospitals NHS FT Executive-to-Executive team meeting on 02 October 2023.	5x4 = 20	5x2 = 10
6	Finance & Investment Committee	Chief Finance Officer	If the NHS funding regime is not sufficient to cover the costs of the Trust, then the Trust will be unable to meet its financial performance obligations or achieve financial sustainability.	• Internal budgetary review/financial performance oversight processes to manage/mitigate cost pressures. • Financial efficiency programme identifies headroom for improvement in cost base. • Close monitoring/challenge of inflationary price rises. • Medium term financial modelling commencement with ICS partners. • Escalation of key risks to NHSE regional team for support. • National NHS/E re-forecasting process in relation to additional system funding in November 2023. • Management oversight of escalation capacity and controlled decision-making on additional capacity. • Optimisation of elective recovery funding through optimising elective resources (bed capacity, Theatres, Outpatients clinical areas and elective clinical staff). • Draft planning submissions will require collective Executive Director sign-off prior to submission, with Board sign-off before any final submissions made.	4x5 = 20	4x2 = 8

1.2.14 Overseas Operations

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

Joseph Harrison
Chief Executive Officer
25 June 2024

1.2.15 Task Force on Climate Related Financial Disclosures (TCFD) for 2023-24

NHS England's NHS Foundation Trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24. These disclosures are provided below with appropriate cross referencing to relevant information elsewhere in the annual report and accounts and in other external publications.

Governance - disclose the companies governance around climate related risks and opportunities

a. The Boards oversight of climate related issues:

- The Emergency Preparedness Resilience (EPR) response risks including climate change are reported to the Board on an annual basis via the EPR annual report as set out within the NHS core standards.
- MKUH has a Green group that is chaired by the Chief Finance Officer that provide a monthly status report to Transformation Programme Board.
- MKUH Green plan for years 1-3 delivery is reviewed by the Green Group meetings .
- MKUH Green plan for the next 3 years for 2024-2027 in currently being developed.
- Corporate Risk Register and internal risk management system, RADAR is used for reporting climate change issues.

b. Management's role in assessing and managing climate related risks and opportunities:

- Emergency Planning Officer (EPO) via accountable Emergency Officer supports assessing climate related risks and climate opportunities.
- EPO attends multiagency meetings, national webinars, to ensure the trust is up to date with climate change related resilience.
- EPO – looks at incident responses to climate related issues e.g. flooding, heatwave, power cuts.
- Key managers have been identified as leads for the themes as identified in the NHS contract. The leads identify the opportunities locally and through national groups, apply for funding where it is available, obtain Trust approval to complete the proposal and deliver a sustainable outcome.

2.1 Directors' Report

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

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

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

2.1.1 Composition of the Board of Directors

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

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

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

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

The composition of the Board of Directors on 31 March 2023/4 is detailed below:

Non-Executive Directors	
Alison Davis	**Chair**
Heidi Travis	Non-Executive Director (Senior Independent Director)
Haider Husain	Non-Executive Director
Gary Marven	Non-Executive Director
Dr Dev Ahuja	Non-Executive Director
Mark Versallion	Non-Executive Director
Jason Sinclair	Associate Non-Executive Director
Ganesh Baliah	Associate Non-Executive Director
Precious Zumbika-Lwanga	Associate Non-Executive Director

Executive Directors	
Joseph Harrison	**Chief Executive**
John Blakesley	Deputy Chief Executive
Dr Ian Reckless	Medical Director and Deputy Chief Executive
Emma Livesley	Director of Operations
Danielle Petch	Director of Workforce
Jonathan Dunk	Director of Finance/Chief Finance Officer (from February 2024)
Yvonne Christley	Director of Patient Care and Chief Nurse
Kate Jarman	Director of Corporate Affairs (non-voting)

Other Board Members during 2023/24	
Bev Messinger	Non-Executive Director (till 01 February 2024)
Terry Whittle	Director of Finance (till November 2023)
Daphne Thomas	Interim Director of Finance (from November 2023 – February 2024)

2.1.2 Biographies of Board Directors

Biographies for individuals who were serving as directors on the Board as of 31 March 2024 are detailed below. The Board of Directors is confident that it has within it the appropriate mix of skills and depth of experience to lead the Trust appropriately. The Board considers all the Non-Executive Directors to be independent as they were appointed to their roles through open competition and are not employees of the Trust. The Register of Interests can be found on the Trust website: www.mkuh.nhs.uk

Alison Davis, Chair

Alison joined the Trust in February 2021 as Chair.

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

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

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

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

Heidi joined the Trust as a Non-Executive Director in March 2018. She joined Sue Ryder in March 2010 as Director of Retail and took on the role of Chief Executive in September 2013. Previously, Heidi had worked as a business consultant developing small businesses. Before that, she spent 25 years at Marks & Spencer, most recently as an executive in group planning and strategy as well as managing a buying group. Heidi also worked as a lay member of the Aylesbury Vale CCG until 2013. She became a non-executive director for Bucks PCT (now Buckinghamshire Healthcare NHS Trust) in 2008 and chairs a Bucks speech and language therapy group. She lives in Milton Keynes.

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

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

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

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

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

Dr Dev Ahuja, Non-Executive Director

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

Dev completed his doctorate looking at factors influencing adherence and attendance in musculoskeletal physiotherapy. He has presented at over 50 conferences internationally as well as running training courses for healthcare professionals around workplace rehabilitation. Dev currently works as Clinical Director for RTW Plus, a rehabilitation services company. Dev is also a current Trustee at MK Community Foundation and a Parish Councillor for the Broughton and Milton Keynes Village Parish Council. He is passionate about enhancing quality outcomes in healthcare and community engagement into local service delivery.

Mark Versallion, Non-Executive Director

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

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

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

Jason Sinclair, Associate Non-Executive Director

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

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

Precious Zumbika-Lwanga, Associate Non-Executive Director

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

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

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

Ganesh Baliah, Associate Non-Executive Director

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

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

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

Joseph Harrison, Chief Executive

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

John Blakesley, Deputy Chief Executive

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

Dr Ian Reckless, Medical Director and Deputy Chief Executive

Ian was appointed as Medical Director in April 2016. He trained at St George's Hospital Medical School, London and undertook postgraduate training in the Oxford area. Ian worked as Special Adviser to the Healthcare Commission in 2004 and was Special Assistant to the Chief Medical Officer in 2005/06. He was appointed Consultant Physician and Senior NIHR Research Fellow at the Oxford Radcliffe Hospitals NHS Trust, and he later held the roles of Associate Medical Director (Quality) and Clinical Director, Neurosciences at the successor Oxford University Hospitals NHS Foundation Trust. He continues to undertake clinical work both at Milton Keynes and in Oxford, where he remains Honorary Consultant Stroke Physician / Senior Clinical Lecturer at the John Radcliffe Hospital. He also contributes to the work of the Isle of Wight Clinical Commissioning Group as secondary care doctor on the Governing Body. Ian has a particular interest in postgraduate education, having previously served as Training Programme Director, and has authored books on general medicine, and the interface between medicine and the law.

Emma Livesley, Chief Operations Officer

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, Chief Corporate Services Officer

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.

Danielle Petch, Chief People Officer

Danielle joined the Trust as Director of Workforce in July 2018 from Rotherham NHS Foundation Trust. She has also previously worked at a Primary Care Trust (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 a Healthcare People Management Association (HPMA) Award in 2018 for this work. Her strategic focus is to recruit and develop the workforce required today for the future.

Yvonne Christley, Chief Nursing Officer

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

Jonathan Dunk, Chief Finance Officer

Jonathan joined Milton Keynes University Hospital in February 2024 from Mid and South Essex NHS Trust where he was their Chief Commercial Officer. Jonathan has significant NHS experience, having served previously as Director of Finance at MKUH between 2012-2016 before undertaking roles at both acute and system level.

In his remit as Chief Finance Officer, Jonathan's portfolio includes finance, procurement and transformation. He is also the executive lead for the Trust's sustainability agenda.

2.1.3 Balance of Board Members and Nomination

At the end of the financial year 2023/24 the Board of Directors comprised:

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

As at 31 March 2024, 41% of the Board of Directors' members were female (there were seven female and ten male Board members).

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

2.1.4 Non-Executive Director Appointments

The appointment of a chairman or any of the non-executive directors of the Trust is the responsibility of the Council of Governors. A Non-Executive Director Appointments Committee of the Council has been established, and during 23/24, its membership comprised of:

- Barbara Lisgarten (Lead Governor, Publicly Elected)
- Clare Hill (Publicly Elected)
- Tom Daffurn (Publicly Elected)
- Keith McLean (Appointed - Milton Keynes Council Representative)
- Alison Davis (Chair of the Trust)

When there is a chairman or non-executive director vacancy on the Trust Board, the Trust adopts open advertising and advice from NHS England's Non-Executive Talent and Appointments team in the appointment. The Non- Executive Appointments Committee (a sub-committee of the Council of Governors) will then meet to draw a shortlist of candidates from those who respond to the advert placed by the Trust. The Non-Executive Appointments Committee will then invite the shortlisted candidates to attend stakeholder discussions and events and to be interviewed. The Non-Executive Appointments Committee will recommend the selected candidates to the full Council of Governors for review and approval. If approved by the Council of Governors, the recommended candidate will be appointed as a chairman or non-executive director of the Trust.

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

The Non-Executive Appointments Committee had one meeting in 2023/24, and no external search consultancy was utilised in the recruitment of non-executive directors during the year.

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

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

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

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

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

In respect of individual appraisals:

- The Chair undertakes the appraisal of the Chief Executive and Non-Executive Directors.
- The Chair ensures that the board and council of governors work together effectively.
- The Chair also ensures that governors receive accurate, timely and clear information that enables them to perform their duties effectively.
- The Chair ensures to provide a platform for governors to gain the necessary skills and knowledge to undertake their role.
- 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 Chair 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. During 2024/25, the six competency domains within the Leadership Competency Framework (NHSI, 28 February 2024) will form a core part of board member appraisals and the ongoing development of individuals and the Board as a whole.

The Chair acted on the results of the self-evaluation by recognising the strengths and addressing any weaknesses of the Board of Directors. Each director engaged with the process and took appropriate action where development needs were identified. The result of the evaluation process of the Board of Directors' performance in respect of the year ended 31 March 2024 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 of the Trust's performance and ensures that these address each of the eight Key Lines of Enquiry as set out in the Framework.

The Board has in place a conflict resolution framework against which it is evaluated. Where directors have concerns about the operation of the Board or the management of the Trust that cannot be resolved, these are highlighted in the Board minutes for noting. Where on resignation, a non-executive director had any such concerns, there is further opportunity to provide a written statement to the Chair, for circulation to the Board. Further details 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

Only the committee chair and members are entitled to be present at non-executive directors (NED) Appointments, Committee of the Council of Governors, Audit or Remuneration Committee meetings, but others may attend by invitation of the particular committee.

The Company Secretary is responsible for the administration of the Trust Board, Board Committee and Council of Governors meetings. All members of the Trust Board and Council of Governors have access to the advice of the Company Secretary, who is responsible for advising them on all governance matters.

At MKUH, the appointment and removal of the company secretary is a matter for the whole board to determine.

	Trust Board	Audit Committee	Charitable Funds Committee	Finance & Investment Committee	Quality & Clinical Risk Committee	Workforce Development & Assurance Committee	Remuneration Committee	Council of Governors	Non-Executive Appointments Committee
Alison Davis	5/6	6/7	3/4	10/12	3/4	5/5	3/3	3/4	1/1
Bev Messenger	5/5				3/3	4/4	3/3	1/4	
Danielle Petch	6/6					5/5	3/3		
Emma Livesley	6/6			9/12	3/4				
Gary Marven	6/6	6/7			4/4		3/3	3/4	
Haider Husain	4/6		4/4	5/12		1/5	3/3	1/4	
Heidi Travis	5/6		1/4	12/12		5/5	3/3	3/4	
Dr Ian Reckless	6/6			8/12	4/4	1/5			
Joseph Harrison	6/6	1/7		9/12	3/4	2/5	1/3	2/4	
John Blakesley	5/6	1/7	1/4	6/12				2/4	
Kate Jarman	5/6	7/7	3/4		3/4	1/5		2/4	
Terry Whittle	3/4	5/7	3/3	6/6				1/4	
Yvonne Christley	6/6				2/4			3/4	
Dr Devdeep Ahuja	4/6	4/7		9/12	4/4		1/1	1/4	
Jason Sinclair	4/6					4/5	1/1	2/4	
Mark Versallion	5/6	5/7	4/4	8/12				2/4	
Ganesh Baliah	4/6		3/4		3/4	5/5		2/4	
Precious Zumbika-Lwanga	2/6			6/12					
Jonathan Dunk	1/1	1/1		1/2					

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

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

2.1.8 Board Register of Interests

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

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

2.1.9 Audit Committee

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

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

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

The Audit Committee is chaired by Gary Marven, a Non-Executive Director of the Trust. Mr Marven has relevant financial experience, and therefore has the skills and knowledge to effectively perform this role. During the course of 2023/24, the other permanent members of the Committee have been Mark Versallion and Dr Dev Ahuja.

The Committee met virtually on seven occasions during 2023/24. 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. In 2022/23 RSM were given a further three years -plus-one-year extension term from June 2022. 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.

In July 2022, the Council of Governors appointed Grant Thornton to a three-plus-one-year extension term as the Trust's External Auditors from July 2022, 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 2023/24. 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.

For the 2023/24 audit, the Trust incurred statutory audit fees of **£179k** (including irrecoverable VAT) and no other auditor remuneration (including irrecoverable VAT).

The following steps were taken during 2023/24 to ensure that auditor objectivity and independence is safeguarded:

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

2.1.10 Remuneration Committee

The Remuneration Committee is a sub-committee of the Trust Board. It is chaired by the Trust Chair 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 Chief People Officer attend the meeting but leave when discussions about their own positions are to be held. The Remuneration Committee met three (3) times in 2023/24.

In 2023/24, all Committees should be provided with sufficient resources to undertake their duties.

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 2023/24. In situations where any conflict arises between the Board and the Council, the Chair may initiate an independent review to investigate and make recommendations, and the process for this is set out in the Trust's Constitution.

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

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

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

The process and conditions for the removal from the council of governors are provided for in the Trust's constitution which is modelled in accordance with the provisions of the NHS England's model constitution.

2.2.1 Membership of the Council of Governors

The Council of Governors is chaired by the Trust Board Chair. It consists of fifteen Governors elected by public members of the Trust (two vacancies as of 31 March 2024) and representing different geographical constituencies, seven Governors elected by staff of the Trust (2 vacancies as at 31 March 2024), and four appointed Governors (one vacancy as of 31 March 2024.

The table at Appendix 2 (page **109**) lists the Governors and their attendance record at the four Public Council of Governors meetings that took place in the year.

2.2.2 Register of Governors' Interests

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

2.2.3 Lead Governor

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

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

2.2.4 Elections

In 2023/24 elections were held for the following seats on the Council of Governors.

Date	Constituency (see Appendix 1 for key)	Result
April 2023	**PUBLIC:** Walton Park, Danesborough, Middleton, Woughton	Clare Hill (elected)
April 2023	**PUBLIC:** Linford South, Bradwell, Campbell Park	Kathryn Jaitly (elected)
July 2023		Dianna Moylan (elected)
September 2023	**PUBLIC:** Extended area	Rachel Medill (elected)
September 2023	**PUBLIC:** Stantonbury, Stony Stratford, Wolverton	Andy Forbes (elected)
October 2023	**PUBLIC:** Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	Ken Rowe (elected)
December 2023	**STAFF:** Stantonbury, Stony Stratford, Wolverton	Francesca Vernon (elected)
February 2024	**STAFF:** Nurses and Midwives	Tracy Rea (elected)
February 2024	**STAFF:** Non-clinical staff groups e.g. admin & clerical, estates, finance, HR, management	Emma Isted (elected)

The Trust commissioned the services of UK Engage to undertake the elections process. Public governors are subject to re-election by the members of their constituencies on expiration of their term (not exceeding three years).

