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Annual Report & Accounts 2023-24


UNIVERSITY OF
BIRMINGHAM

Annual Report & Accounts 2023-24

Contents

Part 1 Welcome

1.1.1 Chair and Chief Executive's Overview

Welcome to our Annual Report for 2023-24.

As we reflect on the past 12 months, we are filled with pride at the achievements of colleagues and teams during another challenging but rewarding year at University Hospitals Coventry and Warwickshire (UHCW) NHS Trust.

This year has been particularly notable as we celebrated the 75th anniversary of the NHS, a milestone that holds profound significance for us all. It serves as a reminder of our enduring commitment to providing exceptional healthcare services to the communities of Coventry and Warwickshire.

We recognise that 'better never stops' and our dedication to continuous improvement has never been more important. We have seen the Hospital of St Cross, Rugby receive accreditation as an elective surgical hub, which will focus on high volume, low complexity surgeries that result in shorter waiting times and improved outcomes.

Significant strides have been made in our efforts to achieve our vision of being a national and international leader in healthcare, rooted in our communities. The opening of a new imaging unit and a dedicated Endoscopy unit at the Hospital of St Cross have expanded our provision for tests while enabling earlier diagnosis and intervention for our patients.

Development has also begun on a new Community Diagnostic Centre (CDC) in the heart of Coventry, which will transform care by providing easier and faster access to vital health tests, including state-of-the-art MRI and CT scans, X-rays and more from early 2025.

We have also partnered with Coventry and Warwickshire NHS Partnership Trust and Coventry City Council, with support from Newton Europe, to deliver the Improving Lives Programme. With the aim of providing a more integrated and patient-centred approach to care, the programme is helping to prevent unnecessary hospital admissions, deliver more care in the community and further reduce delays in discharge processes.

As a Trust we have been working to support more people to be seen and looked after. In the past year we have been able to clear our 78-week waiting list for elective surgery, significantly reduce the number of 52-week waits to 2,700 – our lowest since December 2020 – and reduce our overall elective waiting list total by 8.2%. We've also been able to achieve national performance targets for our four-hour A&E waiting times, as well as 62-day waits for cancer treatment.

This year also saw the completion of a £15 million expansion to our Emergency Departments at University Hospital. Key developments were made within the Children's Emergency Department, including the opening of two triage rooms, a Child and Adolescent Mental Health Services assessment room, two resuscitation bays, seven observation beds and an extension to the patient waiting area.

The Trust continues to embed innovative approaches into our day-to-day operations. This includes becoming the first healthcare provider in Europe to use an advanced form of Artificial Intelligence (AI) to help improve patient care and pathways, as well as opening the Coventry and Warwickshire Clinical Research Facility to provide the dedicated environment, support and expertise required to conduct high quality clinical studies.

This has been a year filled with many milestones and we must also pay tribute to the former Chair Dame Stella Manzie who stepped down from the role at the end of September 2023 after four years.

As Chair and Chief Executive Officer, accountable to you, we are proud to celebrate the achievements of our fantastic and dedicated staff, volunteers, and partners, without whom we know none of this would be possible.

As a Trust we are working towards shaping a brighter future for healthcare and we look forward to working with you all in 2024/25.

Sue Noyes
Chair

Professor Andrew Hardy
Chief Executive Officer

1.1.2 The year in pictures

April

Volunteer physiotherapists from the Trust played a vital role as part of the medical team at the London Marathon.

More than 20 current and former UHCW physios headed to the capital on 23rd April to treat the aches and strains of runners tackling the 26.2 mile course.

The UHCW contingent were based on the finish line and were part of a larger medical team which included doctors from St George's University Hospitals NHS Foundation Trust and St John Ambulance.

May

Nurses and midwives from UHCW were part of the annual celebration parade through Coventry city centre to mark International Nurses Day and International Day of the Midwife.

Our colleagues received a fantastic reception from the public throughout the morning, with some even stopping to give our nurses and midwives a round of applause as they completed their lap around the city centre.

An event from our Clinical Sciences Building was also watched by staff across the Trust, while wards held their own events to mark one of the biggest celebrations in the calendar.

June

The dedication of our volunteers was recognised during a packed programme of events and activities for National Volunteers Week.

Long Service Awards were presented to 37 volunteers who have given five, 10, 15 or more years to the Trust.

Special tea parties were thrown at University Hospital and the Hospital of St Cross to show our appreciation to the more than 500 volunteers across the Trust for their commitment and hard work throughout the year.

July

Celebrations were in full swing across the Trust in recognition of the NHS turning 75, with tea parties held across wards and departments, including a visit from Lord Mayor, Councillor Jaswant Singh Birdi.

Members of Team UHCW also enjoyed an emotional and extra special 75th NHS birthday service at Westminster Abbey.

Chief Executive Professor Andy Hardy, Consultant Respiratory Physician Asad Ali, Clinical Nurse Specialist Kathryn Marshall, Orthoptic Casualty Lead Rahilah Bukhari and volunteer Betty Miller joined hundreds of inspirational individuals from across the country for the service celebrating the hard work, compassion and dedication of NHS staff over three quarters of a century.

August

Pharmaceutical care at UHCW was revolutionised thanks to the launch of the Pharmacy Medicines Research Unit (PMRU) and the ground-breaking new Dispensary Robot.

The PMRU, located on the ground floor in the main foyer of University Hospital, is easily accessible for patients taking part in clinical trials.

With the ability to pick up to 1,600 medicine packs an hour, the introduction of the robot has allowed pharmacy staff to spend more time with ward colleagues to support their medicine handling processes.

September

Staff and teams enjoyed a memorable evening at our annual Outstanding Service and Care Awards (OSCAs) ceremony, celebrating those who embody the Trust's values.

The 2023 ceremony was held at Binley Banqueting Suite in Coventry, with a total of 16 awards presented throughout the evening which was hosted by BBC CWR Presenter, Lorna Bailey.

UHCW Charity, Project Co, ISS, Vinci, Coventry University and Warwick Medical School were our sponsors for the evening.

October

A new imaging unit opened at the Hospital of St Cross, Rugby to allow for an additional 4,000 procedures per year.

Patients from Rugby and beyond are now able to access the Fern Unit, a dedicated ultrasound service based in the Outpatients Department.

The expansion of the service has been supported by a donation of more than £70,000 from the Friends of St Cross, who help provide the hospital with equipment and volunteers.

November

The £15 million Emergency Department expansion was officially opened on budget and ahead of schedule.

Including a revamp of the Children's Emergency Department, the expansion has bolstered our emergency care offering to patients, while providing staff with more dedicated space and access to new equipment to deliver high quality care.

In other news, Health and Social Care Secretary Steve Barclay MP visited the Hospital of St Cross, Rugby to learn more about the ongoing investment in services.

December

TV viewers across the country were given a behind-the-scenes look at life at UHCW as the Trust welcomed Sky News cameras.

The channel kicked off 12 months of coverage looking at the future of healthcare with a live debate from our Lecture Theatre in January and came back in December to round off the year.

Crews spent time analysing winter pressures and waiting lists with Emergency Medicine staff, as well as visiting Hospital@Home, catering and maternity to speak to staff about their experience of working in the NHS.

January

A series demonstrating the life-saving expertise we provide to road traffic victims began airing on Channel 5.

A&E: Crash Scene Emergency told the stories of patients brought to UHCW, one of the largest Major Trauma Centres in the country, as medical teams battle to treat people injured on roads and motorways.

January also saw our Thoracic team celebrate a notable milestone with their 100th robot-assisted surgery.

February

A pioneering new approach at the Hospital of St Cross, Rugby, has enabled hip and knee replacement patients to be cared for even more quickly, safely and efficiently.

The Rugby Ambulatory Orthopaedic Service (RAOS), supported by the Friends of St Cross, has seen a wide variety of teams and services join forces to further enhance the experience of those needing hip and knee replacement surgery.

On the day of surgery, hip and knee replacement patients now have access to the Cedar Ambulatory Recovery Unit, located on the Cedar Ward. This contains 10 new trolleys to easily move patients between the ward, theatres and X-ray.

March

The Coventry and Warwickshire Clinical Research Facility (CRF) at University Hospital, Coventry officially opened its doors on Friday 8th March, providing the dedicated facilities, support and expertise required to conduct high quality clinical studies.

Research partners from Coventry City Council, Coventry and Warwick Universities, local NHS Trusts and Coventry and Warwickshire Integrated Care Board (ICB) were all in attendance for the unveiling.

CRFs allow researchers and companies to undertake early phase interventional studies and high intensity or high complexity elements of later phase projects, with the new facilities allowing the Trust to expand its research offering.

1.1.3 Awards and Successes

Trust-wide Recognition

- The Hospital of St Cross, Rugby, has been successfully accredited as an elective surgical hub delivering high standards in clinical and operational practice.

- University Hospital and the Hospital of St Cross have been rewarded for their commitment to patient safety by the National Joint Registry. The sites both received gold level Quality Data Awards after successfully completing a national programme of local data audits.

Clinical Services

- UHCW became one of the first to perform a new Keyhole Surgery, known as Transcatheter Edge to Edge Repair (TEER), to help transform the quality of life for cardiac patients.

- Our digital support tool W8Buddy, which can help patients hit self-selected health goals and clinically meaningful weight loss, has been shortlisted for a Health Service Journal (HSJ) Digital Award.

- Our pioneering Neonatal Community Outreach Service (NCOS) discharged the first patient under its new Home Phototherapy Service, providing a safe, effective and easy to use service for parents to care for their babies with daily support from NCOS nurses.

- Innovations in research clinical practice saw Gail Evans, Kerry Read and Maria Truslove shortlisted for the Clinical Site Team category of the PharmaTimes International Clinical Researcher of the Year Awards.

- Our Critical Care team was in the spotlight at the European Society of Intensive Care Medicine conference.

- Thanks to their impressive international recruitment programme, the Maternity Practice Facilitator Team received the International Recruitment Best Adaptive Practice Team of the Year award from NHS England.

Support Services/Non-Clinical

- A collaboration between University Hospitals Coventry and Warwickshire NHS Trust, tech giant IBM and process intelligence platform provider Celonis won the Best Healthcare Analytics Project category at the HSJ Partnership Awards 2024.

- Technological initiatives reached the finals of the HSJ Digital Awards: My Kit Check (Digital Clinical Safety), Digital and Data Driven Research Unit (DDDRU) and R&D Team (Digital eam of the Year).

- The Friends of St. Cross received a special appreciation award from the Mayor of Rugby, Cllr Maggie O'Rourke.

- The Anti-Racism shared decision making council was shortlisted for a Royal College of Nursing (RCN) Award.

- The PathLake Plus project was nominated for two partnership awards at the 2024 HSJ Awards: Diagnostic Project of the Year and Most Effective Contribution to Improving Cancer Outcomes.

Individuals

- Lauren Deegan, Heart Valve Clinical Nurse Specialist took her research results to Parliament with the All-Party Parliamentary Group for Women's Health.

- Dr Tim Robbins, Clinical Research and Innovation Officer, was named a finalist for Leader of the Year at the HSJ Digital Awards.

- Consultant Paediatrician Hema Kannappan won the Promising Professional Award at the Inspiring Indian Women Awards for her professionalism and charity work.

- Deputy Clinical lead Orthotist, Sophie Mitchell, was named the winner of the Rising Star category at the 2023 Advancing Healthcare Awards.

- Professor Jane Coad and Dr Emma Murphy were included in a 'Faces of Research' list to celebrate their significant contribution to nursing research, released to coincide with the 75th anniversary of the NHS.

- Liz Deutsch became the first nurse to be appointed as a Centre for Care Excellence (CfCE) Professor.

- Vicky Jones was a highly commended nominee for the 2023 Target Ovarian Cancer Nurse Hero Awards.

- Nicola McKay claimed first prize at the esteemed British Association for Surgery of the Knee conference in London for her work on Osteochondral Allograft.

- Charlene Cole, Ockenden Assurance Lead Midwife was shortlisted for the Maternity and Midwifery Initiative of the Year at the HSJ Patient Safety Awards, for her work establishing the Maternity Safety Network.

- Orthopaedic Registrar Dr Imran Ahmed was awarded the prestigious Hunterian Professorship in recognition of his research on meniscal tears. He was also awarded second prize at the esteemed British Association for Surgery of the Knee conference in London.

- Midwife Bethany Wallace was shortlisted for the Elaine Thorp Award for Bereavement Care.

Part 2 Performance Report

2.1 Overview

The national position for both Urgent & Emergency Care (UEC) and Elective & Cancer Care remains challenged following the Covid-19 pandemic alongside the impact of 2023/24 Industrial Action. The NHS operational priorities for 2023/24 focused on improving the responsiveness of UEC and restoring Elective & Cancer Services to pre Covid-19 levels, given the observed increase in patients waiting for appointments and/or treatment.

Additional national targets and priorities were implemented to support the delivery of this, and the Trust consistently sets higher internal targets to put the patient and their care at the forefront of everything we do, striving towards achieving the Trust's vision of being a national and international leader in healthcare, rooted in our communities.

The Trust's pioneering approach to tackling health inequalities culminated in the Trust being awarded the 'Innovation and Improvement in Reducing Health Inequalities Award' at the prestigious Health Service Journal (HSJ) Awards in 2022/23. This recognition secured a visit to the Trust in April 2023 from Prof. Bola Owolabi, GP and Director of Health Inequalities at NHS England and Improvement. During the visit an open discussion was held on Health Inequalities with the Trust's senior leadership team, as well as showcasing the Trust's work to Prof. Owolabi.

The Trust has also recently been awarded two further HSJ Awards at the HSJ Partnership Awards 2024. Working collaboratively with IBM and Celonis to reduce the number of outpatient appointments being cancelled as well as developing artificial intelligence (AI) workstreams to better communicate with our patients, the Trust was recognised with the gold award for Best Healthcare Analytics Project, and a bronze award for the Best Elective Care Recovery Initiative.

This national recognition is testament to the high standard and innovative work the Trust is recognised for and demonstrates that patient care and performance improvement are front and centre.

The Performance & Informatics team work cross functionally to support the Trust's operational delivery of both national and internal targets which ensures the highest standards of patient care are delivered. The use of informatics and analysis is embedded within UHCW as a driver of organisational delivery and continuous improvement. As a result, new opportunities at a national level are being developed by the team in areas of health inequality, waiting list management, digital enablement and process mining. Performance & Informatics have forged strong strategic relationships over the past 12 months with several globally recognised technology companies, as driving efficiencies to improve patient care, outcomes and experience is a key focus for the Trust. Through these strategic partnerships the Trust aims to reduce wait times, reduce Did Not Attends (DNAs), increase access, and optimise resources. To accelerate improvement activities and contribute to the national priority of elective recovery.

The overarching approach for our strategic partnerships is to apply digital/analytic techniques to healthcare processes, fusing this with user-centred design and innovation processes, which has been defined as 'Intelligent Workflows'. The Trust is the first healthcare provider in Europe to use process mining, and the utilisation of Celonis Process Mining® has supported the Trust to visualise process flows across patient pathways, identify areas for improvement, quantify potential benefits, and enabled the direction of effort to maximise patient value creation.

Process mining is like an MRI for processes. It takes log file data from existing systems and transforms it into clear visual maps. These maps reveal how processes actually work, uncovering deviation, inefficiencies and bottlenecks. It is a powerful tool for improving operations and is widely used outside of healthcare to help companies make data-driven decisions. Celonis is the market leader in process mining software.

A recent proof-of-value project using process mining alongside Celonis, IBM and AWS identified several areas of improvement across the Outpatient pathway, including 17,000 appointment opportunity slots. By prioritising, designing and incrementally delivering interventions with support from staff across the Trust, we were able to make process changes that had an impact on productivity and patient experience. For example, through process mining, we found that many patients that cancelled their appointment did so within 48 hours of receiving an appointment reminder text. We were previously sending their appointment reminders four days and one day before their appointment, which meant that patients were cancelling very close to the appointment date which left very little time for these appointments to be re-used. We trialled moving these reminders to 14 days and four days before an appointment, allowing clinics to reuse the slots if the SMS message resulted in a cancellation, which resulted in a notable impact to DNAs, clinic utilisation and a significant impact to the Trust's waiting list. With fewer slots going to waste, UHCW is now seeing more patients than before, improving the patient experience with the goal of reducing waiting times for outpatient appointments.

The Trust will continue to use process mining to deliver fully integrated solutions, with dashboards configured to allow teams to monitor performance, conduct further analysis and measure the impact of interventions and improvements. These dashboards will include defined Key performance indicators (KPIs) to allow the reporting of patient value creation.

Additional targeted interventions are being implemented and we predict similar improvements in applying process mining and digital enablement solutions to further patient pathways across the Trust.

2.1.1 About us

University Hospitals Coventry and Warwickshire NHS Trust is one of the UK's largest teaching Trusts responsible for managing two major hospitals in Coventry and Rugby, which between them serve a population of over a million people. The hospitals are:

- The Hospital of St Cross, Rugby
- University Hospital, Coventry

We are the principal teaching hospital for Warwick Medical School with whom we work in close partnership to develop innovative medical education programmes and clinical research.

The Trust was first established in 1992 and expanded to include Rugby in 1998. Every year we provide more than 800,000 episodes of care to patients from across Coventry, Warwickshire and beyond.

We maintain a strong focus on the provision of high quality, safe and effective patient care. We provide both emergency and elective care and specialise in cardiology, neurosurgery, stroke, joint replacements, in vitro fertilisation (IVF) and maternal health, diabetes and kidney transplants.

The Hospital of St Cross in Rugby is an elective surgical hub, accredited as part of NHS England's Getting It Right First Time (GIRFT) programme, delivering high standards in clinical and operational practice. As a Trust we are also a designated major trauma centre and cancer centre.

We employ more than 10,500 staff and deliver acute healthcare to the population of Coventry and Rugby, as well as more specialist services to that population and regionally.

Clinical care is delivered by our clinical groups which are each led by a triumvirate comprising a Clinical Director, Group Director of Operations and a Group Director of Nursing and Allied Health Professions. Support to the groups is provided by a number of corporate services.

Our ongoing partnership with the Seattle-based Virginia Mason Institute, which began in 2015, has enabled us to develop our UHCWi management system and embed this as the way we deliver and improve care. We are now one of only two healthcare Trusts in Europe formally accredited to provide training and certification for other NHS organisations across the country.

2.1.2 Vital Statistics

UHCW	2023/24	2022/23	2021/22	2020/21	2019/20
Number of people attending an outpatient appointment	725,773	694,639	696,852	604,453	723,574
Number of people attending A&E and Children's A&E	247,518	243,715	226,238	149,842	248,614
Number of inpatients and day cases (based on admissions)	173,464	169,206	170,682	143,072	173,574
Number of births	5,544	5,485	5,630	5,552	5,701
Number of patients operated on in theatres	36,462	35,245	35,646	24,309	40,217

2.1.3 Our Strategy

More than a hospital – our strategy 2022-2030, was published in 2022 with the vision for UHCW to be a national and international leader in healthcare, rooted in our communities.

Our vision captures our ambition to deliver world-leading care for our communities, and our five purposes - integrated care, research innovation and teaching, being a centre for excellence, sustainability and valuing and enabling our people - sets out how we will achieve this.

Throughout 2023-2024 we have made significant progress in the delivery of the strategy including the completion of the expansion of the Emergency Department footprint on time and on budget, construction and opening of a new Endoscopy Suite at the Hospital of St Cross, Rugby, the roll out of the Improving Lives programme across Coventry, the successful launch of four Institutes of Excellence as part of our Research & Development Delivery Programme and the launch of our People Strategy and delivery plan.

In March 2024, the delivery plan for the next phase of the programme was presented to the Trust Board with the priorities for the next two years including:

- Completion of the Community Diagnostic Centre (CDC) build phase in Coventry city centre and move to full operational status to provide tens of thousands more CT, MRI and Ultrasound scans to our population, and access to training, teaching and research in this area through the co-location of Coventry University in the CDC.
- Completing the transfer of adult community physical health services from CWPT to UHCW and building out from the work developed through the Improving Lives Programme to create truly integrated care pathways for our patients.
- Completing the roll out of our Electronic Patient Record programme and realising the associated patient centred benefits of improved care, access, safety, and outcomes.
- Completion of the development control plan for our services at Rugby including the implementation of our "Health on the High Street" ambitions.

In addition to the above we will continue to focus on implementing our people, digital, and financial strategies, working towards the achievement of our net-zero ambitions, expansion of our research and development activity and broadening the range and reach of our specialised clinical services offer.

2.2 Performance Analysis

The Trust's vision is to become a national and international leader in healthcare and to offer the best quality patient care with innovation as the driving force. To achieve this, UHCW have established a strong Performance Management Framework that tracks and evaluates progress. Additionally, our Performance and Informatics team support operational and clinical governance frameworks with data analysis for board meetings and various committee forums.

2.2.1 Performance Management Framework

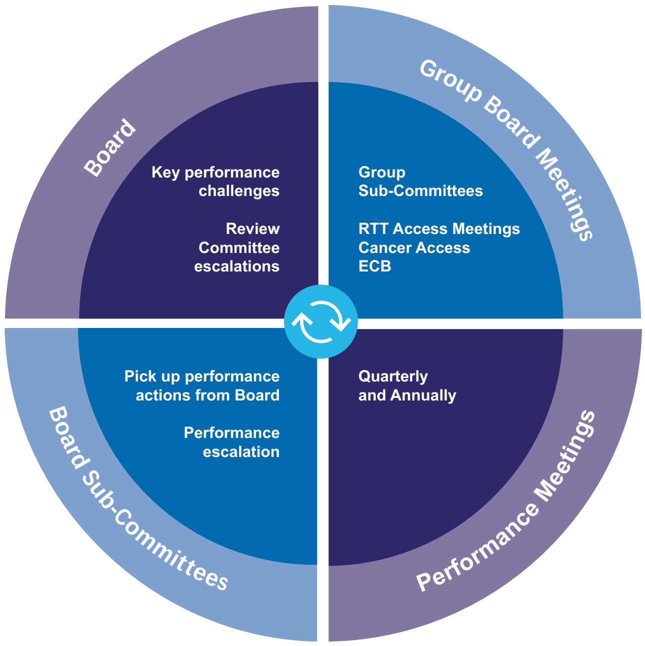
The Trust's Performance Management Framework provides analytical support and assurance with regards to organisational performance delivery, aligned to the Trust's strategic vision and values. It provides the mechanism for effective monitoring, accountability and escalation, ensuring comprehensive and robust performance management.

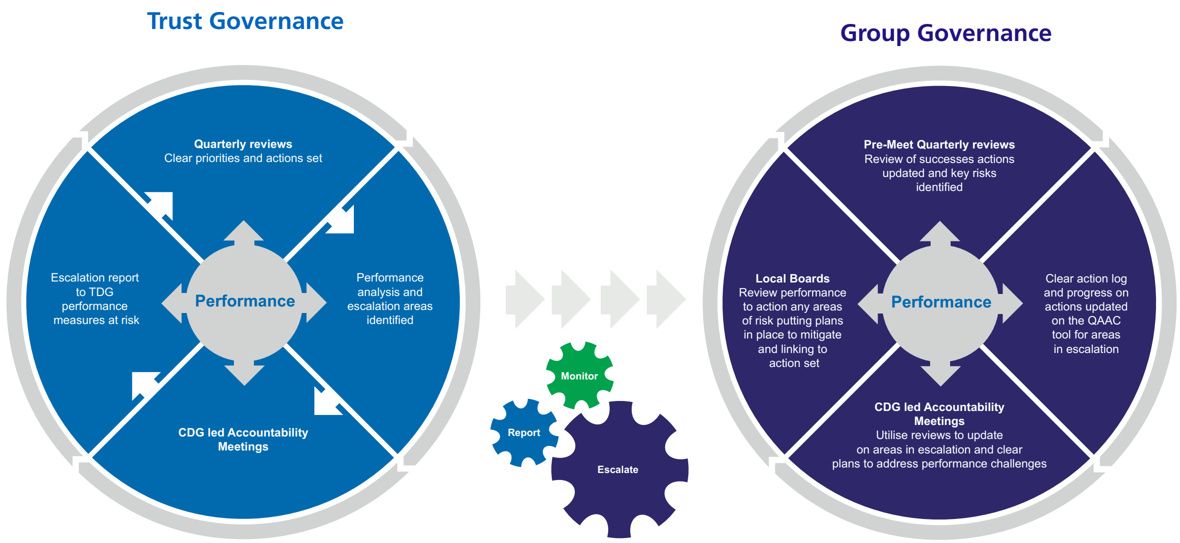
Performance management is the mechanism for the identification and implementation of data processes to effectively measure performance trends across all services. Key performance indicators (KPIs) are utilised to identify service efficiencies, alongside clinical and operational performance. It provides the structure and processes for performance assessments on a monthly, quarterly and annual basis allowing a culture of performance to be embedded within the Trust.

The performance management framework supports the achievement of all the Trust's strategic objectives which are achieved through alignment of annual goals and key performance measures, which supports effective performance monitoring through key committee meetings feeding into the Trust Board through performance escalation. These metrics and performance reports are reviewed on an annual basis to ensure performance reports remain aligned to both external and local strategic priorities.

The below annual performance management cycle allows the Trust Board and its committees to receive assurance on the effectiveness of our performance management framework, whilst ensuring that the strategic vision, annual goals and objectives are aligned to each core workstream within the Trust. This is reflected through the submission of revised KPIs on an annual basis that are aligned to the above.

It also provides an opportunity to reassess key priorities for the forthcoming year, embedding key performance principles with measurable outputs. This allows the Trust to track delivery and non-delivery, providing a clear accountability pathway and escalation process through effective meeting structures, performance monitoring and targeted interventions. This also supports dissemination of key priorities throughout the Trust, meaning greater alignment to UHCWi methodology as engagement, accountability and transparency are clear from Board to Ward.





We also consider our performance against peer Trusts and produce regular benchmarking reports using nationally published datasets that are reviewed at relevant committees. These reports outline our position against a suite of KPIs using national averages and individual peer benchmarking, which allows us to identify areas where improvements can be made, and to highlight where we are performing well.

2.2.2 Performance against 2022/23 Acute Contract Targets

As part of the Trust's 2023/24 agreement with Clinical Commissioning Groups (CCG), UHCW committed to meet 48 standards that were specified in the NHS Standard Contract. Throughout 2023/24, the Trust faced performance challenges, especially regarding the flow and subsequent occupancy of patients throughout the hospital, as explained later in this report. However, the Trust maintained a high level of staff training in relevant safeguarding competencies during the year.

2.2.3 Counter Fraud Arrangements

Countering Fraud, Bribery and Corruption

The Counter Fraud Functional Standard (CFFS) was introduced by the Cabinet Office and exists to standardise how fraud is dealt with across government. Since April 2021 the NHS Counter Fraud Authority (NHSCFA) has been required to report to the Cabinet Office in relation to the NHS response to the Functional Standard.

All NHS funded services are required to comply with the Functional Standard. Progress against the requirements of the Functional Standard is overseen by the Trust's Chief Finance Officer and Audit Committee.

The Trust is required to self-assess against the requirements of the Functional Standard annually by completing and submitting the Trust's Counter Fraud Functional Standard Return (CFFSR). This requires prior sign off by the Trust's Chief Finance Officer and the Audit Committee Chair. Further detail of the Trust's submission are reported in the Trust's Counter Fraud Annual Report.

Fraud, bribery, and corruption can result in resources being unintentionally diverted away from their intended purpose and is one of the risks the Trust has to manage. The Trust does not tolerate fraud and continues to work with our Counter Fraud Specialists to identify instances of fraud to impose the appropriate level of sanctions where this has been committed and to reduce the possibility of this taking place. The work is delivered against an approved plan covering:

Proactive Fraud

- This covers standards in relation to the Trust's strategic governance arrangements. The aim is to ensure that anti-crime measures are embedded at all levels across the organisation.
- It also incorporates requirements in relation to raising awareness of economic crime risks against the NHS and working with NHS staff, stakeholders and the public to highlight the risks and consequences of fraud, bribery and corruption against the NHS. This includes fraud awareness sessions for staff and the completion of a counter fraud risk assessment in line with Government Counter Fraud Profession (GCFP) risk assessment methodology.
- Proactive detection exercises are determined based on identification and assessment of fraud risk. The outcomes, system weaknesses and losses identified through proactive exercises are reported to the Trust and recorded on the NHSCFA's fraud case management system.

Reactive Fraud

Sets out the requirements in relation to detecting and investigating economic crime, obtaining sanctions and seeking redress.

In order to demonstrate compliance with the standards, the Trust is required to complete and submit an annual RAG rated assessment against the Functional Standards and the May 2023 assessment demonstrated an overall 'Green' rating.

The Trust has a nominated Local Counter Fraud Specialist (LCFS) in place provided by NHS consortium 360 Assurance. The LCFS is responsible for carrying out a range of activities in compliance with the above standards that are overseen by the Chief Finance Officer and the Audit Committee.

The Trust has a Counter Fraud Bribery and Corruption Policy in place, which is designed to make all staff aware of their responsibilities, should they suspect offences being committed. When economic crime is suspected, it is fully investigated in line with legislation, with appropriate action taken, which can result in criminal, disciplinary and civil sanctions being applied.

2.2.4 Research and Development (R&D) 2023/24

Research is a Trust purpose as it is core to the development of new techniques, treatments and therapies in the prevention, diagnosis and treatment of disease. It enables us to provide the highest quality and most effective patient care. It ensures that we are a leader rather than a follower within healthcare provision and enables us to attract and retain highly skilled and motivated staff.

With over 5,000 of our patients taking part in research this year, UHCW is a leading research centre within the West Midlands, with a proven track record of delivering high quality research.

Last year, we launched an ambitious R&D Strategy to embed Institutes of Excellence within the organisation to catalyse research, increase external income, provide a platform to enable academics and commercial organisations to collaborate with UHCW and improve patient care. Four Institutes have been established and officially launched in September. The Institutes are related to Cardio-Metabolic Medicine (ICMM), Health Equity & Social Care (IHESC), Applied & Translational Technologies in Surgery (IATTS) and Precision Diagnostics & Translational Medicine (IPDTM). These Institutes are developing collaborations between academic and clinical researchers to drive research activity across UHCW and partners. Through our collaboration with Warwick's Institute for Translational Medicine we made our first joint academic professorial appointment in cardiology.

As part of our commitment to our community, we have established the Coventry & Warwickshire Integrated Care System (ICS) Research Stakeholder Committee to facilitate a multi-organisational approach to R&D and extend research opportunities across organisations for the benefit of our patients, the public and staff. Working with ICS partners, this year we have been awarded £100,000 by NHS England to create an ICS Research Engagement Network to improve underserved community engagement with research.

Coventry & Warwickshire Clinical Research Facility' was officially opened in March 2024. This dedicated overnight facility within University Hospital, enables us to offer more, early phase and intense research studies to our patients and the wider region, broadening research opportunities for patients.*

The Trust has been involved in 148 research grant applications submitted to external funders. Currently, 38 (26%) of these have been funded (with total value of almost £7 million) but this will rise as the outcome of applications are announced.

Key awards this year include three National Institute for Health & Care Research (NIHR) grants to investigate the clinical effectiveness of carbon inserts for patients with osteoarthritis of the toe joint, remote rehabilitation for stroke patients and a physiotherapy intervention for cancer patients following neck dissection surgery. Other grants include participation in a transnational European Commission funded study looking at AI based decision making for patient suffering from heart failure, a study to test a new gynaecological drug delivery device in a clinical setting and developing second generation software for improving heart ablation procedures to correct abnormal heart rhythms. These studies are led by and involve many researchers from across the Institutes for Excellence.

This year, UHCW secured its first ever NIHR Infrastructure Capital funding. £1.02 million has been awarded to set up a multi-omics research facility at UHCW. The technology introduces spatial profiling as a clinical research tool for UHCW NHS Trust staff and our academic partners. This facility would be one of a select few state-of-the-art research facilities in the UK able to generate protein expression data at high resolution. This will enable development of detailed maps of molecules in biopsies from liver, placenta and other reproductive tissues, various tumours, heart, and blood cells coupled with blood biomarkers offering a complete characterisation of disease processes and selection of appropriate treatments for patients.

Demonstrating that UHCW is a national and international leader in healthcare research, we initiated one of the UK's first clinical trials to investigate treatment for post-Covid-19 conditions (funded by the National Institute for Health and Care Research Health Technology Assessment Programme) in 2021. Led by Gordon McGregor, Professor of clinical exercise physiology and rehabilitation at UHCW and Coventry University, in partnership with Warwick Clinical Trials Unit, its results were published this year and showed that an eight-week online exercise and support programme improved health related quality of life for these patients.
** These results offer a proven novel treatment and support option for this group of patients.

Research activity continues to increase at the Trust with over 100 clinicians leading research. They are supported by research nurses, midwives, allied health professionals and administrators and increasing numbers of staff are undertaking research, clinical academic internships, higher degrees and PhDs. This increasing level of participation in clinical research demonstrates UHCW NHS Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

We recruited two Professors (a nurse and a physiotherapist) to our 'Centre for Care Excellence' which supports Nursing, Midwifery and Allied Health Professional research, innovation, practice and education excellence jointly with our partners, Coventry University.
*** This is increasing the number of research-active staff in these professional groups, with our first NIHR Research for Patient Benefit grant being awarded to the Centre this year.

The PathLAKE project, which is nationally leading the development, validation and implementation of Artificial Intelligence in cellular pathology to speed up cancer diagnosis times for patients **** is now being rolled out. This upscaling of digital pathology capabilities across the PathLAKE Plus consortium to improve outcomes for patients was highly commended in the "Procurement Project" of the Year category at the HSJ Partnership Awards 2023. The positive impact that the rollout of AI across the PathLAKE Plus consortium will have on cellular pathology services and patient outcomes across one third of England has been recognised nationally, though its shortlisting as a finalist in two award categories at the HSJ Partnership Awards 2024 ("Diagnostics Project of the Year" and "Most Effective Contribution to Improving Cancer Outcomes") and its nomination in the "Driving Change through AI and Automation" category at the HSJ Digital Awards 2024. During 2024, the PathLAKE data lake will form an integral part of the West Midlands Secure Data Environment which facilitates research by providing access to patient data within a secure environment *****.

*http://research.mededcoventry.org/Research-Facilities/Coventry-and-Warwickshire-Clinical-Research-Facility
**https://www.bmj.com/content/384/bmj-2023-076506
***https://www.uhcw.nhs.uk/leading-research/centre-for-care-excellence/
****https://www.pathlake.org/
*****https://westmidlandssde.nhs.uk/

2.2.5 Patient and Public Involvement and Engagement and Participation in Research Trials

Patient and Public Involvement and Engagement (PPIE) has continued to be an integral part of R&D this year. We have published our new PPIE Strategic Plan for Research* with the vision of 'Improving research through meaningful and timely Patient and Public Involvement and Engagement'. Delivery of the Strategic Plan will be monitored by a newly established PPIE Steering Group, which comprises members of the public and R&D staff. To ensure the public voice is embedded in R&D leadership, Patient Research Champions continue to be key members of our R&D Strategy Committee, supporting both the R&D Strategy and PPIE Strategic Plan.

Our Patient and Public Research Advisory Group (PPRAG), which comprises 60 patients, carers and members of the public who use their own experiences and perspectives to advise researchers, ensures the research conducted at UHCW is relevant to our patients. Members of PPRAG have advised on numerous research projects in the last year, undertaking a variety of activities, including reviewing patient facing documents, attending focus groups, being study co-applicants and Trial Steering Group members.

Our Research Champions continue to support raising awareness of research from the patient perspective, including contributing to Research in Your Area Events, presenting to Junior Doctors, creating a lay summary of the R&D Strategy and developing lessons for primary schools focusing on research.

To improve research participants' experience we deliver the national NIHR Participant in Research Experience Survey (PRES), which offers those who have participated or are currently participating in research the opportunity to provide feedback on their experience. Results of this survey provide the opportunity to identify areas of good practice and also areas for improvement.

We continue to share research stories to raise awareness of research at UHCW, including those from the patient perspective, locally, regionally and nationally. We are also working towards more inclusive research, to ensure that our research participants represent the wider patient population and includes those most in need. Our initial steps have included collecting and analysing demographic data to identify which groups of patients are not represented in research.

A bespoke R&D website was launched this year and demonstrates the reach and impact of our work**. By delivering on our research strategy, Research & Development contributes the delivery of UHCW's organisational strategic priorities and improves outcomes for our patients.

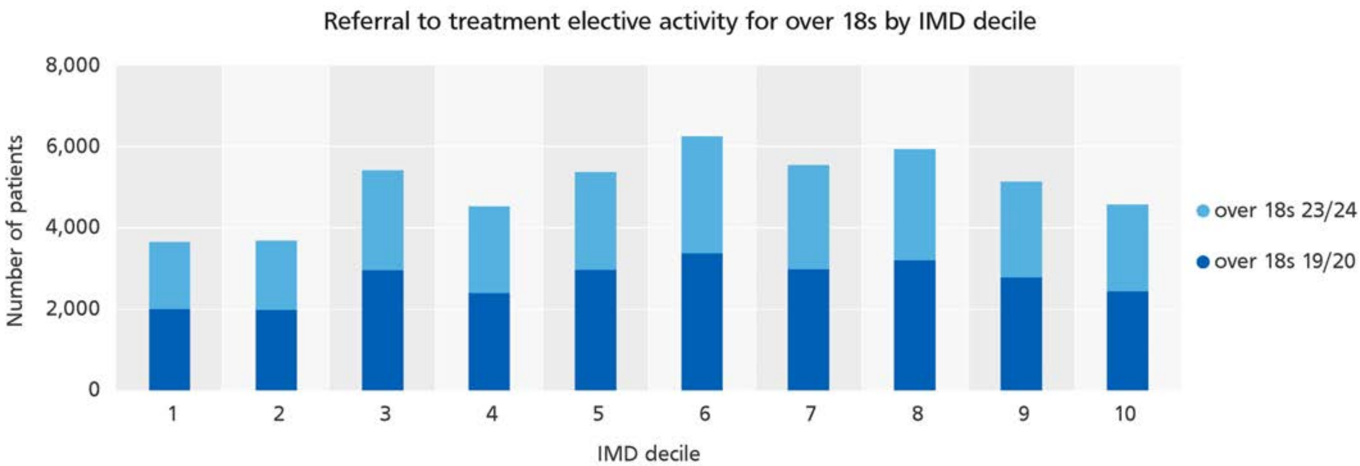
2.3 Performance Exceptions and Risks

Key performance indicators are described below.
The Covid-19 pandemic alongside the impact of 2023/24 Industrial Action has subsequently impacted the restoration of services and has resulted in unique operational pressures with some performance targets falling short. This is common across the whole of the NHS, but the Trust has worked to prioritise those patients in most need of clinical attention, which in turn has laid the foundation for better improvements in the future.

