NHS
Frimley Health
NHS Foundation Trust

2022-2023

ANNUAL REPORT AND ACCOUNTS

Frimley Health NHS Foundation Trust

Annual Report and Accounts 2022-2023

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Statement from Bryan Ingleby, Chair of Frimley Health NHS Foundation Trust

I am delighted to present our Annual Report for Frimley Health NHS Foundation Trust for the year ending 31 March 2023. First, I would like to thank our former Chair Pradip Patel, who stepped down from the Board on 3 March 2023 after 7 years of loyal service to the Trust. It is a privilege for me to take over from Pradip and I am looking forward to building on the Trust's strategic ambitions by taking Frimley Health to its next level.

The demands on the Trust over the last 12 months have been intense and I never cease to be amazed with the way people have responded to the challenges we face, and indeed across the whole of the NHS. We continue to experience unprecedented levels of patient demand for our services and long waiting lists for our elective work. Together with the staff resourcing pressures we are also operating in a period of financial constraint with high inflation, which means we need to do more with less.

Even when confronting these challenges, our people have continued to focus on transformation to make sure our patients are receiving the best possible care. They have made the most of the wonderful new facilities at our new Heatherwood Hospital to bring in more patients who are waiting for elective surgery, as well as reducing their length of stay in hospital. In addition, our clinical teams have seen the introduction of a new electronic patient record system in the last year which enables them to have full view of important patient information. The technology allows us to make better, more informed choices about patient treatment. As with all major change programmes, there was some negative impact on patient response times as we got to grips with the new electronic system. We continue to build on the lessons learned and I know everyone across the Trust is doing all they can to deliver the best possible patient service.

There were some changes to the Board during the year. In April, we welcomed Linda Burke and Gary McRae as new non-executive directors. In October, we said farewell to Dan Bradbury who stepped down from his role as Chief Operating Officer to take up a new role as Director of Performance with NHS England South East Region. I would like to thank Dan for the contribution he made to our Trust from the time he joined the Board in October 2019.

There were also several changes to the Council of Governors following the elections in October 2022. We said farewell to Rod Broad, our Lead Governor, and Graham Leaver who had served as governors for 9 years, and also Nasar Khan and David Maudgil. Dale Birch, our Berkshire Councils stakeholder governor and Colonel Ellie Williams our Ministry of Defence stakeholder governor also stepped down from the Council last year. I would like to thank all these governors for the huge contribution they have made to the Trust. We welcomed Julia Flower, Robert Miles, Theodora Monye and Malcom Treen as public governors to our Council of Governors. Rahul Chauhan was elected as the new staff governor for Wexham Park, and Colonel Caroline Vincent joined the Council as our new Ministry of Defence stakeholder governor.

As we look forward, I am excited by the opportunities we have to make a difference, to continue to make Frimley Health a great place to work and to give our patients the care they rightly deserve and expect. There are lots of examples of this great work throughout this annual report. We aim to make Frimley Health one of the highest performing Trusts in the country and I am committed to doing all I can as Chair, to support the brilliant Frimley Health team.

Following the end of the year I was delighted to hear that Frimley Park Hospital has been included in the New Hospital Programme and will be replaced with a new state-of-the-art hospital.

Bryan Ingleby
Chair
29 June 2023

Bryan Ingleby took over as Chair of the Trust on 6 March 2023 and replaced Pradip Patel, who had been Chair since 1 April 2016.

Bryan joined the Frimley Health Board in April 2020, becoming Chair of the Audit Committee in April 2021 and Deputy Chair from February 2022.

PERFORMANCE REPORT: Overview of performance

Statement from Neil Dardis, Chief Executive of Frimley Health NHS Foundation Trust

This year has seen some of the biggest changes in the history of Frimley Health and I am incredibly proud of our teams for their diligence and compassion to strive to improve care for the communities that we serve.

We believe we now have one of the best planned care facilities in the NHS. Our £100 million investment in our new Heatherwood Hospital has led to significant improvements, such as delivering 20 per cent more hip and knee operations with 40 per cent of patients able to go home within 24 hours. The Heatherwood team will be able to provide fantastic care for many years to come in this state-of-the-art hospital, ensuring we can tackle our waiting lists when patients need that most.

Our implementation of our new electronic patient record was probably the most significant change we will ever make, and we moved from being one of the least digitally enabled trusts to one of the most advanced. This change isn't just about software and technology. It is about transforming how we care for our patients in the best possible way, and we have already seen countless benefits in the first year. This includes better patient experience by planning ahead for care and discharge from hospital and improved booking systems and communications with patients, increased safety with fewer medication errors and automated alerts to changes in patient conditions, better staff experience with the elimination of paperwork from most processes releasing more time to care and instant secure messaging between clinicians, and improved collaboration with primary and community colleagues.

In addition, we continue to focus our improvement efforts where we can make the biggest difference for patients, using our Frimley Excellence programme methodology, which has now seen some 1,200 colleagues complete their training. This has helped us to make some significant improvement, for example we have already delivered more than 1,000 knee and hip operations and more than 2,000 cataract procedures at Heatherwood, our appointment call centre reduced average response times to under two minutes, infection rates for E. coli bacteraemia were reduced and C. difficile infection rates were in the upper quartile of trusts nationally, and patient recommendations for maternity and inpatient services were among the best (upper quartile) in the country.

Of course, the year has not been without its challenges as we have continued to see significant pressure on NHS services. Our teams have worked hard to manage these pressures through our change programme but with unprecedented demand levels, financial and inflationary pressures, the ongoing impact of the pandemic and winter pressures, industrial action, high staff vacancies nationally and continued long waiting times due to the backlog of waiting lists following the pandemic, I know that we have not always been able to provide care in the way we want to. I am sorry for any patients we have let down or who have had to wait longer than they would wish for treatment.

Every single member of the team wants to provide the best care for our patients, and we are all committed to make the changes that need to happen to improve our patients' experience.

It is thanks to this commitment that our teams have continued to deliver service improvements like our urgent community response team and same day emergency care for frailty patients, community cardiology hubs and new treatments for prostate cancer; investments in our facilities such as £5m replacing medical equipment like new high-tech blood analysers, £27m on IT hardware to support our electronic patient record and £9m on national initiatives including a new discharge lounge for patients. These examples have ensured quality of care is improved by a focus on reducing patient falls, better response when patients deteriorate, and infection control. Our teams all but eliminated patients waiting more than 78 weeks for planned treatment at Frimley Health in line with the national ambition, delivered a break-even financial position and recruited over 2,000 staff to the Frimley Health team.

Of course, there will be further challenges in the years ahead. We continue to strive for improvement in waiting times for urgent care and planned care, we will need to recruit more staff to our Frimley teams to meet the national workforce challenges and continue to strive for Frimley Health to be the best place to work. The financial challenges are likely to be more exacting in future years. We also have the prosect of delivering our new £50m inpatient and diagnostic block at Frimley Park Hospital and, following the recent announcement that Frimley Park Hospital has been added to the to the government's New Hospitals Programme, the exciting opportunity of building an entirely new acute hospital within the next seven years.

I am confident that with the ongoing passion and commitment of all our teams at Frimley Health we will continue to rise to these challenges and deliver improvements in care for our patients. And I cannot overstate the importance of our volunteers. Every contribution they make means even better care for our patients. It was wonderful to be able to thank them for their contribution at a special event in December.

I am incredibly grateful to our whole team, staff and volunteers, who provide excellent, high quality care to our patients each and every day while managing significant demands for our services. There are many more examples in this report of the good work in the Trust. I am also very grateful for the continued support of our Board and Trust governors, Trust members, health and care partners, our military partner colleagues and everyone who has supported us over the year.

I know the importance of our NHS to the communities we serve, and we remain determined to improve care for our patients. I am confident though that by being true to our values and realising more of the benefits of our major transformations we can face the challenges ahead.

Neil Dardis
Chief Executive
29 June 2023

PERFORMANCE REPORT: Overview of performance

About Frimley Health

The following section provides an overview of our organisation, its purpose, core strategy and our key risks to achieving our objectives.

Wexham Park Hospital

Frimley Park Hospital

Heatherwood Hospital

Community Services

Frimley Health NHS Foundation Trust delivers services from three main hospital sites: Wexham Park Hospital in Slough, Heatherwood Hospital in Ascot, and Frimley Park Hospital, near Camberley. Additionally, the Trust delivers outpatient and diagnostic services from Bracknell, Aldershot, Farnham, Fleet, Windsor, Maidenhead, and Chalfont St Peter, bringing a range of services closer to these communities. Since January 2017 the Trust has been running community services in North East Hampshire and Farnham, and from 1 April 2020 this has expanded to include Surrey Heath. The Trust is a key partner in the Frimley Health and Care Integrated Care System and works with other system partners to provide integrated care services and patient pathways across the catchment.

With 13,000 employees, Frimley Health NHS Foundation Trust provides NHS hospital services for 900,000 people in Berkshire, Hampshire, Surrey and South Buckinghamshire. Additionally, the Trust provides specialist acute consultant delivered services across a wider catchment as follows:

- **Primary percutaneous coronary intervention (pPCI: heart attack treatment)**

  A 24/7 emergency pPCI service for patients suffering from a common form of heart attack (myocardial infarction) to perform urgent balloon angioplasty to remove arterial blockage.

- **Vascular**

  We run clinics across the region with all major arterial surgery performed at Frimley Park Hospital.

- **Stroke**

  A 24/7 thrombolysis service based at Frimley Park Hospital where drugs are administered within 4.5 hours of the onset of stroke to break down blood clots. All stroke patients are admitted to the stroke unit for evaluation by a team of multi-disciplinary specialists including consultant stroke physicians, nurses, physiotherapists, occupational therapists and speech and language therapists.

- **Cystic fibrosis (CF)**

  A specialist adult specialist unit at Frimley Park Hospital, recognised by the Cystic Fibrosis Trust, with a team of consultant physicians, clinical nurse specialists, physiotherapists, dietitians, pharmacists and psychologists. The unit was among the first in the country to offer revolutionary new drug therapy for CF patients following approval from the National Institute for Health and Care Excellence (NICE).

- **Plastic surgery**

  A wide range of plastic surgery is carried out at the Wexham Park specialist unit, including trauma, hand, skin cancer, breast, lower limb, microsurgery, paediatric plastic, abdominal wall hernias and micropigmentation.

- **Renal cancer**

  Frimley Renal Cancer Centre provides specialist treatment for kidney cancer across parts of Surrey, Hampshire and Sussex, including referrals from outside our cancer network, performing more than 200 renal cases a year.

Wexham Park Hospital opened as a general hospital in 1965. Heatherwood Hospital began in 1922 as a tuberculosis and orthopaedic hospital for children before it was managed by the newly formed NHS in 1948. Heatherwood and Wexham Park Hospitals NHS Foundation Trust formed in June 2007. In March 2022 we opened our new elective care hospital at Heatherwood in Ascot and closed the old hospital which was no longer fit for purpose.

Frimley Park Hospital, built in 1974 to serve a much smaller population than its current catchment, was the first acute trust in the south of England to achieve foundation status in April 2005. Since then, its performance has ranked among the best in the country.

The Trust, formerly known as Frimley Park Hospital NHS Foundation Trust, is a statutory body which acquired Heatherwood and Wexham Park Hospitals NHS Foundation Trust on 1 October 2014, changing its name to Frimley Health NHS Foundation Trust. The transaction was the first ever successful foundation trust to foundation trust acquisition.

Frimley Health NHS Foundation Trust has 12 operational directorates in the following areas:

- Emergency Department
- General Surgery and Urology
- Maternity and Gynaecology
- Medicine
- Orthopaedics, Plastics and Private Patients
- Community and Medicine for Older People
- Pathology
- Paediatrics
- Radiology
- Specialist Surgery
- Theatres, Critical Care and Anaesthetics
- Clinical Education

The Trust is focused on delivering clinical excellence for patients by sharing leading practice across all sites to consistently achieve the highest standards of care nationally, using leading-edge diagnostics and techniques to provide first-rate consultant-led services for patients.

The Trust's strategic ambitions

The year 2022-23 was the third of our ambitious five-year strategy Our Future FHFT 2020-2025 which will deliver our vision: *To be a leader in health and wellbeing, delivering exceptional services for our local communities*. Our strategy was launched in April 2020 following a lengthy period of engagement with staff, stakeholders, health and care partners and our communities. Our vision is underpinned by our Trust values:

- Committed to excellence
- Working together
- Facing the future

Our values are supported by six strategic ambitions:

Our Future FHFT describes how we will create an exciting future where Frimley Health builds on previous successes to continue as one of the best performing trusts in the country. It sets out how we will work together with our partners in health and social care to meet wider challenges of the NHS nationally and locally: tackling inequalities that impact on health outcomes and demand for services as well as the impact of an ageing population.

Our strategy demonstrates a desire to continuously improve the quality of care for our patients by making our money work better so we can invest in and make the best use of medical and technological advances. This will only be possible by supporting our teams and with a continued focus on recruitment and retention.

When our strategy was developed in 2019, we could not have foreseen the additional demands of the COVID-19 pandemic or the aftermath on our national health service. However, the events of the past three years have only increased our resolve to maintain momentum with the changes and transformations we need to deliver our strategy to benefit the community we serve in the longer term. Our clinical directorates and corporate departments are all clear on how they will contribute to delivery of the strategy year by year. It is a measure of our incredible teams that we continue to meet key milestones in Our Future FHFT in the face of unprecedented and relentless operational demands.

Further progress made in our key transformation programmes in 2022-23 is set out in the performance analysis section on page 15.

Key risks to delivering our strategic objectives

The risks that threaten achievement of our strategic objectives are identified within the Board Assurance Framework, which is reviewed regularly by the Board of Directors. The Trust's risk management processes are designed to assess the impact of all operational and strategic risks, and to ensure that they are appropriately mitigated and managed.

The principal risks that we faced in 2022-23 are described in the performance analysis section and in our Annual Governance Statement on page 101.

Going concern disclosure

After making enquiries, the directors have a reasonable expectation that the services provided by Frimley Health NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

PERFORMANCE REPORT: Performance analysis

Performance against our key transformation programmes

Heatherwood Hospital

The new Heatherwood Hospital, a fantastic £100m new planned care centre, is enabling us to tackle our waiting list challenges and improve quality of care for patients.

We had our official royal opening of the new unit in January. HRH the Countess of Wessex (now HRH The Duchess of Edinburgh) unveiled a plaque to formally open the building after touring the facilities and speaking with staff and patients.

During the first full year of operation, the team has embraced innovation to drive improvements for patients and develop one of the best planned care facilities in the NHS. Through their work, the team at Heatherwood has:

- Performed around 1,300 procedures a month, operating extended theatre hours six days a week
- Significantly reduced waiting times for cataract surgery - now just 2-4 weeks – and performing around 20 operations a day
- Introduced a one-stop service for skin cancer where patients are seen, diagnosed and treated in a single visit
- Delivered a seven-day radiology service
- Performed around 540 endoscopies per month
- Performed up to 150 lithotripsy procedures per week
- Carried out more than 1,000 hip and knee replacements and reduced the average length of stay for those procedures to just 2.5 days

We've successfully run Arthroplasty Super Weeks to tackle the waiting list backlog for orthopaedic surgery, when the number of knee and hip replacement procedures was doubled across three theatres, with half the patients safely discharged home within 24 hours. This was achieved with a centralised booking system and a focus on optimising theatre capacity.

The team's hard work and success is being recognised at regional and national level. Professor Tim Briggs, national lead for the Getting It Right First Time (GIRFT) programme of improvement in patient care through benchmarking and data-driven evidence, visited Frimley ICS in January and the hospital was subsequently selected as one of nine nationally for the first cohort of the GIRFT National Elective Surgical Hub Accreditation Programme, which oversees best practice elective care across the NHS. Heatherwood has been 'buddied up' with Rochdale Infirmary to ensure that we can provide evidence against all the essential criteria.

Heatherwood was also featured by the BBC TV and Sky News on the first anniversary of the NHS Elective Recovery Plan January to highlight its success as a new dedicated centre for planned care.

Initial feedback from patients has been very positive with praise for staff, volunteers and the environment, many citing the 'wonderful' and 'compassionate' staff and the 'lovely building' and giving an overall satisfaction rating of 95%.

We also hosted a visit from a team of international delegates to the new hospital as part of the European Healthcare Design Conference Award when judges awarded it a Highly Commended rating.

Mobilisation of Epic electronic patient record (EPR)

Our Electronic Patient Record (EPR) launched as planned on 11 June and instantly transformed the way we care for our patients and the way all our staff work. Switching from more than 260 legacy systems and paper records to one unified system for all our patients, wherever they are treated, was a massive undertaking.

Overnight, the transformation catapulted Frimley Health from one of the less digitally enabled trusts in the NHS to one of the most advanced, and yet we are still only scratching the surface of the benefits this major transformation will give us.

Introducing a new digital system at scale across the whole Trust inevitably presented numerous challenges which we planned for, including providing significant additional support over the go-live period and beyond to help teams as they started to use the live system. This has been the biggest single transformation event that the Trust has ever undertaken, supporting significant changes in practice for all our teams which will benefit our clinicians and patients for many years to come.

In the months since go-live there has been a period of stabilisation to embed the system. This was a crucial period of adjustment to the new system and new ways of working, resolving some of the more complex and challenging issues which accompany large scale transformation. This included working alongside our Epic partners to resolve challenges with data reporting and performance dashboards. There was Frimley Health executive and senior leadership oversight throughout this period via an EPR Programme Board. However, we recognise the challenges that such a significant change can bring to our staff and the impact this had on our patients and I apologise for the difficulties this may have caused any of our patients and I am grateful for their ongoing support.

We are extremely grateful to all our teams for their professionalism and persistence in working through those challenges and adapting throughout the initiation and stabilisation phases. It means we are already seeing extensive benefits of the new EPR system, while maintaining high-quality care and patient safety, such as:

- *Safety improvements*

  Patient safety alert data is immediately visible throughout the patient record. Clinical alerts and allergy information are available wherever the patient is treated and carried across each episode of care. Active decision support allows for more accurate and safer prescribing of medicines. Benefits seen so far include:

- Improved safety with all the patient's medical information in one place that is easily accessed anywhere by clinicians, leading to simpler and more efficient decision making
- Improvements to care for deteriorating patients – we can go into Epic and instantly look at their reason for admission, diagnosis and treatment plans, ensuring appropriate action is taken. Thanks in part to our Hospital at Night team that uses EPR to triage more appropriately, our deteriorating patient recognition and response is well above the national target of 60%.
- Better oversight and tracking of infections across out sites – save a precious hour each morning for our IPC team that used to be spent trawling IT and paper systems.
- Reduction in allergy related medications incidents, reducing risk of patient harm and freeing more time for staff
- Cancer alerts - much more efficient and effective process with multiple safeguards in place.
- Faster dispensary turnaround from pharmacy, helping patients leave hospital quicker

- *Transforming our services*

  Our clinicians can access patient records remotely to offer expert advice from any site, reducing the need for patients to be transferred between care settings and saving clinicians' time. Staff using EPR can communicate with each other quickly, allowing specialties to work together more easily and for staff to track a patient's full journey. Patients experience a smoother admission and discharge as staff can access data needed to book transport efficiently.

  - We record care at the bedside thanks to moveable devices that allow clinicians to use EPR while spending face-to-face time with patients
  - Community sites can access information before the patient arrives
  - Our porters use an automated job system, so there is less time wasted waiting for jobs.
  - Senior clinicians have better processes in place – such as In basket, voice recognition software for letters, and using 'smart tools' to streamline communication, coordinate actions and speed up response times.
  - Work queue management is providing better oversight and more joined up ways of working for enhanced analysis and reporting in the future

- *Benefits for the patient*

  As well as more focus on patients than paperwork, the EPR has made it easier for staff to access the right information at each point in the clinical pathway. For the patient, this means they do not have to repeat the same story to different members of staff.

  - Patient information is easily accessible to staff even when they are not on site, allowing increased flexible working arrangements and supporting on-call staff.
  - The introduction of patient app MyFrimleyHealth Record provides patients with personalised and secure online access to their medical records at Frimley Health.
  - It enables patients to view their health information in one place, such as medications and test results, see their upcoming appointments, communicate with their care team and join video-consultation clinics.
  - As an early adopters of MFHR, our Maternity service has been able to move away from the 'blue book' of maternity notes in favour of the more accessible app.

- *Efficiency and productivity improvements*

  - Our paper consumption has reduced. We have delivered approximately 110,000 clinic letters and discharge summaries to patients using MyFrimleyHealth Record which would otherwise have been posted, reducing printing of A4 paper by 56%.
  - There's now a much faster clinical letter turnaround, as every letter is now sent on the same day it is created.
  - With our secure chat feature, staff are able to instantly communicate with each other around patient care plans. This has removed the need for bleeps, emails, and phone calls, reducing response times for communication across teams.
  - Our booking centre has become much more streamlined. On average Epic is helping provide 3,500 additional first-time outpatient appointments per month.

We're just at the beginning of our EPR journey. Over the past 12 months we have seen how our teams embrace digital had made huge improvements in our care and patient safety. Change of this scale is difficult, and we've learnt lessons along the way. We are so grateful to patients and to our staff for bearing with us while we embedded our new ways of working.

In the months ahead many of the longer-term benefits to quality, efficiency and finances, such as improvements in operating theatre use and a reduction in emergency and outpatient activity through virtual care, will become more apparent. It's our vision to be one of the top 10 most digitally advanced trusts in the country, and over the past 12 months we've taken giant strides to achieving this.

Frimley Excellence

Our Frimley Excellence programme of continuous quality improvement supports the delivery of our Trust strategy, in particular in relation to improving quality of care and supporting transformation of our services for patients. Frimley Excellence is aimed at creating a culture shift across the organisation where continuous improvement becomes integral to who we are and what we do, and our teams are empowered to deliver the changes that they want to make at every level.

In 2022-23 Frimley Excellence strengthened the impact of our patient safety improvement work. In particular, supporting improvements in managing our deteriorating patients with better response times and fewer ward-based cardiac arrests, where initial data appears to show a small but sustained improvement, and helping to ensure that investments in out of hours support with new hospital-at-night teams and better monitoring of patients with EPR were utilised.

The post-pandemic challenges, combined with operational and staffing pressures, has made delivering improvement challenging. However, we have consistently exceeded our 80 per cent target for response and escalation to NEWS (national early warning system) calls for deteriorating patients within 10 minutes.

Our focus remains to support decision making for our patients with frailty and significant co-morbidities, as this is where most ward-based cardiac arrests currently occur. Work groups to support chronic, end of life, and acute decision making are established, and their work continues.

Frimley Excellence Improvement System (FXIS) is the Trust's model for delivering operational excellence in frontline teams. After identifying core measures which are aligned with our strategic ambitions, units focus on improving a single problem using the Trust's improvement methodology - collecting real-time data and exploring root causes before testing ideas using Plan-Do-Study-Act cycles. Last year we began the development of a continuous improvement centre of excellence when the management system was rolled out to 12 units in our newly opened Heatherwood Hospital. This enabled teams to focus on improved 'getting it right first time' (GIRFT) pathways for care, maximising capacity of the site, and enhancing patient safety and experience of elective care.

Every Day Matters

Our Every day matters (EDM) programme was designed to help every patient return home safely as quickly as possible, by eliminating all the potential delays that are in our gift. Like the rest of the NHS, we have had operational and financial challenges from an increasingly high demand for services, including an increased number of medically fit for discharge patients who cannot be discharged into the community, and high post-pandemic waiting lists. EDM, launched in September, is designed to enable all our teams to come together with a single focus to manage this challenge.

EDM includes all our teams, not just clinical services, concentrating efforts to look at what they can do. For our clinical teams the focus is on four key activities: running effective daily board rounds; setting the clinical criteria to reside and updating daily, completing Expected Date of Discharges (EDDs) on admission with regular reviews, and ensuring timely To Take Out medications (TTOs) to pharmacy.

For non-clinical teams there is the chance to become a 'ward buddy', partnering with wards to help unblock and make changes on the ward (such as escalating long-standing IT issues, or spotting improvements in a way a board round is run), and share learnings from other wards where things are working well.

Despite a challenging winter period for the trust, there has been early programme success, with the number of TTOs (discharge medicines) arriving in Pharmacy before 11am increasing significantly. Over the past six months this has improved from 11 per cent to 43 per cent at its peak, with a further ambition to improve to 80 per cent. The trust's electronic patient record (EPR) has been used to measure the improvements – with further metrics around Length of Stay, Expected Date of Discharge and criteria to reside recently added and to be reported on in the coming months.

Other successful initiatives have included the roll out of door hangers informing staff (and the patient) that the patient is ready for discharge, and inpatient trolley mats, helping to empower patients so they know how they can help get themselves home safely and quickly. Initiatives are supported by the Trust's improvement team, Frimley Excellence.

As part of December's week-long Multi Agency Discharge Event (MADE), teams from different medical wards worked together to help reduce delays to patient care and discharges and improve experiences for our patients and colleagues over winter. Using the core principles of EDM, our MADE week improved wards completing all their take home medication orders by 11am to support timely discharge, and on some days, more patients being discharged than admitted despite escalating demand. In the first four days of this week of high focus, the number of patients delayed for discharge by more than three days was reduced from 168 to 122. There was also a better efficiency of diagnostics requests and actions, which is also another example of our electronic patient record helping transform services.

The programme, using the new EDM metrics set up within the EPR, is now looking to ensure that the improved processes and practices achieved over our initial launch phase are embedded in the longer term.

Community services

Frimley Health runs community services in Farnham, North East Hampshire and Surrey Heath, including services at Fleet and Farnham Hospitals and Aldershot Centre for Health, and we work closely with Berkshire Healthcare to develop community services across the rest of our catchment. Developing effective community services that provide excellence in care for patients in or closer to their own homes is essential to providing more alternatives to hospital care, which is better for patients in terms of quality and outcomes.

By integrating these services with the specialist expertise of the acute Trust, we can reduce duplication and delay and enable patients to receive specialist expertise outside of the acute hospital setting.

Our new intermediate care facility at Heathlands in Bracknell has been running for the full year and welcomed a Royal visitor in May. HRH Duke of Gloucester officially opened the three-storey building, which also includes a dementia nursing home overseen by Bracknell Forest Council on the first two floors. The unit provides rehabilitation and support to patients coming out of Frimley Park, Wexham Park and the Royal Berkshire hospitals. Seventy per cent of those patients have been discharged to their usual place of residence or new care home and the feedback from patients and their families has been very positive.

Frimley Health has been leading the way on the use of frailty virtual wards as an alternative to hospital-based care – both enabling patients to be discharged from hospital sooner and avoiding admission to hospital in the first place. Patients get the consultant-led care they need from us through daily visits by our clinicians at home, where they are more comfortable and likely to recover more effectively.

At the end of 2022-23 recovery times for patients average 2.9 days on virtual wards compared with nine days average length of stay for equivalent patients if they are in hospital. The service has very high satisfaction ratings with 100 per cent of patients saying they would recommend the service to friends and family.

A multi-skilled team of consultant geriatricians, advanced nurse practitioners (ANPs), admin support and therapists provide an Urgent Community Response (UCR) service, which means they respond to a patient in crisis within two hours of referral. If ongoing care is required, the patient is then enrolled onto the 'virtual ward' and are seen at home or in their care home. This has resulted in admission to hospital being avoided in 84% of cases.

We have recently expanded our 'virtual wards' service and now also provide at home care for people with respiratory illnesses, supported by a specialist community respiratory team.

The success of these initiatives means fewer patients attending via our emergency departments, supporting the recovery of our urgent and emergency care services.

We were proud to see these innovative community services highlighted in a number of regional and national television news programmes.

Acute Services

Transforming the way we care for and treat our patients is a crucial aim for our teams working in acute services. Every day, they are exploring ways to provide the best care and treatment in the right place, working in partnership with colleagues across the care system to do all they can to either reduce people's time in hospital or avoid the need completely.

For instance our cardiology team, working in our cardio vascular centre of excellence, has introduced new ways of working to provide efficient and effective care. In December the cardiology ambulatory care unit was launched. This five-bed unit run by a team of specialist nurses offers same day assessment and develops treatment plans for people experiencing chest pains or heart failure, meaning in many cases patients can go home the same day. In the first month alone they saw 120 patients with 68 of those avoiding hospital admission.

The GP Cardiology Community Hubs introduced in February 2023 have 12 specialist GPs, trained by Frimley Health consultant cardiologists, with full access to diagnostics and secondary care support. Their GP expertise and knowledge means that not only are they extremely good at identifying and managing cardio vascular risk factors, but they can also provide expertise and guidance to patients about their whole health needs such as diabetes care and stroke prevention. Similar initiatives elsewhere have led to an 80 per cent reduction in referrals to secondary care and we have every confidence of similar results.

Cardiology has also introduced the advanced care practitioner role. These specialist nurses, allied health professionals, pharmacists and paramedics are working independently to assess patient needs and determine treatment plans; analysing CCG results and identifying when urgent procedures are needed. Patients have reported improved experience and feeling more informed about their care.

We have also begun the complete refurbishment of the cardiac catheterisation laboratories at Frimley Park, meaning patients will be able to have abnormal heartbeats and arrythmia tests carried out locally, rather than travel to tertiary centres in London.

New technology is also important, and we are now one of the few centres in the country providing innovative pacemaker approaches which provide better outcomes for patients. Recent investment in the latest technologies and advances in medicine has seen the expansion of robotic surgery which will transform patient care, artificial intelligence (AI) which is speeding up diagnosis and treatment for patients, and innovative drugs such as those for cystic fibrosis patients.

We are recognised as a leading NHS centre of innovation for AI implementation, and this was reinforced when Dr Amrita Kumar, consultant radiologist, was named among the 50 most influential women in artificial intelligence (AI) in 2022 across industry, research and academia for her work in applying AI to improve diagnostics. Her work is identifying the potential to use AI technology to help clinicians triage and prioritise mammogram and chest x-ray scans. The AI technology is 'trained' to look at scans and assess whether there is any abnormality in a matter of seconds. The AI then highlights the most urgent cases to enable radiologists to prioritise them and ensure those patients get quicker access to treatment.

Integrated Care System (ICS) and Partnerships

We continue to work with our partners in the Frimley Integrated Care System (ICS) on the reforms under the new Health and Social Care Act 2022. On 1 July 2022, Integrated Care Boards (ICBs) became statutory organisations and are responsible for developing a plan for meeting the health needs of the population. Frimley Health's CEO Neil Dardis sits on the ICB as the provider representative across the Frimley system.

Working together enables greater integration of services and creates more opportunities for collaborations that will benefit our patients and communities such as the Heathlands development outlined in this report.

We have retained the successful 'place-based' partnership which allow communities focused on specific areas to work together locally to deliver improvement – these comprise Bracknell Forest, Windsor and Maidenhead, Slough, Surrey Heath and North East Hants and Farnham.

Our Trust is a key partner in the Provider Collaborative, chaired by our CEO Neil Dardis, which provides a platform for providers to work together in planning and delivering services and the best care for patients and communities. Early priorities that we have identified include transforming the pain pathway for patients; delivering the Ageing Well programme; redesigning musculoskeletal pathways and services; planned care; mental health; and temporary staffing.

Frimley ICS commissioned a strategic review of urgent and emergency care pathways. The ICS recognises that the current pressures on the system, which tend to manifest in high attendances to our emergency departments and difficulty discharging patients efficiently, is not sustainable for patients and staff and leads to unacceptable delays. We are working together to develop and implement an Urgent and Emergency Care Strategy for the whole system, building on best practice worldwide.

Berkshire and Surrey Pathology Services (BSPS)

Our pathology partnership, of which Frimley Health is a partner along with five other local trusts, had some great achievements despite significant financial and operational challenges.

Among the achievements for the year were:

- All sites in the network maintaining UKAS accreditation after a rigorous inspection, including the Lighthouse Laboratory for Covid testing.
- Many commercial contracts overperforming, particularly in molecular and genomics.
- BSPS is now the primary provider of Covid-19 PCR testing in the country and is helping ensure the country is prepared for future pandemics.
- Continuing to be an exemplar to other networks and provide advice and guidance to 'emerging' networks – currently supporting six other networks.
- BSPS was identified as an exemplar network for digital diagnostics, following earlier exemplar status in relation to productivity and efficiency and GIRFT.

This year the network will aim to enhance its digital infrastructure with cloud-based hosting, improve blood science equipment and to digitalise histopathology.

Key service developments and improvements

Our committed clinical teams strive to innovate and continuously improve to create better care and experiences for our patients. The past year has seen a wide range of developments and improvements and here are just some examples from 2022-23:

Key service developments and improvements 2022-23

Cardiology community hubs

We've developed new cardiology community hubs in partnership with GPs across Surrey, Hampshire and Berkshire. Our cardiology team has trained experienced GPs to run the hubs to provide low-risk cardiology services so appropriate patients can be diagnosed and treated more quickly.

SleepEx programme

We're helping patients to lose weight and sleep better with our innovative SleepEx programme for people with obesity and sleep apnoea. Patients referred by their consultant or GP join twice-weekly workouts led by a personal trainer. The programme was developed by our therapists after their successful bid to the CEO Change Challenge.

Perinatal pelvic health service

A new perinatal pelvic health service is now available, ensuring all midwives screen for pelvic floor disfunction risk factors and symptoms. Women are given appropriate access to resources, a range of classes or one-to-one appointments to support their pelvic health during and after pregnancy and GPs can refer women to specialist pelvic health physiotherapists or onward referral to consultant care if required.

Frailty Same Day Emergency Care pathway

We have developed same day emergency care for frailty at Frimley Park and Wexham Park to prioritise investigations and treatment for patients that will enable them to return home without admission to an overnight ward. The new pathway complements our Frailty virtual ward where patients can be treated by clinical teams in their homes instead of hospital.

Maternity and Midwifery Advice and Support (MAMAS) Line

A new 24-hour telephone triage service for pregnant women and new mums was launched. The MAMAS Line is a collaboration with South Central Ambulance Service (SCAS) to provide a single point of contact for pregnant women. Frimley Health midwives based at SCAS headquarters in Bicester provide consistent, evidence-based advice to women who are concerned about their pregnancy or signpost callers to alternative services when appropriate. They also provide support and guidance to paramedics on the road when needed. MAMAS provides a more consistent and reliable service that the on-ward telephone triage lines it replaced.

Prehab Cancer Treatment programme

We've made improvements to services for cancer patients including a Prehab Cancer Treatment programme (PACT) aimed at getting lung cancer patients fitter and better prepared for treatment.

Urgent community response

We were one of the first trusts to introduce an urgent community response service, boasting a rapid two-hour response time, and virtual wards delivering an 83 per cent admission avoidance, an average length of stay of 2.9 days (compared to nine in hospital) and a service that 100 per cent of patients would recommend to their friends and family.