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. Governors have increasingly engaged with both members of the Trust and the general public.

Governors participated 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. In May 2024 there are plans for an NHS Providers-facilitated training session for the Council aimed at providing Governors with the skills and knowledge for their role, which would support their ability to effectively hold the Trust Board of Directors to account. The Trust Secretariat also plans to update the Governor induction pack to further improve efficiency and support Governors into their roles once they have been appointed or elected.

The Trust supported engagement by the Lead Governor with their counterparts across the East of England region, with a view to gaining and sharing best practice and new ideas, particularly in relation to member engagement and development.

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

In 2023/24 the Council of Governors meetings included presentations from several organisations including Alcoholics Anonymous and Alzheimer's Society MK, as part of its desire to improve understanding of what local organisations do and can offer in terms of supporting our patients and staff.

Governors also received summary reports and annual assurance reports from the Board Committees. 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. In 2023/34 the Board of Directors ensured that the Council of Governors was provided with sufficient resources to undertake its duties with such arrangements agreed in advance.

2.2.6 Attendance at Council of Governor Meetings

The Council of Governors, formally met in public four (4) times during the year, (excluding meetings in private, informal meetings, and the Annual Members' Meeting). Details of Governors' attendance at the four Council of Governors meetings in public held in 2023/24 are included in Appendix 2 (page **109**).

2.3 Membership

Milton Keynes University Hospital NHS Foundation Trust remains committed to growing an effective and engaged membership. During 2023/24, further steps were taken to improve engagement with the Trust's membership.

Following the achievement of the first major objective - to reverse the declining trend in public membership - numbers are now continuing to grow rapidly, with a 27% increase in public members during the course of the year, from 1,766 to 2,246.

The role of the Membership and Engagement Manager continues to be expanded to coordinate the Trust's external engagement activity in a way that dovetails with the Council of Governors' engagement work. As part of this, there has been significant work to establish dialogues with community groups and stakeholders, including representation at events and meetings in the community, to grow a diverse and engaged public membership which is reflective of the city's communities and those of the surrounding areas.

2.3.1 Numbers and Breakdowns of Members

Public constituency:

	2022/23	2023/24
At year start 1 April	1890	1766
New members	335	605
Members leaving	381*	125
At year end 31 March	1766	2246

* Includes membership removals because of the database cleanse exercise conducted in 2023.

Age (following database cleanse):

	2022/23	2023/24
14-16	0	11
17-21	11	23
22+	1179	1656
Not declared	576	556

Ethnicity (following database cleanse):

	2022/23	2023/24
White	1394	1664
Mixed	13	26
Asian or Asian British	174	273
Black or Black British	87	176
Other	27	26
Not Declared	71	81

Gender (following database cleanse):

	2022/23	2023/24
Male	694	857
Female	1042	1359
Not Declared	30	30

Staff constituency (following database cleanse):

	2022/23	2023/24
At year start 1 April	3831	3801
At year end 31 March	3801	4334

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 2,246 public members and 4,334 staff members on its membership register. The total membership is therefore 6,580.

2.3.3 Membership Recruitment and Engagement

In 2023/24, engagement activity across the Governors significantly increased to support the growth of a more diverse and engaged public membership, and this has led to significant increases in some of the numbers of non-white Trust members. The membership as a whole increased by 27%, reflecting very strong growth year-on-year, and it is hoped that growth will continue into 2024/25. There has also been increased Governor visibility in the community, at events and community group meetings, and it is expected that this too will continue into next year. The Membership and Engagement Strategy will be updated once the Trust's over-arching Engagement Strategy is finalised.

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 2023 and 31 March 2024.** CQC carried out a short notice announced focused inspection of the maternity service in March 2023, looking only at the safe and well led key domains. CQC rated maternity safety as good for safe domain. It identified that the staff had the required training and skills to work well together for the benefit of women and birthing people. The maternity service was also able to demonstrate, understanding of how to protect women and birthing people from abuse, and manage their safety well, this included staff assessing risks to women and birthing people, acting on them.

The maternity service managed safety incidents well and learned lessons from them. The service actively and openly engaged with women and birthing people, staff, equality groups, the public and local organisations to plan and manage services. People could access the service when they needed it and did not have to wait too long for treatment.

The well led domain was rated as outstanding. It was identified during the inspection that the leaders had the skills and abilities to run the service. They understood and managed the priorities and issues the service faced. They were visible and approachable in the service for women and birthing people and staff. They supported staff to develop their skills and take on more senior roles.

The inspection did identify following actions the Trust should take to improve:

- The Trust should consider ensuring the bereavement room is soundproof to improve the experience of bereaved women and families who have experienced a loss. This work has been commenced within the current estates restraints as MKUH.
- The Trust should continue to improve the incident reporting process in the service. This has continued to be monitored monthly with an upward and stable trajectory.
- The Trust should continue to address the vacancy and sickness rates in maternity staffing. Workforce recruitment and retention has continued as part of the workforce modelling and is monitored at divisional and regional level.
- The Trust should continue to address the high smoking rates of pregnant women at booking and post-delivery. Development of this service has continued in 2023/2024 and has an onward plan for 2024/2025.

Outstanding practice identified:

- The Trust had invested in additional middle grade specialty doctors who were on-site and available 24/7. This was to ensure the safety of women and birthing people and to improve their experience following consultation with Multidisciplinary Team (MDT) staff.
- The specialist bereavement midwife created a bereavement garden in the hospital grounds for bereaved parents of babies and children.
- The specialist midwife was caring and compassionate and had gone above and beyond to develop the bereavement service for bereaved women and birthing people, and their families.
- The maternity service recognised and understood their women and birthing people groups and the additional challenges the women and birthing people and families who accessed the service faced. Particularly around health inequalities, co-complexities and co-morbidities. As a response to these challenges, the service had created more specialist roles to support women and birthing people in the hospital and community to improve the outcomes and experiences.
- The access to information by women, birthing people, staff and public about the service, performance, policies and procedures was exemplary. Women and birthing people had access 60 information leaflets about pregnancy, condition and delivery. Women and birthing people, staff and the public could also access 105 service maternity specific policies and guidelines on the website. The service had also created a maternity glossary of terms and several virtual maternity area tours available on their website for women and birthing people to access. The information on the maternity website could be translated to any language.

Ratings of the Maternity service did not change the ratings for the hospital overall. The overall hospital rating remains as 'good'.

Other areas of the Trust were inspected during April and May 2019, when 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 of '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. Other areas were not inspected during this period and retain their rating of 'good'.

Latest overall Ratings for Milton Keynes University Hospital:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Medical care (including older people's care)	Good	Good	Good	Good	Good	Good
Services for children & young people	Good	Good	Good	Good	Good	Good
Critical care	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Maternity	Good	Good	Good	Good	Outstanding	Good
Outpatients & diagnostic imaging	Good	Not rated	Good	Good	Good	Good
Surgery	Requires improvement	Good	Good	Good	Good	Good
Urgent and emergency services	Requires improvement	Good	Good	Good	Requires improvement	Requires improvement
Overall Rating	Good					

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.

Reported Incident 2023/24			
Reference	**Reported**	**What Happened**	**Reported to**
32815	21/06/2023	An external individual was mistakenly copied into an email sent to an employee in respect of their witness statement gathered as part of a Maintaining High Professional Standards (disciplinary) investigation. A copy of their draft statement was attached to the email.	Not required to report

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. As an acute Trust, we also build understandings and relationships with our communities in order to understand their needs, as well as building trust with those communities. This is with the intention that, whenever they visit the hospital, they will experience excellent treatment and care, but this is also important because, when our communities want to submit feedback or opinions as to how to improve or change the hospital's services, they can have confidence that they will be listened to, and that their views can make a positive difference to the Trust's services and, therefore, to the experiences of patients and visitors to the hospital.

During 2023/24, the Trust stepped up its community relationship-building by having meetings with many community leaders and organisations, from faith and belief groups, to local charities, from public sector partners, to organisations representing various areas of the demographic. This is an ongoing process but momentum continues to increase. The Trust's staff, and Governors, also increased the number of events attended through the year, being visible in communities and taking up outreach opportunities which offered opportunities for different people and groups to let us know how we can continue to meet the needs of our communities, but also letting the public know what is happening at the Trust on a developmental level. This will continue into 2024/25 as the Trust celebrates its fortieth birthday and seeks to engage with communities around the New Hospital Programme and other projects progressing in relation to the development of the estate.

Healthwatch Milton Keynes

During 2023/24 the Council of Governors continued to strengthen collaboration with Healthwatch Milton Keynes. The remit of both the Council of Governors and Healthwatch is complementary; both bodies representing the health interests and concerns of and people of Milton Keynes and surrounding areas.

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

University of Buckingham

As part of the Council of Governors' increased links to organisations in the community, a new Governor role to represent the University of Buckingham was created, and Doug McWhinnie was appointed to take up the role.

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 working alongside the Trust's Membership Officer to engage with diverse groups. Other examples include 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 cases, complied with the Better Payments Practice Code.

The Trust's achievement of the BPPC target has increased in the year although remains below the target for payment within 30 days (95%). Invoices paid within 30 days were 92% (65,692 in volume) and 91% (£196,908,000 in value). (2022/23 84% 63,691 in volume and 89% £189,195,000 in value).

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

(Not subject to audit)

For the Year Ended 31st March 2024			
	Number of Invoices Paid within 30 days	**Total Number of Invoices Paid**	**% Number paid within 30 days**
NHS	1,632	2,146	76%
Non-NHS	64,060	69,370	92%
Total	**65,692**	**71,516**	**92%**
	Value of Invoices Paid within 30 days	**Total Value of Invoices Paid**	**% Value paid within 30 days**
NHS	5,337,000	10,542,000	51%
Non-NHS	191,571,000	204,910,000	94%
Total	**196,908,000**	**215,451,000**	**91%**

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 (2022/23 £0).

(Not subject to audit)

Public Contracts Regulations 2015: Regulation 113(7) Statutory Disclosure			
Financial Year 2023/24	**Percentage of commercial invoices paid within 5 days**	**Percentage of commercial invoices paid within 30 days**	**Total Amount of potential commercial liability from April 2022 £**
Full Year	3.89%	90.27%	352,805.66

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

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

2.5 Statement as to Disclosure to Auditors

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

2.6 Remuneration Report

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

The Remuneration Report comprises three parts:

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

2.6.1 Annual Statement on Remuneration

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

A number of Board level changes took place in 2023/24. Beverley Messinger, retired from the Board in February 2024. Haider Hussain began a second term in April 2023. Terry Whittle, Chief Finance Officer, left the Board in November 2023. Daphne Thomas, Deputy Chief Finance Officer acted as Interim Chief Finance Officer from November 2023 to February 2024. Jonathan Dunk joined as Chief Finance Officer in February 2024.

There were nine Non-Executive/Associate Non-Executive Directors and eight Executive Directors on the Board of Directors in 2023/24.

In 2023/24 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. Comment is requested 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 term 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 are set out in the table on pages **65** and **69**. They do not receive any other payments from the Trust.

2.6.2.1 Service Contract Obligations and Policy on Payment for Loss Office

All Executive Directors are employed on permanent or fixed term contracts and are required to give six months' notice to terminate their contract. In line with NHS Employers' guidance, the notice period for the Trust's Very Senior Managers (VSMs) is six months. Terms of each of the Non-Executive Directors are given in the details of the Board members from page **73**. 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 national NHS 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 **36** to **37**).

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 Chief People Officer attend the meeting but leave when discussions about their own positions are to be discussed. The Remuneration Committee met on three occasions in 2023/24. Information on attendance is contained within the Directors' Report.

The Trust reviewed its remuneration relating to executive directors during 2023/24 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 Chair personally scrutinises and approves any new very senior manager appointment in the Trust.

The Committee reviewed the NHS pension arrangements for senior staff and agreed to continue the pension and pension allowance schemes in place at the Trust.

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

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

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

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

Fair Pay Multiple (subject to audit)

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2023/24 was £220,000-£225,000 (2022-23, £210,000-£215,000). This is a change between years of 5.48%.

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

For employees of the Trust as a whole, the range of remuneration in 2023/24 was from £13,015 to £222,955 (2022/23 £8,362 to £211,369). 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 3.9%. No employee(s) received remuneration in excess of the highest-paid director in 2023/24. (2022/23: 0 employees).

The difference in the pay ratios between current year and prior year is due to the Highest Paid Director's pay increasing at a higher percentage than other staff. In March 2023, Bands 2-6 accounted for 68% of the overall worked WTE, in March 2024 this figure was 69%.

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.

2022/2023	25th Percentile	Median	75th Percentile
Salary Component of Pay	25,338.38	34,441.29	46,428.99
Total pay and benefits excluding pension benefits	25,338.38	34,441.29	46,428.99
Pay and benefits excluding pension: pay ratio for highest paid director	8.3	6.1	4.6

2023/2024	25th Percentile	Median	75th Percentile
Salary Component of Pay	26,546.90	35,006.16	48,182.62
Total pay and benefits excluding pension benefits	26,546.90	35,006.16	48,182.62
Pay and benefits excluding pension: pay ratio for highest paid director	8.40	6.37	4.63

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

The 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	February 2021	January 2024	1 month
Heidi Travis	Non-Executive Director/Senior Independent Director	March 2018	February 2024	1 month
Haider Husain	Non-Executive Director	April 2020	March 2023	1 month
Gary Marven	Non-Executive Director	April 2022	March 2025	1 month
Dr Dev Ahuja	Associate Non-Executive Director	September 2022	January 2023	1 month
	Non-Executive Director	January 2023	December 2025	
Mark Versallion	Non-Executive Director	January 2023	December 2025	1 month
Jason Sinclair	Associate Non-Executive Director (non-voting)	September 2022	August 2025	1 month
Ganesh Baliah	Associate Non-Executive Director (non-voting)	January 2023	December 2025	1 month
Precious Zumbika-Lwanga	Associate Non-Executive Director (non-voting)	January 2023	December 2024	1 month

Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Joseph Harrison	Chief Executive	February 2013	N/A	6 months
Yvonne Christley	Chief Nursing Officer	September 2022	N/A	6 months
Emma Livesley	Chief Operating Officer	September 2019	N/A	6 months
Dr Ian Reckless	Chief Medical Officer & Deputy Chief Executive	April 2016	N/A	6 months
John Blakesley	Deputy Chief Executive	Apr 2014	N/A	6 months
Danielle Petch	Chief People Officer	July 2018	N/A	6 months
Terry Whittle	Chief Finance Officer	Feb 2024	N/A	6 months
Kate Jarman	Chief Corporate Services Officer (non-voting)	May 2014	N/A	6 months

Other Board Members during 2022/23

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Bev Messinger	Non-Executive Director	April 2022	February 2024	1 month
Terry Whittle	Chief Finance Officer	February 2021	November 2023	6 months
Daphne Thomas	Interim Chief Finance Officer	November 2023	February 2024	(interim pending appointment of substantive DOF)

2.6.5 Directors' Remuneration Report Statement 2023/24

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.

2.6.6 Governor Expenses

Governors are permitted to claim an allowance of £10 for any meeting of the Council of Governors they attend or an external meeting that they attend on behalf of the Trust e.g., Healthwatch Milton Keynes Executive. Governors did not claim any expenses in 2023/24.