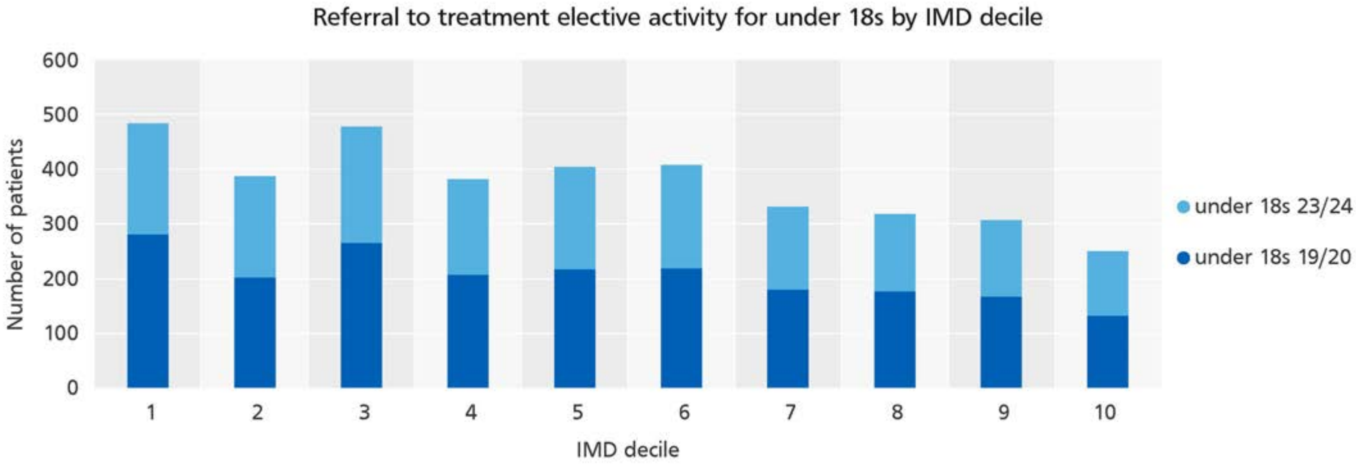
2.3.1 Health Inequality Legal Duties

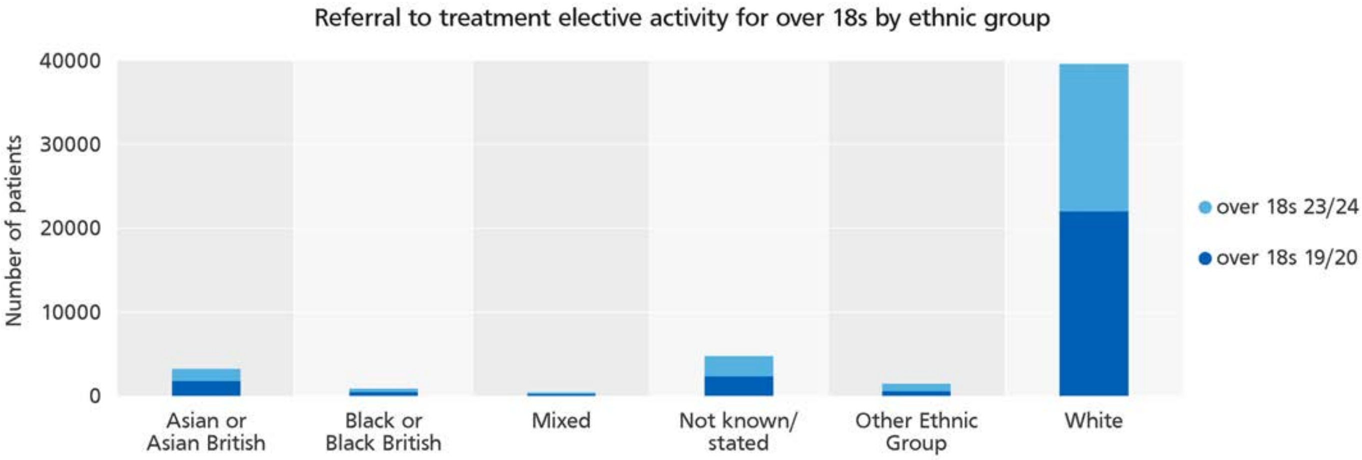
This section sets out the information required under NHS England's Statement on Information on Health Inequalities (duty under section 13SA of the National Health Service Act 2006). The data shows how we are performing against a set of nationally defined indicators for the period 1st April 2023 to 31st March 2024 with a narrative explaining how we are working to reduce healthcare inequalities in these areas.

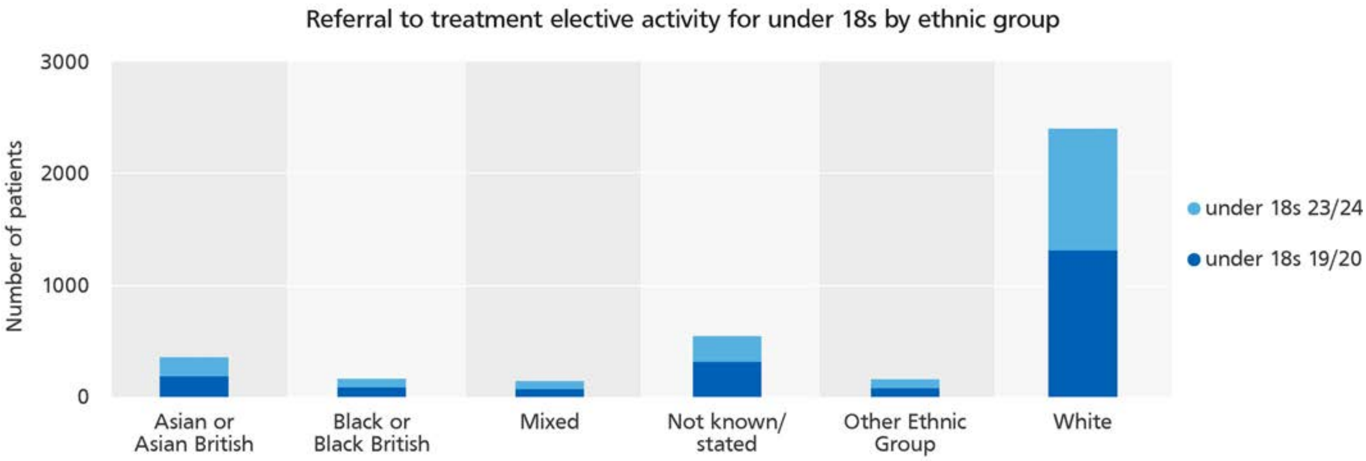
Elective activity vs pre-pandemic levels for under 18s and over 18s



* https://www.uhcw.nhs.uk/leading-research/for-patients-and-public/
**http://research.mededcoventry.org/About-Us





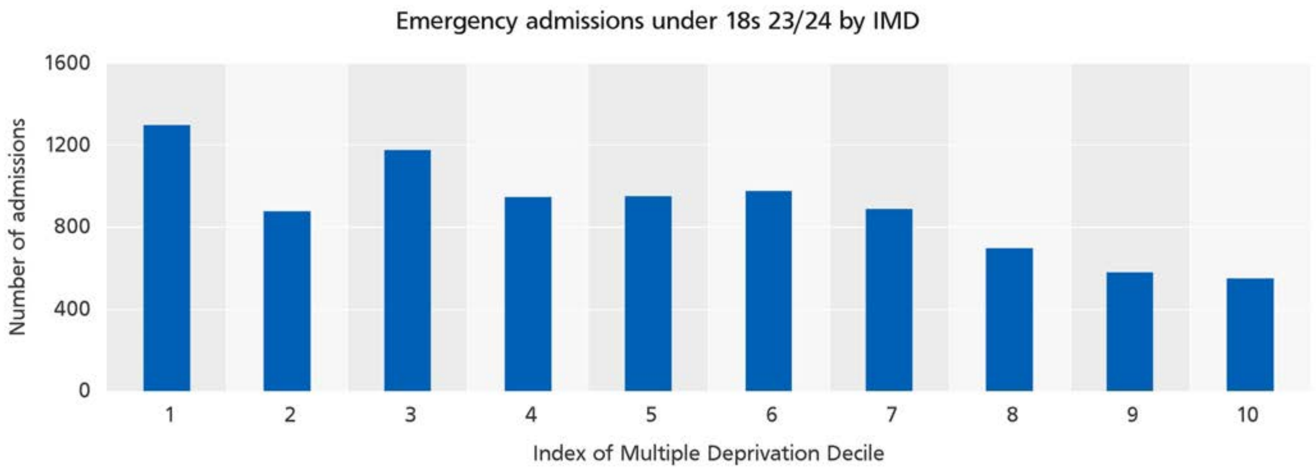


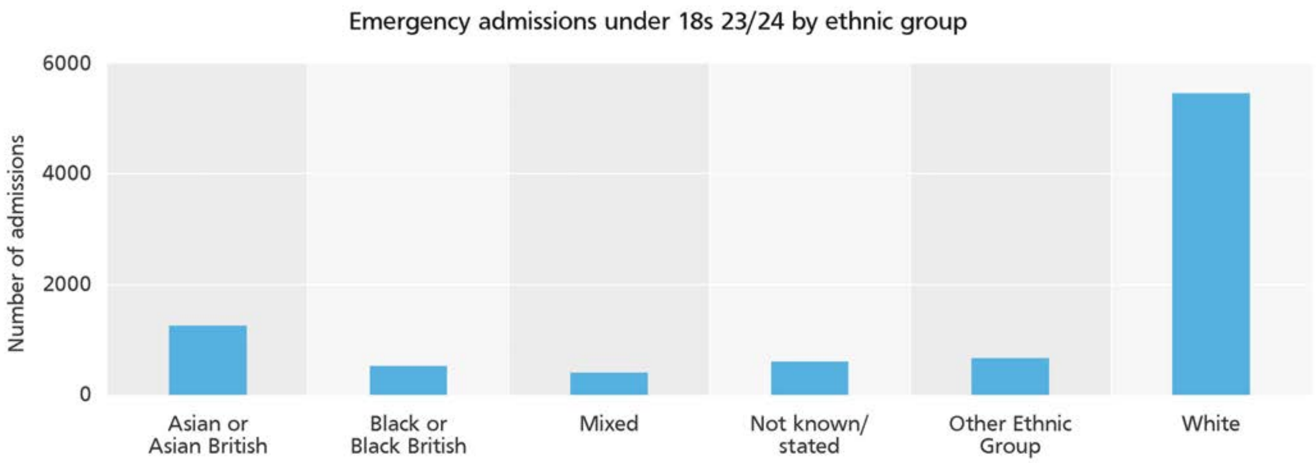
Data source: WMLDS Elective Recovery Dashboard

For adults, elective activity was lowest in those from the most deprived areas (Index of Multiple Deprivation IMD deciles 1 and 2) and highest across deciles 3-8 before decreasing in deciles 9 and 10. In contrast, in children activity was highest in the most deprived deciles, reducing as deprivation reduced. Activity in both adults and children was highest in the White ethnic group. Data on ethnicity should be treated with some caution due to data quality issues with data capture and recording practices, and the number of patients with not known / not stated ethnic group. Activity in 23/24 was lower than in 19/20 with a similar pattern of decrease seen across all deprivation deciles and ethnic groups.

UHCW NHS Trust has developed an award winning Health Equity And Referral to Treatment Tool (HEARTTTM) which supports waiting list prioritisation by taking into account information on health inequalities, clinical factors and service use.

Emergency admissions for under 18s





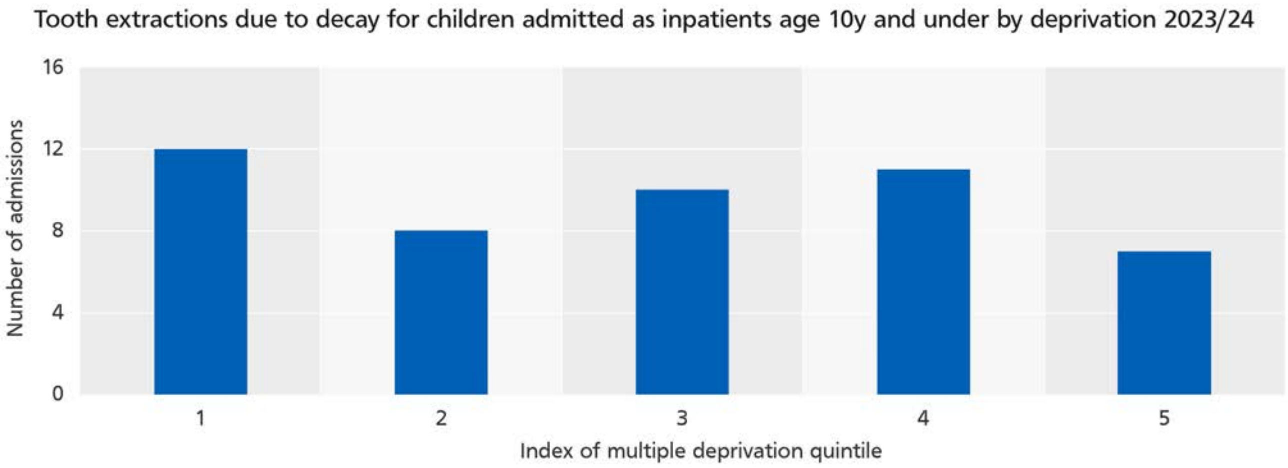
Data source: CYP transformation dashboard

Emergency admissions for under 18s were highest from the more deprived areas compared to the least deprived areas. The majority of emergency admissions for under 18s were from the White ethnic group, followed by Asian or Asian British. Data on ethnicity should be treated with some caution due to data quality issues with data capture and recording practices, and the number of patients with not known / not stated ethnic group. A new project is currently being developed within the Urgent Treatment Centre at UHCW to use social prescribers to support frequent attenders including under 18s.

Smoking cessation offer for in-patient and maternity

UHCW NHS Trust has an in-patient and maternity smoking cessation offer, so that anyone admitted to UHCW NHS Trust who smokes is offered pharmacological and behavioural support to stop smoking while in hospital from a team of dedicated tobacco dependency advisors. Support is continued after discharge through community-based services. The tobacco dependency advisors are working with clinicians and ward staff to increase referrals to the service, this will be enhanced in 24/25 with the implementation of the new Electronic Patient Record (EPR) which will support the identification and referral pathway. UHCW NHS Trust is taking part in a NHSE pilot in 24/25 to offer cytisine to patients as an alternative to nicotine replacement therapy.

Tooth extractions due to decay for children admitted as inpatients age 10 years and under by deprivation and ethnicity.



The number of tooth extractions in children age 10 years and under admitted to UHCW NHS Trust is very low so it is difficult to derive any meaningful pattern from the data split by deprivation quintile. Data broken down by ethnic group shows that 35 of the 48 admissions were for children from the White ethnic group followed by 10 not known / not stated, however data on ethnicity should be treated with some caution due to data quality issues with data capture and recording practices.

2.3.2 A&E Four Hour Wait

The national target for four-hour waits in A&E services is defined at 76%, and UHCW's performance against this standard was reported as 76.67% in March 2024. The Trust implemented several actions to improve A&E performance, such as expanding capacity in majors, minors, the Coventry Urgent Treatment Centre and a co-located Urgent Treatment Centre at University Hospital. We have also applied Getting It Right First Time (GIRFT) principles to shorten the time between stages in each patient's pathway, by conducting board or ward rounds twice a day, aiming to order diagnostic tests promptly and arrange packages of care in advance for the patients who will be discharged the next day.

The Trust is also working with system partners across many strategic workstreams to avoid people attending and/or being admitted to hospital, including access to care services and UH at Home.

2.3.3 Referral to Treatment (RTT)

The national RTT target is defined at an average wait of 18 weeks. The Trust remains part of the national Elective Performance Pilot and is monitored against a 9.5-week average wait time. The monthly target for this indicator was planned to be reviewed at a national level following feedback and analysis across the pilot sites, but due to operational pressures this target has remained static and may not be reflective of the current national picture of waiting times.

Alongside this the Trust monitors its performance against the national 92% standard for the RTT measurement of incomplete pathways.

During 2023/24 the Trust continued to work under challenging circumstances against a national trajectory of an increasing patient waiting list. The Trust's reported waiting list in April 2023 stood at 68,935, and an increase was observed each month with the reported position for September 2023 at 72,718. From October 2023, where the interventional improvements were implemented across the Intelligent Workstreams, the Trust have observed a pivotal shift and the waiting list has declined each week, resulting in 67,559 being the reported position for March 2024, with the RTT incomplete percentage at 49.67%.

For 2023/24 the Trust's challenge was to ensure no patient was waiting over 65 weeks by March 2024. As at April 2023 the Trust had 34,300 patients, that if untreated would breach 65 weeks by the end of March 2024. The latest submitted position for March 2024 indicated that the Trust had 363 patients who breached this target and were waiting 65 weeks or more at this point. The Trust will continue to work with colleagues across the wider system to improve wait times for all patients.

The Trust's ambition is to restore services to pre-pandemic levels and a considerable amount of time and resource has been aligned to patient validation and scheduling. The Trust has continued to prioritise patients using the national framework as well as focusing on the longest waiting patients. Patient level tracking will continue to be a daily routine for each of the clinical groups and clear performance targets will be monitored at Board level and throughout our Performance Framework.

2.3.4 Cancer 62 Day Standard

The Trust reports against the National Cancer Waiting Times Standards, which govern the management and treatment of all cancer referrals. The Standards were updated in October 2023, to reflect a consolidation to three core standards:

- 28 Day Faster Diagnosis Standard
- 31 Day Decision to Treat
- 62-day Referral to First Definitive Treatment

The 62-day standard describes that 85% of patients should wait no longer than 62 days for their first cancer treatment from the point they are referred for suspicion of cancer.

Throughout the year, priority was given to patients referred on a cancer pathway to ensure that all patients could receive their treatment, within the standard.

In alignment to the Performance Framework, daily patient level tracking is routinely completed by administrative teams across the Trust, to ensure there is a clear plan for all cancer referrals. Clinical Groups are supported by Cancer Services and senior management to ensure that the National Cancer Waiting Times Standards are met and in the delivery of the NHS England national operational priorities for cancer.

The Trust performance against the 62-day standard for 2023/24, through to March 2024 was 56.4%.

The main impact on the delivery of performance against this standard has been led by an overall year-on-year increase in GP referral demand and industrial strike action, resulting in disruption to service delivery.

The Trust has responded to increased demand on services, by expanding diagnostic cancer capacity by greater than 6% over the year and increasing treatment capacity by 4% over the same period.

2.3.5 Cancer 28 Day Faster Diagnostic Standard

The 28 Day Faster Diagnosis standard states that 75% of patients referred for cancer are to have a confirmed outcome (either cancer or not cancer) within 28 days of their referral. The Faster Diagnosis Standard displaced the Two Week Wait Standard as the core measure for accessing cancer services, with the introduction of the new Cancer Waiting Times Standards in October 2023. The Trust performance against the 28-Day Faster Diagnosis Standard for 2023/24, through to December 2023 was 75.9%.

The Trust is continuing to adopt national Best Practice Timed Pathways for relevant tumour sites. Working together with the West Midlands Cancer Alliance, the Trust has increased diagnostic capacity and clinical workforce and put in place a number of one stop and Straight to Test service models to support implementing rapid access services for cancer. The Trust has been recognised as a leader in the operational delivery of a number of diagnostic pathways, including Lower GI and Lung.

2.3.6 Diagnostic Waiters – Six Weeks and Over

The 'Diagnostic Standard' measures the percentage of patients who are waiting longer thansix6 weeks for one of 15 specific diagnostic tests. The national target and ambition is that no more than 5% of patients are waiting more than six weeks by the end of 2025.

At UHCW the diagnostic waiting standard showed significant progress towards the national ambition and has seen positive improvement throughout the year. The standard was further supported by opening the clinical diagnostic hub at the Coventry Urgent Treatment Centre where patients can now receive some diagnostic procedures.

The Trust's performance on this standard has moved from 7.77% in April 2023 to 5.94% by December 2023 but has seen a deterioration in performance across January to March 2024 which is a result of increasing pressure across Ultrasound and Audiology. Across 2023/24 the Trust reported less than 5% of patients waiting greater than six weeks in five of 12 months and remain confident in hitting the national target, to achieve the national recommendation in advance of the 2025 goal.

2.3.7 Average Number of Long Length of Stay (21 days and over) Patients

The NHS has a national ambition to reduce the length of time patients stay in hospital. This is supported by UHCW who monitor and report weekly on the number of days patients stay on our wards.

The target for 2023/24 was to have no more than 109 patients staying over 21 days in ward beds. The Trust reported 189 patients within this cohort on 31 March 2024.

Although this does not meet the target it is reflective of the type of patients being admitted. As the Trust is focused on the longest waiting and most complex patients the recovery of these patients is naturally extenuated. It also reflects the national picture of alternative service provision across care homes, mental health providers and other social care settings being challenged from a capacity and resource perspective. As the number of long waiting patients are reduced, so it is expected the long length of stay will also start to improve.

The length of stay of our patients has a direct correlation on the occupancy of the hospital, as well as the flow we are able to generate though the hospital in order to see and treat everyone who presents. The Trust's integrated care and discharge team meet each week with the CEO and Chief Nursing Officer to specifically review all long length of stay patients. The team also work collaboratively with system partners and providers on complex cases to be able to agree subsequent packages of care that patients need outside of the hospital setting.

2.3.8 Scorecard as at 31 March 2023

Trust Board Scorecard								
Type	Measure	Previous Position	Latest Position	DoT	Currant Target	Annual Target	Executive Lead	Trend
Safest care and excellent experience								
Infection Control								
	Healthcare associated incidents of Clostridioides difficile - Cumulative	65	72	▼	64	64	CNO	
	MRSA Bacteremia - Trust Acquired - Cumulative	3	3	▶	0	0	CNO	
Safe Care								
	Never Events - Cumulative	7.0	7.0	▶	0	0	CMO	
	Serious Incidents - Number	3	0	▲	15	15	CQO	
	HSMR - Basket of 56 Diagnosis Groups (3 months in arrears)	101.96	104.53	▼	RR	RR	CMO	
	SHMI - Quarterly (6 months in arrears)	105.91	106.75	▼	RR	RR	CMO	
	Average Number of Long Length of Stay Patients	207	189	▲	109	109	CNO	
Patient Experience								
	Friends & Family Test - Recommender Targets Achieved	2	1	▼	7	7	CMO	
	Complaints Turnaround <= 25 Days (1 month in arrears)	83.33%	92.86%	▲	90%	90%	CMO	
Leader in operational performance								
Patient Flow								
	Emergency Care 4 Hour Wait	72.20%	76.67%	▲	76%	76%	COO	
	A&E 12hr Total Wait Time	7.65%	6.06%	▲	2%	2%	COO	
	Bed Occupancy Rate - KH03 (3 months in arrears)	99.66%	99.66%	▶	93%	93%	COO	
	Breaches of the 28 Day Readmission Guarantee	22	11	▲	0	0	COO	
	Diagnostic Waiters - 6 Weeks and Over (National Target)	89.85%	84.21%	▼	95%	95%	COO	
RTT								
	18 Weeks Referal to Treatment Time - Incomplete (1 month in arrears)	50.11%	50.38%	▲	92%	92%	COO	
	RTT 52 Week Waits Incomplete (1 month in arrears) (National Target)	3211	2882	▲	4859	4804	COO	
	RTT 65 Week Waits Incomplete (1 month in arrears) (National Target)	850	663	▲	123	0	COO	
	RTT 78 Week Waits Incomplete (1 month in arrears) (National Target)	8	6	▲	0	0	COO	
	RTT 104 Week Waits Incomplete (1 month in arrears) (National Target)	0	0	▶	0	0	COO	
	Last Minute Non-clinical Cancelled Operations - Elective	1.34%	1.50%	▼	0.8%	0.8%	COO	
Cancer								
	Cancer Faster Diagnosiss Overall (1 month in arrears)	75.07%	77.83%	▲	75%	75%	COO	
	Cancer 31 Day - Combined (1 month in arrears)	94.32%	94.00%	▼	96%	96%	COO	
	Cancer 62 Day - Combined (1 month in arrears)	56.29%	54.61%	▼	85%	85%	COO	
	Cancer 104+ Day - Treated Combined (1 month in arrears)	46.0	45.5	▲	0	0	COO	
Valuing and Enabling Our People								
	Mandatory Training Compliance - Substantive Staff	95.12%	94.70%	▼	95%	95%	CPO	
	Appraisal - Non-Medical	86.87%	86.23%	▼	90%	90%	CPO	
	Appraisal - Medical	93.15%	92.60%	▼	90%	90%	CPO	
	Sickness Rate	5.43%	5.15%	▲	4%	4%	CPO	
	Vacancy Rate Compared to Funded Establishment	8.17%	8.12%	▲	10%	10%	CPO	
Sustainability								
	Forecast Income & Expenditure	£0k	£-177k	▼	0	0	CFO	
	WRP Delivery	£55.139m	£58.400m	▲	58400	58400	CFO	
Reasearch, Innovation and Teaching								
	Patients Recruited into NIHR Portfolio-Cumulative (2 months in arrears)	2699	3501	▲	4365	5238	CMO	
	Commercial Income Invoiced - Cumulative (1 month in arrears)	£982k	£1.272k	▲	950	1000	CFO	
	NIHR Research Capability Funding (3 months in arrears)	£709k	£709k	▶	750	1000	CMO	
	Trial Recruitment Income (3 months in arrears)	£2.964m	£2.964m	▶	1593.75	2125	CMO	
	All Grant Income (3 months in arrears)	£5.029m	£5.029m	▶	1500	2000	CMO	
UHCW Ambition								
	Diagnostic Waithers - 6 Weeks and Over (Local Target)	10.15%	15.79%	▼	1%	1%	COO	

RAG: No Target or RAG rating · Achieving or exceeding target · Slightly behind target · Not achieving target · Data not currently available · Annual Target Breached

DoT: ▲ Improving ▶ No change ▼ Falling **Trend:** ● On Target ● Below Target **Target Type:** National Target · Regional Target · Local Target

*Please note the Cancer Performance within the scorecard is to month end February 2024 due to national reporting being a month in arrears.

2.4 Forward Look: Main Trends and Factors Likely To Affect Our Future Performance

2.4.1 Overview

The Trust will continue to put the patient first in everything we do, and our vision is to be a national and international leader in healthcare, rooted in our communities. Although we strive towards realising our vision and to provide safe, high-quality care for our patients, we do so in an increasingly challenged and pressurised environment.

The NHS is in unprecedented times balancing multiple priorities off the back of a global pandemic. The landscape of balancing the impact of industrial action against a backdrop of high emergency care attendances, increasing cancer referrals, and on-going management of elective waiting lists remains a challenge. The demand for services and care is growing and the Trust must ensure they deliver against these challenges as well as striving to improve the quality of care that is provided. Despite the national challenges it is important to acknowledge the achievements the Trust has made during 2023/24.

Throughout 2023/24 the Trust have innovated and collaborated well, the development of intelligent workflows and process mining is testament to this. The Trust is fully aligned from an operational, clinical and performance framework perspective which drives performance improvement and enables high quality outcomes for all patients.

2.4.2 Managing Capacity

In line with the rest of the NHS and other acute providers, the Trust has underperformed against a number of standards set out by NHS England largely due to the recovery and restoration of services following the pandemic and an increase in Emergency attendances.

It is recognised that not meeting these national standards falls short of the experience that the Trust would want to offer patients, and it remains committed to achieve these as soon as it can.

However, adapting the provision of services to keep patients safe and ensuring that the most vulnerable patients are prioritised remains fundamental to the Trust's core values and operational processes.

Innovation

The Trust continues to introduce various innovative operational processes, including green pathways, direct access pathways, patient flow and discharge models, all of which makes data and informatics central to daily operational working and decision making. The Performance and Informatics team will continue to maximise available opportunities and scale the utilisation of intelligent workflows and process mining to provide services in different ways to deliver improved patient care and experience.

Longest Waits

Prior to Covid-19 the Trust had delivered zero 52 Week Waits for 16 months, due to the internally developed processes and governance of managing patient pathways. This involved collaborative working between clinical teams, operational teams, performance and informatics teams and the Trust's leadership, working together to improve patient care.

The Trust have the experience and capability to restore services and wait times and the focus continues on making rapid progress to delivering care safely to the significant numbers of patients who are awaiting treatment.

UHCWi

The continued adoption and expansion of the UHCWi methodology across different clinical areas is delivering strong indications of improvements in both productivity and efficiency.

Throughout 2023/24 the Trust continued to explore specific productivity opportunities which saw UHCWi methodology being implemented to support effective delivery of patient care. In addition to our internal processes, we continue to review demand management and delivery of care across our Coventry and Warwickshire communities.

Cancer

Delivery of cancer services throughout 2023/24 has remained a priority for UHCW. Cancer performance against all National Cancer Waiting Times Standards was especially challenged, though was representative of a national picture.

We continue to utilise all viable capacity, working collaboratively with Coventry & Warwickshire primary care and secondary care providers to provide high quality care.

The delivery of cancer services has been impacted due to a number of factors including year-on-year increase in referrals to cancer services.

Cancer services are working alongside clinical and operational teams to undertake the following actions that are expected to deliver capacity benefits and improve performance over the forthcoming year:

- Continuing to adopt NHS E National Best Practice pathways for all tumour sites to reduce the time taken to provide a cancer diagnostic outcome.
- Full roll-out of the Targeted Lung Health Check Programme to the population of Coventry & Rugby, ensuring those eligible receive a more timely lung cancer diagnosis and treatment.
- Introduction of the Lynch Syndrome service, allowing for early identification of specific cancer types, for patients who are genetically predisposed.
- Utilising exception funding provided by the West Midlands Cancer Alliance (WMCA) to support challenged services and increase clinical workforce.
- Deployment of tele-dermatology for patients referred on a Skin cancer pathway.
- Expansion of the new Non-Specific Pathway, which now covers the entire population of Coventry & Rugby, to prevent delay of patient access to secondary care.
- Utilising new diagnostic capacity provided by UHCW Community Diagnostics Centre (CDC) to support achieving the Faster Diagnosis Standard.
- Working with Primary Care colleagues to improve quality of referrals to ensure appropriate patients are referred to cancer services.

2.4.3 Meeting Required Targets and Standards

As described, the ability to meet key national targets such as the A&E four-hour standard and the referral to treatment target continue to be challenged. The Trust continues to closely monitor all aspects of the performance internally through its performance management framework and externally by local commissioners through contract performance meetings and more widely by NHSE/I as the Trust strives to deliver the NHS Strategy.

Long-term work with partners on Improving Lives, through the Coventry Collaborative will continue whilst the Trust manages the current pressures.

2.5 Financial Performance Overview 2023/24

Statement from Susan Rollason, Chief Finance Officer

The 2023/24 year has been extremely challenging for the NHS and is set against a context of a significant requirement for elective recovery due to the post-Covid backlogs and industrial action.

We entered the year with a breakeven plan underpinned by a challenging waste reduction requirement of £58.4 million. We saw the continuation of high inflation costs and increased costs to service the rising acuity of emergency demand.

We closed the year with full delivery of all the £58.4 million of waste efficiency; albeit, with a higher level of non-recurrent savings than we would have liked, and a final adjusted position of breakeven in line with plan expectations.

This is an incredible achievement from everyone in the Trust and is testament to the hard work to continually improve and maintain the rigour on financial controls.

This section sets out the key features of the Trust's financial performance in 2023/24.
A full set of accounts is attached including:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Taxpayers' Equity
- Statement of Cash Flows

2.5.1 Key Financial Targets

It is important to understand how performance against the financial performance target is calculated. In its Statement of Comprehensive Income, the Trust recorded a deficit for the year of £29.253 million which the Department of Health requires to be adjusted for the following:

- The impact of the impairment (or reversals of impairments) of non-current assets is excluded from the breakeven duty calculation; and
- HM Treasury guidance on the interpretation of IFRS concerning accounting for donated assets required the removal of the donated assets reserve in 2011/12, however in order to comply with HM Treasury Consolidated Budgeting Guidance, the impact of this accounting change should also be excluded from the financial performance of NHS Trusts. This can result in either a positive or negative adjustment.

The table below reconciles the position reported in the Trust's Statement of Comprehensive Income to its performance against its financial performance target:

Reconciliation of retained surplus to adjusted retained surplus	£'000
Retained surplus/(deficit) for the year	(71,738)
Remove Impairments charged to revenue	24,896
Remove impacts in respect of donated government grant asset reserve elimination	(3,569)
Remove impact of IFRS16 on IFRIC12 schemes	46,674
Remove net impact of DHSC centrally procured inventories	183
Adjusted retained surplus/(deficit)	**0**

The table below reconciles the adjusted retained deficit shown in the table above, to the breakeven duty in-year financial performance reported by the Trust in the Annual Accounts:

Adjusted retained surplus/(deficit)	0
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	(46,674)
IFRIC 12 breakeven adjustment	43,689
Breakeven duty in-year financial performance	**(2,985)**

The table below shows the Trust's performance against each of its key financial targets:

Duty	Target	Performance	Target Met
Achievement of the financial performance target (on its Statement of Comprehensive Income) (This requires the Trust to meet the target agreed with NHS Improvement)	**£0k breakeven** (after allowable adjustments)	**0k breakeven** (after allowable adjustments)	✔
Remain within its approved External Financing Limit (EFL) (This requires the Trust to remain within the borrowing limits set by the Department of Health)	**£3.803 million** (This required the Trust to ensure that net borrowing plus decreases in cash balances did not exceed this sum)	**£3.803 million** **£0.0 million underspend** **Target achieved**	✔
Remain within its approved Capital Resource Limit (CRL) (This requires the Trust to keep its net capital expenditure within the limits set by the Department of Health)	**£44.745 million** (This required the Trust to spend no more than this sum after adjusting for asset disposals and the receipt of donated assets)	**£44.745 million** **£0.0 million underspend** **Target achieved**	✔

2.5.2 Capital Programme – External Financing Requirement

Whilst a significant proportion of the Trust's annual capital investment requirement is covered by the lifecycle replacement programme for equipment provided under the PFI contract, there remains a significant proportion of medical equipment, ICT hardware and software and the reconfiguration or upgrading of hospital buildings that fall outside the PFI contract.

For 2023/24, the Trust's non-PFI capital investment programme exceeded the amount of internally generated funds available and therefore the Trust was reliant upon the receipt of external financing to fund the programme. A system capital envelope was issued to release capital finance. The Coventry and Warwickshire system worked to prioritise schemes within the available envelope. The Trust therefore had an initial requirement for public dividend capital of £21.9 million. In the year, the Trust actioned drawdowns of £18.0 million of public dividend capital requirement. This consisted of £15.2 million of the initial requirement (£6.8 million of the initial requirement not approved for Front Line Digitisation (EPR)), increased by successful bidding for a further £2.8 million of public dividend capital to finance several diagnostics and digital diagnostics schemes. The year's public dividend capital drawdowns included £11.6 million to finance the system capital envelope, £3.9m for Community Diagnostic Centres, £1.9m for Diagnostic Digital Capability, £0.4 million for Diagnostics Screening and £0.2 million for Digital Technology.

2.5.3 Improvement of the Trust's Liquidity Position

The Trust's liquidity position increased by £2.9 million in 2023/24, with cash balances increasing from £41.5 million at the start of the year to a closing position of £44.4 million.

The Trust's liquidity position has been improved by a positive working capital position driven by a positive receivables' movement in excess of current liabilities movement.

The Trust has continued to maintain good performance against the better payments practice code (98% of invoices by value were paid with 30 days of receipt of a valid invoice), met all of its debt servicing commitments and maintained the agreed minimum monthly cash balance of £1 million.

The summary headline financial information for 2023/24 (compared with 2022/23) is shown in the table below:

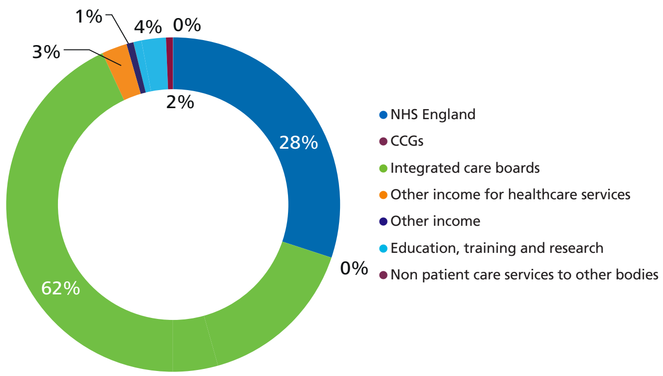
Key figures	2023/24 £'000	2022/23 £'000
Revenue accounts		
Operating income (turnover)	986,083	918,216
Retained surplus / (deficit) for the year	(71,738)	(29,253)
Breakeven performance (after technical adjustments for impairments, PFI and donated assets)	0	(14,650)
Efficiencies achieved	58,400	38,788
Assets		
Total assets	639,993	660,773
Cash and cash equivalents	44,387	41,517
Capital Investment - Capital resource limit	44,745	58,093
Borrowing		
Long term borrowing – PFI liabilities	448,672	222,526
Long term borrowing – other	44,045	44,221
Short term borrowing – PFI liabilities	18,006	2,904
Short term borrowing - other	4,664	4,854

2.5.4 Where The Trust's Income Comes From

During 2023/24 the Trust recorded total revenue of £986.1 million. This represents an increase of 7.4% when compared with total revenue of £918.2 million in 2022/23.

This reflects funding for inflationary impacts and for increased activity associated with emergency growth and the elective recovery programme.

The chart below shows the key sources of income for the Trust in 2023/24. The combined proportion of income from Integrated care boards and NHS England for the provision of care and treatment to patients is 90%.



2.5.5 How Does the Trust Spend the Money it Earns?

The Trust's operating expenditure for 2023/24 totalled £975.9 million and represents a 7.0% increase over total operating expenses of £912.2 million in 2022/23. If impairments (and impairment reversals) are excluded, operating expenses for 2023/24 would be £951.0 million compared with £894.0 million in the prior year – an increase of 6.4%.

The largest cost element continues to relate to salaries and wages with the average number of people employed during the year being 9,792 whole time equivalents at a total cost of £583.6 million, which equates to 60% of total operating expenditure. In the prior year 2022/23, the average number of people employed was 9,450 whole time equivalents at a cost of £549.2 million.

Clinical and general supplies and services (including drugs and other medical/surgical consumables) are also a significant cost element and amounted to £185.9 million which equates to approximately 19% of day-to-day operating expenses. This compares with expenditure of £174.2 million in 2022/23 and represents an increase of 6.7%.

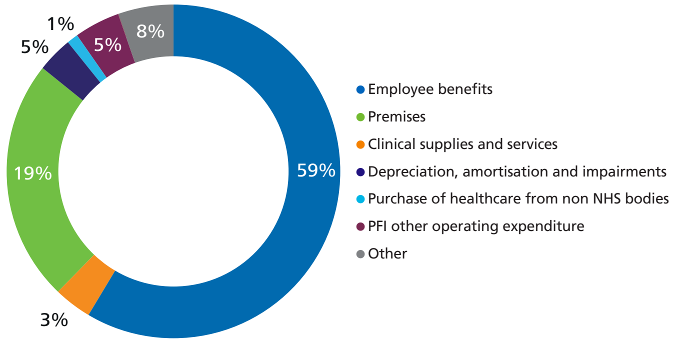
The total charged in year to operating expenditure in respect of the service element of the private finance initiative was £45.4 million and continues to represent around 5.0% of total operating expenditure.

Charges relating to the depreciation, amortisation and impairment of property, plant and equipment and intangible assets totalled £57.3 million compared with £50.1 million in the previous year. Within this charge in 2023/24, there was a movement which reversed previous property, plant and equipment impairments by £0.5 million, thereby reducing the charge. As explained in the section on key financial targets, impairments are excluded from the assessment of the Trust's financial performance.

Other operating expenditure totalled £119.2 million in 2023/24 and included the following key items of expenditure:

- Premises £32.1 million
- Clinical negligence costs £21.8 million
- Education, training, research and development £24.7 million
- Healthcare purchased from non-NHS organisations £9.3 million
- Establishment expenses £11.4 million
- Other general supplies £19.9 million

The chart below compares expenditure by category – the breakdown of costs remains broadly similar to that in the previous year.



2.5.6 Other Costs

The Trust earned £2.9 million in interest on its cash balance in 2023/24, as opposed to £1.4 million interest earned in the prior year. This is a result of increasing interest rates year-on-year.

