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NHS 75

The Dudley Group
NHS Foundation Trust

Annual Report & Accounts 2022/23

The Dudley Group NHS Foundation Trust Annual Report and Accounts 2022/23

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

Contents

Foreword

Welcome to the Trust's Annual Report and Accounts for 2022/23. In this report, you will find information on how we have performed against a range of national and local standards and how we measure the quality of care we provide, alongside our financial accounts.

Sir David Nicholson, Chair

This year has been a year to focus on getting planned care back on track, the pandemic helped us learn quickly about remote access to health services and changing the way we provide services in our community. We have significantly reduced the amount of time patients are waiting for planned care and achieved the national standards, while also providing support for other trusts in our system

There are still some areas that are challenged and we continue to reduce those waits.

Our staff have been our most fantastic asset and we give thanks to our tremendous workforce who continue to provide the very best care they can under challenging circumstances. We are proud of the support we have in place to support their health and wellbeing and this offer has continued to grow as we listen to the needs of our workforce. We have some fantastic wellbeing champions across our services who help to support people in their workplace. This work is part of our People Plan which is being further developed to reflect the changing needs of our people. We have continued to focus on equality, diversity and inclusion and have thriving staff networks that challenge our thinking and support the way we make decisions and provide our services.

Diane Wake, Chief executive

The year has been filled with exciting technological advances for our patients and staff as we have invested and developed a new hybrid theatre, the first of its kind in the West Midlands. This theatre is a vital addition to our vascular service for which we are the 'hub' for the Black Country and allows for an improved patient experience and more streamlined care as it can prevent the need for multiple trips to the operating theatre.

Also in our theatres, we have invested in robotic surgery for our urology patients. This year saw the first robotic surgery performed in Dudley. This utilises computerised technology where the surgeon manipulates robotic arms and instruments to perform surgery with enhanced accuracy and degree of movement. There are many advantages to robotic surgery including a much-improved recovery time for the patient, and precision of surgery.

July saw the establishment of the Black Country Integrated Care Board and we continue to work with colleagues to support the delivery of the Forward Plan. We have strengthened our partnerships through the Black Country Provider Collaborative – this partnership brings together the four acute trusts to learn from one another, integrate and ensure equity of access and quality of services. Our own board has seen changes with Sir David Nicholson becoming our chair in September 2022 and from 1st April 2023, he has been appointed as chair at all four acute providers in the Black Country. This provides an opportunity for us to align the strategic direction of all four organisations for the benefit of our population's health.

At a local level across Dudley, we have also focused on strengthening our partnerships. Our patients have benefitted through partnership working to increase the use of our Clinical Hub and the introduction of discharge to assess pathways which have all helped improve patient experience and ensure people are treated in the right place. Our paediatric virtual ward was the first of its kind in the country with many other trusts following our model; our respiratory patients also benefit from a successful virtual ward.

When we developed our current strategy, we were very conscious of the new environment we would be working in. We deliberately chose a vision that faces both inward and outward recognising that we are about providing excellent healthcare whilst at the same time doing all that is within our gift to improve the overall health of the communities we serve and the only way we can do that is by working in partnership.

We have also invested in our workforce, through increased nurse recruitment both locally and internationally we have reduced our vacancies to an all-time low. Our spend on agency staff is the lowest it has been for some considerable time helping us to provide the very best care to our patients through substantive staff. We have invested in medical staffing in key areas increasing our workforce by over 97 whole time equivalents and reducing the vacancy rate.

As always there is much more we can do to make the Trust a place people want to work and for our patients to receive excellent healthcare. We know that our latest staff survey shows we are improving in some key areas such as health and wellbeing, equality and diversity, quality of line management and people working as a team. And there are some themes we need to improve in particular that we are a learning organisation, we are safe and healthy, particularly about how we treat each other, and our staff feeling confident to recommend us as a place to receive treatment. So, the improvements we have made are good in the national context we

find ourselves and we will work on spreading that good practice to make every part of the hospital and community services good places to work.

Collaboration with partners across the system is the only way we will find wholescale savings and efficiencies in the provision of services. This will ensure closer working together across the Black Country. It does not mean merger or changes to leadership but a greater opportunity to collaborate and learn from one another while we continue with a clear focus and support for the local population of Dudley through the Dudley Health and Care Partnership Board and collaborating on further integration of the services, moving toward some single service opportunities.

Signed: Sir David Nicholson
Chair
Date: 15.06.23

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Championing our recruitment team for our 2023 ‘Our talent is finding yours’ campaign.

Performance report

Our Community nurses at the Brierley Hill Clinical Hub.

Who we are

We are the main provider of hospital and adult community services to the population of Dudley, parts of the Sandwell borough and smaller but growing communities in South Staffordshire and Wyre Forest. Achieving Foundation Trust status in 2008, we provide a wide range of medical, surgical and rehabilitation services to a population of over 450,000 people from three main sites – Russells Hall Hospital, Guest Outpatient Centre in Dudley and Corbett Outpatient Centre in Stourbridge – and in people's homes from our community sites.

In 2021, we established an Imaging Diagnostics Centre based at the Corbett Outpatient Centre, with a satellite centre at the Guest Outpatient Centre.

We also provide a range of specialist services, some of which are accessed by patients from across the UK. These include vascular surgery, endoscopic procedures, stem cell transplants, endometriosis and specialist genitourinary reconstruction.

Our staff are our greatest asset and, with a workforce of around 6,188 substantive staff, we provide a range of secondary and tertiary services:

- Adult community services including community nursing, end of life care, podiatry, therapies and outpatient services are delivered from a range of community venues across the borough.

- Russells Hall Hospital in Dudley, which has more than 650 beds, including intensive care beds and neonatal cots, provides secondary and tertiary services such as maternity, critical care and outpatients and an Emergency Department (ED) with co-located Emergency Treatment Centre.

- The Guest Outpatient Centre in Dudley and Corbett Outpatient Centre in Stourbridge provide a range of outpatient, therapy and day case services.

We are also proud to be the vascular services hub for the Black Country and have an active research and development team.

Our vision is to be a healthcare provider that provides 'excellent health care – improved health for all'.

The year in review

Our new year in April 2022 began with our ‘Home for lunch’ initiative. This focuses our teams on getting patients home as early in the day as possible to support our emergency teams who need to admit emergency patients. We used ‘home for lunch’ to help make it obvious to everyone the aim of timely discharge.

We also celebrated our NHS staff survey results with our highest ever number of staff completing it at 59 per cent; a 10 per cent increase on the previous year. Over 3,100 people submitted their survey and the national benchmark report showed we’re performing at the benchmark average for all of the nine main themes, including compassionate and inclusive, we have a voice that counts, we work flexibly and we are a team.

Moving into May, the Trust was delighted to host a team of 16 senior Army medical officers from the Pakistan Armed Forces Postgraduate Medical Institute (AFPGMI) on a study tour as part of a MSc Healthcare Administration program. The afternoon started with presentations on the NHS systems and processes focusing in particular on governance and human factors in preventing patient harm. The team spent the rest of the afternoon touring outpatients, wards and theatres and had detailed discussions with the managers and matrons in these areas.

The Pakistan Armed Forces Postgraduate Medical Institute (AFPGMI) come to visit.

Ward C7 provides gastroenterology services and were awarded a National Gold Standards Framework (GSF) Quality Hallmark Award for its delivery of

end of life care. The award is given to recognise health and social care providers with delivering quality care in the final year of life.

The Dudley Integrated Liver Service launched its Alcohol Care Team. Developed from a Dudley Improvement Practice session, the team delivers vital support to various wards to reduce the number of alcohol related illness patient admissions across the Trust.

Our Alcohol Care Team.

Wellbeing Champions training sessions.

We also launched our Wellbeing Champions initiative to help support the Trust in our staff health and wellbeing plans for the future. Open to anyone who has a passion for wellbeing and wants to make a real difference to the Trust, the champions have made a huge impact on staff culture and grown to over 60 members as of April 2023.

As summer approached, our ground-breaking Paediatric Virtual Ward program scooped multiple national award nominations from Nursing Times Awards and the Royal College of Nursing awards. The first of its kind in the UK, the Paediatric Virtual Ward aims to further provide outstanding care to young patients and children. Patients who would otherwise be treated in hospital are able to be monitored in their homes, enabling earlier supported discharge and reducing admissions, all whilst maintaining specialist care.

We welcomed New Zealand Health Minister, Mr Andrew Little MP, who spent time in Dudley as part of a wider visit to local NHS services. Mr Little joined members of the Dudley Integrated Health and Care team throughout the day to understand more about the integrated care model and how we look after people in the community where possible and hospital when necessary to avoid unnecessary hospital admissions.

In July we held our annual Committed To Excellence awards, celebrating the hard work and dedication shown from staff each year within the Trust. This was the first in-person event delivered since 2019 and over £2,000 was raised for the Trust's charity.

We had changes to our Council of Governors following elections welcoming new members. The Council of Governors is made up of people of all ages and

backgrounds who all share one thing in common – the continued development of The Dudley Group NHS Foundation Trust.

Our annual Committed to Excellence awards, celebrating our staff.

The Black Country Integrated Care System launched bringing providers and commissioners of NHS services together with local authorities and other local partners to plan and deliver joined up services and to improve the lives of people who live and work in the Black Country.

A project that had been in development for over 12 months had been the maternity staff wellbeing room which opened in August 2022. Located at the Russells Hall Hospital Maternity Unit, it was developed to give the maternity staff a tranquil and calming space to relax and unwind during their break times.

Our new maternity staff wellbeing room, located at Russells Hall Hospital

The room's creation came into fruition following feedback from staff at the Trust which revealed how they had been coping in the pandemic and what improvements they would appreciate to support them through the distressing period. There was

also an overarching theme of a need for staff wellbeing initiatives, in particular the need for improved indoor and outdoor spaces for staff and through charitable donations we were able to make this happen.

September saw us open a brand-new state-of-the-art blood test centre at the Merry Hill Shopping Centre. The new NHS facility was designed to improve patient care and allows patients to get their blood tests done at a non-clinical setting. The location has over 10,000 free parking spaces and longer opening hours. These two elements mean that more appointments can take place per day and waiting times in other clinical NHS settings can be greatly reduced.

The launch of the Merry Hill Blood Test Centre.

The national staff survey also launched across the Trust, with our campaign focusing on the ‘Your voice matters, make it count’ tagline. We also kicked off our winter vaccination boosters programme encouraging staff to have both their COVID-19 and flu boosters free of charge at the Trust.

What a busy month October was! Our Ophthalmology Department set their ‘sights’ on improving patient care through utilising new specialist clinical procedures. Our Trust performed the first NHS usage of the brand new Faricimab eye injections that can treat ailments such as macular degeneration and diabetic retinopathy.

We also welcomed BBC Midlands Today to film at our vaccination centre located at Saltwells to further reinforce how important vaccinations are as we approached the winter season.

Filming with the BBC at our Saltwells COVID-19 vaccination centre and performing the first NHS usage of the brand new Faricimab eye injections.

Additionally, we launched our Sunflower Room in our Emergency Department (ED). The ground-breaking Sunflower Room will provide adult patients who are accessing our ED a safe sensory space to help them meet the challenges they may face in the general waiting areas.

To finish off the month we celebrated Allied Health Professionals (AHPs). This is an annual opportunity for AHPs to come together and celebrate being part of the AHP family and gives an opportunity to showcase to others the impact they make to the delivery of high-quality care.

Celebrating our Allied Healthcare Professionals on AHP Day.

In November, Our Trust charity held its annual Glitterball event inviting local businesses to join them in raising funds for the charity and also network with other like-minded Black Country businesses. Over £15,000 was raised at the 2022 event. We also held our Annual Members Meeting virtually, which was led by our new Trust

chair Sir David Nicholson and chief executive Diane Wake with a question and answer session with members of the public.

Our deteriorating patient project launched, which focuses on changing the way we care for adult, paediatric and maternity deteriorating patients. The key framework is: Identify, Escalate and Respond.

December was a busy month with lots of festive events including a Christmas Market for staff that featured local business as stallholders and a local primary school choir.

We also received the pastoral care quality award recognising our work in international recruitment and our commitment to providing internationally educated nurses and midwives with high-quality pastoral care.

Our staff pop-up shop launched in conjunction with our Trust charity to support staff during the cost-of-living crisis and provide vital food packages for those who needed it.

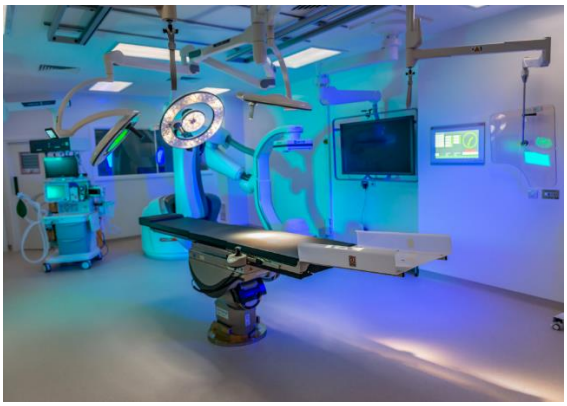
In January we held our ‘New Year, New Career’ recruitment event, which welcomed over 840 visitors and potential new members of staff. Over 140 interviews took place on the day and over 100 new members of staff were recruited.

The ‘New Year, New Career’ recruitment event was a huge success.

Our charity installed a new clothes recycling bank based at Russells Hall Hospital for all Trust staff to use. Not only are items re-used or recycled, but the Trust charity also receives donations based on the weight of the contents.

The quarterly People Pulse survey launched in January that asks staff a few questions about what it is like to work at the Trust. Work began on our new Patient Safety Incident Response Framework (PSIRF), a key component of the NHS patient safety strategy.

The Trust celebrated the launch of its hybrid theatre in February, a state-of-the-art robotic hybrid operating theatre and the first of its kind in the region. Among the many advantages to this project is the capacity to treat a patient with one solution rather than having them return for repeated interventions. In addition, the Trust now has the ability to avoid some of the open operations through using anti-vascular techniques.




The launch of our hybrid theatre and installation of our first surgical robot.

We also put a spotlight on our apprentices for National Apprenticeship Week, focusing on educating staff how to become or recruit an apprentice, as well launching two new apprentice roles for the public to apply to.

To celebrate International Women's Day, we held a market featuring all female-led small businesses as stall holders. Both staff and visitors were able to go to the market and purchase a variety of items, supporting our local community.

We invited local secondary schools in Dudley to our behind the scenes event where students were given the opportunity to visit different departments throughout our hospital. They learned about potential future careers in the NHS, followed by getting to test out some of the fantastic equipment our departments use on a daily basis and also for training purposes.