Salaries & Expenses- Directors Remuneration Statement 2023/24

Name and Appointment	Year Ended 31 March 2024					
	Salary and Fees* (Bands of £5,000)	**Taxable Benefits** (£s, to the nearest £100)	**Annual Performance Related bonuses** (Bands of £5,000)	**Long term Performance Related bonuses** (Bands of £5,000)	**All Pension Related Benefits**** (Bands of £2,500)	**Total** (Bands of £5,000)
Professor Joseph Harrison * ** Chief Executive Officer	110-115	0	0	0	90-92.5	200-205
John Blakesley ** ** Deputy Chief Executive	115-120	0	0	0	0	120-125
Alison Davis Chair	45-50	0	0	0	N/A	50-55
Terry Whittle (to Nov 23) Director of Finance	85-90	0	0	0	10-12.5	95-100
Daphne Thomas (Nov 23 to Feb 24) Chief Finance Officer	30-35	0	0	0	0-2.5	30-35
Jonathan Dunk (from Feb 24) Chief Finance Officer	15-20	0	0	0	0-2.5	15-20
Yvonne Christley Chief Nurse	140-145	0	0	0	35-37.5	175-180
Kate Jarman Director of Corporate Services	135-140	0	0	0	0-2.5	135-140
Danielle Petch Director of HR & Workforce Development	145-150	0	0	0	17.5-20	165-170
Dr Ian Reckless Medical Director	220-225	0	0	0	0-2.5	220-225
Emma Livesley Director of Operations	140-145	0	0	0	0-2.5	140-145
Haider Hussain Non Executive Director	10-15	0	0	0	N/A	10-15
Heidi Travis Non Executive Director	10-15	0	0	0	N/A	10-15
Gary Marven Non Executive Director	15-20	0	0	0	N/A	15-20
Devdeep Ahuja Non Executive Director	10-15	0	0	0	N/A	10-15
Jason Sinclair Non Executive Director	5-10	0	0	0	N/A	5-10
Mark Versallion Non Executive Director	10-15	0	0	0	N/A	10-15
Ganesh Baliah Associate Non Executive Director	5-10	0	0	0	N/A	5-10
Precious Zumbika-Lwanga Associate Non Executive Director	5-10	0	0	0	N/A	5-10
Beverley Messinger Non Executive Director	10-15	0	0	0	N/A	10-15

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

** Pension benefits may include pension recycling allow-ance.

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

Some pension benefits above may be calculated on a pensionable pay lower than the corresponding Salary and Fees noted above, where that member of staff has opted to split their assignment between one opted into a

pension scheme, and one opted out.

*** The Salary and Fees recorded for Joseph Harrison in the table above reflects time working at the Trust, net of a portion recharged to NHS DIgital.

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

Salaries & Expenses- Directors Remuneration Statement 2022/23

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

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

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

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

Pensions and Benefits 2023/24

Name and Title	Year Ended 31 March 2023							
	Real increase in pension at pension age (Bands of £2,500) £000	**Real increase in pension lump sum at pension age** (Bands of £2,500) £000	**Total accrued pension at pension age at 31 March 2024** (Bands of £5,000) £000	**Lump sum at pension age related to accrued pension at 31 March 2043** (Bands of £5,000) £000	**Cash Equivalent Transfer Value at 31 March 2023** £000	**Real Increase in Cash Equivalent Transfer Value** £000	**Cash Equivalent Transfer Value at 31 March 2024 ***** £000	**Employer's contribution to stakeholder pension** £000
Terry Whittle Director of Finance	0-2.5	0-2.5	0-5	0-5	406	0	0	0
Kate Jarman Director of Corporate Services	0-2.5	35-37.5	25-30	70-75	351	138	539	0
Dr Ian Reckless Medical Director	0-2.5	27.5-30	55-60	150-155	889	191	1,195	0
Emma Livesley Director of Operations	0-2.5	27.5-30	40-45	105-110	708	114	912	0
Joseph Harrison Chief Executive Officer	0-2.5	42.5-45	80-85	225-230	1,427	348	1,929	0
Yvonne Christley (from 1 Sep 22) Chief Nurse	2.5-5	0	10-15	0	109	43	182	0
Daphne Thomas (11th Nov 23 to 25th Feb 24) Chief Finance Officer (Interim)	0-2.5	0	30-35	0	0	1	578	0
Jonathan Dunk (from 26th Feb 24) Chief Finance Officer	0-2.5	2.5-5	40-45	105-110	0	10	845	0

* 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. Joe Harrison, Terry Whittle, Jacqueline Collier, John Blakesley and Danielle Petch chose not to be covered by the pension arrangements during the reporting year.

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

Pensions and Benefits 2022/23

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

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

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

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

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

Salaries & Expenses- Directors Remuneration Statement 2023/24

Name and Title	Year Ended 31 March 2024	
	Other non-taxable expenses (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Professor Joseph Harrison Chief Executive Officer	2,400	100
John Blakesley Deputy Chief Executive	0	400
Alison Davis Chair	3,000	0
Terry Whittle Director of Finance	0	0
Daphne Thomas (Nov 23 to Feb 24) Chief Finance Officer	0	0
Jonathan Dunk (from Feb 24) Chief Finance Officer	0	0
Yvonne Christley Chief Nurse	0	0
Kate Jarman Director of Corporate Services	0	0
Danielle Petch Director of HR & Workforce Development	0	0
Dr Ian Reckless Medical Director	700	0
Emma Livesley Director of Operations	0	0
Haider Husain Non Executive Director	0	0
Heidi Travis Non Executive Director	0	0
Gary Marven Non Executive Director	0	0
Devdeep Ahuja Non Executive Director	0	0
Jason Sinclair Non Executive Director	0	0
Mark Versallion Non Executive Director	0	0
Ganesh Baliah Associate Non Executive Director	0	0
Precious Zumbika-Lwanga Associate Non Executive Director	0	0
Beverley Messinger Non Executive Director	0	0

Joseph Harrison
Chief Executive Officer
25 June 2024

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

Name and Title	Year Ended 31 March 2023	
	Other non-taxable expenses (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Professor Joseph Harrison Chief Executive Officer	600	300
Dr Ian Reckless Medical Director	0	0
Terry Whittle Director of Finance	0	0
Danielle Petch Director of HR & Workforce Development	0	0
Emma Livesley Director of Operations	0	0
Nicola Burns-Muir Director of Patient Care/Chief Nurse	0	0
Kate Jarman Director of Corporate Services	0	0
John Blakesley Deputy Chief Executive	0	1,100
Yvonne Christley (from Sept 2022) Chief Nurse	0	0
Alison Davis Chair	0	0
Jacqueline Collier (to Aug 22) ****** Director of Partnerships & Financial Efficiency	0	0
Gary Marven Non Executive Director	0	300
Haider Husain Non Executive Director	0	0
Heidi Travis Non Executive Director	0	0
Dr Luke James (to Sept 22) Non Executive Director	0	0
Dr Devdeep Ahuja (from Sept 22) Non Executive Director	0	0
Helen Smart (to Jul 22) Non Executive Director	0	0
Jason Sinclair (from Sept 22) Non Executive Director	0	0
Professor James Tooley (to Jul 22) Non Executive Director	0	0
Mark Versallion (from Jan 23) Non Executive Director	0	0
Ganesh Baliah (from Jan 23) Associate Non Executive Director	0	0
Precious Zumbika-Lwanga (from Jan 23) Associate Non Executive Director	0	0
Beverley Messinger (from Apr 22) Non Executive Director	0	100

2.7 Staff Report

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

2.7.1 Analysis of Staff Costs (subject to audit)

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

Staff costs			2023/24	2022/23
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	194,911	1,851	**196,762**	181,668
Social security costs	21,998	0	**21,998**	19,968
Apprenticeship levy	997	0	**997**	872
Employer's contributions to NHS pensions	22,106	0	**22,106**	19,310
Pension cost - other	9,629	0	**9,629**	8,400
Temporary staff	0	9,366	**9,366**	14,186
Total staff costs	**249,641**	**11,217**	**260,858**	**244,404**

2.7.2 Analysis of Average Staff Numbers (subject to audit)

Average headcount - 2022/23

	Assignment Category				
Staff Group	**Fixed Term Temp**	**Non-Exec Director / Chair**	**Permanent**	**Zero Hour Locum / Bank**	**Total Headcount**
Add Prof Scientific and Technic	4	-	94	29	**127**
Additional Clinical Services	22	-	673	385	**1,080**
Administrative and Clerical	60	5	862	112	**1,040**
Allied Health Professionals	10	-	235	33	**278**
Estates and Ancillary	2	-	420	45	**467**
Healthcare Scientists	3	-	91	23	**117**
Medical and Dental	192	-	338	336	**866**
Nursing and Midwifery Registered	41	-	1,243	239	**1,524**
Grand Total	**335**	**5**	**3,957**	**1,202**	**5,499**

Average number of employees (WTE basis)

			2023/24	2022/23
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	514	40	**554**	548
Administration and estates	782	88	**870**	836
Healthcare assistants and support staff	908	164	**1,072**	1,031
Nursing, midwifery and health visiting staff	1,060	190	**1,250**	1,151
Scientific, therapeutic and technical staff	286	46	**332**	309
Healthcare science staff	79	8	**87**	90
Total average numbers	**3,629**	**536**	**4,165**	**3,966**

The following is a breakdown of staff by gender:

Headcount of Staff with Substantive Contracts

Staff	Female	Male	Total
Senior Managers	8	10	18
Other Senior Managers	0	0	0
Employees	3,471	924	4,395
Total	**3,479**	**934**	**4,413**

As at 31 March 2024, the Trust Board comprised nine associate non-executive directors/non-executive directors and one chair (six males and four females) and eight executive directors (four males and four females).

2.7.3 Absence Rate for Year to 31 March 2024

Sickness Absence - 2023/24

Trust Absence 12 months to 31 March 2024	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	64,981	1,372,385	4.73%	2.15%	2.59%	9,624

The top ten reasons for Trust sickness absence are reported routinely to the Trust across a number of levels for visibility and action planning. Improvements have been made to the reporting of reasons for absence as categories to enable more accurate reporting. 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. Increased psychological support in the form of on-site counselling has been put into place for staff being referred to the service through Occupational Health or self-referring and being assessed through the Trust's Employee Assistance Programme. The Trust has therefore remained within its target of 5% in 2023/24. Further reduction of absence has been identified as a key workforce objective for 2024/25.

2.7.4 Expenditure on Consultancy

The Trust did not incur any amount on consultancy in 2023/24.

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 Workforce 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 first quarter of 2023/24 to ensure that the MKUH Workforce Strategy remained in line with the national agenda and to re-visit its achievements so far, refreshing objectives as appropriate. The Trust continued its commitment to three objectives:

1. Ensuring we have the required people, representative of the community we serve:
    - Filling our vacancies, maximising the current workforce, and utilising appropriate levels of temporary staffing to fill any gaps based on acuity on the day.
    - Developing our Equality, Diversity & Inclusion programme to ensure our workforce is representative of the community we serve across all staff groups and grades, across all protected characteristics.
    - Making MKUH an employer of choice, evidenced by being in the top 10% comparators in the NHS staff survey.
2. Developing our people to ensure our values are reflected in all their interactions and that they treat everyone with empathy, compassion, kindness and respect:
    - Embedding our values into all staffing processes and procedures, such as recruitment, appraisals, disciplinaries, grievances, 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.
    - Developing workforce intelligence systems to support line managers through technology.
    - 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.

In addition, the NHS Operational Priorities for 2023/24 were reviewed and embedded into the Trust's strategy to ensure delivery. These priorities focused on improvments in attendance, retention, flexible working and Staff Health and Wellbeing. The delivery of workforce strategies is monitored by the Workforce and Development Assurance Committee, a sub-committee of the Trust Board, and by the Workforce teams via the HR Systems Programme Board and Education Board.

Our Recruitment and Selection Policy ensures that full and fair consideration is given to applications for employment made by disabled people and across the full range of protected characteristics. A Trust project is ongoing 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. A Workplace Adjustment Advisor role has been pilotted and implemented permanently to support the integration of reasonable workplace adjustments from recruitment onwards.

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

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

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

The Trust has made best use of advances in technology; direct emails are routinely used in addition to a variety of on-site and web based Chief Executive and Executive Director live Town Hall 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 microsoft forms and online through the People Pulse Survey. The tent was used regularly as part of the ongoing staff engagement 'FestivAll' and hosted a mix of 'Live' and face to face sessions which were also recorded for colleagues who could not be in attendance. Such engagement activities have become increasingly important in 2023/24 as the Trust has sought to celebrate its successes at the Annual Staff Awards Ceremony, meaningfully engaging with its staff, and ensuring that mission critical information is disseminated at scale and pace.

The Trust has a long standing Recognition Agreement with staff side partners. 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 Chief People Officer. The Medical and Dental Joint Local Negotiating Committee (JLNC) also falls under the governance framework of the JCNC. The staff side relationship continues to be strong with the ongoing provision of weekly staff side meetings with the Chief People Officer and her Deputy to supplement the formal meeting structure.

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

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

2.7.6 Staff Side Time Spent on Union Facilities

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017. The regulations require that NHS employers publish certain information about trade union officials and facilities time. The following tables show facilities activity and cost among the unions that are recognised by the Trust over the course of 2023/24. 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 2023/24.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
20	18.53

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 2023/24 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%	0
1-50%	20
51%-99%	0
100%	0

Table 3 – Percentage of pay bill spent on facility time

Table 3 provides the percentage of the MKUH total pay bill spent on paying employees who were relevant union officials for facility time during 2023/24.

Description	Figures
Total cost of facility time	£25,043.09
Total pay bill	£233,854,671.84
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.011%

Table 4 – Paid trade union activities

Table 4 provides the number hours spent by employees who were relevant union officials during 2023/24 on paid trade union activities, expressed as a percentage of total paid facility time hours.

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

2.59%

2.7.7 Health and Safety Performance and Staff Health and Wellbeing

In October 2023, 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. Staff were offered the vaccination as part of a targeted campaign where the vaccination was taken to them within their work areas. The Trust saw a number of frontline healthcare workers receive the vaccination both internally and externally via their GP or local Pharmacy. The Trust reached 72% of vaccinated staff 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 provides a range of health and wellbeing services for staff that support their physical, psychological and financial wellbeing.

The Trust has continued to offer staff an Employee Assistance Programme (EAP) through our partner organisation Vivup, through which staff can access 24/7 support via a dedicated wellbeing portal and timely access to counselling services. We continue to offer face-to-face counselling sessions for staff two days per week, undertaken within the Staff Health and Wellbeing department, enabling the counsellor to work with managers and others to build relationships and promote the service in departments and staff groups where uptake is 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. In addition to the online provision of debt and financial support, the Trust ran workshops from third party organisations to educate good financial management practices.

The Staff Health and Wellbeing department undertakes both pre-employment and employment fitness for work assessments, as well as mask fit testing and support with accidents such as needlestick injuries. 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 demand on the core services continues to grow which has resulted in the use of technology to digitalise some tasks and activities.

The staff Musculo-Skeletal (MSK) Physiotherapy service continues to support employees and is now embedded and well-utilised by staff. The service allows early intervention for cases of potential long-term sickness absence due to musculoskeletal injuries and conditions, providing treatment to ensure employees are able to return to work sooner, in addition to undertaking educational activities as a tool to prevent injuries in the first instance.

In June 2023, the department welcomed a Workplace Adjustment Advisor who works closely alongside the clinicans in ensuring that our staff have access to resources and adjustments to help them have a positive experience within the workplace. The Workplace Adjustment Advisor is also a huge advocate for employee passports as these serve as an excellent empowerment tool for staff particularly those who are neurodiverse as they help ensure that they have the necessary tools to be able to safely and effectively carry out their role.