The Trust incurs significant financing costs each year, the majority of which relates to the financing of the PFI contract. With the adoption of the IFRS16 accounting standard to the PFI liability from 1 April 2023, the Trust will now assess for a remeasurement of the PFI liability due to price indexation every year. In 2023/24, the value of the indexation remeasurement recognised and included in finance costs was significant, the value being £57.5 million. With the inclusion of the remeasurement of the PFI liability, total finance costs in 2023/24 significantly increased to £84.9 million, an increase of approximately £56.2 million from the previous year. It should be noted, the impact of the remeasurement of the PFI liability of £57.5 million is adjusted out of the financial performance of the Trust. The Trust also paid interest on leases of £0.8 million and £0.02 million on its loans from the Department of Health during the year.

In addition to the above costs, the Trust is also required to pay a dividend to the Department of Health and Social Care equivalent to 3.5% of the average of its opening and closing net relevant assets for the year. The impact of the adoption of IFRS16 increasing the Trust's PFI liability balance, caused net relevant assets to reduce by £237 million and as a result no dividend was payable in 2023/24. The value of the dividend payable for 2022/23 was £6.4 million, and so £6.4 million also represents the decrease in the amount of dividend payable from the previous year.

2.5.7 Capital Expenditure

The Trust is required to contain capital expenditure within its annual Capital Resource Limit (CRL) which is agreed with NHS Improvement. This limit is based upon the net internally generated funds after commitments for repayment of principal on all forms of capital borrowing (including loans and the capital element of PFI and finance lease contracts) plus any additional approved capital expenditure met from external sources (including loans, public dividend capital and leases).

The Trust's CRL for 2023/24 was £44.7 million against which the Trust recorded an outturn of £44.7 million – expenditure on target. The Trust also benefited from £0.8 million of donated capital assets and £0.3 million of asset disposals, which in addition to the Trust's CRL amounted to total gross capital expenditure of £45.9 million.

Key capital investments during the year included the following:

- Equipment assets provided through the PFI lifecycle fund £8.4 million
- Building/engineering works provided under the PFI contract £5.6 million
- Electronic Patient Record £7.9 million
- Community Diagnostic Centres £3.9 million
- ED Footprint £2.2 million
- Medical and other equipment £8.0 million
- IT hardware/software £2.2 million
- Building/engineering works £3.5 million
- Right of use leased asset remeasurements £4.2 million

2.5.8 Cash and Working Capital

The Trust's cash balance at the year-end was £44.4 million which compares with £41.5 million at the end of the previous year. The Trust's management of its cash balances, loans and PDC during the year ensured that the statutory duty to remain within its External Financing Limit (EFL) was met. The External Financing Limit was set at £3.8 million, and the Trust's outturn was £3.8 million. The EFL is an indicator of how much external financing the Trust needs, as such a Trust is allowed to undershoot but not exceed its External Financing Limit (EFL).

2.5.9 Paying Suppliers on Time

In addition to its key financial duties, the Trust is also required to comply with the better payment practice code. This requires the Trust 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 Trust's performance against this target is summarised below:

Better payment practice code	2023/24		2022/23	
	Number	£'000	Number	£'000
Total non-NHS trade invoices paid in year	114,284	549,391	115,010	527,085
Total non-NHS trade invoices paid within target	107,442	542,918	105,639	504,294
% of non-NHS trade invoices paid within target	94%	99%	92%	96%
Total NHS trade invoices paid in year	4,107	168,426	4,318	147,310
Total NHS trade invoices paid within target	3,243	160,161	3,009	139,057
% of NHS trade invoices paid within target	79%	95%	70%	94%
% of all invoices paid within target	93.5%	97.9%	91%	95%

The Trust's performance is consistent with the previous financial year both in volume and value terms. The volume of invoices processed has remained broadly consistent between years.

2.5.10 Financial Outlook

The 2024/25 financial performance is set in the context of a deficit plan of £34.8 million. We are focused on the return to financial stability; however, this is set against a challenging backcloth of high inflation and demand of increasing complexity.

The financial framework in 2024/25 continues to support elective recovery with an expectation that we will deliver 109% of the activity levels previously undertaken in 2019/20.

Our waste reduction programme underpinning our ongoing efficiency requirement is set to circa. 6% of turnover. We focus on the use of UHCWi methodologies to make positive transformations.

2.5.11 Conclusion

The 2023/24 position is driven by the financial and operational challenges of high levels of elective recovery due to post-Covid backlogs and industrial action. The full delivery of our in-year efficiency programme was positive; however, the reliance on non-recurrent measures to do so has added to the efficiency challenge we have in 2024/25.

The financial outlook to 2024/25 indicates a challenging platform as we start the new financial year with a significant deficit plan. We will strive to surpass this position by looking for improvements in quality, performance and efficiency and will utilise a single waste reduction programme to record these.

We will work closely within the Coventry and Warwickshire system to optimise opportunities to ensure financial sustainability for the future.

2.5.12 Financial Accounts

The full set of accounts is included within this report.

The accounts have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) and the Trust's accounting policies. Their preparation has been guided by the Department for Health and Social Care Group Accounting Manual.

2.6 Accounting Policies

The Trust's accounting policies are in accordance with directors provided by the Secretary of State for Health and follow International Reporting Standards and HM Treasury's Government Financial Reporting Manual to the extent that they are meaningful and appropriate to the NHS.

2.6.1 Statement of the Chief Executive's Responsibility as the Accountable Officer

The Statement of the Chief Executive's responsibility as the Accountable Officer of the Trust is printed in full in the 2023/24 Annual Accounts.

2.6.2 Statement of Accounting Officer's Responsibility

The Statement of the Accounting Officer's responsibility is printed in full in the 2023/24 Annual Accounts.

2.6.3 Annual Governance Statement

The Annual Governance Statement is printed in full in the 2023/24 Annual Report and Accounts and can be found at section 4.1.8.

2.6.4 Disclosure of Information to Auditors

The Directors confirm that as far as they are aware there is no relevant audit information of which the NHS body's auditors are unaware and they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

2.6.5 External Auditor

Under the Local Audit and Accountability Act 2014, the Trust was required to appoint its own external auditor for the financial year 2017/18 onwards. Accordingly, the Trust undertook a competitive procurement exercise during 2021. In December 2021, the Trust Board approved the re-appointment of KPMG LLP as the Trust's external auditor for a period of three years, from financial year 2022/23 to 2024/25.

The auditors perform their work in accordance with the National Audit Office Code of Audit Practice and their work compromises two key elements:

- Providing an opinion on the Trust's financial statements. This considers whether the financial statements give a true and fair view of the financial position of the audited body and its expenditure and income for the period in question; and whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction; and
- To satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.

2.6.6 Auditors' Opinion

Audit opinion is supplied by KPMG LLP and is included within the Financial Statements..

Signed

Chief Executive Officer, 21 June 2024

Part 3 Sustainability Report

3.1 Sustainability Leadership and Engagement

Introduction from the Senior Responsible Owner of Sustainability and Net Zero, Justine Richards, Chief Strategy and Transformation Officer

All Trusts must be Net Zero by 2045 and the previous 12 months has seen robust governance put in place, alongside consistently accurate data sets, to allow carbon foot printing at UHCW that is 95% accurate. This allows the Trust to map its carbon reduction journey towards zero. UHCW continues embedding Net Zero into every part of the business, the Trust has taken significant steps in reducing its carbon footprint, whilst at the same time the Trust continues to grow.

The new Endoscopy Unit at the Hospital of St Cross has achieved BREEAM Excellent and incorporates on site sustainable energy generation from a solar array, with improved access via sustainable travel, building a sustainable, resilient and equitable health service that meets the challenges of today and protects future generations, using UHCWi and innovation in our journey to Net Zero.

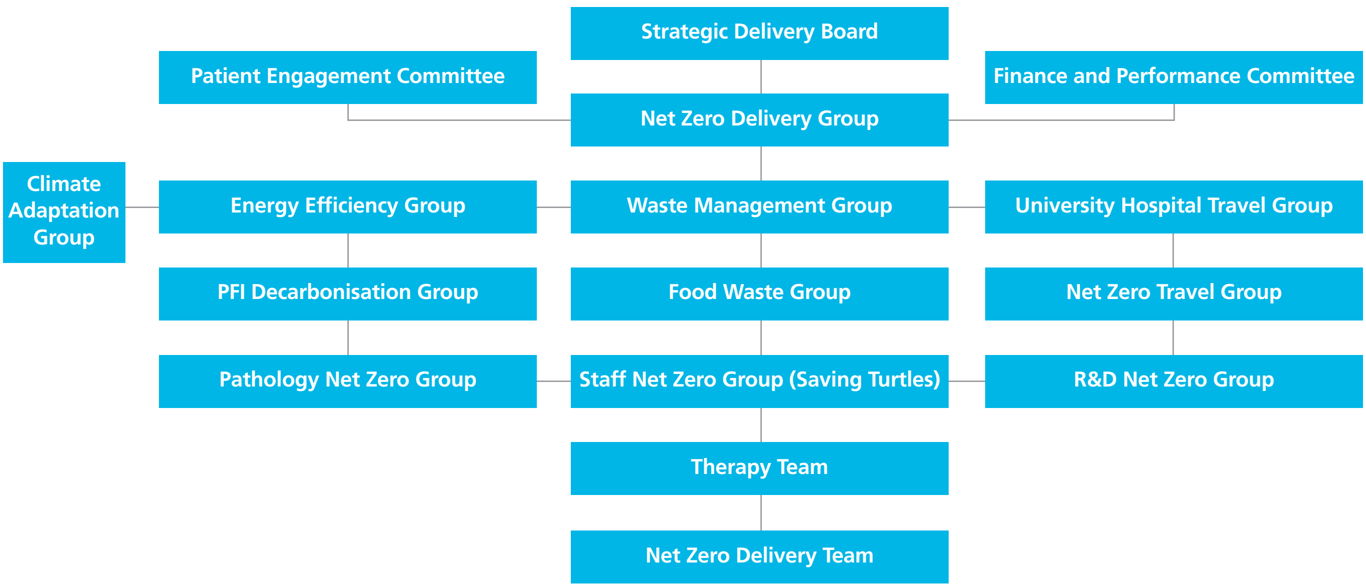
Business expansion and population growth increase the challenge for a sustainable future and as the Trust ensures healthcare at the point of need and expands into the community low emission transportation is key to a carbon zero future. It is important as a healthcare provider to manage health related travel in a way that reduces carbon emissions and improves air quality.

There is much to celebrate in 23/24, my favourite accomplishment is that of the Net Zero Super Heroes, the dedicated band of sustainability champions that are now in every directorate within the Trust, using specialist knowledge blended with endless enthusiasm helping drive UHCW towards Net Zero.

The Trust Strategy has sustainability as one of its five pillars, within which it states that the Trust is creating the right conditions to achieve our Net Zero ambitions. Some of the work to this point has been creating the foundations for Net Zero. Using UHCWi methodology to be a leader of positive change as we transform towards a sustainable future. Key to healthcare is sustainable models of care and to make this change we have a Clinical Lead for Net Zero from a clinical background to lead this work. It is important to the Trust to ensure that emissions from UHCW do not impact on climate change and areas such as clean air, which is why with academic partners we are collecting data on weather, air quality and sever weather events to build better governance and future resilience.

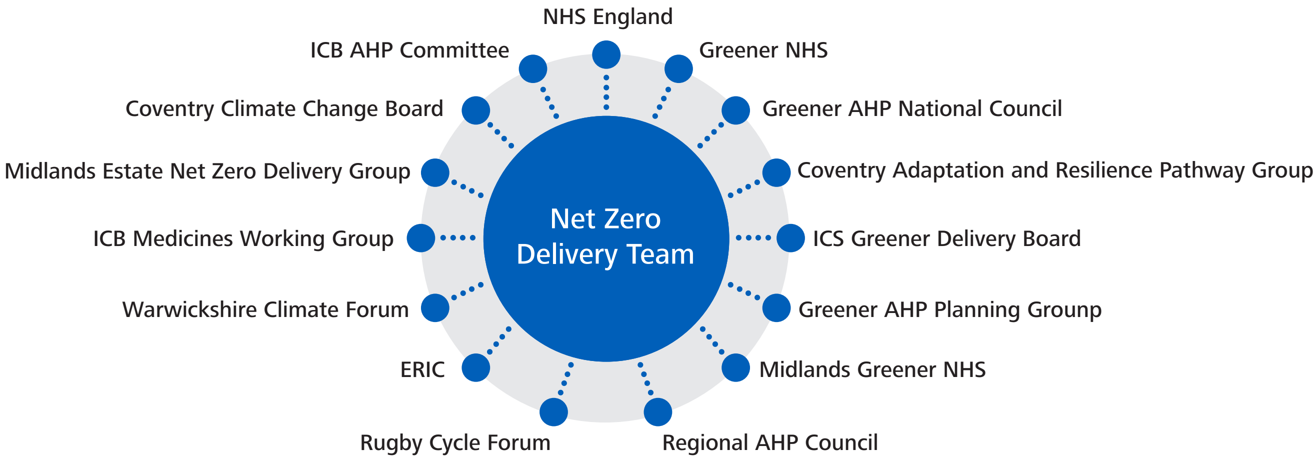
Justine Richards
Chief Strategy and Transformation Officer
Executive Lead for Sustainability/Net Zero

Internal Organogram



The organogram above shows the restructure to provide the governance to meet Net Zero targets.

External Reporting and Engagement



Net Zero Governance

UHCW takes a risk-based approach to Net Zero governance which considers uncertainty, negative impacts, unintended consequence and other foreseeable risks. With the direction of the Trust Net Zero objectives laid out in the Green Plan, in the last year we have focused on delivery rather than new commitments.

The Trust Green Plan had 206 challenges within it and all of those are complete or part of the ongoing challenge and percentage complete for the year in question. Net Zero governance is data driven; the Trust aims for 95% accuracy in its sustainability data. Good risk reporting offers an integrated perspective, which draws on and complements planning and performance frameworks and insights in assuring the effectiveness of the risk management approach, and highlighting areas where intervention is required.

The Net Zero team hold a risk register for all significant climate/sustainability risks as part of a strong governance strategy to deliver the changes that are clinical. These are changes to equipment, consumables or patient pathways that reduce the carbon footprint of a patient's journey. Every change is considered and assessed as a quality improvement using the triple bottom line methodology of:
'is this the best choice for our patients?'
'is this the best choice for our economy?'
'is this the best choice for the planet?'

For those changes that involve risk, whether it be to the patient or to the staff, a risk assessment is completed and presented to the relevant committee for approval.

Climate Risk

Climate change brings many hazards; extreme temperatures, droughts, high winds, extreme rainfall and flooding that directly impact on the infrastructure, disease vectors, air quality etc. These in turn impact on physical and mental health, with increases in infectious diseases.

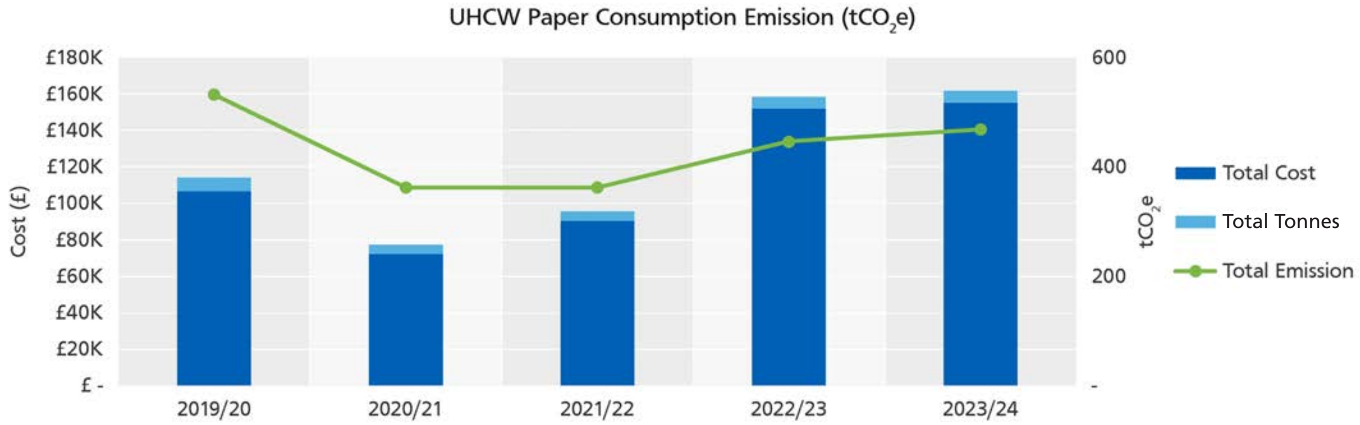
To plan for future climate risk the Trust has embarked on improving the quality and quantity of data collected in partnership with local universities and is examining data from previous climate related events to ensure the current Climate Adaptation plans are suitable and sufficient for the potential risks to Hospital estate, staff, patients and the wider community.

Financial Risk

Trusts are required to disclose climate related financial sustainability as identified in the Group Accounting Manual, which has adopted a phased approach to incorporating the Task Force on Climate Related Financial Disclosure (TCFD) recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, the Trust supports this, and the report is contained within the financial section of the Annual Report.

Paper Use

The chart below shows that paper use has reduced by 14% since the baseline year, however the costs have increased significantly. The Trust has moved to predominately recycled paper, this has been hampered by supply chain shortage of recycled paper. The Trust is moving to electronic patient records which is expected to have significant reduction on paper use across the Trust.



The figure above reveals a significant variation in cost, tonnage and emissions from 2019 to 2023. 2020 has the least cost and emission while the data shows the cost on paper has gone up by £48,877 in 2023/24, the emission is reduced by 12% due to the Trust's paper recycling scheme.

Single Use Plastic

As per the mandate to remove all single use plastics from the catering supply, UHCW no longer purchases single use plastics, cups, spoons or stirrers, apart from those that are needed for assisted feeding. The members of the Trust Staff Net Zero group have worked hard to reduce single use plastic from their clinical areas.

Paediatrics have removed plastic pots that they used to 'top and tail' the babies in the intensive care unit and replaced them with paper pots that can be recycled vis the Trust's waste provider. The paediatric speech and language therapist has also introduced commercially bought reusable baby feeding bottles that can go home with the baby and allow for continuity of feeding. The baby bottles that were supplied by the Trust were single use and had a different flow rate to the teat. This led to an occasional failure to thrive when the baby went home and used the home bottle. It also reduced the plastic waste from the single use bottles. This has saved 3.14 tonnes of CO2e.

The Green ED work has reduced the number of unnecessary blood tests and thus reduced the amount of plastic involved in cannulation and laboratory tests. Whilst saving 0.24 tCO2e this has significant financial savings, time savings and is better for the patients with reduced risk of cannula site infections. They are also exploring the use of reusable suture kits as currently single use instruments are used.

Areas such as ED, Theatres and Phlebotomy have moved away from single use tourniquet that they use for blood taking and by working with Infection Prevention and Control (IPC) and following a clinical trial, they are using a reusable one. This has saved 1.7 tonnes of CO2e.

The Theatre Hat Project, an international project which combines patient safety with sustainability, has been adopted by other areas in the Trust. Radiology and the Catheter Suite are now using reusable named hats rather than single use paper and plastic ones. This is also a patient safety quality improvement as staff names and roles are visible.

The IV to oral paracetamol project is ongoing and following on from this, and on the back of national guidelines, there is a heightened awareness of IVOS (IntraVenous to Oral Switch) for antibiotics along with other IV medication.

Pharmacy has removed the single use plastic bags that they use for in-patient take-home medication and replaced them with paper bags. These can then be recycled in the patients' home. This will save 10,055 plastic bags.

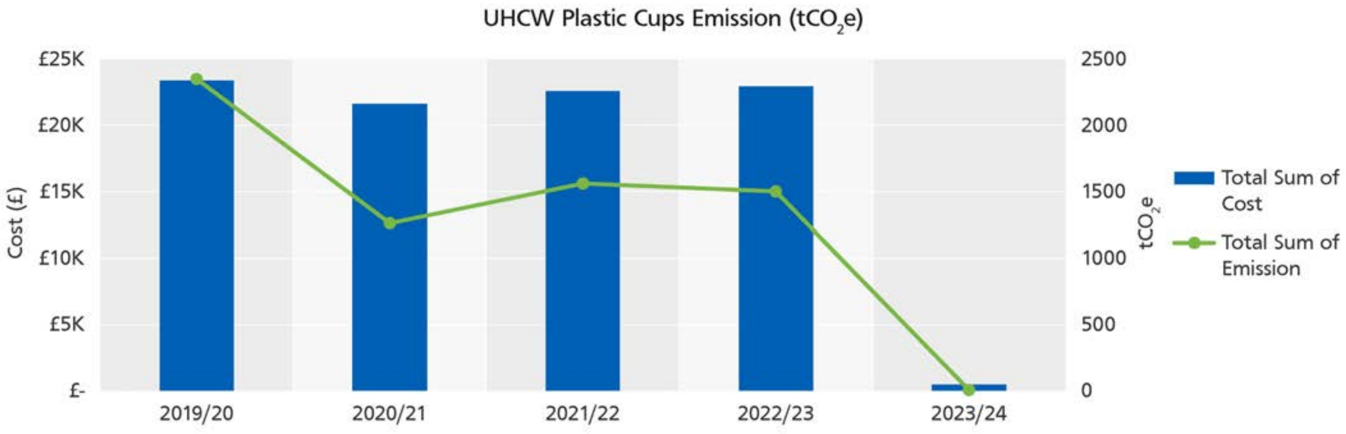
Learning and Development has replaced the plastic pens that they distribute to new starters at induction with bamboo pens. This introduces the conversation around sustainability at the start of employment and lays out the expectation that all staff will have something to contribute to the sustainability agenda. The Trust buys over 44,000 pens per year and by changing our corporate pens to recycled and recyclable ones, there is a saving of 18,920kg of CO2e.

The Trust's Genomic Ambassador and Tissue Bank Manager is working with Warwick University's Warwick Manufacturing Group to find innovative ways to turn clean plastic waste into insulation for cool chain tissue transport.

The Sterile Services Department is constantly looking for ways to make their carbon intensive work less so and more environmentally friendly. From electric vehicles to operating theatre tray rationalisation, their current project of replacing plastic coated tray wrap with containers has resulted in a saving of 28.87063 tCO2e since starting the project in 2022. They are also exploring alternative bonded and single wraps to increase this carbon saving.

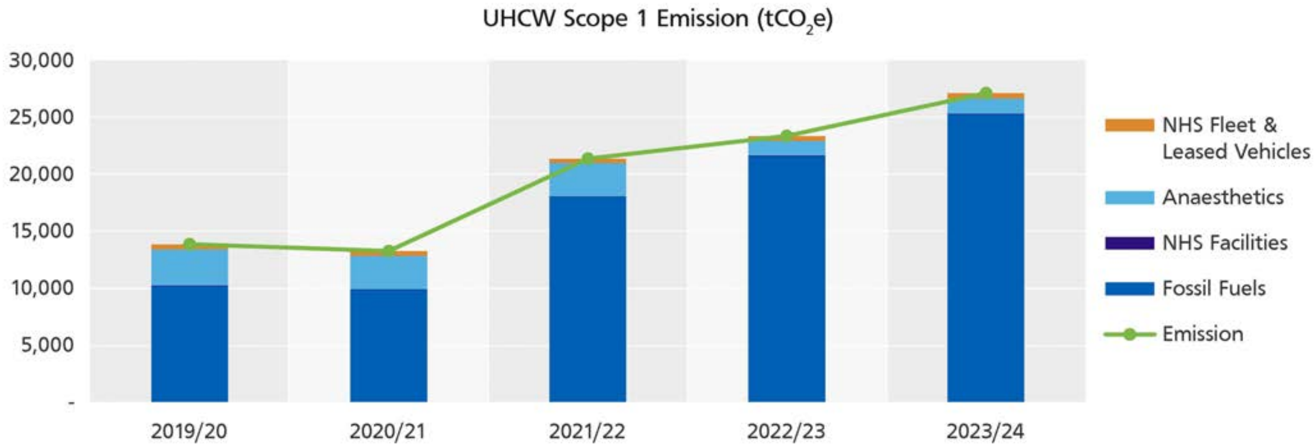
The Trust uses Sharpsmart to dispose of the clinical sharp. Sharpsmart take away the filled containers and process the contents, the containers are then sterilised and returned for reuse. This has a projected saving of over 2,000 tCO2e from not using single use plastic sharps bins. UHCW has been cited as an exemplar site in the HTM0701 national publication. They have also been working with theatres as a pilot site for recycling clinical metal via a different process. This has been so successful that it has been rolled out to other areas.

UHCW Plastic Cups Emissions



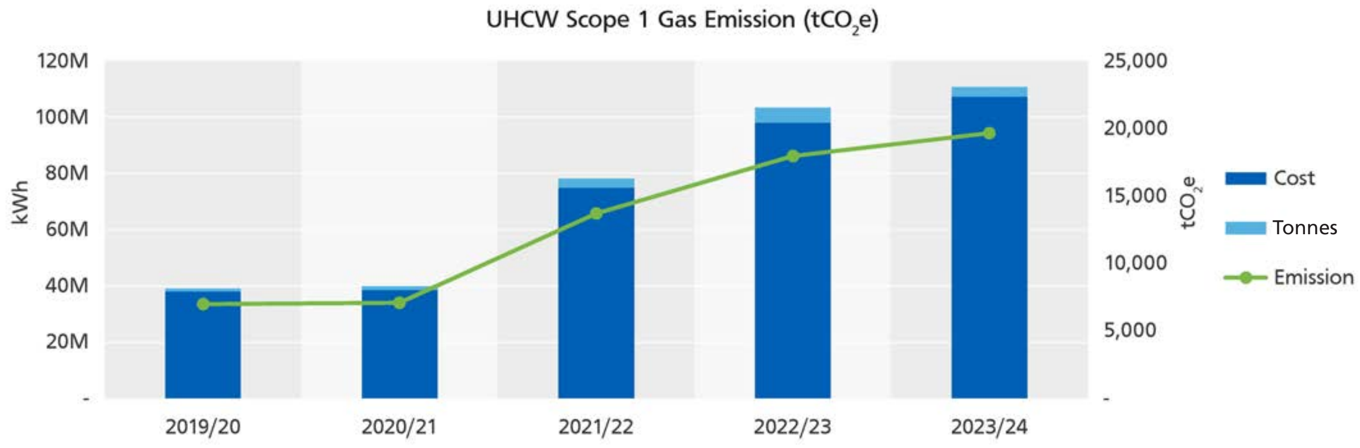
This table demonstrates compliance with the national directive to remove single use plastic from catering supplies. What it does not show is the enthusiasm that this was embraced by the clinical staff in the patient areas. Some of the wards and clinics were able to remove plastic patient cups a long time before the deadline.

Scope 1 Emissions



The graph above shows scope 1 emissions, the significant part of the emissions are from gas for heating, hot water and electricity generation. Gas is used for the generation of electricity via a Combined Heat and Power plant (CHP).

Scope 1 Gas and Oil Carbon Emissions



Gas Emissions Commentary

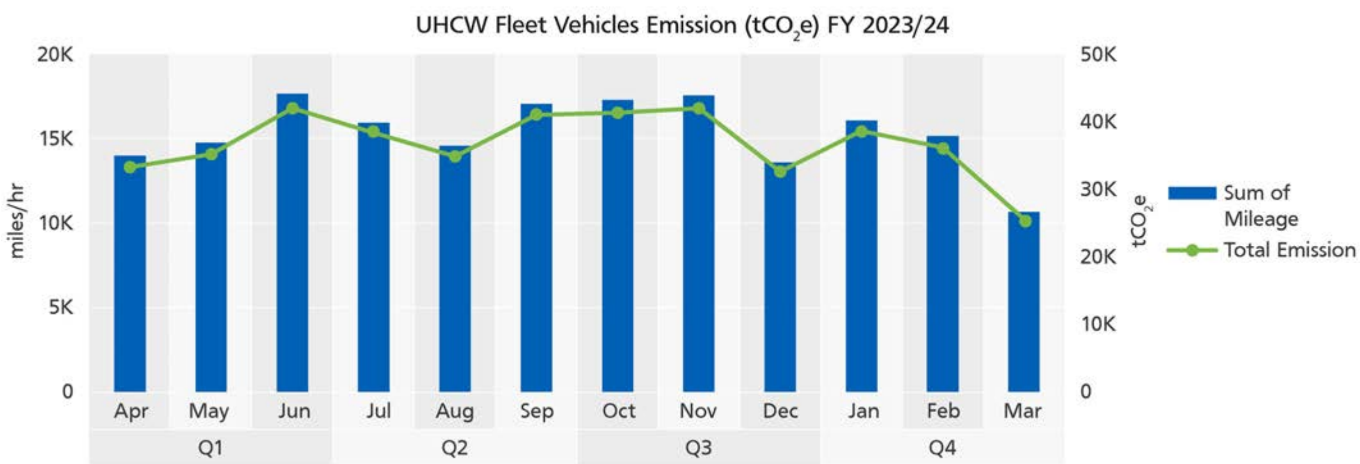
Gas emissions have changed at the University Hospital site. The introduction of a Combined Heat and Power plant (CHP) has increased gas usage, alongside expansion of services. There has been an energy efficiency refurbishment programme that has included upgrading the gas burners to more efficient ones. There is a Combined Heat and Power plant (CHP) which is hydrogen ready once supplies of hydrogen become available.

At the Hospital of St Cross, works have been completed installing an Air Source Heat Pump (ASHP) and District Heating System (DHS), the ASHP provides heating and hot water electrically reducing the gas need on site and progressing site decarbonisation

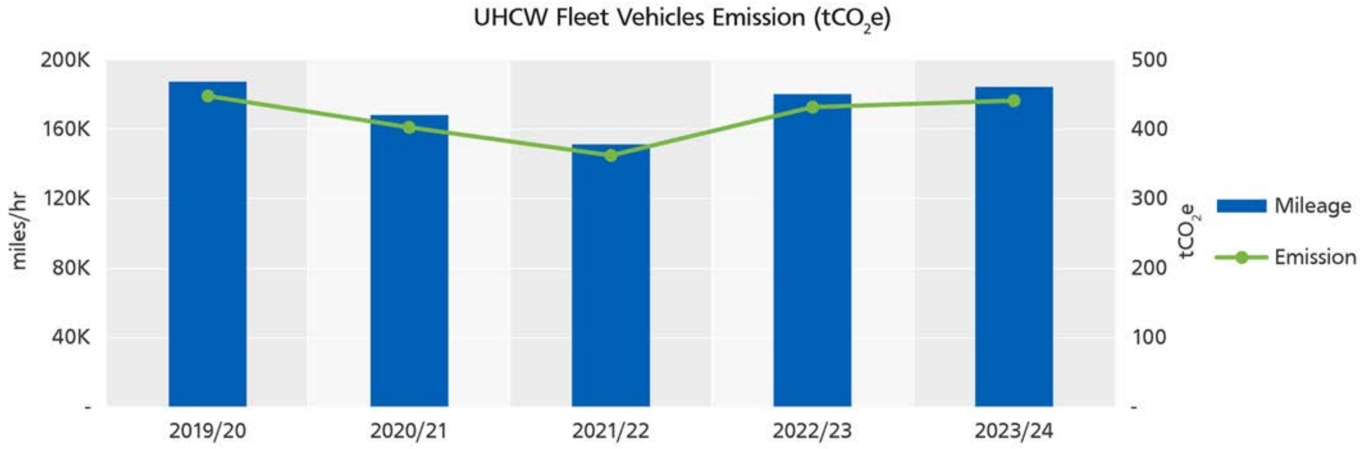
Oil Commentary

Oil is a secondary fuel source used as a backup fuel for the main boilers and fuel for standby generators. At University Hospital there has been an increased use of oil due to the use of a temporary boiler as part of upgrades to the main boilers. The Hospital of St Cross has seen a reduction in oil usage, this in part is due to improved monitoring.

Scope 1 Transport

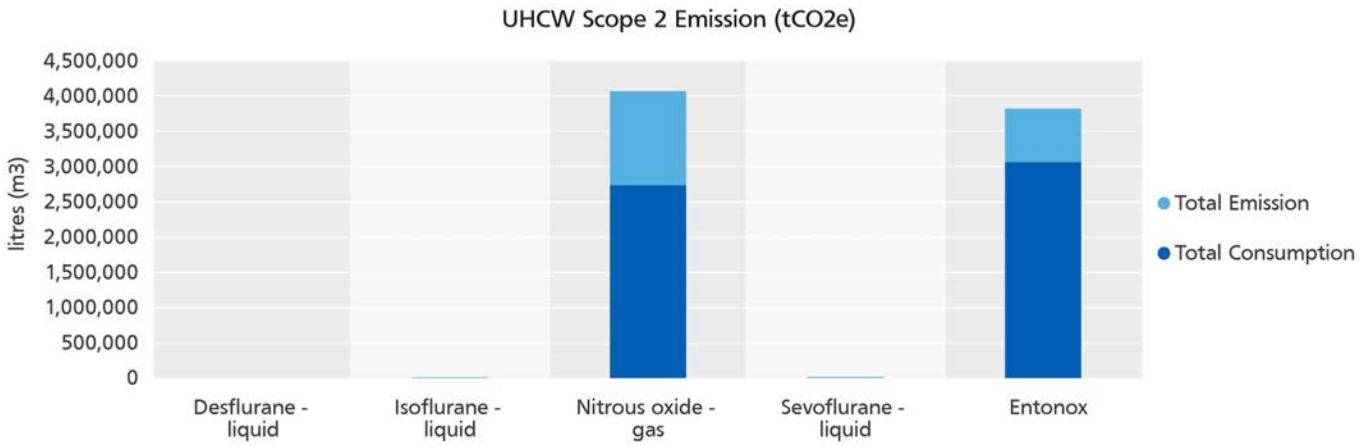


In the above figure, from Q1 2023 to Q4 2023, the total mileage covered was 184,495 miles. While the total emissions produced during this period were 441.5 tCO2e units.



From 2019 to 2023, there was an average reduction of approximately 23% in consumption and emission, with an average mileage of 172,697 and emission of 409.75 tCO2e.

Anaesthetic Gases



This graph demonstrates the removal of Desflurane along with the carbon emissions and consumption of the remaining anaesthetic gases.

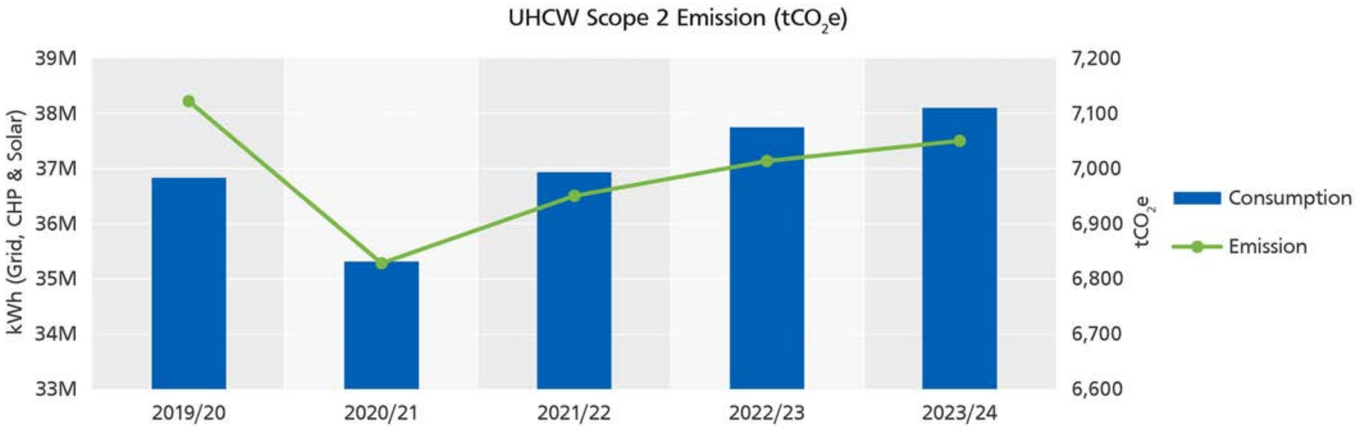
Following a decision made by the Anaesthetic Department, Desflurane was removed from the Trust in April 2023 which was 10 months earlier than the Royal College of Anaesthetists and Association of Anaesthetists (AoA) commitment to remove it by early 2024. This has contributed to a reduction in CO2e of 250 tonnes. This has been supported with regular educational sessions on Total Intravenous Anaesthetic (TIVA).

This united decision by the anaesthetists has also led to the decommissioning of the Nitrous Oxide manifold at the Hospital of St Cross. Nitrous Oxide was not reported as being used anywhere at the Hospital of St Cross yet was returning a consumption rate of 260,000L/Year. This will save us 153 tonnes of CO2e per year which is half the surgical use of Nitrous Oxide.

There has been a heightened interest in the use of Entonox and Nitrous Oxide in other areas of the Trust which has led to a multidisciplinary team investigating safer practice. Whilst gas capture and 'cracking' devices are an option, the removal of such gas is a safer and cleaner solution.

By visiting all the Nitrous Oxide outlets at the UHCW sites it has been made clear that the only equipment that they are ever attached to, are anaesthetic machines. By adding a nitrous cylinder holder to half of these machines it will be possible to completely remove pipeline N2O from the Trust.

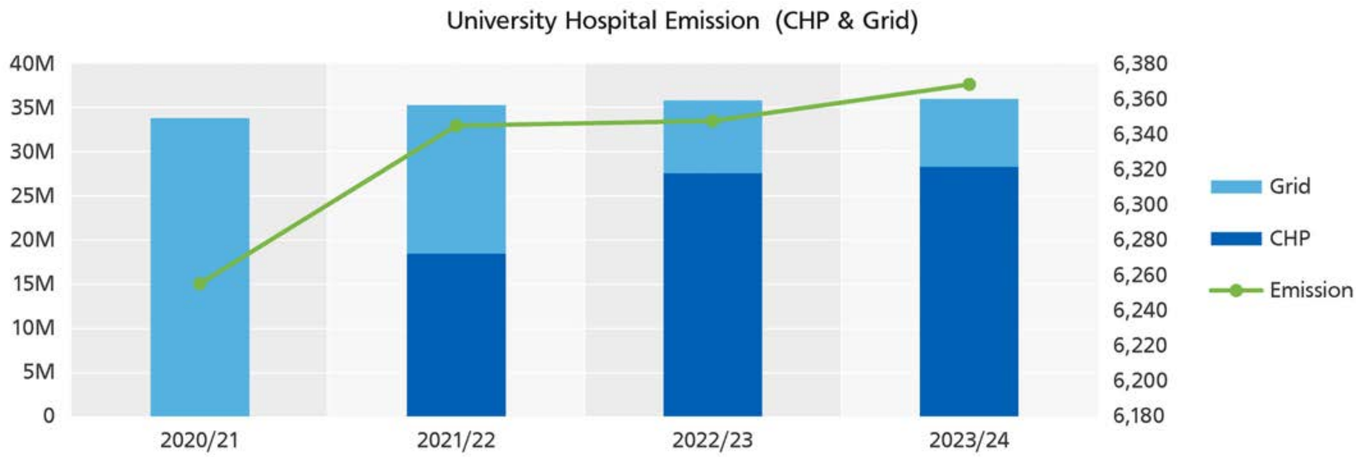
Scope 2 Emissions (tCO2e)



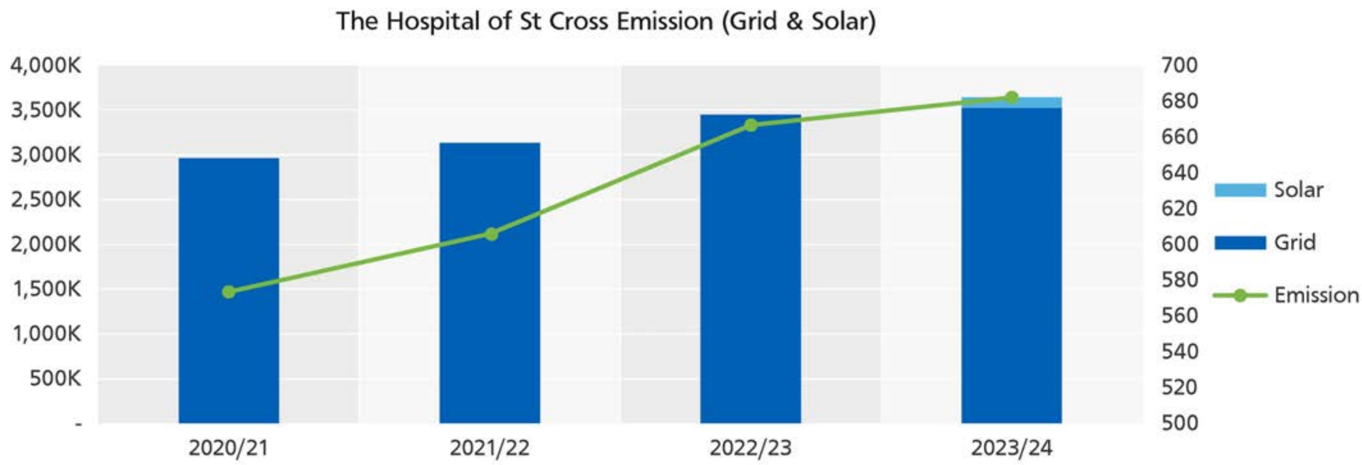
The figure above shows the total emissions consumed from electricity for both sites' electricity usage. We reduced our emissions by 72 tCO2e in 2023/24 from our 2019/20 baseline. University Hospital energy consumption is significant at 38,105,392 kWh in 2023/24 with an emission of 7,051 tCO2e with the least consumption and emission in 2020/21.