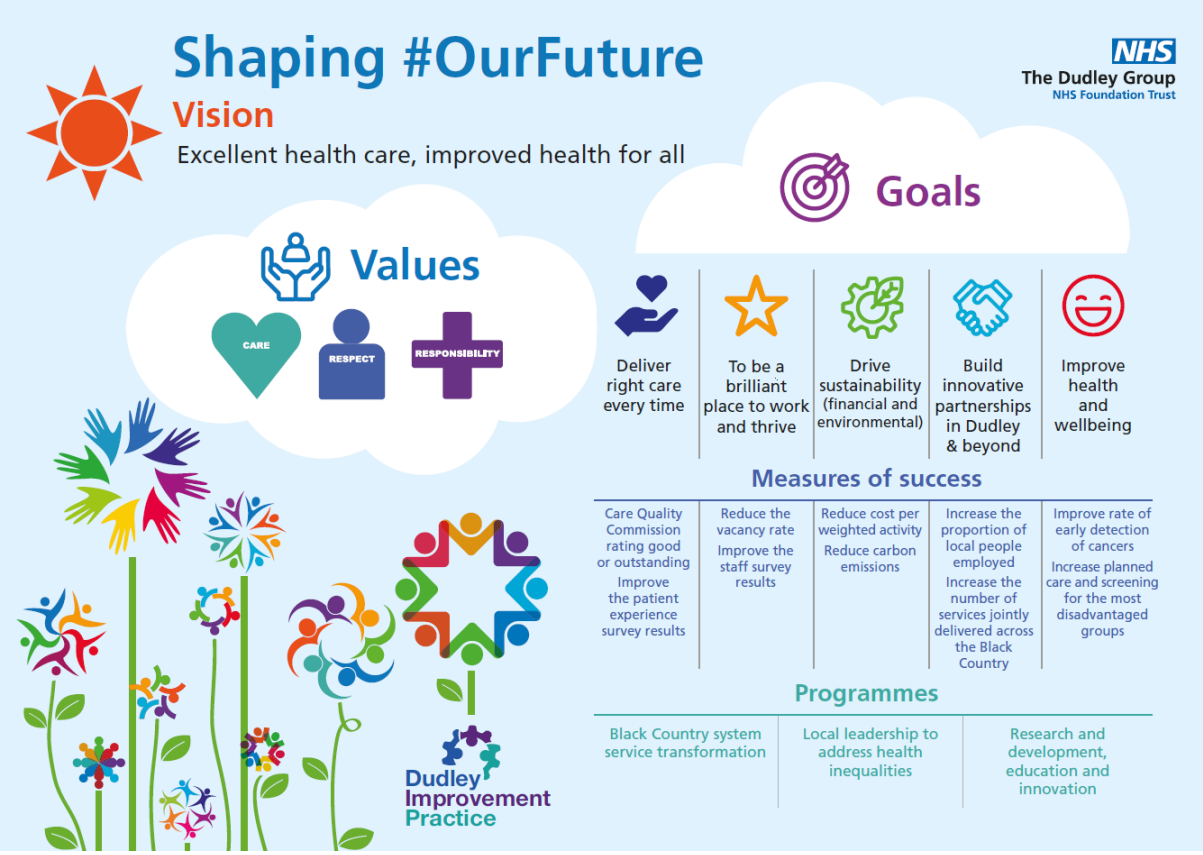
We also installed our first surgical robot, and in March performed our first procedure on patients using the robot at Russells Hall Hospital. A consultant in urology, performed a kidney removal and a reconstruction procedure using the da Vinci Xi surgical system which cost around £1.5 million.


Staff including our Trust chair receiving their flu and COVID-19 vaccinations.

Overview

Our strategy and objectives

Our strategic plan, called ‘Shaping #OurFuture’, was approved in 2021 and outlines how the Trust will operate in the new environment in which we find ourselves.



Our vision is: ‘Excellent health care, improved health for all’.

Our values remain: Care, Respect and Responsibility

We have five goals:

- Deliver right care every time.
- Be a brilliant place to work and thrive.
- Drive sustainability, financial and environmental
- Build innovative partnerships in Dudley and beyond.
- Improve health and wellbeing.

Underpinning implementation of the new strategic plan are three programmes:

- Black Country system service transformation including work to improve elective and emergency services and the collaboration between the four acute trusts in the Black Country.
- Local leadership to address health inequalities.
- Research and development, education and innovation.

Some notable achievements in delivering our strategy this past year include:

- Successful recruitment initiatives including international recruitment which has seen our vacancy rate reduce steadily throughout the year and at the end of March 2023 had achieved the target of seven per cent.
- Identification and delivery of cost improvement programme totalling £23.317m.
- Appointment of a dedicated sustainability lead to coordinate actions to implement our Green Plan and reduce carbon emissions.
- Active participation and shaping of the partnership arrangements across the Black Country and with partners within Dudley place including work to implement an integrated model of care.
- A greater emphasis on prevention through the appointment of a dedicated team to support patients admitted with alcohol problems and plans developed to start an in-house tobacco treatment team.

Risks to delivering our objectives

As with any organisation, there are risks to the Trust's ability to deliver its goals and ensure patient safety. The Trust has to ensure it defines these risks, analyses them and identifies how to mitigate against them, and this is key to how the Trust manages risk.

The most significant risks are reported to the board each month, along with actions to manage them, and this information is available in the Trust's board papers on its website www.dgft.nhs.uk. The most recent reporting period at the time of production of this annual report was May 2023.

In relation to achievement of goals, the Trust faced the following major risks during the year which includes clinical and longer-term risks:

- Inability to discharge patients in a timely manner to support emergency patient flow and restoration of planned services.
- Increased demand and high levels of sickness in our workforce resulting in the inability to deliver safe, effective services.
- Financial viability risks caused by legislative changes in the national and local health economy and in particular the potential implications of the Integrated Care Provider (ICP) in Dudley.

- Failure of the IT infrastructure/cyber incident causing widespread operational capability issues.

The Trust has clearly identified the primary risks facing the organisation, and management and mitigation are set out in the Annual Governance Statement as well as under sections relating to clinical, operational and financial performance.

Incident management and Never Events

The Trust actively encourages its staff to report incidents, acknowledging that to improve patient safety it first needs staff to recognise and report events in order to learn from them.

A robust system based approach to incident management where staff are treated fairly promotes a culture of openness and learning; as a Trust, we are committed to learning from incidents in this manner. Incident reporting during 2022/23 has continued to increase; this, coupled with the proportion of incidents resulting in significant harm remaining low, is indicative of a positive reporting culture.

Incidents resulting in potential significant harm continued to be subject to multi-disciplinary scrutiny at the Trust's weekly meeting of harm and learning where decisions are made regarding the level of investigation required to fully understand contributory factors and mitigate risk. During 2022/23, a comprehensive review of the Trust's compliance with the Duty Of Candour regulation took place where actions to strengthen evidencing timely and complete compliance were implemented. This has enabled a good foundation for implementing the Patient Safety Incident Response Framework standards during 2023/24.

All serious incidents are subject to a non-linear investigation. Each are reviewed by a team including a trained patient safety team member, an independent clinical specialist and a director lead. All internal root cause analysis investigations and serious incident investigation reports are reviewed and presented at the Trust's Risk and Assurance Group for wider consideration and to share learning.

The Trust continues to work with the Integrated Care Board to review investigations and ensure timely closure. Incidents reports, which include detail of serious incidents, internal investigations and locally managed incidents, are completed on a monthly basis and these are presented by a member of the patient safety team at the divisional, directorate and specialty governance meetings.

The Trust has reported two Never Events during 2022/23; one has been investigated and closed and one is under review at the time of writing (the events were unrelated in nature and service area). In both cases, mitigations to manage immediate risk were implemented to help prevent recurrence.

How we manage our services

The overall day-to-day management of our hospitals and services is the responsibility of the team of executive directors, under the leadership of the chief executive and supported directly by other senior managers in various departments.

Our operational structure is formed from three clinical divisions supported by corporate services: Surgery, Women and Children Division; Medicine Division; and Community with Core Clinical and Support Services, and these are closely linked through patient pathways. Each clinically led division has a management team comprising a chief of service, a divisional director of operations and a divisional chief nurse/AHP. These, in turn, are managed by the deputy chief operating officer who reports to the chief operating officer.

Divisions are supported by corporate services, which include communications, estates, finance, governance, human resources, information, organisational development, Dudley Improvement Practice, research & development and IT.

We operate a board committee structure to ensure that we are well governed, managed effectively and scrutinised appropriately. The Board of Directors is responsible for formulating strategy, ensuring accountability and shaping a healthy culture. The board meets monthly.

Key committees include finance and performance, audit, quality and safety, workforce and staff engagement, and digital trust and technology. Members of the board also form the trustees of The Dudley Group NHS Foundation Trust Charity.

We continually refine our governance arrangements, ensuring that they are suitable for the effective running of our Trust. A formal escalation framework is in operation to ensure that key issues and concerns are escalated through the committee structure for board attention where appropriate. The Trust continues to use a mix of virtual and face-to-face meetings to support attendance and efficiency.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the 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.

Celebrating the brilliant work of our AHPs.

Performance summary

As the Trust exits from the immediate challenges created during the COVID-19 pandemic and continues to return to a place of recovery and restoration, the impact on performance, waiting lists and an urgent need for service change and redesign remains profound. The Trust continues to monitor delivery of performance targets weekly via a detailed operational performance report and a fortnightly meeting with senior divisional staff. During the year, divisional performance reviews have continued whilst Trust oversight groups and committees such as Financial Improvement Group, Finance and Performance Committee (F&P) and Board of Directors all continue to operate, ensuring performance oversight. New national standards around long waiters remain a key focus of operational delivery as the drive and focus to improve productivity continues.

Performance against the national targets

Elective activity remained below plan until November 2022 due to staff shortages in theatres, largely as a result of COVID-19. This meant that the number of patients waiting over 52 weeks has only just started to reduce during quarter 4 of 2022. The Trust has successfully cleared all patients waiting over 78 weeks by April 2023 and is making inroads into those waiting over 52 weeks. During quarter 4 national strike action caused the cancellation of a small number of elective procedures.

Emergency Access Standards (EAS)

Emergency Access Standards have remained under considerable pressure throughout 2022/23, with challenges relating to ambulance off loads in November and December 2022 following a spike in Flu and COVID-19 cases. While ambulance attenders remain broadly in line with the plans, higher numbers of walk-in patients were experienced which did cause pressure within the Emergency Department (ED).

During 2022/23, 12 hour decision to admit breaches remained a challenged area, although improvements were made during quarter 4. The time patients wait to be admitted into a bed saw improvement during the latter part of the year, which was in part a reflection on the improvement work undertaken across the ED and Acute Medical Unit teams.

Referral to Treatment (RTT)

The elective waiting times remain a focus. The 18 week RTT standard is currently superseded by the need to clear all patients waiting over 104 weeks and 78 weeks for elective treatment.

The Dudley Group prides itself on being one of the consistently best performing trusts in the delivery of elective waits although, post COVID-19, elective capacity has been severely challenged as the Trust continues to receive new referrals while need to clear the back log of waits created during the pandemic.

The Trust has successfully implemented a new surgical robot which will support the Trust to recruit surgeons and maintain the Trust's position as provider of cancer surgery. Access to a surgical robot will also ensure that services can recruit and help sustain emergency rotas. In addition to the surgical robot, the Trust also saw the hybrid theatre come online during 2022/23, supporting the Trust's position as the Vascular Centre for the Black Country.

Our focus now continues to be on restoration and recovery and elective productivity as we move through 2023/24.

Cancer services

There are four main standards for cancer services:

1. Patients referred by a GP should be seen within two weeks of referral (2WW).
2. Patients diagnosed and told within 28 days of referral (28 Day Faster Diagnosis Standard).
3. All patients diagnosed with cancer, irrespective of how they were initially referred, should start treatment within 31 days of the diagnosis of cancer.
4. Patients referred directly by their GP to a cancer pathway who are then subsequently diagnosed with cancer should start treatment within 62 days of referral.

The achievement of cancer performance targets has been challenging during 2022/23 in line with our peers, and the NHS as a whole. Coming towards the end of 2022/23 we achieved our 93 per cent 2WW target for February and March and also achieved the 75 per cent target for 28 day faster diagnosis standard.

We continue to work towards achieving the 62 day standard as this remains a challenge for the Trust and within local and national providers.

Our 31 day target for decision to treat remains close to 90 per cent which is short of our 96 per cent target with work ongoing to improve this and move us closer to target.

We are working with the teams continually to improve waiting times and drive down the number of patients who have breached their 62 day target. Within this work we will aim to improve the pathways to achieve a higher volume of 62 day targets whilst still reducing the backlog currently on the patient tracking list (PTL).

We have a target given to us by the Integrated Care Board (ICB) to reduce our 62 day backlog to 118 patients by the end of 2023/24. This is monitored weekly and shared with the teams.

Diagnostic performance

The constitutional performance standard for diagnostics measures the percentage of patients able to access diagnostic tests within six weeks.

Achievement against this target has been challenging since April 2020 due to the need to prioritise inpatient, urgent and long waiting tests. The introduction of the Community Diagnostic Centre (CDC) at the Trust in August 2021 has been a huge support to improving patient waiting times for diagnostic tests.

With CDC becoming embedded in 2022, we completed 540,745 diagnostic tests at our CDC sites at the Guest, Corbett and Merry Hill Outpatient Centres in 2022. This has also supported patients needing urgent diagnostic tests, especially for cancer diagnoses, to be seen quicker with the Trust consistently achieving the cancer faster target every month during the past year.

Patient flow

Patient flow remains one of the biggest challenges for the organisation. The opening of the new Rainbow Unit (Acute Medical Unit) and Same Day Emergency Care (SDEC) service represented significant investment in the urgent and emergency care pathway and the operational teams have continued to focus improvements on this resource to improve patient experience. Much work has been achieved, via the Urgent Care Service Improvement Group, to develop SDEC pathways, with over 85 per cent of patients seen in SDEC now discharged home.

Patients who are medically optimised for discharge (MOFD) remain a significant issue with on average over 100 patients per day in the Trust who experience delayed discharge. The solutions to this challenge lie just as much within the acute sector as they do with external partners and the Trust continues to drive the Home the Lunch agenda as well operate the wider discharge improvement group. The Trust has successfully implemented the Discharge to Assess (D2A) pathway for patients on a Pathway 1 discharge. This means that patients will be assessed in their own home for Packages of Care (POC), reducing demand on social care.

The Trust continues to work with the national Emergency Care Improvement Support Team (ECIST) and a local Multi Agency Discharge Event (MADE) comprising of the Trust, West Midlands Ambulance Service, Local Authority and partners in the ICS to focus staff awareness around early and effective discharge planning which is needed to promote patient flow.

Equality of service delivery

The Trust delivers services for all who need it or are referred to our care and is working with primary care providers to ensure that referrals have due regard for equality.

There are also a number of provisions made within the Trust.

- A robust interpreting and translation service meets community languages needs as well as British Sign Language provision.
- As part of our equality, diversity and inclusion action plans, the Trust is committed to ensuring its workforce reflects the population it serves and is thereby able to meet the diverse needs of service users.
- The Dudley Group has been awarded Disability Confident Leader Status reflecting the commitment to employing disabled staff across the Trust, enhancing the ability to meet the needs of disabled service users.
- The Trust has made a commitment to the Accessible Information Standard, which means the Trust is able to meet any request from service users requiring information in an alternative format.
- The Chaplaincy Department employs faith-based staff and volunteers to support service users from different faiths or none.
- The learning disability team helps improve the Trust's provision for patients with learning disabilities and their families, making it easier for patients with learning disabilities to access hospital services.
- Equality monitoring data of service users is collected which informs the Trust of uptake of services including screening services.
- A calendar of festivals and events celebrate diversity and support awareness and understanding of the diverse communities and groups served.

Patient experience indicators

The NHS Friends and Family Test (FFT) scores remain a national focus, provide valuable benchmarking information and drive improvement of the patient experience. The FFT is firmly embedded within the Trust. All patients are given the opportunity to complete this during or after each episode of care and treatment in all areas of the organisation.