The Wellbeing Co-ordinator started in year, building on links with third-sector organisations and developing direct wellbeing referral pathways for our staff. The Mental Health Practice Educator has continued to provide education to our staff including mental health first aid and mental health awareness.

The Trust 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.

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. Free breakfasts continue to be provided in the Hub and staff kitchens, and nightworkers are able to partake in a free hot meal. Staff have also benefitted from discounted healthy meals in the staff restaurant, and free tea and coffee.

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. The multi-faith room and muslim prayer room are well-used by staff and the chaplaincy team continues to promote the facilities through various channels including induction.

The Trust's Health and Wellbeing Strategy was reviewed in 2023. 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 service has delivered a series of monthly activities in support of health and wellbeing education and prevention including a "Wellbeing Walkabout" to ensure fair and equitable access to services for staff who are unable to attend the department.

The Trust has used various means of communicating developments (payslip messages, email, health and wellbeing events, 'Know Your Numbers' campaign, workforce intranet pages) and the service has delivered a series of monthly activities in support of health and wellbeing education and prevention.

2.7.8 Staff Experience and Engagement

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

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

The 2023 Staff Survey was undertaken between October and November 2023 as part of the Trust's Protect and Reflect Event, where colleagues were provided with the opportunity to take protected time to receive their vaccinations (annual flu jab and Covid), complete their individual survey and check the personal information the Trust holds on them through a separate staff census. Running these together enabled colleagues to maximise their time away from the workplace.

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

The survey was coordinated by our provider IQVIA and initial responses were received in January 2024. The national results were released in March 2024, with the exception of the 'We Are Safe And Healthy' metric which is delayed due to national data issues.

MKUH belongs to the Acute and Acute & Community sector and is compared with and benchmarked against 122 other Acute and Acute Community Trusts.

2023 NHS Staff Survey

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

Organisation details

2,051
completed questionnaires

49%
2023 response rate

Benchmarking group details

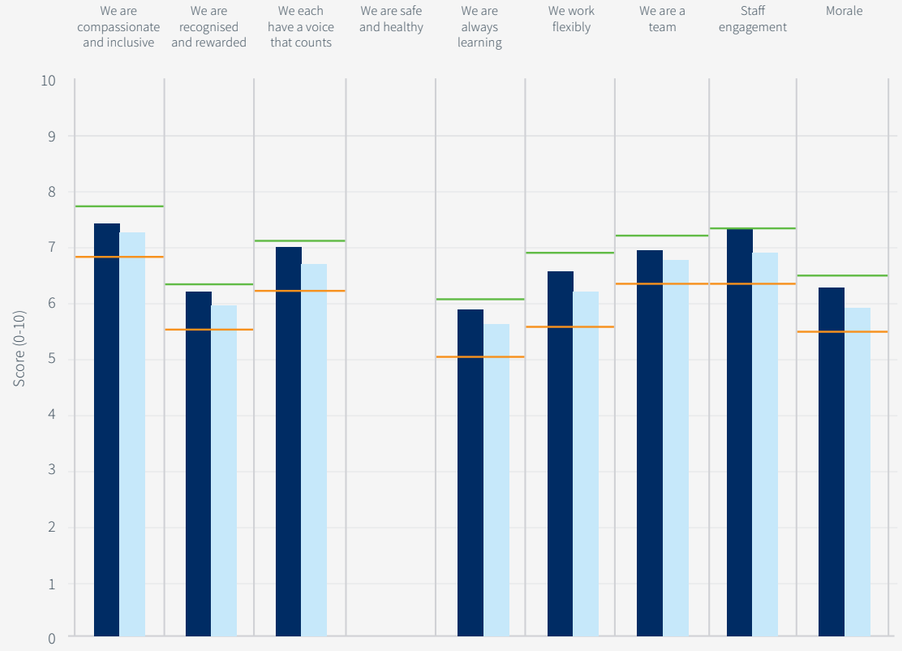
122
organisations in group

45%
median response rate

477,643
completed questionnaires

The MKUH response rate for the 2023 staff survey was 49% compared to 43% in 2022. Scores for each indicator together with that of the Acute and Acute Community Trusts benchmarking group of 122 organisations are presented below:

Indicators	2022		2023	
('People's Promise' elements and themes)	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
1. We are compassionate and inclusive	7.5	7.2	7.4	7.2
2. We are recognised and rewarded	6.2	5.7	6.2	5.9
3. We each have a voice that counts	7.0	6.6	7.0	6.7
4. We are safe and healthy	6.1	5.9	6.2	6.1
5. We are always learning	5.9	5.4	5.9	5.3
6. We work flexibly	6.5	6.0	6.5	6.2
7. We are a team	6.9	6.6	6.9	6.7
Staff engagement	7.3	6.8	7.2	6.8
Morale	6.1	5.7	6.2	5.9



Trust	7.42	6.23	7.00	-	5.88	6.57	6.69	7.25	6.26
Best	7.71	6.37	7.16	-	6.07	6.87	7.19	7.32	6.52
Average	7.24	5.94	6.70	-	5.61	6.20	6.75	6.91	5.91
Worst	6.85	5.50	6.21	-	5.05	5.60	6.35	6.35	5.54
Responses	2,019	2,031	1,958	-	1,863	2,006	2,013	2,025	2,022

NB: 2023 results 'we are safe and healthy' have not been reported due to an issue with the data. See **Survey documents related to conducting the survey | NHS Staff Survey (nhsstaffsurveys.com)**

"MKUH achieved the highest score for the question 'I look forward to going to work'."

Summary of Our Achievements:

- MKUH continues to be significantly above the sector average on all People Promise elements and themes. Some themes are significantly higher than the benchmark group: We work flexibly, Staff Engagement and We each have a voice that counts.
- MKUH has shown improvements on sub-scores of Compassionate Culture, Health and Safety Climate, and Line Management.
- MKUH achieved the highest score for the question 'I look forward to going to work'.
- MKUH received 62 scores that were significantly better than the sector comparators.

The next steps and areas identified for improvement as a result of the 2023 survey are:

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

This is a good staff survey and MKUH has made some improvements against last year's results. Areas for improvement remain similar as they have been in previous years. 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 and Workforce Strategy.

Action Plans to Address Areas of Concern

The 2023 action plan incorporates and builds upon the elements which have worked well in previous years. It also includes the priorities which have been identified as key areas to work upon (these are questions with decreasing scores or in the 20% lowest percentiles).

1. Utilise the 'listening event' approach to share and review department level data with each team. This will be taken forwards by Divisional and Corporate HR Business Partners (HRBPs) with managers for each Directorate, CSU and/or team.
2. With a focus on violence and aggression, increase our training provision, review the patient environment, increase communications, create a supportive environment for speaking up and addressing behaviours.
3. Embed and consolidate actions taken at a Trust level to maintain staff engagement levels, celebrate and build on this success and review practices continually.
4. A focus on the Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) metrics to improve on areas that show no or little improvement, particularly on areas of negative experiences.
5. Begin to plan to deliver an improved response rate for next year's survey, repeating this year's success of the Protect and Reflect event, working from late summer 2024 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.
6. Feedback and progress reports will be shared with Joint Consultative and Negotiation Committee, Staff Networks, Health and Safety Committee, and Inclusion Leadership Council. There will be updates to the Workforce and Development Assurance Committee and Trust Executive Committee throughout 2024.

2.7.9 Off-payroll Engagements

The Trust engaged in no off-payroll arrangements in 2023/24.

Table 1: Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater	2023/24 Number of engagements
No. of existing engagements as of 31 Mar 2024	**0**
Of which:	
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two \and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 2: All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2024 earning £245 per day or greater	2023/24 Number of engagements
Number of new engagements, or those that reached six months in duration, between 01 Apr 2023 and 31 Mar 2024	**0**
Of which:	
Number assessed as within the scope of IR35	0
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 2023 and 31 Mar 2024	2023/24 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	20

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 Chief Finance Officer and/or Chief People Officer in order to finalise the arrangement.

2.7.10 Exit Packages

No exit packages were paid by the Trust as compulsory redundancies in 2023/24 (compared to two in 2022-23).

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 2023.

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

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), the Inclusion Leadership Council was established 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 Lead, and engagement with Milton Keynes Council and the Bedfordshire, Luton and Milton Keynes Integrated Care System 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 supports staff engagement and ensures that underrepresented colleagues can have peer support and a collective voice within the organisation. The Trust aims to obtain Disability Confident Leadership status and is taking steps to achieve this.

The Trust now has a total of 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.
- Neurodiversity Network.

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

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

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

The Equality, Diversity and Inclusion Agenda of the Trust supports all of the protected characteristics and is recognised as being critical to retention and the experience of our staff. Investment has been supported in 2023/24 as the Trust seeks to improve its breadth of understanding and influence on the diversity of its colleagues. A cultural intelligence programme continues to be rolled out with support from external experts to work with key stakeholders in the Trust's leadership and management team. This will be supported by a wider roll out of cultural awareness training for employees in 2024/25.

In conjunction with the networks, the Trust has undertaken a number of key actions in 2023/24 to drive the equality agenda forward:

- Development or WRES/WDES action plans
- Listening events conducted with staff networks regarding WRES/WDES and staff survey results
- Permanent implementation of a Workplace Adjustment Advisor role to support employees and candidates with workplace adjustments
- Extensive community outreach

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

2.7.12 Workforce Resourcing

In 2023/24, the Trust has continued to pursue automation and use of electronic systems to improve the efficiency of its resourcing activity. In 2023/24, delivery of objectives in the Workforce Strategy and Plan and the NHS People Plan, has enabled the Trust to attract a higher number of applications and maintain a steady vacancy rate below 5%, despite an increase in the overall WTE establishment across the Trust. The Trust has continued to focus attention and resources on both the recruitment and retention of staff to mitigate the current nationwide shortages in the labour market particularly for nurses and a number of allied health professional and healthcare scientist posts. The coming year will see a focus on values based interviewing processes, greater support to recruiting managers, introduction of recruitment practices that will promote inclusivity, and ensuring career development opportunities within the Trust are more accessible.

The 2023/24 resourcing highlights and project work are as follows:

a. Increased volume of recruitment activity

- The number of applications received has doubled since 2022/2023.
- Specialist recruitment events held to recruit Nurses, Nursing Associates, Maternity Care Assistants, and Healthcare Support Workers.
- Award-winning System Healthcare Support Worker recruitment campaign with Bedfordshire Hospitals NHS Foundation Trust.
- Community engagement events including attendance at MK Job Shows, delivering support and advice on applying for job roles and interview techniques.

b. Highly successful International Recruitment campaign for nurses

- 100 internationally trained nurses joined MKUH in 2023; all are now working as registered nurses.

c. Improved processes and efficiency

- Introduction of digital identity verification checks which can be carried out by the candidate from home.
- Time to Hire reduced.
- Weekly 'Risk' panel to review, discuss and risk assess matters relating to pre-employment checks ensuring effective and quick resolution of employment risks.

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

2.7.13 Statutory and Mandatory Training

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

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

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

	Q1	Q2	Q3	Q4
2019/2020	93%	92%	94%	94%
2020/2021	94%	95%	95%	97%
2021/2022	96%	95%	96%	94%
2022/2023	95%	92%	94%	94%
2023/2024	95%	95%	96%	95%

The Corporate Trust Induction Programme runs in person on a fortnightly basis, with the majority of statutory and mandatory training completed by e-learning.

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

2.7.14 Learning & Development

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

	Q1	Q2	Q3	Q4
2019/2020	95%	91%	93%	94%
2020/2021	92%	92%	90%	95%
2021/2022	91%	91%	91%	91%
2022/2023	88%	91%	92%	91%
2023/2024	91%	92%	89%	92%

The MK Managers Way Induction was launched in 2023 and has been embedded into the new starter programme. There is an even split of existing managers and new managers attending the programme. All staff with leadership responsibility attend the induction in their first month to ensure they are able to live the Trust Values from day one. This face to face programme runs over 3 days and covers all the essential subjects including finance, HR processes, leadership and values, inclusion, and wellbeing, to enable our leaders to carry out their roles effectively from early on in their management career with the Trust.

In 2023/24 just under 300 requests for Continued Professional Development funding were received and approved.

This year has been focused on qualitative exercises with our Junior doctor colleagues on feedback and appropriate escalation routes following the General Medical Council (GMC) survey results for 2023. Good progress has been made and we are on track to improve across all areas highlighted in the GMC survey action plan. There was a new process introduced for elective placements at MKUH for University of Buckingham Medical School (UBMS) students whose original overseas placement has fallen through. Three students have applied so far this year. The Trust has trained more doctors as new examiners and recruited more examiners for the medical school exams than in any of the previous years.

The Clinical Skills & Simulation Team ran nearly 500 training programmes over 2023/24. The Human Factors training was completed by over 500 staff, and we continued to develop our offer, including regional teaching: RIACT, Thames Valley Critical Care Course, Immersive Ward Simulation, PROMPT, Paediatric emergency team training (PETT), bespoke theatres teaching and many more.

"The Trust's high quality provision was recognised through the Quality Standard Award which was received in December 2023."

Practice Education have supported all the internationally educated nurses with preparation for their test of competence. All have now passed the exam including over 100 recruited in 2023 who have commenced their preceptorship year. The Preceptorship Programme was awarded a Preceptorship Quality Mark in March 2024 by the National Preceptorship Team. The team have developed a programme of ward-based training and supported the development of clinical skills in practice which has yielded positive feedback from the clinical teams.

2.7.15 Widening Participation

As of at the end of March 2024, MKUH has 141 members of staff enrolled onto apprenticeship programmes. In 2023/24, we had 57 new enrolments, and 49 individuals successfully completed their programmes. Work continues to increase apprenticeship uptake within the Trust, as the team continues to identify new education providers and new apprenticeships including data analytics, management and Information Technology, alongside the clinical apprenticeships for Allied Health Professionals and Trainee Nurse Associates.

During 2023/24, the Trust hosted 177 students for placement in a mixture of non-clinical and clinical settings. Over the past year, we have increased our placement areas significantly, adding in Maternity, Pharmacy, Finance and Research and Development. The Trust's high quality provision was recognised through the Quality Standard Award which was received in December 2023.

School outreach has grown significantly over the past year. We have centralised our approach and are now capturing and advertising our community activities as a Trust more effectively. Over 2023/24, we visited a range of schools and colleges and reached out to 6,655 students. We utilise our school visits, apprenticeships, work experience and cadet opportunities as a means of growing the awareness across local youth of all the different job roles and entry routes into the NHS.

3.

CODE OF GOVERNANCE DISCLOSURES

Code of Governance

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

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

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

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

3.1 NHS England Improvement Oversight Framework

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

The framework looks at five themes:

- Quality of care, access and outcomes.
- Preventing ill health and reducing inequalities.
- Finance and use of resources.
- People.
- Leadership and capability.

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

3.2 Single Oversight Framework - Segmentation

As of March 2024, the Trust is in Segment 2 of the Single Oversight Framework. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England website: **NHS England » NHS oversight framework segmentation**

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

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

NHS England, in exercise of the powers conferred on Monitor by the National Health Service Act 2006 has given accounts directions which require Milton Keynes University Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Milton Keynes University Hospital NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

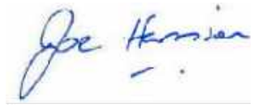
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

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

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

As far as I am aware, there is not relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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



Joseph Harrison
Chief Executive Officer
25 June 2024

4.

ANNUAL GOVERNANCE STATEMENT 2023/24

Annual Governance Statement 2023/24

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 2024 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.