The electricity usage across the Trust has increased as we move away from gas as a primary fuel and move towards electrically led heating and hot water generation. Though the overall usage has increased the carbon emissions have reduced due to the introduction of CHP and on-site renewables.

University Hospital (Grid & CHP)



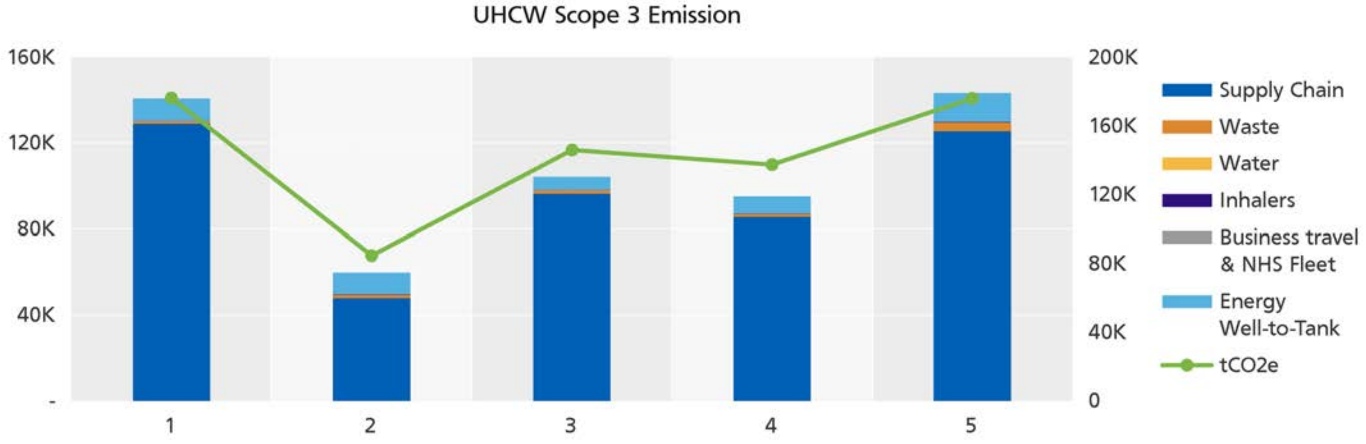
The Hospital of St Cross (Grid & Solar)



From the figure above, there is a reduction in grid dependency. Over the years, University Hospital has significantly reduced its grid consumption from 32,347,350 kWh in 2020 to 6,126,179 kWh in 2023. This indicates a shift towards more CHP generation, which is generally more efficient and environmentally friendly.

The grid consumption at the Hospital of St Cross has increased from 2,965,932 kWh in 2020 to 3,527,264 kWh in 2023, which indicates a rising energy demand. In 2023, the Hospital of St Cross introduced 125,266 kWh of solar energy generation. This renewable energy source contributes to reducing the overall reliance on the grid and associated emissions.

Scope 3 Emissions



From the above figure, there is a fluctuating trend in total emissions over the five-year period. The highest emissions were recorded in 2019/20 (176,418 tCO2e) and 2023/24 (176,173 tCO2e), while the lowest were in 2020/21 (84,726 tCO2e).

Supply Chain consistently contributes the most emissions each year. Notably, there is a significant drop in 2020/21 to 48,036 tCO2e, which then nearly doubles in subsequent years, peaking again in 2023/24 at 125,640 tCO2e.

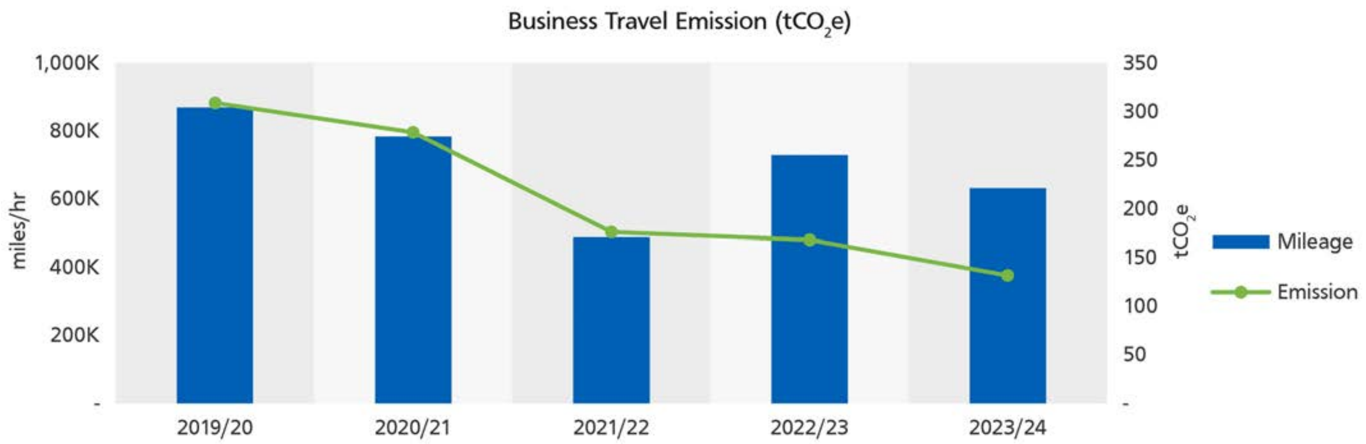
Scope 3 Energy Well-to-Tank

One of the issues of tackling climate change is understanding that it is a global problem, our actions impacting across the globe, the petrol station where Trust vehicles fill up may be only a mile from the site, but that fuel has travelled thousands of miles to reach the filling station. When evaluating emissions from Trust vehicles the whole lifecycle is considered, business travel considers tail pipe emissions whilst well to tank considers the emissions through the whole lifecycle of the energy source used, petrol, diesel etc.

Well to tank considers the energy consumption and greenhouse gas emissions throughout the entire life of an energy source. Well to tank emissions account for the extraction of the raw crude oil, its refinement, transportation, and delivery to the filling station.

The Trust cannot influence well to tank emissions, but it can remove its reliance on petrol and diesel; by electrification of its fleet the Trust will remove fuel emissions from vehicles and well to tank. Well to tank emissions produced 7,909 tonnes CO2e in the last year and 13,229 tonnes CO2e this financial year.

Scope 3 Business Travel



It is heartening to see that the business travel emissions have not returned to pre-Covid levels. Clinical staff are very much aware of the carbon impact of their travel and are making sustainable choices. They are choosing virtual conferences that are hosted online or using public transport.

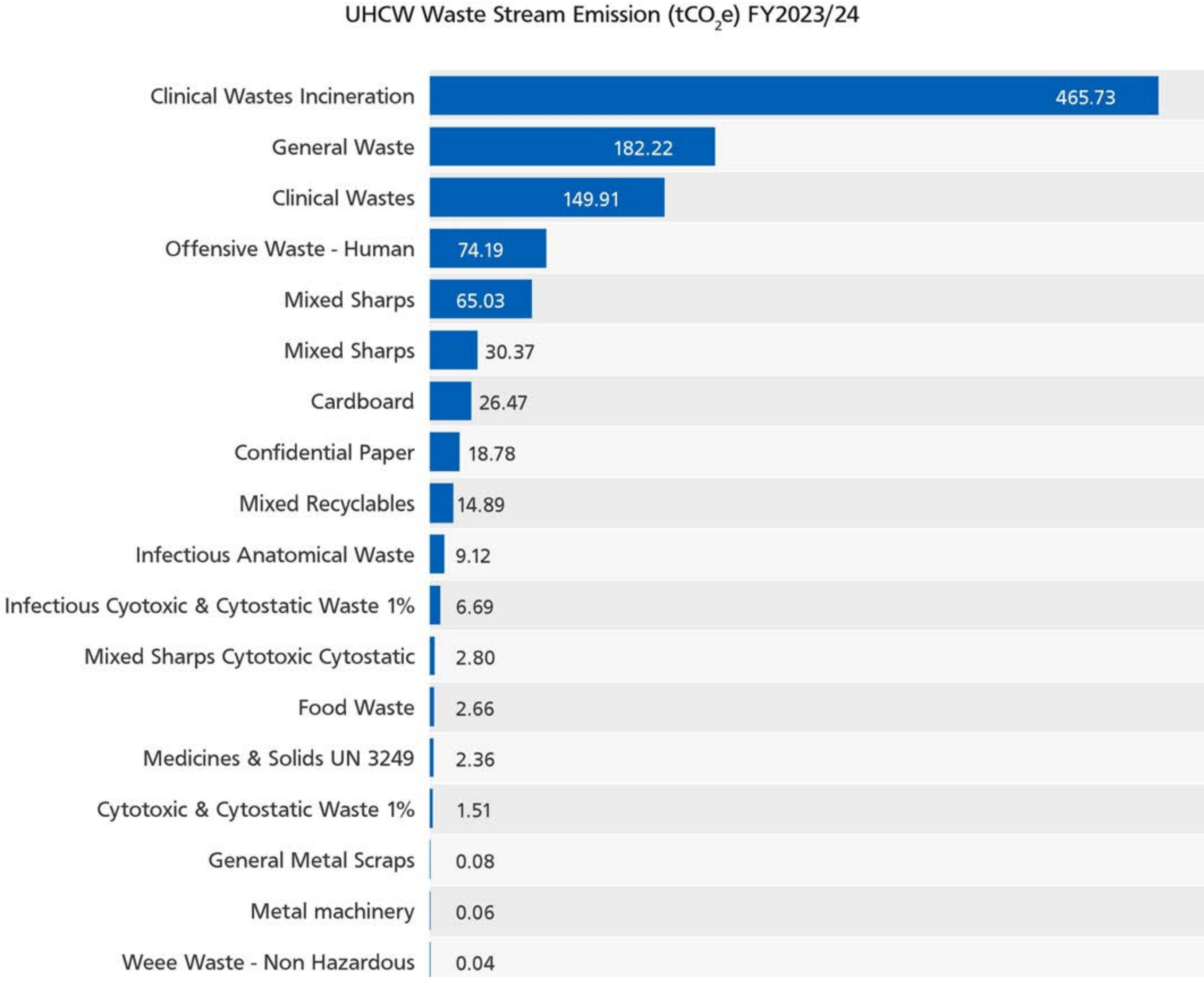
The graph above shows the reduction in mileage by 27% in line with Trust targets to reduce business mileage by 30% by 2026, this equates to 58% reduction in CO2e emissions from the baseline year. The Trust continues to expand with many more community-based services which shows that this is reduction during a time of expansion is even more impressive.

Waste General Commentary

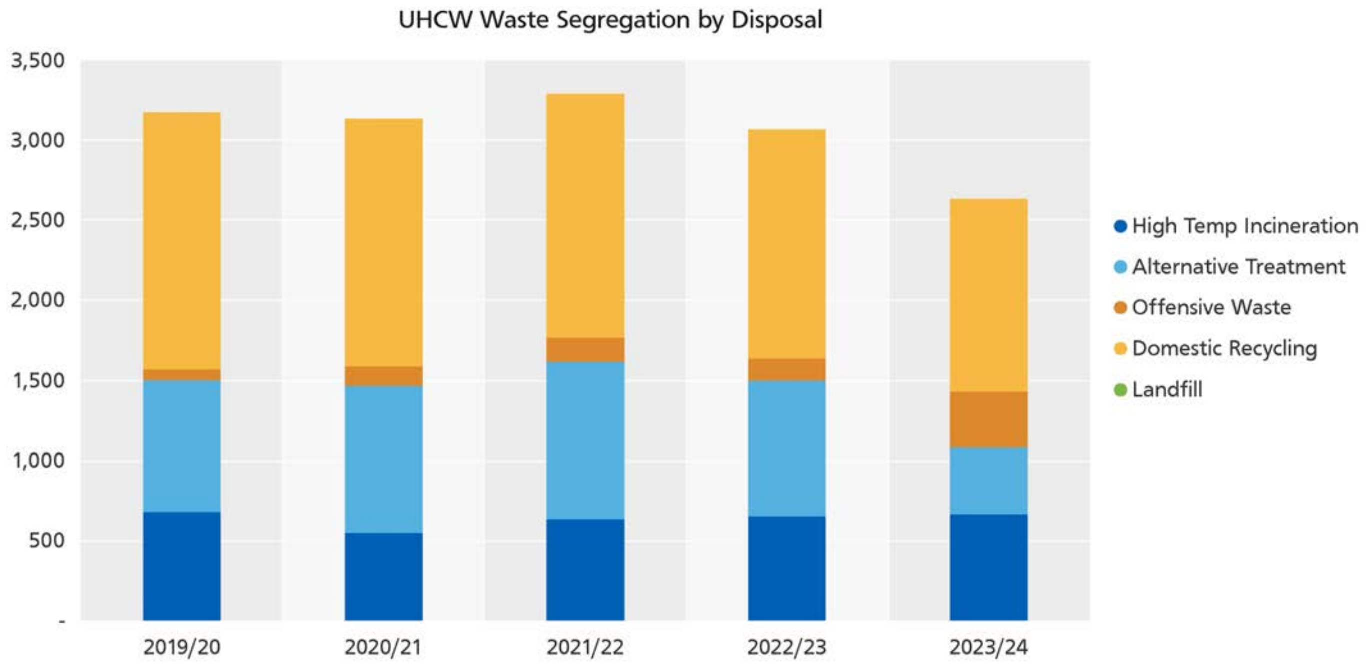
The Trust adheres to waste legislation and healthcare specific guidance laid out in the NHS Waste Strategy and Health Technical Memorandum (HTM) 07-01, which includes following the waste hierarchy. The Trust has its own reuse scheme which as per NHS Standard Contract, the Trust must use 100% closed loop recycled paper. Following paper and equipment trials and supply issues, the Trust now uses A4 recycled paper of various grades, depending on the intended use and supply. The Trust has begun to move over to A3 recycled paper and coloured A4.

The Trust is introducing a new Electronic Patient Record system which will reduce the reliance on paper. Whilst there will be paper backup systems in place while the process is introduced and tested, there will be a massive reduction in paper systems including the transport of such.

Waste Streams Chart

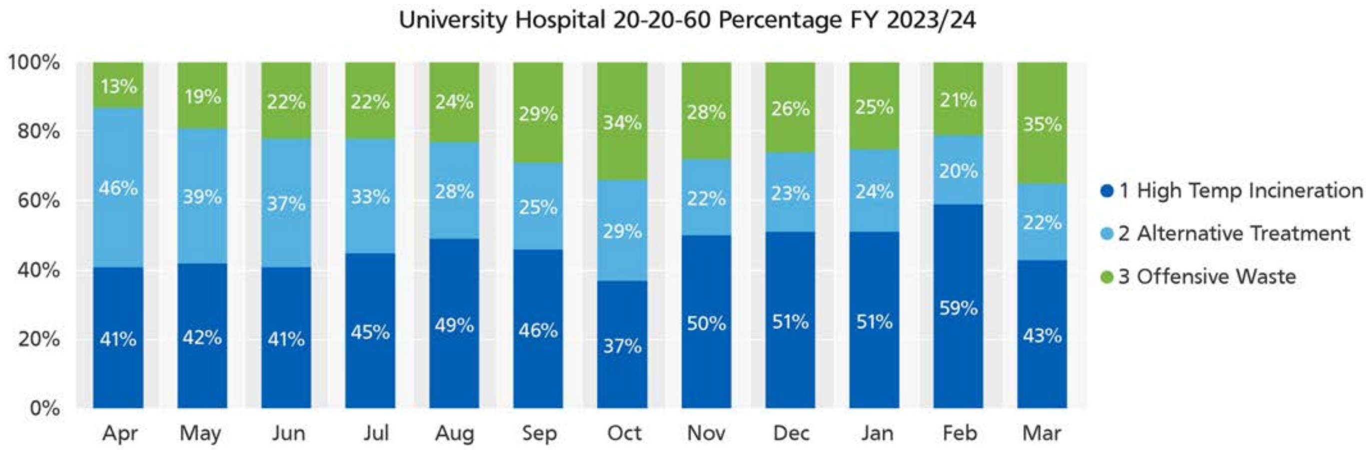


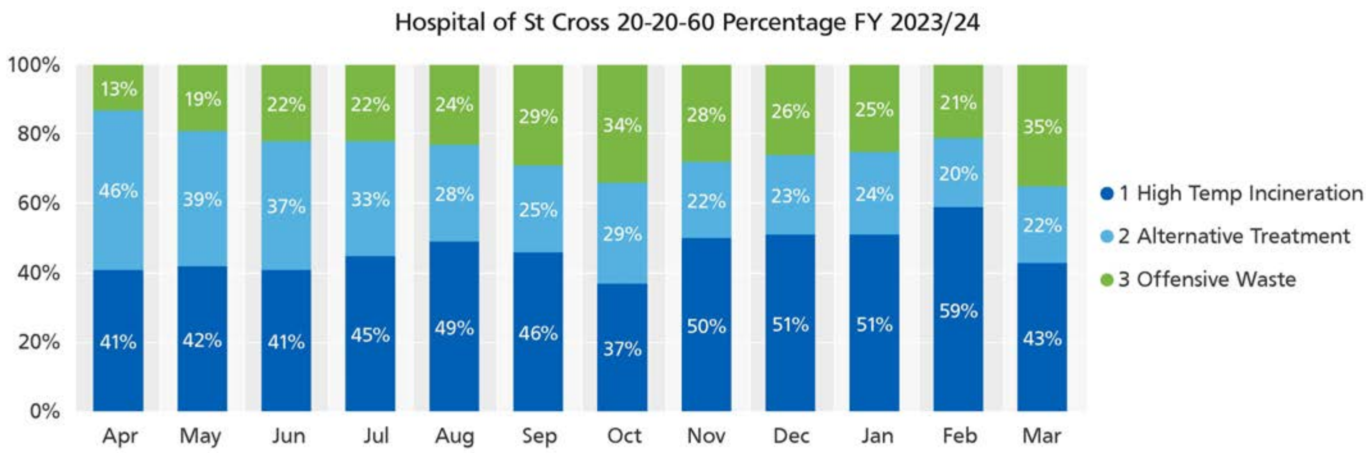
The graph above shows segregation of waste streams across the Trust, UHCW strives to segregate waste as much as possible, to ensure the best available technique is used for treatment of the waste.



The graph above shows waste by type of disposal, there is no landfill as the Trust has a 0% waste to landfill policy which has been in place for many years. Overall waste is reduced through the work of clinical teams segregating waste more effectively and reducing waste entering the waste streams through proactive engagement with procurement partners. The clinical waste figures show the movement towards 60-20-20 segregation which has improved year-on-year.

Clinical Waste





The Trust is used as an exemplar in HTM 07-01 for its use of reusable sharps bins. The separation of clinical waste streams into to 20-20-60 split (20% clinical. 20% infectious and 60% offensive is a target that has been set by NHSE). This has been achieved with great success at the Hospital of St Cross.

The clinical waste streams are more diverse and complex at the University Hospital site. To support the staff in achieving the 20-20-60, there is intensive work ongoing with ISS who now have a Waste and Sustainability Manager in post.

There has been some training on bag awareness as tiger striped, yellow bags can be perceived as yellow if not checked appropriately. This leads to inaccurate reporting.

Monthly ward walks, zonal hub reconfiguration, labelling and training are being rolled out to educate staff on the correct way to dispose of hospital produced waste. The Net Zero Delivery Team are working with the ISS Waste and Sustainability Manager who is offering fun innovative training which has improved staff engagement with waste separation.

There has also been support from Infection Prevention and Control and as a designated Pathway to Excellence organisation, the yearly ward accreditation includes inspection of waste streams. There has been a knowledge gap identified as to how we dispose of our Waste Electrical and Electronic Equipment (WEEE). A task and finish group has been set up to reduce this gap and ensure that we are safely disposing of our WEEE waste in a manner that is the least carbon intensive.

Food Waste

New NHSE National standards for healthcare food and drink have been introduced and a compliance visit from NHSE resulted in compliments on our food. Our providers are introducing timely patient food ordering where patients can order what they want rather than being served with the food that the previous patient has ordered.

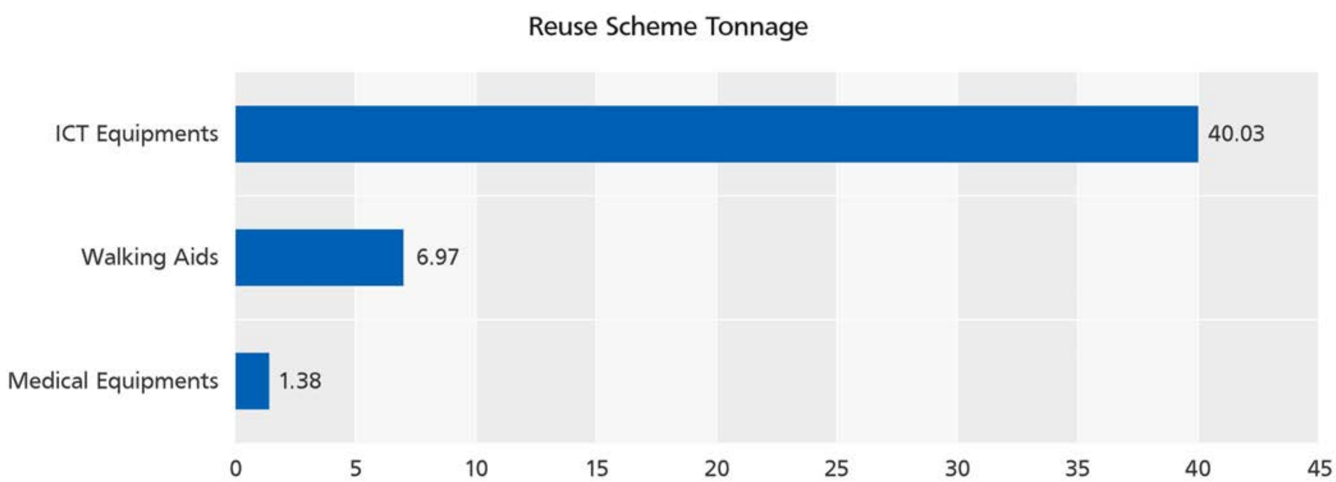
By having more choice and a robust ordering system, patients can choose what they need and thus there is less waste. ISS are keen to receive feedback on the food that they serve the patients so not only is there a mechanism for patient comments, but they regularly run taster sessions to allow the staff to try the food that we serve on the wards.

ISS have changed sandwich suppliers for both patient catering and retail and have chosen the Real Wrap Company. Part of the strategy for new suppliers is to see what they are doing regarding sustainability and the Real Wrap Company use eco packaging, produce zero food waste and track their carbon lifecycle.

ISS are also working with OLIO as a pilot site where volunteers collect food that cannot be used (the sell by date ends at midnight or hot food that is usually thrown away) and then distribute this throughout the local communities. All collections meet food safety standards. This not only reduces the carbon footprint of wasted food but has a positive social impact and supports the local community.

ISS have also launched Coolfood Meals in both restaurants, crafting low carbon certified dishes that are climate friendly.

Reuse Inside Organisation



UHCW has its own reuse scheme that includes medical equipment, walking aids, IT equipment, furniture etc. these operate in separate streams, but the data is collated above. This is a PFI Trust and as such a significant amount of furniture and equipment is not owned by the Trust, but that which belongs to UHCW is part of the reuse scheme alongside some PFI equipment in partnership with PFI companies. There has been limited reuse in previous years, this year has seen significant work in this area as it is recognised there are substantial carbon reductions to be made.

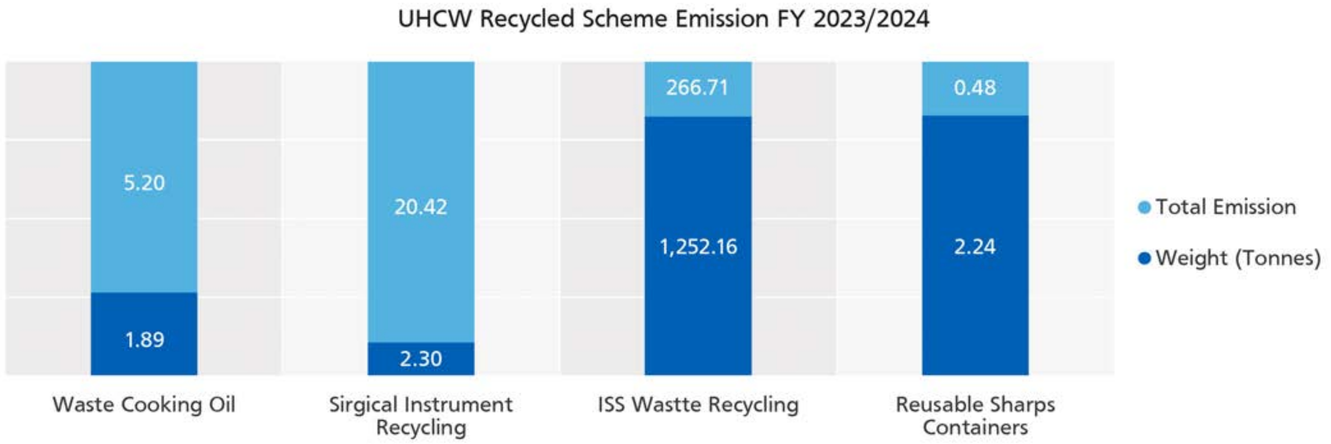
A key area is walking aids traditionally seen as single use, walking aids are now cleaned, inspected and returned to use, there is a national NHS target for Trusts to reuse 40% of walking aids by 2025, the Trust currently reuses 27% with a carbon savings of 99.97 kgCO2e/unit.

Those walking aids that are provided by our contracted providers are collected and returned where they are processed and reissued or scrapped. Walking aids that have been purchased by the Trust are collected and processed in house. They are either reissued or sent to British Medical Auction (BMA) for them to sell on as scrap or substantial renovation.

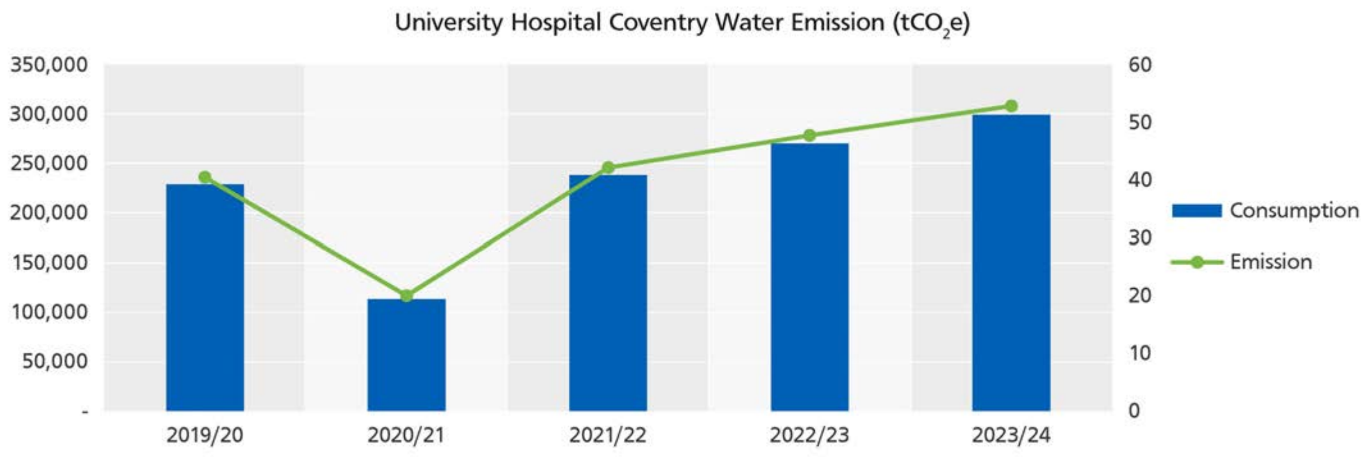
Orthotics produce considerable waste as their devices are single use. Due to current legislation, these cannot be reused in the UK. However, many are in perfect condition, so these too are sent to BMA where charity organisations purchase them. These processes have saved the Trust 15,169.80 financial year 2023/24 in revenue.

Furniture and non-medical equipment are reused in house via a 'swaps and wanted' scheme where staff can advertise their items. Other medical devices and hospital equipment that are not PFI owned and have reached the end of their life are collected by Hilditch (£30,919.02 financial year 22/23 and not received 23/24), who again send them for auction. The Clinical Procurement Engagement Group have also set up a swap and wanted process for medical equipment and consumables.

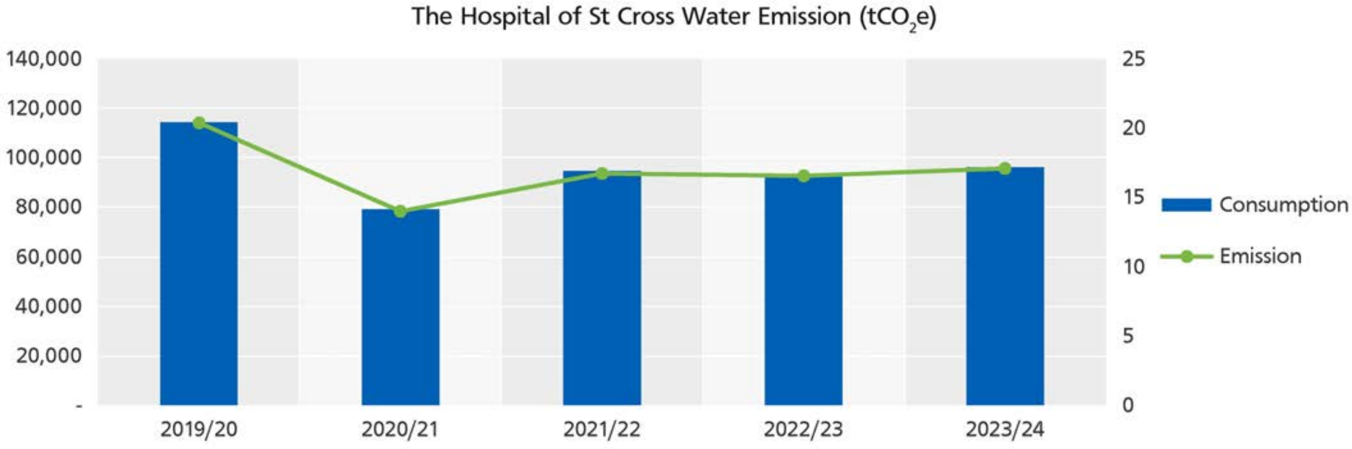
Recycled Outside Organisation



Water Usage
University Hospital



The Hospital of St Cross



From the figures above, in 2020, University Hospital, had a significant decrease to 113,187 litres, a reduction of 50.6% compared to the baseline year. The highest water consumption was recorded in 2023 at 299,517 litres, reflecting a 10.8% increase from the previous year. There is a uniform increase in emission post-Covid, with a peak of 52.92 tonnes tCO2e in 2023.

For the Hospital of St Cross, from 2019 to 2023, there was an overall reduction in consumption by approximately 16.9% and in emissions by around 16.7%.

There has been an increase in water usage across the University Hospital site due to expansion and longer operating hours. The Trust has installed Automatic Meter Readers (AMR) across both sites to improve visibility of water usage as they will provide half hourly data to a web portal allowing rapid identification of leaks going forward and improved water usage trend analysis.

Sustainable Construction/Capital Projects Commentary

UHCW follows the National NHS Net Zero Building Standard for all large refurbishments and new builds. The primary function of sustainable construction is to reduce the impact on the environment.

The Trust has a recently completed new build Endoscopy Unit at the Hospital of St Cross which has been validated and certificated BREEAM Excellent. The unit contains on site electrical generation through solar PV and support for sustainable travel. All capital works are subject to a sustainability review before being approved, working towards whole life carbon analysis of new projects.

It is crucial that the impact of climate change is considered in newbuilds and projects to ensure minimal increase in energy use to cope with increased external air temperatures, rainfall etc. The Trust has significant focus on climate adaptation to ensure that new builds are designed to reduce the risks of climate change.

Nature Recovery and Biodiversity Action Planning

Not only a biodiversity improvement but improvement for staff, patients and visitors.

New to UHCW: Seed Library and Wellbeing Garden

Not content with managing their huge range of medical literature, online resources and well-loved collection of fiction, the Library Team and Faith Services are joining to flex their green fingers in preparation for their brand-new Seed Library and Wellbeing Garden.

Seed libraries are places where people can borrow seeds for gardening, in turn promoting seed diversity and local food production, as well as supporting health and wellbeing and building a UHCW community.

Staff will be able to take seeds from the Library itself, or from the Faith Centre – there is no need to a be a library member. The seeds can be taken home to grow. There will also be limited space available to grow crops in the Faith Centre courtyard.

The Seed Library will operate on a borrow-grow-donate principle. Participating staff will be expected to donate a portion of seeds from their harvest back to the seed library. The Seed Library and Wellbeing Garden Team are keen for staff to donate surplus seeds where possible.

This scheme offers a fantastic opportunity to work collaboratively across the Trust and to encourage the use of space for those who might not have access to a garden.

As well as this initiative UHCW is encouraging staff to 'grow their own' in other ways. Seed cards and seed bombs are given out at corporate events for staff to plant and send in photos of the flowers that have grown.

The Trust provides vacant land for staff to site bee hives and care for them under the guidance of Warick and Leamington Bee Keepers Association. The Trust promotes a no mow policy in areas of grassland to encourage wildflowers and support pollinators.

Procurement: Procuring Sustainable Products and Services

The procurement department has supported the move to sustainable goods and services for a number of years. The introduction of Procurement Policy Notice (PPN) PPN06/20 and PPN06/21 has changed the evaluation process to implement a minimum 10% Social Value weighting when goods and services are competed. NHS Supply Chain is working with the Trust to evaluate and select suppliers that are at the forefront of reducing carbon in our and their supply chain.

PPN06/20 supports the implementation of Social Value. Social Value supports people, local economy and environment in a sustainable way. Social Value has a minimum weighting of 10% for all competed tender exercises and UHCW works with several contracting providers and requests the social value status of the awarded supplier(s).

PPN06/21 requires suppliers to develop, submit and maintain Carbon Reduction Plans (CRP) to provide information to contracting authorities on their current and future carbon performance.

The Procurement Act 2023 which will come into effect in October 2024 will further develop the implementation of both PPNs and supplier performance reporting to support contracting authorities to choose suppliers that are investing and innovating their goods and services to deliver a net zero NHS.

Reducing environmental impacts from ICT and Digital

Digital solutions play an increasingly vital role at UHCW NHS Trust. However, it is essential to acknowledge and address the environmental impacts associated with these technologies. By adopting sustainable practices, the UHCW NHS Trust can contribute to improved sustainability while still delivering high-quality healthcare services.

1.Energy Efficiency: Implement energy-efficient practices across IT infrastructure. This includes optimising server rooms (PFI dependent), consolidating equipment, and utilising power management settings on devices. Transitioning to energy-efficient hardware over time will significantly reduce energy consumption and associated carbon emissions.

2. Virtualisation and Cloud Computing: The Trust is approximately 90% virtual with 5% cloud and 5% physical servers. The Trust can achieve greater efficiency, reduce the need for additional hardware, and minimise energy consumption by migrating further to the Cloud.

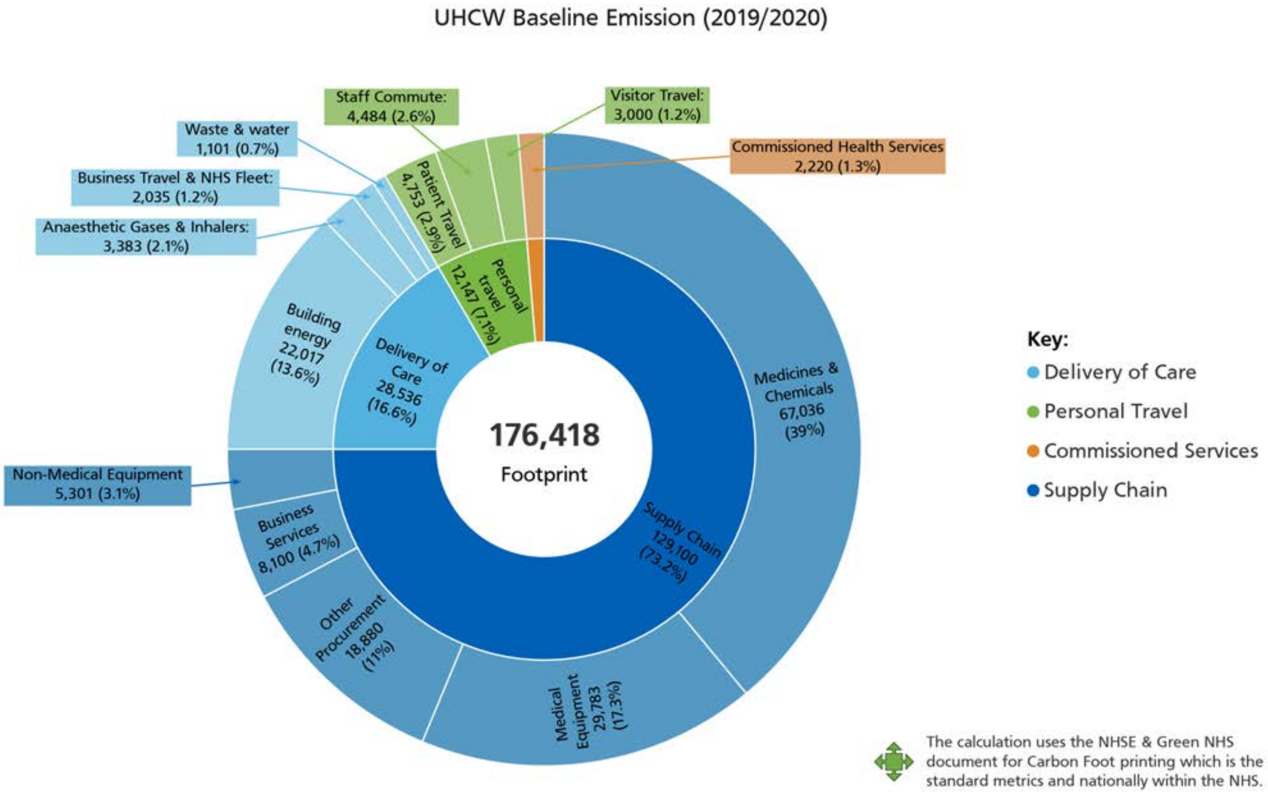
3. Green Procurement: When procuring new IT equipment and devices, prioritise vendors who prioritise sustainability. Use energy-efficient products with eco-label certifications and consider the entire lifecycle of the equipment, including extending life and disposal or recycling.