Feedback is captured through a variety of methods (SMS, tablet, paper and online). The FFT is presented as the percentage of respondents that rate their experience as very good/good and the percentage of respondents that rate their experience as very poor/poor.

During 2022/23, a total of 59,268 people responded to the Friends and Family Test. A breakdown down by service line as follows:

The number of patients rating their overall experience of their care and treatment as ‘very good/good’ was 83 per cent in comparison to 80 per cent in 2021/22. The number of people rating their experience as ‘very poor/poor’ has decreased to six per cent in comparison to seven per cent in 2021/22. The inpatient areas received the highest number of positive scores with 86 per cent of patients rating their overall experience of our services as ‘very good/good’ in 2022/23.

Friends and Family Test percentage very good/good scores are monitored through the divisional updates at the patient experience group for assurance and to highlight action taken to improve scores at ward/department level where required. Patient responses and feedback are shared with teams for learning and service improvement, comments and scores are sent to all members of staff and discussed in the daily huddles. ‘You Said We Have’ actions are reported to the patient experience team.

To improve response rates, we have distributed posters throughout the hospital displaying the links to the FFT which has seen an increase in the number of patients completing the survey online. We produced FFT stickers with online links/QR codes to improve response rates and to ensure that the FFT is accessible to all.

Infection prevention and control

We take infection prevention and control extremely seriously and monitor performance against a range of infections including Clostridiodes difficile (CDI), Methicillin Resistant Staphylococcus aureus (MRSA), Methicillin sensitive Staphylococcus aureus (MSSA), pseudomonas aeruginosa and Escherichia coli blood stream infections.

The Trust adopts a zero tolerance of MRSA bacteraemia and reported zero MRSA bacteraemia for the period 2022/23.

For 2022/23, the Trust reported 39 confirmed cases of hospital onset CDI against a threshold of 48. Of these cases, three were attributed to the Trust.

All bacteraemia is reviewed, and any learning is disseminated throughout the Trust via team huddles, meetings and service improvement plans.

Quality priorities

The table below provides a summary of the 2022/23 quality priorities year end position. This year within the NHS the focus has been on restoration and recovery following the impact on our patients post the COVID-19 pandemic. We have seen unprecedented emergency activity which will have negatively impacted on the quality priority outcomes.

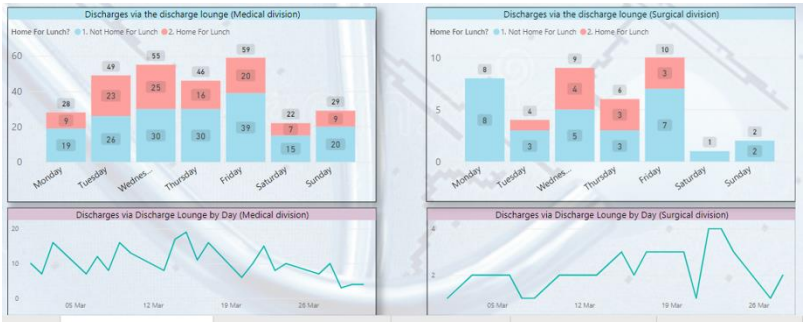
It is noted there have been some improvement against the 2022/23 quality priorities, but the restoration and recovery period has impacted on achieving all. Following consultation, it has been agreed to roll over all these priorities that did not achieve the agreed target, allowing an opportunity for full compliance during 2023/24.

Priority 1 for 2022/23: Delivering a great patient experience	
Quality Priority	**How did we do?**
a. <u>Using patient feedback to drive improvements (inpatient survey results)</u> Improve inpatient survey scores related to the following questions: a. Involving patients and their carers in care and treatment decisions (Q23) (target = 72%, current baseline = 68%) b. Leaving hospital - communication around discharge (Q34) (target = 71%, current baseline = 66%) c. Information around conditions and treatment is shared with patients (Q24) (target = 89%, current baseline = 86%)	a. Patient Experience Real-time survey feedback demonstrates that 72% of the 61 patients who answered the survey felt that they were definitely/to some extent involved as much as they wanted to be in decisions about their care and treatment. Patient Reported Experience Measures survey feedback for Q4 shows that 95% of the 812 patients who completed the survey strongly agreed/agreed that they were involved in decisions about their care and treatment. **The target has been achieved for this priority.** b. Real-time patient survey feedback for Q4 shows that 23% of the 61 patients who answered the survey were informed about their expected date of discharge (64% stated 'no' to this question). The results for the National Inpatient Survey 2022 have not been published. **The target has not been achieved for this priority.** c. Patient Reported Experience Measures survey feedback for Q4 highlights that 94% of 812 respondents strongly agreed/agreed that they were provided with enough information about their condition and treatment. **The target has been achieved for this priority.**

b. <u>Ensure all complaints are responded to in accordance with the Trust complaints and concerns policy*</u> d. Improve complaint closure within 30 days to 50% by April 2023 e. Reduce outstanding backlog by 70% by April 2023 *Trust Governors chose this priority to champion throughout 2022/23	a. For Quarter 4 (2022/23) there were 319 complaints closed and of those 319 complaints, 129 were closed within 30 working days. This is a decrease in the percentage response rate (responding to complaints within 30 working days) from 42.8% in Quarter 3 (2022/23) to 40.5% for Quarter 4. The aim for the end of Quarter 4 was to achieve the target of 50% by April 2023 and this has not been achieved. **The target has not been achieved for this priority.** b. At the end of December 2022 (Quarter 3 2022/23) there was a backlog of 46% so there has been a decrease in the percentage backlog by 1.8%. This reflects the challenges faced with the increased number of new complaints received (289 new complaints for Quarter 4). At the end of March 2023, if the reopened complaints and Ombudsman matters are not included in the figures, there were 141 complaints outstanding with 51 complaints in backlog (36%). When compared to Quarter 3 (2022/23) there were 39% in backlog (a difference of 3%). Quality priorities 2e is to reduce the backlog by 70% by April 2023. **The target has not been achieved for this priority.**

Priority 2 for 2022/23: Treating patients in the right place, at the right time

Quality Priority	**How did we do?**
c. <u>Capacity and patient flow Same Day Emergency Care (SDEC) pathways</u> a. Providing SDEC services (Surgery, Medicine, and Paediatrics) for 12 hours a day, 7 days per week b. Assessment in 30 minutes from arrival in SDEC, for those patients identified on the 'frailty pathway'. c. Increased referral pathways to SDEC, resulting in a decrease in admissions across all relevant specialities. d. Improve the quality of referrals direct to SDEC from West Midlands Ambulance Service and primary care.	a. Medicine SDEC provides a service that covers 12 hours a day, 7 days a week between 0800 and 2230 with the last referral at 1900. **The target has been achieved for this priority.** b. SDEC dashboards are constantly reviewed for improvement and the new report demonstrates that Frailty area achieving assessment within 30 minutes. **Average time of Assessment** **Month / Year** — **Frailty Medicine** Jan 2023 — 13 Feb 2023 — 6 **The target has been achieved for this priority.** c. Activity in SDEC continues to improve and there is a steady number of referrals from the Clinical Hub. d. Referrals from ED and the Dudley Clinical Hub are made via Sunrise. Within the Trust Urgent Treatment Centre and consultants can telephone through to SDEC to refer patients or seek advice. West Midlands Ambulance Service call Dudley Clinical Hub to see if the patient can be supported in the community. e. The SDEC Unit operates a mix of a push and pull model to support ED. During January and February 2023, SDEC admitted 10.49% of patients which sits within the national guidance of 10-15%

	The target has been achieved for this priority. f. Calls to Dudley Clinical Hub in January and February 2023 continues to progress whereby 'community first and hospital where necessary' is applied. DCH continues to utilise alternative clinical pathways to avoid unnecessary ED conveyances. **Q4** / **Jan 2023** / **Feb 2023** / **March 2023** Total Calls to DCH / 2128 / 1653 / 1755 Patient Sent to SDEC not via ED / 24.1% - 514 / 31.09% - 514 / 26.5% - 466 **The target has been achieved for this priority**
d. <u>Discharge management*</u> c. Every inpatient ward will identify 1 to 2 patients everyday (7 days per week) as part of 'Home for Lunch' initiative. d. Improved use of the discharge lounge, both seated and bedded areas, for all definite discharges e. All discharge communication with patient, carers and families and 3rd parties are initiated on admission. *Trust governors have chosen this priority to champion throughout 2022/23	a. Home for lunch (HFL) performance:  All ward areas have a morning ward board round (WBR) with a discharge facilitator, occupational therapist, doctor and a lead nurse. They also hold an afternoon WBR at 14.00. **The target has not been achieved for this priority.** b. The Trust is facilitating an average of 30 discharges over Saturday and Sunday. This has increased since introducing projects such as decision to admit and the introduction of the 'no choice' letter. Last year the Trust was averaging around 15 patients utilising the discharge lounge per day. c. The Trust operates a 7-day working policy with access to all pathways despite demand. The team follow an escalation process to facilitate as many discharges as possible regardless of the Trust's position. **The target has not been achieved for this priority.** d. All discharge communication with patients is done on admission: this project only just commenced with a review of discharge on admission paperwork and use of Estimated Date of Discharge. e. There is limited evidence to support improvement in communication with patients, carers, families and third parties. Of the surveyed patients sample 64% stated they were not aware of their discharge date. **The target has not been achieved for this priority.**
Priority 3 for 2022/23: Reducing avoidable harm	
Quality Priority	**How did we do?**
e. <u>Pressure Ulcers</u> a) Clear outstanding incident backlog for category 3 and 4	a. As of March 2023, there are 20 outstanding pressure ulcers to be reviewed by the scrutiny group. **The target has not been achieved for this priority.**

pressure ulcers up until March 2022 b) All grade 3 and 4 pressure ulcers will be investigated and closed within 45 working days. c) Develop systems to promote timely investigation and validation of pressure ulcers recorded via the DATIX system. d) Identify and report pressure ulcers earlier in patient pathway anticipating an increase in reported category 1 and 2's correlating to reduction of reported category 3 and 4's.	b. There have been no breaches in serious incident reports. **The target has been achieved for this priority.** c. A new Stress Indicator Tool (SIT) tool has been devised but requires further amendments prior to its launch. There is a user guide to support this tool. Terms of Reference have been revised for the pressure ulcer scrutiny group to include decision tool. New way of monitoring SITs is being set up on Datix. **The target has not been achieved for this priority.** d. The new SIT tool will allow rapid completion of SIT within 72 hours of identification. Tissue Viability have launched a new referral protocol regarding prioritisation pathway for patients and have regular teaching planned regarding pressure ulcer categorisation and aSSKINg pressure ulcer prevention principles. The team have worked with patient safety and informatics to improve data collection. A dashboard has been developed that will provide divisions accurate real time data. **The target has not been achieved for this priority.**

The year 2022/23 has seen unprecedented demand for emergency services coupled with delayed transfers of care creating a bottle neck within acute services of those patients medically fit for discharge. This was at a time of restoration and recovery within the NHS committing to reducing backlogs formed as a consequence of the pandemic. This has impacted on the Trust's ability to drive forward some of the quality priorities for 2022/23.

For this reason, and the continuing importance of these quality priorities, the Trust has decided to carry forward those priorities that did not achieve the agreed target into 2023/24.

PRIORITY 1 Using patient feedback to drive improvements (inpatient survey results)
a) Leaving hospital - communication around discharge target = 71%, current baseline = 23% b) Improve complaint closure within 30 days to 50% by April 2023 baseline 40.5% c) Reduce outstanding backlog by 70% by April 2023 baseline 39%
Why we chose this (Rationale)
a) The Trust has failed to achieve this target; we recognise that involving our patients in planning their discharge earlier in the patient's pathway facilitates the

patient to be involved in decision making and an improvement in discharge planning centred around our patients' needs.

b/c) Resolving complaints within a nationally agreed timeframe reducing the anxiety of the complainant ensuring their concerns have been listened too, resolved and in a timely manner.

How we will monitor and share progress

Monitoring of the Quality priorities will be through a quarterly report to the Quality and Safety Committee who will monitor compliance and assurance and drive progress, aiding in any barriers to progression towards the targets.

Responsible Person/Team

Head of patient experience

PRIORITY 2 Treating patients in the right place, at the right time

a) Every inpatient ward will identify 1 to 2 patients everyday (7 days per week) as part of 'Home for Lunch' initiative.

b) Improved use of the discharge lounge, both seated and bedded areas, for all definite discharges target to average 30 patients per day.

c) All discharge communication with patient, carers and families and 3rd parties are initiated on admission.

Why we chose this (Rationale)

a) Further work to improve the flow of patients to facilitate emergency and planned admissions is required. Embedding the 'Home for Lunch' initiative working with secondary care partners developing further initiatives will assist in enabling planned discharges before lunch.

b) Further work is required to consistently increase the use of the discharge lounge to enhance the flow of patients through the Trust and facilitate admissions.

c) The Trust has failed to achieve this target; we recognise that involving our patients in planning their discharge earlier in the patient's pathway facilitates the patient to be involved in decision making and an improvement in discharge planning centred around our patient's needs.

How we will monitor and share progress

Monitoring of the Quality Priorities will be through a quarterly report to the Quality and Safety Committee who will monitor compliance and assist and assurance whilst aiding in removing any barriers to progression towards targets.

Responsible Person/Team

Trust leads for hospital discharge

PRIORITY 3 Reducing avoidable harm
a) Clear outstanding incident backlog for category 3 and 4 pressure ulcers up until March 2024. b) Develop systems to promote timely investigation and validation of pressure ulcers recorded via the DATIX system. c) Identify and report pressure ulcers earlier in patient pathway anticipating an increase in reported category 1 and 2s correlating to reduction of reported category 3 and 4s.
Why we chose this (Rationale)
a) The backlog of pressure ulcers has made significant improvements; however, there remains 20 incidents that require review by the scrutiny group. b) The new system developed within Datix is being piloted and requires testing prior to giving assurance the system can deliver. c) Development of a new DATIX system to monitor INC numbers for duplicate reporting enabling data to be captured per patient rather than per pressure ulcer. If successful, this will allow a view of the patient's treatment and management of pressure deterioration throughout the patient's pathway.
How we will monitor and share progress
Monitoring of the Quality Priorities will be through a quarterly report to the Quality and Safety Committee who will monitor compliance and assist and assurance whilst aiding in removing any barriers to progression towards targets.
Responsible Person
Lead nurse tissue viability.

Financial performance

A simplified financial regime continued into 2022/23 coupled with a greater emphasis on collaborative working. The Black Country Integrated Care Board (ICB) came into being on 1st July and funding was transparently shared allowing allocation across constituent organisational partners. The focus remains on working together to ensure the best use of resources across the wider Black Country.

Relationships with other external systems were streamlined via block contract sums that were nationally prescribed, including adequate uplifts for inflation. Whilst there was potential for a variable component within contracts linked to elective recovery, this was ultimately abandoned from a national perspective.

The Black Country system required a breakeven plan for the year and this was mirrored in each individual organisation. This represented a stretching target and

necessitated a heavy reliance on one-off savings and benefits. One specific issue concerned the underfunding of inflationary pressures, particularly increasing fuel costs. However, pay inflationary pressures were fully funded via additional national allocations. A risk share remained in place to help alleviate financial pressures for any partner and the Trust received a sum of £12.7m from this reserve to help guarantee delivery of the breakeven plan.