New patient discharge lounge

We opened a patient discharge lounge at Frimley Park Hospital in addition to a similar facility already at Wexham Park Hospital. The lounges, which can accommodate more than 30 patients each throughout the day, allow patients leaving hospital a safe, comfortable off-ward environment while they wait for medications and transport, and enable beds on the wards to be made available for new patients much earlier in the day.

New prostate procedure

We are now providing a new minimal invasion surgical technique called Aquablation, which uses high pressure saline solution to remove overgrown tissue in the treatment of non-cancerous enlarged prostate. We are among a small number of trusts involved in a global clinical trial of the technique, using our robotic surgical systems.

Changing places toilet We installed a 'Changing Places' toilet at Frimley Park Hospital – that is larger than a standard disabled toilet with extra features to meet the needs of disabled people and carers. The toilet – similar to another that is already at Heatherwood Hospital – can be accessed by anyone in the community who needs it.
Investments in our environment We've continued to invest heavily in our estate and facilities, with £30m going towards our Frimley Park rebuilding works, a new simulation suite at Wexham Park, which will help us become a centre of excellence for clinical training, and more than £1.5m refurbishments of Ward 1 at Wexham. We have spent £7m expanding and improving our intensive care units at both acute sites. A new office block, costing £5m has been built at Frimley Park Hospital to replace ageing accommodation.
Investments in technology We've spent £27m on improving our IT and hardware to power our electronic patient record, spent £5m to replace medical equipment, including new state-of-the-art blood analysers being rolled out across the Berkshire and Surrey Pathology Services network and £9m from NHS England for national programmes including the new discharge lounge at Frimley.

More examples of our service developments and improvements can be found on our website: https://www.fhft.nhs.uk/news/

Operational Performance

Quality

Our priority is and always will be to improve the care for our patients. Our focus on our recovery programme from the pandemic and the significant transformational work including EPR implementation and stabilisation has meant we did not meet all of our quality priority ambitions in full. However, given the large-scale change we have achieved, and the continuing roll out of our Frimley Excellence programme to support quality improvement, we have much to be proud of and optimism for improvement in the future.

Our achievements over 2022-23 include:

- A significant reduction in the number of babies born below 27 weeks – with 77 per cent fewer in 2022-23 than the previous year.
- Our ambition to continue to improve the recognition and response for deteriorating patients saw us consistently achieve above our internal and national target for the response time for patients following a NEWS trigger/escalation. The national target is 60 per cent and we consistently achieve above 85 per cent.
- We have seen a 78.3 per cent reduction in allergy related medications incidents since the introduction of our electronic patient record. Patient harms from allergy related medications incidents have dropped by 40 per cent.

- Improved appointment call centre performance with average response times significantly improved, which means fewer complaints and a better experience.
- Recommendations by service users through the Friends and Family Test for inpatient and maternity services in the upper quartile nationally.

Our Frimley Excellence and Every day matters programmes have also contributed with more detail on these on page 19.

In 2022-23 we set five priorities for improving quality based on what we considered would make the biggest difference to our patients, using patient experience, safety incident and root case investigation data. Our priorities were:

Improving the recognition and response for deteriorating patients

This measure was partially achieved. More than 80 per cent of patients admitted to critical care were seen within the 10-minute response time. While serious incidents relating to deteriorating patients increased to 13 (from eight the previous year) this is still significantly less than in 2019-20 (when we set this priority) when we saw 25 occur. We did not achieve the ambition to reduce the number of ward-based cardiac arrests to 0.45 per 1,000 hospital admissions by the end of the year, with our monthly performance ranging from 0.53 to 0.69 per 1,000 hospital admissions.

Our incident reporting profile and learning from patient safety reviews has indicated we need to refresh our focus on the recognition, escalation and treatment of sepsis. We will also continue to further improve our EPIC build to optimise all the system benefits for supporting the recognition, escalation and response to the deteriorating patient.

Improving prevention of falls and post falls management where they occur

This measure was partially achieved. There was a slight increase in the number of falls, from 2,675 in 2021-22 to 2,692 in 2022-23 (0.6 per cent increase), but there was an increase in the number of beds open which may explain this. There were 33 falls resulting in serious harm compared to 28 in the previous year.

Prevention of falls and post falls management will continue to be an area of focus across FHFT.

Our Fundamental and Better Care audit programme has been refreshed for 2023-24 and falls risk assessments and care interventions will be monitored at ward/unit and directorate level.

Improving the patient experience of discharge from hospital

This measure was not achieved as we were unable to conduct our local post discharge survey as data access was unavailable while our EPR was implemented. However, according to a nationally set patient survey, between October 2022 and March 2023 this year 62.5 per cent of patients reported staff had involved them in decisions about leaving hospital either ‘a great deal’ or a ‘fair amount’.

Embedding Every day matters into our organisational culture will be a key focus as we move into 2023-24.

Continuity of Carer Model Maternity Services – Implementation

This measure was suspended due to changes to the national maternity programme as set out by NHS England in September 2022. We will continue working to increase recruitment and retention in maternity services to achieve the aim of women receiving dedicated support from the same midwifery team throughout their pregnancy.

Reduce Hospital Acquired Infection Rates

This measure was partially achieved. The number of urinary catheters did not change from the previous year, but the number of E-coli cases reported was reduced, improving our national benchmarking score by 12 places.

You can read more about our quality performance throughout the year and how we monitor progress in the Trust's *2022-23 Quality Account*, published in June 2023.

Activity and performance

The impact of the Covid-19 pandemic has continued, not just in terms of affected patients, but also our ability to focus resources on tackling increasing waiting lists for planned care. These challenges were further compounded by staff vacancies, industrial action, system-wide issues such as discharge of medically fit patients and increasing demands for services which affected our ability to meet our aims.

Our ambitious transformation to a single electronic patient record system has also meant that we haven't always been able to access the data we need to understand the full picture but what we have seen has demonstrated the hard work and commitment from the whole team to provide the best care to our patients.

Demand was high for non-elective care over the whole year, with particular peaks in the spring, with 250 covid positive patients in our hospitals in April, the third highest peak since the start of the pandemic, followed by record numbers of attendances in our emergency departments in November, with high numbers of children with RSV infections and Strep A, as well as a spike in flu admissions higher than we have seen since the H1N1 flu pandemic in 2009, as well as an increase in Covid-positive patients, all requiring additional infection prevention and control measures.

Similar pressures were also reflected nationally over this period where significant rises in both seasonal flu and Covid positive patients contributed towards most systems going into critical incident in late December or early January. We then saw across the year a sustained rise in patients who were Medically Fit For Discharge (MFFD) on our wards who could not be discharged, in line with the national picture which caused further pressure on both our acute sites.

Our teams worked exceptionally hard, putting in additional hours and days over the festive period to keep our patients safe and implement our plans for additional winter capacity, including around 200 extra beds, earlier than expected. Our community services helped patients to avoid admission to hospital, through our frailty virtual ward, providing a consultant-led service to patients in their own home and an urgent community response.

We launched our Every day matters initiative, a focused quality-improvement led approach designed to challenge every day a patient stays within the hospital to look at where we can make significant improvements to get patients out of hospital as early as possible - see page 19.

Having Heatherwood Hospital as a dedicated elective centre isolated from the pressures of urgent and emergency care has proved a real asset. This enabled us to make an impact on waiting times for our patients by increasing productivity through innovative use of the fantastic Heatherwood. facilities and teams.

Access performance

Until May 2023 the Trust had been one of 14 NHS trusts involved in trialling new standards in emergency care, and we have therefore not been reporting data nationally on the four-hour waiting time standard.

Following the launch of our new electronic patient record we agreed with NHS England that reporting of data would be postponed for a period while the new system was implemented. We continue to work to resolve these reporting and data quality issues as reported in the Annual Governance Statement on page 101.

While this means that we have not been able to verify the accuracy of the majority of our data relating to waiting times, we know that some of our patients have not been treated within the expected timeframe, and we remain committed to returning our services to meet the national standards as quickly as possible.

This was also reflected in our cancer access performance, which has been very challenging across the NHS, shown in the table below. We will be focusing in the year ahead on reducing times for first appointment, diagnosis and treatment for all cancer patients to return to the national standards.

Performance Measure	Target	Q1	Q2	Q3	Q4	2022-23
Cancer 62-day wait						
For first treatment of all cancers	85%	61.7%	60.4%	58.6%	53.9%	**58.5%**
For all cancers screening	90%	77.0%	67.0%	64.2%	57.9%	**73.4%**
Cancer 31-day wait						
For second or subsequent treatment (surgery)	94%	83.8%	86.7%	87.3%	82.1%	**85.1%**
For second or subsequent treatment (drug treatments)	98%	97.8%	99.2%	100%	100%	**99.2%**
From diagnosis to first treatment	96%	93.6%	92.1%	95.1%	93.3%	**93.6%**
Cancer: two weeks to be seen following referral						
All cancers	93%	79.7%	55.7%	70.3%	73.4%	**69.2%**

Our focus in relation to our other elective care has been centred on the waiting list national challenges and the NHS target of ensuring no patients are waiting more than 78 weeks by 1 April 2023, which we largely achieved. Of the 59 patients awaiting treatment beyond this, most had chosen themselves to delay their care. In addition, we have been focusing our attention on diagnostics, outpatient appointments – for example expanding virtual appointments where appropriate and giving patients a choice not to book a follow-up appointment if they felt it was not needed – and getting the best use of the new elective centre at Heatherwood by focusing on joint replacements and cataract surgery, where we have some of the biggest challenges.

Finance

The Trust faced another challenging year in 2022/23 with a financial target of breakeven despite a tapering of funding relating to the Covid pandemic. Continued high levels of patients requiring care, patient acuity and delays of discharge into other settings meant that there continued to be high demand for escalation beds and additional staffing to support these areas. Additionally, we have seen inflation, especially in areas such as energy and food, running much higher than funded levels.

Nevertheless, the resulting overspend from these pressures was offset by a combination of additional income and a change in reporting of the adjusted financial performance which meant we were required to include the proceeds of land sales from the old Heatherwood site, which was completed in September after site clearance. This meant that we were able to report a breakeven position for 2022-23. However, without the non-recurrent accounting change we would have had a significant deficit for the year.

We delivered just under £23m of efficiencies, up from £14m in the previous year but below our cost improvement plan. We ended the year with just under £150m of cash balances.

The cost improvement savings were made up of 107 different schemes across all areas of the organisation, including:

- Directorates saving more than £15m by finding efficiencies in how they run their services, by finding ways of delivering same or improved care for less cost.
- £4.4m savings from Epic benefit realisation. Considering Epic was started in June, this reflects a significant financial saving in a very short time frame. These financial benefits are multi-faceted, from reduced use of paper, aligning over 200 systems into one, and the system requiring less administration to run the hospital.
- £1.4m from procurement, by reducing costs with our suppliers.
- £600k extra income raised through private patient income.
- £300k saved from reduced pharmacy costs.
- £250k saved by the Estates team by running the estate more efficiently.

The Frimley Integrated Care System became a statutory organisation on 1 July 2022, and we continue to work closely with our system partners to ensure our financial revenue and capital plans are aligned.

The Trust spent £71m on capital schemes during 2022/23. Key areas of spend were the electronic patient record project, estates infrastructure including remedial works for the Reinforced Autoclaved Aerated Concrete (RAAC) structure at Frimley Park that must be eliminated by 2035 and replacing medical equipment.

We continue to invest in better care for our patients, including our refurbished ICU at Frimley which opened to patients in December, a new discharge lounge for Frimley, a mobile catheter laboratory which means cardiology patients can have tests locally rather than travel to London, new dementia wards, a new CT scanner and a new AI capable MRI scanner at Wexham.

Our bank and agency costs were higher in 2022-23 than in previous years, though we recruited 1,800 new staff over the year, as the Trust faced increased operational pressures requiring significant numbers of additional beds to remain open. The Trust has appointed a Managed Service Provider for temporary staffing, initially focused on nursing agency, to help reduce costs.

Looking ahead to 2023-24 the Trust will continue to face many of the pressures seen during the previous 12 months. Below are some of the ways in which the Trust is facing these challenges:

- The planning process ensured that financial, workforce and activity plans have been aligned to support the increased elective activity required to reduce waiting lists in line with national and local targets. These plans include increased recruitment to fill key medical and nursing vacancies, improving patient care and reducing the demand and expenditure for agency staff.
- Every day matters and Multi Agency Discharge Events (MADE) which include our system partners are initiatives to reduce unnecessary admissions and the average length of stay for patients who are admitted. These schemes improve patient care and help reduce the need for escalation beds saving money, improving flow through our emergency departments and protecting our elective capacity and so reducing waiting times for patients.
- We have invested in the pathways within our emergency departments to help reduce both the numbers of patients requiring admission and the average length of stay for those who are.
- Capital funding will be available to enable capacity to be made available at the Heatherwood site to alleviate loss of capacity at Frimley Park Hospital during RAAC related estates works.
- Our estates and procurement teams are also working to mitigate the impact of inflation in areas such as energy, which were significantly above plan in the previous year.
- We continue to work closely with our ICB partners to ensure that operational and financial plans are fully aligned, and that risks and mitigations are identified and addressed with full collaboration with our wider system partners.

People

Supporting our staff remains one of our key strategic ambitions, especially at a time of sustained pressure and when our teams are leading major changes such as the successful launch of our electronic patient record. Our recruitment and retention plans have been a particular focus during 2022-23 to ensure that adequate staffing resource was in place to meet the operational challenges from the ongoing pandemic and the rising demands in emergency care.

Our resourcing plans also continue to support our commitment to improving the quality of care and to reduce our costs on agency staff and other temporary workers.

We have also been mindful of the worry, anxiety and financial uncertainty the increase in cost of living may be causing some of our people. The Trust wants to support staff as best we can and has promoted benefits that support staff with the cost of living, such as discounts and the Employee Assistance Programme advisory services. We were able to significantly increase the business mileage allowance for all Trust staff to reflect fuel cost rises and to provide an extra day's annual leave as a token of our appreciation.

We also revised our bank pay rates to ensure they remain competitive, including enhanced rates in some areas, and have introduced an option for weekly pay through the staff financial wellbeing platform Wagestream. The enhanced Wagestream package also offers a high interest savings account, financial coaching as well as enabling interest-free advances on salary throughout the month.

We are firmly committed to creating an organisational culture that embraces the diversity of its workforce and promotes fairness and inclusion. More than 94% of staff are up to date with equality and diversity training requirements and our Every Voice Counts Campaign continues to embed into the organisation and reflect the value of every person who works at Frimley Health. The Trust has four staff forums for: Black, Asian, and Minority Ethnic (BAME) staff; Women of the World: Disabilities and Carers; and Lesbian, Gay, Bisexual, Transgender, and Questioning. These forums are regularly attended by staff representatives across all four networks.

The staff forums are growing in number through attracting new starters to join and also existing members sharing the positive progress the forums are making for staff from protected characteristics. For example they have helped to celebrate key events such a Pride, LGBTQ+ and Disability History months and Black History Month, National Inclusion Week and Anti-Bullying Week. They have helped deliver projects such as understanding for people with autism and an information resource for managers and staff explaining the significance of Ramadan for Muslim colleagues and patients.

Almost half of our workforce (48%) identifies as BAME and the latest Workforce Race Equality Standard shows that you are just as likely to be offered a job at the Trust whatever your background. BAME staff are less likely to be subject to formal disciplinary processes. However, they are less well represented at higher levels and less likely to take up non-essential training, so we will be exploring how this can be addressed.

In April 2022, the Trust committed to the NHS England People Promise pilot programme, as an exemplar site. The People Promise commitment seeks to improve staff experience through targeted interventions that ultimately aim to improve retention within the organisation. Some key aspects of work that have taken place in 2022-23, focused on staff engagement include:

- Aligning the People Promise with ongoing National Staff Survey local action plans
- Supporting new starters at the Trust with face-to-face networking opportunities

- Putting in place an approach to improve talent management, career development and progression opportunities
- Improving understanding and awareness of employee experience through the 100 Days Survey, Exit Survey and ESR data
- Providing access to an increasing offer of development opportunities including functional skills, apprenticeships, professional development, leadership and management development

NHS workforce challenges are as acute as ever. We have started to see a drift downwards on vacancy rate and turnover (from a high in July 2022 of 16.4% to 14.5% in March 2023), following an investment in our recruitment processes to boost awareness and reduce time-to-recruit and a focus on our offer to existing staff. With the People Promise at the centre of our recruitment and retention, one of the ways we have been helping our people to feel valued and to celebrate and feel proud of what they do has been the reintroduction of our 'Faces of Frimley' staff awards in September 2022, when hundreds of Frimley Health staff joined a celebratory event and awards presentation at Ascot Racecourse.

We celebrated apprenticeships and recognised their importance to our future workforce at a second apprenticeships conference with partners from Frimley ICS at Ascot Racecourse in May. It was a welcome return for the conference, which was postponed in 2021 because of pandemic restrictions. Currently 243 apprentices work across the Trust in 26 different roles ranging from midwifery and healthcare support through to business administration, early years education and catering.

Work experience placements were reintroduced across the Trust after a two-year break due to the pandemic. We are the first trust in the south-east region to gain a Silver award in the Health Education England Work Experience Quality Standard, having previously held Bronze.

We are very excited to be working with the University of Surrey in Guildford to help them deliver a new medical school. The first cohort to arrive in 2024 will comprise mostly of overseas students and Frimley Health will help to host them for part of their training. The university's longer-term aspiration is to have more funded places for home students as well.

We are also using national and international awareness events to celebrate and recognise the range of diverse professions in the Frimley Health family, as well as our own events such as a Love Admin Week that we created to celebrate the invaluable work of our administrative and clerical colleagues.

Results of the annual NHS Staff Survey, taken between October and December 2022 reflected a very challenging work environment for staff across the NHS. Although some of our year-on-year scores had declined, the vast majority of responses by Frimley Health staff (77 questions our of 96) were average or significantly above average for similar trusts, benchmarking highly in areas such as appraisals, satisfaction with standards of care, feeling valued and team working. Overall, many of our scores were below where we wanted them to be and we will be using insights from the survey report, including 1,400 free text responses to improve conditions for staff.

In response to the 2022 survey insights, we will be participating in the NHSE Culture and Leadership Programme as part of the People Promise Exemplar programme. We will continue investing in wellbeing and revitalising the equality, diversity and inclusivity agenda, with a focus on leadership and succession planning. Alongside this activity we will hold regular 'What Matters to You?' conversations within teams so that local issues and opportunities are being dealt with in real time.

The Trust is committed to building inclusive cultures and the next steps at Frimley Health will include:

- Developing a leadership culture underpinned by inclusion which fosters a culture of inclusivity and understanding
- Continuing to deliver inclusive leadership development programmes that support career progression and succession planning ambitions across the Trust
- Harnessing staff voice through the forums to set the direction for equality and diversity activity and align Every Voice Counts activity
- Ensuring employment policies, practices and systems are inclusive and responsive to the diverse needs of staff.

More details about our staff survey results can be found on page 94.

Trust future priorities for service development

As we enter the fourth year of our five-year Our Future FHFT Strategy, we continue to review our strategic objectives to help us reach our goals. At the start of the strategy in 2020 we set out several goals we wanted to achieve by 2025. These included:

- Having a great elective care facility with the new Heatherwood Hospital
- Having one of the best trust wide electronic patient record systems
- Developing more new roles and ways of working for our people
- Developing a great culture of continuous quality improvement done the FHFT way
- Having expanded private patient services
- Leading in technology and robotics, changing working practice
- Providing more services in the community

Some have already been achieved, most notably the opening of our new elective care hospital at Heatherwood, and the launch of our electronic patient record. We have also made significant progress against the others, for example developing our community services and progressing a quality improvement culture with support from Frimley Excellence.

Each of the six strategic ambitions outlined in our strategy were given one overarching objective for the year that would make the biggest impact:

- **Improving quality for patients** – Deliver improvements in the management of our deteriorating patients for 2022-23.

  We achieved both metrics for this objective: to respond to 80% of deteriorating adult patients within 10 minutes and reduced ward-based cardiac arrest to 0.36 per 1,000 admissions from 0.91 per 1,000 admissions. The team delivered well against this objective and has consistently achieved the challenging plan set out at the beginning of the year.

  We saw improvements over the year across the deteriorating patient indicators and we are continuing to utilise our EPR to drive further improvements. Although we were unable to hit the target for each of the metrics every month we were able to achieve the response time for getting to patients within 10 minutes of an unexpected admission to critical care. In fact, we exceeded the target that was set as a national CQUIN for response times to patients.

  The set target is to respond to patients unexpectedly admitted to Critical Care in 10 minutes for 85% of the time. Investment in the Hospital at Night team of half a million pounds has helped to support our performance in this area and, alongside other initiatives, this has helped to bring about a reduction in reported serious incidents (SIs) across the Trust, compared with pre-pandemic levels.

- **Supporting our people** – The development of a three-year People strategy and delivery of Year 1 milestones to truly make Frimley Health a great place to work.

  We improved in two metrics: reducing vacancy rate from 13.7% to 11% and reduced turnover from 15.8% to 14.5%. We did not improve staff recommending the Trust as a place to work in the staff survey (55.5%). Workforce has been, and continues to be, an incredibly challenging issue across the NHS with record levels of vacancies. We rebased our budgeted establishments at the beginning of the year to reflect our growing services and workforce. This resulted in an increase in vacancy rates from 9% to 15% prior to the beginning of the year. The vacancy rate as at the end of the year was 11%. This has been driven down from a high of 15.4% through a number of positive actions taken by the Trust. At the same time, our turnover rate has been high, hitting a peak of 16.6% in June but ending the year at 14.5%.

  A number of actions were taken to address our performance across these key measures. The Recruitment and Talent Acquisition team is now fully established and organised a number of recruitment and promotional events and a Deputy Director of HR was recruited to review our end-to-end recruitment process.

  Additional actions included the development of a recruitment portal and a plan to automate as much of the recruitment process as possible. The team has reviewed the HR structures supporting the directorates to ensure that the right resource is in the right place to yield the best results. We have added specialist resource to the Medical HR team. These individuals have the right specialist knowledge and experience to drive recruitment levels up in this vitally important cohort of staff.

Our performance against the staff survey metric was below target at the end of the year, although we are performing well relative to other Trusts across the country. However, this performance is not where FHFT wants to be, and improvement is required as we move into the new year. FHFT continues to invest in its people with schemes such as 'Leader in Me' and the Aspiring Leaders' course helping to identify and nurture talent through the organisation. The continued drive to recruit to vacant posts, to reduce the recruitment cycle time and to identify and rectify turnover in key areas, will also help the Trust to improve in this area.

- **Collaborating with our partners** – Improve experience for our patients in relation to their discharges and transfers of care and reduced length of stay and delays for our 'criteria to reside' patients.

  Throughout the year we have focused on improving patient flow through our hospitals. Our aim has always been to ensure that our patients are in the right place at the right time for the care that they need and that they are returned to their usual place of residence to support a safe recovery from their acute episode.

  One of the key metrics we used to measure our progress for this objective is the number of medically optimised, or medically fit for discharge (MFFD) patients. We have robust data on our MFFD patient cohort, and we track the numbers daily. It was a challenging year to reduce this type of demand for our services and this continues to be an area of focus between the Trust and system partners.

  A range of initiatives have been implemented and made a positive impact. We introduced a primary care streaming initiative which helped to divert patients from our emergency departments (EDs). This model is currently diverting between 5-10% of patients from our EDs. The aim is to increase this number.

  Our teams have developed a model to help to optimise our Same Day Emergency Care (SDEC) and help to reduce the overall numbers in ED. This will allow our clinical teams to treat patients in a more-timely fashion.

  Our Every day matters programme was, and still is, a key aspect of delivering this strategic objective. This programme is aimed at reducing our length of stay for our patients. It identifies the fact that every person in our hospitals has a role to play in length of stay. Whether that be directly on the wards, in a supporting service or an administrative role; everyone has a role to play in supporting the patient journey through our hospitals and back home to their usual place of residence.

  The power of the Every day matters programme is that it links all elements of our strategy and really drives the fact that supporting the patient journey requires a genuine collaboration from all individuals within our Trust and partners outside it.

- **Transforming our services** – Deliver the GIRFT plan for 2022-23 and our clinical strategy.

  The key focus for this objective was the delivery of the Getting It Right First Time (GIRFT) programme which is designed to improve the treatment and care of patients through in-depth review of services, benchmarking, and presenting a data-driven evidence base to support change. This data can then be used to inform improvement plans. At FHFT we used the GIRFT data to inform our key metrics to measure our objective for 2022-23.

  At the start of the year our day case rate for key procedures was 75% whereas the national standard is 82%. The aim was to use the national Model Hospital data, upon which our baseline was built, to record our progress through the year and track our improvement.

  However, the Model Hospital data has been very difficult to obtain in a timely fashion. As a result, we have looked to focus on a few other key GIRFT standards such as the elective length of stay associated with a total knee and a total hip replacement.

  Our baseline at the start of this year for this metric was 3.4 days for a total hip replacement and 3.82 days for a total knee replacement. The target set was 2.7 days. At the year-end we are at 2.20 days for a total hip replacement and 2.86 days for a total knee replacement.

  The remaining aspect of this objective was the reduction of our overall waiting list backlog which proved very challenging over the year, although we chiefly achieved the national target of eliminating anyone waiting more than 78 weeks for a procedure with most of the few remaining patients choosing themselves to delay treatment. We were, however, able to start to see many of the benefits associated with the Heatherwood development as we were able to ramp up our elective activity towards the end of the year. This work will be carried into 2023-24 where we will see additional procedures carried out and further improvements in productivity and efficiency.

- **Making our money work** – Develop a three-year plan and deliver the year 1 milestones by the end of 2022-23 including cost efficiency savings.

  Although we achieved a break-even position, the underlying financial position remains very challenging (see finance section, page 29). Inflation and operational pressures put a huge strain on our financial position in-year.

  Although we did not meet our efficiency plan, we were £5.2m short on a £28m plan, we did achieve a breakeven position for the year. A significant achievement given the pressures described above. Work will continue to ensure continued delivery and financial grip in 2023-24.

  We are reviewing our three-year plan in light of the challenging financial outlook and capital investments such as the new inpatient and diagnostic centre at Frimley Park Hospital and community diagnostic centre in Slough.

  The Trust is continuing to work hard to reduce agency costs and has challenging plans in place. Implementation of the Every day matters programme will drive improvements through a reduced length of stay and a reduced reliance on escalation areas.

Alongside the work being done to fill our vacancies and reduce our staff turnover rate, Every day matters is a key focus driving a reduction in our agency spend, which will ultimately reduce the strain on our finances as we move forward.

- **Advancing our digital capability** – To realise the benefits of our Electronic Patient Record (EPR).

  2022-23 was a pivotal year for this strategic ambition. Our five-year aim is to be in the top ten digitally advanced, or mature Trusts in the country. We are using the HIMSS (Health Information and Management System Society) scale to measure our maturity as it is used widely across the NHS.

  Prior to embarking on the installation and implementation of our Electronic Patient Record (EPR) system, Epic, FHFT was at HIMSS level 1. Through the mere act of implementing an EPR, FHFT has climbed to a digital maturity score of 6. The top of the HIMSS scale is 7. We have therefore taken a huge step in moving towards our overall goal for this strategic ambition.

  The launch of the EPR in June 2022 went as well as could be expected for such a fundamental organisational change and we are proud of how well teams responded and worked together. The significant benefits to staff, patient safety and experience, and improved efficiency already realised have been outlined elsewhere in this report.

  We were not able to realise all of the financial benefits outlined in the plan for 2022-23. There are a number of reasons for this short fall, including a delay in the decommissioning of legacy systems until we are fully confident that we understand all the information flows and that it is safe to decommission.

  We are also aware that a number of additional EPR benefits are not necessarily being captured, quantified and allocated against this metric. There is work on-going to understand these additional benefits with a view to ultimately quantifying them.

  Examples of additional benefits are very difficult to quantify but are clearly derived directly from the use of the EPR. Given that workforce is one of our greatest challenges, the ability to free up senior nursing time for clinical support is incredibly valuable to the teams on the ground. We will continue to identify similar benefits in other areas which will go a long way to supporting our people, improving quality and efficiency across the Trust. The Thrive training programme offered to staff will also help to ensure that our people can use the system in the most efficient and effective way possible which will also help drive understanding of the system and deliver further benefits for the year ahead.

Key issues and risks

Any issues or risks that could impact on delivering our strategic objectives and plans are reviewed and monitored throughout the year to help us mitigate, reduce and eliminate their impact.

Key issues and risks include:

- **Operational demand** including:

Demand for our urgent and emergency care services remaining exceptionally high, exacerbated by pressures on social care and community capacity, leading to significant delays in discharging patients home or to the right place of care. In order to help manage the number of patients in hospital, we may continue to need to use medial spaces in day wards and other planned care areas. Having to cancel planned procedures and operations would put further pressure on our waiting lists.

In addition, the ongoing uncertainty around Covid heightens potential for further surges, and continued industrial action by doctors, nurses and other staff groups risks our ability to provide safe care.

- **People**

  We know how vital it is to get the right people in the right roles, so recruitment remains a priority with regular oversight by our senior leadership team. With vacancy rates very high across the NHS, recruiting enough staff remains very competitive locally and nationally. We have made some progress with our overall vacancy rate overall reduced to 10.9 per cent in March 2023 (from 15.4 per cent in July 2022). This includes the recruitment of 347 internationally educated nurses and midwives over the year.

  We are recruiting 15 healthcare support workers a month, but with turnover rates high in this staff group we are aiming to increase recruitment to 30-40 per month and provide better support to improve retention. We have also strengthened the medical HR team, to help speed up recruitment of medical staff and we are reviewing our recruitment processes and structures.

- **Money**

  The NHS faces perhaps one of its most financially challenging years as we move into 2023-24 and this will also be true for our Trust. The NHS has set key operational targets around waiting lists, productivity and wait times in emergency departments while remaining in financial balance despite reductions in additional funding received relating to the pandemic over the last few years.

  Working in conjunction with our Integrated Care System, the Trust has submitted a breakeven plan for 2023-24 although this will require ambitious efficiencies of over £33m in 2023-24 with a mixture of directorate-led and transformation schemes monitored throughout the year with executive oversight.

  Our financial plan includes benefits arising from our new state-of-the-art elective hospital at the Heatherwood site and the optimisation of our new Electronic Patient Record (EPR).

Additional financial pressures will be driven by the target to deliver 103 per cent of elective activity levels compared to a 2019-20 benchmark, which NHSE sets trusts nationally. The temporary reduction of theatre capacity at our Frimley Park site due to the impact of RAAC remediation works (see below) will make this target more challenging for our Trust although we do have mitigation plans.

The need to ring-fence elective care beds will mean greater need to manage non-elective bed demand and those beds occupied by patients who are medically optimised for discharge.

A key financial challenge for the Trust in 2023-24 will be reducing the amount spent on agency staffing. This will require support across all teams to reduce vacancies in key areas, improve discharge of medically optimised patients, and enhanced roster and budgetary controls at ward levels.

- **Reinforced Autoclaved Aerated Concrete (RAAC) at Frimley Park Hospital**

  Although the Government announced in May 2023 that funding will be available to replace Frimley Park Hospital with a new hospital by 2030, we will continue to manage any risk from the hospital's concrete RAAC planks, which are known to deteriorate over time, through a monitor and maintenance programme until then.

  This programme will ensure structures remain safe and serviceable. In the past year we spent £9 million monitoring and improving structures and this year we plan to invest a further £8.4 million on remedial work. Alongside this, we are running an awareness campaign to ensure staff understand the issues and know how to recognise and report any potential signs of deterioration so they can be investigated quickly. We continue to liaise with other organisations who are managing similar buildings to share knowledge and resource.

  Our plans for a new extension to provide more beds and diagnostic capacity will help us to manage our maintenance programme safely in the years ahead.

Environmental matters

As an NHS organisation and spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, protecting the environment by making smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising natural resources costs.

Vision

In November 2021 the Board approved the Trust's first three-year Green Plan 2022-25, which set out four long-term sustainable ambitions:

- To respond to our global responsibility
- To deliver services that are resource efficient and support the circular economy
- To capitalise on the personal health benefits of sustainability
- To provide resilient services that protect the health of our local population.

By putting sustainability at the heart of our organisation, we aim to deliver healthcare that meets the needs of our patients and our communities now and in the future. Whilst FHFT will be supported by a central sustainability team, the strategy goal is to "Make carbon net-zero everybody's business everyday" through staff engagement, training and inclusion of sustainability and carbon reduction alongside quality and financial considerations in business cases.

The Trust's Sustainability Lead is Nigel Foster, Executive Director of Finance and Estates. The Estates directorate has a key role in ensuring the effectiveness of sustainability initiatives through governance oversight of sustainability activity and accountability.

Delivery of Sustainability Objectives

During the reporting year, the Trust has been involved in a significant number of on-going capital building projects and upgrades, and together with the revenue cost reduction programmes and increasing patient numbers, it has been challenging to fully deliver against the ambitions set out in the Trust's Green Plan.

However, good progress has been made in delivering low carbon and energy efficient operations and we are conscious of the requirement to deliver a '*Net Zero Health Service*' under the Greener NHS programme.

The Trust has set two targets to achieving the NHS Net Zero commitment:

1. for emissions we control directly (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032
2. for emissions we can influence (NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

In the last year several projects have made a positive contribution to our low carbon and Greener NHS objectives, and these are recorded below.