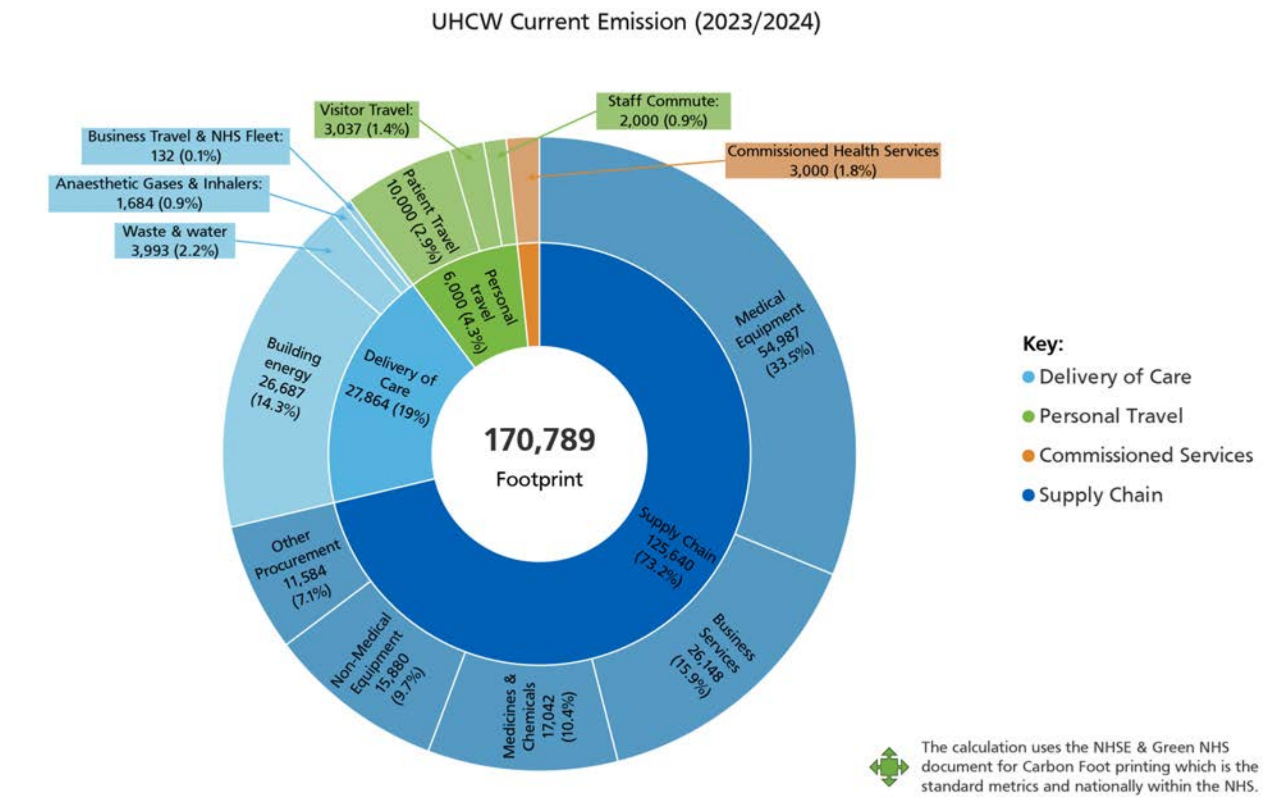
4. Going Paper-Lite: The implementation of EPR plus the patient portal and other technologies such as voice recognition will help reduce the volume of paper and postage for the Trust.

5. Remote Working and Video Calling: Promote remote work options for appropriate roles, reducing the need for commuting and associated carbon emissions. Encourage the use of video conferencing (Teams) for staff and remote consultation\telemedicine to minimise travel requirements for patients and healthcare professionals.

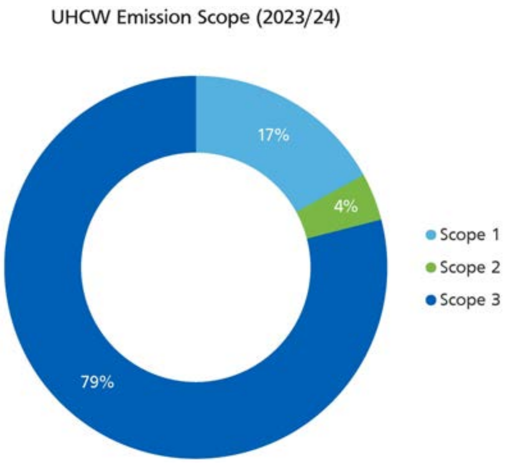
By implementing these strategies, UHCW NHS Trust can significantly reduce its environmental impacts from ICT and Digital.

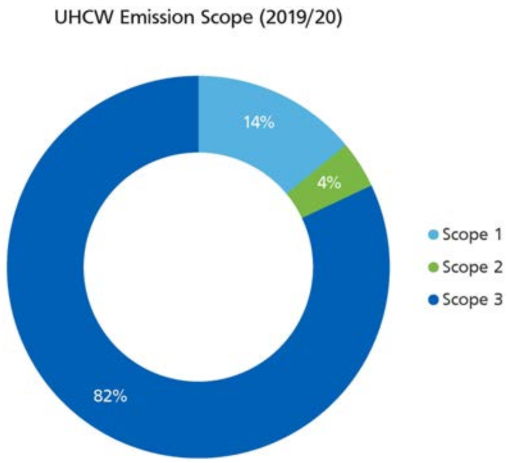
All Scopes



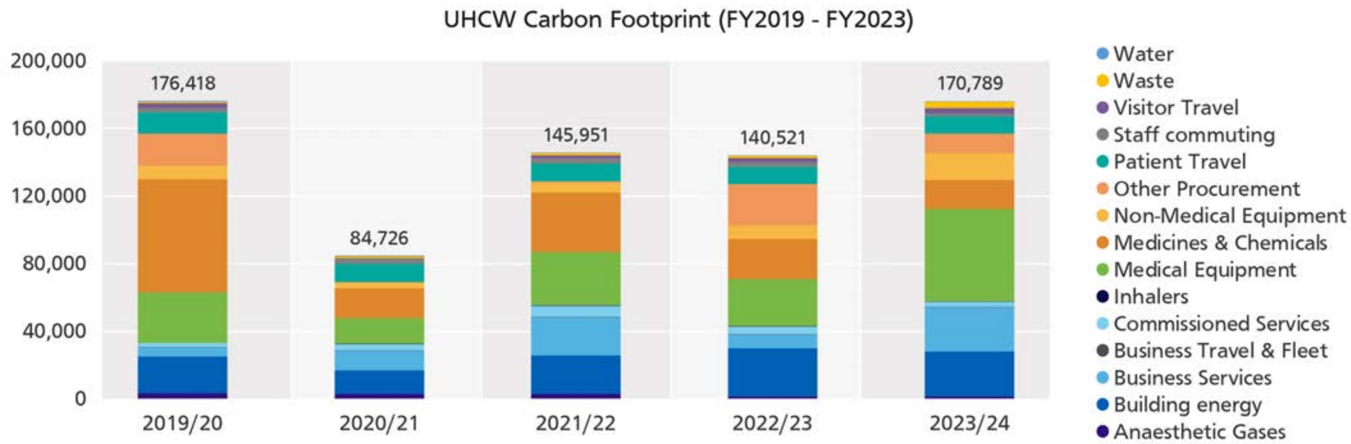


The carbon footprints above show the change from the baseline carbon footprint to the current reporting year, what is not obvious is the increase in activity and expansion of the Trust during this time. The Trust has expanded, there are increased staff numbers, alongside increased patient contacts. The overriding direction of travel is still down, a reduction of CO2e emissions. The Trust is working towards showing a more accurate carbon footprint which includes business expansion.



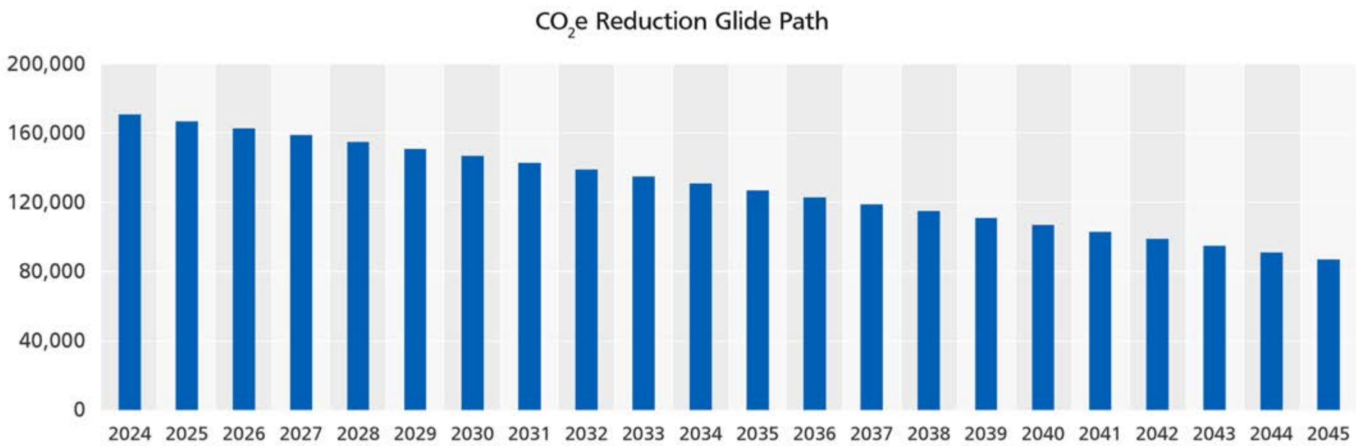


These graphs above show the total and the breakdown into scopes of our carbon footprint.



From 2019 to 2023, there has been a notable reduction in emissions (tCO2e) across various sectors, with some areas showing significant decreases while others remained relatively stable or experienced slight increases.

After 2020/21, emissions experienced an exponential increase; however, they remain significantly below the baseline emission level of 176,418 tCO2e. Our current emission is 170,789 tCO2e, representing a marginal decrease of 3.3% over the baseline year. The years between the baseline year and the current reporting period are artificially low because of the impact of Covid.



The graph above shows a glide path to what is estimated Net Zero will be at 2045. The prediction is based on current technology, it is likely the remaining emissions will be in the supply chain and solutions will arrive to reduce emissions still further as time goes on. It is also likely that carbon reduction will be less even, for example removal of gas will see a dramatic reduction, but the following year may be less dramatic, but on average 4,000 tonnes of CO2e reduced per annum is an achievable goal.

Improving Our Data Science

Developing our data science skills is a critical step in our quest to reach Net Zero targets. We are positioned to extract insightful information from large datasets by utilising data analytics, machine learning, and artificial intelligence technologies. This will facilitate well-informed decision-making and sustainable practices.

We enable our teams to extract meaningful insight, optimise resource allocation, and find possibilities for reducing our carbon footprint by investing in data science infrastructure and continuously innovating. By utilising data, we open the door to revolutionary change and direct our medical procedures in the direction of a more sustainable and environmentally friendly future.

Using data-driven approaches in our Net Zero projects not only increases our environmental effect but also strengthens our resolve to manage resources responsibly. By putting a greater emphasis on data science, we put ourselves at the forefront of sustainable innovation and make quantifiable progress towards our Net Zero goals.

By working together and implementing strategic data science initiatives, we are able to steer the future towards greater sustainability and resilience for future generations.

Adapting to Climate Change

The Trust has been working on its response to climate change and how it will adapt to climate related events. The Trust has developed a plan and is working with local councils in developing a more regional and ICB relevant Climate Adaptation Plan. UHCW is working to better understand the impacts of climate change on the business, working in partnership with Warwick University the Trust is drilling down into the data around climate events to establish impacts and opportunities from these events. It is also increasing data collection to provide better weather and organisational data, alongside methodologies to process the data and escalate the findings.

The Trust has historically used the UK Climate Impact Programme (UKCIP) to assess the impacts of climate change. Going forward the Trust is working with several partners to refine this down into greater detail.

The Board receives six-monthly Net Zero Delivery updates via the Strategic Delivery Board and Climate Risk forms part of that update. The reporting is continually improved and a large part of that are the improved data streams and data collection that is currently being undertaken in line with the UHCWi methodology making the invisible visible.

The Trust has a Climate Adaptation Group that looks at the risks from climate related events and updates the risks from climate incidents based on data collected.

Saving Turtles Staff Engagement

Greener NHSE ran a Greener Nurse and Midwife week in March where the Trust had representation from Dr Helen Wilkins at a regional webinar where she talked about greening your ED. The Emergency Department has recently joined Green ED, the Royal College of Emergency Medicine's initiative to make emergency departments greener.

Currently we are one of 14 participating sites in the UK who meet monthly to support ongoing projects and share ideas for new environmental initiatives. As part of this we have undertaken many projects to reduce our carbon footprint. Examples of projects range from reducing paper use via QR codes for patient leaflets, improving our recycling with 16 new recycling bins, removing single use plastic from catering and reducing unnecessary cannulation.

While these projects help us move towards the Net Zero target, they also have other benefits such as improved patient care, reduced workload for staff and also significant financial savings. Green ED has an accreditation scheme for completing various sustainability actions and we are in the process of completing our bronze accreditation currently.

Two of the carbon hotspots in the Emergency Department are metered dose inhalers and Entonox usage. There are ongoing projects to reduce both. Metered dose inhalers will be replaced with dry powder inhalers where appropriate and Entonox usage will be replaced by Penthrox (Methoxyfluorane) which has a much lower greenhouse gas potential than Entonox. Both projects are at the final stages and will have a significant impact on our carbon footprint.

We are also reviewing a number of blood tests and X-rays as part of our ED reduction projects. These include coagulation screens, salicylate levels, CRP, venous blood gas and chest X-ray in chest pain. As well as carbon and cost saving these will help to streamline the patient journey in the Emergency Department.

For our department to achieve its aim in reducing carbon it is important that we work as a multidisciplinary team. Our projects have seen input from staff across the team, from doctors, nurses and advanced care practitioners to store managers and domestic staff.

The Green ED project reports monthly into the two Trust-wide sustainability groups, Saving Turtles and the Net Zero Delivery Group.

Future projects include reusable suture packs and reviewing all of our take home medication to ensure that we are dispensing in an appropriate and effective manner.

The sustainability staff group (Saving Turtles) has grown this year and there are over 100 active members from all professions. It has become a huge network where everyone is there to support each other with green projects. Whilst not everyone is able to attend the monthly meetings, they keep up to date and share stories and projects via an online platform.

There has been increasing interest from the junior doctors who are able to join for the duration of their time at UHCW and then take their learning to other Trusts. There has also been interest from the medical students from Warwick University and the Net Zero Team has supported a student with a sustainability project on Green Endoscopy which they presented at Grand Round.

Other projects that have not been previously mentioned and that team members are exploring are:

- Paediatrics are now using paper 'top and tail' pots
- IPC are supporting 'the gloves are off' campaign
- Research and Development are working with Warwick University's Warwick Manufacturing Group to find innovative ways to turn clean plastic waste into insulation for cool chain tissue transport
- Theatre tray rationalisation
- Trust adoption of reusable theatre hats in other high-risk areas.

There has also been much engagement from non-clinical office areas where the keenness to make a difference has resulted in the production of innovative reusable post-its, under keyboard pads, centralised stationary stores, removal of many bins and reduction of printing.

There is ongoing work around personal awareness and global responsibility when it comes to reuse and recycling. The Net Zero Team along with Clinical Diagnostics and the Staff Wellbeing Team ran a winter wellbeing event where the emphasis was on supporting staff to be safe and warm over winter. A Christmas jumper, coat and partywear swap shop proved very popular and over 30 jumpers found new homes. There was input from flu jab, people support, library services and security, this event proved extremely popular and news of it spread far. There are plans to run it as a regional event this year.

Health and Wellbeing

The Net Zero Team are working alongside the Health and Wellbeing Team with many projects and schemes overlapping. A healthy planet means healthy people and both teams support and encourage any activity that is conducive to staff health, reduces waste and saves money. From cycling to work, discounts on public transport, car sharing to information regarding food apps that redistribute short, dated food information is shared between the teams and then published.

Sustainable Models of Care

Many professional bodies and Royal Colleges are declaring a climate emergency and encouraging their members to add sustainability to the quality impact assessment when assessing new treatments or reviewing existing ones. The Hippocratic Oath is to "first do no harm", unfortunately healthcare services often inadvertently cause damage to the local and global environment with its large carbon footprint. However, safe quality care is the utmost consideration along with financial acumen and environmental impact.
UHCW provides a Hospital at Home service where patients who can be, are treated at home. This is better for them, patients do better at home and it is greener, as a hospital bed stay is more carbon intensive than being at home.

The Trust also has a target of 25% for offering virtual appointments and patient initiated follow up (PIFU) appointments.
The Trust is currently offering 19% of appointments virtually.

As stated, many of the surgical consultants are becoming more aware of the carbon footprint of the work that they do and are actively working with the Net Zero Team to reduce this. Alternative reusable gowns and drapes, reusable instrumentation, alcohol hand rub and reduction in instrumentation are a few of the nationally recognised carbon reduction processes that are being introduced as contractual obligations allow. The Green Surgery Checklist, as recommended by Royal Colleges is being trialled with some success.

The Anaesthetic Department has been very proactive in changing their practises to greener methods. From evangelically removing Desflurane, capping off Nitrous Oxide manifolds, embracing coolsticks as an alternative to Ethyl Chloride, trialling gown-less spinals to Intravenous to Oral Switch (IVOS) of all possible medication.

The Endoscopy Department was able to support a medical student with a 'Greening Endoscopy' study which demonstrated that improvements could be made with the patient pathway.

At UHCW, the convergence of innovation and sustainability initiatives is spearheading transformative projects aimed at meeting these targets while enhancing patient care and operational efficiency.

Tracking Waste with Precision

One of our projects that is in collaboration with an external partner, involves the development of a sophisticated digital tool to track segregated waste within the hospital premises. Initially focusing on sharps bins, this tool offers real-time insights into waste generation, disposal patterns, and destination points. By ensuring compliance with waste management regulations, the hospital will not only uphold its environmental responsibility but will also gain a comprehensive understanding of its waste footprint. With an initial prototype made and tested, the platform is ready to be further developed, expanding its waste tracking capabilities to other forms of medical waste, further enhancing sustainability practices.

Testing VR in Patient Care

By introducing new technologies into suitable procedures, we can improve patient care and make them safer and greener to deliver. We have been demoing virtual reality (VR) platforms, with the aim to keep patients calm and awake instead of administering anaesthesia, the hospital not only streamlines procedures but also minimises the associated risks and costs. This patient-centred approach not only contributes to environmental sustainability but also prioritises patient safety and comfort.

Empowering Staff Towards Greener Practices

Engaging staff in sustainable practices is paramount to achieving Net Zero targets. To this end, our teams have been working together to find new and inventive ways to incentivise staff members to adopt greener habits both at work and in their personal lives. By fostering a culture of environmental consciousness and providing incentives for sustainable actions, the hospital not only reduces its Scope 3 Emissions but also cultivates a sense of collective responsibility among its workforces. We are still in the exploratory phase of this project and have been looking into existing solutions that can be used to reach staff and monitor our collective progress.

By harnessing technological advancements, reimagining traditional practices, and fostering a culture of sustainability, the hospital is not only advancing towards its Net Zero goals but also setting a precedent for sustainable healthcare practices nationwide.

Workforce

The Office of the Chief Allied Heath Profession Officer (CAHPO) along with Greener NHS launched the second Greener AHP week in April. There was representation from the Trust on the national planning committee and the Trust took part in a live link to the launch webinar where there were displays of the green work that AHPs are doing.

The Surgical Consultant body are aware that surgery is highly carbon intensive and various specialities have been working on reducing their carbon footprint.

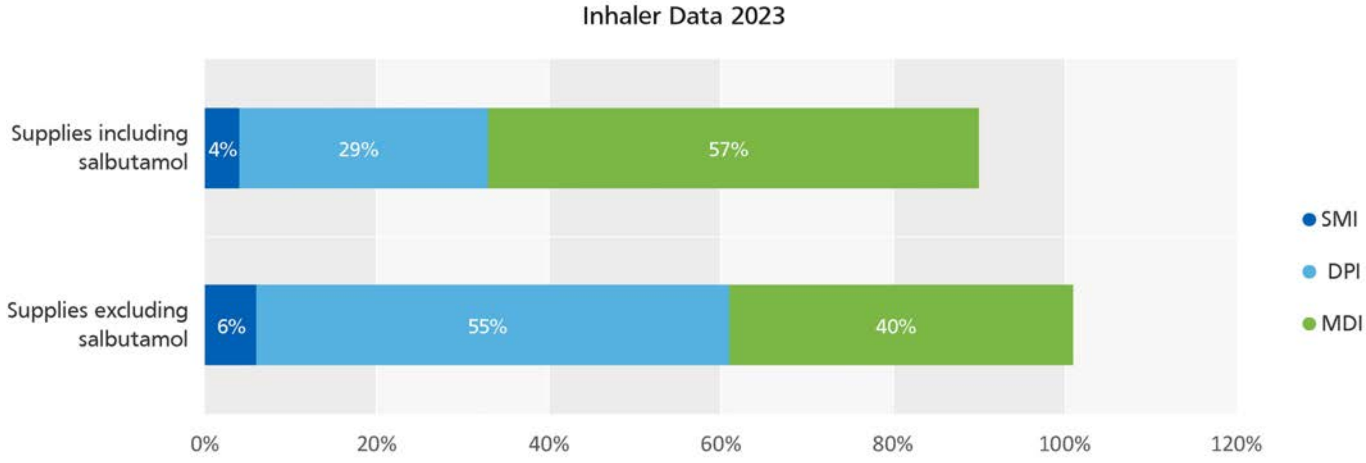
Mr O'Callaghan is co-chair of a working group set up by NHS Blood and Transplant, to look at reducing the carbon footprint of transplantation across the UK, the Ortho Plastic Hand Team are reducing the surgical pathway for hand surgery, the Breast Team and Head and Neck are trialling the Intercollegiate Green Surgery Checklist. The Urology Consultants are using UHCWi methodology to run a rapid process improvement workshop purely on sustainability in robotic prostatectomies.

Medicines

Alongside the anaesthetic gas work as described previously: the Trust ceased using Desflurane in March 2023. The Nitrous Oxide outlet at the Hospital of St Cross was also capped off.

The Trust has set a target of prescribing at least 50% Dry Powder Inhalers (DPI) for all inhaler types and has set a goal to reduce Metered Dose Inhalers (MDI) to 25% of all non-salbutamol inhalers, where clinically appropriate. The excellent work that the Respiratory Team are doing by appropriate prescribing and education has given us a great place to start.

We are currently prescribing 29% DPI for all inhaler types and 40% MDI of all non-salbutamol inhalers.

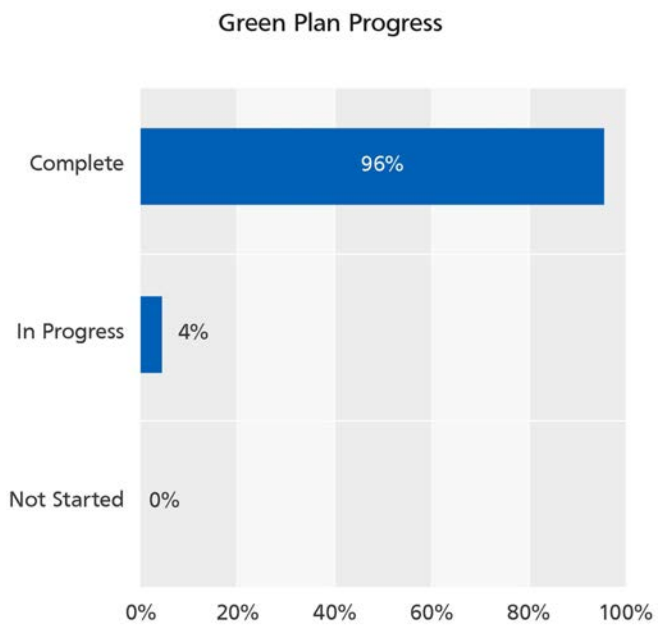


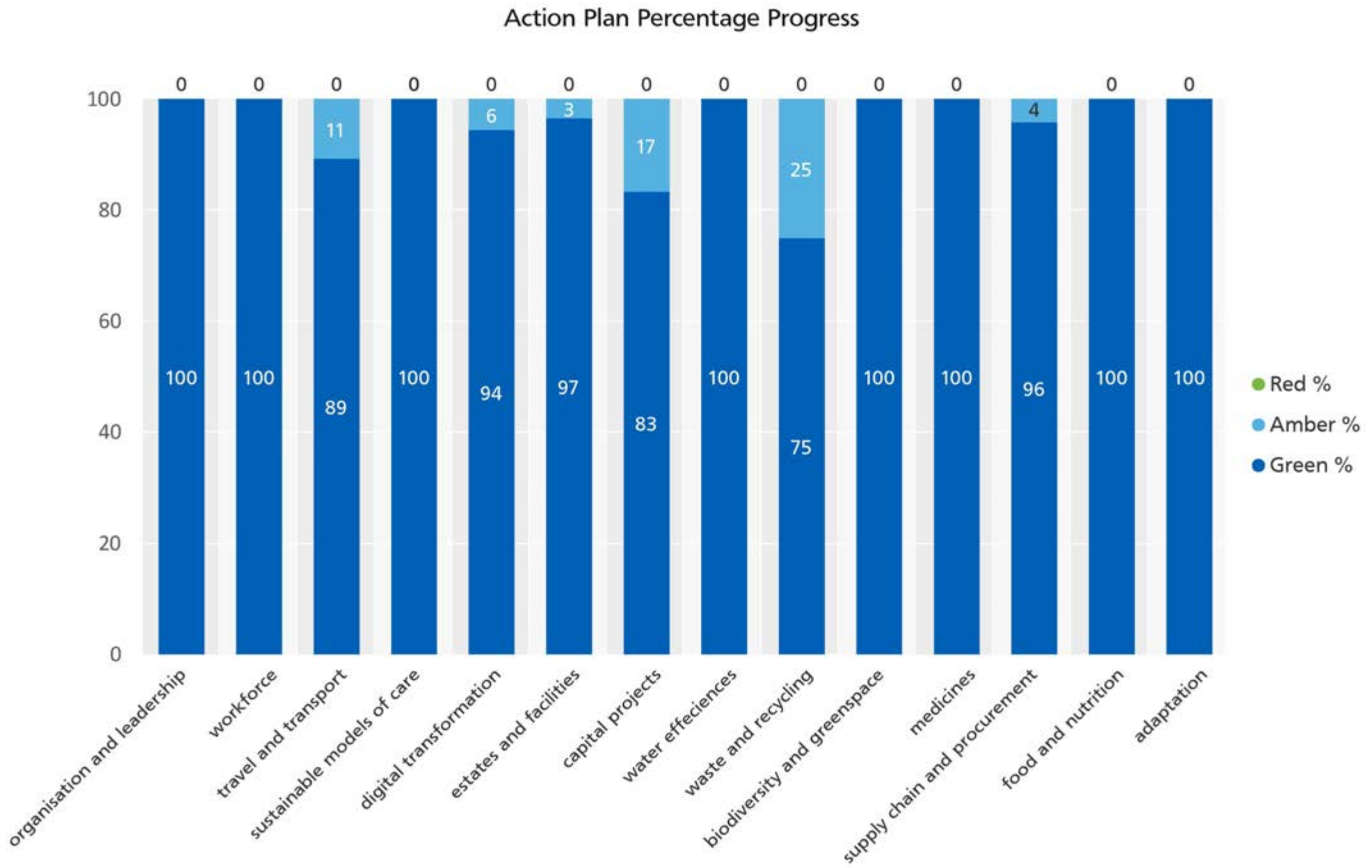
This data includes ED prescriptions where the clinical team are working with the ICB to ensure that prescriptions that are changed in hospital are continued in the community, and vice versa.

Green Plan

There are 206 actions which support the 14 areas of focus in the Green Plan. The team meet monthly to discuss progress and support each other with completion of these actions. This continuous focus on the actions has resulted in a year end completion figure of 96%. The actions which are still in progress are those beyond the group's control where there is reliance on third parties. These actions will roll over to the subsequent Green Plan and those that are completed will be embedded into everyday practice and become business as usual.

The chart below shows the progress of the Green Plan by percentage against targets:





The Future

The Net Zero Delivery Team are looking forward to 24/25 with the new projects that are planned. There is further work planned on reducing our demand for piped nitrous. This is a long-term project as it requires multidisciplinary working with the PFI partners and Medical Equipment and Bioengineering Services department as well as robust governance oversight.

Along with this, the Anaesthetic Department are constantly working on sustainability projects and are exploring how to power down appropriate theatres air handling units overnight. This is also involving multi-department working.

The Green ED accreditation is a continual assessment process, and we hope to achieve silver this year. Consultant Dr Helen Wilkins continues to raise the national profile of the Trust in her role as Green ED lead and uses her expertise to encourage other organisations to do the same.

The Net Zero Delivery Team look forward to the further expansion of the Green Champions Network as sustainability is being embraced by Shared Decision-Making Councils with two councils already in progress whose sole focus is how to make their departments greener.

Part 4 Accountability Report

4.1 Corporate Governance Report

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Trust Board considers that 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 the Trust's performance, business model and strategy.

Name	Role	Voting status
Sue Noyes	Chair (non-executive)	Voting
Jerry Gould	Vice-Chair (non-executive)	Voting
Afzal Ismail	Non-Executive Director	Voting
Jenny Mawby-Groom	Non-Executive Director	Voting
Carole Mills	Non-Executive Director	Voting
Gavin Perkins	Non-Executive Director	Voting
Janet Williamson	Non-Executive Director	Voting
Douglas Howat	Associate Non-Executive Director	Non-voting
Jaiye Olaleye	Associate Non-Executive Director	Non-voting
Andy Hardy	Chief Executive Officer	Voting
Su Rollason	Deputy Chief Executive Officer / Chief Finance Officer	Voting
Tracey Brigstock	Chief Nursing Officer	Voting
Donna Griffiths	Chief People Officer	Voting
Jonathan Young	Chief Medical Officer	Voting
Gaby Harris	Chief Operating Officer	Non-voting
Justine Richards	Chier Strategy and Transformation Officer	Non-voting

Other individuals were in Board level roles during 2023-24 as follows:

Name	Role	Details
Stella Manzie	Chair (voting)	Departed on 30 September 2023
Mo Hussain	Chief Quality Officer (non-voting)	Departed on 3 December 2023
Jo Lydon	Acting Chief Operating Officer (voting)	Acting in post during planned absence of COO 10 July 2023 to 6 October 2023
Kiran Patel	Deputy CEO / Chief Medical Officer (voting)	Departed on 3 March 2024

*From 1 October 2023 until 31 January 2024, Jerry Gould acted up as Chair and Carole Mills and Janet Williamson jointly acted up as Vice Chairs.

Board Committees

During 2023/24, five Board committees supported the work of the Trust Board. The committees and their memberships are described below:

Audit and Risk Assurance Committee

Chair: Afzal Ismail

Members: Jerry Gould (except for the period during which he was acting Chair, 1 October 2023 to 31 January 2024), Douglas Howat, Gavin Perkins.

Finance and Performance Committee

Chair: Jerry Gould

Members: Jenny Mawby-Groom, Janet Williamson, Su Rollason, Gaby Harris (except during period when Jo Lydon was acting up as Chief Operating Officer as described above).

People Committee

Chair: Jenny-Mawby Groom

Members: Afzal Ismail, Jaiye Olaleye, Carole Mills, Donna Griffiths, Justine Richards

Quality and Safety Committee

Chair: Carole Mills

Members: Douglas Howat, Gavin Perkins, Janet Williamson, Tracey Brigstock, Mo Hussain (until 3 December 2023), Kiran Patel (until 3 March 2024), Jonathan Young (from 4 March 2024).

Remuneration Committee

Chair: Stella Manzie (until 30 September 2023), Jerry Gould (from 1 October 2023 to 31 January 2024), Sue Noyes (from 1 February 2024)

Members: Jerry Gould (until 30 September 2023 and from 1 February 2024), Afzal Ismail, Jenny Mawby-Groom, Carole Mills, Gavin Perkins, Janet Williamson.

Company directorships and other significant interests held by Board members

A register of Trust Board member interests is held and has been reported to every public Board meeting with effect from 1 February 2024. This is available to view within the meeting papers on the public website at the following URL: https://www.uhcw.nhs.uk/our-organisation/trust-board-meetings/

External Auditor Remuneration

The total external audit fees/remuneration recorded in the accounts for 2023/24 is £151,000 excluding VAT, in comparison to £138,000 in 2022/23 excluding VAT.

Disclosures

Equality and Diversity

Relevant disclosures regarding disabled employees and equal opportunities and also in relation to how we inform and engage with our staff are included within the Staff Report section of this document.

Sickness Absence Data

Information on sickness absence is included within the Staff Report.

Cost of Information

We comply with HM Treasury Guidance on setting charges for information. We do not generally make any charge for information requested under the Freedom of Information Act and will generally provide information in hard copy or media e.g. a CD without cost. There is however, provision within the legislation for us to refuse a request if the cost of providing the information is in excess of £450 or the equivalent in staff time that would be needed to retrieve and collate it. For further information please see our website: http://www.uhcw.nhs.uk/about-us/freedom-of-information-act

4.1.2 Emergency Preparedness, Resilience and Response

The Civil Contingencies Act 2004 and associated statutory regulations and guidance requires UHCW to have comprehensive plans that ensure that critical functions are provided, as far as reasonably practical and to a predetermined level, during an emergency. The Trust must demonstrate that it can effectively respond to emergencies and business continuity incidents while maintaining services to patients. This work is referred to in the NHS as "Emergency Preparedness, Resilience and Response" (EPRR).

NHS England monitor compliance through a Core Standards Assurance process. UHCW achieved a 'Substantially Compliant' status this year (2023), significantly improving on the previous year's non-compliant position.

UHCW has developed a robust work programme that focuses on achieving a fully compliant status. This includes:
- Strengthening business continuity across all departments and services
- Training for business continuity standards for service leaders
- Maintaining comprehensive plans to respond to diverse incidents and emergencies which are current and validated through scheduled tests and exercises over the next 12 months
- The development of EPRR Awareness Training for all staff

Training Staff

Training has been conducted to ensure that staff can fulfil their roles and responsibilities effectively in the event of an incident. This training ensures that incident management teams possess the requisite knowledge, skills, and confidence to address the particular response demands.

Annual Governance Statement in section 4.1.8 of this report.

Responding to Incidents

During 2023/2024, there were no activations of the Major Incident Plan and two critical incidents that were declared are listed below
Critical incidents
- Suspicion of Gun Shots on site – 8/9/23
- Girpi Pipe flooding – 4/11/23

In addition, there have also been Business Continuity incidents affecting the Trust and requiring implementation of relevant plans. Elements of Business Continuity Planning are invoked to ensure critical services operate with minimal impact. The following have occurred at UHCW within the past 12 months requiring robust planning and response:
- Girpi pipe leaks
- Full Capacity Protocol activations
- Adverse Weather Events (heatwave, cold weather, flooding)
- Industrial action
- ICT system failures
- Measles outbreak in the West Midlands

A number of exercises were carried out during the last year including a mass casualty live exercise, designed to address capacity within ED following their recent expansion works. Lessons learned have been incorporated into the current plans and training materials.

Summary

Comprehensive plans are in place to ensure the Trust can respond to a range of incidents and emergencies, such as those listed above. Working both internally and externally with partner organisations, the Trust continues to test and revise these plans following incidents and planned exercises and has delivered training to staff involved in the management of incidents.

The current work plan in place aims to continue to drive performance and ensure continued improvement, preparedness and on-going learning.

4.1.3 Care Quality Commission (CQC) Registration

Under the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 and the Care Quality Commission (Registration) Regulations 2009, University Hospitals Coventry and Warwickshire (UHCW) NHS Trust is required to be registered with the CQC in order to carry out its statutory duties.

The Trust is registered with the CQC to provide nine regulated activities across our three sites, with no conditions placed on the Trust's registration throughout 2023/2024.

The Chief Medical Officer is the CQC Nominated Individual (NI) and is responsible for supervising the management of the carrying on of the regulated activity.

In order to maintain registration, the Trust is required to demonstrate compliance with the CQC's Fundamental Standards of Quality and Safety. Throughout 2023 and until early 2024 the CQC continued to carry out inspection activity where they have concerns about quality or safety, thematic reviews to evaluate the quality of a care pathway, or a specific area of service provision. No inspections of Trust services were undertaken in 2023.

The Trust remains rated as Good overall and Good in four domains, with responsive rated as Requires Improvement. Following an inspection of Maternity Services against the safe and well-led domains in November 2022 the service remains rated as Good for safe and Outstanding for well-led.

In early 2024, the CQC introduced a new single assessment framework. The five key questions and ratings remain central to the assessment approach. The five key questions are underpinned by quality statements that show what is needed to deliver high quality person-centred care. Evidence collected during an assessment will be grouped against six categories which will be used to formulate the rating.

The Trust continues to engage with the CQC through regular provider engagement, including meetings with the CQC relationship owner for the Trust.

Further detail is available in the Quality Account.

4.1.4 NHS Litigation Authority

NHS Resolution (NHSR) is the operating name of the NHS Litigation Authority (NHSLA) which operates risk pooling schemes to which the Trust pays an annual contribution. In return the NHSLA pays the costs of all clinical negligence claims from the NHS annual budget. We are a member of the following NHSLA schemes:

- Clinical Negligence Scheme for Trusts (CNST)
- Liabilities to Third Parties Scheme (LTPS)
- Property Expenses Scheme (PES)

The Trust reported 79 clinical negligence claims to NHSR in the financial year 2023/24. During the year there have been 13 new personal injury claims that have been opened in the year to date.

The Trust is committed to minimising the opportunity for harm to patients and staff. In keeping with our open and honest culture staff are encouraged to report adverse events in a timely manner so that they can be investigated to identify opportunities for future learning and improvement. Action plans are implemented, seeking to avoid similar incidents occurring again. The Trust's Legal Department works closely with the Complaints and Patient Safety departments to identify learning opportunities and mitigate risk.

4.1.5 Principles for Remedy

Improving the experience of each individual patient is at the centre of the NHS Constitution. Obtaining feedback from patients and taking account of their views and priorities are vital for the delivery of high quality services and for driving real service improvements.

The Patient Advice and Liaison Service (PALS) is a core service that provides timely and appropriate access to help, advice and information seven days a week. PALS also facilitate self-advocacy and will assist with discussions and negotiations between service users and representatives of the Trust.