The COVID-19 vaccination programme remained in place throughout the year and The Dudley Group continued its role as lead employer for the system. This included the hosting of an employment bureau and the sourcing of staff for various vaccination centres. Note that the original plan assumed that this would stop at the end of September.

Ultimately each partner delivered a small surplus ensuring the system achieved an overall breakeven target in line with national requirements. This performance represents the fourth consecutive year of achieving a positive financial outcome. The system position shows an overall surplus of £0.356m for the year.

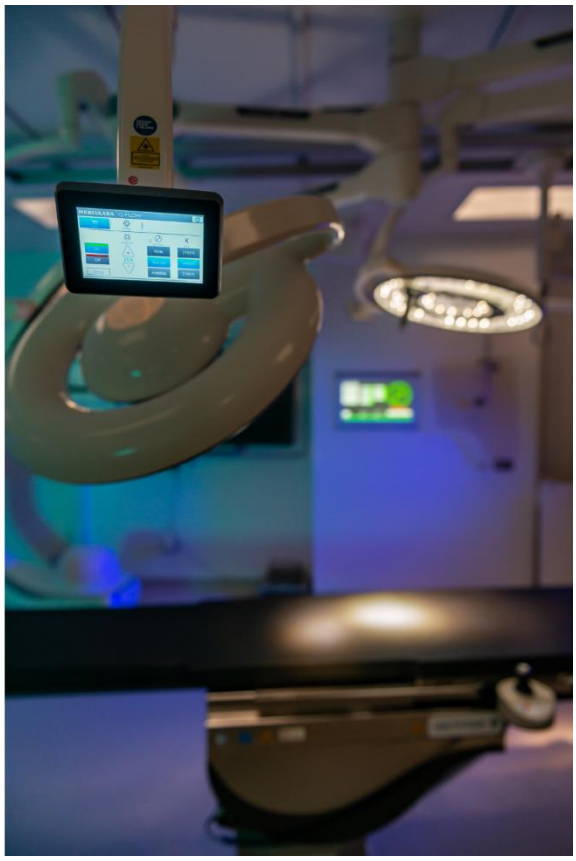
The numbers presented below relate to The Dudley Group financial performance, not including the charity.

	2022-23			2021-22	
	PLAN £000	ACTUAL £000	VARIANCE £000	PLAN £000	ACTUAL £000
INCOME	£484,735	£544,756	£60,021	£493,703	£518,285
PAY	-£309,887	-£349,655	-£39,768	-£313,307	-£331,735
NON PAY	-£145,288	-£163,872	-£18,584	-£155,024	-£159,218
EBITDA	**£29,560**	**£31,229**	**£1,669**	**£25,372**	**£27,332**
DEPRECIATION & FINANCE COSTS*	-£29,764	-£31,322	-£1,558	-£25,372	-£25,575
NET SURPLUS/(DEFICIT)	**-£204**	**-£93**	**£111**	**-£0**	**£1,757**
Technical Adjustments	£204	£117	-£87	£0	£2,059
FINAL SURPLUS/(DEFICIT)	**£0**	**£24**	**£24**	**£0**	**£3,816**

* Figure includes impairment of £1.877m in 2021/22 and £0.067m in 2022/23

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Accountability report



The new hybrid theatre at The Dudley Group NHs Foundation Trust.

Directors' report

The Board of Directors was established and constituted to meet the legal minimum requirements stated in the Health and Social Care (Community Health and Standards) Act 2003 and the requirements of the NHS Foundation Trust Code of Corporate Governance.

The Board is collectively responsible for the performance of the Trust. The general duty of the Board of Directors, and each director individually, is to act with a view to promoting the success of the organisation to maximise the benefits for members of the Trust as a whole and the public.

Non-executive director (NED) appraisals for 2021/22 were conducted by the chair on a one-to-one basis. The performance of each NED was assessed against agreed objectives, specific strengths or areas for improvement, to note that the principal corporate objectives were fully met subject to COVID-19 restrictions which had to some extent precluded some of the opportunities to engage with staff, patients and other stakeholders on site. The appraisal findings were considered by the Council of Governors in July 2022.

The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 deals with the Fit and Proper Persons Test which came into force in November 2014. We have complied with this requirement since May 2015 both upon appointment and with annual re-checks.

Non-executive directors can only be removed by a 75 per cent vote of the Council of Governors following a formal investigatory process, and the taking of independent legal advice, in accordance with guidance issued by our regulators.

We are confident that our board members do not have any interests or company directorships which could conflict with their management responsibilities. A Register of Directors' Interests is held by the board secretary and is published on the Trust's website www.dgft.nhs.uk.

As an NHS foundation trust, no political or charitable donations have been made during 2022/23. During the year, we were not charged interest under the Late Payment of Commercial Debts (Interest) Act 1998.

As far as the directors are aware, there is no relevant audit information of which the auditor is unaware. The directors have taken all of the necessary steps to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. We confirm that we have met this requirement and that income received in 2022/23 had no impact on our provision of goods and services for the purposes of the health service in England.

During the year, the Trust has completed actions from recommendations arising from the external well led review undertaken in 2021/22 that made assessments made against each of the Care Quality Commission well-led key lines of enquiry (KLOEs). The report concluded that the organisation had improved its service delivery and noted the significant progress in developing relationships and effective clinical leadership. The recommendations to build on the achievements to date have been incorporated into an action plan to support continued improvement.

The Board of Directors is responsible for ensuring that we have effective governance arrangements supporting the delivery of our quality priorities. Reports on the Trust's progress against the established quality priorities are taken to both the Board of Directors and the Council of Governors by the chief nurse. Further information on progress against standards can be found on the Trust's website www.dgft.nhs.uk.

You can find more information of how the Board of Directors has assessed itself against the NHS Improvement well led framework through the Annual Governance Statement on page 116.

In the following pages you will find more information about the Board of Directors in post during the year 2022/23.

Welcoming our International nurses to the Trust.

Board of directors

As at 31st March 2023

Chief executive
Diane Wake

Chairman
Sir David Nicholson

Medical director
Julian Hobbs

Chief nurse
Mary Sexton

Non-executive director
Julian Atkins

Non-executive director
Liz Hughes MBE

Chief operating officer
Karen Kelly

Director of finance
Kevin Stringer

Non-executive director
Catherine Holland

Non-executive director
Vij Randeniya

Interim chief people officer
Alan Duffell

Chief information officer
Adam Thomas

Non-executive director
Prof Gary Crowe

Non-executive director
Gurjit Bhogal***

Director of strategy & partnership
Kat Rose**

Director of governance
Andy Proctor**

Non-executive director
Lowell Williams

Associate non-executive director
Thuvarahan Amuthalingam****

**non voting.
***Became voting effective from October 2022.
****associate non-executive directors are non voting.

Our Board of Directors (alphabetical by surname)

Dr **Thuvarahan Amuthalingham – associate non-executive director**

Dr Amuthalingam is a general practitioner by training. Having completed his medical degree in London, he started his career as a junior doctor at The Dudley Group NHS Foundation Trust. He has since worked in the Black Country area. He has gone on to represent his colleagues in various roles both nationally and internationally.

Having led the Next Generation GP programme within the Midlands, he helped cultivate the next generation of compassionate leaders working in collaboration across primary and secondary care. Through his work on the Royal College of General Practitioners (RCGP) Midland faculty board and as part of the Black Country and West Birmingham Training Hub, he supports newly qualified GPs within the locality. As deputy chair of the BMA West Midlands Regional Council, he aims to be a voice for all doctors across all branches of practice within the region.

Both in his clinical leadership roles and as a strategy consultant, he has advised start-ups, investors, third sector organisations, educational institutions, the NHS and government. He is experienced in strategy and business transformation with a focus on digital delivery. He develops key strategic alliances and cultivates collaborative partnerships to deliver innovation.

Julian Atkins, non-executive director and deputy chair

Julian joined the Trust in January 2016 as a non-executive director and is currently deputy chair. He has experience in both the public and private sectors, having worked at organisations such as Alliance & Leicester, Marks & Spencer, Solihull Health Authority and the Thomas Cook Group. Prior to joining the Trust, he was part of the executive leadership team and head of human resources at Coventry Building Society, where he worked for nearly 25 years.

Julian is a Fellow of the Institute of Financial Services and the Chartered Institute of Personnel and Development. He is board chair of Coventry and Warwickshire Chamber of Commerce's subsidiary training company, a non-executive director at ENTRUST in Leamington Spa and is a past president of the Coventry and Warwickshire Institute of Financial Services.

Julian chairs the Charitable Funds and Workforce and Staff Engagement committees and is a member of the Audit and Finance and Performance committees. Julian is passionate about delivering excellent customer service through skilled individuals.

Dr Gurjit Bhogal – non-executive director

Gurjit has enjoyed a portfolio medical career across primary care, secondary care and within elite sports medicine organisations. He is a consultant in musculoskeletal, sport and exercise medicine appointed to the Centre of Musculoskeletal Medicine at The Royal Orthopaedic Hospital, Birmingham in 2015, and is an active Sessional General Practitioner within the West Midlands. He sees physical activity as a vital tool that promotes health and wellbeing for the patients he cares for.

He also works part-time for Aston Villa Football Club and was previously on the medical panel for the England and Wales Cricket Board and worked as a lead physician for the England Men's Cricket Team. He was also appointed as the chief medical officer for the 2017 ICC Champions Trophy and the highly successful 2019 Cricket World Cup, where he developed his strategic, governance and leadership skills.

He is also Independent Non-Executive Director of Great Britain Table Tennis.

Gary Crowe, non-executive director

Gary was most recently a university professor of innovation leadership at Keele University Management School. He previously held senior commercial positions in strategy, business transformation and risk and financial management as a director and management consultant in the financial services sector.

Gary holds a number of external board appointments and has served as an independent non-executive director with another NHS trust since 2015. He is a qualified chartered banker and fellow of a number of professional organisations and learned societies.

Alan Duffell, interim chief people officer

Alan Duffell joined the Trust as interim chief people officer in 2022. Alan has a wide range of experience within the NHS incorporating Organisation Development (OD), Learning & Development, leadership and management development as well as other HR related roles and is currently in his third provider board level post. He is also currently the HR and OD lead for the Black Country Provider Collaborative.

He joined The Royal Wolverhampton NHS Trust in 2017 as the director of workforce, after previously holding the position of director of human resources and OD at Leicestershire Partnership NHS Trust. Prior to this, Alan was the director of workforce and learning within the Black Country Partnership NHS Foundation Trust and at that time was also a director for Skills for Care, representing the NHS. In

December 2022, he was appointed to the role of Group Chief People Officer across the Royal Wolverhampton NHS Trust and Walsall Healthcare NHS Trust.

Prior to joining the NHS, Alan was in the Royal Air Force spanning a range of roles including avionics engineer, training and development, and leadership development. He holds membership of the Chartered Institute of Personnel and Development (CIPD), Chartered Management Institute (CMI) and holds an MSc in Human Resource Development.

Julian Hobbs, medical director

Julian joined the Trust from Liverpool University Hospitals NHS Foundation Trust where he had been deputy medical director. Julian has also been deputy medical director and lead for mortality for the Cheshire and Merseyside area team at NHS England.

Julian is a consultant cardiologist by background and has worked at Liverpool Heart and Chest Hospital alongside his current roles. He has had extensive experience in medical management roles for several years. Julian undertook his research at Manchester Royal Infirmary with support from the British Heart Foundation. He is a keen sportsman and beekeeper.

Catherine Holland, non-executive director

Catherine is an author, speaker, coach/mentor and facilitator.

She published her first children's novel in 2021 and is currently writing more children's books. Catherine is Chair of the Icelandic Horse Society of Great Britain and a Parish Councillor.

As an associate consultant with Amara Collaboration, Catherine was a contributing author to Street Smart Awareness and Inquiry in Action, and co-designer and facilitator in transformational leadership development retreats.

A former social worker and trainer and assistant director in social services, Catherine worked for 14 years in the Probation Service, first as a director for corporate services and later as chief executive of Staffordshire and West Midlands Probation Trust, the second largest probation trust in the UK.

Catherine designed and led West Midlands Probation through a successful performance and culture turnaround programme, and project managed the merger with Staffordshire Probation, the new trust going on to be recognised for excellence and awarded four stars by the British Quality Foundation.

Catherine led SWM Probation Trust through extensive and challenging changes brought about by the government's Transforming Rehabilitation programme,

becoming chief executive of Staffordshire and West Midlands CRC, and later the newly formed Reducing Reoffending Partnership.

Liz Hughes MBE, non-executive director

The Dudley Group welcomed Liz to its board in December 2019. Liz is medical director for NHS England Workforce Training and Education and a consultant in chemical pathology and metabolic medicine at Sandwell and West Birmingham Hospitals NHS Trust and honorary professor at the University of Warwick, University of Aston, University of Coventry, University of Bolton and visiting professor at Worcester University.

Professor Hughes established the physician associate role in the NHS, a role that many hospitals now have within their workforce, securing the first ever non-medical faculty at the Royal College of Physicians. She is proud that when it first began in 2015 there were 183 and now there are over 3,000 physician associates employed in the NHS. Her recent achievement is the approval of the medical degree apprenticeship allowing far greater access to study to become a doctor.

Medical education and training are a passion for Professor Hughes who has also established a GP training scheme with the Chinese government and developed speciality medical training within the Middle East.

Liz is a national expert in the treatment of inherited lipid disorders and is one of the founder members of the national charity HEARTUK with which she has worked extensively with multi professional healthcare professionals and patients.

In 2016, the aviation profession honoured Liz for her contribution towards training doctors in aerospace-related medicine. She was the winner of the Improving Safety in Medicines Management category in the Patient Safety Awards 2013. She was awarded an MBE for services to healthcare education and training in 2020.

She has held a number of national roles including chair of Academic Careers and Research Evidence and is NHSE's disability champion.

Karen Kelly, chief operating officer & deputy chief executive

Karen joined us as chief operation officer (COO) in January 2018 from Barnsley Hospital NHS Foundation Trust where she held the post of executive director of operations.

A graduate of Keele University, Karen qualified as a nurse in 1993 and worked for more than 23 years at the University Hospital of North Staffordshire where she held a variety of roles including the first matron role

for Urgent and Emergency Care before moving into managing the Directorate of Emergency Care.

Prior to joining us as a COO, Karen had been involved in overseeing a range of large-scale service developments and improvement projects. She became part of the transformation team tasked with turning around Mid Staffordshire NHS Foundation Trust – becoming head of nursing there in 2010. Following this, she held the post of medical nurse director, followed by deputy director of operations at The Royal Liverpool and Broadgreen University Hospital Trust.

Karen is passionate about leadership development and working alongside people to promote quality of care being delivered that ensures our patients are safe.

Sir David Nicholson, Chair

Sir David Nicholson joined the Trust as chair on 1st September 2022. He is also currently chairman of Sandwell and West Birmingham Hospitals NHS Trust, having taken up his position there in May 2021. David stood down as chair of Worcestershire Acute Hospitals NHS Trust in August 2022.

Sir David Nicholson's career in NHS management has spanned more than 40 years and included the most senior posts in the service. He was chief executive of the NHS for seven years from 2006-2013 and then, following a major national restructure, became the first chief executive of the organisation now known as NHS England from 2013-2014.