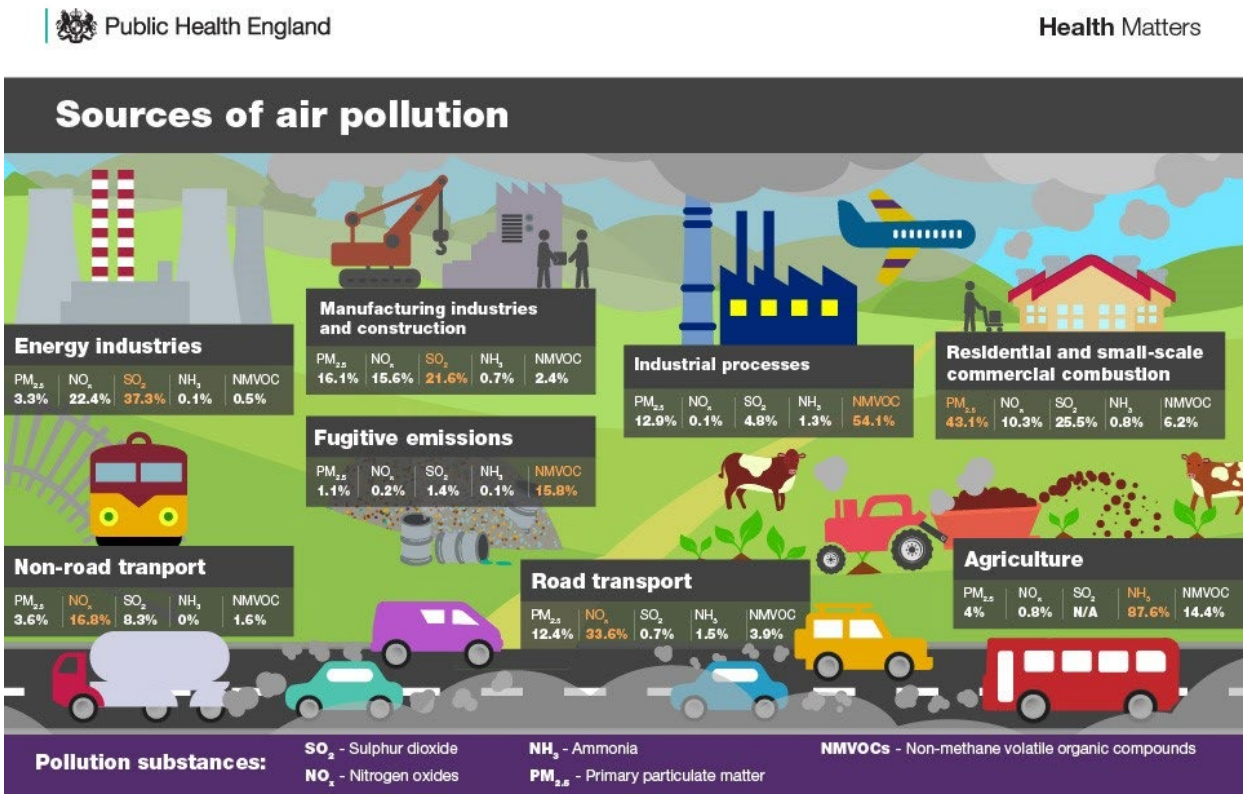
Air Pollution

The annual mortality from human-made air pollution in the UK is roughly equivalent to between 28,000 and 36,000 deaths every year, and it is estimated that in the period from 2017 to 2025 the total cost to the NHS and social care system of air pollutants will be £1.6 billion.

Damaging air pollutants, for which there are national emission reduction commitments, are fine particulate matter (PM2.5), ammonia (NH3), nitrogen dioxide (NO2), sulphur dioxide (SO2), and non-methane volatile organic compounds (NMVOCs). Other outdoor air pollutants include ozone and carbon monoxide (CO).

The Trust has made a commitment to acting on air pollution and is working with Greener NHS colleagues to make improvements and employ new technologies. For example last year, six Mobile Destruction Units (MDUs) were delivered to the maternity wards at Frimley Park and Wexham Park hospitals. MDUs are an innovative solution which collect residual nitrous oxide from exhaled air and subsequently destroys the gas. The system purifies more than 99% of nitrous oxide entering the unit which helps to facilitate a healthy work environment for healthcare professionals and a safer space for patients. The units are self-supporting systems with low noise levels and minimum energy consumption.

Together with the MDUs we are undertaking several studies and surveys over the next 12 months to reduce the carbon impact of the use or release of nitrous oxide. A significant proportion of nitrous oxide emissions is caused by poor use or waste from manifolds and the associated piped infrastructure. We have therefore made a commitment to review all our medical gases pipework.



Pool Cars and EV charging

We have purchased the next generation of pool cars for the Trust and installed four new electric vehicle charging points at Heatherwood Hospital. The current electric pool cars have undertaken circa 136 thousand business miles since they were first introduced, and we have made a commitment to change all the fleet vehicles over the next 24 months to electric vehicles. This has reduced CO_2 emissions by more than 50 tonnes.

The Trust has site specific active travel plans that promote sustainable modes of transport for staff, patients, and visitors to their sites. Business travel has also seen a decrease within the Trust due to the increased take-up of MS Teams calls and video conferencing.

The Trust has a flexible working policy, supported by enabling technology such as laptops and VPN access, and staff are encouraged to avoid all unnecessary travel to sites and inter-site, when possible.

Recycling

Re-use has been further enabled this year through the Warp IT portal, with over 75,7833 tonnes of CO_2 (kg) saved, the equivalent to 32 cars off the road. We have avoided 16.9 tonnes of waste going to landfill which equates to 103 trees. During the decommissioning of the old Heatherwood Hospital, Warp IT was used extensively,

Walking Aid recycling has become an established recycling scheme for the whole of the NHS, and if f just two out of every five walking aids were returned, the average hospital could save up to £46k per year. Reusing a refurbished walking aid is on average 98% lower in carbon emissions than using a new walking aid.

From Heatherwood Hospital alone, our first hospital to start the Walking Aid recycling scheme we saved £1,600 in January and February 2023 – which equates to a saving of around £30,000 a year if replicated across our three main hospital sites.

One of the clear objectives of the NHS net zero carbon commitment is to align trust digital strategies with the NHS ambition. The implementation of the Electronic Patient Record (EPR) in June 2022 was one of those innovations. From May 2022 to April 2023 the Trust has achieved the following recycling savings through the introduction of the EPR.

Trees Saved (Nr)	4,744.02
Landfill Saved (m^3)	354.55
KwH Saved	1,172,052.00
$C0_2$ Saved (Kg)	189,432.00
Water Saved (L)	8,929,920.00

Waste Management

Our Sustainability and Waste Management teams work together to identify initiatives that minimise waste. For example, we have introduced a new Sharpsmart system which during its first year eliminated 62,000 single-use sharps containers from being manufactured and incinerated. This equates to 30.1 tonnes of plastic. The Trust is also working with De Soutter Medical to change to a non-battery-operated pulse lavage system that will save the Trust disposing of 10,000 batteries a year.

Single Use Plastics

Following the Government announcement that single-use plastics – including plastic cutlery, plates, and polystyrene – will be banned from October 2023, the Trust is already in discussion with several suppliers to source alternatives. In most situations, we can provide a multiple use solution such as metal cutlery, which provides us with an invest to save option. A switch from single use cutlery sets to a reusable type could save the average NHS hospital 50-100 tonnes CO_2 a year, equivalent to around 185,000 car miles, and with potential savings of £30,000 per year.

All our food containers are now compostable and recyclable, and we are actively reducing our remaining stock of plastics within the Trust. Our staff are also encouraged to bring in Tupperware or other alternatives when purchasing food from our catering establishments to reduce waste packaging.

In line with the NHS Supply Chain Catering Consumables and Equipment framework, we are also stopping purchases of expanded polystyrene products. Last year with support from Frimley Health Charity, a reusable water bottle was given to every member of staff. New water coolers being purchased for the Trust expands on our commitment that no plastic or expanded polystyrene cups will be offered to staff or patients, except in an emergency.

Next Steps

In March 2023 the new NHS Standard Contract was launched and includes several new and revised sustainability requirements which will be addressed in 2023/24. To supplement the Green Plan we are publishing our FHFT Sustainable Development Management Plan (Blue on Green) in the coming year. This will provide the Trust with an overall picture of the design issues and future-proofing requirements that need to be addressed to achieve our sustainability ambitions. The plan will be focussed on embedding carbon reduction and resource efficiency in all the Trust's operations and decision-making processes.

Social, community and human rights issues

The Trust recognises the need to forge strong links with the communities it serves, and our communications and engagement team leads our engagement activity across our catchment area. The Trust's communications and engagement work is far reaching and includes community engagement, public research, media and social media management, liaison with GPs and other system partners and patient information.

Our membership events are open to all and offer the local community the chance to get involved, and also to find out more about how we work through newsletters, events and public engagement work. We have over 15,000 public members with whom we engage on a regular basis as described in the Accountability Report on page 69. We also work in partnership with other parts of the NHS and local organisations on community-wide health issues.

To meet the needs of a diverse population, a telephone interpreting service is available and key information leaflets are provided in other languages. A spiritual care service which reflects the different faiths and beliefs of the local population is in place to support patients and relatives. Making iPad devices available to all inpatients to help them keep in touch with family members, has supported better patient experience particularly for patients with sensory impairment and speakers of languages other than English.

The Trust is committed to ensuring the services and employment practices meet the needs of all people, included those with protected characteristics under the Equality Act 2010. This is in accordance with our public sector equality duties as set out in the NHS Constitution. Equally, we recognise the importance of meeting our obligations in respect of the Human Rights Act.

Our Equality and Diversity Policy has been updated in alignment with the requirements of the Equality Act and human rights legislation. The policy is kept under regular review and is monitored annually by reviewing the application of employment policies by protected characteristics. Where appropriate our policies have an equality impact assessment to review their impact on service users and staff. We publish an annual equality report that confirms how we meet specific employment duties and includes monitoring data, achievements and priorities for action.

Significant events post 31 March 2023

It was announced on 25th May 2023 that our bid to the New Hospital Programme for funding to build a new Frimley Park Hospital was successful. Our preferred approach to resolve the RAAC issues was to build a new hospital and Frimley Park's inclusion in the New Hospital Programme will mitigate the risks posed to patients and staff in the longer term.

There have been no other significant events since the end of the financial year affecting the foundation trust.

Overseas operations

The Trust did not have any overseas operations during the financial year.

Neil Dardis
Chief Executive
29 June 2023

ACCOUNTABILITY REPORT

Directors' Report

The directors are responsible for preparing the Annual Report and Accounts and consider when taken as a whole they are fair, balanced and provide the information necessary for patients, regulators and other stakeholders to clearly assess Frimley Health NHS Foundation Trust's performance, business model and strategy.

The Board of Directors, led by the Chair, sets the strategic direction of the Trust and is responsible for the organisation's decision-making and performance to ensure the delivery of high quality, safe and efficient services.

Our Board of Directors

The biographies of directors that served on the Board during the year ended 31 March 2023 are recorded below.

Non-executive directors

Pradip Patel B.Pharm (Hons.), MBA, CDiAF, CBAdmin, FCMI, MRPharmS

Chair

Appointed: 1 April 2016
End of tenure: 3 March 2023

Pradip was appointed to the Trust as Chair of the Board of Directors and Council of Governors in April 2016. In September 2021, the Council of Governors approved the extension of his term of office by a further year to 31 March 2023. Pradip stepped down as Chair on 3 March 2023.

Pradip is an accomplished senior executive with a wealth of experience in complex and regulated organisations. He started his career as a pharmacist in 1977 in Boots and went on to hold senior roles in marketing, property and planning, sales and operations, HR and strategy. Between 1999 and 2010 Pradip held various director roles on a regional and national level. This included Director of Pharmacy and Pharmacy Superintendent; Managing Director for Boots Opticians and Executive Chairman for that business following its merger with Dollond & Aitcheson. He was also Director of Healthcare Strategy at Walgreens Boots Alliance from 2012. Before he joined Frimley Health, Pradip was a non-executive director at Hillingdon Hospital NHS Foundation Trust in London for four and a half years, serving as both Deputy Chair and Senior Independent Director.

He is a Fellow of the Chartered Management Institute, Fellow of the London School of Pharmacy and a Member of the Royal Pharmaceutical Society of Great Britain.

Bryan Ingleby

Independent non-executive director and Deputy Chair
Chair from 6 March 2023

Appointed: 1 April 2020
End of tenure: 31 March 2026

Bryan joined the Board of Frimley Health NHS Foundation Trust in April 2020, becoming Chair of the Audit Committee in April 2021 and Deputy Chair from February 2022 before stepping into the role of Chair from March 2023.

Bryan is a Chartered Accountant and ICAEW (Institute of Chartered Accountants in England and Wales) Business and Finance Professional. He worked at the National Audit Office (NAO), scrutinising Government expenditure on behalf of Parliament and the taxpayer, leaving in 2014 to pursue non-executive roles. Bryan has had a number of non-executive roles across the public sector, predominantly within the health and social housing sectors, as well as roles within central and local government. He continues to work with NHS and housing sector organisations in addition to his role with the Trust.

Mike O'Donovan BA (Hons)

Independent non-executive director

Appointed: 14 October 2014
End of tenure: 31 March 2024[1]

Mike spent 30 years in the consumer healthcare industry holding managing director positions in the UK and overseas as well as global corporate roles. In 2002 he left industry to become chief executive of the Multiple Sclerosis Society, a position he held until 2006. Since then he has held several non-executive director and trustee positions including co-chair of National Voices, the leading patient service user advocacy group, member of the management board of the European Medicines Agency and chair of Central London Community Healthcare NHS Trust.

[1] In October 2022, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Mike O'Donovan's term of office for a further year to 31 March 2024.

In October 2012 he was appointed chairman of Heatherwood and Wexham Park Hospitals NHS Foundation Trust and played a key role in its successful acquisition by the neighbouring Frimley Park Hospital NHS Foundation Trust to form Frimley Health NHS Foundation Trust.

Mike is a trustee of the South Hill Park Arts Centre.

Dawn Kenson BSc Hons, ACII, Dip PFS

Senior independent non-executive director

Appointed: 1 June 2015
End of tenure: 31 March 2024[2]

Dawn spent over 20 years in financial advisory services predominantly with The Woolwich and then, following its takeover, with Barclays Bank.

She was managing director of Woolwich Independent Financial Advisory Services before becoming director of independent financial advice operations for Barclays where she had responsibility for the bank's combined regulated advisory forces.

She left Barclays in 2005 to concentrate on non-executive work in the public sector. She is currently a non-executive director for NHS Lincolnshire Integrated Care Board and a director of Turning Point Limited. Until November 2022, she served as a non-executive director at Raven Housing Trust and served with the Northern Ireland Office until October 2020.

John Weaver

Independent non-executive director

Appointed: April 2017
End of tenure: 31 March 2024[3]

John worked for BT plc from 1984 until retiring in March 2019; a career which included such roles as Director of Wholesale Managed Services, Transformation Director for Global Networks and, most recently, Vice President for Contract Design, leading the technical design team within BT's Global Services business.

[2] In October 2022, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved the extension of Dawn Kenson's term of office for a further year until 31 March 2024.
[3] In October 2022, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved a one-year extension of John Weaver's term of office to 31 March 2024.

John also spent two years on secondment to the Board of J-Phone, a leading Japanese mobile phone operator, where he was responsible for the development of all non-voice services.

In addition to his career at BT, John has also been an executive director of the Thames Valley Local Enterprise Partnership, a member of the CBI South East regional council and a non- executive director for both Hastings Academies Trust and ThirdSpace Ltd, an award-winning UK based technology solutions provider**.**

John is a trustee of the Power of Parenting Charity.

Michael Baxter

Independent non-executive director

Appointed: 1 April 2020
End of tenure: 31 March 2026[4]

Michael grew up in Guildford and completed a BSc and PhD in biochemistry at the University of Birmingham. He studied medicine at Nottingham University and was appointed consultant in diabetology, endocrinology and general physician at St Peter's Hospital in Surrey in 1992 where he went on to be Clinical Director of Medicine, then Medical Director for 10 years, including five years as Deputy CEO. During this time, he was involved in the successful merger with Ashford Hospital in Middlesex and the associated re-modelling of services, and in the Trust's successful application for foundation trust status.

He was the secondary care clinician on several local clinical commissioning groups, including Slough CCG, during their set-up phase. He is currently in private clinical practice in Surrey, specialising in diabetic and endocrine problems. He worked for Sanofi as medical therapy expert for 9 years working with the European, Japanese and global affiliates. Prior to joining Frimley Health in 2020, he was a non-executive director at Ashford and St Peter's Hospitals for 5 years. Michael is an Honorary Professor of Medicine at the University of Swansea.

Linda Burke

Independent non-executive director

Appointed: 1 April 2022
End of tenure: 31 March 2025

[4] In October 2022, following a recommendation from the Non-Executive Performance and Remuneration Committee, the Council of Governors approved a second three-year term of office for Michael Baxter until 31 March 2026.

Linda is a registered nurse with a specialist qualification in oncology. She spent her early nursing career in Sheffield, then London and has a PhD and master's degree in education and is a qualified coach.

Linda has extensive experience as a senior executive with board experience in health, higher education and not-for-profit organisations, most recently as an executive director for education and quality at the Royal College of Obstetricians and Gynaecologists. She has held roles as Pro Vice-Chancellor at the University of Greenwich, Head of Revalidation at the Nursing and Midwifery Council, Head of Strategy and Development for NHS London and Associate Dean at St George's Medical School and Kingston University.

Linda is currently a non-executive director at Hillingdon Hospitals NHS Foundation Trust and Imperial College Healthcare NHS Trust. She is also a school governor and a trustee for Medical Justice Charity.

Gary McRae

Independent non-executive director

Appointed: 1 April 2022
End of tenure: 31 March 2025

Gary began his career with Ernst and Young in Audit. His earlier career was spent working within a range of finance, investment and mergers and acquisition focussed roles with private sector organisations, including the Scottish Development Agency, the Dowty Group PLC and British Aerospace Defence. He then held the role of Director of Corporate Development & Legal for Laird Plc, and Finance Director of NSC.

Gary has held several non-executive director roles, including non-executive director, Deputy Chair, and chair of the Finance and Investment Committee for Hampshire Hospitals NHS Foundation Trust between 2015-2021, and non-executive director, trustee and chair of the Audit Committee for William Harvey Research Foundation between 2017-2021.

Currently he is a non-executive director with SAS International, Aster Group and FAC Technology, trustee of the SAS International pension fund, Independent Member of the Court of the University of Aberdeen and is a member of various board committees for those organisations.

NExT Director Scheme

Since 2021 Frimley Health has taken part in the NExT Director Scheme, a development programme designed to help find and support the next generation of talented people from underrepresented groups on NHS boards into non-executive roles. We offered two placements in 2021-22 and Pooja Dewan continues to serve on our Board as a non-voting NExT Director.

Pooja Dewan

NExT Director

Placement: From 1 May 2021

Pooja has been working as an Investment Banker for the past 12 years at Citi, and prior to that at HSBC and UBS. She is responsible for advising investors on European listed businesses.

She also works with global corporates to assist them raise capital. Alongside this, she is a Director of a care home and sheltered accommodation business. Pooja graduated with an Economics degree from The University of Cambridge in 2009 and pursued a Law degree following this from BPP and The College of Law, London.

Executive Directors

Neil Dardis

Chief Executive

Appointed: March 2018

Neil joined the trust as Chief Executive in 2018 and has led the development of an ambitious strategy to enable the Trust to deliver high quality care for local communities.

Whilst managing the Trust through the global pandemic, Neil led the teams to deliver major transformation to improve care for the future, most significantly the construction and opening of the £100m state-of-the art new Heatherwood Hospital and the deployment of the new electronic patient record, spring-boarding the Trust to become one of the most digitally enabled in the country, along with introducing an innovative continuous improvement programme to empower teams to develop care locally.

Neil is passionate about the values of the NHS and is ambitious for patients and driven by his role to serve and engage staff to improve care for patients. Neil leads system working and has broadened out of hospital care with the acquisition and development of community services and as a member of the Frimley Health and Care Integrated Care Board, Neil leads the Frimley Provider Collaborative to develop pathways across all parts of the system. Neil has overseen the development of acute services to maintain the Trust's CQC ratings and supported the expansion of specialist services, including hyper-acute stroke and regional cystic fibrosis and vascular services.

Neil has worked in the NHS for over 20 years, with extensive Board and senior management experience. He was formerly chief executive at Buckinghamshire Healthcare NHS Trust from April 2015, having joined as deputy chief executive and chief operating officer in 2013, and led partners in Buckinghamshire to become one of the first integrated care systems. Prior to this he was director of operations at East and North Hertfordshire NHS Trust.

Neil graduated from Durham University with a degree in history, has a diploma in health service management and has studied at the London Business School and Cambridge University Judge Business School. He has also been a member of the NHS Top Leaders Programme and is an Institute of Leadership and Management Level 7 executive coach.

Dr Timothy Ho MBE, PhD, SFFMLM, FRCP

Medical Director

Appointed: December 2013

Tim graduated in medicine with distinction from St George's, University of London. He trained in respiratory and intensive care medicine in London. He was awarded a Wellcome Trust training fellowship and subsequently completed a PhD in molecular microbiology at Imperial College.

Tim has been a consultant chest physician at Frimley Park Hospital since 2004. During this time, he has developed a number of key services including a regional diagnostic service for lung cancer (EBUS), the medical acute dependency unit, and a large obstructive sleep apnoea service. Most recently he has served as the clinical director for medicine and care of the elderly and as the centre director for the Frimley Park adult cystic fibrosis service before becoming the trust's Medical Director.

In 2018 he became a founding senior fellow of the Faculty of Medical Leadership and Management. For his services to the NHS during the Covid-19 pandemic he was awarded the MBE in the 2021 New Year's Honours.

Tim is the professional lead for the doctors and is responsible for the Trust's quality and clinical governance framework. Tim is also the Senior Responsible Officer for the Trust's electronic patient record, and this role was extended in October 2022 to provide executive leadership for the entire digital services portfolio.

Nigel Foster BA, CPFA

Director of Finance

Appointed: August 2017

Nigel qualified as an accountant with Oxfordshire County Council before a spell in the private sector working for the business services firm Liberata, where amongst other things he managed a pan-European shared service centre for a subsidiary of ICI. He has been working in the NHS since 2002 and before joining us he was Director of Finance for three clinical commissioning groups (CCGs) in East Berkshire.

In addition to providing financial leadership for the Trust, Nigel also has executive responsibility for estates, which over the past year has included many capital projects across our sites. He is leading work on options for the long-term future of the Frimley Park Hospital site. His responsibilities also cover contracting, information, procurement and, as Senior Information Risk Officer (SIRO), he leads on information governance matters on behalf of the Board.

He works closely with colleagues across the Frimley Health and Care ICS area and beyond, including through the 'Connected Care' IT interoperability project which is enabling the sharing of patient records between primary, secondary and social care, and provides a platform for advanced analytics.

Dan Bradbury MA LLB (Hons)

Chief Operating Officer

Appointed: October 2019

Until October 2022, Dan was responsible for the day-to-day delivery of services across Frimley Health, with a particular focus on emergency access, cancer and referral to treatment. He previously served as Chief Operating Officer at Epsom and St Helier University Hospitals NHS Trust in south-west London.

Prior to that he was a Divisional Director of Operations at University Hospitals Southampton where he was responsible for surgery, theatres and anaesthetics, critical care and cancer services.

He retired from his career in the Army and joined the NHS in 2014 through the Executive Fast Track Programme. He was subsequently seconded to senior roles in planned and unscheduled care in a number of acute trusts.

Dan left the Trust in October 2022 to take up a new role at NHS England, South East Region.

Lorna Wilkinson

Chief of Nursing and Midwifery

Appointed: 30 June 2020

Lorna is a highly experienced and respected nursing leader. She joined the Trust in 2020 from Salisbury NHS Foundation Trust where she had been Director of Nursing for six years.

Lorna completed her nurse training in London in 1989 and progressed through a number of clinical roles in the capital in specialist units including liver, cardiac surgery and intensive care. She later moved into senior nursing and quality roles, serving as Deputy Director of Nursing at Salisbury and at Portsmouth Hospitals NHS Trust.

Lorna has a long-held interest in patient safety, patient experience, and quality improvement. She is the professional lead for nurses, midwives, allied health professionals and healthcare scientists.

Matt Joint

Director of People

Appointed: 28 June 2021

Matt leads our ongoing work to support, develop and realise the full potential of our staff.

He joined Frimley Health from University Hospitals Bristol and Weston NHS Foundation Trust, where he was Director of People for four years.

Matt has previously held senior corporate roles in human resources at Centrica and Amey Plc. In previous years he has held the post of HR Director at Royal Mail Group, where he was responsible more than 40,000 staff. He has extensive experience of implementing major change initiatives in large organisations and has particular expertise in talent management, leadership, and development.

Matt trained as a research psychologist and held a research fellowship at Leeds University. He also has an MSc in Civil Engineering.

Caroline Hutton

Director of Transformation, Innovation and Digital Services

Appointed: 30 September 2021

Acting Chief Operating Officer from October 2022

Caroline joined the Trust on an interim basis in September 2020 and was appointed permanently to the Director of Transformation, Innovation and Digital Services role in September 2021. Until October 2022 Caroline led many of our key change programmes and was also the executive lead for digital services and continuous quality improvement.

Caroline began her career in nursing and has many years of operational, transformation and digital experience in senior positions across the NHS. Prior to joining Frimley Health Caroline was Head of Outpatient Transformation at NHS England and NHS Improvement. She was previously at Milton Keynes University Hospital where she held two executive roles: Director of Clinical Services and Director of Service Improvement.

When Dan Bradbury left the Trust in October 2022, Caroline took on the role of Acting Chief Operating Officer and retained the transformation work portfolio. Following the year end, Caroline was formally appointed Chief Operating Officer in May 2023.

Board composition

The Board usually meets 6 times a year in public. The Board monitors the delivery of corporate objectives and targets and provides leadership with regard to strategy, operations, performance, risk, quality assurance and governance.

Under the terms of our constitution the Board comprises the Chair, at least four other non-executive directors and at least four executive directors, such that at any time at least half of the Board of Directors are non-executive directors.

During the reporting year the Board comprised:

- Eight non-executive directors until 3 March 2023 after which there were seven non-executive directors (including the Chair)
- Seven executive directors until the end of September 2022 after which there were six executive directors (including the Chief Executive)
- One NExT Director

Non-executive directors
The term of office for non-executive directors is three years. Thereafter, and subject to satisfactory appraisal, the Council of Governors may approve extended terms in office. The notice period for non-executive directors is three months. The Chair and non-executive directors may be removed by the Council of Governors in accordance with the constitution.

The changes in relation to non-executive directors during 2022-23 were:

- Pradip Patel stepped down from the Board in early March 2023 prior to the end of his term of office on 31 March 2023.
- Bryan Ingleby was appointed as Chair by the Council of Governors for a three-year term in October 2022. He became Chair on 6 March 2023.
- Mike Baxter replaced Bryan Ingleby as Deputy Chair in March 2023.
- Linda Burke was appointed to the Board in April 2022 for a three-year term until 31 March 2025.
- Dawn Kenson was appointed to the Board in June 2015 and her term of office was further extended by the Council of Governors in October 2022 to 31 March 2024.
- Gary McRae was appointed to the Board in April 2022 for a three-year term until 31 March 2025.
- Mike O'Donovan was appointed to the Board in October 2014 and his term of office was further extended by the Council of Governors in October 2022 until 31 March 2024.
- John Weaver was appointed to the Board in April 2017 and his term of office was extended by the Council of Governors in October 2022 until 31 March 2024.

Executive directors
The notice period for executive directors is six months. The Chief Executive and executive directors are subject to annual appraisals which are reported to the Performance and Remuneration Committee.

The changes in relation to executive directors during 2022-23 were:

- Dan Bradbury, Chief Operating Officer stepped down from the Board in October 2022.
- Caroline Hutton became Acting Chief Operating Officer from October 2022.
- The Director of Transformation, Innovation and Digital Services post was vacant from October 2022.

As of 31 March 2023, the Trust had six voting executive directors and seven voting non-executive directors.

Board Attendance Record

The directors' record of attendance at Board meetings during 2022-23 is recorded below.

Name	Position	Private	Public	Total
Non-executive directors				
Pradip Patel	Chair	8/9	5/6	13/15
Bryan Ingleby	Deputy Chair	9/9	6/6	15/15
Michael Baxter	Non-executive director	8/9	6/6	14/15
Linda Burke	Non-executive director	9/9	6/6	15/15
Dawn Kenson	Non-executive director	8/9	5/6	13/15
Gary McRae	Non-executive director	7/9	5/6	12/15
Mike O'Donovan	Non-executive director	7/9	4/6	11/15
John Weaver	Non-executive director	6/9	3/6	9/15
Executive directors				
Neil Dardis	Chief Executive	8/9	6/6	14/15
Dan Bradbury	Chief Operating Officer	4/5	3/3	7/8
Nigel Foster	Director of Finance	9/9	6/6	15/15
Tim Ho	Medical Director	8/9	6/6	14/15
Caroline Hutton	Director of Transformation, Innovation & Digital Services/Acting Chief Operating Officer	7/9	5/6	12/15
Matt Joint	Director of People	8/9	6/6	14/15
Lorna Wilkinson	Chief of Nursing and Midwifery	8/9	6/6	14/15

Board Register of Interests

A register of interests is maintained for the executive and non-executive directors which is published on our website: https://www.fhft.nhs.uk/

Alternatively, a copy of register may be obtained from the Company Secretariat Team:

Dorota Underwood, Committee Officer
Greenwood Offices
Heatherwood Hospital
Brook Avenue
Ascot
Berkshire
SL5 7GB

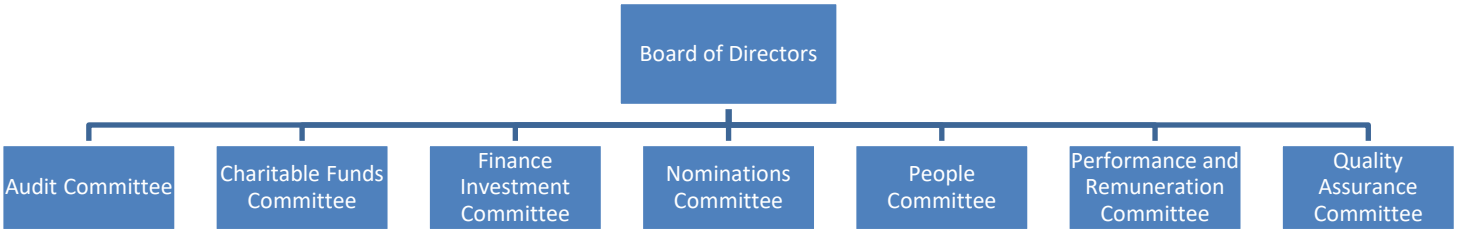
Email: fhft.companysecretariat@nhs.net

Board members may also be contacted via the Trust's Company Secretariat Team

Board committees

The Trust's board committee structure is illustrated below. The committees provide assurance to the Board on the delivery of the Trust's objectives and other business priorities. Their individual responsibilities are set out in the terms of reference.

Board Committee Structure



Audit Committee

The Audit Committee is directly accountable to the Board of Directors for reviewing the adequacy of the governance, risk management and internal control processes within the Trust. In discharging its responsibilities, the Audit Committee primarily utilises the work of the appointed internal and external auditors. Specifically, the Audit Committee:

- monitors the integrity of the Trust's financial statements and the significant financial reporting judgements contained in them.
- reviews the Trust's internal financial controls and any amendments to the Trust's Standing Financial Instructions.
- monitors and reviews the effectiveness of the internal audit process.
- agrees the annual schedule of internal audit reviews, receives the relevant reports and ensures the management issues raised are actioned.
- monitors and reviews the effectiveness of the external audit process and the External Auditors' independence and objectivity.
- reviews the Trust's processes to gain assurance on the effectiveness of clinical audit.
- reviews the arrangements by which staff of the Trust may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.

Membership and Attendance

During the year the Audit Committee was chaired by Bryan Ingleby, a non-executive director, and the other non-executive director members were Linda Burke, Dawn Kenson and Mike O'Donovan. The Audit Committee met five times in 2022/23. The attendance record is recorded on page 63.

During the year, the Director of Finance, the Trust's internal and external auditors, and representatives from the local independent counter-fraud service attended Audit Committee meetings. Additionally, other directors and relevant senior managers from the Trust attended meetings to provide a deeper level of insight or to provide further assurance within their respective areas of expertise.

External auditor – KPMG

The Council of Governors together with the Audit Committee agree the criteria for appointing, re-appointing and removing external auditors.

In May 2022, the Council of Governors approved the award of a new three-year contract to KPMG for external audit services. In line with best practice, two governors were involved in the procurement process and the Council of Governors was satisfied that KPMG would continue to offer an affordable, impartial, and professional audit service.

Internal auditor

During the year ending 31 March 2023, the Trust's internal audit function was carried out by BDO LLP, an independent business assurance provider delivering services to the public and private sectors. BDO LLP were appointed as the Trust's internal auditors on 1 April 2018. In September 2022, the Audit Committee agreed a one-year contract extension, taking the contract end date to 31 March 2024.

Counter-fraud service

During the year an independent local counter-fraud service was provided by Grant Thornton, and they supported the Trust with counter-fraud investigations, policy reviews and fraud awareness training for staff.

The Audit Committee receives, and monitors policies and procedures associated with countering fraud and corruption. All of the Trust's policies are published on the intranet and are accessible to all staff.

In September 2022, the Audit Committee agreed a one-year contract extension, taking the Grant Thornton contract end date to 31 March 2024.

Auditor independence and non-audit services

In order to maintain independent channels of communication, the members of the Audit Committee meet in private at least once a year with the internal and external auditors, and the local counter-fraud service. This provides an opportunity for the independent service providers to raise any issues which may arise without the presence of management.

The Audit Committee reviews and monitors the external auditor's independence and objectivity. The Audit Committee has a policy by which non-audit services and fees provided by the external auditor are approved. In the financial year 2022-23 the Trust did not engage KPMG to provide any additional services over and above the external audit of the financial statements.

KPMG is also the external auditor of Frimley Park Hospital Charitable Funds of which the Trust Board of Directors is the corporate trustee.

The Chair of the Audit Committee confirms the independence of the external auditors to the Council of Governors at its meeting where the Annual Report and Accounts are presented. Any exceptional issues are also reported to the governors during the course of the year.

Main activities of the Audit Committee during the year ended 31 March 2023

During the course of the year the Audit Committee considered a number of audit reports from the internal auditors that provide assurance on the effectiveness of the Trust's internal control processes. These included enhanced care, medical devices management, patient deterioration, falls and key financial systems. The majority of internal reviews received a moderate level of assurance indicating that in the main, there were appropriate procedures and controls in place to mitigate the key risks reviewed.

At its meeting in May 2022, the Audit Committee received the annual audit report from the Trust's external auditors KPMG and recommended the Annual Report and Accounts 2021-22 to the Board of Directors for final approval. In December 2022, the Audit Committee reviewed and recommended the 2021-22 Charitable Funds Annual Report and Accounts for approval to the Charitable Trustees.

Following the year end, the Audit Committee considered the draft Annual Report and Accounts 2021-2022 and received the ISA 260 Report from KPMG. The external auditors considered four significant audit risk areas:

- Valuation of land and buildings and accounting for lifecycle costs
- Revenue recognition
- Management override and control
- Expenditure recognition

The results of their testing were satisfactory, and no significant issues were identified. With regard to value for money report, the auditors confirmed that they did not identify any significant weaknesses in each of the three domains: financial sustainability, governance and improving economy, efficiency and effectiveness in the use of resources.