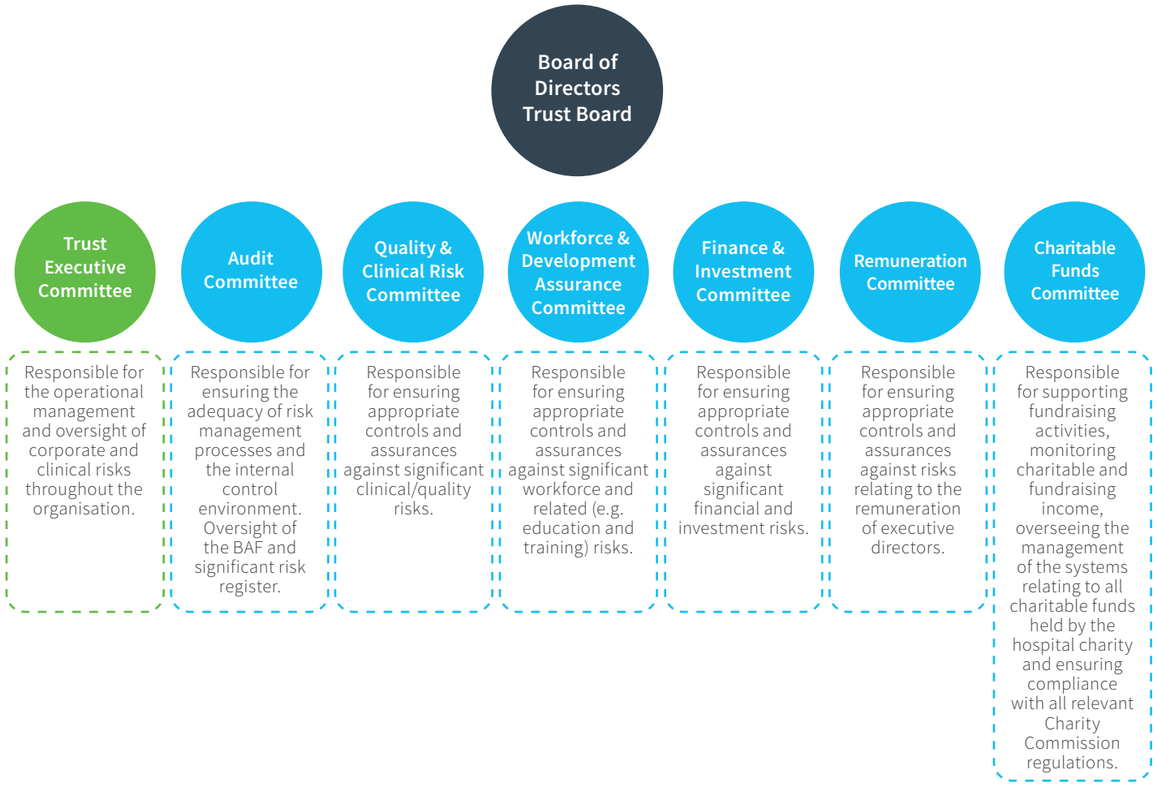
Board Committees

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 organisation.



Executive Leadership and Management Oversight

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

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

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

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

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

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

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

Learning from Good Practice

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

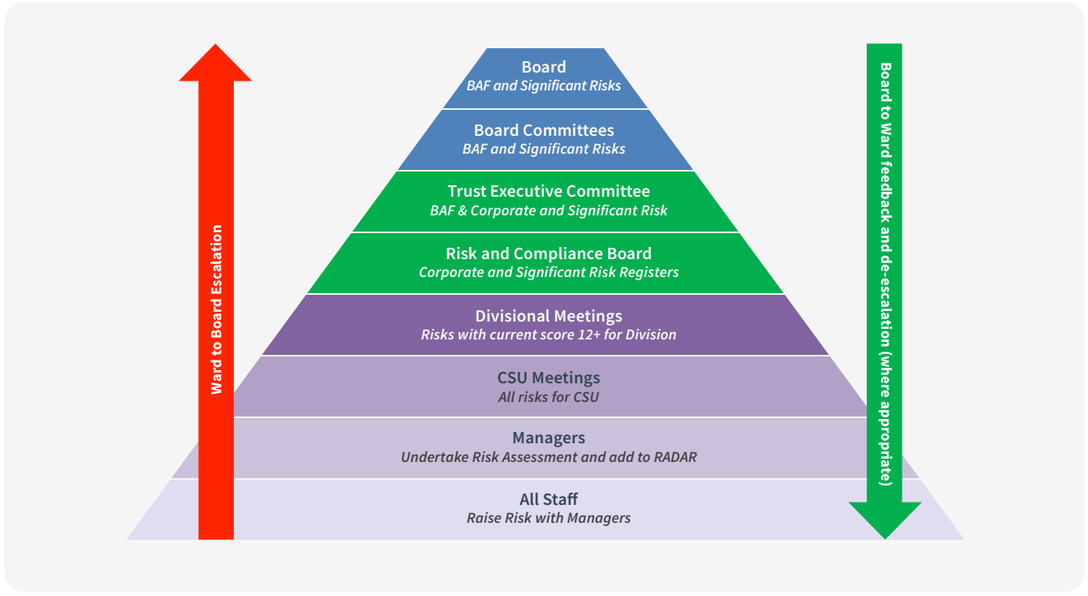
Organisationally, good practice and learning identified through risk assessments and incidents is shared through routine communications, training, meetings, briefing and de-briefing sessions and committees.

The Risk and Control Framework

Risk Management Strategy

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

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



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

Quality Governance Arrangements

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

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

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

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

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

The Board has sought assurance on the management of risks to data security, with reports and presentations to the Audit Committee and to the Board during 2023/24. Data security (compromise through deliberate attack; and breach through inadequate controls) are risks on the Trust Risk Register are actively monitored and assurance-assessed through the Board Committees.

Major Risks

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. The following risks were identified on the Board Assurance Framework and the Corporate Risk Register at the end of the 2023/24 financial year:

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

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

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

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

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

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

In 2023/24, as part of the Risk Management Team's risk management improvement programme, we continued the implementation of our risk training programme for managers and risk owners. The training programme is embedded in the Trust's Risk Management Framework and has over the years supported our staff in the identification, assessment and management of risks.

The Trust self certifies against the NHS provider licence section 4 (governance) based on information and assurance received at the Board and its sub-Committees.

Incident Reporting

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

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

Risk Management

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

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

a. Patients and public

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

b. Staff

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

c. Health partners

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

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

Control measures are in place to ensure that all the organisation's obligations under **equality, diversity and human rights** legislation are complied with, including completion and publication of the Workforce Racial Equality Standards.

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

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

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

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

The Trust has in place standard processes used to deliver economy, efficiency and effectiveness of the use of resources. These include:

- Use of Standing Financial Instructions and Standing Orders.
- Efficient use of electronic procurement with workflow – Shared Business Services ('SBS').
- Regular, systematic and risk based Internal Audit.
- Detailed bottom-up process for budget setting and business cases.
- Trust Board and Board Committee scrutiny and oversight to ensure Value for Money including regular focused deep dives into the transformation savings programme.
- Benchmarking techniques for services including participation in annual benchmarking against peer organisations.
- Financial and efficiency benchmarking at Trust level against other NHS trusts including Model Health System and GIRFT (Getting It Right First Time).
- Service level information, with an emphasis on service level reporting and service level management.
- Use of our Patient Level Information and Costing System data (PLICS) to measure the cost and efficiency of our services at patient level, speciality level and consultant level.

Information Governance

The Trust has regular liaison with the Information Commissioner's Office to ensure that any incident meeting the criteria for reporting is reported and investigated in a timely way. There have been no serious incidents reported in this reporting year. The Trust has a publication scheme and information about how it complies with the General Data Protection Regulations, Freedom of Information Act and other relevant legislation on its website.

Reported Incident 2023/24

Reference	Reported	What Happened	Reported to
34496	01/11/2023 by Raja Rehman	In Endoscopy they did an information request from information for a mail merge of patients needing a surveillance scope in November. On Tuesday, this was sent out to 68 patients and today a patient called in saying the letter was for a different patient.	Not required to report
32815	21/06/2023 by Dawn Budd	An external individual was mistakenly copied into an email sent to an employee in respect of their witness statement gathered as part of an MHPS (disciplinary) investigation. A copy of their draft statement was attached to the email.	Not required to report

Data Quality and Governance

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

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

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

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

We recognise that the management of data quality is central to supporting transformation and digital maturity. During 2023/24 the Trust continued to make demonstrable progress in strengthening its teams that are dedicated to data quality audit, compliance as well as investing in systems and training. Having such teams embedded provides us with a more robust framework for identifying and managing data quality issues, utilising a combination of system expertise and policy knowledge, particularly in relation to emergency, outpatient and elective care. This in turn supports a reduction in the risks related to data quality; monitored by a the Data Quality Governance Group and the Risk & Compliance Board.

The post COVID-19 pandemic challenge and subsequent need for us to address the backlog of patients waiting for treatment and manage longer waiting times, progress in some areas was inevitably delayed. In 2023/24, progress has been evident with positive outcomes:

- The Trust continues to improve the management of waiting lists through the production of daily reports on long-waiters, with weekly meetings to ensure patients are regularly reviewed and prioritised. This is also supported by regular clinical reviews and telephone conversations with patients to offer earlier dates where appropriate and where capacity allows the Trust to do so. This robust approach to managing waiting lists has ensured that the Trust delivered on its commitment to having no patients waiting over 78-weeks as for treatment at the end of March 2024. Whilst this target was not met in full there were only 37 waiting over this target. The new target for the Trust is 65 weeks that we aim to clear in the calendar year 2024. The Trust has also increased its focus on improving data quality by utilising the nationally produced LUNA reports from NHS Digital. These reports offer an up-to-date national view of data quality from all providers in England.
- The delivery of the forth phase of eCARE development (Phase D) will start in 2024/5 and this will aim to improve the data quality and performance of outpatients with the greater use of digital technology.

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 2023/24 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 2023/24 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 **52** 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 2023/24 the Head of Internal Audit Opinion was that the organisation has an adequate and effective framework for risk management, governance and internal control. However, the internal audit work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

In 2023/24 RSM completed 10 internal audit reports which covered the following areas:

- Recovery and Capacity Management.
- Appraisals.
- Cost Improvement Plans.
- Agency Spend.
- Integrated Care System Governance.
- Clinical Research Governance.
- Data Security Protection Toolkit (DPST).
- Risk Management and Board Assurance Framework.
- Payroll.
- IFRS 16 Lease - arrangements.

External Audit

Grant Thornton, the external auditor provides assurance to the Trust on an ongoing basis by attending all Audit Committee meetings and by undertaking the annual audit of the Accounts and Annual Report. For 2023/24, the external auditor has concluded that the financial statements give a true and fair view of the state of the Trust's affairs and have been properly prepared in accordance with the accounting policies directed by NHS England, and in accordance with the National Health Services Act 2006.

Conclusion

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

Joseph Harrison
Chief Executive Officer
25 June 2024

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

Joseph Harrison
Chief Executive Officer
25 June 2024

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APPENDICES

Appendix 1:

Constituencies and Governors

as at 31 March 2024

		Constituency	No.	Governors
PUBLIC (ELECTED)	A	Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Babs Lisgarten
				Councillor Ken Rowe
	B	Emerson Valley, Furzton, Loughton Park	2	William Butler
				Andrea Vincent MBE
	C	Linford South, Bradwell, Campbell Park	2	Kat Jaitly
				Dianna Moylan
	D	Hanslope Park, Olney, Sherington, Newport Pagnell	2	VACANT*
				Christine Thompson
	E	Walton Park, Danesborough, Middleton, Woughton	2	Clare Hill
				VACANT*
	F	Stantonbury, Stony Stratford, Wolverton	2	Andy Forbes
				Francesca Vernon
	G	Outer catchment area	2	John Garner OBE
				Tom Daffurn
	H	Extended area	1	Rachel Medill MBE
APPOINTED STAFF (ELECTED)	I	Doctors and Dentists	1	Professor Hany Eldeeb
	J	Nurses and Midwives	2	Caroline Kintu
				Tracy Rea
	K	Scientists, technicians and allied health professionals	1	VACANT*
	L	Non-clinical staff groups e.g., admin & clerical, estates, finance, HR, management	3	Emma Isted
				Stevie Jones
				VACANT*
	N	Milton Keynes Business Leaders	1	Nicholas Mann
	O	Healthwatch Milton Keynes	1	Maxine Taffetani
	P	Community Group (Seat to be filled)	1	VACANT
	Q	Milton Keynes Council	1	Councillor Keith McLean

Appendix 2:

Council of Governors' Attendance

Name	19th April 2023	26th July 2023	25th October 2023	24th January 2024	Total
Babs Lisgarten	✓	x	✓	✓	**3**
Ken Rowe	x	x	x	✓	**1**
William Butler	✓	✓	✓	✓	**4**
Andrea Vincent	✓	✓		✓	**4**
Kathryn Jaitly (From 26th April 2023)		✓		✓	**3**
Dianna Moylan (From 28th July 2023)			✓	✓	**1**
Christine Thompson	✓	x	x	x	**2**
Clare Hill	x	x	✓	✓	**2**
Andy Forbes (From 1st September 2023)			x	✓	**1**
Fran Vernon (From 12th December 2023)			x	✓	**1**
John Garner	x	x		x	**0**
Tom Daffurn	✓	✓	x	✓	**3**
Rachel Medill (From 1st September 2023)			✓	✓	**2**
Shirley Moon (Until 25th January 2024)	✓	✓	✓	✓	**4**
Prof. Doug McWhinnie (From 18th October 2023)			✓	x	**1**
Leslie Bell (Until 22nd January 2024)	x	✓	✓		**2**
Prof. Hany Eldeeb	✓	x	x	x	**1**
Caroline Kintu	✓	x	✓	x	**2**
Tracy Rea	x	x	x	x	**0**
Emma Isted	x	✓	x	✓	**2**
Stevie Jones	x	x	x	x	**0**
Pirran Salter (Until 25th February 2024)	✓	✓	x	✓	**3**
Yolander Potter (Until 25th February 2024)	✓	✓	✓	✓	**4**
Nicholas Mann	✓	✓	✓	✓	**4**
Maxine Taffetani	✓	x	✓	x	**2**
Keith McLean	✓	✓	x	✓	**3**

Appendix 3:

Glossary

AO	Accountable Officer	A person responsible to report or explain their performance in a given area.
BAF	Board Assurance Framework	Board document to assure the Board that risks to strategic priorities are being managed
ICS	Integrated Care Service	ICSs are partnerships of organisations that come together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area
CEO	Chief Executive Officer	Leads the day-to-day management of the Foundation Trust
CIP	Cost Improvement Programme	Also known as Transformation programme. This is a programme agreed by the Trust at the start of the financial year, setting out the savings, usually from efficiencies, that it expects to make during the year.
CQC	Care Quality Commission	Regulator for clinical excellence
CQUIN	Clinical Quality Incentive Scheme	The CQUIN payment framework makes a proportion of providers' income conditional on quality and innovation.
RADAR	RADAR	Risk management system
DHSC	Department of Health and Social Care	The government department responsible for government policy on health and adult social care matters in England
Duty of Candour	Duty of Candour	Duty of candour means NHS organisations have a legal duty to inform and apologise to patients if mistakes have been made in the delivery of their care or treatment, or where moderate or severe harm has been caused.
ED	Emergency Department	Formerly known as Accident & Emergency
EPR	Electronic Patient record	Also known as eCare. The Trust's system of managing and recording interactions patients electronically
GIRFT	Getting It Right First Time	A national programme designed to improve the treatment and care of patients through in-depth review of services, benchmarking, and presenting a data-driven evidence base to support change.
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 2023/24