Formal complaints are escalated to and managed by the Trust's Complaints Team in accordance with the NHS Complaint Handling Regulations. Complaint Officers meet group representatives weekly and themes and escalations or concerns are shared. Organisational trends and themes are reported to Trust Groups via monthly reports as well as quarterly and annual reporting to Trust Board. The Patient Experience Team also provides ad-hoc reports to various Committees within the Organisation. Learning actions from PALS and Complaints are captured to enable the Trust to be responsive and remedy focused.

Patient feedback

The Patient Insight and Involvement Team continue to collect patient feedback through the Friends and Family Test Survey, National Survey Programme, local Departmental surveys and through the Patient Story Programme where patient stories are shared with Trust Board. It is imperative we continue to understand our patients' views as services are reinstated and changes are made.

The NHS National Patient Survey Programme is part of the Government's commitment to ensure hospital patient feedback informs continued development and improvement. CQC publishes patient experience surveys in secondary care under their National Patient Survey Programme. This includes surveys for Inpatients, Urgent and Emergency Care, Maternity and Children & Young People. In addition, NHS England publishes the Cancer Patient Experience Survey. Under new and approved governance, action plans are created and monitored by the Patient Experience and Engagement Committee.

Patient Led Assessment of the Care Environment (PLACE)

Every NHS patient should be cared for with compassion and dignity in a clean, safe environment. Where standards fall short, they should be able to draw it to the attention of managers and hold the service to account. PLACE assessments provide motivation for improvement by providing a clear message, directly from patients, about how the environment or services might be enhanced. The assessments take place every year, and results are published to help drive improvements in the care environment. The results show how hospitals are performing both nationally and in relation to other hospitals providing similar services.

These annual assessments were not undertaken in 2023 due to the Electronic Patient Record Programme Launch however, the Trust did undertake a PLACE Lite assessment which is a smaller scale assessment in March 2024. Areas which were included in this assessment were areas which have featured in Complaints, PALS, patient feedback and previous PLACE assessments. Results from the PLACE Lite assessments will be shared with the Patient Experience and Engagement Committee and the PLACE Delivery Group who will monitor progress against an action plan to ensure improvements are made.

Patient Partners

This year the Patient Insight and Involvement Co-Ordinator has focused on making the Patient Partner Forum more inclusive and accessible. Recruitment has taken place at community engagement events and Forum meetings are being trialled at different times and venues to help the Team understand what and how is best to recruit and retain new members. Discussions are underway to set up a Children and Young People's Forum in 2024/25 who would work alongside and complement the Patient Partner Forum.

During the past year members of the Patient Partner Forum have been involved in a number of committees including, Compassionate Communities, Hospital of St Cross Governance Group, the Research Committee and the Patient Experience and Engagement Committee. Members have also been instrumental in many projects and work streams including, surveying patients for departments, participation in Place Delivery Group meetings, Chief Nursing Officer interviews, the state of care in Rugby – Healthwatch Warwickshire and Caring Together Warwickshire event and undertaking a Mystery Shopper Exercise – Noise at Night at UHCW to name a few.

For more information about work being undertaken by the Patient Experience Team please read the Trust's Quality Account 2023-24.

Signed

Chief Executive Officer, 21 June 2024

4.1.6 Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the Trust
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer.

Signed

Chief Executive Officer, 21 June 2024

4.1.7 Statement of Directors' Responsibilities in respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Directors are responsible for keeping 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 direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The Directors 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 Trust's performance, business model and strategy.

By order of the Board

Signed

Chief Executive Officer, 21 June 2024

Signed

Chief Finance Officer, 21 June 2024

4.1.8 The Annual Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accountable 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 University Hospitals Coventry and Warwickshire NHS 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 University Hospitals Coventry and Warwickshire NHS Trust for the year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

I am accountable for risk management across all activities within the Trust and have delegated this responsibility to the Chief Medical Officer, who has overall responsibility at Board level. The Trust has a systematic approach to the identification and management of risks in order to ensure that risk assessment is an integral part of clinical, managerial and financial decision making. The Board and its standing committees collectively review the most significant risks, each of which has a named operational and chief officer lead.

The Trust's Risk Management Policy is in place and this provides on operational risk management. Training is provided to all managers to ensure they are aware of their roles and responsibilities within the framework. Managers review and discuss risks relevant to their area and practice using the risk management software. All staff are informed of the risk management practices in the Trust during their induction.

The risk and control framework

Effective risk management requires the involvement of all staff who are expected to identify and manage risk. The risk management team within the Quality Department is responsible for providing risk management training to help managers assess and evaluate risk. Staff are also provided with training in incident investigation, with changes now adopted following the implementation of the Patient Safety Incident Response Framework (PSIRF).

The risk management process starts with risk assessments that are carried out at all levels of the organisation using a 5x5 matrix using a combination of consequence and likelihood; these risks are then documented on the risk register. A risk register is in place and is utilised across the organisation to capture risks at clinical group and corporate level. The risk register is split into the local risk registers (group and speciality level), the corporate risk register and the Board Assurance Framework for reporting and monitoring purposes.

Low scoring risks are managed within the area in which they arise, whilst higher scoring risks are managed at either clinical group level or through the corporate meeting structure commensurate with their score.

The Risk Committee, which I chair, considers whether any individual risk should be escalated to the corporate risk register. Group leadership teams attend meetings of the Risk Committee on a rotational basis to provide details of the risks in their areas, together with assurance in relation to their management and mitigation. Chief Officers also present the risks relating to their portfolios at the Committee in order that the same assurances can be given.

Risks are discussed at Clinical Group level as part of the Quality Improvement and Patient Safety (QIPS) meetings that take place each month and are also an area of focus in the Trust's performance framework. Information obtained from the QIPS meetings is collated centrally by the Quality Department.

The Board is responsible for the identification and management of risks to the achievement of the objectives that it has agreed and has a Board Assurance Framework (BAF) that is monitored at every Board and committee meeting. The BAF was reviewed in February and March 2022 and a new BAF was implemented with effect from 1 April 2022 to take account of the critical risks facing the organisation alongside the development of a refreshed organisational strategy.

The BAF monitors the following critical risks against the delivery of strategic objectives:

- Quality of Care and Patient Experience (monitored by the Quality and Safety Committee)
- Service Stability (monitored by the Quality and Safety Committee)
- Financial Stability (monitored by the Finance and Performance Committee)
- Operational Performance (monitored by the Finance and Performance Committee)
- Staff Wellbeing and Morale (monitored by the People Committee)
- Workforce Supply (monitored by the People Committee)
- Cyber Security (monitored by the Audit and Risk Committee)

The BAF considers first, second and third lines of assurance alongside associated corporate risks. At the conclusion of every committee meeting, the assurances received during that meeting are considered in the context of the traffic light 'RAG' ratings previously given, and any changes are agreed. This ensures the BAF remains a dynamic document which reflects the assurances that are received and is owned by the committee. The BAF is reported to every Board meeting, for assurance and overview as a whole, and BAF ratings may be changed by the Board based on assurances it also receives.

The Trust has not carried out a self-assessment against the Well-Led framework but this was tested through the CQC inspection process in the autumn of 2019. The rating for the Well-Led domain was 'Good' which also included an improvement in the rating for the Hospital of St Cross, which had previously been 'Requires Improvement'.

Quality governance is managed through a variety of management and assurance committees and processes. These oversee performance and provide assurances to the accountable Chief Officers who report these to the Quality and Safety Committee (QSC) in order to ensure the Trust fulfils its obligations for CQC registration.

During 2023/24, the Trust managed the following significant risks which were subsequently closed or downgraded to local registers:
- Inability to deliver a sustainable Dermatology Service
- No single owner for Trust reporting (EPR-related)
- 23/24 Waste Reduction Delivery
- 23/24 Contract Income – ERF
- 23/24 Capital Programme – Funding
- 23/24 Emergency Pressures
- 23/24 Contract Income – High cost drugs and devices block
- Impact of industrial action
- Registered nurse vacancies

The following significant risks were managed during 2023/24 and remained on the Corporate Risk Register at the end of the year:
- Plus one boarding of patients on in-patient wards
- Storage on hospital corridors
- Hot/cold pipe failure
- Potential for medicines to be omitted, delayed or unavailable
- Emergency medicine overcrowding and patient flow
- Lack of investigators
- Staff needlestick contamination risk
- Potential major fire risk
- Violence and aggression against staff
- Inability to meet demand for breast imaging/screening

The Trust complies with the 'Developing Workforce Safeguards', recommendations and regularly assesses its short, medium and long term workforce strategies in order to assure the Board that staffing processes are safe, sustainable and effective. The ways that it does this, include:
- Reports to the Trust's Nursing and Midwifery Committee and Trust Board on safe staffing
- Services specified in alignment with Royal College of Physician recommendations for safe staffing, European Working Time regulations and deanery requirements
- The integrated performance report to Trust Board includes workforce information such as, mandatory training, vacancies, agency usage etc.
- Silver command assesses staffing levels on a daily basis to ensure staffing levels are safe, escalating to chief officers as necessary
- The Guardian for Safe Working reports to the Board to provide assurance about the working hours and staffing levels for junior doctors in training
- Business continuity plans are in place to mitigate risks to staffing levels.

The Counter Fraud Specialist undertakes a programme of work for the Trust which includes awareness and deterrence training; fraud detection and prevention; and investigations. TheAudit Committee receives regular reports relating to the Counter Fraud Annual plan and the Trust actively seeks redress and legal sanctions where appropriate.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. In consideration of the NHS Provider Licence, the Trust Board gave consideration to the changes during the consultation stage in 2022/23 and received a subsequent update upon the completion of that process. The risk of the structures being ineffective was considered and a new process for self-assessing effectiveness was approved during 2023/24 to be utilised early in 2024/25, with Board due to reflect on this at its meeting in August 2024.

We aspire to the highest standards in corporate governance and our corporate governance framework is set out in our Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation, which was last reviewed and changes ratified by the Board in December 2023.

The Trust has a Code of Business Conduct policy which includes the requirement for interests to be declared in line with national guidance. The policy applies to all staff but requires 'decision making staff' to make a declaration at least once a year, even if that is a 'nil' declaration. The policy was reviewed in June 2024 and approved by the Board.

Decision-making staff are defined as being the following:
- Board members (Chief Officers and Non-Executive Directors)
- Clinical Directors
- Group Directors of Operations
- Group Directors of Nursing and Allied Health Professionals
- Corporate directors
- Medical consultants
- Other senior managers of band 8d and above.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance, and has arrangements in place for the annual publication for 2023/24 early in the 2024/25 year.

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

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

The Trust has undertaken risk assessments 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.

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

All members are assigned to a work stream identified In 2023/24, the majority of the Trust's NHS income came from NHS commissioners under the NHS Payment Scheme (NHSPS), with the main payment mechanism being aligned payment and incentive contracts (API). In 2023/24, API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective, day case, out-patient procedures, out-patient first attendances, diagnostic imaging, nuclear medicine, and chemotherapy delivery activity. Income is earned at national prices based on actual activity delivered. The fixed element of the API contracts includes income for all other services covered by the NHSPS.

The financial performance achieved in 2023/24 was an adjusted financial performance (control total) of breakeven, meeting the target of the initial breakeven plan.

For efficiency in year, the Trust transacted £58.4 million, with recurrent savings of £13.1 million included.

The Trust maintains its cash balance during 2023/24, the balance on the 31 March 2024 was £44.4 million, compared to £41.5 million in 2022/23. The cash balance is expected to fall significantly in early 2024/25 with disbursement of significant capital and non-capital creditors.

The Trust will continue to be a very active participant in the Coventry and Warwickshire Health Partnership, with a key focus on the Coventry and Rugby Places. Our primary focus for the year ahead will be the delivery of EPR and the continued recovery of productivity.

Information governance

The Trust will submit the assessment of the Data Security and Protection Toolkit (DSPT) to NHS England/NHS Digital by 30th June 2024. It is anticipated that the Trust's performance will be at 'Standards Met' this year.

The Director of Corporate Affairs is the Senior Information Risk Owner (SIRO), supported by the Trust Data Protection Officer. The Chief Medical Officer is the Caldicott Guardian, supported by two Deputy Chief Medical Officers.

There have been four Information Governance breaches in 2023-24 that are summarised in the table below:

Date of incident (month)	Nature of incident	Number affected	How patients were informed	Lessons learned
April 2023	A member of staff viewed the paper medical records of a relative	1	Verbally	To remind staff that confidential information can only be accessed for legitimate purposes
May 2023	During the investigation of an incident, it was discovered that a staff member had taken home handover sheets	110	Patients were not informed	For staff to not take home any printed confidential information and dispose of it securely at work
Oct 2023	Appointment was sent incorrectly to a patient's birth mother instead of the foster to adopt parents	1	Verbally	To ensure that administrative systems have accurate information recorded
March 2024	Ill health retirement and pension information was sent to the wrong address.	1	Verbally	Manual administrative processes are reviewed for accuracy
March 2024	A staff member had uploaded a document that contained patient information onto their personal WhatsApp status.	10	Verbally	To ensure that staff do not use personal mobile devices for work purposes

The Information Commissioner's Officer (ICO) did not take any formal action as a result of any of these breaches.

Data Quality and Governance

A number of the requirements of the Data Security and Protection Toolkit encompass data quality. To ensure that we meet the required standards, the Data Quality Team provides training and advice to users of the Patient Administration System. This system is used to record information about patients to support the provision of patient care and data submissions.

A suite of data quality reports for data reported both internally and externally are routinely produced. These are reviewed, with areas of concern highlighted and appropriate actions taken to put right any issues. The Trust submitted records from 2023-24 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data between April 2023 to March 2024, which included the patient's valid NHS number was:
- 99.8% for admitted patient care
- 99.9% for outpatient care
- 96.4% for accident and emergency care.

The percentage of records in the published data between April 2023 to March 2024 which included the patient's valid General Medical Practice Code was:
- 100% for admitted patient care
- 100% for outpatient care
- 99.9% for accident and emergency care.

Data quality is high on the Trust's agenda to improve patient safety and experience. To further support this agenda and improve data quality the following work streams are embedded:

- A Data Quality Assurance Group is held on a recurring basis to provide assurance that there is a consistent approach to reviewing and monitoring compliance of the Data Quality Policy across the Trust.
- Published Data Quality Policy and Data Quality Framework.
- Standard Operational Procedures for administrative duties developed with comprehensive training packages.
- A Data Quality Dashboard is available Trust-wide to act as one central platform for data quality compliance metrics, validations, and publication of national data standards.

Performance

As set out in the performance analysis above, there have continued to be unique performance challenges in 2023/24 for both the Trust and at a national level. These have impacted all the major NHS Performance Measures, affecting both new patient referrals, and existing patients waiting for treatment, as well as those in need of emergency care. Further national challenges with staffing and ambulance availability have added to the pressures across the Trust.

To support this the Trust have an experienced Referral to Treatment (RTT) Team in place, whose primary function is to govern the correct application of the national RTT rules and track patient pathways to ensure the national guidance around the correct data collection process is followed, and provide complex validation guidance to all specialties.

Additionally, the Trust is now midway through the implementation of the new Electronic Patient Record system, which is heavily reliant on the Informatics, Data Quality and Validation teams – as well as ITC, and a programme of learning for the wider Trust staff is in progress. It is expected that this will have a positive impact on the performance and patient flow once completed (targeted for June 2024) and will bring new opportunities for improvement across all areas of the Trust.

Review of Effectiveness

As Accountable 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports, including the Head of Internal Audit opinion.

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 and Risk Assurance Committee and other groups, including the Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The following key processes have been applied to test the effectiveness of the system of internal control on which I base my review.

- The Board Assurance Framework (BAF) provides evidence of the effectiveness of controls to manage risks to the organisation achieving its key objectives. This is reviewed regularly by the Board and its committees
- Internal auditors have a risk-based plan of reviews to test the major control systems across the Trust in order to provide assurance about the rest of the internal control system
- External auditors have reviewed the annual Accounts and Annual Report
- Audit and Risk Assurance Committee scrutinises the financial and other controls in place as part of their work programme
- Quality and Safety Committee reviews clinical governance processes, including the management of serious incidents and clinical effectiveness

Internal Audits

A number of internal audits were undertaken by 360 Assurance during 2023/24 and a summary of the findings were as follows:

- Significant assurance was given in relation to Financial Ledger and Reporting, Accounts Receivable, National Cost Collection Arrangements and Pay Expenditure
- Moderate assurance was given in relation to Policy Management and Salary Overpayments
- Limited assurance was given in relation to Nutrition and Hydration

Audits not attracting formal assurance levels were also undertaken in relation to DSPT Toolkit, Board Assurance Framework and Strategic Risk (as part of the Head of Internal Audit Opinion work) and Innovate Grant PathLAKE Plus claim assessments 9, 10 and 11.

All audit reports were considered in the first instance by the Audit and Risk Assurance Committee, with those requiring further actions or attracting limited assurance being timetabled for consideration by the relevant Board Committee for monitoring of actions.

The Head of Internal Audit Opinion was of significant assurance, that there was a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and controls were generally being applied consistently. In reaching the opinion, significant assurance was provided in relation to Strategic Risk Management and Board Assurance Framework, with recommendations arising relating to the Risk Management Strategy and arrangements for the Risk Committee. Significant assurance was also provided around the internal audit outturn and implementation of audit actions.

External Audit

Our external auditors, KPMG, did not identify any inconsistencies between this Annual Report and their knowledge of the Trust, and further confirmed that this Annual Governance Statement had been prepared in line with national requirements. In relation to the Trust's arrangements for achieving value for money KPMG identified one significant risk relating to financial sustainability but determined no actual significant weaknesses in the Trust's arrangements. An unqualified opinion was issued stating that the auditor believed the accounts gave a true and fair view of the Trust's financial performance and risks. As part of audit planning, KPMG's risk assessment identified three key risks in relation to accuracy of the financial statements, specifically around the valuation of land and buildings, fraudulent expenditure recognition and management override of controls. No material misstatements were identified in the three key risk areas, although an uncorrected adjustment was identified in relation to the calculation of the building valuation.

Conclusion

The challenges for meeting performance targets and service demand remain significant for all NHS providers. UHCW has followed on from its success in meeting targets for 104-week and 78-week waiters by hitting the four-hour target of 74% by the end of 2023/24. However, there remain challenges in meeting other targets, including cancer performance.

Nonetheless, the risks have been effectively managed during the year. During 2023/24, UHCW has reviewed its use of intentional board in ward areas to ensure an appropriate balance of risks, and these risks were managed effectively. This is a further example of the mechanisms and controls we have in place being used to ensure we manage the risks we face.

Our systems of internal control have operated effectively to ensure risks were appropriately managed. There have been no significant control issues that have been identified during 2023/24.

Signed

Chief Executive Officer, 21 June 2024

Senior Managers' Remuneration 2023/24

Name	Title	Salary (bands of £5,000) £'000	Expense payments (taxable) and benefits in kind (to nearest £100) £	Performance pay and bonuses (bands of £5,000) £'000	Long term performance pay and bonuses (bands of £5,000) £'000	All pension -related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000
Andrew Hardy	Chief Executive Officer	275 - 280	1,400	0	0	0	275 - 280
Kiran Patel	Chief Medical Officer/Deputy Chief Executive Officer (to 03/03/24)	230 - 235	600	0	0	0	230 - 235
Susan Rollason	Chief Finance Officer (also Deputy Chief Executive Officer from 04/03/2024)	160 - 165	2,800	0	0	0	160 - 165
Gabrielle Harris	Chief Operating Officer	140 - 145	1,500	0	0	77.5 - 80.0	220 - 225
Tracey Brigstock	Acting Chief Nursing Officer	155 - 160	0	0	0	35.0 - 37.5	190 - 195
Donna Griffiths	Chief People Officer	145 - 150	2,900	0	0	5.0 - 7.5	155 - 160
Justine Richards	Chief Strategy Officer	140 - 145	1,300	0	0	0	140 - 145
Jonathan Young	Chief Medical Officer (from 04/03/24)	15 - 20	500	0	0	0	15 - 20
Mohammed Hussain	Chief Quality Officer (to 30/11/23)	85 - 90	1,300	0	0	0	90 - 95
Stella Manzie	Chair (to 30/09/23)	25 - 30	1,600	0	0	0	30 - 35
Jeremy Gould	Non-Executive Director (Vice Chair, acting Chair 01/10/23 - 31/01/24)	25 - 30	1,200	0	0	0	30 - 35
Sue Noyes	Chair (from 01/02/24)	5 - 10	0	0	0	0	5 - 10
Afzal Ismail	Non Executive Director	10 - 15	0	0	0	0	10 - 15
Carole Mills	Non Executive Director	10 - 15	700	0	0	0	10 - 15
Gavin Perkins	Non-Executive Director	10 - 15	0	0	0	0	10 - 15
Jenny Mawby-Groom	Non-Executive Director	10 - 15	500	0	0	0	10 - 15
Janet Williamson	Non-Executive Director	10 - 15	600	0	0	0	10 - 15
Douglas Howat	Associate Non-Executive Director	10 - 15	0	0	0	0	10 - 15
Jaiye Olaleye	Associate Non-Executive Director	10 - 15	0	0	0	0	10 - 15

N.B. Information in the above table is subject to audit

1. Kiran Patel and Jonathan Young's remuneration includes sums payable in respect of clinical duties in addition to their duties as a director of the Trust.
2. Gavin Perkins is on the payroll of Warwick University and his salary recorded above is either invoiced or accrued sums which are payable to Warwick University for their services.
3. In certain circumstances pension related benefits may be negative in which case they are recorded above as nil.
4. The value of pension benefits accrued during the year is calculated at the real increase in pension multiplied by 20, less the contributions made by the individual. The increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of this report an estimation of the benefit that being a member of the pension scheme could provide.
5. The value recorded for all pension related benefits states the individuals total pension benefits for their period in post as a senior manager.
6. Certain Senior Managers have opted out of the NHS pension scheme and have received payments equivalent to the employer pension contributions that would have been paid under the pension scheme. These payments are included within the salary figures.
7. Certain Senior Managers are impacted by the Public Service Pensions Remedy and their pension scheme membership between 1 April 2021 and 31 March 2022 was transferred from the current NHS pension scheme back to their earlier scheme on 1 October 2023. Where this then results in a calculated pension benefit accrued in 2023/24 being less than zero, the accrued pension benefit is shown as nil.

Senior Managers' Remuneration 2022/23 - Restated

Name	Title	Salary (bands of £5,000) £'000	Expense payments (taxable) and benefits in kind (to nearest £100) £	Performance pay and bonuses (bands of £5,000) £'000	Long term performance pay and bonuses (bands of £5,000) £'000	All pension -related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000
Andrew Hardy	Chief Executive Officer	260 - 265	1,400	0	0	0	260 - 265
Justine Richards	Chief Strategy Officer	140 - 145	0	0	0	27.5 - 30.0	170 - 175
Susan Rollason	Chief Finance Officer	175 - 180	1,400	0	0	22.5 - 25.0	200 - 205
Donna Griffiths	Chief People Officer	135 - 140	2,900	0	0	27.5 - 30.0	165 - 170
Tracey Brigstock	Acting Chief Nursing Officer	125 - 130	0	0	0	0	125 - 130
Gabrielle Harris	Chief Operating Officer	130 - 135	600	0	0	125.0 - 127.5	255 - 260
Kiran Patel	Chief Medical Officer/Deputy Chief Executive Officer	240 - 245	700	0	0	0	240 - 245
Mohammed Hussain	Chief Quality Officer	120 - 125	2,300	0	0	0	125 - 130
Stella Manzie	Chairman	55 - 60	1,600	0	0	0	60 - 65
Afzal Ismail	Non Executive Director	10 - 15	0	0	0	0	10 - 15
Carole Mills	Non Executive Director	10 - 15	500	0	0	0	10 - 15
Sudhesh Kumar	Non-Executive Director (to 30/06/22)	0 - 5	0	0	0	0	0 - 5
Gavin Perkins	Non-Executive Director (from 01/07/22)	10 - 15	0	0	0	0	10 - 15
Jeremy Gould	Non-Executive Director (Vice Chair)	10 - 15	900	0	0	0	10 - 15
Jenny Mawby-Groom	Non-Executive Director	10 - 15	0	0	0	0	10 - 15
Janet Williamson	Non-Executive Director (from 01/09/22)	5 - 10	100	0	0	0	5 - 10
Douglas Howat	Associate Non-Executive Director (from 01/09/22)	5 - 10	0	0	0	0	5 - 10
Jaiye Olaleye	Associate Non-Executive Director (from 01/02/23)	0 - 5	0	0	0	0	0 - 5

1. Kiran Patel's remuneration includes sums payable in respect of clinical duties in addition to his duties as a director of the Trust.
2. Gabrielle Harris was Acting Chief Operating Officer until 31st October 2022 and her appointment was made permanent from 1st November 2022.
3. Sudhesh Kumar and Gavin Perkins are on the payroll of Warwick University and their salaries recorded above are either invoiced or accrued sums which are payable to Warwick University for their services.
4. In certain circumstances pension related benefits may be negative in which case they are recorded above as nil.
5. The value of pension beneifts accrued during the year is calculated at the real increase in pension multiplied by 20, less the contributions made by the individual. The increase excludes increases due to inflation or any increase or decrease due to a transfer of penions rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of this report an estimation of the benefit that being a member of the pension scheme could provide.
6. The value recorded for all pension related benefits states the individuals total pension benefits for the financial year 2022/23 and is not apportioned for their period in post as a senior manager.

Senior Managers' Pensions 2023/24

Name	Title	Real increase in pension at pension age (bands of £2,500) £'000	Real increase in pension lump sum at pension age (bands of £2,500) £'000	Total accrued pension at pension age at 31 March 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 1 April 2023 £'000	Real increase in cash equivalent transfer value £'000	Cash equivalent transfer value at 31 March 2023 £'000	Employers contribution to stakeholder pension £'000
Justine Richards	Chief Strategy Officer	0	20.0 - 22.5	45 - 50	125 - 130	898	90	1,098	0
Susan Rollason	Chief Finance Officer	0	37.5 - 40.0	45 - 50	125 - 130	700	201	993	0
Donna Griffiths	Chief People Officer	0	32.5 - 35.0	30 - 35	80 - 85	386	165	610	0
Gabrielle Harris	Chief Operating Officer	2.5 - 5.0	37.5 - 40.0	45 - 50	125 - 130	643	253	980	0
Kiran Patel	Chief Medical Officer (to 03/03/24)	0	22.5 - 25.0	70 - 75	210 - 215	1,511	40	1,710	0
Jonathan Young	Chief Medical Officer (from 04/03/24)	0	0	45 - 50	120 - 125	878	0	951	0
Mohammed Hussain	Chief Quality Officer (from 01/04/23 to 30/11/23)	0	20.0 - 22.5	30 - 35	80 - 85	437	92	638	0
Tracey Brigstock Nursing Officer	Acting Chief	2.5 - 5.0	0	0 - 5	0	0	27	48	0

N.B. Information in the above table is subject to audit.
1. Non-executive directors are not in pensionable employment and therefore are excluded from the above disclosure. Similarly, executive directors who have opted out of pension schemes for the whole year are also excluded.
2. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.
The calculation of CETV figures in this report are made using a Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate which is currently CPI plus 1.7%.
3. The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.
4. Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates published on 27 April 2023.

Senior Managers' Pensions 2022/23 – Restated

Name	Title	Real increase in pension at pension age (bands of £2,500) £'000	Real increase in pension lump sum at pension age (bands of £2,500) £'000	Total accrued pension at pension age at 31 March 2022 (bands of £5,000) £'000	Lump sum at pension age related to accrued pension at 31 March 2022 (bands of £5,000) £'000	Cash equivalent transfer value at 1 April 2021 £'000	Real increase in cash equivalent transfer value £'000	Cash equivalent transfer value at 31 March 2022 £'000	Employers contribution to stakeholder pension £'000
Justine Richards	Chief Strategy Officer	2.5 - 5.0	0	45 - 50	95 - 100	824	29	898	0
Susan Rollason	Chief Finance Officer	0.0 - 2.5	0.0 - 2.5	40 - 45	80 - 85	646	28	700	0
Donna Griffiths	Chief People Officer	0.0 - 2.5	0	30 - 35	40 - 45	347	9	386	0
Gabrielle Harris Officer	Chief Operating	5.0 - 7.5	10.0 - 12.5	40 - 45	75 - 80	511	98	643	0
Mohammed Hussain	Chief Quality Officer	0.0 - 2.5	0	30 - 35	45 - 50	425	0	437	0

N.B. Information in the above table is subject to audit.
1. Non-executive directors are not in pensionable employment and therefore are excluded from the above disclosure. Similarly, executive directors not in pensionable employment during their term as a director during the year are also excluded.
2. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.
The calculation of CETV figures in this report are made using a Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate which is currently 2.4% plus CPI.
3. The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.
4. NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud Judgement. As a result, the benefits and related CETVs do not allow for a potential future adjustment arising from the McCloud judgment.
5. Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023 this guidance will be used in the calculation of 2023/24 CETV figures.

Non-Pensionable Directors

Non-Executive Directors are not in pensionable employment and therefore are excluded from the above disclosure.

Similarly, Executive Directors not in pensionable employment during their term as a Director during the year are also excluded.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.

The calculation of CETV figures in this report are made using a Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate which is currently 1.7% plus CPI.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Extra note for Pensions table re CETV

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates published on 27 April 2023.

Impact of McCloud Judgement

Certain Senior Managers are impacted by the Public Service Pensions Remedy and their pension scheme membership between 1 April 2015 and 31 March 2022 was transferred from the current NHS pension scheme back to their earlier scheme on 1 October 2023. Where this then results in a calculated pension benefit accrued in 2023/24 being less than zero, the accrued pension benefit is shown as nil.

Fair Pay Multiples

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director / member in University Hospitals Coventry and Warwickshire NHS Trust in the financial year 2023-24 was £277,500 (2022-23, £262,500). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2022-23	25th percentile	Median	75th percentile
Total remuneration (£)	27,596	37,350	50,056
Salary component of total remuneration (£)	27,596	37,350	50,056
Pay ratio information	10:1	7.4:1	5.5:1
2021-22			
Total remuneration (£)	27,925	35,963	48,152
Salary component of total remuneration (£)	27,925	35,950	48,036
Pay ratio information	9.4:1	7.3:1	5.2:1

In 2023-24, 0 (2022-23, 0) employees received remuneration in excess of the highest-paid director / member. Remuneration ranged from £14,378 to £273,309 (2022-23 £2,167 - £255,595).

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. It does include temporary and agency staff.

The median annualised remuneration increased by £1,387 from £35,963 to £37,350.

The pay multiples ratios have increased slightly in 2023-24 from 2022-23. This is because 2022-23 ratios were lower because of the effect of the non-consolidated component of the 2022/23 pay award, which resulted in a higher percentage increase for employees on lower bands.

4.2.2 Staff report

Off Payroll Engagements

In common with most other NHS bodies the Trust engages staff on an "off-payroll" basis. The main reasons for this are as follows:

- Recharges from other bodies (mainly other NHS organisations or universities) for staff who hold joint appointments; and
- Temporary workers to cover vacant positions or staff absences.

With effect from 6th April 2017, the Government introduced new rules for off-payroll working in the public sector which placed the responsibility with the public sector engager rather than the worker to determine whether or not the engagement was captured by the intermediaries regulations (often known as IR35). With the implementation of these new rules, the Trust changed its approach to the engagement of off-payroll workers and ceased contracting directly with personal service companies (PSCs) and set up an outsourced payroll function to pay such workers.

The Trust is required to disclose certain information in connection with such arrangements as set out in the three tables below. The information provided in these tables is not subject to audit and specifically excludes (with the exception of the board members table) those staff recharged from other bodies captured by the Government's rules for off-payroll working in the public sector.

Table 1: Length of all highly paid off-payroll engagements

For all off-payroll engagements as of 31 March 2024, for more than £245 per day:

Number of existing engagements as of 31 March 2024	1
Of which the number that have existed:	
for less than one year at time of reporting	0
for between one and two years at time of reporting	0
for between two and three years at time of reporting	0
for between three and four years at time of reporting	0
for four or more years at time of reporting	1

Table 2: Off-payroll engagements engaged at any point during the financial year

For all off-payroll engagements between 1 April 2023 and 31 March 2024, for more than £245

No. of temporary off-payroll workers engaged between 1 April 2023 and 31 March 2024	1
Of which...	
No. not subject to off-payroll legislation	0
No. subject to off-payroll legislation and determined as in-scope of IR35	1
No. subject to off-payroll legislation and determined as out of scope of IR35	0
The number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: no. of engagements that saw a change to IR35 status following review	0

The table below provides information on board members who have been engaged under an off-payroll arrangement:

Table 3: Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	1
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	19

The one "off-payroll" engagement of board members and/or senior officers with significant financial responsibility during the year related to one of the Trust's Non-Executive Directors - assurance has been received that the individual concerned is employed on the payroll of Warwick University and is subject to PAYE. The arrangement has been reviewed and approved by the Trust's Chief Executive Officer (note this individual is excluded from tables 1 and 2 above on the basis that the University is subject to the public sector off-payroll rules).

Consultancy Services

NHS Improvement operates strict controls over expenditure on consultancy services by NHS Bodies, including the requirement to seek approval before signing contracts for consultancy projects over £50,000. The Trust did not incur any expenditure on external consultancy during 2023/24 (nil in 2022/23).

Staff Costs

Our pay bill represents the highest proportion of our expenditure and amounted to £584 million in 2023/24. Staffing costs are therefore a key consideration for the Trust Board and each Specialty Group management team. Our workforce is categorised into those that we substantively employ and those that work flexibly through our internal Temporary Staffing Service (TSS) or engaged through external staffing agencies.

The figures below do not include staff employed by ISS under the PFI contract e.g. porters, domestics, security.

Average Staff Numbers 2023/24	Permanently Employed WTE	Other WTE	Total WTE
Medical and dental	1,251	270	1,521
Ambulance staff	--	-	
Administration and estates	805	52	857
Healthcare assistants and other support staff	2,719	206	2,925
Nursing, midwifery and health visiting staff	2,799	319	3,118
Nursing, midwifery and health visiting learners	--	-	
Scientific, therapeutic and technical staff	880	43	923
Healthcare science staff	423	22	445
Social care staff	--	-	
Other	3-	3	
Total average numbers	8,880	912	9,792

Staff costs 2023/24	Permanently Employed £000	Other £000	Total £000
Salaries and wages	396,184	54,166	450,350
Social security costs	41,028	4,858	45,886
Apprenticeship levy	2,187	0	2,187
Employer's contributions to NHS pension scheme	63,715	7,412	71,126
Pension cost - other	0	132	132
Other post employment benefits	0	0	0
Other employment benefits	0	0	0
Termination benefits	136	0	136
Temporary staff	0	13,765	13,765
Total gross staff costs	503,250	80,332	583,582
Recoveries in respect of seconded staff	(503)	0	(503)
Total staff costs	502,747	80,332	583,079

Staff Sickness

NHS bodies are required to report upon sickness absence figures using measures specified by the Cabinet Office on a calendar year basis. The relevant sickness absence data for the Trust for 2023 calendar year is provided next page.

	2023	2022
Total days lost (adjusted to the Cabinet Office measure)	106,474	114,402
Average full time equivalent	8,803	8,509
Average days lost per staff full time equivalent	12.1	13.4

Valuing and Enabling our People – Our People Strategy

In 2022/2023 we developed and launched our first dedicated People Strategy. It links directly to the Trust strategy as an enabling strategy and expands on the Trust's strategic purpose of 'valuing and enabling our people'. It provides an outline both in terms of key principles, how our people strategy will look and feel in practice and the first steps we will take to achieve our people related aims. The strategy sets out the key measures we expect to improve that will demonstrate impact and success. The People Strategy is a Trust-wide document and will be the responsibility of everyone to implement, with oversight from the Trust Board. We believe that focusing our attention and effort on the pillars of this strategy enables all our strategic purposes. The three pillars are 'living the values, 'building on the basics' and 'supporting our people'. The strategy sets out how we will achieve this vision in several ways and celebrates our wonderful staff and the impact they have had on our success and the outcomes our patients receive. Now in 2023/2024 our People Strategy continues to be the guide for how we focus our actions and our attention on the things that will continuously improve the experience of our people at work.

National Staff Survey 2023

The NHS Staff Survey provides an opportunity for us to survey our staff in a consistent and systematic way. This year the NHS Staff Survey has once again been based on the NHS national People Promise which sets out how nationally we are committing to work together. The themes from the people promise were based on conversations across the NHS about what matters most to people and what would make the greatest difference in improving their experience at work.

The survey is conducted nationally every autumn and remains the largest workforce survey in the world with almost 600,000 participants each year. Just under 4,000 people responded from UHCW in 2023 giving the Trust a response rate of 40% which is in line with comparator organisations in the NHS. In 2023 the Trust also opted to survey those who have 'bank' contracts (staff members who work flexible hours on an as needed basis) with the Trust thus furthering our commitment to ensuring everyone who works for the Trust has a voice and can share their experience.

Overall, the Trust performed in line with other similar comparator organisations across the survey. The theme 'We are always learning' scored significantly higher than other organisations we compare ourselves against which has been cause for celebration and further commitment to build on this success going forward. This was driven primarily by our staff saying that felt able to develop a career at the Trust, develop their knowledge and skills, their potential and that they have quality conversations during appraisals. The Trust also performed well in questions relating to improvement, involvement and working together as teams to find solutions to collective challenges. This was pleasing to see and validates our commitment to our improvement management system, UHCWi. Of the People Promise themes that are measured UHCW improved in five out of the seven themes in 2023.

We will be working together across the Trust to address areas of improvement and having now embedded our People Strategy. This includes a focus on equality, diversity and inclusion, living our values, building on the basics and supporting our people. We are currently implementing a specific focus on how our Trust values are lived day to day, how our culture can develop to ensure all our people feel they belong, ensuring our staff have everything they need to deliver first class care and that our people are always learning, growing, developing skills and knowledge supported by brilliant leaders and managers.

Specifically, into 2024/2025 we will be focused on improving our response rates, improving our recommender scores (as a place to work and receive treatment) and ensuring a much greater localisation of actions across our Clinical Groups. This work is being sponsored by our Chief Executive Officer.

UHCWi

We remain committed to UHCWi as our Management System, aligned to a philosophy of Better Never Stops as the foundation of our strategic triangle. As part of this Continuous Improvement culture, Virginia Mason Institute (VMI) in Seattle, USA are our external partners and still act as our 'outside eyes'. We have further developed this partnership where we started to co-deliver transformation programmes to other health organisations both nationally and internationally. This commenced last year with one external organisation and the Trust is now supporting five external organisations in developing their own continuous improvement management systems. Alongside this direct support to other organisation, we also host numerous visits where management teams from other organisations spend a day hearing from our leaders and directly engaging with our staff to see with their own eyes what UHCWi looks like on a daily basis. Our vision to be a national and international leader in healthcare, rooted in our communities is demonstrated by how other organisations look to us for learning based on our journey whilst ensuring we maintain the approach within our own Trust for our patients.

Our People Strategy outlines the expectation that all our senior leaders are trained in Advanced Lean thinking to support our staff to reduce waste. This training continues to be delivered with all senior leaders being pushed to model certain behaviours around problem framing, looking at root cause and being visible amongst staff observing processes and engaging staff in improving processes for themselves and our patients. As part of maintaining Advanced Lean training leaders are expected to facilitate their own improvement events. In addition to Advanced training all members of staff are asked to complete foundational training as essential training so all staff are aware of and can eliminate waste from a patient perspective.

Innovation

Research, innovation and education form one of the core strategic purposes of the Trust's strategy to 2030, to be "More than a hospital". Our "Innovation Strategy 2024-2030" sets out how building a culture of innovation supports this mission and details our direction, ambitions, and priorities as well as key deliverables and measures of success.