Charitable Funds Committee

The Charitable Funds Committee is chaired by John Weaver, and it met four times in 2022-23.

The Charitable Funds Committee (CFC) has delegated responsibility for the day-to-day management of the Frimley Health Charity funds on behalf of the Trustee (the Board of Directors).

Throughout the year the Committee received updates on the charity's activities, its expenditure and income. The Charitable Fund Investment Policy was reviewed and approved by the Charitable Trustees. With CFC's support, the charity continued to prioritise the spending of charitable funds and to identify hospital capital projects where legacies and other monies raised could be put to good use.

Over the last 12 months the Charity has supported a broad range of projects across the Trust supporting staff and patient welfare, as well as community projects in Frimley Health and Care ICS.

Overall, Frimley Heath Charity raised over £2.1 million in 2022-23 and has an ambitious target to raise £5 million annually by 2025.

Finance Investment Committee

The Finance Investment Committee was chaired by John Weaver in the reporting year and met on seven occasions.

The purpose of the Finance Investment Committee is to provide the Board with an objective view of the financial performance, and financial strategy of the Trust, together with an understanding of the risks and assumptions within the Trust financial plans and projections. The Committee provides assurance to the Board regarding the integrity and deliverability of the Trust's financial and efficiency plans.

The Committee met regularly during the year to receive updates on the financial plan, the efficiency programme and to review the overall budget position. Throughout the year the Committee considered investment proposals and benefit realisation outcomes to provide assurance to the Board regarding its key strategic projects.

In the last quarter of the year, the Committee focused their attention on the year end forecast, the ongoing challenging NHS financial position and financial planning for the year ahead and longer term. The development of a robust efficiency savings plan was also a particular focus towards the end of the reporting year.

Nominations Committee

The Nominations Committee is chaired by the Trust Chair, and it met on three occasions during the reporting year. The other non-executive director members that served during the year were Michael Baxter, Linda Burke and Dawn Kenson. The attendance record is recorded on page 63.

The primary purpose of the Nominations Committee is to lead the process for appointments, ensure plans are in place for orderly succession to the Board and oversee the development of a diverse pipeline for succession.

The main duties of the Nominations Committee are:

- To regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes.
- To identify any missing skills on the Board, and to incorporate them into the job descriptions and person specifications for director posts.

- To agree and recommend to the Board job descriptions and person specifications for all director vacancies.
- To agree and recommend to the Non-Executive Directors (NEDs) the recruitment and selection arrangements for the Chief Executive and Executive Director posts, including the setting up of an Appointments Panel.
- To liaise with the Non-Executive Director Performance and Remuneration Committee (NERC) of the Council of Governors concerning Chair and NED appointments and terms of office.
- To decide if external consultants should be appointed to assist in the recruitment process, to interview suitable agencies and to select accordingly.
- To agree who should sit on the Appointments Panel, and in the case of the recruitment of the Chair and NEDs to follow the NERC's lead on governor representation.
- To recommend the appointment of the Chief Executive (subject to the approval of the Council of Governors) or other Executive Director to the other Non-Executive Directors on the Board of Directors.
- To ensure plans are in place for orderly succession to the Board and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the organisation, and the skills and expertise needed on the Board in the future.

The executive and non-executive directors are responsible for assessing the size, structure and skill requirements of the Board of Directors and for considering any changes or new appointments as necessary. If a need is identified, the Nominations Committee will produce a job description and person specification and decide if external recruitment support is required to assist with the recruitment process.

In the event of a non-executive director vacancy, the Nominations Committee's membership is enlarged to include governor members of the Non-Executive Performance and Remuneration Committee (NERC). At the conclusion of the selection process, the NERC recommends the preferred candidate to the Council of Governors for appointment.

Non-executive directors are appointed for a three-year term in office. A non-executive director can be appointed for a second three-year term in office, subject to the recommendation of the Chair on behalf of the Nominations Committee and the Board, followed by the approval of the Council of Governors. A non-executive director's term of office can be extended beyond the second term on an annual case-by-case basis by the Council of Governors, subject to a formal recommendation from the Chair, satisfactory performance and consideration of the needs of the Board. The removal of the Chair or a non-executive director requires the approval of three-quarters of the members of the Council of Governors.

The Chair, other non-executive directors and the Chief Executive are responsible for the appointment of executive directors. The Chair and the other non-executive directors are responsible for the appointment and removal of the Chief Executive, whose appointment requires the approval of the Council of Governors.

In June 2022 the Nominations Committee approved the governance arrangements and selection process to support the recruitment of a new Trust Chair. The selection panel comprised a majority of governors in accordance with the NHS Foundation Trust Code of Governance. Subsequently, the NERC recommended the preferred candidates to the Council of Governors for appointment in October 2022.

In November 2022 the Nominations Committee approved the governance arrangements and selection process to support the recruitment of a non-executive director to the Frimley Board. The selection panel comprised a majority of governors in accordance with the NHS Foundation Trust Code of Governance. Subsequently, the NERC recommended the preferred candidate to the Council of Governors for appointment in March 2023. The role of the NERC is described on page

In March 2022 the Nominations Committee approved the recruitment of a substantive Chief Officer and the supporting selection process.

People Committee

The People Committee met on four occasions in 2022-23 and was chaired by Michael Baxter.

The aims of the People Committee are:

a) to provide assurance to the Trust Board on all aspects of workforce and organisational development to support the provision of safe, high quality, patient-centred care, and
b) to ensure Trust strategic priorities and ambitions, in relation to workforce and organisational development are delivered in an affordable manner and any identified corporate risks are managed.

During 2022-23, the People Committee received updates on the Trust's recruitment and retention plans, leadership development, talent management and succession planning, raising concerns, equality and diversity and progress against the Trust's People Plan. The Committee held in depth discussions on key topics including the Trust's culture, cost of living crisis and the key people themes which would help to inform the three-year People Strategy.

The top three people themes that were identified by the Committee were staff engagement, staff retention and having sufficient workforce to meet future staffing needs.

Performance and Remuneration Committee

The role of the Performance and Remuneration Committee is recorded in the Remuneration Report from page 76.

Quality and Assurance Committee

The Quality Assurance Committee is chaired by Mike O'Donovan and met five times during the reporting year.

The purpose of the Quality Assurance Committee is to provide assurance to the Board of Directors that there is an effective system of risk management and internal control across the clinical activities of the organisation that support the Trust's ability to provide excellent quality care.

The Committee provides assurance to the Board by:

a) ensuring that the strategic priorities for quality assurance are focused on those which best support delivery of the Trust's quality priorities in relation to patient experience, safety of patients and service users and effective outcomes for patients and service users;

b) reviewing the independent annual clinical audit programme;

c) ensuring compliance with regulatory standards and statutory requirements, such as the review of the annual Quality Account;

d) Overseeing 'Deep Dive Reviews' of identified risks to quality identified by the Board or the Committee, particularly serious incidents requiring investigation and how well the recommended actions have been implemented.

During 2022-23, the Committee received regular reports on the Trust's quality improvement priorities, patient safety, patient experience, infection prevention and control, and maternity services. The Committee was also provided with the periodic reports on mortality, legal services, research and development, safeguarding and mental health.

Throughout the year the Committee provided the Board with assurance in a number of areas, including the Trust's compliance with the Ockenden Report recommendations and response to the East Kent Report, learning from serious incidents and the delivery of quality improvement priorities.

Board Committee Attendance

The below table records the board member attendance for the statutory committees.

Name	Position	Audit	Nominations	PRC
Non-executive directors				
Pradip Patel	Chair	N/A	1/1	3/3
Bryan Ingleby	Deputy Chair	5/5	1/1	N/A
Michael Baxter	Non-executive director	N/A	3/3	3/3
Linda Burke	Non-executive director	5/5	2/3	2/2
Dawn Kenson	Non-executive director	5/5	3/3	3/3
Mike O'Donovan	Non-executive director	5/5	N/A	N/A
Executive directors				
Neil Dardis*	Chief Executive	1/1	3/3	3/3
Nigel Foster	Director of Finance	5/5	N/A	N/A

* The Chief Executive is a full member of the Nominations Committee for all appointments other than CEO.

Board, committee and directors' evaluation

The Board of Directors is satisfied that its balance of knowledge, skills, and expertise is appropriate to fulfil its function in accordance with the requirements of the NHS Foundation Code of Governance and the Trust's Terms of Authorisation.

The annual appraisal of the Chair involves collaboration between the Senior Independent Director, relevant external stakeholders and the Lead Governor of the Council of Governors to seek the views of directors and governors. The Chair evaluates the performance of the non-executive directors each year and the Non-Executive Performance and Remuneration Committee has oversight of the non-executive director appraisals.

The Chief Executive reviews the performance of the executive directors as part of the annual appraisal process and the Chair is responsible for the Chief Executive's annual appraisal. The Performance and Remuneration Committee has oversight of the executive director appraisals.

Council of Governors and Membership

The Council of Governors represents the views of patients, public members and staff and it comprises elected public and staff members, together with appointed representatives of partner organisations. The governor role is voluntary, and the Council is primarily responsible for assuring the performance of the Board.

The Council has 22 Governors including:

- 15 Public Governors (elected)
- 3 Staff Governors (elected)
- 4 Stakeholder Governors nominated from partnership organisations

On 31 March 2023, 21 of the 22 governor seats were occupied.

Governors normally hold office for three years and are eligible for re-election or re-appointment at the end of their first or second term. Governors may not hold office for more than nine consecutive years.

Lead Governor

The Council elects one of its members to be the Lead Governor to be the point of contact, which may be necessary in extreme circumstances, between NHS England and the other governors. The Lead Governor is also the main point of contact for the Chair, Senior Independent Director and the Company Secretary. During the reporting year, Rod Broad, public governor for Windsor and Maidenhead, was the Lead Governor until his term of office came to an end on 31 October 2022. Following an election that was held in November 2022, Sarah Peacey, public governor for Bracknell & Wokingham was appointed as the Lead Governor.

The below table records the names of our governors as of 31 March 2023 and their terms of office.

Constituency	Governor	Date first elected	End of tenure	Term of office
Elected Governors (15)				
Bracknell Forest and Wokingham	John Lindsay	1 Apr 14	31 Oct 25	3rd
Bracknell Forest and Wokingham	Sarah Peacey	1 Nov 19	31 Oct 25	2nd
South Buckinghamshire	Paul Henry	1 Jan 15	31 Oct 23	3rd
Guildford, Waverley & Woking	Sylvia Thomson	1 Nov 18	31 Oct 24	2nd
Hart & East Hampshire	Charles Fowles	1 Nov 21	31 Oct 24	1st
Hart & East Hampshire	Malcolm Treen	1 Nov 21	31 Oct 24	1st
Outer Catchment Area (Rest of England)	Jill Wakefield	1 Nov 20	31 Oct 23	1st
Rushmoor	Julia Flower	1 Nov 22	31 Oct 24	1st
Rushmoor	Kevin Watts	29 Oct 15	31 Oct 24	3rd
Slough	Robert Miles	1 Nov 16	31 Oct 25	2nd
Slough	Theodora Monye	1 Nov 22	31 Oct 25	1st
Surrey Heath & Runnymede	Kellie Meyer-Bothling	1 Nov 21	31 Oct 24	1st
Surrey Heath & Runnymede	Ann Smith	1 Nov 20	31 Oct 23	1st
Windsor and Maidenhead	Tim Madge	1 Nov 22	31 Oct 25	1st
Windsor and Maidenhead	Robin Wood	1 Nov 20	31 Oct 23	1st
Elected Staff Governors (3)				
Frimley Park Hospital	Udesh Naidoo	1 Apr 14	31 Oct 23	2nd
Heatherwood & Community Hospitals	Michael Ellis	1 Nov 20	31 Oct 23	1st
Wexham Park Hospital	Rahul Chauhan	1 Nov 22	31 Oct 25	1st
Stakeholder Governors (4)				
Berkshire Councils: *comprising Slough, Bracknell Forest, Wokingham, and Windsor & Maidenhead Borough Councils.*	Cllr Donna Stimson	Jan 23	Jan 26	1st
Hampshire County Council	Rod Cooper	Sep 18	31 Oct 24	2nd
Surrey Heath Borough Council	Vacancy	-	-	-
Ministry of Defence	Col. Caroline Vincent	Dec 22	Dec 25	1st

Role of the Council of Governors

The Council of Governors holds the Board to account for the performance of the Trust and represents the interests of the members of the Trust and members of the public. The Council supports the Board in its commitment to improve the quality of services for the benefit of all our patients.

The Council of Governors also has a role in influencing the strategic direction of the Trust so that it takes account of the needs and views of the members, the local community and key stakeholders.

The Council has a number of statutory responsibilities which include:

- Holding the non-executive directors to account for the performance of the Board
- Appointing or removing the Chair and non-executive directors
- Appointing or removing the Trust's auditors

- Approving significant transactions
- Approving changes to the Trust's constitution.

The Chair of the Board of Directors is also Chair of the Council of Governors. This establishes an important link between the two bodies and helps governors to fulfil their statutory duties. The Chair ensures that governor views on key strategic issues are considered at the Board of Directors' meetings as part of the decision-making process.

In the event of a dispute or disagreement between the Council of Governors and the Board of Directors, the Chair would endeavour to resolve this in the first instance. Should a resolution not be reached, the Chair may ask the Company Secretary, Senior Independent Director and/or the Deputy Chair to review the matter further. In the event a resolution is not reached, the matter would be referred back to the Chair for a final decision.

If a dispute arose which involved the Chair, the dispute would be referred to the Senior Independent Director, who would use all reasonable efforts to resolve the matter.

To allow the governors to exercise their statutory duties, the Board of Directors is responsible for ensuring the Council of Governors:

- receives the Annual Report and Accounts;
- is presented with regular management reports on all aspects of clinical, operational and financial performance;
- is able to provide its views to the Board of Directors on the Trust's forward planning; and
- is able to engage with their member constituents or, in the case of an appointed governor, to do so with members of their representing organisation.

During 2022-23 the Council of Governors approved the appointment of the new Trust Chair, two non-executive directors, one associate non-executive director, the extension of NED terms of office, and the renewal of the external audit contract.

Council of Governor Meetings

The Council of Governors holds regular meetings throughout the year, where members of the public are given the opportunity to ask questions. The governors may also raise matters of concern on behalf of their constituents.

All Board members are invited to attend the Council of Governors' meetings in order to gain an understanding of the views of the Trust's governors and members. Executive directors or non-executive directors may also attend meetings to provide further assurance or to report progress against business priorities and other key matters of interest.

Governors are encouraged to canvass opinions and concerns of the members they represent at public constituency meetings (promoted as 'health events'), especially in relation to the Trust's plans, priorities and strategic ambitions. They may also canvass opinion at other Trust events, both formal and informal, and via their own initiatives and networks. Members' views are fed back to the Board at Board of Directors/Council of Governors workshop events (known as BODCOGs), and at other meetings with directors.

During the reporting year, virtual Drop-In sessions were also arranged to provide governors with an opportunity to ask the Chair and Chief Executive questions about the Trust's performance and strategic direction.

The BODCOG workshops serve to develop the relationship between the Board and Council. The governors receive presentations and updates on performance, key issues, and other developments. This informal setting allows governors to discuss and challenge performance, the management of risk, and the organisation's priorities.

This two-way exchange of information enables the Board to receive direct feedback from the governors about their concerns and interests. Board members also attend the local health event meetings which provides an opportunity to listen to the views of constituency members.

Attendance at Council of Governors meetings

The Council of Governors met on four occasions during the year. The below table records the attendance record.

Constituency	Governor	Total
Bracknell Forest and Wokingham	John Lindsay	3/4
Bracknell Forest and Wokingham	Sarah Peacey	4/4
South Buckinghamshire	Paul Henry	3/4
Guildford, Waverley & Woking	Sylvia Thomson	3/4
Hart & East Hampshire	Charles Fowles	4/4
Hart & East Hampshire	Malcolm Treen	1/1
Outer Catchment Area (Rest of England)	Jill Wakefield	3/4
Rushmoor	Julia Flower	1/1
Rushmoor	Kevin Watts	1/4
Slough	Robert Miles	1/1
Slough	Theodora Monye	1/1
Surrey Heath & Runnymede	Kellie Meyer-Bothling	3/4
Surrey Heath & Runnymede	Ann Smith	4/4
Windsor and Maidenhead	Robin Wood	1/4
Windsor and Maidenhead	Tim Madge	0/1
Frimley Park Hospital	Udesh Naidoo	4/4
Heatherwood & Community Hospitals	Michael Ellis	2/4
Wexham Park Hospital	Rahul Chauhan	0/1
Berkshire Councils	Cllr Donna Stimson	1/1
Surrey Heath Borough Council	Vacancy	N/A
Hampshire County Council	Rod Cooper	3/4

Governors who stood down in 2022-23

The following governors stepped down during the year, either through resignation or their terms of office expiring:

Constituency	Governor	Total
Public: Windsor and Maidenhead	Rod Broad	3/3
Public: Hart and East Hampshire	Steve Forster	0/3
Public: Slough	Nasar Khan	0/3
Public: Slough	Graham Leaver	1/3
Public: Rushmoor	Peter Woodford	0/3
Staff: Wexham Park Hospital	David Maudgil	0/3
Stakeholder: Berkshire Councils	Cllr Dale Birch	0/3
Stakeholder: Ministry of Defence	Col. Ellie Williams	3/3

Board attendance at Council of Governor Meetings

Name	Position	Total
Pradip Patel	Chair	2/2
Bryan Ingleby	Deputy Chair	4/4
Michael Baxter	Independent non-executive director	4/4
Linda Burke	Independent non-executive director	2/4
Dawn Kenson	Senior Independent Director	3/4
Gary McRae	Independent non-executive director	3/4
Mike O'Donovan	Independent non-executive director	4/4
John Weaver	Independent non-executive director	1/4
Neil Dardis*	Chief Executive	2/4
Dan Bradbury*	Chief Operating Officer	2/2
Nigel Foster*	Director of Finance	2/4
Dr Timothy Ho*	Medical Director	2/4
Caroline Hutton*	Director of Transformation, Innovation and Digital Services/ Acting Chief Operating Officer	2/4
Matt Joint*	Director of People	1/4
Lorna Wilkinson*	Chief of Nursing and Midwifery	3/4

**NB Executive Directors attend by invitation and are not required to attend.*

Register of interests

Governors abide by a code of conduct and declare any interests that are relevant once elected or at the time of appointment. The register is published on our website and a copy may be obtained from the Company Secretariat Team:

Dorota Underwood, Committee Officer
Greenwood Offices
Heatherwood Hospital
Brook Avenue
Ascot
Berkshire
SL5 7GB

Email: fhft.companysecretariat@nhs.net

Governor Committees

The Council of Governors has one statutory committee and three working groups:

1. Community Engagement Group
2. Governance Working Group
3. Non-Executive Performance and Remuneration Committee
4. Patient Experience and Involvement Group

Community Engagement Group (CEG)

The CEG works on behalf of and alongside the Council of Governors, to create a strategy for governors to engage with the foundation trust's membership and the wider public as a whole, to represent their interests and inform and promote the Trust's services to members and the wider community.

Governance Working Group

The Governance Working Group is convened to consider proposals made by the Trust in light of regulatory or other governance guidance, and to review and approve changes to the Trust's constitution, prior to submission to the Council of Governors for approval.

Non-Executive Performance and Remuneration Committee (NERC)

The NERC is a statutory governor committee and is chaired by the Lead Governor. Its purpose is set out in the Remuneration Report on page 82.

Patient Experience and Involvement Group (PEIG)

The purpose of the Patient Experience and Involvement Group is to work on behalf of and alongside the Council of Governors, to ensure that the patient and carers views are sought and acted on to improve the quality of care provided by the Trust, for inpatients, outpatients and the wider community.

Our Members

A foundation trust is accountable to the communities it serves, and members of the public are invited to become members of the Trust and contribute to the development of services. Members may also attend Council of Governors' meetings and if elected, become governors of the Trust.

The Trust has two membership constituencies as set out in our constitution:

- Public
- Staff

Membership of the Trust is open to any resident of England over the age of 16, living either in one of our constituencies within the core catchment or from the 'Rest of England' constituency. There is no separate patient constituency. The membership catchment area is illustrated on page 74.

Any member of staff who has a permanent contract of employment, or has worked at the Trust for 12 months, or worked on a series of short-term contracts amounting to more than 12 months, will be welcomed as members unless they chose to opt out.

The Trust is committed to recruiting a diverse membership which is reflective of the community that it serves. There is no set limit on the number of people who can register as members within the eligibility criteria.

At the start of the reporting year, the Trust's aim was to maintain a public membership of 15,000 and continue to recruit a membership representative of the communities we care for and to find better ways of engaging with them. Recruitment events are targeted at specific geographical areas, or under-represented groups within our communities.

The Trust exceeded its overall target of 25,000 members by the end of year, with a total membership of 28,302 as of 31 March 2023. This figure comprised 15,028 public members and 13,274 staff members.

Membership Engagement

Following the onset of the pandemic in March 2020, the Trust focused on new methods of membership engagement. The Trust developed its community engagement strategy to incorporate a strong online presence and has continued to promote good relationships, communication and collaboration with the wider community. The main focus has been engaging people through foundation trust membership, fundraising and volunteering.

Throughout the year we have continued to engage with our membership. In addition to online activity, members have been kept up to date with the latest Frimley Health news via the Trust's InTouch magazine. The Trust currently has email addresses for around 6,000 of our public members, all of whom receive an electronic version of InTouch magazine. Other public members receive the magazines by post. Members' feedback on the magazine is consistently positive and it is an invaluable tool to keep people informed on the latest developments across the Trust.

A monthly e-newsletter is sent to our members on the last Friday of the month, to communicate important information, and good news stories, including articles from our charity, and Frimley Integrated Care Partnership. Similarly, information is also shared across other channels such as the Trust's social media pages and the news section of the website. Expanding the membership email list continues to be one of our priorities in the year ahead.

Data from B2B and B2C businesses published in January 2023 by Constant Contact gave the average email open rates by industry, with the overall average open rate of 16.97%.

The rates for Hospitals and Healthcare were:

Low 19.8%
Medium 27.8%
Upper 31.9%

We are currently at 46% which is an excellent open rate given the above benchmarks.

Constituency meetings (local health events)

In previous years we held regular face to face constituency meetings to offer members the opportunity to meet with their local governors, to hear updates on the work of the Trust and to exchange views and ask questions. The curtailment of face-to-face activities in recent years provided us with an opportunity to rethink the way we engage with our members. We have therefore looked at what has worked and what has been challenging.

We have now settled on a hybrid model of engagement which facilitates a richer engagement experience with our membership. The Communications Team has supported the Membership and Engagement Manager to facilitate alternative virtual events and activities. We have embraced virtual technology since July 2020 to enable us to effectively engage through our health events.

We have put more resource into online meetings to attract potentially bigger audiences through emailing invites to our members and stakeholders including, Frimley ICS partners, Healthwatch, governors, volunteers and community groups. We hit a record high attendance of 180+ members at our February 2023 meeting, at which Dr Peter Clarkson provided a cardiology update.

The virtual meetings include dedicated time for a question-and-answer session, which members and public can access via the chat function, or by raising a question via the speaker. A link to the recording of the meeting is sent out to all the members in the monthly e-newsletter.

The Trust's Annual Members Meeting (AMM) was held in September 2022. The Microsoft Teams event included the usual AMM elements, such as the annual and financial performance reports, questions to the Board, operational updates and outlines of future plans and strategies. More than 150 links were made to the meeting and the virtual meeting was much more accessible, especially given the geographical size of our catchment area as illustrated below. The event was also recorded and continues to be available on our website.

In advance of the meeting we launched an **online virtual marketplace,** giving members and the public the opportunity to find information, videos and pictures representing the past year for Frimley Health, including: FHFT membership, Our Future FHFT, Becoming Greener, A busy year, Volunteering, FH Charity, Community and therapy led services.

In March 2023, the Trust held its 'Taste of Frimley & Wexham' careers event face-to-face, for the first time in 3 years. Over 90 students aged 16-18 interested in pursuing careers in the NHS attended the event which was opened by Neil Dardis. The students listened to presentations on membership, volunteering, junior doctors, pathology and midwifery. The feedback from the students and the teachers after the event was very positive.

Membership Statistics

Membership per local authority public constituency as of March 2023 (not including staff)

Constituency	Population per constituency aged over 16*	Number of members 31 March 2023	% of total public membership 31 March 2023
Bracknell Forest and Wokingham	188,342	1,204	7.99%
South Buckinghamshire	70,850	323	2.14%
Guildford, Waverley and Woking	96,561	1,218	8.09%
Hart and East Hampshire	127,314	1952	12.96%
Rushmoor	95,330	2,458	16.32%
Slough	150,992	1,564	10.38%
Surrey Heath and Runnymede	108,874	2,572	17.07%
Windsor and Maidenhead	151,957	1,001	6.65%
Rest of England	-	2,736	N/A

**Data from the 2021 Census*

Staff Constituency Membership as of 31 March 2023

Constituency	Number of members 31 March 2023
Frimley	7,737
Wexham	4,778
Heatherwood & Community	759
Total	13,274

Ethnicity and engagement

The Trust is committed to increasing the diversity of its membership, and in particular from local communities which have changed as a result of recent settlements. The analysis of the catchment area for ethnicity is shown below and is provided by our membership database provider (Civica Engagement Solutions). Just over 1,000 public members chose not to state their ethnicity.

Ethnicity	% composition of catchment population	Public members (% in brackets) March 2023	Public members (% in brackets) March 2022	Public members (% in brackets) March 2021
White	83.13%	11,721 (77.99%)	11,902 (78.25%)	12,188 (78.5%)
Mixed	2.17%	244 (1.62%)	243 (1.60%)	246 (1.5%)
Asian	11.48%	1,529 (10.17%)	1,530 (10.06%)	1,542 (9.9%)
Black	2.31%	398 (2.65%)	397 (2.61%)	398 (2.6%)
Other	0.91%	134 (0.89%)	134 (0.89%)	135 (0.9%)
Not specified	0.00%	988 (6.5%)	989 (6.5%)	1,002 (6.4%)
Total	100%	15,023	15,525	15,772

Community Engagement Group (CEG)

The Community Engagement Group (CEG) is a working group of the Council of Governors and together with the Patient Experience and Involvement Group it enables governors to influence and develop patient and public involvement.

CEG meets quarterly to co-ordinate actions on matters relating to Trust membership and stakeholder and community involvement, and to provide feedback to the Board and the Council of Governors.

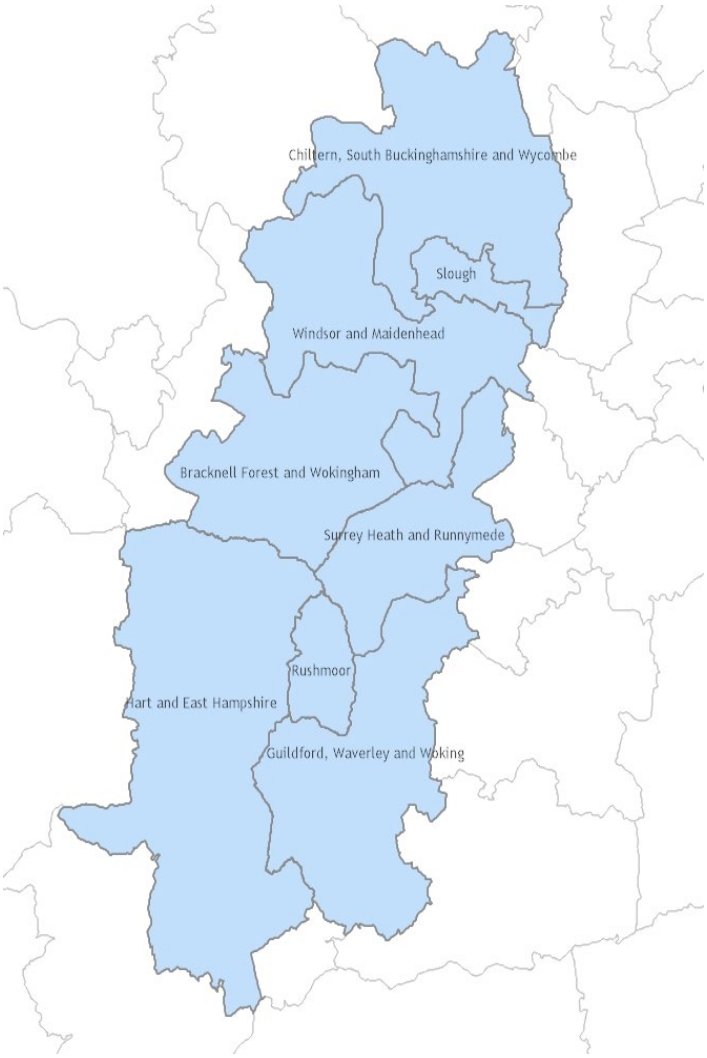
During the year, CEG has continued to build on a new membership engagement approach to offer a wider range of opportunities for governors to engage with members and the wider public, as well as with partner organisations. The membership engagement priorities were identified as part of the membership engagement plan and a new membership application form was developed.

CEG also receives presentations on membership activity, recruitment and retention, and local projects to foster engagement with local communities.

Members who wish to contact their governor representative can do so via the Trust's Membership and Engagement Manager Sarah Waldron on 01276 526801 or email sarah.waldron@nhs.net . Alternatively, governors have their own NHS.net email addressed advertised on the Trust website.

Members attending our constituency events held regularly throughout the year may also speak directly to governors and directors in attendance.

Membership catchment map for Frimley Health NHS Foundation Trust as of 31 March 2023



Members can contact governors or directors via:
Foundation Trust Office
Frimley Health
Freepost G1/2587
Portsmouth Road
Frimley
Surrey
GU16 5BR
Email:
Sarah.waldron@nhs.net

Other disclosures by directors

Directors are also required to confirm they meet the "fit and proper person" condition set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014. All directors have met the requirements of the "fit and proper person" test.

The directors are satisfied that under the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) the income from the provision of goods and services for the purpose of the health service in England by Frimley Health NHS FT is greater than its income from the provision of goods and services for any other purposes. This other income is shown in note 2.1 of the Annual Accounts. Most is used to cover associated costs and any surplus is reinvested in the provision of NHS health services. Frimley Health NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

The Trust has not made any political donations during the course of the year.

Better Payment Practice Code (BPPC)

The aim of the BPPC is to pay all non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been arranged. The Trust reports compliance with this code in section 6 the Annual Accounts.

NHS Improvement's Well-led Framework

The boards of NHS foundation trusts are responsible for all aspects of the leadership of their organisations. They have a duty to conduct their affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that their organisations are providing high quality, sustainable care.

The Trust completed a well-led assessment in 2017 and the action plan was submitted to NHS Improvement. In 2018 the Board of Directors was subject to a well-led assessment as part of a CQC inspection, which resulted in a "good" rating.

The Trust is aware of the requirement to carry out an external review every three years to five years in accordance with the NHSI Well-led Framework. The next external well-led assessment is planned in early 2023.

The Trust uses the well-led framework to inform its governance processes, which are described in the Annual Governance Statement that starts on page 101.

Patient care activities and stakeholder relations

Our Quality Account provides a detailed report on what the Trust is doing to develop its services, engage with our stakeholders and improve patient care. The Quality Account is due to be published in June 2023 and will be available on our website.

Disclosure to auditors

So far as each of the directors is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware. Each director has taken all the steps they ought to in their role in order to make themself aware of any relevant audit information and to establish that Frimley Health NHS Foundation Trust's auditor is aware of that information.

Neil Dardis
Chief Executive
29 June 2023

Remuneration Report

Annual statement on remuneration

The Performance and Remuneration Committee (PRC) comprises four non-executive directors and is an established Board subcommittee which operates under terms of reference approved by the Board. The PRC determines appropriate remuneration for senior managers in accordance with the NHS Foundation Trust Code of Governance and its terms of reference. The PRC:

- Has delegated responsibility from the Board of Directors for setting remuneration for all executive directors including pension rights.
- Recommends and monitors the level and structure of remuneration for senior management. The definition of senior management includes the first layer of management below Board level (tier 2 staff).
- Will seek external advice from time to time (under normal circumstances every three years) on the remuneration packages of the Chief Executive and other executive directors.
- Reviews the overall pay and performance framework for the Trust with particular regard to the executive directors' proposals for the remuneration of the Trust's tier 2 staff that report directly to executive directors.

For the financial year 2022-23, NHS England recommended a 3% consolidated annual pay increase for very senior managers (VSMs) who fall outside of agenda for change terms and conditions. In addition, NHS organisations were given additional flexibility to provide a further 0.5% to ameliorate the erosion of differentials and facilitate the introduction of a new VSM pay framework. The PRC approved the recommended 3% consolidated pay award which was backdated to 1 April 2022 for all VSMs. The PRC agreed to consider the award of the additional 0.5% when the new VSM pay framework is published.

In November 2021, the PRC carried out a full review of executive salaries using NHS salary benchmarking data. It was decided that any subsequent salary adjustments would not take effect until the 2022-23 financial year and these increases are reflected in the remuneration tables on the next page.

For the financial year 2022-23, there were six executive directors with salary levels in excess of £150,000. In line with NHS guidance, appointments at or above this threshold are benchmarked and approval obtained from NHS England.

During the year, the PRC complied with the Executive Directors' Remuneration Policy which is reviewed every three years. The PRC terms of reference are reviewed annually.

Dawn Kenson
Senior Independent Director and Chair of PRC
29 June 2023

Senior Managers' Remuneration Policy

The guiding principles for salary awards are set out in detail in the Trust's Executive Directors' Remuneration Policy (including tiers 1 & 2 staff) approved by the PRC in February 2021. The Policy confirms that the Trust's aim is to maintain executive director salaries at an appropriate level in relation to their peers, taking into account the expectation of high levels of personal and collective performance which will allow the Trust to achieve the highest level of quality and financial performance.

Future Policy Table

Pay Component	Link to short and long-term strategic goals	How the Trust operates this component	Maximum Limit	Performance Measures
Base Salary	To be a great place to work by attracting, retaining and developing people to be their best.	When setting remuneration for senior managers the PRC reviews: • Role, responsibilities and accountabilities • Skills, experience and performance • Trust performance • National and local pay awards • Local and national employment market conditions • NHS advice and Treasury guidance • Benchmarking across the NHS	£150,000 threshold for Treasury disclosure. There is no maximum prescribed limit.	Not applicable
Taxable Benefits		Senior managers' benefits include: • A car lease scheme • Pension-related benefits Non-Executive Directors do not receive benefits.	There is no prescribed maximum limit.	Not applicable
Pension		The Trust operates the standard NHS Pension Scheme. Senior staff may opt out of the pension scheme and receive an amount equal to the employer contributions (that would be payable if they were in a scheme) to be paid to themselves and instead invest in a pension arrangement of their choice. This does not increase the overall cost to the Foundation Trust.	In line with the pension scheme.	Not applicable
Bonus	The Trust does not have any bonus arrangements in place for very senior managers.			