Since his retirement from the NHS in 2014, he has taken on a number of international roles providing advice and guidance to governments and organisations focused on improving population health and universal healthcare coverage.

He has worked in China, Brazil, the USA, Europe and the Middle East, independently, and in association with the World Health Organisation, and World Bank. Sir David chaired the State Health Services organisation of the Republic of Cyprus and more recently was also the chairman of the Metropolitan Group of Hospitals, Nairobi.

Sir David is chairman of the Universal Health Coverage Forum of the World Innovation Summit for Health. Other roles include adjunct Professor of Global Health at the Institute of Global Health Imperial College, Advisor to the British Association of Physicians of Indian Origin and Lancet Commissioner to Global Surgery.

His contribution to healthcare was recognised by the award of the CBE in 2008, and he was knighted by Her Majesty the Queen in 2010. He lives in Worcestershire with his wife and two children.

Andy Proctor, director of governance

Andy is our director of governance. He joined us from University Hospitals of Derby and Burton NHS Foundation Trust where he was their director of quality, clinical governance, risk and compliance.

He started his NHS career in the Ambulance Service in 2005 and undertook a range of clinical roles as a paramedic and then later in his career became assistant chief ambulance officer and director for quality improvement at West Midlands Ambulance Service.

Andy has also worked with the Care Quality Commission for eight years being involved in 19 inspections. Andy has extensive experience within governance, compliance and regulation and is passionate about patient safety and ensuring we provide high quality care.

Vij Randeniya, OBE, non-executive director

Vij is an experienced non-executive director within the health service. He is deputy chair of Birmingham Women's and Children's NHS Foundation Trust and sits as the vice chair on the governing body of Aston University.

He is also the chair for one of DEFRA's committees for the Environment Agency. Vij is a former trustee and vice chair of the Royal Society for Public Health and former chief fire officer for West Midlands Fire Service. Vij has substantial experience of large-scale project management, leadership and change management. Vij was awarded the OBE in 2006.

Kat Rose, director of strategy and partnerships

Kat joined the Trust in April 2022, bringing with her more than 15 years of NHS experience in programme management, strategy implementation and delivering healthcare transformation.

Before joining the Trust, Kat held the role of programme director at Herefordshire and Worcestershire Health and Care, working on several million-pound projects. Prior to that she was associate director of strategy and planning at Shrewsbury and Telford Hospital NHS Trust where she worked closely with system partners and managed the strategy, PMO, improvement and planning teams. Prior to this she performed the same role at Birmingham Community Healthcare NHS Foundation Trust.

Kat began her career project managing large scale new builds for the NHS before moving into strategic planning and service transformation.

Kat lives in Worcestershire, just on the border of the Black Country, on her family farm and loves walking her dog in the countryside.

Mary Sexton, chief nurse and deputy chief executive

Mary joined the Trust as interim chief nurse in January 2019 and became substantive in November 2019. An experienced corporate lead for nursing, quality and governance, she brought with her more than 15 years' experience at executive level.

Mary is an experienced nurse leader, with a wealth of experience in providing robust oversight of the nursing, midwifery and allied health professional workforce resulting in an improved patient and staff experience. She has extensive experience in service transformation and professional standards as well as the delivery of compliance with regulatory standards and effective governance to support learning.

Mary, who began her career as a nurse at East Surrey Hospital in 1983, has worked in a variety of settings including acute, community and mental health at local and regional level.

In addition to her chief nurse role Mary is the Trust's director of infection prevention and control and executive lead for safeguarding and is our maternity safety champion.

Kevin Stringer, chief financial officer

We are pleased to announce that Kevin has joined the Trust as interim Director of Finance and as of 2023 is now chief financial office. Kevin is a qualified accountant with the Chartered Institute of Management Accountants (CIMA) and holds a Masters qualification in Business Administration (MBA). With more than 34 years' experience in the NHS, and 21 of those years as a Board director he is currently also Group Chief Financial Officer at The Royal Wolverhampton and Walsall Healthcare NHS Trusts. He has significant experience of regional oversite, commissioning and provider organisations.

Kevin's finance director roles have been with North Birmingham PCT, a post he held for two years; Birmingham Children's Hospital for five years and The Royal Wolverhampton NHS Trust where he has worked for 14 years. He has held roles within organizations that provide tertiary, acute, community, mental health and primary care services.

Adam Thomas, chief information officer

Adam rejoined the Trust in 2009 and brings more than 15 years of NHS experience in clinical and senior management positions to his executive role.

A graduate of Aston University, Adam qualified as a pharmacist and proceeded to undertake postgraduate qualifications in clinical pharmacy, independent prescribing and digital healthcare leadership. He worked in medical oncology at The Dudley Group and brings a special clinical interest in improving cancer outcomes for the Black Country. He is also a registered IT professional, holding a Fellowship of the British Chartered Institute for IT professionals. Adam has recently completed a Masters degree in Digital Health Leadership, focussing on how intelligence can address population health inequality.

He is established as a digital leader within the region and a strong advocate for collaborative connected care systems. He continues to support strategic agendas as well as quality improvement. Adam is the provider collaborative board lead for digital, data and technology. He speaks at a national level on digital leadership, as well as digital-data strategy in health and care.

Diane Wake, chief executive

A nurse by background, Diane has worked in the NHS for 39 years. She has been a chief executive in the NHS for 10 years. She joined The Dudley Group NHS Foundation Trust as chief executive in April 2017.

Diane trained as a nurse between 1984-1987 and has an extensive background in nursing, occupying senior leadership positions in surgical specialities of urology, colorectal, vascular and breast.

Diane has a wealth of experience in both clinical practice and leadership roles. She was previously chief executive at Barnsley Hospitals NHS Foundation Trust from 2013 to 2017 and interim chief executive at Royal Liverpool and Broadgreen University Hospitals NHS Trust, where she also worked as chief operating officer and executive nurse from 2007.

Diane's experience made her an ideal candidate to become a reviewer as part of the Keogh Trusts in 2013 and then part of the CQC inspection process, chairing CQC inspections in East Kent, University Hospitals North Midlands, Barts Health NHS Trust and Leeds Teaching Hospitals.

Diane has a passion for patient safety and high-quality care and has knowledge and expertise in implementing robust governance processes.

She is committed to system working both within Dudley Place and at Integrated Care System (ICS) level. She is the SRO (senior responsible officer) for the ICS leading on cancer, elective and diagnostics. Diane is also the SRO for provider collaborative across the Black Country system where collaboration and partnership working has never been stronger.

Lowell Williams, non-executive director

Lowell joined the board in December 2019. He was the former chief executive officer of Dudley College of Technology from 2008-2019 and led the college to an Ofsted Outstanding rating in the 2017 inspection. In January 2018, he was named as one of seven appointments to the government's advisory group, the National Leaders of Further Education, which is made up of principals from colleges who have been rated good or outstanding. Lowell led the creation of Dudley's Academies Trust. Lowell was also elected Councillor for Warwick District Council in 2023.

Staff Nurse, Alex Griffiths received a BEM in the late Queen's Birthday Honours.

Board of Directors' attendance

Position	Name	Commencing	End	Attendance out of 13*
Chief executive	Diane Wake	03/04/17		13/13
Director of finance	Tom Jackson	01/02/18	31/05/22	2/2
Interim director of finance	Kevin Stringer	01/06/22		10/11
Chief operating officer	Karen Kelly	02/01/18		7/10
Interim chief operating officer	Adam Thomas	01/12/22	31/03/23	4/5
Medical director	Dr Julian Hobbs	02/10/17		11/13
Chief nurse	Mary Sexton	29/11/19		11/13
Chief people officer	James Fleet	10/03/20	30/06/22	2/3
Interim chief people officer	Alan Duffell	20/06/22		10/11
Director of strategy & partnerships	Kat Rose**	18/4/22		12/13
Chief information officer	Adam Thomas	01/09/19		9/9
Interim Chief Information officer	Neill Crump	01/12/22	31/03/23	4/5
Director of governance	Andy Proctor **	01/06/22		9/11
Chair	Dame Yve Buckland	20/05/19	31/08/22	4/4
Chair	Sir David Nicholson	01/09/22		8/9
Non-executive director	Prof Liz Hughes	15/11/19	15/11/25	10/13
Non-executive director	Julian Atkins	04/01/16	31/05/23	13/13
Non-executive director	Catherine Holland	01/09/18	31/08/24	10/13
Non-executive director	Lowell Williams	01/12/19	31/03/23	12/13
Non-executive director	Prof Gary Crowe	01/07/19	01/07/25	11/13
Non-executive director	Vij Randeniya	20/11/20	31/03/24	9/13
Non-executive director	Jonathan Hodgkin	01/04/18	31/07/22	4/4
Associate non-executive director	Thuvarahan Amuthalingham****	13/05/21	12/05/23	10/13
Non-executive director	Gurjit Bhogal***	13/05/21	12/05/23	10/13

*There was no meeting held in August 2022, extraordinary meetings held in September 2022 and March 2023.
**non voting
***Became voting effective from October 2022
****associate non-executive directors are non voting

Notice periods – the notice period for all executive directors is three months. Non-executive directors are appointees and do not have a notice period.

Board committee structure

Patient experience

There was an increase in complaints activity from 2021/22 (935) to 2022/23 (1,038), an increase of 11 per cent.

Year Complaints Received % Increase

- 2022/23 - 1,038, 11 per cent.
- 2021/22 - 935, 31.5 per cent.

The Trust received 3,547 informal concerns and comments and 563 signposting contacts (in total 4,110 cases/activity) to the Patient Advice and Liaison Service (PALS) in 2022/23, which is a decrease from the previous year (2021/22) figure of 4,329 in total (3,715 informal concerns and comments and 614 signposting contacts). This is a decrease of 219 total cases/activity (-5 per cent).

Patients have highlighted (both through PALS concerns and complaints) their frustrations in delays with appointments and procedures which are still being affected by the recovery of services following the COVID-19 pandemic. Complaints and concerns are reviewed monthly to identify themes and trends across the Trust. These are shared with the divisions each month at their divisional governance meetings. Improvement actions and learning is put into practice and reported to the patient experience group, the quality and safety committee and the Board of Directors. Learning is shared through 'Learning from Experience' events held each quarter by divisions. During 2023/24, the NHS Complaints Standards are being introduced to support organisations to provide a quicker, simpler, and more streamlined complaint handling service.

The new standards have a strong focus on:

- Early resolution
- All staff, particularly senior staff, regularly reviewing what learning can be taken from complaints.
- How all staff, particularly senior staff, should use this learning to improve services.

The standards promote early resolution where possible and encourage staff/services to work with the complainant to help resolve their concerns as fairly and quickly as we can. This does promote and embed learning to improve services and takes a holistic approach of involving complainants more during the complaints process.

Patient panels/focus groups

We have hosted a number of virtual patient panels and supported several departments and teams to deliver 'Listening into Action' events throughout the year

to capture people's views and experiences on what we did well and what we could improve to help us shape future service planning and development.

Patient experience champions

We have implemented the patient experience champions role within the Trust and each ward and service have identified a patient experience champion for their area. The champions promote patient experience within their areas to help drive Trust-wide improvements, share good practice and provide the best patient experience and care. We have hosted several workshops throughout the year to share patient feedback and learning to support and develop the champions role.

Patient voice volunteers

A patient voice volunteer is a non-trust employee who supports the hospital in improving patient experience. Patient voice volunteer brings an independent perspective and are involved, as an equal partner, in a wide range of activities and programmes to improve the patient experience. We have recruited seven patient voice volunteers who all bring lots of experience of using Trust services or caring for someone who has been a patient.

Experience of Care Week

We celebrated Experience of Care Week 2022, which is an annual event that celebrates healthcare staff impacting patient experience every day. With the support of NHS England and NHS Improvement, it offered us the chance to celebrate the work that's happening to improve experiences of care with our staff, patients and their families and carers.

Throughout the week we shared feedback from our patients to highlight the importance of what matters most to patients, and to celebrate successes to demonstrate the great work that our staff do every day to ensure the best patient experience.

Training

We have continued to deliver customer care training to newly qualified nurses and other staff within the Trust to raise the profile of patient experience and to highlight the importance of what matters most to patients.

Local survey development

We have designed and facilitated a number of local surveys via online links and QR codes to improve the accessibility of giving feedback to allow patients to provide feedback on their experience of services. These are promoted on the new patient experience boards and tablets.

Encouraging patient feedback and sharing success

Feedback is received via a number of mechanisms that have been designed to enhance the patient experience and improve learning, including complaints, PALS, national and local surveys, focus groups, 'Listening into Action' events and FFT. Throughout 2021/22, we have continued to build on our 'What Matters to You' campaign across the Trust and via social media channels. This campaign aims to raise the profile of patient experience across the Trust, capture feedback and share successes.

Feedback Friday

The Trust hosts a 'Feedback Friday' event every month to gather feedback from people who use our services to gather their thoughts and implement changes to improve the services that we offer. Our 'Feedback Friday' sessions are held in the Russells Hall Hospital Health hub at the end of each month. To build on our engagement activities we promote national awareness days and campaigns to highlight and raise awareness of specific health conditions to improve the health and wellbeing of our local communities.

Talk to Us trolley

We have implemented our 'Talk to Us' trolley on the wards to gain feedback from our patients following their inpatient stay.

Stakeholder relations

Black Country Integrated Care System (ICS)

The Dudley Group NHS Foundation Trust is one of 12 health care organisations that form the Black Country Integrated Care System. Known as Healthier Futures, it brings together providers and commissioners of NHS services with local authorities and other local partners to plan and deliver joined up services and to improve the lives of **the 1,202,528** people who live and work in the Black Country.

This year we participated in developing the Initial Black Country Integrated Care Partnership Strategy 2022 – 2024. Through a series of collaborative sessions and building on the four Joint Local Health and Wellbeing Strategies partners have undertaken a prioritisation process to identify four main areas where we believe there is potential for increased impact from greater co-ordination and joint effort. It is recognised that some themes are 'cross-cutting' such as the current cost of living challenges and on-going health inequalities which are seen to permeate the four priorities, which are:

- Black Country people great and skilled – Workforce: Recruitment, Education and Training.

- Growing up in the Black Country – Children and Families.
- Black Country Cares – Social Care system.
- Feeling well in the Black Country – Mental health and emotional wellbeing.

As part of the operating framework for the system, there are several programme boards where providers come together to work collectively with the Trust actively engaged in all of these. Our chief executive is the system lead for the Elective and Diagnostic Programme Board and the Cancer Programme Board. Through the Elective and Diagnostics Programme Board we have seen providers work together and provide mutual aid across the system to ensure we address the waiting list backlog following the COVID-19 pandemic which saw us, this year, eliminate anyone waiting over 104 weeks and eliminate waiting over 78 weeks by the end of April 2023.

Black Country Provider Collaborative (BCPC)

The Trust has worked closely with the three other acute trusts in the Black Country on how we should collaborate to improve the services we offer to patients. A programme of clinical change has been agreed, with a Board and executive group been established comprising the chairs, chief executives, and lead directors from all four organisations. Our chair is also the chair for the provider collaborative, and our Chief Executive is the senior responsible officer for the provider collaborative and Chairs the executive board group.

The Black Country Provider Collaborative vision is "One healthcare system, across multiple sites, working in partnership to provide better, faster and safer care to the population of the Black Country and beyond."