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 2024

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Milton Keynes University Hospital NHS Foundation Trust (the 'Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-24 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2023/24; and
- based on the work undertaken in the course of the audit of the financial statements the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the Accounting Officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2023/24, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).
- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit, local counter fraud specialist, and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent recognition of revenue. We determined that the principal risks were in relation to:
  - self-authorised journal entries;
  - journal entries posted after the year-end that positively affected the Trust's financial performance; and
  - potential for management bias within significant accounting estimates including the valuation of land and buildings and provisions.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on self-authorised journal entries and journal entries posted after the year-end that positively affected the Trust's financial performance;

- challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations and provisions; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

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

Responsibilities of the Accounting Officer

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

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

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

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

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

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

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of Milton Keynes University Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Smith

Andrew Smith, Key Audit Partner

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

Birmingham

26 June 2024

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 2024 have been prepared by Milton Keynes University Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Joe Harrison

Chief Executive Officer

Date: 25 June 2024

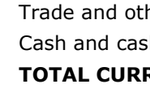
	Note	2023/24 £000	2022/23 £000
Operating income from patient care activities	2.1-2.4	382,389	341,830
Other operating income	2.2	34,447	23,542
Operating expenses	3-6	(402,867)	(367,597)
Operating surplus/(deficit) from continuing operations		**13,969**	**(2,225)**
FINANCE COSTS			
Finance income	7.1	1,399	871
Finance expenses	7.2	(1,378)	(872)
PDC dividends payable		(6,176)	(5,063)
NET FINANCE COSTS		**(6,155)**	**(5,064)**
Other gains/(losses) on disposal of assets		23	(8)
SURPLUS/(DEFICIT) FOR THE YEAR		**7,837**	**(7,297)**
Other Comprehensive Income			
Will not be reclassified subsequently to surplus or deficit:			
Impairments	7.3	(3,624)	(859)
Revaluations	17	7,670	8,794
Fair value (losses) on equity instruments designated at FV through OCI		(24)	(229)
Other reserve movements		27	0
Total other comprehensive income		4,049	7,706
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**11,886**	**409**

The notes to the accounts are on pages 148-190

Statement of Financial Position As at 31 March 2024

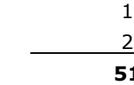
	Note	31 March 2024 £000	31 March 2023 £000
NON-CURRENT ASSETS			
Intangible assets	8	16,606	19,628
Property, plant and equipment	9	241,291	204,289
Right of use assets	9.3	18,593	24,376
Other investments / financial assets	21.2	74	98
Trade and other receivables	12	3,268	3,244
TOTAL NON-CURRENT ASSETS		**279,832**	**251,635**
CURRENT ASSETS			
Inventories	11	5,278	5,151
Trade and other receivables	12	19,440	15,841
Cash and cash equivalents	13	27,208	29,995
TOTAL CURRENT ASSETS		**51,926**	**50,987**
CURRENT LIABILITIES			
Trade and other payables	14.1	(60,715)	(51,596)
Deferred income	14.2	(11,485)	(17,952)
Borrowings	15	(1,544)	(1,759)
Provisions	16	(11,748)	(2,839)
TOTAL CURRENT LIABILITIES		**(85,492)**	**(74,146)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**246,266**	**228,476**
NON-CURRENT LIABILITIES			
Borrowings	15	(18,235)	(22,659)
Provisions	16	(1,612)	(1,823)
Deferred Income	14.2	(500)	(1,000)
TOTAL NON-CURRENT LIABILITIES		**(20,347)**	**(25,482)**
TOTAL ASSETS EMPLOYED		**225,919**	**202,994**
FINANCED BY			
Public dividend capital		294,210	283,171
Revaluation reserve	17	64,588	60,515
Financial assets at FV through OCI reserve		(2,601)	(2,577)
Income and expenditure reserve		(130,278)	(138,115)
TOTAL TAXPAYERS' EQUITY		**225,919**	**202,994**

The Financial Statements and notes on pages 148-190 were approved by the Board and authorised for issue on 25 June 2024 **and signed on its behalf by:**



Heidi Travis
Acting Chair

Joe Harrison
Chief Executive Officer



Jonathan Dunk
Chief Finance Officer

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2024

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Financial assets at FV through OCI reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2023		**283,171**	**60,515**	**(138,115)**	**(2,577)**	**202,994**
Surplus for the year		0	0	7,837	0	7,837
Impairments	7.3	0	(3,624)	0	0	(3,624)
Revaluations – PPE	17	0	7,670	0	0	7,670
Revaluations – ROU assets		0	0	0	0	0
Public Dividend Capital received		11,039	0	0	0	11,039
Fair value losses on equity instruments designated at FV through OCI		0	0	0	(24)	(24)
Other reserve movements		0	27	0	0	27
Taxpayers' and others' equity at 31 March 2024		**294,210**	**64,588**	**(130,278)**	**(2,601)**	**225,919**
Taxpayers' and others' equity at 1 April 2022		**275,131**	**52,580**	**(130,817)**	**(2,348)**	**194,546**
Deficit for the year		0	0	(7,297)	0	(7,297)
Impairments		0	(859)	0	0	(859)
Revaluations		0	8,794	0	0	8,794
Public Dividend Capital received		8,040	0	0	0	8,040
Fair value gains on equity instruments designated at FV through OCI		0	0	0	(229)	(229)
Taxpayers' and others' equity at 31 March 2023		**283,171**	**60,515**	**(138,115)**	**(2,577)**	**202,994**

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 at FV through OCI 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 2024

	31 March 2024 £000	31 March 2023 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus/(deficit) from continuing operations	13,969	(2,225)
Operating surplus/(deficit)	**13,969**	**(2,225)**
Non-cash income and expense:		
Depreciation and amortisation	17,229	14,941
Impairments and reversals of impairments	0	1,899
Income recognised in respect of capital donations (cash and non-cash)	(8,414)	(181)
(Increase) in receivables and other assets	(3,640)	(8,203)
(Increase) in inventories	(127)	(1,096)
Increase/(decrease) in payables	463	(7,238)
(Decrease) in other liabilities	(6,967)	(1,935)
Increase in provisions	8,698	420
Other movements in operating cash flows	888	1,730
Net cash generated from/(used in) operating activities	**22,099**	**(1,888)**
Cash flows from investing activities		
Interest received	1,399	871
Purchase of intangible assets	(464)	(2,673)
Purchase of property, plant, equipment	(34,048)	(25,098)
Initial direct costs or upfront payments in respect of new right of use assets (lessee)	0	(40)
Proceeds from sales of PPE and investment property	252	0
Receipt of cash donations to purchase capital assets	8,414	181
Net cash (used in) investing activities	**(24,447)**	**(26,759)**
Cash flows from financing activities		
Public dividend capital received	11,039	8,040
Capital element of lease liability repayments	(5,072)	(2,235)
Interest element of lease liability repayments	(681)	(378)
PDC dividend paid	(5,725)	(4,760)
Net cash (used in)/generated from financing activities	**(439)**	**667**
(Decrease) in cash and cash equivalents	**(2,787)**	**(27,980)**
Cash and cash equivalents at 1 April	**29,995**	**57,975**
Cash and cash equivalents at 31 March	**27,208**	**29,995**

NOTES TO THE ACCOUNTS

1.0 Accounting policies and other information

Basis of Preparation

These accounts for the year ended 31 March 2024 have been prepared by the Trust in accordance with the National Health Service Act 2006.

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

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) and it directly benefits from the activities of the charitable funds and ADMK.

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

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

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

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

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

Valuations of Land and Buildings
The most significant estimate within the accounts is the value of land and buildings. In accordance with International Accounting Standards, a full property valuation is carried out on the Trust's land and buildings every five years, with a review of the market indices undertaken each year to assess for material changes; and interim desktop valuations initiated as required. The Trust has as at the 31st March 2024 initiated a desktop valuation and engaged the District Valuer Services to provide the valuation on an alternative site basis due to the addition of a new building (Maple Centre). The District Valuer Services (DVS) has applied suitable indices to reflect changes in the building costs and local land price movements since the date of the last valuation. The source of estimation uncertainty relates to the selection of the valuation techniques applied and the input factors used therein; primarily build costs, the asset's remaining economic life and the floor area of the modern equivalent asset. The Trust continues to judge it to be appropriate to use its assumptions regarding the location of a hypothetical site for the hospital when performing the modern equivalent asset valuation and as a result, it estimated that there had been an increase in the value of its assets by £6.0m which was reflected as an increase in non-current assets. The next full revaluation is due March 2027.

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

Valuations do not take into account future potential changes in market value which cannot be predicted with any certainty therefore, between valuations, management reviews the values for any material changes and makes judgements about market changes and assesses whether the carrying amount does not differ materially from that which would be expected using fair value at the end of the reporting period. The review of the estate values carried out in 2023/24 resulted in an overall increase in the revaluation reserve of £6.0m. The carrying amount of the revalued assets at the end of the reporting period is £164.0m (£159.1m 2022-23).

The valuation exercise was carried out in March 2024 with a valuation date of 31 March 2024. 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, intangible assets, inventories and certain financial assets and financial liabilities.

1.3 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a

contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Payment terms are standard reflecting cross government principles.

Revenue from NHS contracts
The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, outpatient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

In 2023/24 fixed payments were set at a level assuming the achievement of elective activity targets within 'aligned payment and incentive' contracts. These payments are accompanied by a variable element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increased or reduced the income earned by the Trust at a rate of 75% of the tariff price.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead, they form part of the transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPY on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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

revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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

NHS Pension scheme income

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

Education and training income

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

1.4 Other forms of income

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

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

1.5 Expenditure on goods and services

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

1.6 Expenditure on employee benefits

Short–term employee benefits

Salaries, wages and employment-related payments, including termination benefits, are recognised in the period in which the service is received from employees. Annual leave entitlement is actively encouraged to be taken in the year that it is earned, however there are exceptional circumstances when the annual leave entitlement may be carried forward into the following year. Untaken leave is accrued on an average five days carry forward for medical staff, excluding junior doctors and registrars in training. All other staff are accrued based on annual data collection of

untaken hours applied to their hourly rate of pay. The cost of this annual leave entitlement earned but not taken at the end of the financial year is recognised as a liability in the financial statements.

Pension costs - NHS Pension Scheme
Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

For early retirements other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability is charged to expenditure 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 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

Employer Contributions

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Scheme Liabilities

The liabilities of the pension scheme as at 31 March 2023 were £460.6 billion. The national deficit of the scheme was £40.9 billion as per the last scheme valuation by the Government Actuary as at 31 March 2020. 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 employee contribution rates were recommended and those applicable from the 1 April 2024 to 31 March 2027 were: a lower limit of 5.2% and an upper limit of 12.5% of pensionable pay. Employers' pension cost contributions are charged to operating expenses as and when they become due. The value of the Trust's employer's pension contributions 2023/24 is £31.7m (£27.7m 2022/23).

During 2023/24, 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 £9.6m.

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 2024, 82 employees enrolled into NEST and the employers' contributions for the current financial year have been £51k.

1.7 Property, Plant and Equipment

Recognition

Property, Plant and Equipment (PPE) is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably; and
- the item has a cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, and are anticipated to have simultaneous disposal dates and are under single managerial control.

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

Subsequent Expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replace is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

The Trust capitalises assets that individually have a cost of at least £5,000 or form a group of assets which individually have a cost of more than £250 and collectively have a cost of at least £5,000, where the assets are: functionally

interdependent; have broadly simultaneous purchase dates; are anticipated to have simultaneous disposal dates and are under single managerial control.

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

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

Valuation

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

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

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

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

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

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

The Trust has as at the 31st March 2024 initiated a desktop valuation and engaged the District Valuer Services to provide the valuation on an alternative site basis due to the addition of a new building (Maple Centre). The District Valuer Services (DVS) has applied suitable indices to reflect changes in the building costs and local land price movements since the date of the last valuation.

As a result, it estimated that there had been an increase in the value of its assets by £6.0m which was reflected as an increase in non-current assets. The next full revaluation is due March 2027.

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

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

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

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

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

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

Depreciation

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

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

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

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

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

Revaluation gains and losses

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

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

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

Impairments

In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation

reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to the operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains. Where impairment arises from a clear consumption of economic value, this is taken in full to operating expenses.

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

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

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

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

Government grants are grants from Government bodies other than income from ICB's or NHS Trusts for the provision of services. Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

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

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

1.8 Intangible Assets

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

Internally Generated

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised and is recognised as an operating expense in the period that it is incurred.
Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

Software

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

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

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

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

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

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

1.9 Inventories

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

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

1.10 Cash and cash equivalents

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

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

1.11 Financial assets and financial liabilities

Recognition

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

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

De-recognition

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

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

Classification and measurement

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

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

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

Financial liabilities are classified as "fair value through profit or loss" or as "other financial liabilities"

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as

gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

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

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

Financial assets and financial liabilities at amortised cost

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

Impairment of financial assets

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

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

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

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

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

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

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

1.12 Leases

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

value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

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

The Trust as a lessee

Recognition and initial measurement

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

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

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

The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance Leases

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

Operating Leases

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

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

Initial application of IFRS 16 in 2022/23
IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaced 'IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease' and other interpretations.
The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

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

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

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

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

The Trust as a lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

Practical expedients

There were further expedients or elections that were employed by the Trust in applying IFRS 16. These include;

- The Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described above.

The Trust as lessor

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

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount at the statement of financial position date, for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate of the expenditure can be made. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

		Nominal rate	**Prior year rate**
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2024:

	Inflation rate	**Prior year rate**
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical Negligence

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS resolution, which in return, settles all clinical negligence claims. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the Trust is disclosed at note 17 but is not recognised in the Trust's accounts.

Non-Clinical risk pooling

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

1.14 Contingencies

Recognition

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

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Public Dividend Capital

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

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

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

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

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

1.16 Value Added Tax

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

1.17 Corporation Tax

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

1.18 Climate Change Levy

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

1.19 Foreign Exchange

The functional and presentational currencies of the Trust are sterling**.** A transaction which is denominated in a foreign currency is translated into sterling at the exchange rate ruling on the dates of the transaction.

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

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

1.20 Third Party Assets

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

1.21 Losses and Special Payments

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

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

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

1.22 Gifts

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

1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

1.24 Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted.

IFRS 17 Insurance Contracts

This standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It is not expected that that this will have a material impact on the Trust. The effective date was due to be 2020/21 but has been delayed by HM Treasury until 2024/25.

2. Operating Income

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.

	2023/24 £000	2022/23 £000
Income from services designated (or grandfathered) as commissioner requested services	371,516	316,115
Income from services not designated as commissioner requested services	10,873	25,715
Total	**382,389**	**341,830**

2.2 Operating Income from patient Care Activities (By Nature)

	2023/24 £000	2022/23 £000
Income from Activities		
Aligned payment & incentive (API) income - Variable (based on activity)*	593	0
Aligned payment & incentive (API) income - Fixed (not variable based on activity)*	311,878	282,014
High cost drugs income from commissioners	22,991	33,850
Other NHS clinical income	20,572	251
Private patient income	532	475
Elective recovery fund	15,483	8,245
Pay award central funding**	175	6,583
Additional pension contribution central funding***	9,629	8,400
Other clinical income	537	2,012
Total income from activities	**382,389**	**341,830**

	2023/24	2022/23
Other operating income from contracts with customers	**£000**	**£000**
Research and development	1,824	1,645
Education and training	10,917	10,019
Cash donations for the purchase of capital assets - received from NHS charities	0	181
Cash donations for the purchase of capital assets - received from other bodies	8,414	0
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	97	626
Non-patient care services to other bodies	3,471	2,377
Reimbursement and top up funding	0	543
Car parking	1,452	1,388
Staff Accommodation	1,141	1,048
Catering	809	650
Salary income	1,593	1,381
Other income	4,729	3,684
Total other operating income	**34,447**	**23,542**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation. https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023. The funding for the pay award for 2023/24 is included in the block contract.