The role of the PRC is to ensure that the remuneration applied to senior managers is appropriately set, considers market conditions, and is aligned to an individual's performance against their objectives which, in turn, are aligned to our strategic objectives.

Senior Manager Remuneration

The Cabinet Office has set a remuneration threshold of £150,000 and proposed salaries above this level are subject to approval by the Chief Secretary to the Treasury. Although the Cabinet Office approvals process does not apply to NHS foundation trusts, the threshold is used as a benchmark and proposed salaries above £150,000 must receive clearance from the Department of Health and Social Care.

Some of our very senior managers are paid more than £150,000. In these instances, the PRC has taken steps to assure itself that the pay received by these individuals is commensurate with market conditions, the responsibilities and duties of the role, and through regular performance and remunerations reviews.

Policy for payment on loss of office

The contracts of employment make no special provisions regarding early termination or termination payments. All executive directors and senior managers are subject to the Trust's disciplinary processes and procedures. Payments for loss of office are as a result of redundancy or voluntary severance, and should the situation arise, the PRC is guided by national policy. During the reporting period there were no payments made for loss of office.

Diversity and Inclusion

The Board reviews its diversity on a regular basis and collects information about the ethnicity of board members. The Trust is conscious that it needs to be representative of the people it serves and encourages applications from people with BAME backgrounds for all vacant posts. During the reporting year the Board continued to support a non-executive director placement as part of the NExT Director Scheme. This scheme is a development programme created and designed to help find and support the next generation of talented people from groups who are currently under-represented on NHS boards.

External search consultancies that support the Trust's recruitment of senior staff also provide diversity information in relation to board director and other senior manager applications. The Trust uses this data to inform future recruitment exercises so that there is a greater focus on attracting a wide diversity of candidates.

The right to equal pay is a fundamental principle of the Equality Act 2010 and the Trust reviews the gender pay gap report on an annual basis.

Audited Remuneration of Senior Managers 2022-23

		Salary and fees (bands of £5000) £000	Taxable benefits nearest £100	Annual performance related bonus (bands of £5000) £000	Long-term performance related bonus (bands of £5000) £000	[5]Pension related benefits (bands of £2500) £000	Alternative Pension Scheme	[6]Total remuneration (bands of £5000) £000	Expenses £
Executive Directors									
Neil Dardis[7]	Chief Executive	225 - 230	0	0	0	0	25 – 27.5	250 – 255	0.00
Daniel Bradbury[8]	Chief Operating Officer	115 - 120	0	0	0	82.5 - 85	0	275 – 280	572.00
Nigel Foster	Director of Finance	160 - 165	0	0	0	87.5 - 90	0	245 – 250	808.06
Tim Ho[9]	Medical Director	265 - 270	0	0	0	252.5 - 250	0	515 – 520	299.00
Caroline[10] **Hutton**	Director of Transformation, Innovation and Digital Services	150 - 155	0	0	0	125 - 127.5	0	275 – 280	0.00
Matt Joint	Director of People	145 - 150	0	0	0	45 - 47.5	0	195 – 200	0.00
Lorna Wilkinson	Director of Nursing	150 - 155	0	0	0	165 - 167.5	0	320 - 325	294.33
Non-Executive Directors									
Pradip Patel[11]	Chair	55 - 60	0	0	0	0	0	55 - 60	0.00
Michael Baxter	Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15	0.00
Linda Burke	Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15	0.00
Bryan Ingleby[12]	Non-Executive Director	15 - 20	0	0	0	0	0	15 - 20	0.00
Dawn Kenson	Non-Executive Director	10 - 15	0	0	0	0	0	10 -15	0.00
Gary McRae	Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15	0.00
Mike O'Donovan	Non-Executive Director	15 - 20	0	0	0	0	0	15 - 20	0.00
John Weaver	Non-Executive Director	15 - 20	0	0	0	0	0	15 - 20	0.00

[5] This represents 20 times the year-on-year increase in pension plus the cash lump sum payable to the Director should they have become entitled to it as of 31 March 2023. The calculation complies with the regulator's reporting requirement and is not cash remuneration.

[6] Total remuneration in this column includes non-salary benefits relating to pension entitlements, as stated at 1 above.

[7] Neil Dardis opted out of the pension scheme with effect from 1 September 2018 and a payment is included within his remuneration for the alternative pension allowance for the year 22/23 as recorded above.

[8] Dan Bradbury left the Trust in October 2022. Payment in lieu of notice of £81k excluded from salary shown above and recorded in note 4.2 of the Annual Accounts.

[9] The figure represents total remuneration from the Trust. £186.5k of this relates to the Medical Director's clinical role. Tim Ho opted out of the pension scheme with effect from 1 March 2023.

[10] Caroline Hutton took up the role of Acting Chief Operating Officer from October 2022.

[11] Pradip Patel stepped down as Chair on 3rd March 2023.

[12] Bryan Ingleby became Trust Chair on 6th March 2023.

Audited Remuneration of Senior Managers 2021-22

		Salary and fees (bands of £5000) £000	Taxable benefits nearest £100	Annual performance related bonus (bands of £5000) £000	Long-term performance related bonus (bands of £5000) £000	[13]Pension related benefits (bands of £2500) £000	Alternative Pension Scheme	[14]Total remuneration (bands of £5000) £000	Expenses £
Executive Directors									
Neil Dardis[15]	Chief Executive	210 – 215	0	0	0	0	25.75	240 – 245	0.00
Daniel Bradbury	Chief Operating Officer	155 – 160	0	0	0	35 – 37.5	0	195 -200	0.00
Nigel Foster	Director of Finance	150 – 155	0	0	0	35 – 37.5	0	190 - 195	502.30
Tim Ho[16]	Medical Director	250 – 255	0	0	0	0	0	250 - 255	310.05
Caroline[17] **Hutton**	Director of Transformation, Innovation and Digital Services	140 - 145	0	0	0	0	0	140 - 145	0.00
Matt Joint[18]	Director of People	115 - 120	0	0	0	42.5 - 45	0	160 -165	0.00
Eleanor[19] **Shingleton-Smith**	Acting HR Director	25 – 30	0	0	0	0	0	25 – 30	0.00
Lorna Wilkinson	Director of Nursing	140 – 145	0	0	0	75 – 77.5	0	215-220	0.00
Non-Executive Directors									
Pradip Patel	Chair	55 – 60	0	0	0	0	0	55 – 60	0.00
Michael Baxter	Non-Executive Director	10 – 15	0	0	0	0	0	10 – 15	0.00
Bryan Ingleby	Non-Executive Director	15 – 20	0	0	0	0	0	15 – 20	0.00
Dawn Kenson	Non-Executive Director	10 – 15	0	0	0	0	0	10 –15	0.00
Mike O'Donovan	Non-Executive Director	15 – 20	0	0	0	0	0	15 – 20	462.50
Rob Pike[20]	Non-Executive Director	15 – 20	0	0	0	0	0	15 – 20	0.00
John Weaver	Non-Executive Director	10 – 15	0	0	0	0	0	10 – 15	0.00

[13] This represents 20 times the year-on-year increase in pension plus the cash lump sum payable to the Director should they have become entitled to it as of 31 March 2022. The calculation complies with the regulator's reporting requirement and is not cash remuneration.

[14] Total remuneration in this column includes non-salary benefits relating to pension entitlements, as stated at 1 above.

[15] Neil Dardis opted out of the pension scheme with effect from 1 September 2018 and a payment is included within his remuneration for the alternative pension allowance for the year 21/22 as recorded.

[16] The figure represents total remuneration from the Trust. £173.5k of this relates to the Medical Director's clinical role.

[17] Caroline Hutton was on secondment with the Trust until 30.9.2021 and was appointed permanently from 1.10.2021.

[18] Employment commenced on 28 June 2021

[19] Acting HR Director role ended on 25 June 2021

[20] NED Appointment ended 31.1.2022

Audited Pension Benefits of Senior Managers 2022-23

Name	Title	Real increase in pension and related lump sum at age 60 (bands of £2,500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2023 (bands of £5,000) £000	Cash equivalent transfer value at 31 March 2023 £000	Cash equivalent transfer value at 31 March 2022 £000	Real increase in cash equivalent transfer value £000
Daniel Bradbury	Chief Operating Officer	2.5-5	20-25	312	254	53
Nigel Foster	Director of Finance	5-7.5	120-125	922	812	67
Tim Ho	Medical Director	17.5-20	290-295	1884	1641	174
Caroline Hutton	Director of Transformation, Innovation and Digital Services	12.5-15	205-210	1234	538	107
Matt Joint	Director of People	2.5-5	15-20	242	189	27
Lorna Wilkinson	Director of Nursing	20-22.5	240-245	1431	1236	144

Notes to table above:

Non-executive directors are not listed because they do not receive pensionable remuneration.

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 pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries

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 and uses common market valuation factors for the start and end of the period.

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. (This is a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design.). We believe this approach is appropriate given that there is still considerable uncertainty on how the affected benefits within the new NHS 2015 Scheme would be adjusted in future once legal proceedings are completed.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report. Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

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 2023/23 CETV figures.

Annual report on remuneration

The salary and pension information contained on pages 79 to 81 has been audited along with details on the median salary as a ratio of the highest paid director's remuneration on page 84. The Remuneration Report includes details of the remuneration paid to the Chair and directors of the Trust.

There are two committees within the Trust's governance arrangements with responsibility for remuneration of the Board of Directors:

- Non-Executive Performance and Remuneration Committee (NERC) which is a committee of the Council of Governors.
- Performance and Remuneration Committee (PRC) which is a committee of the Board of Directors.

Performance and Remuneration Committee (PRC)

The PRC operates on behalf of the Board of Directors and in accordance with the NHS Foundation Trust Code of Governance to:

- Make decisions on the performance and remuneration and terms of service for the Chief Executive and other executive directors. This includes all aspects of salary, termination, and other major contractual terms.
- Recommend and monitor the level and structure of remuneration for senior management.

The Chief Executive attends meetings of the PRC by invitation and is not in attendance for any discussion where there may be a direct conflict of interest. Other directors may attend by invitation on a similar basis.

The PRC met three times during the year and there was a 100% attendance record. The PRC is chaired by Dawn Kenson and all of the members are non-executive directors. The other members in 2022-23 were, Michael Baxter, Linda Burke and Pradip Patel.

The Director of People is invited to attend the committee to provide specialist HR advice.

Expenses

Information on the expenses claimed by directors and non-executive directors is included in the salary entitlements of senior managers 2022-23 on page 79. No governor expenses were claimed in the reporting year.

Non-Executive Performance and Remuneration Committee (NERC)

The NERC is a committee of governors. Its purpose is to:

- Satisfy itself that proper procedures are in place for the appraisal of the Chair and non-executive directors in accordance with the NHS Foundation Trust Code of Governance and current best practice.
- Participate in the recruitment of non-executive directors (including the Chair) in accordance with the terms of reference of the Board's Nominations Committee.
- Recommend to the Council of Governors:
  a) The appointment of the Chair and non-executive directors.
  b) The terms of appointment and appropriate remuneration of the Chair and non- executive directors.

The NERC leads and reports on an annual assessment of the Board by all members of the Council of Governors (CoG). This is conducted by questionnaire and the results are reviewed by the CoG and the Board. An annual meeting is held with the non-executive directors at which the NERC considers how the non-executive directors have individually and collectively fulfilled their role and responsibilities.

In accordance with the Foundation Trust Code of Governance, the Council of Governors has responsibility for the appointment of non-executive directors. During the reporting year, the Nominations Committee established an appointment panel to recruit a new Trust Chair and following the successful appointment of an existing Board non-executive director to the Chair role, an appointment panel was subsequently established later in the year to appoint a replacement non-executive director. On both occasions public governors and members of the NERC were chosen to join the appointing panel and form a majority in the selection process. On behalf of the Council, the NERC led on the assurance and robustness of the Chair and non-executive director recruitment process, including the decision to appoint Odgers Berndtson to support the candidate search, before recommending the appointment of the candidates to the Council of Governors.

The NERC is chaired by the Lead Governor and in the year ended 31 March 2023 met on five occasions. The Chair, Senior Independent Director, Chief Executive, Director of People and other advisors may be invited to attend all or part of the NERC meeting.

NERC Members and Meeting Attendance Record

Governor name	Constituency	Total
Rod Broad	Public: Windsor & Maidenhead	4/4
Michael Ellis	Staff Governor	3/5
Charles Fowles	Public: Hart and East Hampshire	5/5
Nasar Khan	Public: Slough	0/4
John Lindsay	Public: Bracknell Forest & Wokingham	5/5
Theodora Monye	Public: Slough	1/1
Udesh Naidoo	Staff Governor	3/5
Sarah Peacey	Public: Bracknell Forest and Wokingham	5/5

Non-executive directors' remuneration 2022-23

There were no changes to the non-executive directors' (NED) remuneration in 2022-23. All NED salaries are paid in accordance with the remuneration guidance for chairs and NEDs issued by NHS England in September 2019.

Fair pay disclosures (information subject to audit)

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was between £265k -270k (2021-22, between £250k-£255k). This is a change between years of 5.9%.

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

For employees of the Trust as a whole, the range of salaried remuneration in 2022-23 was between £10k-£15k to £265k-£270k (2021-22 £10-15k to £250k-£255k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 6.3%. No employee received remuneration in excess of the highest-paid director in 2022-23, (2021-22 was also zero).

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

2022/23	**25th Percentile**	**Median**	**75th Percentile**
Highest Paid Directors Renumeration	£267,500	£267,500	£267,500
Employee Salary (Annualised WTE Basis)	£21,730	£32,934	£41,659
Represented as a ratio	12.3	8.1	6.4
2021/22	**25th Percentile**	**Median**	**75th Percentile**
Highest Paid Directors Renumeration	£252,500	£252,500	£252,500
Employee Salary (Annualised WTE Basis)	£20, 330	£31,488	£40, 057
Represented as a ratio	12.4	8.0	6.3

Explanatory notes for above:

- *The median and quartile pay calculations are based on the salary paid to staff in post on 31 March 2023 and average bank and agency staff for the 2022-23 financial year*
- *The employee salary used to estimate the pay ratios are the gross cost to the Trust, less employer's pension and employer's Social Security costs.*
- *The reported annual salary for each whole-time equivalent has been calculated using the appropriate spine point on the contractual pay scale or actual annual salary as of 31 March 2023 where no pay scale is used.*
- *Payments made in March 2023 to staff who were part-time were pro-rated to a whole-time equivalent salary.*
- *The highest paid director is excluded from all calculations.*
- *The salary of the highest paid director has been taken as the midpoint of their £5,000 total remuneration banding.*
- *The Trust performs all of its services in house, with the exception of laundry, on all sites. This may contribute to higher ratios than in other organisations where significant support services are outsourced and not carried out by employees on the payroll.*

Neil Dardis
Chief Executive
29 June 2023

Staff report

Supporting our People is one of our strategic ambitions and our ability to attract new staff and develop our existing workforce has remained a strategic priority throughout the year. Our recruitment and retention plans have been a particular focus during 2022-23 to ensure that adequate staffing resource was in place to support the operational challenges from the rising demand in emergency care and our elective recovery work. Our resourcing plans also continue to support our commitment to reduce our costs on agency staff and other temporary workers.

Workforce Statistics

The below tables record the substantive employee statistics and other key people metrics.

Key performance indicator	Total number (March 2019)	Percentage	Total number (March 2020)	Percentage	Total number (March (2021)	Percentage	Total number (March 2022)	Percentage	Total number (March 2023)	Percentage
Total number of employees	9,490		9,935		10,394		10,362		10,532	
Male	2,099	22.12%	2,216	22.30%	2,366	22.76%	2,379	22.96%	2,484	23.59%
Female	7,391	77.88%	7,719	77.70%	8,028	77.24%	7,977	76.98%	8,048	76.41%
Directors	7		6		7	57.14%	7		7	
Male	4	57.10%	5	83.33%	4	57.14%	5	71.43%	5	71.43%
Female	3	42.90%	1	16.67%	3	42.86%	2	28.57%	2	28.57%
Other senior managers	34		38		34		32		28	
Male	14	41%	21	55.26%	12	35.29%	21	65.63%	9	32.14%
Female	20	59%	17	44.74%	22	64.71%	11	34.38%	19	67.86%

Key performance indicator	Total number (March 2019)	Percentage	Total number (March 2020)	Percentage	Total number (March (2021)	Percentage	Total number (March 2022)	Percentage	Total number (March 2023)	Percentage
Staff in post – full-time equivalent (FTE)	8,444.00		8,821.00		9,319.41		9,301.02		9,489.07	
Staff in post – headcount	9,443		9,935		10,394		10,362		10,532	
Sickness absence rate		2.50%		3.50%		4.13%		3.90%		3.90%
Vacancy rate		10.60%		8.70%		7.05%		9.11%		10.97%
Turnover rate		14.00%		13.60%		11.64%		15.30%		14.50%
Appraisal rate		75%		78%		71%		74%		70%

Month	Medical Staffing: whole time equivalent posts	Medical Staffing: headcount
Apr-22	1,241.50	1311
May-22	1,242.62	1311
Jun-22	1,240.43	1312
Jul-22	1,224.55	1295
Aug-22	1,236.14	1310
Sep-22	1,251.41	1326
Oct-22	1,266.83	1341
Nov-22	1,272.97	1347
Dec-22	1,270.31	1345
Jan-23	1,278.35	1353
Feb-23	1,287.96	1368
Mar-23	1,301.57	1380

Key performance indicator	Total number (March 2019)	Total number (March 2020)	Total number (March (2021)	Total number (March 2022)	Total number (Mar 2023)
Staff in post – full-time equivalent (FTE)	8,444.00	8,821.00	9,319.41	9,301.02	9,489.07
Agency	306.75	180.11	253.80	478.09	655.00
Bank	962.01	907.31	1,122.59	1,120.99	1,262.00
Total temp workforce	1,268.76	1,087.42	1,376.39	1,599.08	1,917.00
% of Temp workforce against total Workforce FTE	13.1%	11.0%	12.9%	14.7%	16.8%

Staff engagement

Frimley Health remains committed to the principles of working in partnership with staff and aspires to be placed in the top ten NHS trusts for staff engagement, as measured by the National Staff Survey. As part of our commitment to achieving this goal we have strengthened our Every Voice Counts work programme in 2022-23. In particular, Executive Listening events have become more 'visible' as these have transitioned from virtual conversations to in person sessions, giving staff the opportunity to raise the issues they want to see addressed

We have a range of committees, councils and forums which strengthen the ways in which staff can contribute ideas and be involved in decision making and support a collaborative, co-produced approach. Our Staff Council, People Committee, Health, Safety & Environment Committee and Equality & Diversity Steering Group are examples of the consultative bodies that staff can engage with to influence decision making and drive improvement.

In April 2022, the Trust made a commitment to the NHS England People Promise by becoming an exemplar site for the pilot programme. The People Promise commitment seeks to improve staff experience through targeted interventions that ultimately aim to improve retention within the organisation. Some key aspects of work that have taken place in 2022-23, focused on staff engagement include:

- Supporting staff with the rising cost of living, such as introducing weekly pay for bank shifts
- Launching improved salary sacrifice scheme for home electronics
- Increasing awareness of pensions options and providing access to bespoke information sessions from NHS England
- Aligning the People Promise with National Staff Survey local action plans
- Supporting new starters at the Trust with face-to-face networking opportunities
- Implementing an approach to improve talent management, career development and progression opportunities
- Improving understanding and awareness of employee experience through the 100 Days Survey, Exit Survey and ESR data
- Increasing access to development opportunities including functional skills, apprenticeships, professional development, leadership and management development

During the reporting year the Trust has continued to strengthen two-way communication opportunities including:

- A monthly Corporate Team Briefing provided to team leaders to inform and guide their local team meetings. Key messages are cascaded, and the briefings provide an opportunity for discussion, questions and feedback regarding the local impact
- Inform – the Trust's electronic newsletter has improved its format and uses the National Quarterly Pulse Survey (NQPS) to seek regular feedback from staff
- The results of the annual National Staff Survey (NSS) and staff feedback from the quarterly NQPS are increasingly embedded as measurement tools into our development programmes; examples include, Happier Working Lives, Team Based Working and Aspiring Senior Leaders
- Annual appraisals were rated as significantly improving in quality during 2022-23 as reported by the NSS. Staff responded positively to questions about the extent to which appraisal conversations supported them to work better.
- 'Ourplace' – Trust intranet site for news and updates
- Local staff experience surveys for new starters and leavers
- Shared governance structures and Magnet champions within Nursing and Midwifery

Staff wellbeing

The pandemic underlined how important our people are to the NHS and their wellbeing and development is fundamental to our success. The Trust has continued to build an organisational culture that is both inclusive and psychologically safe and has incorporated these themes into new employee induction and management and leadership development interventions including appraisals.

Mental Health First Aid training has also been firmly established in order to create a psychological wellbeing infrastructure across all sites. The Trust currently has 274 trained Mental Health First Aiders who promote the importance of Mental Health First Aid in the workplace and provide initial support and signposting to staff.

Frimley Eats, a food and hydration trolley that supports front line staff on each site, continues to encourage the importance of taking a break to hydrate and eat food, and is well received by staff. The physical notion of wellbeing has been supported further by the installation of 'nap pods' across our three main sites, offering an evidence-based intervention that creates the space and permission for short periods of rest during longer periods of work.

Our clinical psychologists have worked with teams promoting the ethos of: Listening, Connecting and Being Kind by overseeing bespoke interventions such as Trauma Risk Management (TRIM). The principles of Listening, Connecting & Being Kind are also embodied in the running of Schwartz Rounds each month with recent investment in expanding the facilitator pool.

Health and safety performance and occupational health

Our Occupational Health Service has been especially busy in the last financial year as we respond to the post pandemic NHS changes alongside the department's usual annual work plan.

During 2022-23 the team provided advice and guidance throughout the design and build of several major projects, for example Elm Block and the proposed Scanning Centre at Frimley Park Hospital. Throughout these projects the Fire Safety Team liaised with the architects, our Capital Projects team and helped managers develop fire strategies and practice for fire incidents.

Last year a three-year risk inspection programme was developed, and all the required fire inspections and risk assessments were completed for the main and subsidiary sites. Revised fire evacuation procedures have been implemented and the Trust has developed an annual programme to manage any fire safety risks identified, in accordance with the Hospital Technical Memorandum 0502 "Managing Healthcare Fire Safety".

To assist the introduction of the electronic patient record and allow 'remote' staff to work safely, the Health and Safety Team helped staff to complete workstation risk assessments. In the event a member of staff experiences an ergonomic issue they can self-refer for a physiotherapy appointment. In total, 337 staff took advantage of this facility in the reporting year.

In the reporting year several new items of equipment were introduced to help patient care and ensure staff safety. For example, additional specialist bariatric beds, which have a unique range of functions to automatically adjust and support patients. Air-assisted devices (FloJacs) to help lift patients that have fallen and lateral transfer boards ('Pat Slides) with scales which reduce the need to hoist patients to weigh them. As a result of our specialist patient handling experience our team was invited by the Nursing Times to be part of a national advisory group 'to optimise plus size care'.

Nationally there has been an increase in verbal and violent incidents towards NHS staff, although this is not a major problem in the Trust, an increase in incidents due to mental health conditions, has been seen. In January 2021 NHS England introduced a new standard to reduce violence and aggression incidents at work. In response the Trust developed a 'Violence Prevention and Reduction Strategy' which was endorsed by the Board and several initiatives have since been undertaken to ensure staff safety.

A new risk assessment form was developed that considers security, violence, and lone working. All managers were asked to complete these assessments and any issues were discussed with the Trust's Lead Local Security Management Specialist (LSMS). Last year a trial of body worn cameras was initiated for staff in our Emergency Departments. These successfully diffused many incidents of verbal aggression and therefore the pilot has now been extended. One matron said, *'It really has made such a difference, making the staff feel safer and being safer.'*

To help protect community and lone working staff, a review of working arrangements was undertaken and following the review we introduced specialist 'lone worker devices' to relevant staff. To date over 250 devices have been issued.

The Occupational Health Department has seen a significant increase in pre-employment health screening of new staff with numbers increasing to 4657 in the last year. This increase is largely due to a concerted programme of recruitment to fill staff vacancies, an increase in international recruitment, staff returning to work, and new volunteers.

Although face to face training is not as severely restricted, the department has continued to embrace alternative training methods and compliance rates remain high. For example, Moving & Handing level 2 is currently 98.50% (level 1 is 91.49%), Conflict Resolution is 97.41, Fire Safety is 93.46% and Health, Safety and Welfare is 91.18%.

Equality Diversity and Inclusion

Frimley Health is firmly committed to creating an organisational culture that embraces the diversity of its workforce and promotes fairness and inclusion. Our Every Voice Counts Campaign continues to embed throughout our organisation encouraging the value of each and every person who works here.

Staff Forums

The Trust has four staff forums: Black, Asian, and Minority Ethnic staff; Women of the World; Disabilities and Carers; and Lesbian, Gay, Bisexual, Transgender, and Questioning. These forums are regularly attended by staff representatives across all four networks. They are growing in number through attracting new members of staff and also through existing members sharing the positive progress the forums are making for all protected characteristic groups.

The Forums have continued to gain strength following the Staff Forum Summit held in May 2022 that celebrated key achievements and began to outline the key ambitions for the year ahead with success measured in the following areas: Education & Visibility, Improving Access, Staff Voice and Training. Examples of work include:

- Autism Champion Training
- Autism Reality Experience – A Gold Award winning project led by a member of our Disability Forum
- Sunflower Lanyards roll out for staff & patients
- Benchmarking against the Stonewall Index and Carers Confident Kitemark
- Taking forward actions relating to Menopause, Mental Health First Aid and health and wellbeing
- Pride Month held in July 2022 with rainbow bunting, rainbow benches and drop in sessions

Workforce Race Equality Standard

Implementing the Workforce Race Equality Standard (WRES) is a requirement for all NHS healthcare providers. In July 2014, the NHS Equality and Diversity Council announced that it had agreed action to ensure employees from black and minority ethnic backgrounds have equal access to career opportunities and receive fair treatment in the workplace. NHS providers are expected to show progress against a number of workforce equality indicators, including a specific indicator to address the low numbers of BAME board members across the organisation.

There has been varied improvement against Workforce Race Equality Standard items. Currently the Trust is exceeding 50% of the NHS England targets for increasing BAME density at Bands 8a, 8c and 9.

- Most BAME staff are employed in Bands 1 and 2 and the entry level Band 5, which has seen the largest rise compared with other bandings.

- The density of BAME staff at Band 8a continues to rise while at 8b, there has been a 4% drop over the last twelve months.

- There are variations in BAME density at Bands 8c to VSM and work is ongoing to improve BAME representation at these levels.

- The Trust continues to make positive progress on improving outcomes for BAME staff. For example, they are more likely to access continuing professional development training. In relation to recruitment, BAME staff are 1.2 times less likely than white staff to be appointed from shortlisting.

- Data from the 2022 NHS Staff Survey shows, when compared with the Acute average, more BAME staff felt there was career progression and less staff reported discrimination from other staff and harassment and abuse from other staff. BAME staff experiencing harassment and bullying from patients and service users mirrors the NHS average.

Workforce Disability Equality Standard

The Workforce Disability Equality Standard is a set of ten specific measures which enables NHS organisations to compare the workplace and career experiences of disabled and non-disabled staff.

- The Trust is making positive progress in the proportion of disabled staff at senior bandings. Although disclosure of disability is around 2.4% which is low, disclosed disability at Bands 7, and 8b to 8d exceeds this figure.
- The likelihood of non-disabled staff being appointed compared with disabled staff remains in favour of disabled staff. This is in keeping with a gradual increase year on year in the number of applicants with disabilities seeking employment with Frimley Health.
- The 2022 NHS Staff Survey revealed that the workplace experience for disabled staff was worse than the Acute provider trust average, in relation to facing bullying and harassment from patients and service users, reporting bullying & abuse, equal opportunities to career progression, feeling pressure to attend work when unwell and the provision of reasonable adjustments.
- Experience at work shows a higher proportion of disabled staff are satisfied with the extent to which their work is valued than the Acute average and staff engagement is on par with the NHS average.

Supporting disabled employees

In November 2016 Frimley Health made a commitment to meeting the requirements of the Disability Confident Kitemark. Disability Confident is the successor to 'Positive About Disabled People'. The Trust continues to:

- Actively attract and recruit disabled people
- Provide a fully inclusive and accessible recruitment process
- Offer an interview to disabled people who meet the minimum criteria for the job
- Exercise flexibility when assessing people so disabled job applicants have the best opportunity to demonstrate that they can do the job
- Proactively offer and make reasonable adjustments as required
- Encourage our suppliers and partner firms to be 'Disability Confident'
- Ensure employees have appropriate disability equality awareness
- Utilise advice from the Staff with Disabilities & Carers forum on good practice in recruitment
- Strengthen and update the portfolio of guidance on disability for managers and staff
- Deliver an Equality and Diversity segment on the Recruitment for Managers training course

In the year to 31 March 2023, Frimley Health received 1,272 applications for jobs from disabled applicants. Of these, 520 disabled applicants were shortlisted, and 108 disabled interviewees were appointed.

To encourage disabled applicants to apply for jobs, we continue to take positive action to target disabled applicants through Jobcentre Plus and other bodies who support placements for disabled staff in the workplace.

Next Steps – Shaping the Future

Frimley Health continues to develop unified objectives and governance arrangements to support our diversity and inclusion work. Together with the formal Equality and Diversity policies, the Trust's Equality Impact Assessment (EIA) process is embedded into our policy and business case approval processes. EIAs cover a broad range of business, from large scale capital projects to relevant policies affecting staff. The quality of EIA's is supported through a mentor-based approach and engagement with internal and external stakeholders.

The Trust is committed to building inclusive cultures and the next steps at Frimley will include:

- Embedding a leadership culture underpinned by inclusion which fosters a culture of inclusivity and understanding
- Continuing to deliver inclusive leadership development programmes that support career progression and succession planning ambitions across the Trust
- Harnessing the staff voice through the forums to set the direction for equality and diversity activity and align with Every Voice Counts activity
- Ensuring employment policies, practices and systems are inclusive and responsive to the diverse needs of staff

National Staff Survey 2022

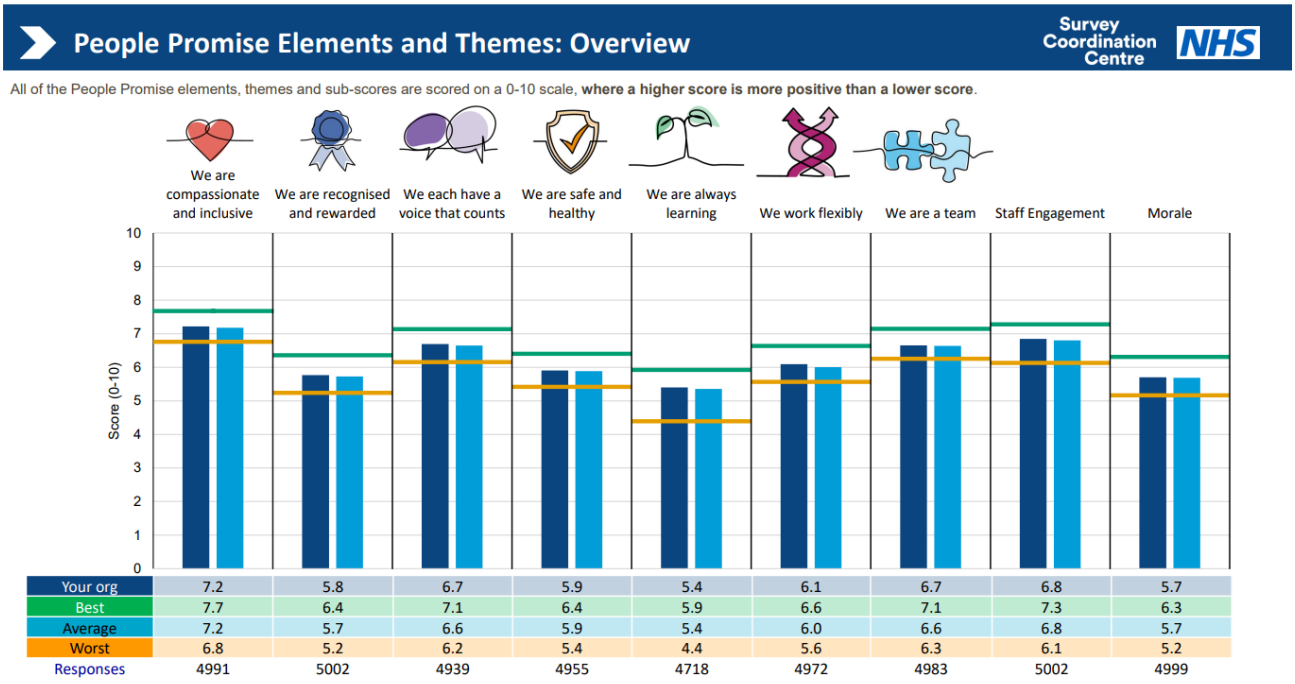
Background
The Picker 2022 staff survey was open to staff for eight weeks from September to November 2022. In line with previous years, the survey was launched in a way that responded to and took account of operational pressures at the time. The final response rate for the survey was 50%, a 6% decrease from last year , although this was above average compared to similar organisations.

Autumn 2022 saw continued operational pressures as our workforce was impacted by high levels of patient flow through our urgent and emergency care pathways. Together with increasing levels of staff dissatisfaction and industrial unrest we believe this context is reflected in the Trust's 2022 staff survey results and is very much mirrored across the national benchmarking of the staff survey.

Results Overview

The questions in the NHS Staff Survey continue to be aligned to the NHS People Promise. This sets out, in the words of NHS staff, the things that would most improve their working experience, and is made up of seven elements. In support of this, the results of the NHS Staff Survey are now measured against the seven People Promise elements and against two of the themes reported in previous years (Staff Engagement and Morale).