For the Clinical Improvement Programme, its objective is to improve patient care and experience through three key goals:

- Improving access – supporting recovery and restoration
- Quality – equity & health inequalities through standardisation of care and reduction of unwarranted variance
- System resilience and transformation – new models of care, system strategic developments … enhancing workforce recruitment and retention.

The Clinical Improvement Programme is made up of 10 clinical networks and these include consultants from all four trusts. A series of clinical summits have been held over the year to share the progress that has been made by the clinical networks.

This year has seen the development of approximately 60 priorities across ten clinical networks and some corporate improvement areas:

- 13 (transformation) projects.
- 30 (transactional) tasks.
- 17 milestones.

There has been positive progress in the following areas:

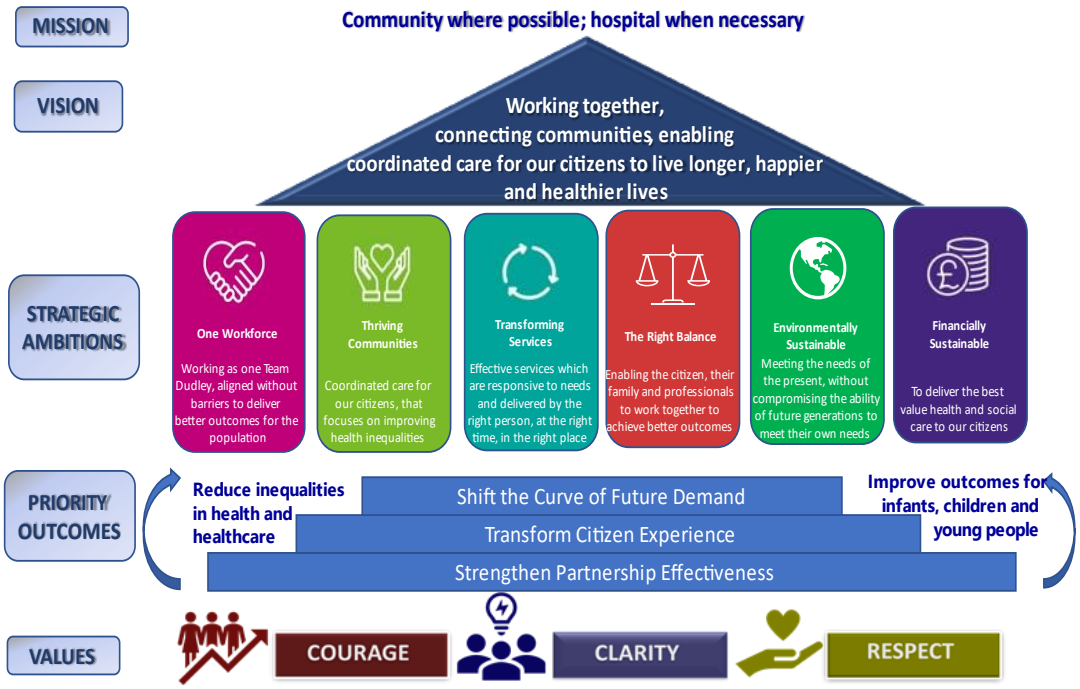
- Breast – implementation of breast pain clinics at all four trusts.
- Colorectal - faecal immunochemical tests (FIT) programme being actively rolled out.
- SKIN – Tele-dermatology services being actively rolled out.
- Urology – surgical robot delivered, and first nephrectomy procedure undertaken at The Dudley Group NHS Foundation Trust.
- Ear, Nose & Throat – vertigo pathway being finalised.
- Gynae – one-stop postmenopausal bleeding clinics at Walsall Healthcare NHS Trust with The Dudley Group NHS Foundation Trust to follow.
- Gynae – two-week referral pathways developed and awaiting commissioning.
- Gynae – menopause clinic established at Walsall Healthcare NHS Trust
- Ophthalmology – progress in glaucoma and medical retina to 'level up' across the Black Country.
- Orthopaedic – joint musculoskeletal (MSK) care pathway to enable better referral management from primary care.
- Critical care – eight out of 15 advance critical care practitioners (West Midland allocation) posts secured for the Black Country.
- Orthopaedic – 'North Hub' accreditation visit undertaken. Full business case being established.
- SKIN – Teledermatology service being established.

Dudley Health and Care Partnership

Place-based partnerships exist to make more effective use of the combined resources available within a local area underpinned by shared priorities and an ethos of 'one place.'

Dudley Health and Care Partnership is a collaborative arrangement formed by the organisations responsible for arranging and delivering health and care services in Dudley and provides the Dudley "Place" function for the Black Country Integrated Care System (ICS). The Trust has been the co-chair of the partnership in the last year.

The following summarises the Dudley Health and Care Partnership's mission, vision, strategic ambitions and three priority outcomes, underpinned by the values and behaviours of courage, clarity and respect.

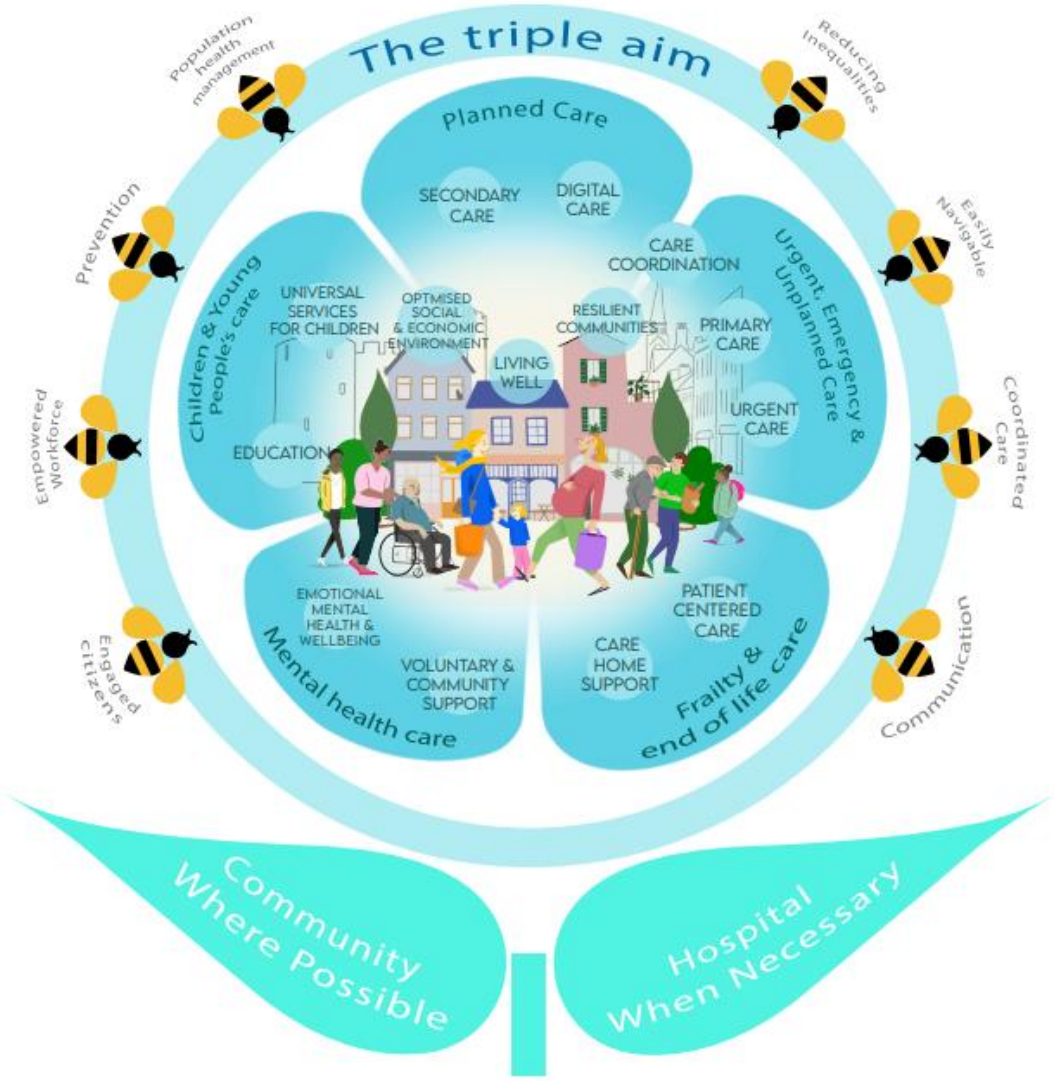


In the spring of 2022, the Dudley Health and Care Partnership commissioned Capgemini Invent Consulting Services and their Accelerated Solutions Environment (ASE) to create and plan two separate two-day events to bring clinicians and wider health and care providers together[1]. The aim was to define and design a new system wide model of care for the Dudley system.

Target outcomes were defined using the outputs from the ASE, aligned to the NHS Triple Aim (better patient experience, better health and wellbeing in the population and a sustainable health and care system).

The result was a transformation roadmap which created the platform and mechanism for delivering this new model of health and care into operational and clinical reality.

Priority areas were selected where the new integrated model of care was believed to have the most impact, and in June the group of clinicians responsible for coordinating the Capgemini Accelerated Solution Event reconfigured to lead the new integrated model of health and care. Together they developed the below graphical representation of the model.



The is committed to working in collaboration with all partners to delivering the integrated model of care within Dudley over the next year and beyond and is actively engaged and leading on a number of working groups that have been established to take this forward.

Universities and Colleges

The Trust continues to work closely with local universities and colleges. This year has seen an increase in the numbers and range of students undertaking placements with us including for the first-time medical students from Aston Medical School. A memorandum of understanding between the Trust and Aston University has been

signed with the intention of increasing the number of staff from both parties involved in collaborative research.

We continue to develop closer working relationships with Dudley College using their facilities and promoting uptake of courses by our staff. Preparations are being made for the building and opening of a new university centre (Health Innovation Dudley) which will provide higher level courses in health and care.

With the easing of COVID-19 restrictions, it has been possible to start offering work experience placements to local school students and to provide ways of promoting careers in the health service to fulfil our future workforce needs. Closer relationships with schools run by Dudley Academies Trust have started to be built this year and we intend to widen and strengthen links with local schools in the future.

Healthier futures partnership - statement from the independent chair

The Black Country Integrated Care Board is proud to be part of the Healthier Futures, Black Country Integrated Care System (ICS). The formal establishment of the ICS on 1st July 2022 creates the framework for the integration of health and care in the Black Country. The Integrated Care Partnership, Integrated Care Board our provider collaboratives and place-based partnerships are working together to positively impact the health and lives of those in our local communities. Our collective purpose is to:

- Improve outcomes in population health and healthcare.
- Tackle inequalities in outcomes, experience and access
- Enhance productivity and value for money.
- Help the NHS support broader social and economic development.

The NHS is now actively working with local authorities, at place and system level, to understand and collate our initiatives, aiming to improve the lives of Black Country people. Over the last year we have made progress as we begin to understand each other as partners and recognise that whilst one organisation will take a lead at times, the understanding and value of integrated working allows for collective support to become available. Building trust, both with our care partners and the public is essential, with the common objective of improving health, care and prospects across the entirety of the Black Country.

Our Integrated Care Partnership has now published the Black Country Integrated Care Strategy which sets out how we will work together to meet the health and wellbeing needs of local people. The strategy which is available to download online, builds on and compliments the work of the Health and Wellbeing Boards in each area, but looks at the additionality that can be achieved through system level working.

The themes of **Healthier People – Healthier Places – Healthier Futures** provide a framework for the strategy:

1. **Healthier People:** Black Country people face a range of health challenges and poorer health outcomes. This strategy sets the context for how we can work together to improve these.
2. **Healthier Places:** The Black Country is a place where **1,202,528** people live in nearly 500,000 homes on about 138 sq. mi. / 360 km2 of land. Today, it's a place where there are almost 40,000 businesses, with over 450,000 jobs, generating £17.2billion gross value added per annum. These are tremendous resources, and it is the power that comes from the strength of the communities in these places which will drive much of our work.
3. **Healthier Future:** One of the purposes of a strategy is to look ahead. It is recognised that it takes time to tackle the wider determinants of health and improve health life expectancy.

None of this can happen overnight, and in our Black Country Integrated Care Partnership, we have worked hard to begin the journey we are on. We are building on our previous achievements in developing a Healthier Future Partnership between the NHS and the Councils initially. This strategy identifies key priority areas for us to work together on so that we can properly understand their issues and find the solutions to the challenges that we all face.

1. Workforce retention and recruitment.
2. Children and families.
3. Social care system.
4. Mental health and emotional wellbeing.

This is a new way of working for health and care across the Black Country. However, it is an evolution rather than a revolution, and there is an enormous amount of value that can be taken from learning from each other. Together, we will take action when we foresee benefits for our population, and we will celebrate when improvements in health and care are achieved. However, the importance of integrated working allows for us to face the challenges and opportunities we have together.

The Black Country Integrated Care Board is committed to working with partners moving forwards to use our collective resources to plan and deliver joined up health and care services, and to improve the lives of people who live and work in the Black Country.

Mr Jonathan Fellows

NHS Black Country Integrated Care Board Chair

Audit Committee

During the year, the Audit Committee operated in accordance with its responsibilities as set out in its terms of reference, which included:

- To agree the audit plan, audit fee and approach (including areas of risk, fraud risk, misstatement and materiality), and receive findings of the external auditor in relation to the financial statements, value for money opinion, the Quality Accounts (where applicable), the report to those charged with governance and to consider the implications of and management's responses to their work. More specifically, the Audit Committee considered the auditor's identified significant risks as part of their plan in relation to fraud in revenue recognition, management override of controls, and the valuation of property, plant and equipment. It has commented on its approach and attitude to fraud to the external auditor.

- To receive and approve the Annual Report and Accounts.

- To review, monitor the integrity (including the application of accounting principles and policies) and approve the financial statements and other reports when delegated by the board or in conjunction with the board and to provide assurance to the board.

- To review the systems which underpin the Trust's reporting including the establishment and maintenance of an effective system of integrated governance (including budgetary control), risk management and internal controls (including counter fraud measures) across the whole of the Trust's activities, both clinical and non-clinical, that support the achievement of the Trust's objectives, and in so doing;

- To ensure that there is an effective internal audit and Local Counter Fraud function that meets Government Internal Audit Standards and that provides appropriate independent assurance to the Audit Committee, chief executive and Board of Directors.

The key issues that the Audit Committee considered during the year were in relation to the following:

- Internal Audit identified some internal control weaknesses regarding audits in the areas assessment against the HIMMS Adoption Model for Analytics Maturity (AMAM), Cyber Security Awareness, E-Job Planning for the Clinical Workforce, framework for investigation of serious incidents and Data Quality related to Venous Thromboembolism (VTE). Management has implemented action plans in respect of recommendations for each of these areas and

progress on the implementation of the recommendations of Internal Audit is being overseen by the Audit Committee.

- Internal Audit have finalised their reports in respect of general ledger with substantial assurance. Final reports received in respect of debtors, payroll, clinical audit and effectiveness (reporting and governance) and serious incidents were issued with partial assurance.

- The process by which the Board Assurance Framework was updated to reflect the management of risks related to the Trust's new strategic goals was monitored during the year, resulting in more effective support of committee business, greater analysis and oversight of key risks.

In each case, the Audit Committee considered the information and explanations from management, and sought assurance that actions were put in place to address the issues raised. More detail on some of these areas is included in the Annual Governance Statement.