The strategy outlines four distinct pillars of work that the innovation team's activity falls under:

- Idea Development – empowering our staff to become innovators and developing ideas from inception to implementation and, if possible, commercialisation.
- Innovation Adoption – working with external collaborators and internal champions, to explore end usability, and to adopt new and national innovations.
- Strategic Opportunity Identification – identifying Trust and ICS strategic opportunities and seeking potential solutions.
- Building Innovation Partnerships – forming links with the local innovation ecosystem and external collaborators.

In 2023/2024 the innovation team received 47 ideas and 19 challenge submissions from people across the Trust. There are currently 25 live projects in in our portfolio at various stages of the development.

Last year we were proud that the UHCW Freedom to Speak Up app – which allows staff to raise concerns – was shortlisted as a finalist at the HSJ Awards.

We are always on a look out for innovation advocates, and we are growing our "Innovation Champions Network" which any interested clinical and non-clinical colleagues are invited to join.

We continue to work with local and national partners, SMEs and entrepreneurs from a range of industries developing solutions and ideas related to healthcare, providing advice, signposting and exploring collaboration. In the last financial year, we explored health innovations from 25 companies that were referred to us.

In addition, the team continue to support staff to develop skills, tools, and resources to facilitate innovation including masterclasses and workshops.

Valuing & Recognising Our Staff

We recognise the contribution that our staff make through our annual OSCAs (Outstanding Service and Care Awards) – this year our nominations continue to increase with over 1,800 staff recognised. Staff are also able to nominate for our World Class Colleague award which is presented quarterly. The annual Long Service Awards are held for those staff achieving 25 years of NHS service. We also have the DAISY Award, an international recognition programme that honours and celebrates the skilful, compassionate care Nurses and Midwives provide every day.

Appreciation cards are promoted throughout the year for staff to recognise a colleague's contribution and a chance to say thank you. We continue to innovate and improve our recognition programmes for staff and have an objective to continue to do this into 2024/2025 with a much greater emphasis on supporting staff to recognise each other every day for the work they do.

Equality Diversity and Inclusion

The Inclusion Delivery Plan 2023 – 2025 links to our People Strategy by setting out commitments to action and is designed to enable us to progress towards our People Strategy vision of 'belonging' under the pillar of living our values. The plan considers the protected characteristics which are defined by the Equality Act 2010 as well as two further characteristics, Caring Responsibilities and Support for Veterans.

These commitments will be delivered by actively engaging and listening to our staff, linking in with regional and national communities of practice / forums and working closely with our three staff networks which are:

- **Pride Network** – a driving force for change, ensuring a supportive working environment for all LGBTQ+ staff / volunteers and allies.
- **SPOC Network** – provides a platform and supports all People of Colour to share views and experiences.
- **DAWN Network** – works to create a disability-positive organisational culture enabling disabled members of staff to speak openly about their disability and any challenges they face.

The Inclusion Delivery Plan lists our **Top 10 High Impact Actions for 2023** which include a focus on our people related processes such as recruitment, coaching and mentoring, how staff report and are supported through incidents related to discrimination, tools to support awareness raising and training, policy review and ensuring we meet the standards required for several external accreditation schemes relating to equality.

During 2023 / 2024 we achieved:

Disability Passports

Disability passports were launched in January 2022 and further embedded into 2023/2024. The passports allow staff to discuss and fully explain their disability with managers and team members so they can understand the best ways to support their colleague.

Carers passport

This passport enables a carer and their manager to hold a supportive conversation and document the flexibilities needed to support the carer in combining caring and work.

The aim is to minimise the need to re-negotiate these flexibilities every time an employee moves post, moves between departments, or is assigned a new manager.

Disability Confident Level 3

Having achieved Disability Confident Level 2 in 2022 we achieved Level 3 in 2023 demonstrating our ambition to become an organisation where those with disabilities are supported, valued and enabled.

Menopause Support

Having joined a number of organisations as part of the menopause pledge programme in 2022 we further developed our support for colleagues in 2023/2024 through specific information and advice sessions with menopause specialists, policy revisions and a pending launch of online resources through a dedicated 'me and my menopause' tool.

Building a Compassionate and Inclusive Organisation

Equality Delivery System (EDS)

The Trust continues to be committed to ensuring that there is equality of opportunity for all our staff, patients and visitors. We are playing an active role with our partners in our local health and care system to look at how we work collectively towards a joint Equality Delivery System across Coventry and Warwickshire.

Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES)

Although there are some slight changes in the data for both reports in 2023, there are no areas of significant concern. A number of robust actions continue to be co-developed with the Supporting People of Colour (SPOC) Network and our DAWN (Disability and Wellbeing) Network to address improvements in our recruitment and retention processes, reducing the experience of violence and aggression and increasing belonging for those from minority backgrounds.
and work with.

Equality Impact Assessments (EIA)

The Trust has legal duties under the Equality Act 2010 to eliminate unlawful discrimination, advance equality of opportunity and foster good relations on the basis of Protected Characteristics (age, disability, race/ethnicity/nationality, religion/belief, marriage/civil partnership, sexual orientation, gender, gender reassignment/transgender and pregnancy/maternity).

The EIA process is continuing to be reviewed and revised so that it encourages meaningful consideration of the needs of the diverse communities and workforce we serve and work with.

Equality Reference Group

The Equality Reference Group has continued to enable a platform to share information, as well as provide an opportunity for equality interest organisations to raise equality issues on behalf of their members / service users relating to UHCW services and staff experiences.

Partners include, Grapevine, Healthwatch Warwickshire and Healthwatch Coventry, Warwickshire Pride, Coventry Refugee and Asylum Centre, Coventry and Warwickshire Deaf Children's Association, Warwickshire Vision, Ekta Unity, Carer's Trust, Coventry Haven, Refuge Warwickshire and EQuIP.

Interpreter on Wheels Service

An on-demand Interpreter on wheels video service continues to be delivered. There are several devices across the Trust and more devices are being supplied. The devices are connected to Language Line (our interpreting and BSL provider) and enable contact with over 270 languages and BSL.

Developing our People

Our people are diverse, professionally and culturally, and they bring unique perspectives and approaches to their work.
This is fundamental to our success. We employ almost 11,000 people from over 120 different countries, in over 250 different careers alongside trainees, students, apprentices and volunteers who all work together to provide care for the residents of Coventry and Warwickshire and beyond. 80% of our staff live in Coventry and Warwickshire and we know that by providing effective careers in an environment where people feel cared and can find fulfilment ultimately benefits the patients and communities we serve.
This is why developing our people is an important part of our approach as an employer.

Through our collaborative efforts within the People Directorate we have facilitated attracting, recruiting, developing and retaining staff to address key gaps in our workforce.

We have collaborated internally and externally to attract members of our community and beyond to join the NHS through our widening participation work:

- The Trust has worked in partnership with Coventry and Warwickshire Partnership Trust, George Eliot Hospital NHS Trust and South Warwickshire University NHS Foundation Trust to develop the Health and Social Care Employability Academy which offers meaningful education, employment and training opportunities to ensure inclusivity and diversity within the workforce. Specifically supporting care leavers, people with refugee status, people with disabilities and other under represented groups. 90 participants were supported into employment or volunteering between September 2023 and March 2024 across the integrated Care System. An ambitious target has been set for 2024/2025 of supporting 650 people on programmes and 50% in employment or volunteering.

- The Trust continues to work with St Francis refugee charity showcasing the different roles within the NHS, routes into employment, providing application support and tours of different departments throughout the Trust.
- The Trust has steadily increased the use of the apprenticeship levy to support development and 200 staff are currently undertaking a Level 2-7 apprenticeship. In relation to entry level apprenticeships the Trust continue increase entry level opportunities with 60 people employed into entry level apprenticeships.
- 11 young people have commenced a supported internship. The aim of the programme is to support young people who have an EHCP to gain work experience and functional skills. The programme is run in partnership with Coventry City Council. The current cohort is due to complete the programme in July 2024. Previous cohorts have had 80% success rate in supported interns gaining employment within the Trust. The Trust is working to increase opportunities within the next two years.

Essential/Mandatory training has remained a priority as we need to ensure staff have the key skills they need to perform their roles effectively both clinically and non-clinically. This has contributed to ensuring mandatory training compliance targets/levels are met. In March 2024 our compliance was 94.70%.

We have continued to invest in developing our current and future leaders through our UHCW Leader programme. Over a 9-12 month programme, leaders at all levels, from senior hospital leaders through to aspiring leaders, are developed together through an experiential and practically focused programme that equips them with the tools and skills to apply the UHCW Improvement Method as well as facilitating the development a compassionate and inclusive approach in leadership. This programme has been in place since summer 2021 (with a comprehensive review and revision in 2023) and now offers the opportunity for leaders to gain an external qualification through the Institute of Leadership up to level 7. Several cohorts of the programme are live at any one time and a full programme is planned up to the end of 2024/2025.

Growing our team

In developing our People Strategy, we heard from our colleagues how important getting the basics right was to their day-to-day experience of working here. Getting this right enables and ensures all our people have what they need to deliver first class patient care. Key to this is ensuring our people have the right resources, tools, technology, systems and people around them. From a people perspective ensuring a timely, sustainable and flexible flow of people into the Trust has been key.

The Trust's overall vacancy rate at March 2024 was 8.12% against our target of 10%. This reflects the significant work that has been undertaken to improve our recruitment processes, candidate and manager experience and efficiency. Our key recruitment focus has been on:

Nurses – We recruited 177 (162.5 WTE) UK based nurses in 2023/24 and we also successfully recruited 143 International nurses over the period April 23 – March 24. We continue to recruit against a reduced programme of international nurses, including nurses from the Philippines.

We work hard to ensure that our international recruitment programmes are ethical, sustainable, and rewarding for the staff that join us. We ensure all international staff are fully supported on arrival, whilst in training, in their orientation period and on an ongoing basis. Our pastoral care package is substantial and far-reaching.

We continue to work with our ICS partners to attract candidates to come and work and/or live in the Coventry and Warwickshire area.

Project 1000 - UHCW is working in collaboration with our ICS partners across three work streams of our Unique Selling Point (USP) /Branding, Future Nurse and Career Pathways. A joint Coventry and Warwickshire website has been created with unique branding promoting 'Your Nursing Career Here'. A collaborative approach to recruiting all Coventry University nursing students commenced early 2024 offering all student nurses a job in Coventry and Warwickshire, upon registration, without the need for interview or assessment. The ICS partners will enable ease of movement for staff across the system, retaining our staff within Coventry and Warwickshire and providing a fulfilling career of their choice.

Healthcare Support Workers – Through continuing and targeted campaigns throughout 2023 and 2024 we have recruited an additional 226 (194.34 WTE) Healthcare Support Workers to UHCW and 33 (34.2 WTE) Trainee Healthcare Support Workers. Our rolling programme of assessment days aims to bring our vacancy rate in 2024 to 5%.

Midwives – Through the 'Go Further' programme we recruited 16 overseas midwives during the first half of 2023. This is in addition to the 68 (51.59 WTE) UK midwives recruited during 2023/24.

Radiographers – We continue to attract both International and UK based radiographers to UHCW and successfully recruited 26 (25.6 WTE) new staff to UHCW during 2023/24. High volume applications continue to be received for our Band 5 posts both from overseas and within the UK.

Continuous Improvement

We have focused on improving the health and wellbeing of our teams and have implemented a new person-centred approach to supporting attendance along with the introduction of a range flexible working options including a pilot approach to compressed working hours across a number of areas. We have also implemented "People Assist", a digital virtual assistant to support staff in finding information and support for all People related issues.

Building on their continuous journey of improvement the Resourcing team identified additional ways to further reduce their overall time to hire (advert to unconditional offer) They have successfully reduced their overall time to hire to 43 days an overall reduction of around 57%. When planning future improvements, it was important that the Resourcing leaders involved all the Resourcing team members, and where appropriate key stakeholders, when developing new ideas and ways of working and ensure that they continue to plan, do, study, act (PDSA).

Identity Verification Technology (IDVT).

The introduction of IDVT in April 2023, allowed us to use digital technology when performing Identity and DBS document checks through a Home Office certified Identity Service Provider (IDSP). In most cases, we no longer need to perform individual and time consuming in-person checks. The success of this innovative practice has seen a reduction in the time taken for candidates to present their ID documents from 10 days to an average of 1.95 days, and this has enabled DBS submissions on the same day (a reduction of eight days) and a significant increase in workforce productivity in other value-added tasks. High levels of customer satisfaction have been expressed through our feedback channels.

Unconditional Offer of Employment

We ran a series of workshops to look at how we could improve our candidate retention rate. Data showed that 34% of candidate withdrawals related to candidates accepting another job offer. To mitigate candidates dropping out, we developed a robust risk assessment which is completed verbally at offer stage between the Resourcing team and the candidate. The risk assessment covers questions around all pre-employment checks. No start date less than four weeks is agreed so that all preemployment checks can be completed before the candidate starts in post. The average number of days candidates with an unconditional offer have been cleared to work is 43 days before their agreed start date. Candidate and manager feedback has been extremely positive.

Gender Pay Gap

The gender pay gap report have been published based on snapshot data from March 2023 which was published in March 2024 in line with the national requirements. A summary of the key results are detailed in the table below but, it is important that the results are viewed in the context of the wider report. The full report is available on our website.

Areas of Analysis	2022 Results*	2023 Results	Comparison
Pay Gap - Mean (Average)	31.34%	30.84%	Positive decrease in pay gap
Pay Gap - Medium (Middle)	22.97%	19.27	Positive decrease in pay gap
Bonus - Mean (Average)	64.95% *	0.80%	Positive decrease in pay gap
Bonus - Medium (Middle)	0% *	0%	Positive decrease to pay gap

*2022 data has been revised in this report as a data reporting issue noted

Across all reporting areas there have been positive decreases in the overall pay gender gap notable in relation to bonus payments (Local and National Clinical Excellence Awards) for medical and dental staff.

It is also important to note the wider context which will have had a positive and negative impact on the gender gap:

- Agenda for Change (Band 8 above) female staff in senior/managerial posts increased by 1.52% to 68.30%
- Agenda for Change (Band 9) there is an even 50% split between the % of male and female staff employed in this group
- Medical & Dental – positive increase from 39.14% female staff in post in 2022 to 43.00% in 2023 which will have a direct and positive impact on the pay gap.
- Executive Team – higher proportion of female staff in post (55.56%)

To support the continued reduction in the pay gap a number of actions are being developed to focus on ensuring there is clarity regarding understanding hotspot areas and that positive support is provided to women through flexible working, development, coaching and an awareness that we need to review processes could disadvantage women in the workplace.

4.2. Internal Communications

Different approaches and platforms are used to ensure our staff are kept well informed about what is happening within the Trust and the wider NHS.

Our internal communications approach needs to reach more than 10,500 UHCW employees and a large number of support staff from partners such as ISS, Mitie and our volunteers.

We also have staff who are based at hospital sites other than our main sites in Coventry and Rugby, such as Warwick and Nuneaton.

We provide information through a weekly e-newsletter, This Week@UHCW, available to all staff from any digital device (e.g. PC, mobile, tablet) which supports colleagues wherever they happen to be based. We also operate a staff intranet portal, TrustNav, as well as events and noticeboards to help raise awareness of key campaigns and projects.

A monthly corporate team brief ensures there are effective two-way messages reaching the whole Trust with valuable feedback reaching our leadership teams.

Our Team UHCW Staff Facebook Page provides a private community for employees and partners to share ideas, comments, questions and suggestions and stay connected to colleagues out of hours or when traditional internal communications channels can't be accessed.

Professional bulletins from our clinical leads ensure we maintain strong clinical engagement, with monthly updates from our Chief Medical Officer, Chief Nursing Officer and Associate Director of Allied Health Professions. These updates provide a helpful summary of policies, regulation and training affecting particular professional groups.

Opportunities for staff to meet with the leadership team and Trust Board have continued throughout the year. This includes a monthly Chief Officers' Forum involving more than 100 senior leaders in UHCW receiving regular information updates.

A new series of question and answer sessions, Ask Andy, has also been introduced with our Chief Executive Officer on a regular basis to enable staff to ask questions, make suggestions and raise potential focus areas.

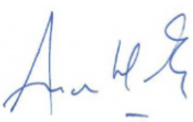
Our staff recognition and awards schemes continue to celebrate the efforts of employees across the Trust. The 'World Class Colleagues' scheme celebrates the efforts, endeavours and expertise of two colleagues (clinical and non-clinical) every month, with nominations open to staff and members of the public.

The DAISY Awards scheme offers staff and members of the public an opportunity to say thank you to Nurses or Midwives going the extra mile. The awards are presented by our Chief Nursing Officer and funded by University Hospitals Coventry and Warwickshire Charity.

We are also continuing to recognise our employees, partners and volunteers at our annual Outstanding Service and Care Awards (OSCAs). In its 16th year, the OSCAs reached new heights with more than 1,600 nominations submitted, with teams and individuals honoured for helping to make a difference to the lives of our patients throughout the year.

We continually review and update our internal communications to ensure our staff are kept informed and can contribute to continuous improvements across UHCW.

Signed



Chief Executive Officer, 21 June 2024

Part 5 Financial Statements

5.1 External Auditors Report

Independent auditor's report to the board of directors of University Hospitals Coventry and Warwickshire NHS Trust.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of University Hospitals Coventry and Warwickshire NHS Trust ("the Trust") for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State for Health and Social Care with the consent of HM Treasury on 23 June 2022 as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the Trust's services or dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the continuity of services provided by the Trust over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit and Risk Assurance Committee and internal audit and inspection of policy documentation as to the Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of the need to achieve financial performance targets delegated to the Trust by NHS England.
- Reading Board and Audit and Risk Assurance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls in particular the risk that Trust management may be in a position to make inappropriate accounting entries.
On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the funding provided to the Trust during the year. We therefore assessed that there was limited opportunity for the Trust to manipulate the income that was reported.

We also identified a fraud risk related to expenditure recognition, particularly in relation to completeness of year-end expenditure and accruals.
We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

These included unusual postings to expenditure, cash, borrowings, and revenue.

- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

- Inspecting a sample of transactions in the period post 31 March 2024 to verify expenditure had been recognised in the correct accounting period.
- Inspecting a sample of payments from the bank statement in the period post 31 March 2024 to verify payments relating to 2023/24 but paid in 2024/25 were appropriately accrued for.

Identifying and responding to risks of material misstatement related to non-compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and discussion with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements, including the financial reporting aspects of NHS legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We are required to make a referral to the Secretary of State, and notify NHS England of the matter under section 30 of the Local Audit and Accountability Act 2014 if 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 body incurring 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.

As outlined in the section of this report dealing with other legal and regulatory matters, we made a Section 30(1)(b) referral to the Secretary of State on 14 June 2023 relating to the Trust's failure to comply with its "breakeven duty" set out in paragraph 2(1) of Schedule 5 to the National Health Service Act 2006.

Secondly, the Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, recognising the nature of the Trust's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report
The directors are responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.
Based solely on that work:
- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement
We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023/24. We have nothing to report in this respect.

Remuneration and Staff Reports
In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in all material respects, in accordance with the Department of Health and Social Care Group Accounting Manual 2023/24.

Directors' and Accountable Officer's responsibilities
As explained more fully in the statement set out on page 74, the Directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Trust or dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 73 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory matters

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 74, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(2A) of the Local Audit and Accountability Act 2014 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 planned our work and undertook our review in accordance with the Code of Audit Practice and related statutory guidance, having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 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 body incurring 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.

On 14 June 2024 we made a section 30(1)(b) referral to the Secretary of State in respect of the Trust's breach of its "breakeven duty" set out in paragraph 2(1) of Schedule 5 to the National Health Service Act 2006. The Trust had previously breached its five-year breakeven duty and reported an adjusted in-year performance of breakeven, and a deficit of £2.985 million for breakeven duty reporting purposes, resulting in a cumulative deficit of £47.194 million at 31 March 2024.

The purpose of our audit work and whom we owe our responsibilities

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

Certificate of completion of the audit

We certify that we have completed the audit of the accounts of University Hospitals Coventry and Warwickshire NHS Trust for the year ended 31 March 2024 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Sarah Brown
for and on behalf of KPMG LLP
Chartered Accountants One Snowhill
Snow Hill Queensway Birmingham B4 6GH

25 June 2024

5.2 Annual Accounts

Statement of comprehensive income

	Note	2023/24 £000	2022/23 £000
Operating income from patient care activities	3	914,515	847,517
Other operating income	4	71,568	70,699
Operating expenses	6, 8	(975,929)	(912,204)
Operating surplus/(deficit) from continuing operations		**10,154**	**6,011**
Finance income	10	2,933	1,447
Finance expenses	11	(84,931)	(28,626)
PDC dividends payable		-	(6,445)
Net finance costs		**(81,998)**	**(33,624)**
Other gains / (losses)	12	107	(1,640)
Deficit for the year from continuing operations		**(71,738)**	**(29,253)**
Deficit for the year		**(71,738)**	**(29,253)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(6,502)	(272)
Revaluations	16	4,077	11,961
Total comprehensive (expense) / income for the period		**(74,163)**	**(17,564)**
Adjusted financial performance (control total basis):			
(Deficit) / surplus for the period		(71,738)	(29,253)
Remove net impairments not scoring to the Departmental expenditure limit		24,896	18,190
Remove I&E impact of capital grants and donations		(15)	(3,569)
Remove impact of IFRS 16 on IFRIC 12 schemes		46,674	-
Remove net impact of inventories received from DHSC group bodies for COVID response		183	(18)
Adjusted financial performance surplus		**0**	**(14,650)**

Statement of Financial Position

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	13	28,347	22,085
Property, plant and equipment	14	414,791	434,263
Right of use assets	17	33,763	34,783
Investment property	18	10,850	10,440
Receivables	20	48,928	38,940
Total non-current assets		**536,679**	**540,511**
Current assets			
Inventories	19	17,098	16,515
Receivables	20	41,829	62,230
Cash and cash equivalents	21	44,387	41,517
Total current assets		**103,314**	**120,262**
Current liabilities			
Trade and other payables	22	(88,236)	(101,361)
Borrowings	24	(22,670)	(7,758)
Provisions	25	(10,190)	(9,111)
Other liabilities	23	(9,228)	(12,479)
Total current liabilities		**(130,324)**	**(130,709)**
Total assets less current liabilities		**509,669**	**530,064**
Non-current liabilities			
Borrowings	24	(492,717)	(266,747)
Provisions	25	(3,096)	(3,399)
Total non-current liabilities		**(495,813)**	**(270,146)**
Total assets employed		**13,856**	**259,918**
Financed by			
Public dividend capital		273,999	256,016
Revaluation reserve		96,277	98,743
Income and expenditure reserve		(356,420)	(94,841)
Total taxpayers' equity		**13,856**	**259,918**

The notes on pages 6 to 62 form part of these accounts.

Professor Andrew Hardy
Chief Executive Officer
21 June 2024

Statement of Changes in Equity for the year ended 31 March 2024

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**256,016**	**98,743**	**(94,841)**	**259,918**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	(189,882)	(189,882)
Surplus/(deficit) for the year	-	-	(71,738)	(71,738)
Impairments	-	(6,502)	-	(6,502)
Revaluations	-	4,077	-	4,077
Transfer to retained earnings on disposal of assets	-	(41)	41	-
Public dividend capital received	17,983	-	-	17,983
TTaxpayers' and others' equity at 31 March 2024	**273,999**	**96,277**	**(356,420)**	**13,856**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**229,479**	**87,937**	**(66,471)**	**250,945**
(Deficit) / surplus for the year	-	-	(29,253)	(29,253)
Impairments	-	(272)	-	(272)
Revaluations	-	11,961	-	11,961
Public dividend capital received	26,537	-	-	26,537
Other reserve movements	-	(883)	883	-
Taxpayers' and others' equity at 31 March 2023	**256,016**	**98,743**	**(94,841)**	**259,918**

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 expenditure. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve

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

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating surplus / (deficit)		10,154	6,011
Non-cash income and expense:			
Depreciation and amortisation	6.1	32,448	31,860
Net impairments	7	24,896	18,190
Income recognised in respect of capital donations	4	(794)	(4,142)
Decrease / (increase) in receivables and other assets		20,424	(18,530)
(Increase) / decrease in inventories		(583)	(148)
(Decrease) / increase in payables and other liabilities		(12,466)	11,649
Increase / (decrease) in provisions		732	5,233
Net cash flows from / (used in) operating activities		**74,811**	**50,123**
Cash flows from investing activities			
Interest received		2,933	1,447
Purchase of intangible assets		(8,610)	(13,878)
Purchase of PPE and investment property		(46,667)	(52,925)
Receipt of cash donations to purchase assets		794	4,142
Net cash flows from / (used in) investing activities		**(51,550)**	**(61,214)**
Cash flows from financing activities			
Public dividend capital received		17,983	26,537
Movement on loans from DHSC		(890)	(890)
Capital element of finance lease rental payments		(4,327)	(4,454)
Capital element of PFI, LIFT and other service concession payments		(6,092)	(4,981)
Interest on loans		(22)	(35)
Interest paid on finance lease liabilities		(770)	(573)
Interest paid on PFI, LIFT and other service concession obligations		(26,641)	(28,065)
PDC dividend refunded / (paid)		369	(7,049)
Net cash flows (used in) / from financing activities		**(20,390)**	**(19,510)**
Increase / (decrease) in cash and cash equivalents		**2,871**	**(30,601)**
Cash and cash equivalents at 1 April - brought forward		**41,517**	**72,118**
Cash and cash equivalents at 31 March	**21.1**	**44,387**	**41,517**

Notes to the Accounts

Note 1 Accounting policies and other

Information Note 1.1 Basis of preparation

The Department of Health and Social Care 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.

Accounting convention

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

Note 1.2 Going concern

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

The Board of Directors has carefully considered the principle of 'Going Concern in the context of the Trust continuing to operate under the HM Treasury's Financial Reporting Guidelines (FReM). For the year ending 31 March 2024, the Trust is reporting an adjusted financial performance (control total) of breakeven, meeting the target of the initial breakeven plan.

It is also worth noting that the NHS approach to historical debt has changed since 2020/21. This has resulted in historic loan debt has been written off and converted to public dividend capital (PDC). Any future revenue support will be allocated as public dividend capital (PDC). The Trust maintains a high cash balance at the end of 2023/24, the balance being £44.4 million (2022/23 £41.5 million), on 31 March 2024. The high cash balance is expected to fall significantly in early 2024/25 with disbursement of significant capital and non-capital creditors.

Historically the Trust has had very low levels of internally generated funds and therefore due to the high levels of PFI payments (principal repayments and contractual lifecycle contributions), this means that the Trust's capital programme is underpinned by public dividend capital.

A new approach to capital funding was introduced in 2020/21, the main purpose of which is the allocation of a capital envelope for each ICS. This provides greater clarity and confidence on the level of capital resource available, support system working and discussion on capital priorities, and enable faster access to national capital funding for critical safety issues. This is in line with the reforms set out in the Health Infrastructure Plan, to provide clearer and more transparent links between local spending plans and national spending limits. Every ICS received a 2023/24 capital spending envelope derived from the system-level allocation, with UHCW receiving a total system envelope of £20.0 million (2022/23: £14.7 million) in 2023/24 (excluding IFRS16 allocations).

In the financial landscape for 2024/25, the Trust's income will be driven via an API (Aligned Payment and Incentive) model with an Elective allocation, based on actual delivery. The remaining elements of commissioning contracts will in essence be a block arrangement through an API framework.

The Directors have concluded that whilst the financial position for 2024/25 is very challenging, based upon enquiries with NHS Improvement and the Department of Health and Social Care, they have a reasonable expectation that the Trust will have access to adequate resources (as in previous years) to continue in operational existence for the foreseeable future and continue to provide services to its patients. Based on this expected continuation of services, the Trust continues to adopt the going concern basis in preparing the financial statements.

Note 1.3 Interests in other entities

The Trust has no interests in any other entities, associates or joint ventures.

Note 1.4 Revenue from contracts with customers

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

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

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows: Per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations that comprise part of a contract that has an original expected duration of one year or less.

The Trust similarly does not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.

The GAM has mandated the exercise of the practical expedient offered in C7A of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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 NHS 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, out-patient 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.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2022/23 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts.

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 BPT 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 £0.5 million), an annual fixed payment is received by the provider as determined in the NHSPS documentation. 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 has received notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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 replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

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

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

The Trust engaged Avison Young, a professional property valuer to undertake a desktop revaluation of its owned land, buildings, residences and investment properties as at 31st March 2024 in order to reflect current valuations of those assets. The valuer used national BCIS cost and tender price indices. This resulted in a net overall decrease in asset values. The impact of the revaluation is reflected as appropriate in the Statement of Comprehensive Income including gains on investment assets, asset impairments (in excess of balances held in the revaluation reserve) and reversals of previous impairments charged to the Statement of Comprehensive income. The balance of the revaluation loss reduced the revaluation reserve.

Upon the adoption of the accounting standard for leases, IFRS16, on the 1st April 2022, the Trust also elected to apply the revaluation model under IAS16, to specific 'right of use' assets. This was because the normal choice of cost as a proxy for fair value was not appropriate. The Trust again engaged the professional property valuer, Avison Young, to undertake a revaluation of these specific property 'right of use' assets. The impact of the revaluation being an impairment charged to the Statement of Comprehensive Income with a small reversal of previous impairments incurred.

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 useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

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

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

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

Donated and grant funded assets

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

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

This includes assets donated to the Trust by the Department of Health and Social Care or NHS England 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.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM , are accounted for as 'on-Statement of Financial Position' by the Trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

The contributions to the lifecycle replacement of components of the asset are initially recorded as a prepayment. Subsequently, as components of the asset are replaced, the cost is transferred from prepayments and recognised in property, plant and equipment.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, as required by the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	8	61
Dwellings	23	23
Plant & machinery	2	35
Transport equipment	7	7
Information technology	5	10
Furniture & fittings	7	25

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

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

Cloud Computing

When the Trust incurs costs relating to a cloud computing arrangement there must be a consideration on the treatment of the costs, expensed as a service or capitalised as an asset. The decision is made based on whether management considers that the Trust obtains control of a software intangible asset in such there is a right of possession which would allow the Trust to run the software if desired, a lack of transferability possible to other customers and a right to direct the design of the system.

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

Useful lives of intangible assets

	Min life Years	Max life Years
Software licences	4	15

Note 1.11 Inventories

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

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

Note 1.12 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

Note 1.13 Cash and cash equivalents

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

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

Note 1.14 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost. Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

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

Further information on the basis for calculation of credit losses is provided at Note 20.3.

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.

Derecognition

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

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

Note 1.15 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 or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Where there is a requirement for practical expediency, the Trust will elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non- lease components as a single lease component. The Trust will not apply this practical expedient to embedded derivatives that meet the criteria in paragraph 4.3.3 of IFRS 9 Financial Instruments.

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 a 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.

Initial application of IFRS 16
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.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight 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 had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

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 has been reassessed with reference to the right of use asset.

Note 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount.
The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk - adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2024:

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

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 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 the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 25.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote.

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

Note 1.18 Public dividend capital

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

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

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

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

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

Note 1.19 Value added tax

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

Note 1.20 Corporation tax

The Trust has determined that it is has no corporation tax liability on the basis that it is an exampt health service body as provided for by sections 985 and 986 of the Corporation Tax Act 2010.

Note 1.21 Climate change levy

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

Note 1.22 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

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

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

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

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.23 Third party assets

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

Note 1.24 Losses and special payments

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

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

Note 1.25 Gifts

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

Note 1.26 Early adoption of standards, amendments and interpretations

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

Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on and after 1 January 2021, will be adopted by HM Treasury into the Financial reporting manual (FReM) from 1 April 2025.

IFRS 18 Presentation and Disclosure in Financial Statements - Standard was issued in April 2024 and applies to periods beginning on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FREM and therefore it is not yet possible to confirm how this will impact on our accounts in the future.

Note 1.28 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements: The most significant judgement around accounting policies has been the decision to account for the Trust's PFI hospital in the Statement of Financial Position. The key accounting standards used in assessing this were IFRIC 12, IFRIC 4, IAS16 and IAS 17. As mentioned above, from the 1 April 2023, the measurement principles of IFRS16 will be applied to the Trust's PFI liabilities, replacing IAS17.

Note 1.29 Sources of estimation uncertainty

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

- Valuation of property, plant and equipment (see notes 7 and 16) is based upon an assessment undertaken by professional property valuers which by its nature includes an element of subjectivity. It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period however to indicate the key judgemental assumptions applied within the valuation process, the table below summarises the percentages applied to various elements of property with the property portfolio in the valuation:

Key Assumption Percentages Applied	Coventry UHCW	Rugby St Cross
Build Cost Index	2.6% – 8.3%	2.6% – 3.7%
Obsolescence Factor	0% – 15%	0% – 42.5%

The varying obsolescence percentages applied reflects the varying age and conditions of the properties existing on the two sites, with older elements of the Hospital of St Cross site having a high obsolescence factor applied. The valuer makes adjustments to reflect the physical, functional and economic obsolescence of the buildings. From 2022/23 a judgemental 2.5% of the functional obsolescence applied across the portfolio has been attributed to ESG, reflecting that the MEA would need to reflect increased insulation, thermal efficiency, renewable heat sources etc.

Note 2 Operating Segments

The Trust Board is considered to be the chief operating decision maker of the organisation. The Trust Board is of the view that whilst it receives limited financial information broken down by division, the information received does not show the full trading position of that division. Furthermore the activities undertaken by these divisions have a high degree of interdependence and therefore the Trust Board has determined that is appropriate to aggregate these divisions for segmental reporting purposes.

The rationale for determining the chief operating decision maker and for aggregating segments is as follows:

Chief operating decision maker

International Financial Reporting Standard 8: Operating Segments; states that the chief operating decision maker will have responsibility for allocating resources and assessing the performance of the entity's operating segments.

For the University Hospitals Coventry and Warwickshire NHS Trust, responsibility for these functions is set out in the Trust's Scheme of Reservation and Delegation. This document includes (amongst others) the following key decisions which are reserved to the Trust Board:

• The approval of strategies, plans and budgets;
• The agreement of the organisational structures, processes and procedures to facilitate the discharge of business by the Trust; and
• The monitoring and review of financial performance.

Consequently it has been determined that the Trust Board is the chief operating decision maker.

Operating segments

IFRS 8 sets out the criteria for identifying operating segments and for reporting individual or aggregated segmental data. The Trust Board has considered the requirements of IFRS 8 and whilst it does receive budgetary performance information at a specialty group level based upon groups of services (including for example medical specialties, surgical specialties etc.), this information is limited in that:

• Income is not currently regularly reported by specialty;
• Costs associated with any one specialty or service provided by the Trust are split across several specialty groups;
• Cross charging for services between specialty groups is not widely undertaken; and
• Many services provided by the Trust are not operationally independent.

In addition to the above key factors, consideration has also been given to the principles around aggregation of operating segments set out in IFRS 8 which concludes that segments may be aggregated if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

(a) The nature of the products and services:

The services provided are very similar in that they represent the provision of healthcare to ill/vulnerable people. Furthermore many of the services are interconnected with care for an individual being shared across different specialties and departments.

(b) The nature of the production processes:

Services are provided in very similar ways (albeit to differing extents) to the majority of patients including outpatient consultations, inpatient care, diagnostic tests, medical and surgical interventions.

(c) The type or class of customer for their products and services:

The Trust's customers are similar across all services in that they are ill/vulnerable people – whilst certain patient groups may be more susceptible to different healthcare needs, most services are provided to customers of all ages, gender etc.

(d) The methods used to distribute their products or provide their services:

The majority of services are delivered to customers through attendance at hospital as outpatients, day cases or inpatients.

(e) If applicable, the nature of the regulatory environment:

The regulatory environment in which the Trust's services are provided is NHS healthcare.

The Trust Board has therefore concluded that further segmental analysis is not appropriate and that the specialty financial information should be aggregated for the purpose of segmental reporting.

Financial Performance Reporting

The Trust Board receives reports on the Trust's financial performance based upon the Statement of Comprehensive Income (or Net Expenditure) which is adjusted in accordance with HM Treasury rules on measuring financial performance. These adjustments are set out below the Statement of Comprehensive Income (or Net Expenditure) and in notes 34 and 35, relating to breakeven performance.

Income Sources
The Trust's main sources of income continue to be from:
• Integrated Care Boards from which £610.0 million (£416.0 million in 2022/23) was received; and
• NHS England from which £275.5 million (£276.5 million in 2022/23) was received.

There are no other sources of income which exceed 10% of the Trust's total revenue.

All income derives from services provided in England, although the source of a small part of this income will come from NHS bodies in other parts of the United Kingdom, the Isle of Man or from overseas visitors who are treated in the Trust's hospitals. However, income from such sources is not material.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)

	2023/24	2022/23
	£000	£000
Acute services		
Income from commissioners under API contracts - variable element*	191,338	-
Income from commissioners under API contracts - fixed element*	551,955	685,591
High cost drugs income from commissioners	82,176	74,818
Other NHS clinical income	43,988	5,417
All services		
Private patient income	1,557	-
Elective recovery fund	-	23,012
National pay award central funding***	435	16,480
Additional pension contribution central funding**	22,003	20,546
Other clinical income	21,064	21,652
Total income from activities	**914,515**	**847,517**

*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/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

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

Note 3.2 Income from patient care activities (by source)

	2023/24	2022/23
Income from patient care activities received from:	£000	£000
NHS England	276,137	276,515
Clinical commissioning groups	-	128,966
Integrated care boards	610,021	416,014
Department of Health and Social Care	179	97
Other NHS providers	16,638	15,863
Local authorities	189	236
Non-NHS: private patients	1,557	1,555
Non-NHS: overseas patients (chargeable to patient)	2,981	2,407
Injury cost recovery scheme	4,602	4,169
Non-NHS: other	2,213	1,694
Total income from activities	**914,515**	**847,517**
Of which:		
Related to continuing operations	914,515	847,517
Related to discontinued operations	-	-

From 1st July 2022, Clinical commissioning groups ceased to exist and have been replaced with Integrated care boards. This has impacted the source of income in the table above.