The below table provides an overview of our results in comparison with the best, average and worse provider organisations. The staff survey responses reflected a very challenging work environment for staff and much like the organisations the Trust is benchmarked against, there were some overall decreases across scores compared to previous years when incremental improvements were achieved.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.2	5.8	6.7	5.9	5.4	6.1	6.7	6.8	5.7
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	4991	5002	4939	4955	4718	4972	4983	5002	4999

Top scores

The top scores against which we measured higher than comparative Trusts included:

- Appraisal helped me improve how I do my job
- Appraisal helped me agree clear objectives for my work
- If friend/relative needed treatment would be happy with standard of care provided by organisation
- Appraisal left me feeling organisation values my work
- Teams within the organisation work well together to achieve objectives

Most improved scores

Areas where we made the most improvement include:

- Not felt pressure from manager to come to work when not feeling well enough
- Appraisal helped me improve how I do my job
- Appraisal helped me agree clear objectives for my work

- Appraisal left me feeling organisation values my work
- Colleagues are understanding and kind to one another

Future priorities and targets

In response to the 2022 survey insights, intended areas of focus at a corporate level in readiness for the 2023 staff survey will be:

- Commencing the NHSE Culture & Leadership Programme as part of the People Promise Exemplar programme.
- Continuing investment in wellbeing and expanding the offer in respect of physical wellbeing
- Revitalising the equality, diversity and inclusivity agenda (with a focus on leadership and succession planning)

Our People Strategy will reflect the ambition to increase opportunities for staff to 'Make Your Voice Count' and introduce teams to the practice of holding regular 'What Matters to You?' conversations so that local issues and opportunities are being dealt with in real time.

Action plans to move each of these priorities forward have been agreed at corporate, directorate and team levels with subject matter experts providing insights and guidance.

Countering fraud and corruption

The Trust has put arrangements in place to counter fraud and corruption by implementing the below four-stage approach which was developed by NHS Counter Fraud Authority (NHSCFA), the lead organisation responsible for identifying and tackling crime in the NHS.

1. Inform and Involve
2. Prevent and Deter
3. Hold to Account
4. Strategic Governance

The Trust has an Anti-Fraud and Corruption Policy that sets out the Trust's approach to all forms of fraud or suspected fraud or corruption. The policy provides a framework for responding to suspicions of fraud, advice and information on various aspects of fraud and implications of an investigation.

The Trust encourages anyone having reasonable suspicions of fraud to report them. The Trust's policy is that no individual will suffer any detrimental treatment as a result of reporting reasonably held suspicions within the statutory protection provided under the Public Interest Disclosure Act 1998.

Gender Pay Reporting

The gender pay gap is defined as the difference between the average (mean or median) earnings of men and women across a workforce.

The Trust continues to make positive progress in relation to female staff at senior bandings. Over three quarters of the workforce are female, and there has been an 8% increase in the percentage of women at Band 8d.

Over the last two years, there have been some variations in the Gender Pay Gap reporting, with the average hourly pay increasing steadily, in favour of men. However there have been improvements in the mean pay gap of 2% and a 3.6% improvement in the median pay gap in favour of women. The awarding of bonus payments (Clinical Excellence Awards) shows a slight increase of 0.4% in favour of women.

Trade Union Facility Time

The Trust has 25 trade union officials and in during the reporting year the total cost of facility time was £56,602.23. The percentage of time spent on facility time was 4.95% and all the facility time spent on trade union activities was paid.

Expenditure on consultancy and exit packages

Between 1st April 2022 and 31st March 2023, the Trust spent £4,086k on consultancy costs. Exit packages amounted to £110k for the year and this amount is included within the total staff costs below.

Total staff costs

Total staff costs for the year 2022-23 amounted to £632.611m

Off payroll engagements

As of 31st March 2023, there were no off-payroll engagements (IR35) more than £245 per day and that lasted longer than six months.

Code of Governance

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

For the year ending 31 March 2023 the Trust complied with all the provisions of the Code as set out in the NHS England Annual Reporting Manual 2022-23.

Throughout this Annual Report the Trust describes how it has met the Code's requirements. The table below records where information can be found in relation to the Trust's disclosures.

Code Reference	Annual Report Section	Page
A.1.1	Board of Directors and Council of Governors	45 and 64
A.1.2	Directors Report and Board Committees	45 and 57
A.5.3	Council of Governors	64 and 65
Additional requirement	Council of Governors	67
B.1.1	Board Composition	45-50
B.1.4	Board Composition and Directors' Evaluation	45 and 63
Additional requirement	Board Composition	55
B.2.10	Nomination Committee	60
Additional requirement	Governor Nominations Committee	82
B.3.1	Chair's biography	45
B.5.6	Foundation Trust Membership	69
Additional requirement	Not applicable	N/A
B.6.1/B.6.2	Directors' Evaluation and Well-led Framework	55 and 115
C.1.1	Statement of Accounting Officer's Responsibilities	99
C.2.1	Annual Governance Statement	101
C.2.2	Audit Committee (internal audit)	58
C.3.5	Not applicable – Accepted by the Council	N/A
C.3.9	Audit Committee	57
D.1.3	Remuneration Report	N/A
E.1.4	Contacting the Board/Contacting the Governors	56 and 68
E.1.5	Council of Governors	65
E.1.6	Foundation Trust Membership	70
Additional requirement	Membership Strategy	70
Additional requirement	Register of Directors'/Governors' Interests	56 and 68

NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments.'

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Frimley Health was in segment 2 at the end of the reporting year, with no formal interventions by the regulator. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website.

STATEMENT OF THE ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the chief executive's responsibilities as the accounting officer of Frimley Health NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS England.

NHS England has given Accounts Directions which require Frimley Health NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Frimley Health NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act.

The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Neil Dardis
Chief Executive
29 June 2023

ANNUAL GOVERNANCE STATEMENT 2022-23

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

2. 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 Frimley Health NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Frimley Health NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

3.1 Risk Leadership

The Board of Directors has overall responsibility for risk management within the Trust and ensures there is a robust risk management system which receives the appropriate leadership and management. Following a thorough review, the Board approved the Risk Management Strategy in November 2021. The Risk Management Strategy provides a framework for managing clinical and non-clinical risks through an integrated approach to managing risk from all sources and within the agreed risk appetite limits which are reviewed on an annual basis.

The Chief of Nursing and Midwifery is the executive lead for risk management and the Director of Finance has lead responsibility for managing financial risk. All executive directors, chiefs of service, associate directors, heads of nursing, and heads of service of the Trust have a key role in developing a strong risk management approach and culture in all s of the Trust's activities, both clinical and non-clinical.

3.2 Key Roles and Responsibilities

Board of Directors

The Board of Directors has overall responsibility for the Trust's Risk Management Strategy and for having in place systems of risk management and internal control that support the delivery of the Trust's principal objectives and enables the effective monitoring of strategic, clinical and non-clinical risks.

The Board has delegated scrutiny of risk assurance processes through its committee structure as described below:

- The Audit Committee provides assurance to the Board on the robustness of the overarching framework of governance, risk and control to ensure that the Trust operates effectively and meets its statutory objectives.
- The Quality Assurance Committee (QAC) provides assurance to the Board that there are robust controls across the clinical activities of the organisation to ensure safe quality care with good outcomes and experience is delivered to the patients using the services provided by the Trust.
- The Finance & Investment Committee (FIC) is responsible for scrutinising all aspects of financial performance on behalf of the Board and provides financial assurance regarding proposed capital and revenue decisions, major business cases and the delivery of benefits realisation.
- The People Committee provides assurance to the Board on all aspects of workforce and organisational development (OD) that supports the provision of patient-centred care. The People Committee ensures the Trust fulfils its statutory people related duties and has oversight of the delivery of the national and the Board's approved workforce objectives.
- The Senior Leadership Committee (SLC) is the principal executive forum for the Trust. The SLC is responsible for ensuring that the Risk Management Strategy is implemented and there are systems in place to comply with legislation, mandatory NHS standards and delivery of the Trust's strategic objectives. The SLC and Board of Directors ensure that business decisions and priorities consider high-risk factors and where appropriate, formal risk management and equality impact assessments are completed.

Non-executive directors (NEDs)

All Board committees are chaired by a non-executive director and their role is to robustly challenge the effective management of risk and to seek reasonable assurance of adequate control. To provide further assurance that clinical risk is properly identified and managed, a regular programme of Quality Walks was re-established for governors and NEDs during the reporting year. In line with our Frimley Excellence programme of continuous improvement, Gemba methodology is used to support the Quality Walk process which focusses on taking the time to understand how activities are carried out and engaging with those who do the job. Our NED Maternity Board Safety Champion also visits the maternity wards each month.

Director of Finance

The Director of Finance oversees the operation of the Trust's standing financial instructions including the rules relating to budgetary control, procurement, banking, losses and controls over income and expenditure transactions. The Director of Finance attends the Trust's Audit Committee and is the executive lead for internal and external audit and counter fraud.

The Director of Finance is the chair of the Information Governance Committee and Senior Information Risk Owner (SIRO). As the Trust's SIRO, the Director of Finance is responsible for ensuring that the Trust creates and manages its information risks, through the development of a network of Information Asset Owners (IAA's) and Information Asset Administrators (IAAs).

The Director of Finance is also the executive lead for estates and ensures that the estate is developed to support the Trust's strategic direction and that the condition of the estate is maintained, fit for purpose and compliant with all statutory legislation and compliance requirements. He has executive leadership for sustainability and is responsible for the local implementation of the Climate Change Act 2008 and the development and implementation of the Trust's Carbon Reduction Strategy.

Chief of Nursing and Midwifery

The Chief of Nursing and Midwifery is the executive lead for patient safety and quality (including clinical negligence claims management), infection prevention and control (DIPC), safeguarding, patient experience, and facilities management (Soft FM).

The Chief of Nursing & Midwifery is the professional lead for nursing and midwifery, and allied health professionals and holds shared accountability with the Medical Director in setting and delivering quality standards and ambitions.

The Chief of Nursing & Midwifery is the Trust's executive lead for risk management, including the management of the Trust's Corporate Risk Register, and is accountable for ensuring there is a robust system in place for monitoring compliance with the Care Quality Commission regulations.

Medical Director

The Medical Director is the executive lead for clinical effectiveness and outcomes and holds shared accountability with the Chief of Nursing and Midwifery in setting and delivering quality ambitions and standards. Together they ensure that there is an effective integrated quality governance system which is monitored and developed. The Medical Director is the executive lead for clinical transformation and has responsibility for strategy development to ensure the Trust's plans are clinically led and aligned with the Frimley Health and Care ICS.

The Medical Director is the Caldicott Guardian and is the senior person responsible for protecting the confidentiality of people's health and care information and for making sure it is used appropriately.

As the Responsible Officer, the Medical Director is the Trust's senior clinician whose role is to uphold professional standards through the evaluation of doctors' fitness to practise. The Responsible Officer makes recommendations to the General Medical Council regarding the revalidation of doctors.

Both the Medical Director and the Chief of Nursing and Midwifery are responsible for ensuring that cost improvement plans, and any service changes are risk assessed through quality impact assessments and do not negatively impact on the quality of care.

Director of People

The Director of People has statutory compliance and regulatory responsibility for HR and organisational development (OD), leadership development and talent management, equality, diversity and inclusion, pay and reward, training, and staff wellbeing and engagement.

The Director of People has responsibility for statutory compliance with health and safety legislation, including occupational health, and compliance with the public sector equality duty and employment legislation in the recruitment of staff.

They are also responsible for the Fit and Proper Person Test compliance for senior leaders and for ensuring that there is sufficient provision of training, including all mandatory and statutory staff training requirements.

The Director of People ensures that there is a safe culture and environment to raise employee concerns and processes are established to manage concerns raised, including a Freedom to Speak up Guardian to support workers to speak up when they feel that they are unable to do so through other routes.

Chief Operating Officer

The Chief Operating Officer is responsible for the day-to-day operational management of the Trust ensuring that the directorates deliver clinical activities safely and efficiently in accordance with the agreed national and local standards and contracts.

The Chief Operating Officer leads the Trust's performance management framework which is designed to ensure a high-performance culture and early identification and management of risk, that supports autonomy for clinical services. They ensure that the Trust's clinical teams have robust governance arrangements in place and that the Directorate Accountability Framework is monitored through the performance management processes.

The Chief Operating Officer is accountable for the Trust's emergency planning arrangements, ensuring there is an effective response to major incidents and that the Trust's business continuity plans are effective, tested and understood in line with the statutory requirements.

Director of Transformation, Innovation & Digital Services

The Director of Transformation, Innovation and Digital Services is responsible for the delivery of the Trust's digital strategy and provision of robust IT and digital services. Following the departure of the Chief Operating Officer in October 2022, executive portfolios were adjusted for the remainder of the financial year, and this post became vacant. At this point the Medical Director assumed responsibility for digital services, including compliance with the Data Security and Protection Toolkit, the security of patient records and IT disaster recovery arrangements. The transformation work was retained by this director when they became the acting Chief Operating Officer from October 2022.

3.3 Risk training

Risk management is the responsibility of all members of staff, and the Board recognises the importance of providing risk education and awareness training for all grades of clinical and non-clinical staff.

The corporate induction programme ensures that all new staff receive information on the Trust's risk management systems and processes. This includes the comprehensive induction of all junior doctors to ensure they are aware of the policies and risk procedures prior to their employment in clinical areas.

The mandatory training programme ensures that essential training is delivered to staff members, which includes risk management processes such as health and safety, manual handling, resuscitation, infection control, safeguarding patients, blood transfusion and information governance. In addition, specialist risk training is identified by managers for individual job roles and agreed with staff through personal development plans.

A Trust-wide training needs analysis for risk management and patient safety is conducted each year to ensure the appropriate training programmes are included in the corporate training plan. Clinical staff receive a mandatory annual risk and patient safety training update on incident reporting, responding to incidents, risk assessment processes and key patient safety topics.

The Board recognises that proactive risk management which is focussed on prevention, control and learning minimises the risk of repeated similar incidents occurring within the Trust. A culture of continuous improvement and learning is core to our strategy and is actively promoted; from incidents and complaints, outcomes from audits, and the experiences of patients, other service users and staff. Best practice is highlighted and shared across the acute and community sites through the committee structure and relevant clinical leads. The Trust actively reviews and embraces the recommendations from national inquiries, reviews and external inspections.

4. The risk and control framework

4.1 Risk Management Strategy

Our Risk Management Strategy (RMS) clearly describes the structure and strategy for the development of risk management and governance within the Trust until 2025. The RMS was reviewed and updated in 2021 and is designed to work alongside our five-year strategy to help us manage the strategic and operational risks to successfully achieve our annual corporate objectives and strategic ambitions in the longer term.

The Board seeks to establish an organisational philosophy that ensures risk management is an integral part of corporate objectives, business plans and management systems. The purpose of risk management is to identify and manage risks that threaten the ability of the Trust to improve the quality of care, and to provide a safe environment for the benefit of patients, staff and visitors. All members of staff are responsible for identifying and minimising risks and hazards as part of their everyday work within the Trust.

The RMS describes what is meant by 'risk management' and it identifies the roles and responsibilities of the key accountable officers and all staff within the Trust. It also clearly defines the levels of authority for the management of identified levels of risk and describes the Trust's interpretation and definition of 'acceptable risk.' All staff are expected to understand the incident reporting procedure and there is a clear expectation that near-miss incidents, adverse incidents and serious incidents are reported immediately.

The RMS confirms the risk escalation process and how risks are rated. Risks are classified as low, moderate, major and catastrophic, based on a consequence and likelihood matrix approved by the Board. While the Board recognises that risk is inherent in the provision of healthcare and its services, the Trust has a low risk appetite for risks that could affect patient safety. During the year the Board reviewed its risk appetite levels in relation to the strategic ambitions and approved the following Risk Appetite Statement:

- Frimley Health NHS Foundation Trust recognises that its long-term sustainability depends on the delivery of its strategic ambitions and its relationship with its patients, the public and its strategic partners within and outside our ICS. The Trust endeavors to establish a positive risk culture within the organisation where unsafe practice, for example clinical or financial is not tolerated, and where every member of staff feels committed and empowered to identify, correct, and escalate system weaknesses.

- Accordingly, the Trust will not accept risks that materially impact on patient safety. However, the Trust has a greater appetite to take considered risks with regard to their impact on organisational issues. The Trust's greatest appetite is to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated within the constraints of the regulatory environment.

Corporate Risk Assessment

Managers at all levels of the organisation are responsible for managing risks at a local level and for developing an environment where staff are encouraged to identify and report risk issues. The formal proactive method of identifying operational risks within the Trust is through the use of risk assessments. The Trust ensures that integrated clinical and non-clinical risk assessments, including business planning risk assessments are regularly updated in all departments and are formally reviewed on an annual basis. All risks which are identified through the assessment process are recorded in the directorate and specialist risk registers.

Each directorate maintains a risk register and key risks are assessed, with the most significant recorded in the Corporate Risk Register which is regularly reviewed by the SLC and the Board committees. The Corporate Risk Register provides a Trust-wide record of all the extremely high, high and moderately graded operational risks in the Trust. The Register reflects key sources of information, including:

- Trust strategic goals and key quality corporate and directorate objectives
- Business planning process
- Speciality/directorate risk assessments and risk registers that have been escalated via governance routes
- Risks identified from incident reporting
- Directorate Performance Reviews
- Outcome of external assessment and/or inspection
- Feedback from patients, visitors and stakeholders

The Register's content is subject to regular review to ensure that it contains all operational risks. It provides information about the source of the risk, risk score, control measures in place, mitigating actions and a review date for each risk.

The Corporate Risk Register is subject to regular review by the Executive Directors to ensure that the document is updated and reflects the latest risk information and remedial action. Local risk registers are reviewed monthly at directorate or departmental level and at Directorate Performance Reviews. New risks are added as they are identified from specific internal incidents, national external reviews, local risk registers and as part of the annual review of risk assessments.

All risks are escalated to the Senior Leadership Committee as required for executive oversight and management of the most significant risks. During the year the Board committee chairs reviewed the corporate risks and allocated them to the relevant committee for oversight and assurance. In this way non-executive directors have regular oversight of significant operational risks and where necessary, the committee chair may escalate to the Audit Committee or the Board.

Board Assurance Framework

The Trust published its five-year strategy in 2019-20 which set out its new vision for the future and six strategic ambitions. The strategy was developed in partnership with our staff, our patients and our key stakeholders. The strategic priorities are reviewed annually to ensure the strategy remains fit for purpose and a process is in place to identify new corporate objectives each year with the Board, ICS colleagues, senior clinical and corporate leaders, and governors.

Our directorate structure supports the management of risk related to the implementation of our strategy. The development of our strategic ambitions and objectives at directorate, team and individual level ensures that the organisation has a clear set of objectives, and our people are aware of the risks associated with the implementation of our organisational strategy.

The Board Assurance Framework (BAF) brings together in one place all of the relevant information on the risks which may threaten the achievement of the Board's strategic objectives. It enables the Board to:

a) Identify the immediate and longer-term threats that may impede the successful delivery of the Trust's strategic goals;

b) Receive assurance that the risks are being managed appropriately and the risk controls are effective;

c) Challenge gaps in assurance and ensure that remedial actions are taken to strengthen controls and assurances;

d) Focus on the severity of the risk and the appropriate mitigating actions;

e) Review the strategic priorities and risk appetite level; and

f) Consider potential threats and opportunities when setting the strategic direction of the organisation.

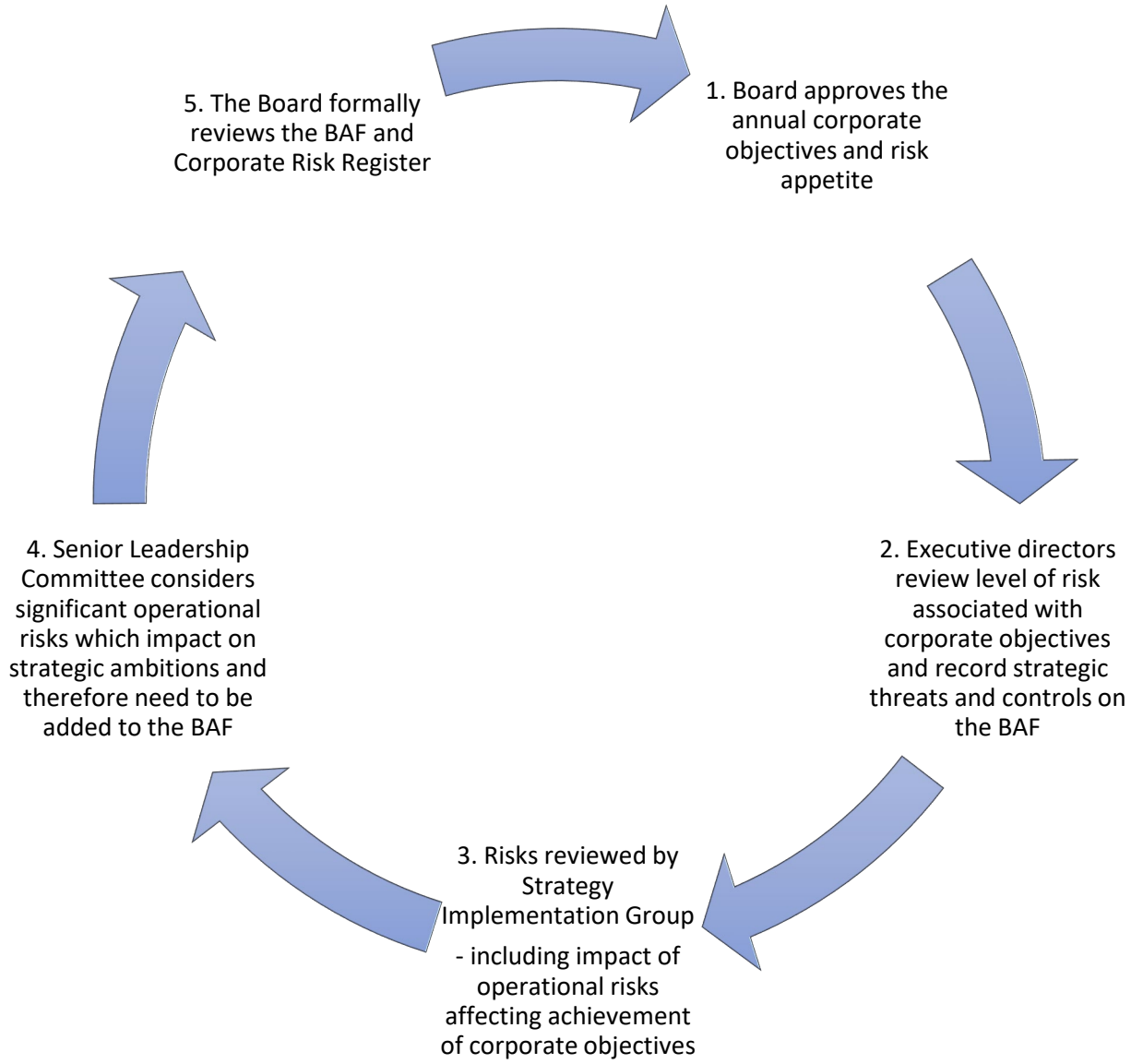
The BAF is the main mechanism for helping the Board to assess its resilience, avoid any pitfalls and secure a sustainable future for the organisation. The BAF's format was adjusted during the reporting year to capture for each strategic ambition:

- The current level of cumulative risk as informed by the Corporate Risk Register;
- The executive's confidence level that the annual strategic objectives will be achieved;
- The executive's confidence level that the overall strategic ambition will be achieved in 2025.

The BAF and Corporate Risk Register are considered alternately by the Board at public meetings. The Company Secretary is responsible for ensuring that the BAF is regularly reviewed and updated by Lead Executives.

The BAF risk process is illustrated on the next page. Throughout the year the Strategy Implementation Group has oversight of the delivery of the Trust's strategy and is accountable to the Senior Leadership Committee.

Board Assurance Framework Risk Process



4.2 Key risks identified in 2022-23

During 2022-23 the principal risks associated with the strategic ambitions were:

- *Improving Quality for Patients:* Failure to protect patients from harm and deliver improvements for patients
- *Supporting our People:* Failure to support our workforce and deliver the best possible working experience for our people
- *Collaborating with our Partners:* Failure to collaborate with our system partners to improve patient experience, especially in relation to discharge and transfers of care
- *Transforming our Services:* Failure to achieve the desired service transformation through the delivery of a robust clinical strategy and GIRFT plan

- *Making our Money Work*: Failure to deliver the Trust's financial targets and become an efficient provider of healthcare
- *Advancing our Digital Capability:* Failure to advance the Trust's digital capability for our patients and staff and realise the benefits of the Electronic Patient Record

Operational Risks

The major operational risks that were identified during the reporting year were:

- Bed capacity and flow: Significant increase in urgent care attendances and inability to discharge medically fit patients
- Access to care: Longer waits for diagnosis and treatment
- Workforce: Lack of availability of trained nurses, midwives and other medical staff directly impacts ability to deliver safe staffing levels
- People: Increase in staff turnover due to staff retiring or leaving the service
- Finance: Changes to financial and contractual frameworks, high inflationary costs and requirement to deliver large efficiency savings
- Estates and Infrastructure: Maintenance of estate, including the management of risk associated with RAAC plank structures at Frimley Park Hospital
- Digital: Risk of cyber- attack on Trust IT systems, leading to major disruption and the availability of essential patient information
- Transformation Programmes: Fully realising the benefits from the new Heatherwood Hospital and electronic patient record (EPR)

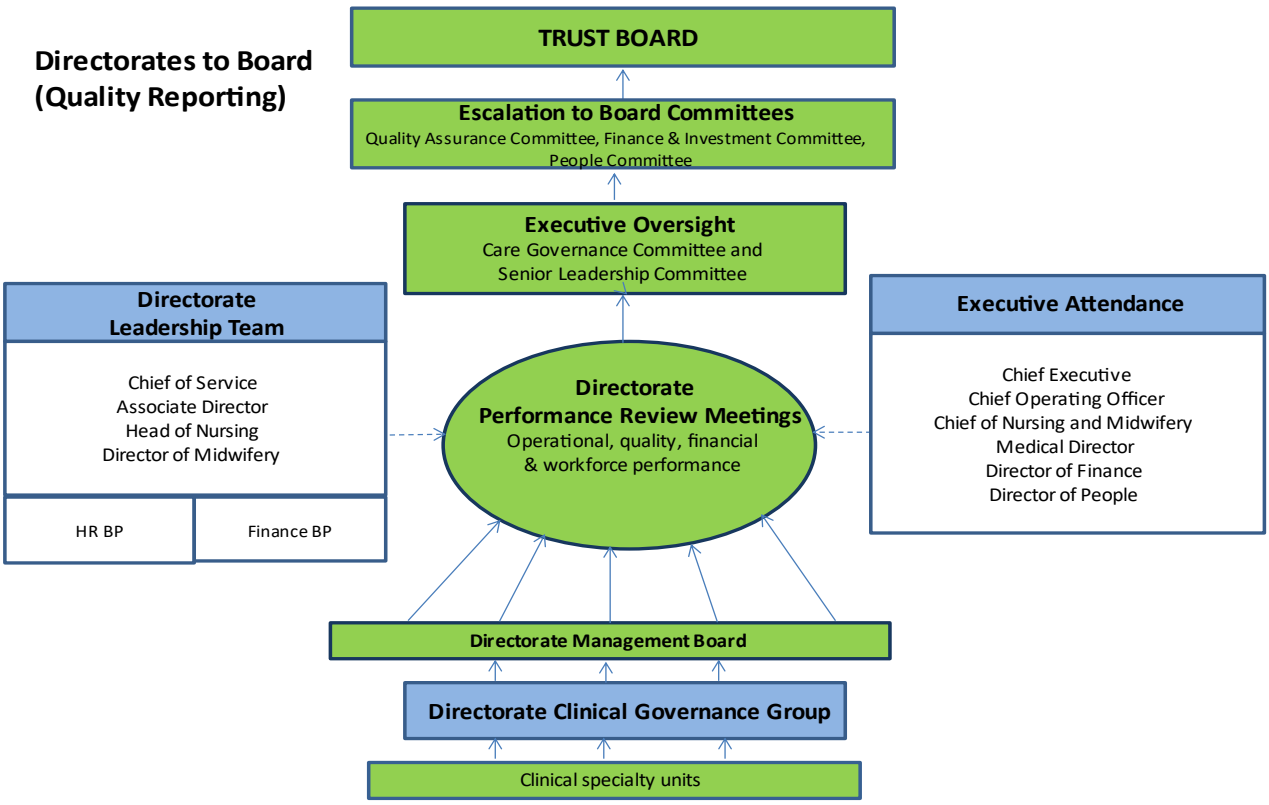
A majority of the above risks will continue to be risks in 2023-24, in particular, increasing patient demand, bed capacity and patient flow, the recovery of elective waiting times, the delivery of financial targets and efficiency savings with system partners, and the ability to recruit and retain staff. As we enter a new reporting year there is also the risk of continuing industrial unrest.

4.3 Quality Governance Arrangements

During the reporting year the quality governance structure was updated to clearly define the reporting lines and governance arrangements for all aspects of quality governance. This was part of a wider piece of work to revise the clinical governance framework and ensure that directorates were aware of their responsibilities for oversight , quality assurance and consistency of service delivery. The diagram on the next page illustrates the quality reporting line from the directorates to the Board.

The Care Governance Committee is responsible for providing assurance to the Senior Leadership Committee (SLC) and Quality Assurance Committee (QAC) with evidence on all aspects of quality of clinical care; clinical governance and risk; research and development; and regulatory standards of quality and safety. The Care Governance Committee has oversight of significant patient safety and clinical risk issues and monitors the effectiveness of action taken to manage these issues.

The Care Governance Committee reports to the Senior Leadership Committee for executive oversight and management of key issues. The Committee also supports delivery of all aspects of quality of clinical care in accordance with the Frimley Health Foundation Trust strategic ambitions.



A culture of continuous quality improvement is embedded in the Trust's overall strategy. Quality targets are linked to directorates and included in local clinical speciality dashboards and pathway compliance monitoring. The Trust's performance against the quality standards is included in the Trust-wide Performance report which is subject to review by the relevant committees and ultimately by the Board. During 2022-23, the Board continued to receive regular performance information on key quality indicators including patient safety, patient experience and clinical effectiveness.

4.4 Involvement of public stakeholders

The Trust serves a dispersed community which straddles a number of boundaries, including more than nine local authorities, and a number of regional networks and other health related structures. The Frimley Health and Care Integrated Care System (ICS) has a diverse population of around 900,000 people in East Berkshire, North East Hampshire, Farnham and Surrey Heath.

Historically there has been a strong collaborative partnership across the ICS to work closely with the local community to provide coherent and effective services. With the launch of statutory integrated care systems in July 2022, a new governance framework has been established to ensure ICS partners work collaboratively in the interests of the wider healthcare system. The Chief Executive is a member of the integrated care board (ICB), and our Medical Director and a number of our Chiefs of Service are members of the integrated care partnership (ICP). The Trust provides executive and non-executive leadership and involvement across the ICS to support the development of a joint forward plan and system strategy that spans local authorities, all health partners, and active engagement with local communities.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways including:

- Frimley Health NHS Foundation Trust has around 28,000 members, of which over 15,000 are public members. These are represented by a Council of Governors that comprise public, staff and stakeholder governors.

- The Council of Governors receives regular updates on the achievement of the Board's objectives and along with the external regulatory assessments, the Council holds the Board to account for its performance.

- In addition to the formal meetings of the Council of Governors, joint workshops are held with the Board where there is an opportunity for governors to discuss and challenge performance and the organisation's priorities. The workshops include reference to the key risks the Trust faces and an explanation as to how they are being managed.

- The Council of Governors' Community and Engagement Group and Patient Experience and Involvement Group enable governors to influence and develop patient and public involvement.

- The Trust sends a monthly newsletter to Foundation Trust members about developments in the Trust and regularly engages with the membership through virtual and in person events.

The Trust has a wide range of formal and informal ways for patients and the public to share their views and concerns about both individual care and services. Patients and relatives may provide formal feedback via the Friends and Family Test, patient surveys, complaints, PALS, and online through a feedback form on the Trust's website or NHS choices, and Care Opinion.

Informal feedback is often sent through the Trust's social media channels and can be provided directly to our wards and department clinical leaders. The Trust uses a "You Said, We Did" approach to display actions from the feedback.

4.5 Compliance with the Developing Workforce Safeguards

The Trust has a number of mechanisms in place for ensuring short, medium and long-term workforce strategies and staffing systems are in place. This includes:

- Chief of Nursing and Midwifery annual workforce reviews with inpatient departments using evidence-based acuity tools (SNCT), professional judgement and external data such as Model Hospital to set and review budget establishments to safely meet patients' needs.

- The production of a six-monthly report on the current workforce position of nursing and midwifery staffing alongside any organisational workforce risks.

- Monthly national workforce reporting of our staffing usage (planned vs actual and Care Hours per Patient per Day – CHPPD), internal nursing and midwifery workforce dashboard which summarises the Trust's vacancies, staff turnover and future pipeline of recruited staff.

- The use of e-rostering in line with the 'Developing Workforce Safeguards' recommendations.

The above reporting levels enables the Trust to identify the nursing and midwifery workforce risks and to guide where recruitment and retention action plans are required to support departments. To provide governance and support for operational nursing workforce requirements, the Trust has established a Nursing Workforce and Assurance Group which meets monthly and is chaired by the Chief Nurse and Director of People.

The Trust is actively engaged in strategic workforce planning which has identified the need to develop new roles and ways of working to meet our clinical needs and to alleviate workforce supply issues in some specialities. During the reporting year, our HR business partners have worked closely with clinical directorates to develop succession plans and to support talent management through leadership development. The ability to attract new staff and retain our existing workforce is a key area of focus for the Trust.

The Trust constantly monitors vacancy rates, turnover, safe staffing levels and agency spend. These key metrics are reported to the Board and monitored by the Senior Leadership Committee. During the year we have reviewed our recruitment processes and reduced our time to hire metric to enable us to fill vacancies as quickly as possible.

4.6 Compliance with CQC Registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission. During 2022-23, the Trust registered two new locations, the new Heatherwood Hospital and Heathlands care facility in Bracknell. There have been no CQC inspections across our other sites in this reporting period.

In April 2021, the CQC carried out an unannounced focused inspection of the acute services provided by the Trust to look at infection prevention and control. The inspection was in response to the CQC's continual checks on the safety and quality of health care services. The CQC report published in June 2021 confirmed there were no breaches in regulations and concluded that colleagues felt respected and valued, could raise concerns without fear and were committed to continually improving services. They also found that staff were committed to learning and improvement and that the Trust's vision and strategy supported excellent infection control practice in the longer term.

Although the CQC found no breaches in regulations, two areas were identified for improvement:

a) Ensuring maximum room occupancy rates are understood by everyone, and
b) Replacing sink splashbacks that were found to be damaged.

Both areas identified for improvement have since been rectified. As this was an inspection of infection prevention and control procedures at the Trust, the CQC did not rate the service at this inspection, and the previous ratings remain.