***The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. NHS providers continue to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

The Trust can confirm that there are no fees or charges raised under legislation, where the full cost exceeds £1 million, or the service is otherwise material in relation to the accounts.

2.3 Private patient income

The Health and Social Care Act from the 1st October 2012 repealed the statutory limitation on private patient income in section 44 of the National Health Services Act 2006. The Trust earned 0.1% of total patient care income from private patients in 2023/24 and 0.1% in 2022/23.

2.4 Operating Income from Patient Care Activities (by source)

Income from patient care activities received from:	2023/24	2022/23
	£000	**£000**
NHS England	50,589	62,729
Clinical commissioning groups (comparative only)	0	65,117
Integrated care boards	328,446	211,242
Local authorities	471	329
Other NHS foundation trusts	954	528
NHS other	0	6
Non-NHS: private patients	532	475
Non-NHS: overseas patients (chargeable to patient)	536	690
NHS injury scheme (was RTA)	860	655
Non-NHS: other	0	59
Total income from activities	**382,389**	**341,830**
Of which:		
Related to continuing operations	382,389	341,830

The responsibility for the commissioning of Healthcare services is from two main NHS Bodies, Integrated Care Board (ICB's) and NHS England. The major ICB for the Trust is NHS Bedfordshire, Luton and Milton Keynes who form the BLMK ICB, which accounts for 78% (2023: 74%) 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 £39.4m 2023/24 in respect of these services (£37.0m 2022/23). The Trust also received an additional £1.2m 2023/24 (£1.6m 2022/23) from the Cancer Drugs Fund.

2.5 Transaction price allocated to remaining performance obligations

At 31st March 2024 there were no revenues from existing contracts allocated to remaining performance obligations.

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

2.6 Analysis of overseas visitors' income

	2023/24	2022/23
	£000	**£000**
Income recognised this year	**536**	**690**
Cash payments received in-year	281	156
Amounts added to provision for impairment of receivables	389	283
Amounts written off in-year	**98**	**251**

3. Operating expenses

3.1 Operating expenses (by Type)

	2023/24 £000	2022/23 £000
Purchase of healthcare from NHS and DHSC bodies	5,793	2,989
Purchase of healthcare from non-NHS and non-DHSC bodies	10,322	9,550
Staff and executive directors' costs	254,732	238,305
Remuneration of non-executive directors	163	147
Supplies and services - clinical (excluding drugs costs) *	25,623	22,307
Supplies and services - general	6,122	5,200
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	32,711	27,960
Consultancy costs	0	21
Establishment	1,908	1,902
Premises	24,208	18,872
Transport (including patient travel)	621	809
Depreciation on property, plant and equipment	13,854	11,804
Amortisation of intangible assets	3,375	3,137
Net impairments	0	1,899
Increase in provision for impairment of receivables	199	388
Change in provisions discount rate(s)	14	(2)
Audit fees payable to the external auditor		
Audit services- statutory audit **	179	168
Internal audit costs	57	79
Clinical negligence	11,598	10,086
Legal fees	1,398	1,434
Insurance	134	218
Research and development	1,213	1,185
Education and training	6,808	6,526
Rentals under operating leases	1	180
Redundancy costs – staff costs	0	219
Car parking & security	5	38
Hospitality	87	67
Losses, ex gratia & special payments	105	312
Other services	758	639
Other	879	1,158
Total	**402,867**	**367,597**
Of which:		
Related to continuing operations	402,867	367,597

*includes £0.1m utilisation in 2023/24 of consumables donated from DHSC group bodies for COVID response (£0.6m 2022/23).
** statutory audit fees are inclusive of irrecoverable VAT.

4. Staff costs

4.1 Staff costs

	2023/24 Total £000	2022/23 Total £000
Salaries and wages	196,762	181,668
Social security costs	21,998	19,968
Apprenticeship levy	997	872
Employer's contributions to NHS pensions	22,106	19,310
Pension cost - employer contributions paid by NHSE (6.3%)	9,629	8,400
Temporary staff	9,366	14,186
Total gross staff costs	**260,858**	**244,404**

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind and include the additional 6.3% increase in employer's pension contribution which is being funded by NHS England on behalf of providers.

4.2 Retirements due to ill-health

During 2023/24 there was 1 early retirement from the Trust totalling £29k agreed on the grounds of ill-health (3 in the year ended 31 March 2023).

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 2023/24 or 2022/23.

4.4 Termination benefits

There were no termination benefits or non-compulsory departures agreed in 2023/24 (£219k in 2022/23).

Termination Benefits	2023/24	2023/24	2022/23	2022/23
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Cost of compulsory redundancies £000**	**Number of compulsory redundancies**	**Cost of compulsory redundancies £000**
£100,001 - £150,000	0	0	2	219
Total	**0**	**0**	**2**	**219**

4.5 Salary and pension entitlements of Directors

The aggregate amounts payable to directors were:

	2023/24 £000	2022/23 £000
Salary	1,332	1,476
Employer's pension contributions	110	129
Total	**1,442**	**1,605**

5. Better Payment Practice Code

5.1 Better Payment Practice Code- measure of compliance

	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Non-NHS				
Total bills paid in the year	69,370	204,910	74,266	194,889
Total bills paid within target	64,060	191,571	62,199	175,339
Percentage of bills paid within target	**92%**	**94%**	**84%**	**90%**
NHS				
Total bills paid in the year	2,146	10,542	2,004	16,996
Total bills paid within target	1,632	5,337	1,492	13,856
Percentage of bills paid within target	**76%**	**51%**	**75%**	**82%**
Total				
Total bills paid in the year	71,516	215,451	76,270	211,885
Total bills paid within target	65,692	196,908	63,691	189,195
Percentage of bills paid within target	**92%**	**91%**	**84%**	**89%**

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. The Department of Health and Social Care target is for 95% of undisputed invoices to be paid within these terms. There were no payments made in year in respect of late payment of invoices under the Late Payment of Commercial Interest Act 1998 (2022/23 £0).

6. Audit Fees

The Trust incurred statutory audit fees totalling £179,000 including irrecoverable VAT (£168,000 in 2022/23). There were no other auditor remuneration costs in 2023/24 or 2022/23.

6.1 Limitation on auditor's liability

There is a £2m limitation on auditor's liability for external audit work carried out for the financial year 2023/24 (£2m 2022/23).

7. Finance income and expense

7.1 Finance income

	2023/24 £000	2022/23 £000
Interest on bank accounts *	1,399	871
Total finance income	**1,399**	**871**

* There were three increases in the bank rate in 2023/24 which affected the rate of interest the National Loans Fund pays to Government Banking customers that have interest bearing accounts. HM Treasury applied the margin of 0.11% which means the National Loans Fund interest rate payable from June 2023 was 4.89% (4.14% as at March 2023).

7.2 Finance expenses

	2023/24 £000	2022/23 £000
Interest on lease obligations *	1,378	872
Total interest expense	**1,378**	**872**

* Interest on lease obligations in 2023/24 includes IFRS 16 adoption impacts relating to Right of Use assets and the unwinding of discounting.

7.3 Impairment of assets (PPE)

	2023/24 £000	2022/23 £000
Net impairments charged to operating surplus resulting from:		
Other	0	60
Changes in market price	0	1,839
Total net impairments charged to operating surplus	**0**	**1,899**
Impairments charged to the revaluation reserve	3,624	859
Total net impairments	**3,624**	**2,758**

The Trust applies a modern equivalent asset principle which reflected an alternative site valuation. In adopting the Modern Equivalent Asset – with alternative site approach, the valuation of land and buildings reflects the extent of estate required for the provision of the same service as already provided by the existing estate but not in the same form or location.

8. Intangible Assets

8.1 Intangible assets – 2023/24

	Software licences £000	Internally generated information technology £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2023 - brought forward	**13,738**	**9,949**	**2,953**	**2,812**	**29,452**
Additions	317	0	0	0	**317**
Reclassifications	0	0	116	(49)	**67**
Disposals / derecognition	(19)	0	(12)	0	**(31)**
Gross cost at 31 March 2024	**14,036**	**9,949**	**3,057**	**2,763**	**29,805**
Amortisation at 1 April 2023 - brought forward	**4,154**	**3,689**	**1,981**	**0**	**9,824**
Provided during the year	1,892	1,247	236	0	**3,375**
Amortisation at 31 March 2024	**6,046**	**4,936**	**2,217**	**0**	**13,199**
Net book value at 31 March 2024	**7,990**	**5,013**	**840**	**2,763**	**16,606**
Net book value at 1 April 2023	**9,584**	**6,260**	**972**	**2,812**	**19,628**

Note 8.1 Intangible assets - 2022/23

	Software licences £000	Internally generated information technology £000	Development expenditure £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	**7,919**	**7,402**	**1,888**	**11,856**	**29,065**
Additions	410	525	0	603	**1,538**
Reclassifications	5,653	2,054	1,065	(9,213)	**(441)**
Disposals / derecognition	(244)	(32)	0	(434)	**(710)**
Valuation/gross cost at 31 March 2023	**13,738**	**9,949**	**2,953**	**2,812**	**29,452**
Accumulated amortisation at 1 April 2022 - brought forward	**1,897**	**3,505**	**1,408**	**0**	**6,810**
Provided during the year	1,624	1,247	236	30	**3,137**
Reclassifications	742	(1,049)	337	(30)	**0**
Disposals / derecognition	(109)	(14)	0	0	**(123)**
Amortisation at 31 March 2023	**4,154**	**3,689**	**1,981**	**0**	**9,824**
Net book value at 31 March 2023	**9,584**	**6,260**	**972**	**2,812**	**19,628**
Net book value at 1 April 2022	**6,022**	**3,897**	**480**	**11,856**	**22,255**

9. Property, Plant and Equipment

Property, plant and equipment as at 31st March 2024 is broken down in the following elements:

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2023 – brought forward	**3,876**	**154,885**	**369**	**12,194**	**37,440**	**18**	**10,812**	**1,147**	**220,741**
Additions	0	6,583	0	28,789	5,275	0	1,438	80	**42,165**
Impairments	(258)	(3,366)	0	0	0	0	0	0	**(3,624)**
Reclassifications	0	1,522	(8)	(3,617)	1,702	0	334	0	**(67)**
Revaluation	250	1,980	(10)	0	0	0	0	0	**2,220**
Disposals / derecognition	0	(347)	0	0	(124)	0	(336)	0	**(807)**
Reclassifications from RoU assets where ownership has transferred	0	4,402	0	0	0	0	0	0	**4,402**
Valuation/gross cost at 31 March 2024	**3,868**	**165,659**	**351**	**37,366**	**44,293**	**18**	**12,248**	**1,227**	**265,030**
Accumulated depreciation at 1 April 2023 – brought forward	**0**	**0**	**0**	**0**	**12,758**	**18**	**3,335**	**340**	**16,451**
Provided during the year	0	5,502	11	0	4,217	0	1,832	124	**11,686**
Revaluations	0	(5,439)	(11)	0	0	0	0	0	**(5,450)**
Reclassifications from RoU assets where ownership has transferred	0	1,051	0	0	0	0	0	0	**1,051**
Accumulated depreciation at 31 March 2024	**0**	**1,114**	**0**	**0**	**16,975**	**18**	**5,167**	**464**	**23,738**
Net book value at 31 March 2024	**3,868**	**164,545**	**351**	**37,366**	**27,318**	**0**	**7,081**	**763**	**241,291**
Net book value at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**24,682**	**0**	**7,477**	**807**	**204,289**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 – brought forward	**4,076**	**130,869**	**980**	**27,442**	**30,512**	**18**	**10,149**	**1,060**	**205,106**
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	**(320)**	**(5,855)**	**(640)**	**0**	**(1,512)**	**0**	**0**	**0**	**(8,327)**
Additions	0	10,196	0	10,336	2,863	0	1,443	90	**24,928**
Reclassifications	0	17,693	40	(24,911)	6,844	0	775	0	**441**
Revaluation	120	2,375	(11)	0	0	0	0	0	**2,484**
Disposals / de-recognition	0	(393)	0	(673)	(1,267)	0	(1,555)	(3)	**(3,891)**
Valuation/gross cost at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**37,440**	**18**	**10,812**	**1,147**	**220,741**
Accumulated depreciation at 1 April 2022 - brought forward	**0**	**(0)**	**0**	**0**	**11,933**	**18**	**3,298**	**225**	**15,474**
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	0	0	0	0	(1,312)	0	0	0	**(1,312)**
Provided during the year	0	4,446	10	0	3,331	0	1,523	115	**9,425**
Impairments	0	1,854	0	0	60	0	0	0	**1,914**
Revaluation	0	(6,300)	(10)	0	0	0	0	0	**(6,310)**
Disposals / de-recognition	0	0	0	0	(1,254)	0	(1,486)	0	**(2,740)**
Accumulated depreciation at 31 March 2023	**0**	**0**	**0**	**0**	**12,758**	**18**	**3,335**	**340**	**16,451**
Net book value at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**24,682**	**0**	**7,477**	**807**	**204,289**
Net book value at 31 March 2022	**4,076**	**130,869**	**980**	**27,442**	**18,579**	**0**	**6,851**	**835**	**189,631**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2024								
Owned	3,868	143,311	351	37,366	26,410	7,081	763	**219,149**
Government granted	0	0	0	0	0	0	0	**0**
Donated	0	21,234	0	0	908	0	0	**22,142**
Total at 31 March 2024	**3,868**	**164,545**	**351**	**37,366**	**27,318**	**7,081**	**763**	**241,291**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2023								
Owned	3,876	133,446	369	12,194	23,497	7,477	807	**181,665**
Government granted	0	21,439	0	0	711	0	0	**22,150**
Donated	0	0	0	0	474	0	0	**474**
Total at 31 March 2023	**3,876**	**154,885**	**369**	**12,194**	**24,682**	**7,477**	**807**	**204,289**

9.1 Analysis of Plant, Property and Equipment

The Trust did not receive any PPE donations from DHSC in relation to the Covid-19 response in the year (£nil in 2022/23). 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 2024, the Trust had no land and buildings valued at open market value.

Property, plant & equipment at 31 March 2024 include £0.36m of items where legal title has passed to the Trust and assets paid for, but which had not been physically received (31 March 2023: £0.1m).

9.2 Capital commitments

There are 14 capital commitments totalling £5.872m (2022/23 £10.889m) for PPE capital expenditure. There are £0.550m of capital commitments for intangibles (2023/24 £0.04m).