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

	2023/24	2022/23
	£000	£000
Income recognised this year	2,981	2,407
Cash payments received in-year	591	423
Amounts added to provision for impairment of receivables	4,227	3,659
Amounts written off in-year	1,490	850

Note 4 Other operating income

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	9,692	-	9,692	11,638	-	11,638
Education and training	27,975	965	28,939	25,545	889	26,434
Non-patient care services to other bodies	10,360	-	10,360	7,439	-	7,439
Reimbursement and top up funding	-	-	-	4,971	-	4,971
Income in respect of employee benefits accounted on a gross basis	3,703	-	3,703	3,829	-	3,829
Receipt of capital grants and donations and peppercorn leases	-	794	794	-	4,142	4,142
Charitable and other contributions to expenditure	-	813	813	-	2,155	2,155
Revenue from operating leases	-	1,510	1,510	-	1,271	1,271
Other income	15,757	-	15,757	8,819	-	8,819
Total other operating income	**67,487**	**4,081**	**71,568**	**62,241**	**8,458**	**70,699**
Of which:						
Related to continuing operations			71,568			70,699
Related to discontinued operations			-			-

Note 5 Operating leases - University Hospitals Coventry and Warwickshire NHS Trust

Trust as lessor

This note discloses income generated in operating lease agreements where University Hospitals Coventry and Warwickshire NHS Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Note 5.1 Operating lease income

	2023/24	2022/23
Lease receipts recognised as income in year:	£000	£000
Minimum lease receipts	1,510	1,271
Total in-year operating lease income	**1,510**	**1,271**

Note 5.2 Future lease receipts

	2023/24	2022/23
Future minimum lease receipts due in:	**£000**	**£000**
- not later than one year	1,720	1,400
- later than one year and not later than two years	1,757	1,422
- later than two years and not later than three years	910	784
- later than three years and not later than four years	486	465
- later than four years and not later than five years	486	465
- later than five years	49,465	47,788
Total	**54,824**	**52,324**

Note 6.1 Operating expenses

	2023/24	2022/23
	£000	**£000**
Purchase of healthcare from NHS and DHSC bodies	1,846	1,366
Purchase of healthcare from non-NHS and non-DHSC bodies	9,276	7,931
Staff and executive directors costs	568,090	534,310
Remuneration of Non-Executive Directors	174	145
Supplies and services - clinical (excluding drugs costs)	97,278	95,113
Supplies and services - general	6,199	4,899
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	82,382	74,212
Inventories written down	481	258
Establishment	11,429	10,952
Premises	32,104	30,159
Transport (including patient travel)	2,305	2,131
Depreciation on property, plant and equipment	31,296	30,032
Amortisation on intangible assets	1,152	1,828
Net impairments	24,896	18,190
Movement in credit loss allowance: contract receivables / contract assets	3,197	2,877
Increase/(decrease) in other provisions	1,598	6,219
Change in provisions discount rate(s)	(135)	(716)
Fees payable to the external auditor audit services- statutory audit	181	166
Internal audit costs	107	113
Clinical negligence	21,779	20,551
Legal fees	424	285
Insurance	459	410
Research and development	13,295	12,986
Education and training	11,419	9,336
Variable lease payments not included in the liability	157	63
Redundancy	136	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	45,431	42,592
Hospitality	116	45
Losses, ex gratia & special payments	1,509	774
Other	7,348	4,977
Total	**975,929**	**912,204**
Of which:		
Related to continuing operations	975,929	912,204
Related to discontinued operations	-	-

* Auditor remuneration for the statutory audit in 2023/24 was £151,000, excluding VAT (£138,000 in 2022/23). The sums disclosed above include irrecoverable VAT.

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1 million (2022/23: £1 million).

Note 7 Impairment of assets

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Unforeseen obsolescence*	443	6,116
Changes in market price**	24,453	12,074
Total net impairments charged to operating surplus / deficit	**24,896**	**18,190**
Impairments charged to the revaluation reserve	6,502	272
Total net impairments	**31,398**	**18,462**

* Unforeseen obsolescence 2023/24: The majority of this unforeseen obsolescence relates to equipment assets removed from operational use and the remainder relates to pricing gains earned by the PFI contractor. 2022/23: the majority of the impairment charges of £6,116k are charges for equipment purchased through the Trust's PFI contract. A significant element of the equipment impairment charges are pricing gains earned by the PFI contractor as a result of the terms of the contract, and gains on the final purchase price of the equipment purchased in relation to the standard price agreed in the contract. Values impaired in 2022/23 includes actual pricing gains for up to 2021/22 and an estimate for 2022/23.

** Changes in market prices: The Trust engaged a professional property valuer to undertake a revaluation of owned land, buildings, residences and investment properties and specific property 'right of use' assets as at 31st March 2024, in order to reflect current valuations of those assets.

For owned land and buildings, a net impairment of £22,051k was charged to operating expenses, with a net £2,501k charged to the revaluation reserve. The property valuer's valuation resulted in a net increase in values from the previous year. However, the Trust incorporated significant capital investments into the asset register of the Trust and whilst these enhancements are beneficial to the Trust and the population it serves, the technical value of the estate did not rise proportionally. These enhancements included the Emergency Department in Coventry, Energy Savings initiatives and a new Endoscopy building at the Hospital of St Cross, Rugby.

Following the revaluation of specific property 'right of use' assets, a net impairment charge of £2,402k was charged to operating expenses.

Note 8 Employee benefits

	2023/24	2022/23
	Total	Total
	£000	£000
Salaries and wages	450,350	419,477
Social security costs	45,886	41,033
Apprenticeship levy	2,187	2,096
Employer's contributions to NHS pensions	71,126	66,350
Pension cost - other	132	225
Termination benefits	136	-
Temporary staff (including agency)	13,765	20,702
Total gross staff costs	**583,582**	**549,883**
Recoveries in respect of seconded staff	(503)	(641)
Total staff costs	**583,079**	**549,242**
Of which		
Costs capitalised as part of assets	2,552	4,179

Note 8.1 Retirements due to ill-health

During 2023/24 there was one early retirement from the Trust agreed on the grounds of ill-health (one in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £93k (£7k in 2022/23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

National Employment Savings Trust (NEST)

The Trust has joined the government operated National Employment Savings Scheme (NEST) pension scheme to offer pensions to those staff who are not eligible to join the NHS pension scheme.

NEST is a defined contribution scheme and as such, the cost to the Trust of participating in the NEST scheme is equal to the contributions payable into the scheme in the relevant accounting period (see Note 8 Employee benefits).

Note 10 Finance income

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	2,933	1,276
Interest on other investments / financial assets	-	171
Total finance income	**2,933**	**1,447**

Note 11.1 Finance expenditure

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

	2023/24	2022/23
Interest expense:	**£000**	**£000**
Interest on loans from the Department of Health and Social Care	18	30
Interest on lease obligations	770	573
Finance costs on PFI, LIFT and other service concession arrangements:		
Main finance costs	26,641	12,956
Contingent finance costs*	-	15,109
Remeasurement of the liability resulting from change in index or rate*	57,458	-
Total interest expense	**84,887**	**28,668**
Unwinding of discount on provisions	44	(42)
Total finance costs	**84,931**	**28,626**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 29.

Note 12 Other gains / (losses)

	2023/24	2022/23
	£000	**£000**
(Losses) on disposal of assets	(303)	-
Total (losses) / gains on disposal of assets	**(303)**	**-**
Fair value gains / (losses) on investment properties	410	(1,640)
Total other gains / (losses)	**107**	**(1,640)**

Losses on disposals of assets were resulting from the return of equipment assets donated as part of the central Covid Response being returned to the National centre in 2023/24. The gains on investment properties resulted from a full revaluation undertaken by a professional property valuer as at 31 March in each year.

Note 13.1 Intangible assets - 2023/24

	Software licences	Intangible assets under construction	Total
	£000	**£000**	**£000**
Valuation / gross cost at 1 April 2023 - brought forward	**14,886**	**18,696**	**33,582**
Additions	340	7,126	7,466
Reclassifications	493	(545)	(52)
Disposals / derecognition	(852)	-	(852)
Valuation / gross cost at 31 March 2024	**14,867**	**25,277**	**40,144**
Amortisation at 1 April 2023 - brought forward	**11,497**	**-**	**11,497**
Provided during the year	1,152	-	1,152
Disposals / derecognition	(852)	-	(852)
Amortisation at 31 March 2024	**11,797**	**-**	**11,797**
Net book value at 31 March 2024	**3,070**	**25,277**	**28,347**
Net book value at 1 April 2023	**3,389**	**18,696**	**22,085**

Note 13.2 Intangible assets - 2022/23

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**15,203**	**8,122**	**23,325**
Additions	-	10,574	10,574
Disposals / derecognition	(317)	-	(317)
Valuation / gross cost at 31 March 2023	**14,886**	**18,696**	**33,582**
Amortisation at 1 April 2022 - as previously stated	**9,986**	**-**	**9,986**
Provided during the year	1,828	-	1,828
Disposals / derecognition	(317)	-	(317)
Amortisation at 31 March 2023	**11,497**	**-**	**11,497**
Net book value at 31 March 2023	**3,389**	**18,696**	**22,085**
Net book value at 1 April 2022	**5,217**	**8,122**	**13,339**

Note 14.1 Property, plant and equipment - 2023/24

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipmen	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**22,453**	**329,102**	**372**	**14,198**	**167,818**	**197**	**43,593**	**160**	**577,893**
Additions		11,567	-	6,545	13,921	-	1,488	-	33,521
Impairments		(29,017)	-	-	-	-	-	-	(29,017)
Reversals of impairmens		463	-	-	-	-	-	-	463
Revaluations		(8,879)	29	-	-	-	-	-	(8,850)
Reclassifications		6,608	-	(9,413)	2,081	-	776	-	52
Disposals / derecognition		-	-	-	(12,205)	-	(8,426)	-	(20,631)
Valuation/gross cost at 31 March 2024	**22,453**	**309,844**	**401**	**11,330**	**171,615**	**197**	**37,431**	**160**	**553,431**
Accumulated depreciation at 1 April 2023 - brought forward		**-**	**-**	**-**	**114,644**	**-**	**28,840**	**146**	**143,630**
Provided during the year		12,900	27	-	11,268	66	3,561	-	27,822
Impairments		-	-	-	439	-	4	-	443
Revaluations		(12,900)	(27)	-	-	-	-	-	(12,927)
Disposals / derecognition		-	-	-	(11,902)	-	(8,426)	-	(20,328)
Accumulated depreciation at 31 March 2024		**-**	**-**	**-**	**114,449**	**66**	**23,979**	**146**	**138,640**
Net book value at 31 March 2024	**22,453**	**309,844**	**401**	**11,330**	**57,166**	**131**	**13,452**	**14**	**414,791**
Net book value at 1 April 2023	**22,453**	**329,102**	**372**	**14,198**	**53,174**	**197**	**14,753**	**14**	**434,263**

Note 14.2 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipmen	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**22,441**	**302,162**	**388**	**18,139**	**171,521**	**-**	**44,785**	**160**	**559,596**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(9,698)	-	-	-	(9,698)
Additions	-	15,970	-	12,580	14,126	-	45	-	42,721
Impairments	-	(4,344)	-	-	-	-	-	-	(4,344)
Reversals of impairments	-	4,955	-	-	-	-	-	-	4,955
Revaluations	12	307	(16)	-	-	-	-	-	303
Reclassifications	-	10,052	-	(16,521)	4,999	197	1,273	-	-
Disposals / derecognition	-	-	-	-	(13,130)	-	(2,510)	-	(15,640)
Valuation/gross cost at 31 March 2023	**22,453**	**329,102**	**372**	**14,198**	**167,818**	**197**	**43,593**	**160**	**577,893**
Accumulated depreciation at 1 April 2022 - as previously stated	**-**	**-**	**-**	**-**	**113,961**	**-**	**28,100**	**146**	**142,207**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(3,885)	-	-	-	(3,885)
Provided during the year	-	11,630	28	-	11,820	-	3,149	-	26,627
Impairments	-	-	-	-	5,878	-	101	-	5,979
Revaluations	-	(11,630)	(28)	-	-	-	-	-	(11,658)
Disposals / derecognition	-	-	-	-	(13,130)	-	(2,510)	-	(15,640)
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**114,644**	**-**	**28,840**	**146**	**143,630**
Net book value at 31 March 2023	**22,453**	**329,102**	**372**	**14,198**	**53,174**	**197**	**14,753**	**14**	**434,263**
Net book value at 1 April 2022	**22,441**	**302,162**	**388**	**18,139**	**57,560**	**-**	**16,685**	**14**	**417,389**

Note 14.3 Property, plant and equipment financing - 31 March 2024

	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
Owned - purchased	22,453	50,432	401	11,304	26,035	131	13,398	14	124,168
On-SoFP PFI contracts and other service concession arrangements	-	254,991	-	-	28,267	-	-	-	283,258
Owned - donated/granted	-	4,421	-	26	2,864	-	54	-	7,365
Total net book value at 31 March 2024	**22,453**	**309,844**	**401**	**11,330**	**57,166**	**131**	**13,452**	**14**	**414,791**

Note 14.4 Property, plant and equipment financing - 31 March 2023

	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
Owned - purchased	22,453	59,338	372	14,172	24,501	133	14,753	14	135,736
On-SoFP PFI contracts and other service concession arrangements	-	263,233	-	-	25,795	-	-	-	289,028
Owned - donated/granted	-	6,531	-	26	2,878	64	-	-	9,499
Total net book value at 31 March 2023	**22,453**	**329,102**	**372**	**14,198**	**53,174**	**197**	**14,753**	**14**	**434,263**

Note 14.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024

	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
Subject to an operating lease	-	5,871	-	-	-	-	-	-	5,871
Not subject to an operating lease	22,453	303,973	401	11,330	57,166	131	13,452	14	408,920
Total net book value at 31 March 2024	**22,453**	**309,844**	**401**	**11,330**	**57,166**	**131**	**13,452**	**14**	**414,791**

Note 14.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	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
Subject to an operating lease	-	6,040	-	-	-	-	-	-	6,040
Not subject to an operating lease	22,453	323,062	372	14,198	53,174	197	14,753	14	428,223
Total net book value at 31 March 2023	**22,453**	**329,102**	**372**	**14,198**	**53,174**	**197**	**14,753**	**14**	**434,263**

Note 15 Donations of property, plant and equipment

The Trust receives grants from charities for the purchase of donated capital assets - mainly medical and surgical equipment.

Note 16 Revaluations of property, plant and equipment

The Trust engaged Avison Young, a professional property valuer to undertake a desktop revaluation of its owned land, buildings, residences and investment properties as at 31st March 2024 in order to reflect current valuations of those assets. The valuer used national BCIS cost and tender price indices. Whilst this resulted in a net overall increase in asset values, some individual assets incurred impairment losses. The impact of the revaluation is reflected as appropriate in the Statement of Comprehensive Income including gains on investment assets, asset impairments (in excess of balances held in the revaluation reserve) and reversals of previous impairments charged to the Statement of Comprehensive income. The balance of the revaluation gain was credited to the revaluation reserve.

Upon the adoption of the accounting standard for leases, IFRS16, on the 1st April 2022, the Trust also elected to apply the revaluation model under IAS16, to specific 'right of use' assets. This was because the normal choice of cost as a proxy for fair value was not appropriate. The Trust engaged the professional property valuer, Avison Young, to undertake a revaluation of these specific property 'right of use' assets at the transition date of 1st April 2022, again at the 31st March 2023. The impact of the revaluations being a net impairment, charged to the Statement of Comprehensive Income.

Note 17 Leases - University Hospitals Coventry and Warwickshire NHS Trust as a lessee

The Trust has leases for the non-residential properties, land for car parks/dialysis unit, plant and machinery assets such as the heat and power plant at the Coventry site, some medical equipment assets, IT equipment and specialised transport leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability. The Trust classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 14).

Note 17.1 Right of use assets - 2023/24

	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**27,444**	**13,785**	**-**	**578**	**41,807**	**8,062**
Additions	-	580	51	-	631	59
Remeasurements of the lease liability	3,069	446	-	709	4,224	2,327
Impairments	(2,406)	-	-	-	(2,406)	(2,406)
Reversal of impairments	5	-	-	-	5	5
Revaluations	(305)	-	-	-	(305)	(305)
Disposals / derecognition	(1,433)	(3,553)	-	-	(4,986)	-
Valuation/gross cost at 31 March 2024	**26,374**	**11,258**	**51**	**1,287**	**38,970**	**7,742**
Accumulated depreciation at 1 April 2023 - brought forward	**1,737**	**4,922**	**-**	**365**	**7,024**	**138**
Provided during the year	1,832	1,279	2	361	3,474	537
Revaluations	(305)	-	-	-	(305)	(305)
Disposals / derecognition	(1,433)	(3,553)	-	-	(4,986)	-
Accumulated depreciation at 31 March 2024	**1,831**	**2,648**	**2**	**726**	**5,207**	**370**
Net book value at 31 March 2024	**24,543**	**8,610**	**49**	**561**	**33,763**	**7,372**
Net book value at 1 April 2023	**25,707**	**8,863**	**-**	**213**	**34,783**	**7,924**
Net book value of right of use assets leased from other NHS providers						423
Net book value of right of use assets leased from other DHSC group bodies						6,949

Note 17.2 Right of use assets - 2022/23

	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	-	-	-	-	-	-
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	9,698	-	-	9,698	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	33,883	2,068	-	578	36,529	16,591
Transfers by absorption	-	-	-	-	-	-
Additions	3,363	1,405	-	-	4,768	3,363
Remeasurements of the lease liability	3,558	614	-	-	4,172	1,468
Impairments	(13,094)	-	-	-	(13,094)	(13,094)
Revaluations	(266)	-	-	-	(266)	(266)
Valuation/gross cost at 31 March 2023	**27,444**	**13,785**	**-**	**578**	**41,807**	**8,062**
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	-	-
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	3,885	-	-	3,885	-
Provided during the year	2,003	1,037	-	365	3,405	404
Revaluations	(266)	-	-	-	(266)	(266)
Accumulated depreciation at 31 March 2023	**1,737**	**4,922**	**-**	**365**	**7,024**	**138**
Net book value at 31 March 2023	**25,707**	**8,863**	**-**	**213**	**34,783**	**7,924**
Net book value at 1 April 2022	**-**	**-**	**-**	**-**	**-**	**-**
Net book value of right of use assets leased from other NHS providers						526
Net book value of right of use assets leased from other DHSC group bodies						7,398

Note 17.3 Revaluations of right of use assets

The Trust has elected to revalue specific property 'right of use' assets, Note 16 can be referred to for details of process undertaken and outcome of the revaluation.

Note 17.4 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 24.1.

	2023/24	2022/23
	£000	£000
Carrying value at 31 March	**47,286**	**5,954**
Prior period adjustments	-	126
Carrying value at 31 March - restated	**47,286**	**6,080**
IFRS 16 implementation - adjustments for existing operating leases	-	36,720
Lease additions	631	4,768
Lease liability remeasurements	4,224	4,172
Interest charge arising in year	770	573
Lease payments (cash outflows)	(5,097)	(5,027)
Carrying value at 31 March	**47,814**	**47,286**

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 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 17.5 Maturity analysis of future lease payments

	Total 31 March 2024	Of which leased from DHSC group bodies: 31 March 2024	Total 31 March 2023	Of which leased from DHSC group bodies: 31 March 2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
Not later than one year;	4,602	1,846	4,644	1,562
Later than one year and not later than five years;	14,378	6,696	13,485	6,100
Later than five years.	36,057	16,251	36,354	16,347
Total gross future lease payments	**55,037**	**24,793**	**54,483**	**24,009**
Finance charges allocated to future periods	(7,223)	(3,685)	(7,197)	(3,819)
Net lease liabilities at 31 March 2024 of which:	**47,814**	**21,108**	**47,286**	**20,190**
Leased from other NHS providers		426		528
Leased from other DHSC group bodies		20,682		19,662

Note 18 Investment Property

	2023/24	2022/23
	£000	£000
Carrying value at 1 April - brought forward	**10,440**	**12,080**
Movement in fair value	410	(1,640)
Carrying value at 31 March	**10,850**	**10,440**

Note 18.1 Investment property income and expenses

	2023/24	2022/23
	£000	£000
Direct operating expense arising from investment property which generated rental income in the period	(367)	(386)
Direct operating expense arising from investment property which did not generate rental income in the period	(6)	(8)
Total investment property expenses	**(373)**	**(394)**
Investment property income	465	409

Note 19 Inventories

	31 March 2024	31 March 2023
	£000	£000
Drugs	6,650	5,712
Consumables	10,449	10,804
Total inventories of which:	**17,098**	**16,515**
of which:Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £149,360k (2022/23: £138,244k). Write-down of inventories recognised as expenses for the year were £481k (2022/23: £258k).

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 £244k of items purchased by DHSC (2022/23: £1,576k).

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

Note 20.1 Receivables

	31 March 2024 £000	31 March 2023 £000
Current		
Contract receivables	29,837	47,997
Allowance for impaired contract receivables / assets	(6,845)	(6,064)
Prepayments (non-PFI)	7,239	6,156
PFI lifecycle prepayments	11,232	10,590
PDC dividend receivable	-	369
VAT receivable	121	3,026
Other receivables	245	156
Total current receivables	**41,829**	**62,230**
Non-current		
Contract receivables	8,003	7,549
PFI lifecycle prepayments	40,092	30,354
Other receivables	833	1,037
Total non-current receivables	**48,928**	**38,940**
Of which receivable from NHS and DHSC group bodies:		
Current	19,615	35,758
Non-current	833	1,037

Note 20.2 Allowances for credit losses

	2023/24 Contract receivables and contract assets £000	2022/23 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**6,064**	**4,716**
New allowances arising	5,701	5,081
Reversals of allowances	(2,504)	(2,204)
Utilisation of allowances (write offs)	(2,416)	(1,529)
Allowances as at 31 Mar 2024	**6,845**	**6,064**

Note 20.3 Exposure to credit risk

The Trust charges significant sums to overseas patients who have received care, however, the income from such patients is in effect partly underwritten by the local Integrated care board. In 2023/24, this value has been fixed and is included within the contractual blocks received from UHCW commissioners based on inflated 2019/20 values. There is a range of debt risk exposure and provision for this risk is applied according to the individual debt circumstances, ranging between 0% on overseas patients actively making payments, to 95% on debtors who have not made any payments. The overall result being a high proportion are provided for at close to 92%.

Injury cost recovery income is subject to a provision for impairment of receivables of 23.07% as per DHSC guidance.

For other receivables, future credit losses are estimated by calculating historic one year recovery rates for specific categories of receivables by age profile. The level of provisions for receivables as at 31 March 2024 are based on the following average percentages for outstanding invoices by age category:

- Outstanding invoices aged 0 - 30 days: 8%
- Outstanding invoices aged 31 - 60 days: 15%
- Outstanding invoices aged 61 - 90 days: 3%
- Outstanding invoices aged 91 - 180 days: 5%
- Outstanding invoices aged over 180 days: 5%

Note 21.1 Cash and cash equivalents movements

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

	2023/24	2022/23
	£000	£000
At 1 April	**41,517**	**72,118**
Net change in year	2,870	(30,601)
At 31 March	**44,387**	**41,517**
Broken down into:		
Cash at commercial banks and in hand	30	201
Cash with the Government Banking Service	44,357	41,316
Total cash and cash equivalents as in SoFP	**44,387**	**41,517**
Total cash and cash equivalents as in SoCF	**44,387**	**41,517**

Note 21.2 Third party assets held by the Trust

University Hospitals Coventry and Warwickshire NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2024	31 March 2023
	£000	£000
Bank balances	32	32
Total third-party assets	**32**	**32**

Note 22.1 Trade and other payables

	31 March 2024	31 March 2023
	£000	£000
Current		
Trade payables	16,635	13,094
Capital payables	7,572	11,482
Accruals	55,578	68,882
Social security costs	272	271
VAT payables	109	227
Other taxes payable	457	615
Pension contributions payable	6,992	6,310
Other payables	621	480
Total current trade and other payables	**88,236**	**101,361**
Of which payables from NHS and DHSC group bodies:		
Current	7,909	8,203
Non-current	-	-

Note 23 Other liabilities

	31 March 2024	31 March 2023
	£000	£000
Current		
Deferred income: contract liabilities	9,228	12,479
Total other current liabilities	**9,228**	**12,479**

Note 24.1 Borrowings

	31 March 2024	31 March 2023
	£000	£000
Current		
Loans from DHSC	895	899
Lease liabilities	3,769	3,955
Obligations under PFI, LIFT or other service concession contracts	18,006	2,904
Total current borrowings	**22,670**	**7,758**
Non-current		
Loans from DHSC	-	890
Lease liabilities	44,045	43,331
Obligations under PFI, LIFT or other service concession contracts	448,672	222,526
Total non-current borrowings	**492,717**	**266,747**

Note 24.2 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2023	**1,789**	**47,286**	**225,430**	**274,505**
Cash movements:				
Financing cash flows - payments and receipts of principal	(890)	(4,327)	(6,092)	(11,309)
Financing cash flows - payments of interest	(22)	(770)	(26,641)	(27,433)
Non-cash movements:				
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	-	-	189,882	189,882
Additions	-	631	-	631
Lease liability remeasurements	-	4,224	-	4,224
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	-	57,458	57,458
Application of effective interest rate	18	770	26,641	27,429
Carrying value at 31 March 2023	**895**	**47,814**	**466,678**	**515,387**

Note 24.3 Reconciliation of liabilities arising from financing activities - 2022/23

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	**2,684**	**5,954**	**230,411**	**239,049**
Prior period adjustment	-	126	-	126
Carrying value at 1 April 2022 - restated	**2,684**	**6,080**	**230,411**	**239,175**
Cash movements:				
Financing cash flows - payments and receipts of principal	(890)	(4,454)	(4,981)	(10,325)
Financing cash flows - payments of interest	(35)	(573)	(12,956)	(13,564)
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	-	36,720	-	36,720
Additions	-	4,768	-	4,768
Lease liability remeasurements	-	4,172	-	4,172
Application of effective interest rate	30	573	12,956	13,559
Carrying value at 31 March 2023	**1,789**	**47,286**	**225,430**	**274,505**

Note 25.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	**1,013**	**1,603**	**244**	**-**	**9,650**	**12,510**
Change in the discount rate	(19)	(116)	-	-	(185)	(320)
Arising during the year	68	149	82	590	9,304	10,193
Utilised during the year	(113)	(93)	(53)	-	(289)	(548)
Reversed unused	(2)	-	(118)	-	(8,529)	(8,649)
Unwinding of discount	17	27	-	-	56	100
At 31 March 2024	**964**	**1,570**	**155**	**590**	**10,007**	**13,286**
Expected timing of cash flows:						
- not later than one year;	170	101	155	590	9,174	10,190
- later than one year and not later than five years;	641	380	-	-	50	1,071
- later than five years.	153	1,089	-	-	783	2,025
Total	**964**	**1,570**	**155**	**590**	**10,007**	**13,286**

- Early departure costs are pensions relating to former staff are based upon actuarial estimates and are reviewed annually. Payments are made quarterly to the NHS Pensions Agency in respect of the Trust's liability.
- Injury benefits are payable by the NHS Pensions Agency and recharged to the Trust.
- Legal claims relate to employers'/third party liability claims. Cost estimates and timings are provided by the NHS Litigation Authority.
- Other provisions include: other employee related claims and contractual disputes

Note 25.2 Clinical negligence liabilities

At 31 March 2024, £181,412k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of University Hospitals Coventry and Warwickshire NHS Trust (31 March 2023: £205,060k).

Note 27 Contingent assets and liabilities

	31 March 2024	31 March 2023
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	53	73
Gross value of contingent liabilities	**53**	**73**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**53**	**73**
Net value of contingent assets	**-**	**-**

Note 27 Contractual capital commitments

	31 March 2024	31 March 2023
	£000	£000
Property, plant and equipment	3,453	2,225
Intangible assets	3,391	3,239
Total	**6,844**	**5,464**

Note 28 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has entered into a PFI contract for the construction, operation and maintenance of a major acute hospital along with the provision of a significant proportion of medical and other equipment required for use in the hospital. The PFI contractor is also responsible for the provision of a number of services including estate maintenance, certain equipment maintenance and the provision of hotel / soft services to a required Trust specification. These services include catering, domestic, laundry / linen, portering, transport, switchboard, help desk, car parking and security. In addition as part of the PFI contract these services are also provided to the existing Hospital of St Cross.

The PFI consortium includes:
1. Principal contract party with the Trust, is Coventry & Rugby Hospital Company (CRHC)
2. Coventry & Rugby Hospital Company have contracts with:
a. Hard FM – Vinci Facilities;
b. Soft FM – ISS Mediclean, the current contract is market tested under the PFI contract every seven years;
c. Equipment – GE Medical Systems.

The PFI contract terminates on 31st December 2042, at which point ownership of the buildings and equipment provided under the contract passes to the Trust for no additional consideration.

The PFI contract is a tripartite contract involving the provision of a University Hospital for UHCW NHS Trust, and also incorporates a Mental Health facility for Coventry and Warwickshire Partnership NHS Trust, all of which are on the same NHS PFI site and jointly contracted with CRHC.

Inflation on the PFI Unitary Payment is twofold. All costs except Soft FM pay are based upon the movement in the Retail Prices Index (RPI) over the previous 12 months on a February to February basis. Soft FM pay uplift is based mainly on Agenda for Change as a result of the Retention of Employment model being used, where the majority of staff are in effect seconded by the Trust to the soft services provider but remain on NHS conditions of service.

Note 28.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2024 £000	31 March 2023 £000
Gross PFI, LIFT or other service concession liabilities	**772,345**	**383,863**
Of which liabilities are due		
- not later than one year;	44,137	15,607
- later than one year and not later than five years;	152,943	72,098
- later than five years.	575,265	296,158
Finance charges allocated to future periods	(305,667)	(158,433)
Net PFI, LIFT or other service concession arrangement obligation	**466,678**	**225,430**
- not later than one year;	18,006	2,904
- later than one year and not later than five years;	55,661	24,305
- later than five years.	393,011	198,221

Note 28.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

	31 March 2024 £000	31 March 2023 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**2,034,956**	**1,876,348**
Of which payments are due:		
- not later than one year;	108,531	95,005
- later than one year and not later than five years;	434,124	380,020
- later than five years.	1,492,301	1,401,323

Note 28.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2023/24	2022/23
	£000	£000
Unitary payment payable to service concession operator	**102,624**	**93,195**
Consisting of:		
- Interest charge	26,641	12,956
- Repayment of balance sheet obligation	6,092	4,981
- Service element and other charges to operating expenditure	45,431	42,592
- Capital lifecycle maintenance	14,004	13,434
- Revenue lifecycle maintenance	-	-
- Contingent rent	-	15,109
- Addition to lifecycle prepayment	10,456	4,123
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	**102,624**	**93,195**

Note 29 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. At any point when payments for the service concession assets are uplifted for inflation, the outstanding liability for those assets is recalculated to reflect the inflationary increase in all future payments. Before IFRS16 accounting principles were applied to such liabilities, the inflationary increase in payments for the current accounting year were recognised as contingent rent and treated as a finance charge in expenditure with no impact on the carrying value of the liability on the SoFP.

The change in accounting treatment for inflationary uplifts has been applied retrospectively without restatement of prior year comparative figures, with the cumulative liability remeasurement from the commencement of the Trust's PFI contract up to 31 March 2023 being treated as an opening balance adjustment to both the PFI liability and the income and expenditure reserve. The remeasurement of the adjusted opening liability balance, triggered by the inflationary uplift of the 2023/24 PFI unitary payment, has been accounted for as a financing charge in the 2023/24 SoCI.

It should be noted that PFI and other service concession arrangements do not fall within the definition of a lease as defined within IFRS 16 and while the liability remeasurement principles contained within this standard are now applied to such arrangements, the assets remain subject to the measurement regime contained within IAS16

Note 29.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24	IAS 17 basis (old basis) 2023/24	Impact of change 2023/24
	£000	£000	£000
Unitary payment payable to service concession operator	**102,624**	**102,624**	**-**
Consisting of:			
- Interest charge	26,641	12,703	13,938
- Repayment of balance sheet obligation	6,092	2,904	3,188
- Service element	45,431	45,431	-
- Lifecycle maintenance	14,004	14,004	-
- Contingent rent	-	17,126	(17,126)
- Addition to lifecycle prepayment	10,456	10,456	-

Note 29.2 Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	**£000**
Increase in PFI / LIFT and other service concession liabilities	(244,152)
Decrease in PDC dividend payable / increase in PDC dividend receivable	213
Increase in cash and cash equivalents (impact of PDC dividend only)	7,383
Impact on net assets as at 31 March 2024	**(236,556)**

Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	**£000**
PFI liability remeasurement charged to finance costs	(57,458)
Increase in interest arising on PFI liability	(13,938)
Reduction in contingent rent	17,126
Reduction in PDC dividend charge	7,596
Net impact on surplus / (deficit)	**(46,674)**

Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	**£000**
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	(189,882)
Net impact on 2023/24 surplus / deficit	(46,674)
Impact on equity as at 31 March 2024	**(236,556)**

Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	**£000**
Increase in cash outflows for capital element of PFI / LIFT	(3,188)
Decrease in cash outflows for financing element of PFI / LIFT	3,188
Decrease in cash outflows for PDC dividend	7,383
Net impact on cash flows from financing activities	**7,383**

Note 30 Financial instruments

Note 30.1 Financial risk management

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

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors, rather than being held to change the risks facing University Hospitals Coventry and Warwickshire NHS Trust in undertaking its activities.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust has one remaining historical government loan for capital expenditure, with two years remaining on its term and an interest rate fixed for the life of the loan. Such capital loans have been replaced by the issuing of Public Dividend capital, described in Note 1.18. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with integrated care boards, clinical commissioning groups and NHS England, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 30.2 Carrying values of financial assets

	Held at amortised cost	Total book value
Carrying values of financial assets as at 31 March 2024	**£000**	**£000**
Trade and other receivables excluding non financial assets	31,213	31,213
Cash and cash equivalents	44,387	44,387
Total at 31 March 2024	**75,600**	**75,600**

	Held at amortised cost	Total book value
Carrying values of financial assets as at 31 March 2023	**£000**	**£000**
Trade and other receivables excluding non financial assets	49,620	49,620
Cash and cash equivalents	41,517	41,517
Total at 31 March 2023	**91,137**	**91,137**

Note 30.3 Carrying values of financial liabilities

	Total book value
Carrying values of financial liabilities as at 31 March 2024	**£000**
Loans from the Department of Health and Social Care	895
Obligations under leases	47,814
Obligations under PFI, LIFT and other service concession contracts	466,678
Trade and other payables excluding non financial liabilities	80,597
Provisions under contract	10,752
Total at 31 March 2024	**606,736**

	Total book value
Carrying values of financial liabilities as at 31 March 2023	**£000**
Loans from the Department of Health and Social Care	1,789
Obligations under leases	47,286
Obligations under PFI, LIFT and other service concession contracts	225,430
Trade and other payables excluding non financial liabilities	100,248
Provisions under contract	9,894
Total at 31 March 2023	**384,647**

Note 30.4 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 £000	31 March 2023 £000
In one year or less	140,154	130,268
In more than one year but not more than five years	167,371	86,533
In more than five years	612,105	333,498
Total	**919,630**	**550,299**

Note 31 Losses and special payments

	2023/24		2022/23	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	18	12	13	7
Bad debts and claims abandoned*	406	1,496	315	864
Stores losses and damage to property	7	481	4	258
Total losses	**431**	**1,989**	**332**	**1,129**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	1	20
Ex-gratia payments	18	22	20	274
Total special payments	**18**	**22**	**21**	**294**
Total losses and special payments	**449**	**2,011**	**353**	**1,423**
Compensation payments received				

* The bad debts recorded above mainly relate to the provision of urgent/emergency care to overseas visitors and cases range from £26 to £107,309 and is a net position in year including subsequent write-off reversals. These write-off reversals can be where the patient subsequently gains residency or subsequently pays the debt in year.

The overseas losses recorded in note 3.3 are the net position of, overseas losses written off in year less any subsequent reversal of the write-offs in year.

Reversals of write-offs relating to debt written off in previous years totals £114k have also been transacted in year but are not recorded in this note, in order to present the net position for the current year in this note."

Note 32 Related parties

The Department of Health and Social Care is regarded as the Trust's parent department. During the year University Hospitals Coventry and Warwickshire NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

- South Warwickshire University NHS Foundation Trust
- Coventry and Warwickshire Partnership NHS Trust
- George Eliot Hospital NHS Trust
- NHS Birmingham and Solihull ICB
- NHS Coventry and Warwickshire ICB
- NHS Leicester, Leicestershire and Rutland ICB
- NHS Northamptonshire ICB
- NHS England
- Health Education England
- NHS Resolution
- Community Health Partnerships

In addition, the Trust also undertakes transactions with other government/public sector bodies and those with material transactions are listed below:

- HM Revenue and Customs
- National Health Service Pension Scheme
- NHS Blood & Transplant

Professor Gavin Perkins was appointed as a Non-Executive Director of the Trust from 1 July 2022 and holds the positions of Deputy Dean of Warwick Medical School and Director of the Warwick Clinical Trials Unit, which are both part of the University of Warwick. Dr Douglas Howat became a Non-Executive Director of the Trust from 1 September 2022 and holds the position of Dean for Undergraduate Studies at Coventry University.

Two directors of the Trust and two senior managers of the Trust were also trustees of University Hospitals Coventry and Warwickshire Charity during 2023/24. The charity is independent from the Trust which has the right to appoint four of the nine trustees of the charity. During the course of 2023/24, Trust appointed trustees of the charity have remained in the minority of the charity's trustees.

Revenue and expenditure with other bodies outside Whole Government Accounts (WGA) includes the University of Warwick and the University Hospitals Coventry and Warwickshire Charity, are as follows:

	Revenue	Expenditure
	£000s	£000s
University of Warwick	1,740	5,272
University Hospitals Coventry and Warwickshire Charity	358	-

Note 33 Better Payment Practice code

	2023/24	2023/24	2022/23	2022/23
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	114,284	549,391	115,010	527,085
Total non-NHS trade invoices paid within target	107,442	542,918	105,639	504,294
Percentage of non-NHS trade invoices paid within target	**94.0%**	**98.8%**	**91.9%**	**95.7%**
NHS Payables				
Total NHS trade invoices paid in the year	4,107	168,426	4,318	147,310
Total NHS trade invoices paid within target	3,243	160,161	3,009	139,057
Percentage of NHS trade invoices paid within target	**79.0%**	**95.1%**	**69.7%**	**94.4%**

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 34 External financing limit

The Trust is given an external financing limit against which it is permitted to underspend

	2023/24	2022/23
	£000	£000
Cash flow financing	3,803	(46,813)
External financing requirement	**3,803**	**(46,813)**
External financing limit (EFL)	3,803	(46,813)
Under / (over) spend against EFL	**-**	**-**

Note 35 Capital Resource Limit

	2023/24	2022/23
	£000	£000
Gross capital expenditure	45,842	62,235
Less: Disposals	(303)	-
Less: Donated and granted capital additions	(794)	(4,142)
Charge against Capital Resource Limit	**44,745**	**58,093**
Capital Resource Limit	44,745	58,093
Under / (over) spend against CRL	**-**	**-**

Note 36 Breakeven duty financial performance

	2023/24
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	0
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	(46,674)
IFRIC 12 breakeven adjustment	43,689
Breakeven duty financial performance (deficit) / surplus	**(2,985)**

Note 37 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		10,234	4,162	1,465	1,916	214	(16,900)	(9,129)
Breakeven duty cumulative position	2,558	12,792	16,954	18,419	20,335	20,549	3,649	(5,481)
Operating income		465,211	472,923	484,816	509,163	528,881	550,196	585,157
Cumulative breakeven position as a percentage of operating income		**2.7%**	**3.6%**	**3.8%**	**4.0%**	**3.9%**	**0.7%**	**(0.9%)**

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	703	(15,713)	(25,011)	9,175	3,110	2,889	(13,882)	(2,985)
Breakeven duty cumulative position	(4,778)	(20,491)	(45,502)	(36,327)	(33,217)	(30,328)	(44,209)	(47,194)
Operating income	608,790	630,651	668,046	727,084	806,313	877,683	918,215	986,083
Cumulative breakeven position as a percentage of operating income	**(0.8%)**	**(3.2%)**	**(6.8%)**	**(5.0%)**	**(4.1%)**	**(3.5%)**	**(4.8%)**	**(4.8%)**

The amount in the above table in respect of financial year 2008/09 (and earlier) has not been restated to IFRS and remains on a UK GAAP basis.

The Trust has breached its five-year breakeven duty at 31 March 2024. The value of cumulative deficit for the period of 2019/20 to 2023/24 is £47.2 million. The Trust plans to recover this will be linked to the control total mechanism and future development of system plans.

Inspected and rated

Good

Care Quality Commission

NHS

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University Hospital
Clifford Bridge Road, Coventry, West Midlands, CV2 2DX

Hospital of St Cross, Rugby
Barby Road, Rugby, CV22 5PX

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