In November 2018, the CQC inspected the Trust's surgery and maternity services and community inpatient services provided from Fleet Hospital. The overall rating for Frimley Health was 'good' with Safe, Effective, Caring, Responsive and the Well Led domains being rated 'good'. The specific ratings were:

- Frimley Park Hospital: 'outstanding' overall. The CQC rated Safe and Effective as 'good' and Caring, Responsive and Well Led as 'outstanding'. Maternity services were rated 'good' overall but 'requires improvement' in the Safe domain.
- Wexham Park Hospital: 'good' overall. The CQC rated Safe, Effective, Caring and Responsive as 'good' and Well Led as 'outstanding'. Maternity services were rated 'good' overall but 'requires improvement' in the Safe domain.
- Heatherwood Hospital: 'good' overall.
- Community inpatient services: 'good' overall.

The Trust has continued to attend regular oversight meetings with the CQC and maintains a relationship through established contacts. CQC activity within the Trust is supported by our patient safety and clinical governance teams. Our local CQC team has met with a number of clinical teams throughout the year to learn about services and challenges as part of our relationship framework.

4.7 Foundation Trust Governance Requirements

The Board of Directors is required under NHS Foundation Trust condition 4(8)(b) to assure itself of the validity of its Corporate Governance Statement. The Board of Directors reviews the Corporate Governance Statement every year to ensure that the declarations being made are valid and can be supported with evidence. It considers the risks and mitigating actions provided to support the statements, together with the assurances provided from the work of the Trust's internal, external auditors and other external audits or reviews.

With respect to condition FT4 (NHS Foundation Trust governance arrangements) the Board reviews the terms of reference of its committees on an annual basis. The Audit Committee undertakes an annual self-assessment of its own effectiveness using a proforma from the NHS Audit Committee handbook, which is reported to the Board. The Audit Committee also submits an Annual Report to the Council of Governors. The terms of reference also set out the purpose and responsibilities of each Committee. The Board receives a report following each Committee meeting and in doing so receives assurance on the items discussed or it can challenge decisions that were made.

The Board has a detailed schedule of business, agreed annually, which defines when reports will be submitted, ensuring the Board can operate timely and effective scrutiny of its operations. Further information on the work of the Board sub-committees is described in the Directors' Report from page 45.

Well-led Framework

In 2019 the Trust received a 'good' rating following the CQC's well-led inspection. The Trust is guided by the NHS well-led framework guidance which recommends that providers carry out externally facilitated, developmental reviews of their leadership and governance using the well-led framework every three to five years.

An external review of our well-led capability is planned in 2023-24. The Board completes an annual review of its performance and effectiveness by questionnaire and the results are shared at the public Board meeting. The Council of Governors also provides feedback on the Board's performance via a questionnaire. The results of the annual performance review are used by the Board to inform its leadership effectiveness and future development needs.

4.8 Compliance with Managing Conflicts of Interest NHS Guidance

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

4.9 Other control measures

Compliance with NHS Pension Scheme regulations

As an employer with staff entitled to membership of the NHS Pension Scheme, the Trust has control measures 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.

Compliance with equality, diversity and human rights legislation

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Equality impact assessments are required for all new Trust business cases such as major capital developments and as part of the policy development and review process, including those related to employment and improving patient experience and access.

Compliance with the Climate Change Act

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. A detailed report is included in the performance section on page 39. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust ensures economy, efficiency and effectiveness through a variety of means, including:

- A robust pay and non-pay budgetary control system
- A system of effective and consistently applied financial controls
- Effective tendering procedures
- Robust evaluation of business cases
- Continuous service and cost improvements supported by the 'Frimley Excellence' quality improvement programme

The Trust benchmarks efficiency in a variety of ways, including through the national "Model Hospital" benchmarking tool, participation in "Getting it Right First Time" (GIRFT) audits, and comparisons of corporate costs. A 10-point GIRFT action plan is in place which is underpinned by a governance structure and clinical leadership to drive forward improvements for patients. In particular a visit from the Chair of the GIRFT Programme in January 2023 noted:

- Our review of the GIRFT Outpatient guidance to tackle the demand for outpatient appointments
- Increasing rates of daycase surgery and moving procedures to an outpatient setting where appropriate (i.e. right procedure, right place) as a key objective of the high-volume low complexity (HVLC) programme.
- Maximising theatre productivity at Heatherwood to optimise theatre pathways and the impact of our 'focus weeks' as a critical part of elective recovery.

We regularly compare key indices such as length of stay, delayed discharges and day case percentages with similar sized trusts, and some of these are reported in our bi-monthly Board Performance Report. The Board of Directors performs an integral role in maintaining the system of internal control supported by the Audit Committee, internal and external audit, and other key bodies. The Finance and Investment Committee regularly reviews financial performance and is the approving authority for all major investments.

The last CQC/NHSI use of resources assessment concluded that the Trust was rated good for use of resources. In 2021-22 an extended external audit value for money (VfM) review concluded no significant risks were identified in the three domains of Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness to suggest that appropriate VfM arrangements were not in place.

The Trust compares favourably on its total cost per weighted activity unit (WAU) against national benchmarks. Recent comparisons are obviously difficult due to the pandemic, and the differential impact of Covid across the county will impact on national benchmarking for some time. Since the launch of our electronic patient record (EPR) in June 2022, the Trust has faced some challenges in reporting consistent clinical performance data and for this to triangulate with national benchmarking.

These issues are being addressed as reported in the data quality and governance section on page 119. However, we are confident that the new EPR has improved our clinical systems and processes and will generate significant benefit realisation throughout 2023-24.

The Trust is part of the Frimley Health and Care Integrated Care System (ICS) which operates under the principle of "one system – one budget". This means the Trust's expenditure for 2022-23 has been included within a wider system control total and the overall financial position is reviewed at system level, including by the ICB. The Trust is fully engaged in the ICS to manage its financial position, and in particular around income levels.

The Trust has healthy cash reserves and can consistently meet its financial obligations and pay its staff and suppliers in the immediate term, as reflected by its capital service and liquidity metrics.

6.0 Compliance with information governance and data security

All reported incidents are investigated by the Trust's Information Governance (IG) team and where applicable, Trust policies and procedures are revised to prevent incidents re-occurring as well as incorporating lessons learnt into the Trust's annual IG induction and refresher training.

The IG work programme sets a robust framework of work to be undertaken and completed throughout the year in order to demonstrate the Trust's compliance with the Data Security and Protection (DSP) Toolkit.

During the Covid-19 pandemic, NHS Digital extended the deadline for submission of the Data Security and Protection Toolkit from March until June 2021. Subsequently, each toolkit submission window has been set as 1st July to 30th June. In June 2022, the Trust completed the submission with a rating of 'Approaching Standards' with an Improvement Plan in place to support the completion of the required standards.

Since the implementation of the General Data Protection Regulation/Data Protection Act 2018, where an incident relates to personal data, the focus of the impact/harm to an individual determines whether it is classed as a Serious Untoward Incident (SUI). Due to this change of emphasis, the Trust reported one serious untoward incident involving personal data in 2022-23, in line with the Guidance to the Notification of Data Security and Protection Incidents by NHS Digital.

Serious Incidents Reported to the Information Commissioners Office in 2022-23

Month of Incident	Nature of Incident	Nature of Data Involved	Number of Data Subjects Potentially Affected	Notification Steps
Apr-22	Bags of patient information placed in general waste skip and destroyed	Patient confidential information	Unknown	ICO, NHS Digital DSPT

Cyber Security

As part of our commitment to maintaining high standards of governance and accountability, we are pleased to provide an annual statement on our Trust's IT security and compliance measures.

Over the past year, we have worked closely with NHS England and the Department of Health to strengthen the digital security of our organisation and improve compliance with the Data Security and Protection Toolkit. The Trust completed the submission with a rating of 'Approaching Standards' with an Improvement Plan in place to support the completion of the required cyber security standards.

In particular, our dedicated cyber-security team have focussed their efforts around increasing user awareness of cyber threats and best practices, while also implementing cutting-edge technologies to detect and prevent security breaches. The Trust has not had to raise a serious cyber security related incident to NHS England or the ICO in this reporting year.

We have also invested heavily in IT solutions to ensure that we have a secure platform to deliver on our wider strategic ambition of becoming one of the top 10 most digitally advanced trusts in the country. Our investments in replacing all Trust firewalls, implementing greater security controls for servers, and improving network resilience will ensure that our technology enables the success of our single electronic patient record system (EPR). The EPR has protected us from legacy systems' vulnerability and prepares us for future innovations in connected medical devices, robotics, automation, and artificial intelligence.

We believe that these strategic actions have provided a more secure and robust environment for our IT systems, which will enable us to deliver better care to our patients. As part of our ongoing commitment to governance, we will continue to review and improve our IT security and compliance measures, to ensure that our patients' data remains safe and secure at all times.

7.0 Data Quality and Governance

As an organisation Frimley NHS Health Foundation Trust recognises the importance of reliable information as a fundamental requirement to support the successful treatment of patients. The availability of complete, accurate and timely data is critical in the delivery of effective and high performing clinical services. Throughout the year the Board receives assurance that appropriate controls are in place to ensure the Trust's quality data is validated and that the quality data metrics which are reported to NHS England are accurate.

The Director of Finance is the Trust's Data Quality Lead which is integral to his role as the Senior Information Risk Owner. All executive directors, chiefs of service, heads of nursing and associate directors have responsibility for the quality of data collected in their individual directorates and departments. Data quality is also an integral measure in the assessment of directorate performance.

All staff are encouraged to take responsibility for data quality at the point of collection, to ensure that data is validated with the patient, and systems are updated to reflect any identified changes. Internal and external audits are conducted on an annual basis to assess the quality of data and identify any weaknesses in the recording of key data along the patient pathway.

The Trust has a Quality Assurance Committee (QAC) which is attended by the Chief Executive, Chief of Nursing and Midwifery and the Medical Director and is chaired by the lead non-executive director for quality. All data and information within the Quality Account is reviewed through this committee.

In this reporting year there has been a significant change in our operational practices due to the implementation of our electronic patient record (EPR) in June 2022. The aim of the EPR project was to remove the vast number of disparate clinical systems across Frimley Park and Wexham Park hospitals and introduce a single mature electronic medical record across FHFT. The EPR was the largest capital investment that the Trust has undertaken and following an extensive procurement process the Epic system was purchased.

In the intervening months since go-live, as with all large-scale digital implementations, there have been a number of challenges with the introduction of the new system which have impacted on our working practices and our data quality reporting. There have been a number of challenges with statutory and operational reporting post go-live, which are largely due to the Trust being the first organisation to use Epic's UK foundation system build, and also the unintended consequence of implementing a new Data Warehouse at the same time as the EPR.

The Board of Directors formally reviews performance against the quality indicators at the bi-monthly Board meetings, and during the reporting year the Board, regional colleagues and national bodies have been kept fully informed of the EPR issues. Since go-live the impact of introducing the EPR on patient safety and performance has been closely monitored. Clinical reviews post go-live established that there has been no significant individual patient harm caused by introducing the EPR.

The majority of the reporting issues stem from incomplete or inconsistent data capture with that captured in the past and these issues have challenged our ability to produce accurate reports. With regard to performance we have actively monitored and tracked:

- Elective waiting lists and RTT performance
- Cancer performance using the existing cancer system as a safety net
- Diagnostic waiting times

In November 2022, following agreement with NHS England and CQC we ceased our national audit submissions where data quality and case ascertainment were affected by the EPR reporting issues.

With regard to CQUIN we opted to submit to programmes where we were able to confidently obtain good audit data, and we continued with the quality improvement work associated with our five key CQUINs within the standard contract. Further details are reported in our Quality Account which is published in July 2023.

As part of the EPR stabilisation work there are nine dedicated workstreams that have been established to focus on remediation work and ensure that the Trust is able to return to the usual cycle of reporting with accurate data. The oversight of the EPR Programme Board, together with the Trust's governance arrangements enabled a prompt and agile response to our data quality issues in 2022-23.

8.0 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The key considerations of my review of the effectiveness of the system of internal control can be summarised as follows:

- The Board and its committees have been actively involved in reviewing the Board Assurance Framework and Corporate Risk Register. These documents provide me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.
- The Board has monitored progress against the top risks facing the organisation and throughout the year has assured itself that the actions to address risks against the strategic objectives are proportionate and effective across the range of its business.
- Internal monitoring arrangements such as the quality, finance, workforce and operational performance reports, and the directorate performance information.
- The Audit Committee has overseen the system of internal control, especially with regard to corporate risk and counter fraud.
- Internal Audit has reviewed the Trust's internal controls based on an audit plan approved by the Audit Committee. Where scope for improvement was found, recommendations were made, and appropriate action plans agreed with management.
- The Head of Internal Audit Opinion did not, based on the work they undertook during the year, highlight any significant control issues. Overall, a moderate assurance opinion was provided, confirming there were no major weaknesses in the internal control system for the areas reviewed in 2022-23.
- This effectiveness review is a recurring process throughout the year marked by revisions of the Board Assurance Framework and a review of performance by the Board.

8.1 Other Internal Assurances

My review of the effectiveness of internal control has also taken into consideration feedback from the Quality Assurance Committee, Finance and Investment Committee, Audit Committee and Board of Directors. A system of continuous improvement is in place with in-depth focused work triggered by identification of risks. This is supported by:

- Frimley Health NHS Foundation Trust assurance process for monitoring levels of compliance against CQC registration
- The annual report from the Trust Freedom to Speak Up Guardian and the establishment of Freedom to Speak up Champions and Advocates, all of whom are available to encourage staff to raise their concerns
- The work of the Clinical Audit & Effectiveness Committee which provides assurance that controls are in place for clinical processes and, where risk is identified through clinical audits, this is escalated through the risk management process.
- Direct feedback from senior clinicians and corporate staff at monthly Top Leaders meetings and from other staff groups at regular Executive Listening events.

In addition, I gain assurance from the following third-party sources:

- The annual report of the Trust's external auditors
- Regular reports from the internal auditors and the local counter fraud specialist
- HFMA Financial Sustainability Advisory Report
- patient and staff surveys
- Care Quality Commission review reports
- NHSE monitoring and other benchmarking
- External reviews from other sources such as the Deanery, clinical networks, and those listed below.

8.2 External Reviews

My review is also informed by the following external reviews of the organisation's services during the reporting year:

Organisation	Location	Date
CQC/Ofsted	Wexham Park Hospital – Emergency & Maternity Departments	May 2022
UKAS	Frimley Park Hospital & Wexham Park Hospital – Microbiology and Biochemistry	April & May 2022
UKAS	Frimley Park Hospital – Haematology/Blood Transfusion	June 2022
CQC	Heathlands & Heatherwood Hospital	June 2022
Specialist Pharmacy Service, Regional Pharmaceutical Quality Assurance Service	Wexham Park Hospital – Aseptic Unit	July 2022
NHS England South – Ockenden Insight Visits	Wexham Park & Frimley Park Hospitals	August 2022
UKAS	Wexham Park Hospital – Blood Sciences	September 2022
Health and Safety Executive	Frimley Park Hospital	September 2022
UKAS	Frimley Park Hospital – Histology/Molecular	October 2022
Pulmonary Rehabilitation Services Accreditation Scheme, Royal College of Physicians	Frimley Health Community Respiratory Team - Farnham Hospital and Camberley Leisure Centre	November 2022
Faculty of Medicine – Southampton University	Frimley Park Hospital	November 2022
NHS Cervical Screening Quality Assurance Service	FHFT	November 2022
Joint Advisory Group	Heatherwood and Wexham Park Hospitals	December 2022
Human Tissue Authority	Frimley Park Hospital Mortuary	December 2022
NHS South West London & Surrey Trauma Network	Frimley Park Hospital	December 2022
Surrey Heath Borough Council Food Hygiene Inspection	Frimley Park Hospital – Pine Trees Restaurant, Café Glade	February 2023
KSS Deanery	Frimley Park Hospital	March 2023

9.0 Conclusion

My review confirms that Frimley Health NHS Foundation Trust has a generally sound system of governance that supports the achievement of its policies, aims and objectives. Issues in-year have been or are being addressed and no significant internal control issues have been identified.

Neil Dardis
Chief Executive
29 June 2023

Annual Accounts 2022-23

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF FRIMLEY HEALTH NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Frimley Health NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 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 state of the Trust's affairs as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in March 2023 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

Basis for opinion

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

Going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to either cease the 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 Accounting Officer's 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 Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the Accounting Officer's assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 because of the need to achieve financial performance targets delegated to the Trust by NHS England
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Trust's accounting policies.

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

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

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

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included seldom used accounts, material journals posted in period 13.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Agreeing a sample of year end accruals to relevant supporting documents, including actual invoices received post year end, where applicable.
- Performing cut-off testing of expenditure in the period before and after 31 March 2023 to determine whether amounts have been recorded in the correct period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the Accounting Officer (as required by auditing standards), and discussed with the Accounting Officer the policies and procedures regarding compliance with laws and regulations.

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

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

Firstly, the 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.

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, and employment law, recognising the regulated 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 Accounting Officer [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 these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required by the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in all material respects, in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 99, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

As explained more fully in the statement set out on page 99, the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have planned our work and undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006. We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Frimley Health NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Joanne Lees

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

29 June 2023

FOREWORD TO THE ACCOUNTS

FRIMLEY HEALTH NHS FOUNDATION TRUST

The accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed: Neil Dardis, Chief Executive

Date: 29 June 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	NOTE	2022/23 £000	2021/22 £000
Operating income from patient care activities	2	**921,318**	831,630
Other operating income		**64,227**	73,343
Operating expenses	3-4	**(992,274)**	(927,301)
Net operating (deficit) from continuing operations		**(6,729)**	(22,328)
Finance costs			
Finance income		**3,858**	90
Finance expenses - financial liabilities	5	**(702)**	(666)
Gain / (Loss) on disposal of asset		**16,614**	(105)
Public Dividend Capital dividends payable		**(13,304)**	(12,162)
Net finance costs		**6,466**	(12,843)
(DEFICIT) FOR THE YEAR		**(263)**	(35,171)
Other comprehensive income/expense			
Will not be reclassified to income and expense:			
Revaluation gain on property, plant and equipment	8	**37,372**	12,209
Impairment loss on property, plant and equipment	8	**0**	(1,758)
TOTAL COMPREHENSIVE (EXPENSE) FOR THE YEAR		**37,109**	(24,720)

The following notes 1 to 22 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2023

	NOTE	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	7	**75,908**	52,011
Property, plant and equipment	8	**512,810**	462,218
Right of use assets	9	**16,548**	0
Trade and other receivables	12	**1,233**	1,328
Total non-current assets		**606,499**	515,557
Current assets			
Inventories	11	**15,862**	14,057
Trade and other receivables	12	**70,067**	49,771
Cash and cash equivalents	16	**149,835**	195,682
Total current assets		**235,764**	259,510
Current liabilities			
Trade and other payables	13.1	**(139,666)**	(127,925)
Tax payable	13.1	**(13,564)**	(11,297)
Borrowings	13.2	**(13,678)**	(8,249)
Other liabilities	13.4	**(20,174)**	(28,614)
Provisions for liabilities and charges	14	**(212)**	(211)
Total current liabilities		**(187,294)**	(176,296)
Total assets less current liabilities		**654,969**	598,771
Non current liabilities			
Borrowings	13.3	**(38,339)**	(36,596)
Provisions for liabilities and charges	14	**(2,028)**	(2,305)
TOTAL ASSETS EMPLOYED		**614,602**	**559,870**
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital		**387,909**	370,286
Revaluation reserve		**129,644**	92,272
Income and Expenditure Reserve		**97,049**	97,312
TOTAL TAXPAYERS' EQUITY		**614,602**	559,870

The financial statements on pages XX to XX were approved by the Board of Directors and signed on its behalf by

Neil Dardis, Chief Executive, 29 June 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2023

	2022/23 £000	2021/22 £000
Cash flows from operating activities		
Operating (deficit)/surplus	**(6,729)**	(22,328)
Depreciation and amortisation	**38,177**	26,342
Impairments	**0**	39,838
Income recognised in respect of capital donations	**(174)**	(63)
(Increase)/Decrease in Inventories	**(1,805)**	(4,112)
(increase)/Decrease in Trade and other receivables	**(19,156)**	(7,703)
Increase in Trade and other payables	**3,619**	29,175
Increase/(Decrease) in Provisions	**(276)**	1,208
Net cash generated from operating activities	**13,656**	62,357
Cash flows from investing activities		
Interest received	**3,858**	90
Purchase of intangible assets	**(26,986)**	(27,162)
Purchase of Property, Plant and Equipment	**(41,464)**	(47,591)
Proceeds from sales of property, plant and equipment	**16,784**	0
Net cash used in investing activities	**(47,808)**	(74,663)
Cash flows from financing activities		
Public dividend capital received	**17,623**	31,008
Movement in loans from DHSC	**(6,840)**	(6,840)
Interest on DHSC loans	**(566)**	(635)
Other interest	**0**	(1)
Movement in other loans	**(982)**	(991)
PDC dividend paid	**(14,494)**	(10,046)
Capital element of lease liability repayments	**(6,274)**	(210)
Interest element of lease liability repayments	**(162)**	(55)
Net cash generated from financing activities/(used in financing activities)	**(11,695)**	12,230
(Decrease)/Increase in cash and cash equivalents	**(45,847)**	(76)
Cash and cash equivalents at 1 April	**195,682**	195,758
Cash and cash equivalents at 31 March	**149,835**	195,682

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

	Total	Revaluation Reserve	Income and Expenditure Reserve	Public Dividend Capital
	£000	£000	£000	£000
Taxpayers' equity as at 1 April 2022	559,870	92,272	97,312	370,286
Deficit for the year	(263)	0	(263)	0
Impairment loss on property, plant and equipment	0	0	0	0
Revaluations - property, plant and equipment	37,372	37,372	0	0
Public dividend capital received	17,623	0	0	17,623
As at 31 March 2023	**614,602**	**129,644**	**97,049**	**387,909**

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

	Total	Revaluation Reserve	Income and Expenditure Reserve	Public Dividend Capital
	£000	£000	£000	£000
Taxpayers' equity as at 1 April 2021	553,582	81,821	132,483	339,278
Deficit for the year	(35,171)	0	(35,171)	0
Impairment loss on property, plant and equipment	(1,758)	(1,758)	0	0
Revaluations - property, plant and equipment	12,209	12,209	0	0
Public dividend capital received	31,008	0	0	31,008
As at 31 March 2022	**559,870**	**92,272**	**97,312**	**370,286**

Revaluation Reserve - any gains/(losses) on property, plant and equipment are recorded in the revaluation reserve.

The Income and Expenditure Reserve - records any surplus or deficit on a non-profit-seeking concern.

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 trust. HM treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

NOTES TO THE ACCOUNTS

1 Accounting policies and other information

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

1.1 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.

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

1.2 Revenue from contracts

1.2.1 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. Credit terms are not offered.

1.2.2 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. The 2022/23 arrangements are materially similar to those in the prior year. In 2022/23, aligned payment and incentive (API) contracting arrangements apply to the majority of patient care income earned from commissioners, This includes both the fixed and variable elements (where the variable element has operated locally this year). The structure of the notes remain the same as last year however the terminology used to describe block payments has been updated to align with 2022/23 contracting guidance.

The Trust also receives additional income to reimburse specific costs incurred and, in 2022/23, other income top-ups to support the delivery of services that is accounted for as variable consideration.

In 2022/23, the Elective Services Recovery Fund (ESRF) enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. NHSE/I confirmed that there will be no ESRF claw back from systems to NHS England this financial year.

1.2 **Revenue from contracts (Continued)**

1.2.3 Revenue from reseach 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.

1.2.4 NHS injury cost recovery scheme

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

1.2.5 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale of contract, less costs to sell.

Income from donations and grants

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants. Both Government grants and donations are recognised in accordance with IAS20.

As regards the Frimley Health Charity any legacies are accounted for as incoming resources where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

Apprenticeship service income

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

1.3 Expenditure on Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments 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 to 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 employer, 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 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.

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

1.3 Expenditure on Employee Benefits

c) Scheme provisions

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.4 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.

1.5 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.

1.6 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; and
- the cost of the item can be measured reliably.

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and they:

1.6 Property, plant and equipment (continued)

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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 economic lives.

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.

Land and buildings are measured subsequently at fair value, other assets are valued at depreciated cost.

Property, plant and equipment are stated at the lower of replacement cost or recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment are not capitalised but are charged to the statement of comprehensive income in the year to which they relate in accordance with Monitor's interpretation of IAS 23 revised.

All land and buildings are revalued using professional valuations in accordance with IAS 16. The frequency of valuations is dependent upon changes in the fair value of the items of property, plant and equipment being revalued. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

Valuations are carried out by independent professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis for specialised operational property and existing use value for non-specialised operational property.

The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out under fair value based on alternative use.

Valuation for land and buildings have been carried out using an optimised site basis across all Trust sites.

The District Valuation Service (DVS) completed a desktop update valuation as at 31 March 2022 of all properties held by the Trust which qualify as non-current assets. This included the Frimley Park Hospital and Wexham Park Hospital sites. The Heatherwood Hospital was subject to a good housekeeping valuation as this was a new build. Valuation as at 31 March 2023 are having applied appropriate indexation.

1.6 Property, plant and equipment (continued)

As at the valuation date, the valuer has considered that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that the valuer is faced with an unprecedented set of circumstances on which to base a judgement. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Operational equipment has not been inflated due to it being immaterial.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the property, plant and equipment valuation or when they 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 economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

Equipment surplus to requirements is valued at net recoverable amount.

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 future economic benefits 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 reliably determined. The carrying amount of the part replaced is derecognised. 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.

Depreciation

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

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

Plant and machinery, information technology equipment and furniture and fittings are depreciated on current cost basis evenly over the estimated life. The useful economic life for equipment assets is typically between 2 to 8 years for IT assets, and between 2 to 15 years for plant and equipment.

Asset lives of buildings and dwellings are up to a maximum of 80 years. Buildings across the sites are deemed to have a useful economic live ranging from 10 years to 77 years

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are credited to operating income.

1.6 Property, plant and equipment (continued)

At each financial year end, checks are made to consider whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Where an impairment is not the result of a loss of economic benefit or service potential, decreases in asset values and impairments 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. Impairments can arise when land and building valuations have been conducted by independent professionally qualified valuers. Where an impairment is due to a loss of economic benefit or service potential in the asset, the impairment is 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.

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

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

i) the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and

ii) the sale must be highly probable i.e.;

- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated property plant and equipment

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 donation/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 assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

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

1.7 Intangible assets

Recognition

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

Intangible assets are capitalised if they are capable of being used for a period which exceeds one year, they can be valued and have a cost of at least £5,000.

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.

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. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

Depreciated replacement cost is being used as a proxy of fair value for intangible assets. The assessment of intangible assets highlights that software held typically has a life of approximately 2 to 10 years.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits. Intangible assets on the Statement of Financial Position have a life of between 2 to 10 years assigned.

1.8 Jointly controlled operation

The Trust is a member of Berkshire and Surrey Pathology Service, which incorporates Ashford and St. Peter's Hospitals NHS Foundation Trust (ASPH), Royal Surrey County Hospital NHS Foundation Trust (RSCH), Royal Berkshire Hospital NHS Foundation Trust (RBH) and Surrey and Sussex Healthcare NHS Trust (SASH). This arrangement operates within the definition of a jointly controlled operation under IAS 31.

The Trust accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the Berkshire and Surrey Pathology Services, identified in accordance with the Pathology service agreement. Accordingly, ASPH, RSCH, RBH and SASH also account for their share of the assets, liabilities, income and expenditure in their financial statements.

1.9 Cash and bank

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours.

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

1.9 Cash and bank (continued)

Cash and bank balances are recorded at the fair value of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see note 21 - Third party assets). Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.10 Financial instruments and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets are categorised as 'Loans and receivables'. Financial liabilities are classified as 'Other financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

1.10 Financial instruments and financial liabilities (continued)

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.11 Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, thereafter the asset is accounted for as an item of property plant and equipment and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

Initial application of IFRS 16

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

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

The Trust as lessee

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

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

2021/22 comparatives

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

1.12 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 the discount rates published and mandated by HM Treasury.

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

1.13 Clinical negligence costs

NHS Resolution (formerly NHS Litigation Authority) operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. The Trust carries no liabilities in relation to these 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 14 but is not recognised in the Trust's accounts.

1.14 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.

1.15 Contingencies

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

Contingent liabilities are not recognised, but are disclosed in a note to the accounts unless the probability of 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 for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of International Accounting Standard (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 in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

1.17 Value Added Tax

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

1.18 Corporation Tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

The majority of the Trusts's activities are related to core healthcare and are not subject to tax.

1.19 Foreign exchange

The functional and presentational currencies of the Trust are sterling.

A transaction which is denominated in a foreign currency is translated into 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 (other than financial instruments measured at 'fair value through income and expenditure') 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.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients see note 21 of the accounts) are not recognised in the Trust's accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

1.21 Reserves

Other reserves have been created to account for differences between the Trust's opening capital debt (Public Dividend Capital on its inception as an NHS Foundation Trust) and the value of net assets transferred to it.

1.22 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are reviewed regularly.

1.22.1 Critical judgements in applying accounting policies

There are no material judgements that are required to be disclosed separately that impact the accounting statements.

1.22.2 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:

PPE valuations: A desktop update was undertaken as at 31 March 2022, and further updated as at 31 March 2023 having applied appropriate indexation, as a full asset valuation of the land and buildings was undertaken as at 31 March 2020. A good housekeeping valuation was undertaken on the Heatherwood site. The valuations have been undertaken under IFRS, the RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions: "the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or "the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health has indicated that for NHS assets it requires the former assumption to be applied for operational assets, this is the approach that was taken by the DV. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation.

In the view of the Trust there are no further estimates or judgements which if wrong could significantly affect financial performance.

1.23 Charitable Funds

Material entities over which the Trust has the power to exercise control so as to obtain economic or other benefits are classified as subsidiaries and are consolidated. Their income and expenses; gains and losses; assets, liabilities and reserves; and cash flows are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is before 1 January or after 30 June.

Frimley Health NHS Foundation Trust is the Corporate Trustee of the Frimley Health Charity. The charity is deemed to be a subsidiary under the prescriptions of IAS 27. International Accounting Standards dictate that consolidated accounts should be prepared, that include the result and Statement of Financial Position of this subsidiary undertaking.

Consolidation of the Charitable Funds with the Trust's main accounts was deemed to be immaterial for 2022/23 Accounts. The unaudited value of the Charitable Funds reserves as at 31 March 2023 is circa £5.5m (2021/22 £4.8m), income received during the year was £2.5m (2021/22 £1.2m) and expenditure was £1.8m (2021/22 £1.8m).

Frimley Health NHS Foundation Trust is the sole beneficiary of the Frimley Health Charity. The charity registration number is 1049600 and the registered address is Portsmouth Road, Frimley, Camberley, Surrey GU16 7UJ. Accounts for the charity can be obtained from http://www.gov.uk/government/organisations/charity-commission

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

1.25 IFRS 16 transition adjustments (SoFP) as at 1 April 2022

	Prior year SoFP 31 Mar 2022 £000	Reclassify existing leased assets 1 Apr 2022 £000	Transistion adjustments - leases 1 Apr 2022 £000	1 April SoFP after IFRS 16 transition 1 Apr 2022 £000
Assets (current and non-current)				
Intangible assets	52,011	0	0	52,011
Property, plant and equipment	462,218	(1,522)	0	460,696
Right of use assets	0	1,522	21,294	22,816
Prepayments (for adjusting prepaid lease payments)	15,099	0	0	15,099
All other assets	245,739	0	0	245,739
Total assets	**775,067**	**0**	**21,294**	**796,361**
Liabilities (current and non-current)				
Payables - accruals	(61,566)	0	0	(61,566)
Borrowings - lease liabilities	(719)	0	(21,294)	(22,013)
Provisions (for adjusting onerous lease provisions)	(2,516)	0	0	(2,516)
All other liabilities	(150,396)	0	0	(150,396)
Total liabilities	**(215,197)**	**0**	**(21,294)**	**(236,491)**
Net assets	**559,870**	**0**	**0**	**559,870**
Equity				
Income and expenditure reserve	97,312	0	0	97,312
Revaluation reserve	92,272	0	0	92,272
All other reserves	370,286	0	0	370,286
Total equity	**559,870**	**0**	**0**	**559,870**

1.26 Early adoption of standards, amendments and interpretations

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

2. Operating Income from patient care activities

	2022/23	2021/22
2.1 Income from patient care activiites (by nature)	**£000**	£000
Acute Services		
Block contract / system envelope income	**814,413**	769,525
High cost drugs income from commissioners	**8,242**	467
Other NHS clinical income*	**766**	960
Community services		
Block contract / system envelope income	**18,866**	18,861
Other clinical income	**2,188**	703
	844,475	790,516
Additional pension costs	**22,804**	21,327
Agenda for change pay offer central funding	**17,668**	0
Private patient income	**12,626**	9,205
Elective Recovery Fund	**22,045**	10,000
Non-NHS Overseas patients (charged to patient)	**1,700**	582
NHS Injury Scheme	**0**	0
Total Income from activities	**921,318**	831,630

All income from patient care activities relates to contract income recognised in line with accounting policy 1.2.