The external auditor, Grant Thornton, provides a progress report to each Audit Committee meeting set against the audit plan. The Audit Committee measures the effectiveness of the external audit process, its timing and outputs against this plan. The external auditor is appointed by the Council of Governors for a maximum five-year term following a competitive tender process against a set of quality and value for money criteria and following the recommendation of a tender committee which includes executive, non-executive and governor representation. The most recent tender process in 2019 resulted in the appointment of Grant Thornton who have been the Trust's external auditors for the period covered by this Annual Report.

Audit Committee Membership		
Gary Crowe	Non-executive director (committee chair)	6/6
Julian Atkins	Non-executive director	6/6
Gurjit Bhogal	Non-executive director	6/6
Vij Randeniya	Non-executive director	6/6
Thuva Amuthalingam	Associate non-executive director	2/2
In attendance		
Tom Jackson	Director of finance (left the Trust 31/5/22)	1/1
Julian Hobbs	Medical director	3/6
Diane Wake	Chief executive officer	6/6
Helen Board	Board secretary	5/6
Chris Walker	Deputy director of finance	6/6
Adam Thomas	Chief Information Officer	5/6
James Fleet	Chief people officer (left the Trust 30/06/22)	1/1
Karen Kelly	Chief operating officer	1/6
Kevin Stringer	Interim director of finance (joined 01/06/22)	4/4
Mary Sexton	Chief nurse	3/3

Andrew Proctor	Director of governance	4/4
Elizabeth Hughes	Non-executive director	1/1

The Dudley Group NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance 2014 on a comply or explain basis. The NHS Foundation Trust Code of Governance was recently revised in October 2022 and will be effective from 1st April 2023 and is based on the principles of the UK Corporate Governance Code.

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Meeting our community nurses to showcase our Clinical Hub.

Remuneration Report

Annual statement on remuneration (Information not subject to audit)

The Nominations and Remuneration Committee operates to review and evaluate the board structure and expertise, as well as to agree a job description and person specification for the appointments of the chief executive and audit executive directors. The committee also identifies and nominates suitable candidates for such vacancies and recommends its proposed appointment for chief executive to the Council of Governors.

Interview panels for executive director appointments are usually made up of existing directors, governors and external stakeholders. The committee determines the appropriate levels of remuneration for the executive directors. Remuneration levels are normally determined by reference to such factors as those applying in equivalent organisations in the NHS, changes in responsibility, performance, salary increases agreed for other NHS staff and guidance issued by the Secretary of State.
During the year, substantive appointments were made to the post of director of strategy and partnerships.

For the purpose of the Annual Report and Accounts, the chief executive has agreed the definition of a "senior manager" to be voting executive and non-executive directors only.

Evaluation of the Trust Board

Executive directors were set objectives and were evaluated by the chief executive as part of the annual appraisal process and the chief executive's own performance was evaluated by the chair. The non-executive directors' objectives were set by the chair and their evaluations were carried out by the chair. Objectives were set by the senior independent director for the chair as part of the evaluation process.

Senior manager remuneration policy (Information not subject to audit)

Remuneration for executive directors does not include any performance-related elements and there are no plans for this in the future. No significant financial awards or compensation have been made to past senior managers during the reporting period. There is no provision for the recovery of sums paid to directors or for withholding payments of sums to senior managers. Senior managers' service contracts do not include obligations on the Trust which could give rise to or impact on remuneration payments for loss of office. Senior managers' individual service contracts mirror national terms and conditions of employment and include notice periods and any termination arrangements. In the event of a contract being

terminated, the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five 'fair' reasons for dismissal.

In setting the remuneration policy for senior managers, consideration was given to the pay and conditions of employees on Agenda for Change. The Trust uses benchmarking data to ensure all salaries, including those over £150,000, are reasonable and provide value for money.

The Trust has not consulted with employees when determining the senior managers' remuneration.

Nomination and Remuneration Committee (Information not subject to audit)

The Nomination and Remuneration Committee is a sub-committee of the board and holds at least one meeting per year. During 2022/23, it held four meetings and attendance at meetings were as below. Executive directors also attend the Nomination and Remuneration Committee on occasion. The terms and conditions for the executive directors and senior managers of the Trust are included in their individual contracts of employment which includes notice periods and any termination arrangements.

The Trust has an Equal Opportunity and Diversity Policy in place which was approved in January 2020 and covers all aspects of the Trust's business. An Equality and Diversity Policy Statement in relation to the board was approved in March 2021.

Nomination and Remuneration Committee membership		Attendance (/4)
Julian Atkins	Non-executive director	1/1
Yve Buckland	Trust chair until 31/08/22	1/1
Catherine Holland	Non-executive director	4/4
Sir David Nicholson	Trust chair from 01/09/22	3/3
Vij Randeniya	Non-executive director, chair of committee	4/4
Lowell Williams	Non-executive director	2/4

Future policy tables

These set out the Trust's policy for future remuneration of senior managers.

Executive directors

	Salary and fees	Taxable benefits	Annual performance related bonuses	Long-term performance related bonuses	Pension-related benefits	Other remuneration
Description	Basic pay for executive role	Chief Executive, Medical Director and Director of Governance have a lease car. The taxable benefit associated with this is reported on yearly P11d's.	N/A	N/A	NHS Pension Scheme membership: Chief Information Officer, Director of Governance, Medical Director (April 23), Director of Strategy and Performance and Chief Nurse The following are paid a payment in lieu of their pension through agreed Trust scheme: Chief Executive, Chief Operations Officer, Medical Director (Stopped March 23)	Medical Director paid under M&D terms and conditions. Medical Director remuneration paid as a pensionable responsibility allowance. Also, in receipt of a working away from home allowance. Chief Operating Officer, Chief Nurse and Director of Governance receive a working away from home allowance.

	Salary and fees	Taxable benefits	Annual performance related bonuses	Long-term performance related bonuses	Pension-related benefits	Other remuneration
How that component supports the short and long-term strategic objectives of the foundation trust	To ensure the Trust is well-led and all short and long term objectives are met, the salary for senior managers must be competitive in order to recruit and retain talented individuals.	DGFT has historically needed to secure recruitment to key roles from outside of the region. On this basis, the Trust's Remuneration Committee has approved a working away from home allowance, which is applicable to all posts where recruitment from outside of the area is required (this is not a VSM allowance).	N/A	N/A	This enables the Trust to recruit sufficient talent at executive director level and accords with custom and practice in the rest of the NHS.	This is essential to ensure a medically qualified person can occupy the role of Medical Director.
An explanation of how that component operates	Executive director salaries are determined by the Remuneration Committee of the Trust, informed by benchmark salary derived from established national NHS pay surveys. Executive directors are appointed on a permanent basis under a contract of service at an agreed salary.	Trust Expenses Policy applies to all staff, including senior managers. Taxable benefits incurred fell within the scope of this policy. Levels of benefits reflect national terms and conditions for other staff groups to ensure consistency	N/A	N/A	This is determined in accordance with NHS Pension Scheme Benefits. No additional payments are made.	As determined by national terms and condition of employment.

	Salary and fees	Taxable benefits	Annual performance related bonuses	Long-term performance related bonuses	Pension-related benefits	Other remuneration
The maximum that could be paid in respect of that component	Fixed salary determined by Nominations & Remuneration Committee, in line with NHSE/I VSM pay guidance.	N/A	N/A	N/A	As determined by NHS Pension Scheme Entitlements.	As determined by national terms and condition of employment.
Where applicable, a description of the framework used to assess performance	The performance of executives is reviewed through a formal annual performance process, which is led by the Chief Executive and involves input/feedback on executive performance from non-executive directors.	N/A	N/A	N/A	N/A	N/A

Non-executive directors

	Fee payable	Any additional fees payable for any other duties to the foundation trust	Such other items that are considered to be remuneration in nature
Description	Fee for the chair, deputy chair, senior independent director, chair of Audit Committee, and other non-executive directors	N/A	Expenses incurred in the course of their duties such as public transport, mileage and subsistence as determined by Trust policy.
How that component supports the short and long-term strategic objectives of the foundation trust;	To ensure the Trust is well-led and all short and long term needs met, the fee for non-executive directors must be competitive in order to recruit and retain talented individuals	N/A	To ensure non-executive directors are appropriately compensated for those journeys they have undertaken on behalf of the Trust. The policy for non-executive director expenses is the same as that applying to other staff
An explanation of how that component operates	The chair and non-executive members are entitled to be remunerated by the Trust for so long as they continue to hold office as chair or non-executive member. They are entitled to receive remuneration only in relation to the period for which they hold office. There is no entitlement to compensation for loss of office. The level of remuneration is determined by the governors with due regard to the remuneration paid in other foundation trusts	N/A	Mileage and subsistence allowances for non-executive directors are set by the Council of Governors.
The maximum that could be paid in respect of that component	The rate of remuneration payable to the chairman of the Trust is £50,000 p.a**.** The senior independent director and deputy chair are remunerated at £15,489 p.a. and the chair of Audit Committee is remunerated at £15,079 p.a. The remuneration for the other non-executive directors is £13,190 p.a.	N/A	N/A
Where applicable, a description of the framework used to assess performance	Performance of non-executive directors is assessed by the chairman annually, and for the chairman, by the senior independent director.	N/A	N/A

Salary and pension entitlements of senior managers (audited)

The following is subject to audit: senior manager remuneration table, senior manager pension benefit table, and the ratio of the highest paid director compared to the staff pay median. The remainder of the remuneration report is not subject to audit.

a). Remuneration

Salary entitlements of senior managers 2022/23 - audited

Name and Title	Note	Year Ended 31 March 2023					
		Salary (bands of £5,000)	* Expense payments (taxable) (to the nearest £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	# All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£	£000	£000	£000	£000
Diane Wake, Chief Executive		230 - 235					230 - 235
Tom Jackson, Director of Finance	A	25 - 30					25 - 30
Kevin Stringer, Interim Director of Finance	B	90 - 95					90 - 95
Julian Hobbs, Medical Director		255 - 260				5 - 7.5	260 - 265
Karen Kelly, Chief Operating Officer		170 - 175					170 - 175
Mary Sexton, Chief Nurse		150 -155				45 - 50	195 - 200
James Fleet, Chief People Officer	C	35 - 40					35 - 40
Alan Duffell Interim Chief People Officer	D	65 - 70					65 - 70
Adam Thomas, Chief Information Officer	E	125 - 130				42.5 - 45	170 - 175
Neill Crump Acting Chief Information Officer	F	20 - 25				5 - 7.5	25 - 30
Sir David Nicholson, Chief Executive	G	25 - 30					25 - 30
Yve Buckland, Chair	H	20 - 25	700				20 -25
Julian Atkins, Non Exec		15 - 20	500				15 - 20
Gurjit Bhogal, Non Exec	I	5 - 10					5 - 10
Gary Crowe, Non Exec		15 - 20	200				15 - 20
Jonathan Hodgkin, Non Exec	J	0 - 5	400				0 - 5
Catherine Holland, Non Exec		15 - 20					15 - 20
Elizabeth Hughes, Non Exec		10 - 15					10 -15
Vijith Randeniya, Non Exec		10 - 15					10 -15
Lowell Williams, Non Exec		10 - 15					10 -15

Salary entitlements of senior managers 2021/22 - audited

Name and Title	Note	Year Ended 31 March 2022					
		Salary (bands of £5,000)	* Expense payments (taxable) (to the nearest £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	# All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£	£000	£000	£000	£000
Diane Wake, Chief Executive		210 - 215					210 - 215
Tom Jackson, Director of Finance		150 - 155				0	150 - 155
Julian Hobbs, Medical Director		225 - 230				20 - 22.5	245 - 250
Karen Kelly, Chief Operating Officer		150 - 155				15 - 17.5	165 - 170
Mary Sexton, Chief Nurse		145 - 150				152.5 - 155	295 - 300
James Fleet, Chief People Officer	C	145 - 150				32.5 - 35	175 - 180
Adam Thomas, Chief Information Officer	E	30 - 35				12.5 - 15	40 - 45
Yve Buckland, Chair	H	45 - 50	2,900				50 - 55
Julian Atkins, Non Exec		15 - 20	800				15 - 20
Gary Crowe, Non Exec		15 - 20					15 - 20
Jonathon Hodgkin, Non Exec		10 - 15	700				10-15
Catherine Holland, Non Exec		15 - 20					15 - 20
Elizabeth Hughes, Non Exec		10 - 15					10-15
Vijith Randeniya, Non Exec		10 - 15					10-15
Lowell Williams, Non Exec	K	0 - 5					0 - 5

Notes:

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

Only directors who are members of the pension scheme have pension related benefits in 2021/22 and 2022/23.

* Expense Payments relate to home to base travel reimbursement for Non Executive Directors

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

Changes to the Board

A Tom Jackson left 31 May 2022
B Kevin Stringer started 1 June 2022
C James Fleet left 30 June 2022
D Alan Duffell started 20 June 2022
E Adam Thomas started 1 January 2022, and acted as Chief Operating Officer from 1 December 2022 to 31 March 2023
F Neill Crump acted as Chief Information Officer from 1 December 2022 until 31 March 20
G David Nicholson started 1 September 2022
H Yve Buckland left 31 August 2022
I Gurjit Bhogal started 13 October 2022
J Jonathan Hodgkin left 31 July 2022
K Lowell Williams started 1 January 2022

b). Pension benefits

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2022	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Diane Wake, Chief Executive	0	0	0	0	0	0	0	
Tom Jackson, Director of Finance	0	0	0	0	0	0	0	
Julian Hobbs, Medical Director	0 - 2.5	0	70 - 75	150 - 155	1,346	28	1,415	
Karen Kelly, Chief Operating Officer	0	0	0	0	0	0	0	
Mary Sexton, Chief Nurse	2.5 - 5	2.5 - 5	60 - 65	130 - 135	1,180	60	1,308	
James Fleet, Chief People Officer	0 - 2.5	0 - 2.5	10 - 15	15 - 20	155	0	172	
Adam Thomas, Chief Information Officer	2.5 - 5	0 - 2.5	25 - 30	40 - 45	79	21	370	
Neill Crump, Acting Chief Information Officer	0 - 2.5	0	0 - 5	0	23	2	40	

Note:-
Figures shown reflect time in office during the year and include accrued benefits and contributions in respect of full salary, which will include both management and medical contributions.
Only Directors covered by the pension arrangements during the reporting year are included in this table.

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 Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. The figure excludes any increase due to inflation, and takes account of contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.
The benefits and related CETVs in the above table do not allow for a potential future adjustment arising from the McCloud judgement.
Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Members of the NHS Pension scheme are entitled to claim payment of their benefits early from any age on or after their minimum pension age up to their normal pension age (this differs dependant on scheme). When taking actuarially reduced early retirement, pension is reduced to allow for the fact that it is being paid earlier than expected.
Where senior managers have left, changed working hours or had their pensionable pay otherwise modified since 28 February 2022, this has been communicated to NHS Pensions and any revised calculations have been completed and included in the 31 March 2023 disclosure items.
The Trust is required to disclose the expenses paid to Directors, Non Executive Directors and Governors.
The band of the expenses paid for 2022/23 was £2,500 - £5,000 (2021/21 £2,500 - £5,000)

D.Wake

Signed

Diane Wake
Chief Executive

Date: 15 June 2023

Fair pay disclosure (audited)

NHS foundation trusts are required to disclose the relationship between the total 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 Trust in the financial year 2022/23 was £255,000 - £260,000 (2021/22 £225,000 - £230,000). This is a change between years of 13.19% (2021/22 4.6%).