9.3 Right of use assets 2023/24

	Property £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	**24,205**	**2,498**	**28**	**106**	**26,837**	**474**
Remeasurements of the lease liability	(264)	0	0	0	**(264)**	0
Reclassifications	(4,402)	0	0	0	**(4,402)**	0
Valuation/gross cost at 31 March 2024	**19,539**	**2,498**	**28**	**106**	**22,171**	**474**
Accumulated depreciation at 1 April 2023 - brought forward	**1,806**	**612**	**8**	**35**	**2,461**	**24**
Provided during the year	1,625	497	11	35	**2,168**	24
Reclassifications	(1,051)	0	0	0	**(1,051)**	0
Accumulated depreciation at 31 March 2024	**2,380**	**1,109**	**19**	**70**	**3,578**	**48**
Net book value at 31 March 2024	**17,159**	**1,389**	**9**	**36**	**18,593**	**426**

	Property £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Total £000	Of which: leased from DHSC group bodies £000
Reclassification of existing finance leased assets to RoU assets on 1 April 2022	6,815	1,512	0	0	**8,327**	0
Recognition of RoU assets for existing operating leases on initial application of IFRS 16 on 1 April 2022	13,827	2,206	28	106	**16,167**	474
Additions	2,905	31	2	0	**2,938**	0
Remeasurements of the lease liability	1,502	(24)	1	0	**1,479**	0
Impairments	(844)	0	0	0	**(844)**	0
Disposals / derecognition	0	(1,227)	(3)	0	**(1,230)**	0
Valuation/gross cost at 31 March 2023	**24,205**	**2,498**	**28**	**106**	**26,837**	**474**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	0	1,312	0	0	**1,312**	0
Provided during the year	1,806	527	11	35	**2,379**	24
Disposals / derecognition	0	(1,227)	(3)	0	**(1,230)**	0
Accumulated depreciation at 31 March 2023	**1,806**	**612**	**8**	**35**	**2,461**	**24**
Net book value at 31 March 2023	**22,399**	**1,886**	**20**	**71**	**24,376**	**450**
Net book value of right of use assets leased from other NHS providers						0
Net book value of right of use assets leased from other DHSC group bodies						450

9.4 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in Note 15.

	2023/24 £000	2022/23 £000
Carrying value 1st April	24,418	5,615
IFRS 16 implementation - adjustments for existing operating leases	0	16,167
Lease additions	0	2,898
Lease liability remeasurements	(264)	1,479
Interest charge arising in year	1,378	872
Lease payments (cash outflows)	(2,478)	(2,613)
Other changes	(3,275)	0
Carrying value 31 March	**19,779**	**24,418**

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

These payments are disclosed in Note 3.1. Cash outflows in respect of leases recognised on SOFP are disclosed in the reconciliation above.

9.5 Maturity analysis of future lease payments

	31 March 2024 £000	Of which leased from DHSC group bodies: 31 March 2024 £000	31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	2,125	26	2,447	26
- later than one and not later than five years;	6,688	104	9,890	104
- later than five years.	17,711	338	19,330	364
Total gross future lease payments	**26,524**	**468**	**31,667**	**494**
Finance charges allocated to future periods	(6,745)	(36)	(7,249)	(41)
Net lease liabilities at 31 March	**19,779**	**432**	**24,418**	**453**
Of which:				
- Current	1,544	22	1,759	22
- Non-current	18,235	410	22,659	431
Of which				
- Leased from other NHS providers		0		0
- Non-current		22		22

9.6 Leases – other information

During the year, the Trust purchased 5 buildings previously held as Right of Use leased assets, the cost of which totalled £3.75m. The carrying amount of these assets have been transferred to PPE.

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 2023	**1,555**	**3,334**	**67**	**195**	**5,151**
Additions	32,710	34,461	97	21	**67,289**
Inventories consumed	(32,599)	(34,327)	(128)	(108)	**(67,162)**
As at 31st March 2024	**1,666**	**3,468**	**36**	**108**	**5,278**
As at 1 April 2022	**1,402**	**2,477**	**85**	**91**	**4,055**
Additions	36,384	29,081	626	158	**66,249**
Inventories consumed	(36,231)	(28,224)	(644)	(54)	**(65,153)**
As at 31st March 2023	**1,555**	**3,334**	**67**	**195**	**5,151**

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £0.1m 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 2024	31 March 2023
	£000	£000
Current		
Contract receivables	17,265	12,642
Capital receivables	0	252
Allowance for impaired contract receivables /assets	(1,550)	(1,559)
Prepayments (non-PFI)	2,211	2,371
PDC dividend receivable	0	368
VAT receivable	1,514	1,767
Total current trade and other receivables	**19,440**	**15,841**
Non-current		
Contract receivables	3,122	2,998
Allowance for impaired contract receivables / assets	(185)	(134)
Clinician pension tax provision reimbursement funding from NHSE	331	380
Total non-current trade and other receivables	**3,268**	**3,244**
Total receivables	**22,708**	**19,085**
Of which receivables from NHS and DHSC group bodies:		
Current	11,896	9,844
Non-current	331	380

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
Allowances as at 1 Apr 2023 - brought forward	1,693
Changes in existing allowances	199
Utilisation of allowances (write offs)	(157)
Allowances as at 31 Mar 2024	**1,735**

	Contract receivables and contract assets
	£000
Allowances as at 1 Apr 2022 - brought forward	1,376
Changes in existing allowances	388
Utilisation of allowances (write offs)	(71)
Allowances as at 31 Mar 2023	**1,693**

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.

	2023/24	2022/23
	£000	£000
At 1 April 2023	**29,995**	**57,975**
Net change in year	(2,787)	(27,980)
At 31 March 2024	**27,208**	**29,995**
Broken down into:		
Cash at commercial banks and in hand	54	46
Cash with the Government Banking Service	27,154	29,949
Total cash and cash equivalents as in SoFP	**27,208**	**29,995**
Total cash and cash equivalents as in SoCF	**27,208**	**29,995**

14. Liabilities

14.1 Trade and other payables

	31 March 2024 £000	31 March 2023 £000
Current		
Trade payables	16,870	13,722
Capital payables	11,835	3,262
Accruals	14,074	18,808
Annual leave accrual	5,101	4,681
Social security costs	3,030	2,809
VAT payables	1	0
Other taxes payable	3,404	2,753
PDC Dividend payable	83	0
Pension contributions payable	3,170	2,734
Other payables	3,147	2,827
Total current trade and other payables	**60,715**	**51,596**
Of which payables from NHS and DHSC group bodies:		
Current	2,865	2,914
Non-current	0	0

14.2 Other liabilities

	31 March 2024 £000	31 March 2023 £000
Deferred income: contract liabilities	11,485	17,952
Total other current liabilities	**11,485**	**17,952**
Deferred income: contract liabilities	500	1,000
Total other non-current liabilities	**500**	**1,000**
Total other liabilities	**11,985**	**18,952**

15. Borrowings

	31 March 2024 £000	31 March 2023 £000
Current		
Lease liabilities	1,544	1,759
Total current borrowings	**1,544**	**1,759**
Non-current		
Lease liabilities	18,235	22,659
Total non-current borrowings	**18,235**	**22,659**

15.1 Reconciliation of liabilities arising from financing activities.

	Lease Liabilities £000
Carrying value at 1 April 2023	**24,418**
Cash movements:	
Financing cash flows - payments and receipts of principal	(5,072)
Financing cash flows - payments of interest	(681)
Non-cash movements:	
Lease liability remeasurements	(264)
Interest charge arising in year (application of effective interest rate)	1,378
Carrying value at 31 March 2024	**19,779**

	Lease Liabilities £000
Carrying value at 1 April 2022	**5,615**
Cash movements:	
Financing cash flows - payments and receipts of principal	(2,235)
Financing cash flows - payments of interest	(378)
Non-cash movements:	
Impact of implementing IFRS 16 on 1 April 2022	16,167
Additions	2,898
Lease liability remeasurements	1,479
Interest charge arising in year (application of effective interest rate)	872
Carrying value at 31 March 2023	**24,418**

16. Provisions

	Pensions Early departure costs	Pensions Injury benefits	Other legal claims *	Lease dilapidations	Clinician pension tax	Other**	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2023 - brought forward	**18**	**859**	**2,212**	**0**	**380**	**1,194**	**4,662**
Change in the discount rate	5	49	0	0	0	(40)	**14**
Arising during the year	0	0	577	0	0	8,951	**9,528**
Utilised during the year	(3)	(34)	(1)	0	0	0	**(38)**
Reversed unused	0	0	(66)	0	(49)	(691)	**(806)**
At 31 March 2024	**20**	**874**	**2,722**	**0**	**331**	**9,414**	**13,360**
Expected timing of cash flows:							
- not later than one year;	3	34	2,721	0	0	8,990	**11,748**
- later than one year and not later than five years;	13	144	0	0	0	247	**404**
- later than five years.	4	696	1	0	331	177	**1,208**
Total	**20**	**874**	**2,722**	**0**	**331**	**9,414**	**13,360**

	Pensions- Early departure costs	Pensions - Injury benefits	Other legal claims	Lease dilapidations	Clinician pension tax	Other	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022 - as previously stated	**18**	**867**	**2,090**	**0**	**330**	**938**	**4,242**
Change in the discount rate	3	26	0	0	0	(31)	**(2)**
Arising during the year	0	0	167	0	50	287	**504**
Utilised during the year	(3)	(34)	(5)	0	0	0	**(42)**
Reversed unused	0	0	(40)	0	0	0	**(40)**
At 31 March 2023	**18**	**859**	**2,212**	**0**	**380**	**1,194**	**4,662**
Expected timing of cash flows:							
- not later than one year;	3	34	2,210	0	0	592	**2,839**
- later than one year and not later than five years;	12	141	2	0	0	599	**754**
- later than five years.	3	684	0	0	380	3	**1,069**
Total	**18**	**859**	**2,212**	**0**	**380**	**1,194**	**4,662**

***** Other legal claims include contractual changes £2m
****** Other claims include £6.4m of contractual salary reviews

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 1.6 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 0.994% 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 £108m (year ended 31 March 2023 £151m). No contingencies or provisions are in the accounts at 31 March 2024 in relation to these cases, even though the legal liability for them remains with the Trust.

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

17. Revaluation Reserve

	Property, plant and equipment	ROU assets	Total
	£000	£000	£000
Revaluation Reserve at 1 April 2023	**57,363**	**3,152**	**60,515**
Transfer of revaluation reserve associated with existing finance leases on 1 April 2023	0	0	0
Impairment losses property, plant and equipment	(3,624)	0	(3,624)
Revaluations	7,670	0	7,670
Other reserves	27	0	27
Revaluation Reserve at 31 March 2024	**61,436**	**3,152**	**64,588**

Revaluation Reserve at 1 April 2022	**52,580**	**0**	**52,580**
Transfer of revaluation reserve associated with existing finance leases on 1 April 2022	(3,996)	3,996	0
Impairment losses property, plant and equipment	(15)	(844)	(859)
Revaluations	8,794	0	8,794
Revaluation Reserve at 31 March 2023	**57,363**	**3,152**	**60,515**

18. Post Balance Sheet events

There are no post balance sheet events.

19. Contingent Liabilities

The Trust has reviewed its liabilities and it does not consider that it has any material contingent liabilities for the forthcoming financial year. The provisions that the Trust has made for liabilities and charges are disclosed in note 17 including provisions held by the NHSLA as at 31 March 2024 in respect of clinical negligence liabilities of the NHS Foundation Trust.

20. Related Party Transactions

The Trust is a body corporate established by the Secretary of State for Health. Government departments and their agencies are considered by HM Treasury as being related parties. During the year, the Trust has had a significant number of material transactions with other NHS bodies and in the ordinary course of its business with other Government departments and other central and local Government bodies. Materiality in this context is considered to be over £6m with an individual body and transactions have been prepared on an accruals basis.

Department of Health and Social Care
NHS Bedfordshire, Luton and Milton Keynes ICB

NHS England
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB
NHS Northamptonshire ICB
NHS Resolution
HMRC
Milton Keynes Council
NHS Pensions
NHS Improvement

There are additional related parties of ADMK Ltd and MK Charity (by virtue of the Trust holding a controlling interest) and the Milton Keynes Urgent Care Service (an associate investment), with which there have been no significant transactions in year.

	2023/24 Payments to related party £000 expenditure	Receipts from related party £000 income	Amounts owed to related party £000 payable	Amounts due from related party £000 receivable
MK Charity	29	306	0	114
ADMK Ltd	20,484	474	0	15
Total	**20,513**	**780**	**0**	**129**

	2022/23 Payments to related party £000 expenditure	Receipts from related party £000 income	Amounts owed to related party £000 payable	Amounts due from related party £000 receivable
MK Charity	0	362	0	129
ADMK Ltd	8,147	153	359	41
Total	**8,147**	**515**	**359**	**170**

The key management personnel of the Trust are all directors of the Trust. Their remuneration is disclosed in note 4.5. During the year none of the members of the key management personnel, or parties related to them, have undertaken any material transactions with the Trust.

21. Financial Instruments

21.1 Financial Risk Management

Interest Rate Risk

The Trust's borrowings relate to leases. Under IFRS16 the lease liabilities' remeasurements are exposed to interest rate fluctuations. The Trust's risk of exposure is significantly offset by the interest income generated by the cash held at the bank.

Liquidity Risk

The Trust's net operating income is mainly incurred under legally binding contracts with the regional ICBs, which are financed from resources voted annually by Parliament. The Trust is paid in 12 monthly instalments throughout the year, which significantly reduces the liquidity risk.

Credit Risk

Credit risk represents the risk that a counterparty will not meet its obligations leading to a financial loss for the Trust. Trade receivables are significantly comprised of receivables from NHS and DHSC bodies, which reduces credit risk to the Trust. Aged receivables are also provided for in line with GAM guidance.

21.2 Financial assets by category

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income: investment shares in Induction Healthcare Group Plc and Arcturis Data Limited (formerly Sensyne Health Plc).
There is no material difference between the carrying value and fair value of the Trust's cash and cash equivalents, nor trade and other receivables.

	Held at amortised cost £000	Held at fair value through OCI £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2024			
Trade and other receivables excluding non-financial assets	18,652	0	**18,652**
Other investments / financial assets	0	74	**74**
Cash and cash equivalents	27,208	0	**27,208**
Total at 31 March 2024	**45,860**	**74**	**45,934**

	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 2023			
Trade and other receivables excluding non-financial assets	14,198	0	**14,198**
Other investments / financial assets	0	98	**98**
Cash and cash equivalents	29,995	0	**29,995**
Total at 31 March 2023	**44,193**	**98**	**44,291**

21.3 Financial liabilities by category

	Held at amortised cost 2023/24 £000	Held at amortised cost 2022/23 £000
Carrying values of financial liabilities at 31 March 23		
Obligations under leases	19,779	24,418
Trade and other payables excluding non-financial liabilities	49,094	41,353
Provisions under contract	13,360	4,661
Total at 31 March 24	**82,233**	**70,432**

The decreased obligations under leases relate to lease liabilities, as a result of the purchase of 5 previously leased assets.

There is no material difference between the carrying value and the fair value of the Trust's trade and other payables.

21.4 Maturity of Financial Liabilities

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

	31 March 2024	31 March 2023
	£000	£000
In one year or less	62,969	46,639
In more than one year but not more than five years	7,092	10,643
In more than five years	18,919	20,399
Total	**88,980**	**77,681**

The increased financial liabilities relate to lease liabilities, as a result of the accounting changes following the adoption of IFRS 16.

22. Third Party assets

The Trust held no third-party assets at the end of financial year 2023/24.

23. Losses and special payments

There were 50 cases at 31 March 2024 of losses and special payments totalling £262k approved during the year (57 cases to 31 March 2023 totalling £384k).

	31 March 2024 Total number of cases	31 March 2024 Value £000	31 March 2023 Total number of cases	31 March 2023 Value £000
LOSSES:				
1. Losses of cash due to:				
b. overpayment of salaries etc.	3	26	4	22
2. Fruitless payments and constructive losses	0	0	0	0
3. Bad debts and claims abandoned in relation to:				
a. private patients	3	24	1	0
b. overseas visitors	5	98	4	251
c. other	4	24	3	15
4. Damage to buildings, property etc. (including stores losses) due to:				
b. stores losses	24	86	24	86
c. other	0	0	2	1
Total Losses	**39**	**258**	**38**	**375**
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	11	4	16	8
g. other	0	0	3	1
8. Special severance payments	0	0	0	0
9. Extra statutory and regulatory	0	0	0	0
Total Special Payments	**11**	**4**	**19**	**9**
Total Losses and Special Payments	**50**	**262**	**57**	**384**

NHS
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NHS Foundation Trust

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