2.2 Overseas visitors (relating to patients charged directly by the provider)	**2022/23**	2021/22
	£000	£000
Income recognised this year	**1,700**	582
Cash payments received in-year	**331**	340
Amounts added to provision for impairment of receivables	**1,097**	178
Amounts written-off in year	**531**	459

2.3 Other operating income	31 March 2023	31 March 2022
Other operating income from contracts with customers:	**£000**	£000
Reimbursement and top up funding	**6,824**	30,283
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	**1,694**	2,265
Education and training (excluding national apprenticeship levy income)	**20,578**	19,325
Research and development (contract)	**1,595**	1,411
Non commissioner requested services	**30,691**	53,284
Other non-contract operating income:		
Education and training - notional income from apprenticeship fund	**862**	920
Car Parking	**3,733**	2,217
Catering	**3,060**	2,372
Charitable and other contributions to expenditure	**174**	63
Staff accommodation	**416**	299
Clinical Excellence Award	**348**	339
Creche	**1,136**	1,212
Clinical tests	**16,160**	12,116
Other operating income	**7,647**	521
	33,536	20,059
Total other non-contract operating Income	**64,227**	73,343

2.4 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	31 March 2023	31 March 2022
	£000	£000
Total Commissioner requested services	**844,475**	790,516
Non-Commissioner requested services	**30,691**	53,284
Total Operating income	**875,166**	843,800
- Additional pension costs	**22,804**	21,327
- Agenda for change pay award central funding	**17,668**	0
- Private patient income	**12,626**	9,205
- Overseas patients (non-reciprocal)	**1,700**	582
- NHS Injury Scheme	**0**	0
Elective recovery fund	**22,045**	10,000
Other income	**33,536**	20,059
Non-Commissioner requested services	**110,379**	61,173
Total Income	**985,545**	**904,973**

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

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

3. Operating Expenses

3.1 Operating expenses comprise	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS bodies	**4,235**	3,193
Purchase of healthcare from non-NHS bodies	**17,992**	16,198
Chair and non-executive directors' costs	**170**	154
Executive directors' costs	**1,555**	1,542
Staff costs	**608,082**	528,092
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**22,804**	21,327
Education and training - notional expenditure funded from apprenticeship fund	**862**	920
Drug costs	**91,705**	87,056
Supplies and services - clinical (excluding drug costs)	**78,393**	84,024
Supplies and services - general	**11,231**	8,805
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**1,694**	2,265
Supplies and services – general: notional cost of equipment donated from NHSE for COVID response below capitalisation threshold	**0**	0
Establishment	**10,116**	8,602
Transport	**5,633**	4,795
Premises	**58,935**	45,371
(Decrease)/Increase in bad debt provision	**964**	(1,096)
Depreciation	**35,088**	25,708
Amortisation on intangible assets	**3,089**	634
Property, plant and equipment impairment	**0**	39,838
Audit Fees - statutory audit	**142**	96
Internal audit fees	**84**	85
Clinical negligence	**29,712**	30,431
Rentals under operating leases	**635**	9,779
Consultancy costs	**4,086**	4,811
Legal Fees	**480**	428
Education training and conferences	**2,029**	1,730
Other expenses	**2,558**	2,513
	992,274	927,301

3.2 Auditor's remuneration

The Council of Governors re-appointed KPMG as the external auditors from 1 April 2022, for a period of 3 years, with an option to extend for a further 2 years to March 2028. The table below shows the fees for KPMG for 2022/23 and the prior year 2021/22, in accordance with the Audit Code issued by NHS England.

Audit Services - Statutory Audit	2022/23 £(exc. VAT)	2021/22 £(exc. VAT)
Audit of the Trust's financial statements	**118,200**	80,000
Annual Accounts	**93,200**	68,000
Value for money audit work	**15,000**	12,000
ISA 315 Revised	**10,000**	0
Total	**118,200**	80,000

Audit fees shown within note 3.1 are shown gross

3.2 Auditor's remuneration (continued)

Non Audit fees	2022/23 £(exc. VAT)	2021/22 £(exc. VAT)
1. the auditing of accounts of any associate of the trust	**0**	0
2. audit-related assurance services	**0**	0
3. taxation compliance services	**0**	0
4. all taxation advisory service not falling within item 3 above	**0**	0
5. internal audit services	**0**	0
6. all assurance services not falling within items 1 to 5	**0**	0
7. corporate finance transaction services not falling within Items 1 to 6 above and	**0**	0
8. all other non-audit services not falling within items 2 to 7 above.	**0**	0
Total	**0**	0

KPMG is the external auditor of Frimley Health Charitable Funds, of which the Trust is the Corporate Trustee. The fees in respect of this engagement are £7k (excl VAT).

The engagement letter signed on 23 February 2023, states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £2m, aside from where the liability cannot be limited by law. This is in aggregate in respect of all services.

3.3 Operating leases

3.3.1 Arrangements containing an operating lease	2022/23 £000	2021/22 £000
Payments recognised as an expense	**635**	9,779
	635	9,779

3.3.2 Future minimum lease payments due	2022/23	2021/22
Annual payments on leases:	**£000**	£000
Not later than one year	**442**	9,567
Later than one year and not later than five years	**1,186**	13,725
Later than five years	**378**	1,157
	2,006	24,449

IFRS 16 Leases has been applied to these financial statements with an initial application date of 1 April 2022 and have been applied to existing contracts where they were previously deemed to be a lease.

4. Staff Costs

4.1 Staff costs	2022/23 Total	Permanently Employed and Bank	Other	2021/22 Total
	£000	**£000**	**£000**	£000
Salaries and wages	**461,420**	**457,312**	**4,108**	422,805
Social Security Costs	**52,311**	**52,311**	**0**	43,918
NHS Pension costs	**51,709**	**51,709**	**0**	48,679
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**22,804**	**22,804**	**0**	21,327
Pensions cost - other	**84**	**0**	**84**	0
Apprenticeship levy	**2,309**	**2,309**	**0**	2,078
Agency/contract/MOD staff	**49,558**	0	**49,558**	21,516
Recoveries from other bodies	**(891)**	**(891)**	**0**	(727)
	639,304	**585,554**	**53,750**	559,596

Costs for MOD staff shown above were £1,746k (2021/22 - £1,558), staff are employed on the Frimley site under contract from the MOD.

4.2 Staff exit packages

	2022/23 Compulsory redundancies Number	2022/23 Cost of compulsory redundancies £000s	2021/22 Compulsory redundancies Number	2021/22 Cost of compulsory redundancies £000s
<£10,000	**1**	**6**	0	0
£10,001 - £25,000	**2**	**37**	0	0
£25,001 - £50,000	**7**	**244**	0	0
£50,001 - £100,000	**4**	**306**	0	0
£100,001 - £150,000	**1**	**122**	0	0
Total Compulsory redundancies	**15**	**715**	0	0

	2022/23 Other departures agreed Number	2022/23 Other departures agreed £000s	2021/22 Other departures agreed	2021/22 Other departures agreed
<£10,000	**6**	**12**	14	47
£10,001 - £25,000	**1**	**17**	1	14
£50,001 - £100,000	**1**	**81**	0	0
Total other departures	**8**	**110**	15	61

4.3 Monthly average number of persons employed

	2022/23 Total Number	Permanently Employed Number	Bank and Agency Number	2021/22 Total Number
Medical and dental	**1,418**	**1,220**	**198**	1,362
Administration and estates	**1,811**	**1,680**	**131**	1,980
Healthcare assistants and other support staff	**2,383**	**1,929**	**454**	2,268
Nursing, midwifery and health visiting staff	**3,527**	**2,795**	**732**	3,124
Scientific, therapeutic and technical staff	**1,499**	**1,310**	**189**	1,460
	10,638	**8,934**	**1,704**	10,194

4.4 Early retirements due to ill health

During 2022/23 there were 4 early retirements from the Trust agreed on the grounds of ill-health at a cost of £50k (2021/22 - 5 at a cost of £374k).

5. Finance Expenses - Financial Liabilities

	2022/23 £000	2021/22 £000
Finance leases	**162**	55
Interest on loans from the Department of Capital Loan	**540**	610
Interest on late payment of commercial debt	**0**	1
	702	666

6. Better Payment Practice Code

6.1 Better payment practice code - measure of compliance

	2022/23		2021/22	
	Number	**£000**	Number	£000
NHS				
Total bills paid in the year	**2,831**	**52,853**	3,072	43,969
Total bills paid within target	**2,206**	**29,056**	2,460	29,484
Percentage of bills paid within target	**78%**	**55%**	80%	67%
Non-NHS				
Total bills paid in the year	**172,799**	**362,689**	142,867	312,386
Total bills paid within target	**166,338**	**320,527**	138,285	281,427
Percentage of bills paid within target	**96%**	**88%**	97%	90%
Total				
Total bills paid in the year	**175,630**	**415,542**	145,939	356,355
Total bills paid within target	**168,544**	**349,583**	140,745	310,911
Percentage of bills paid within target	**96%**	**84%**	96%	87%

Under the better payment practice code the Trust aims to pay all valid NHS and non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

6.2 The Late Payment of Commercial Debts (Interest) Act 1998

An amount of £0k has been included within finance costs arising from claims made under this legislation (2021/22 - £1k).

7. Intangible Assets

Intangible assets at the statement of financial position date comprise the following elements

	Total	Software	Intangible assets under construction
	£000	£000	£000
Gross cost at 1 April 2022	**61,963**	43,042	18,921
Additions - purchased	**26,986**	26,986	0
Reclassification	**0**	18,921	(18,921)
Gross cost at 31 March 2023	**88,949**	**88,949**	**0**
Accumulated amortisation at 1 April 2022	**9,952**	9,952	0
Provided during the year	**3,089**	3,089	0
Accumulated amortisation at 31 March 2023	**13,041**	**13,041**	**0**
NBV - Purchased at 31 March 2022	**52,011**	33,090	18,921
NBV total at 31 March 2022	**52,011**	**33,090**	**18,921**
NBV - Purchased at 31 March 2023	**75,908**	**75,908**	**0**
NBV total at 31 March 2023	**75,908**	**75,908**	**0**

Intangible software assets have been assigned a life of between 2 to 10 years.

2021/22	Total	Software	Intangible assets under construction
	£000	£000	£000
Gross cost at 1 April 2021	**34,801**	31,155	3,646
Additions - purchased	**27,162**	11,887	15,275
Gross cost at 31 March 2022	**61,963**	**43,042**	**18,921**
Accumulated amortisation at 1 April 2021	**9,318**	9,318	0
Provided during the year	**634**	634	0
Accumulated amortisation at 31 March 2022	**9,952**	**9,952**	**0**
NBV - Purchased at 31 March 2021	**25,483**	21,837	3,646
NBV total at 31 March 2021	**25,483**	**21,837**	**3,646**
NBV - Purchased at 31 March 2022	**52,011**	**33,090**	**18,921**
NBV total at 31 March 2022	**52,011**	**33,090**	**18,921**

Intangible software assets have been assigned a life of between 2 to 10 years.

Intangible assets under construction consist of software assets that are still under development with the third party.

8 Property, plant and equipment at the statement of financial position date comprise the following elements

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information technology equipment	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	622,257	44,500	347,230	847	10,821	124,635	135	80,848	13,241
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	(1,522)	0	0	(800)	0	(722)	0	0	0
Additions - purchased	43,558	0	15,277	0	11,349	5,813	0	11,119	0
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	174	0	0	0	0	174	0	0	0
Additions - equipment donated from DHSC for COVID response	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations/grants	0	0	0	0	0	0	0	0	0
Revaluations	37,271	0	37,271	0	0	0	0	0	0
Impairments/surpluses charged to revaluation reserve	0	0	0	0	0	0	0	0	0
Impairments recognised in operating expenses	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	4,975	0	(4,975)	0	0	0	0
Disposals/Derecognition	(563)	0	0	0	0	(563)	0	0	0
Cost or valuation at 31 March 2023	**701,175**	**44,500**	**404,753**	**47**	**17,195**	**129,337**	**135**	**91,967**	**13,241**
Accumulated Depreciation at 1 April 2022	160,039	0	17,789	47	0	91,475	124	40,309	10,295
Provided during the year	28,719	0	10,285	0	0	8,633	0	9,201	600
Accumulated depreciation written out upon revaluation	0	0	0	0	0	0	0	0	0
Disposals/Derecognition	(393)	0	0	0	0	(393)	0	0	0
Depreciation at 31 March 2023	**188,365**	**0**	**28,074**	**47**	**0**	**99,715**	**124**	**49,510**	**10,895**
Net book value									
Purchased at 1 April 2022	451,291	44,500	320,884	0	10,821	31,590	11	40,539	2,946
Finance Leases at 1 April 2022	1,522	0	0	800	0	722	0	0	0
Donated at 1 April 2022	9,405	0	8,557	0	0	848	0	0	0
Total at 1 April 2022	**462,218**	**44,500**	**329,441**	**800**	**10,821**	**33,160**	**11**	**40,539**	**2,946**
Net book value									
- Purchased at 31 March 2023	503,768	44,500	368,436	0	17,195	28,823	11	42,457	2,346
- Donated at 31 March 2023	9,042	0	8,243	0	0	799	0	0	0
Total at 31 March 2023	**512,810**	**44,500**	**376,679**	**0**	**17,195**	**29,622**	**11**	**42,457**	**2,346**

8.1 Property, plant and equipment at the statement of financial position date comprise the following elements

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information technology equipment	Furniture and fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	590,852	40,580	270,401	825	90,713	115,368	135	60,439	12,391
Additions - purchased	61,369	0	23,851	0	6,415	9,844	0	20,409	850
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donated	63	0	0	0	0	63	0	0	0
Additions - equipment donated from DHSC for COVID response	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations/grants	0	0	0	0	0	0	0	0	0
Revaluations	12,209	3,920	8,267	22	0	0	0	0	0
Impairments/surpluses charged to revaluation reserve	(1,758)	0	(1,758)	0	0	0	0	0	0
Impairments recognised in operating expenses	(39,838)	0	(39,838)	0	0	0	0	0	0
Reclassifications	0	0	86,307	0	(86,307)	0	0	0	0
Disposals/Derecognition	(640)	0	0	0	0	(640)	0	0	0
Cost or valuation at 31 March 2022	**622,257**	**44,500**	**347,230**	**847**	**10,821**	**124,635**	**135**	**80,848**	**13,241**
Accumulated Depreciation at 1 April 2021	134,866	0	8,912	25	0	84,621	124	31,668	9,516
Provided during the year	25,708	0	8,877	22	0	7,389	0	8,641	779
Accumulated depreciation written out upon revaluation	0	0	0	0	0	0	0	0	0
Disposals/Derecognition	(535)	0	0	0	0	(535)	0	0	0
Depreciation at 31 March 2022	**160,039**	**0**	**17,789**	**47**	**0**	**91,475**	**124**	**40,309**	**10,295**
Net book value									
Purchased at 1 April 2021	444,922	40,580	253,293	0	90,713	28,679	11	28,771	2,875
Finance Leases 1 April 2021	1,732	0	0	800	0	932	0	0	0
Donated at 1 April 2021	9,332	0	8,196	0	0	1,136	0	0	0
Total at 1 April 2022	**455,986**	**40,580**	**261,489**	**800**	**90,713**	**30,747**	**11**	**28,771**	**2,875**
Net book value									
- Purchased at 31 March 2022	451,291	44,500	320,884	0	10,821	31,590	11	40,539	2,946
- Finance Leases at 31 March 2022	1,522	0	0	800	0	722	0	0	0
- Donated at 31 March 2022	9,405	0	8,557	0	0	848	0	0	0
Total at 31 March 2022	**462,218**	**44,500**	**329,441**	**800**	**10,821**	**33,160**	**11**	**40,539**	**2,946**

Land and Buildings were revalued effective 31 March 2022 by the District Valuer, based on a desktop update valuation in accordance with the MEA Valuation method.

During the financial year revaluation of the following assets took place which resulted in the following impairments, which were charged to Statement of Comprehensive Income: Heatherwood Optimised Block and External Works £39,587k; Wexham Park MEA Workshop Block £251k

8.2 Assets held at open market value

Of the totals at 31 March 2023 and 31 March 2022 all assets were valued in line with valuation methods set out in Note 1.6.

9. Right of Use Assets

	Total	Property (land and buildings)	Plant & machinery
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	0	0	0
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	1,522	800	722
Recognition of right of use assets for existing operating leases on initial application of	21,294	0	21,294
Revaluations	101	101	0
Cost or valuation at 31 March 2023	**22,917**	**901**	**22,016**
Accumulated depreciation at 1 April 2022 - brought forward			
Provided during the year - right of use asset	6,369	23	6,346
Accumulated depreciation at 31 March 2023	**6,369**	**23**	**6,346**
Net book value at 31 March 2023	**16,548**	**878**	**15,670**

10. Assets Held for Sale

Assets held for sale recognised in year in respect of the Heatherwood land are considered to have nil book value. Transfer of the land completed September 2022 and future net sales receipts are anticipated to be £16.1m and £19.2m in September 2023 and September 2024 respectively, subject to terms agreed or determined in accordance with the sale contract. The two deferred payments are secured by way of a Legal Charge which will be released on a phased basis

11. Inventories

	31 March 2023	31 March 2022
	£000	£000
Drugs consumables	**5,970**	9,945
Clinical consumables	**9,892**	4,112
	15,862	14,057

IMS stock is included within both drugs and clinical stock, all numbers included are based on end of year system stock records produced automatically. The increase in stock value is driven by the IMS system which counts all stock, including very low value items.

12. Trade and Other Receivables

Note 12.1 Amounts falling due within one year:

	31 March 2023	31 March 2022
	£000	£000
Contract receivables (IFRS 15): invoiced	**45,731**	33,984
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	**6,454**	1,318
Provision for impaired receivables	**(3,507)**	(2,984)
Prepayments	**16,899**	15,099
NHS injury scheme income	**5,203**	4,870
NHS injury scheme provision	**(1,789)**	(2,516)
PDC dividend receivable	**1,045**	0
Clinician pension tax provision reimbursement funding from NHSE	**31**	0
	70,067	49,771

Note 12.2 Amounts falling due greater than one year:

Clinician pension tax provision reimbursement funding from NHSE	**1,233**	1,328
	1,233	1,328

The Clinician's pension tax provision is based on NHS England's updated calculation for provision liabilities arising from the 2019/20 clinicians' pensions compensation scheme for the Trust. These figures use the latest available information on actual uptake of the scheme. They are derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the scheme pays election form where present, and with averages assumed where these forms are absent or clearly an estimate (values less than £100). Future liabilities based on individual member data and scheme rules are then discounted to give totals for each Trust.

12.2 Provision for impairment of receivables	31 March 2023 £000	31 March 2022 £000
At 1 April	2,984	4,727
Increase in Provision	2,462	2,171
Changes in the calculation of existing allowances	(1,498)	(3,267)
Amounts utilised	(441)	(647)
At 31 March	**3,507**	**2,984**

12.3 Increase/(decrease) in bad debt provision (charged to Operating Expenses)

	31 March 2023 £000	31 March 2022 £000
Increase in provision	2,462	2,171
Unused amounts reversed	(1,498)	(3,267)
Charged to Operating Expenses	**964**	(1,096)

12.4 Ageing of impaired receivables	31 March 2023 £000	31 March 2022 £000
Up to three months	634	330
In three to six months	548	389
Over six months	2,042	1,934
Total	**3,224**	2,653

12.5 Ageing of non-impaired receivables past their due date	31 March 2023 £000	31 March 2022 £000
Up to three months	13,391	17,409
In three to six months	1,749	3,567
Over six months	583	3,960
Total	**15,723**	24,936

The Trust does not consider the above receivables past their due date to be impaired based on previous experience. The total reported above does not reconcile to note 12.1 as the total receivables balance includes receivables that are not classed as financial assets (see note 18.1.2) and receivables not past their due date as at 31 March 2023. In line with IAS1 debts are expected to be settled within 1 year.

13. Trade and other payables

13.1 Trade and other payables at the statement of financial position date are made up of:

Current liabilities	31 March 2023 £000	31 March 2022 £000
Trade payables	28,302	24,543
Capital payables (including capital accruals)	25,853	23,759
Accruals (revenue costs only)	74,643	61,566
Annual leave accrual	2,769	6,732
PDC Dividend payable	0	145
Pension contributions payable	7,261	6,951
Other payables	838	4,229
Trade and other payables	**139,666**	127,925
Tax payable (including social security costs)	13,564	11,297
Total trade and other payables	**153,230**	139,222

Accruals and Other Payables have been reclassified to provide enhanced detail to the nature of these balanc

13.2 Current borrowings		
Lease liabilities	5,620	210
Other loans	1,031	986
Loans from the Department of Health and Social Care	7,027	7,053
Total current borrowings	**13,678**	8,249

13.3 Non-current borrowings		
Lease liabilities	10,119	509
Other loans	0	1,027
Loans from the Department of Health and Social Care	28,220	35,060
Total non-current borrowings	**38,339**	36,596

13.4 Other liabilities - deferred income	20,174	28,614
Total other liabilities	**20,174**	28,614

13.5 Lease liabilities

2022/23	**Total**
Payable:	**£000**
Within one year	**5,773**
Between one and five years	**8,790**
Later than five years	**1,569**
Total gross future lease payments	**16,132**
Less finance charges allocated to future periods	**(393)**
Net lease liabilities	**15,739**
Of which:	
not later than one year	**5,620**
later than one year and not later than five years	**10,119**

2021/22	Total
Payable:	£000
Within one year	253
Between one and five years	562
	815
Less finance charges allocated to future periods	(96)
	719
not later than one year	210
later than one year and not later than five years	509

14. Provisions for Liabilities and Charges

	Total	Pensions - other staff	Other legal claims	Clinicians Pensions	Other
	£000	£000	£000	£000	£000
At 1 April 2022	**2,516**	433	117	1,332	634
Arising during the year	**13**	0	0	0	13
Utilised during the year	**(289)**	(94)	0	(68)	(127)
At 31 March 2023	**2,240**	**339**	**117**	**1,264**	**520**
Expected timing of cash flows:					
Within one year	**212**	68	17	31	96
Between one and five years	**846**	271	100	51	424
later than five years	**1,182**	0	0	1,182	0
	2,240	**339**	**117**	**1,264**	**520**

14.1 Provisions for Liabilities and Charges 2021/22

	Total	Pensions - other staff	Other legal claims	Clinicians Pensions	Other
	£000	£000	£000	£000	£000
At 1 April 2021	**1,308**	431	117	145	615
Arising during the year	**1,208**	2	0	1,187	19
Utilised during the year	**0**	0	0	0	0
At 31 March 2022	**2,516**	**433**	**117**	**1,332**	**634**
Expected timing of cash flows:					
Within one year	**211**	87	17	4	103
Between one and five years	**1,019**	346	100	42	531
After five years	**1,286**	0	0	1,286	0
	2,516	**433**	**117**	**1,332**	**634**

Pensions provisions have been calculated using figures provided by the NHS Pensions Agency, they assume certain life expectancies. Whilst this provides a degree of uncertainty in respect of both timing and total amounts, these estimates are based upon best available actuarial information.

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation.

Other provisions consist of the following which are also of uncertain timing and amount.

	£000
Injury benefit scheme	**408**
Pay provision	**14**
Additional pension provisions	**98**
Total other provisions	**520**

15. Clinical negligence liabilities

	2022/23 £000	2021/22 £000
Amount included in provisions of NHS Resolution in respect of Clinical Negligence liabilities of the Trust.	**523,856**	692,549

16. Cash and Cash Equivalents

	31 March 2023 £000	31 March 2022 £000
At 1 April	**195,682**	**195,758**
Net change in year	**(45,847)**	**(76)**
At 31 March	**149,835**	**195,682**
Broken down into:		
Cash at commercial banks and in hand	**51**	**22**
Cash with the Government Banking Service	**149,784**	**195,660**
Cash and cash equivalents in Statement of Cash Flows	**149,835**	**195,682**

17. Contractual Capital Commitments

Commitments under capital expenditure contracts at the statement of financial position date were £3,565k (2021/22 - £42,257k) these are in respect of the building work being undertaken for major capital projects across the main sites.

18. Post Statement of Financial Position Events

There are no material post statement of financial position events.

19. Related Party Transactions 2022/23

The Trust had significant transactions, defined as an income/expenditure balance of over £1,500k or a receivables/ payables balance of over £750k, with the following related bodies:

	2022/23 Income £000	2022/23 Expenditure £000	31/3/2023 Receivables £000	31/3/2023 Payables £000
NHS Frimley ICB	458,527	1,851	5,359	1,846
NHS Frimley CCG (Y02 (demised 01/07/22)	144,403	0	0	0
South East Regional Office	113,435	0	1,181	0
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB	62,919	0	2,759	0
NHS England - Core (now including expenditure and payables for all regions and central specialised commissioning)	26,928	53	17,697	0
Health Education England	21,983	0	199	0
NHS Buckinghamshire CCG (demised 01/07/22)	16,699	0	0	0
NHS Surrey Heartlands ICB	15,607	155	0	90
South West Regional Office	11,862	0	0	0
NHS Hampshire and Isle of Wight ICB	10,948	0	0	0
NHS England - Central Specialised Commissioning Hub	6,445	0	1,218	0
UK Health Security Agency	5,116	254	627	37
NHS Surrey Heartlands CCG (demised 01/07/22)	4,766	0	0	0
NHS North West London ICB	4,308	0	0	0
Royal Surrey NHS Foundation Trust	3,630	7,063	2,299	1,394
NHS Hampshire, Southampton and Isle of Wight CCG (Y01) (demised 01/07/22)	3,285	0	0	0
NHS Berkshire West CCG (demised 01/07/22)	2,531	0	0	0
Royal Berkshire NHS Foundation Trust	1,312	9,259	1,747	2,198
Berkshire Healthcare NHS Foundation Trust	1,159	874	1,097	653
Surrey And Sussex Healthcare NHS Trust	361	2	1,255	2
Ashford and St Peter's Hospitals NHS Foundation Trust	336	34	795	6
NHS Pension Scheme	0	74,513	0	7,261
HM Revenue & Customs - Other taxes and duties and NI contributions	0	54,620	0	13,564
NHS Resolution	0	29,711	0	3
NHS Property Services	0	6,196	0	2,198

The Trust who is the Corporate Trustee of the Frimley Health Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £174k relating to PPE additions. (2021/22 £105k).

Board members have only received short term employee benefits from the Trust, no post employment benefits, other long term benefits, share based payments or termination benefits have been paid to the Directors.

19.1 Related Party Transactions

The Trust had significant transactions, defined as an income/expenditure balance of over £1,500k or a receivables/ payables balance of over £750k, with the following related bodies:

	2021/22 Income £000	2021/22 Expenditure £000	31/3/2022 Receivables £000	31/3/2022 Payables £000
Department of Health and Social Care (incl. core trading and NHS Supply Chain Maidstone not incl. PDC or loan interest)	20,332	0	29	0
Health Education England	17,635	0	1,067	0
HM Revenue & Customs - Other taxes and duties and NI contributions (Expenditure includes apprenticeship levy and employer NI contributions. Balances include both employer and employee contributions / PAYE deductions).	0	45,996	0	11,297
NHS Berkshire West CCG	10,417	0	0	324
NHS Buckinghamshire CCG	65,426	0	0	0
NHS England - Central Specialised Commissioning Hub	18,863	0	551	0
NHS England - Core (now including expenditure and payables for all regions and central specialised commissioning)	9,839	17	3,922	9
NHS Frimley CCG (Y02) (formed from the merger 10C, 15D and 99M)	576,378	469	4,524	518
NHS Hampshire, Southampton and Isle of Wight CCG (Y01) (formed from the merger of (0K1, 10J, 10L, 10V, 10X and 11A)	13,180	0	0	0
NHS North West London CCG (Y05) (formed from merger of 07P, 07W, 07Y, 08C, 08E, 08G, 08Y and 09A)	4,504	0	0	0
NHS Oxfordshire CCG	1,263	0	1,263	0
NHS Pension Scheme (Balances includes both employee and employer contributions o/s plus other invoiced charges. Expenditure includes employer contributions only)	0	70,006	0	28
NHS Property Services	275	5,616	259	244
NHS Resolution	1,875	30,435	0	3
NHS Surrey Heartlands CCG	19,885	0	30	97
Royal Berkshire NHS Foundation Trust	846	1,063	6,161	1,382
Royal Surrey NHS Foundation Trust	2,937	6,570	3,493	3,656
South East Regional Office	65,235	0	885	0
South West Regional Office	11,476	0	0	0
St Helens And Knowsley Hospital Services NHS Trust	839	0	835	152
UK Health Security Agency	15,510	0	16	119

The Trust who is the Corporate Trustee of the Frimley Health Charity holds charitable funds for which transactions between parties are not deemed material. Included within operating income in respect of non cash donations credited to income are £105k relating to PPE additions. (2020/21 £103k).

Board members have only received short term employee benefits from the Trust, no post employment benefits, other long term benefits, share based payments or termination benefits have been paid to the Directors.

Salix has become a subsidary of BEIS during 2021/22

20. Financial Instruments

International Accounting Standards IAS 32, IAS 39 and IFRS 7, require disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local NHS Commissioners and the way those NHS Commissioners are financed, the Trust 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 the listed companies to which these standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated through day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Financial Risk Management

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 Treasury Management Policy agreed by the Board of Directors. Trust treasury activity is routinely reported and is subject to review by the Trust's internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. As such, the Trust does not normally undertake transactions in currencies other than sterling and is therefore not exposed to movements in exchange rates over time. All currency payments are translated into sterling at the exchange rate ruling on the date of the transaction. The total value of payments made in Euro denomination was 79,690 as at 31 March 2023 (2021/22 341,043).

The Trust's main exposure to interest rate fluctuations arises where it utilises external borrowings. The Trust has no external borrowing apart from several lease liabilities as per note 12.5 and accordingly has not been required to manage exposure to interest rate fluctuations.

Credit Risk

Due to the fact that the majority of the Trust's income comes from legally binding contracts with NHS bodies and Government departments the Trust does not believe that it is exposed to significant credit risk in relation to cash.

The Trust's deposits are routinely monitored in accordance with guidance issued by NHSE and are overseen by the Audit Committee, the Trust typically invests in A-1 institutions for short term investments.

Liquidity Risk

The Trust's net operating costs are incurred under legally binding contracts with local ICBs, which are financed from resources voted annually by Parliament. The Trust has the potential to fund its capital expenditure from funds obtained within the Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks.

20.1 Financial Instruments

20.1.1 Financial Assets

	Carrying Value £000
Financial assets	
Denominated in £ sterling	201,927
Gross financial assets at 31 March 2023	201,927
Denominated in £ sterling	231,682
Gross financial assets at 31 March 2022	231,682

20.1.2 Financial liabilities

	Carrying Value £000
Denominated in £ sterling	191,683
Gross financial liabilities at 31 March 2023	191,683
Denominated in £ sterling	172,625
Gross financial liabilities at 31 March 2022	172,625

The above financial assets have been included in the accounts at amortised cost as "loans and receivables", with no financial assets being classified as "assets at fair value through the profit and loss", "assets held to maturity" nor "assets held for resale".

Prepayments of £16,899k (2021/22 - £15,099k) are not considered to be financial instruments.

Other tax and social security payables amounts of £13,564k (2021/22 - £11,297k) and deferred income of £20,174k (2021/22 - £28,614k) are not considered to be financial instruments under IFRS and therefore have been excluded from the above analysis.

All financial liabilities are classified as "other financial liabilities", with no financial liabilities being classified as "liabilities at fair value through the I&E".

20.2 Financial Assets by Category

	Total	Loans and receivables
Assets as per statement of financial position	**£000**	**£000**
Receivables (excluding non financial assets) - with DHSC group bodies	39,834	39,834
Receivables (excluding non financial assets) - with other bodies	12,258	12,258
Cash and cash equivalents	149,835	149,835
Total at 31 March 2023	**201,927**	**201,927**

Assets as per statement of financial position	**£000**	**£000**
Receivables (excluding non financial assets) - with DHSC group bodies	20,074	20,074
Receivables (excluding non financial assets) - with other bodies	15,926	15,926
Cash and cash equivalents	195,682	195,682
Total at 31 March 2022	**231,682**	**231,682**

20.3 Financial liabilities by category

	Total	Other financial liabilities
Liabilities as per statement of financial position	**£000**	**£000**
Trade and other payables (excluding non financial liabilities) with DHSC group bodies	10,717	10,717
Trade and other payables (excluding non financial liabilities) with other bodies	128,949	128,949
Oligations under leases	15,739	15,739
Other loans - salix	1,031	1,031
Loans with the Department of Health and Social Care	35,247	35,247
Total at 31 March 2023	**191,683**	**191,683**

	Total £000	Other financial liabilities £000
Trade and other payables (excluding non financial liabilities) with DHSC group bodies	127,021	127,021
Trade and other payables (excluding non financial liabilities) with other bodies	759	759
Finance lease obligations	719	719
Other loans - salix	2,013	2,013
Loans with the Department of Health and Social Care	42,113	42,113
Total at 31 March 2022	**172,625**	**172,625**

20.4 Fair values	31 March 2023 Book Value £000	31 March 2023 Fair Value £000
Financial assets	201,927	201,927
Financial assets	**201,927**	**201,927**
Financial liabilities		
Payables over 1 year - Lease liabilities	10,359	10,359
Payables over 1 year - Loans	0	0
Loans with the Department of Health and Social Care over 1 year	28,220	28,220
Other	153,104	153,104
Financial liabilities	**191,683**	**191,683**

	31 March 2022 Book Value £000	31 March 2022 Fair Value £000
Financial assets	231,682	231,682
Financial assets	**231,682**	**231,682**
Financial liabilities		
Payables over 1 year - Finance Lease obligations	509	509
Payables over 1 year - Loans	1,027	1,027
Loans with the Department of Health and Social Care over 1 year	35,060	35,060
Other	136,029	136,029
Financial liabilities	**172,625**	**172,625**

As at 31 March 2023 there are no significant differences between fair value and carrying value of any of the Trust's financial instruments.

For financial assets and financial liabilities carried at fair value, the carrying amounts are classified as the carrying value net of the Trusts best estimates of bad and doubtful debts.

Discounted cash flows have not been performed on non-current liabilities due to the fact that the major lease is in Euros and the result would not be material.

20.5 Maturity of financial assets

All of the Trust's financial assets mature in less than one year.

20.6 Maturity of financial liabilities

	31 March 2023 £000	31 March 2022 £000
Less than one year	**153,497**	**136,098**
In more than one year but not more than five years	**16,550**	**22,108**
In more than five years	**22,029**	**14,778**
Total	**192,076**	**172,984**

This table replaces the previous maturity analysis for financial liabilities. Previously this analysis has been performed on book values. However IFRS 7 (para B11D) requires this analysis to be based on undiscounted future contractual cash flow (ie gross liabilities including finance charges).

21. Third Party Assets

The Trust held £0 cash and cash equivalents at 31 March 2023 (31 March 2021 - £0) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

22. Losses and Special Payments

There were 267 cases of losses and special payments (2021/22 - 283 cases) totalling £720,000 (2021/22 - £691,000) approved during 2022/23. Losses and special payments are charged to the relevant functional heading in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the entity, not been bearing its own risks, with insurance premiums then being incldued as normal revenue expenditure.

There were no clinical negligence cases where the net payment exceeded £300,000 (2021/22 - nil). These would relate to payments made by the Trust and would not relate to any payments made by NHS Resolution in respect of the Trust.

There were no fraud cases where the net payment exceeded £300,000 (2021/22 - nil).

There were no personal injury cases where the net payment exceeded £300,000 (2021/22 - nil).

There were no compensation under legal obligation cases where the net payment exceeded £300,000 (2021/22 - nil).

There were no fruitless payment cases where the net payment exceeded £300,000 (2021/22 - nil).

There were no Claims waived or abandoned where the net payment exceeded £300,000 (2021/22 - nil).

There were no stores losses and damage to property where the next payment exceeded £300,000 (2021/22 - nil).

The total costs in this note continue to be disclosed on a cash basis, under IFRS this should be on an accruals basis, however it is acknowledged that the amounts are immaterial and therefore continue to be on a cash basis.