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

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £6 to £526,000 (2021/22 £12 to £507,000). 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 (0.99)% (2021/22 4.45%).

The calculation of the percentage change for the highest paid director is based upon the change in the midpoint of the salary band, whereas for employees as a whole this is based upon the salary total for all employees divided by the total FTE, excluding the highest paid Director.

2022/23	% change for highest paid director	% change for employees as a whole
Salary and allowances	13.19	-0.99
Performance pay/bonuses	0	0

2021/22	% change for highest paid director	% change for employees as a whole
Salary and allowances	4.6	4.45
Performance pay/bonuses	0	0

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 trust's workforce. 11 employees received remuneration in excess of the highest paid Director (2021/22, 10).

2022/23	25th Percentile	Median	75th percentile
	£	£	£
Total Remuneration	21,730	30,729	44,322
Salary component of total remuneration	17,210	27,453	41,518
Pay ratio	11.9 : 1	8.4 : 1	5.8 : 1

2021/22	25th Percentile	Median	75th percentile
	£	£	£
Total Remuneration	8,619	25,639	40,354
Salary component of total remuneration	4,026	21,777	36,121
Pay ratio	28.1 : 1	9.4 : 1	6.0 : 1

The pay ratio between the highest paid director and each of the 25th percentile, median and 75th percentile has reduced in 2022/23 in comparison to 2021/22. The change is more pronounced at the 25th percentile and medium measurements. Staff numbers used in the calculation have reduced by 923 from 2021/22. This includes a significant reduction in the number of zero hour contracts following a downsizing of the COVID-19 vaccination programme where the Trust operated as lead provider. In addition, a significant level of recruitment has been undertaken for international nurses who initially commence as support workers until passing OSCE and gaining their Nursing & Midwifery Council pin. Finally, costs have increased as a result of the NHS pay award which included higher uplifts for staff on lower salary bands.

The Trust believes that the median pay ratio is consistent with the pay, reward and progression policies for its employees taken as a whole.

Governor and director expenses (Information not subject to audit)

During 2022/23, 21 individuals (2021/22, 17) were executive or non-executive directors for the Trust. Of these, 5 (2021/22, 8) received expenses in the reporting period and the aggregate sum of expenses paid was £3,151.64 (2021/22 £4,631.15).

In addition, during 2022/23, 27 individuals (2021/22, 27) were governors for the Trust.

Of these, two governors (2021/22, 1) received expenses in the reporting period and the aggregate sum of expenses paid was £236.46 (2021/22, £110.00).

Better payment code of practice

The Better Payment Code of Practice requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Trust maintained its performance against the Better Payment Code of Practice in 2022/23 as high levels of compliance against the code was achieved in each of the 12 months.

	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Total non-NHS trade invoices paid in the year	54,843	309,509	52,103	282,419
Total non-NHS trade invoices paid within target	51,452	301,622	50,297	277,167
Percentage of non-NHS trade invoices paid within target	**94%**	**98%**	**97%**	**98%**
Total NHS trade invoices paid in the year	1,382	42,256	1,347	47,052
Total NHS trade invoices paid within target	1,284	41,312	1,309	46,534
Percentage of NHS trade invoices paid within target	**93%**	**98%**	**97%**	**99%**

The Trust can confirm that is has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. This guidance discusses how public sector organisations should charge for information.

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Our new Chair, Sir David Nicholson meeting staff on maternity wards.

Staff report

About our employees

In this section you will find a breakdown of the workforce profile, staff in post during the year and information about how the Trust promotes equality, diversity and inclusion and how it engages with its workforce.

The Trust employs 6,150 substantive staff by headcount as of 31st March 2023. An analysis of workforce statistics indicates they are comparable with the local Dudley population although a greater proportion of people from ethnically diverse groups choose to work at The Dudley Group NHS Foundation Trust. The higher proportion of female workers to male is typically reflected across other combined acute and community trusts, and across the NHS as an organisation.

Staff in post

Staff Group	Headcount*	FTE**
Add Prof Scientific and Technic	204	184.81
Additional Clinical Services	1470	1282.30
Administrative and Clerical	1239	1096.42
Allied Health Professionals	462	397.04
Healthcare Scientists	53	47.04
Medical and Dental	679	650.98
Nursing and Midwifery Registered	2043	1803.28
Grand Total	**6150**	5461.87

* Primary Assignment Only
** Includes Secondary Assignments

Workforce Profile

Age Band	2022	2023
<=20 Years	1.24%	1.15%
21-25	8.47%	8.62%
26-30	14.04%	15.48%
31-35	14.56%	14.98%
36-40	11.82%	12.73%
41-45	11.23%	10.55%
46-50	11.37%	10.20%
51-55	12.78%	11.35%
56-60	9.26%	9.32%
61-65	4.27%	4.41%
66-70	0.68%	0.93%
>=71 Years	0.25%	0.29%

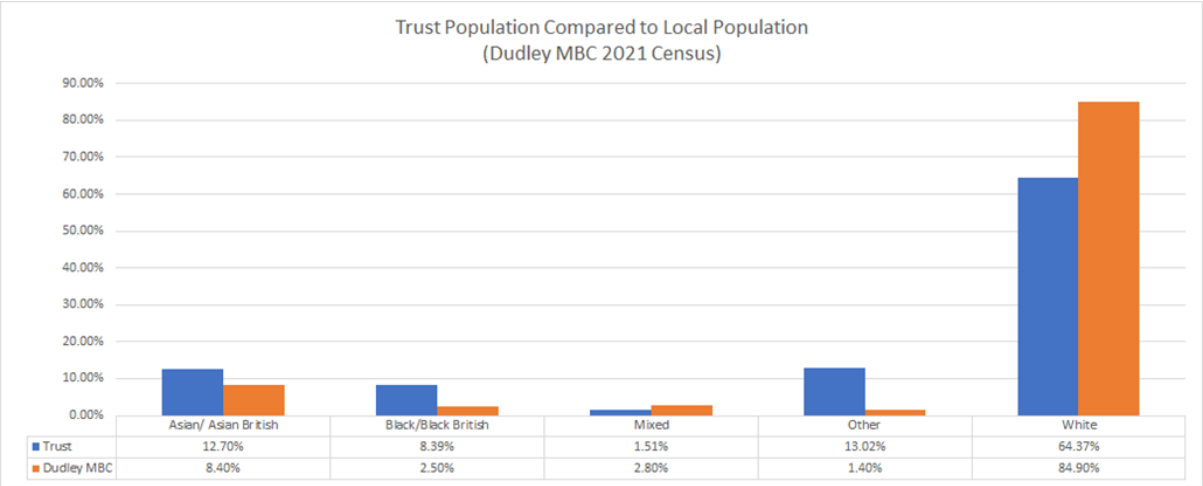
Gender	2022	2023
Female	81.45%	81.54%
Male	18.55%	18.46%

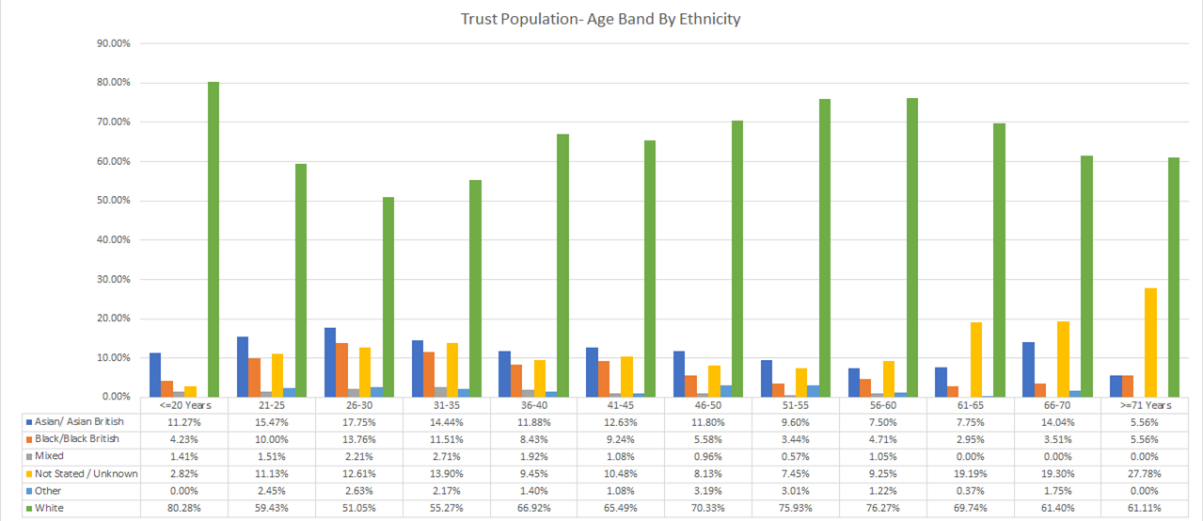
Ethnicity	2022	2023
Bame	20.55%	24.65%
Not Stated / Unknown	10.80%	10.98%
White	68.66%	64.37%

Disability	2022	2023
No	62.67%	62.02%
Not Declared	33.29%	32.57%
Prefer Not To Answer	0.07%	0.05%
Yes	3.97%	5.37%

Religious Belief	2022	2023
Atheism	10.92%	10.78%
Buddhism	0.23%	0.31%
Christianity	39.33%	39.45%
Hinduism	1.57%	1.82%
I do not wish to disclose my religion/belief	28.19%	24.47%
Islam	4.52%	5.40%
Jainism	0.07%	0.07%
Judaism	0.02%	0.03%
Other	5.97%	6.07%
Sikhism	1.95%	1.71%
No Response provided	7.23%	9.90%

Sexual Orientation	2022	2023
Bisexual	0.40%	0.59%
Gay or Lesbian	1.14%	0.98%
Heterosexual or Straight	67.02%	67.93%
Not stated (person asked but declined to provide a response)	24.12%	20.39%
Other sexual orientation not listed	0.13%	0.11%
Undecided	0.02%	0.05%
No Response Provided	7.19%	9.95%





Staff numbers (audited)

	Total Accounts 31 Mar 2023 2022/23 No.	Permanent Accounts 31 Mar 2023 2022/23 No.	Other Accounts 31 Mar 2023 2022/23 No.	Total Accounts 31 Mar 2022 2021/22 No.	Permanent Accounts 31 Mar 2022 2021/22 No.	Other Accounts 31 Mar 2022 2021/22 No.
Medical and dental	841	742	99	781	675	106
Ambulance staff	12	12		20	19	1
Administration and estates	456	424	32	442	395	47
Healthcare assistants and other support staff	2,189	1,871	318	2,162	1,735	427
Nursing, midwifery and health visiting staff	2,014	1,647	367	1,942	1,567	375
Nursing, midwifery and health visiting learners	0			4	4	
Scientific, therapeutic and technical staff	656	576	80	676	567	109
Healthcare science staff	54	50	4	53	50	3
Social care staff	0			0		
Other	0			0		
Total average numbers	6,222	5,322	900	6,078	5,012	1,067

Staff costs (audited)

	Year Ended 31 March 2023			Year Ended 31 March 2022		
	Total	Permanent	Other	Total	Permanent	Other
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	262,002	259,285	2,717	244,551	242,472	2,079
Social security costs	27,934	27,934	0	23,473	23,473	0
Apprenticeship Levy	1,330	1,330	0	1,206	1,206	0
Employer's contributions to NHS Pensions	26,486	26,486	0	24,984	24,984	0
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	11,437	11,437	0	10,886	10,886	0
Pension Cost - other	93	93	0	92	92	0
Termination Benefits	0	0	0	0	0	0
Temporary Staff (including agency)	20,373	0	20,373	26,543	0	26,543
NHS Charitable funds staff	113	113	0	101	101	0
Total	**349,768**	**326,678**	**23,090**	**331,836**	**303,214**	**28,622**

Sickness absence data

The detail of staff sickness / absence from work for the year are:

	For the Year 2022	For the Year 2021
	56,250	51,767
	5,079	4,838
Average Working Days Lost Per WTE	11	11

This sickness absence data represents the calendar year ended 31 December not the financial year.

Staff with disabilities

National and regional evidence highlights that many disabled staff continue to experience inequalities in the workplace when compared to their non-disabled **Nicholson** colleagues.

The Workforce Disability Equality Standard (WDES) was introduced in 2017 and mandated in 2018 and is a set of ten indicators which enable the comparison of the workplace and career experiences of disabled and non-disabled staff.

The Trust was awarded the 2022 WDES Disability Innovation fund from the NHS England. As a result, a project to improve disability declaration rates called 'This is Who I Am' was launched by the Trust's Disability Staff Network. Lived experience video resources have also been produced to encourage engagement and to showcase how the Trust support the workforce who have declared a disability. As a result of this project, the Trust has seen the rate rise to 5.2 per cent, with the work being nationally recognised at the NHS Employers 2022 Disability Summit.

The Dudley Group is subscribed to the Disability Confident Scheme and was awarded Disability Confident Leader status in April 2021. This reflects our positive

commitment to employing people with disabilities. The Trust continues to implement the Reasonable Adjustment Passport for staff and managers. This includes support for staff who have a mental health condition.

The Trust's Equality, Diversity, Inclusion and Wellbeing team is currently working on a project to centralise the Reasonable Adjustment process including a centralised budget.

Engaging with our workforce and communities

The Trust is committed to working in partnership with its employees to maximise its potential to deliver against its business objectives, through robust arrangements for joint working which include consultation and negotiation. We appreciate the need for collaborative working on the underpinning aims and values to ensure exemplary practice in the employment and treatment of staff. The Trust recognises the importance of proper representation by recognised trade unions, and we are committed to involving and engaging with Staff Side, trade unions and staff through our Joint Negotiating Committee to ensure that we maintain effective workplace employee relations.

Good communication and engagement across the Trust is a priority to ensure colleagues, patients and the public know what is happening in the Trust. We use many different channels to engage our workforce and community in service development.

The Hub

The Hub is the Trust's intranet and enables us to share news and updates with all our staff. This includes health campaigns, finance information, workforce and recruitment updates. It shares successes such as award wins and innovations, and alerts staff to any operational changes. The Hub is also the central repository for all clinical and non-clinical procedural documents, links and essential information.

In the Know

In the Know is an email bulletin to all staff and our private finance initiative partners and is the go-to source of information in the Trust, allowing us to share key updates quickly.

Team Brief

Led by the chief executive each month, this online event enables staff to receive updates on Trust performance and developments, and to ask questions.

Live Chat

This takes place every two weeks and is led by the chief executive. It is a very popular online forum for staff to put questions and to receive an immediate response from the senior management team. They have the option to do this anonymously. This year has seen several ‘themed’ Live Chats with guest expert hosts, such as an opportunity to put questions on vaccines, home working, sustainability and our new Trust strategy.

Healthcare Heroes

Healthcare Heroes is an opportunity to recognise and reward the great work of our teams, individuals and volunteers. Staff and patients submit nominations each month and the winners, chosen by the chief executive, are paid a surprise visit and presented with a certificate and prize.

Patient Safety and Experience Bulletins

We continue to engage clinicians with important patient safety and experience information through weekly email bulletins on specific themes.

Long Service Awards

We feel that 10, 25, 30, 40 and 50 years are big milestones in an NHS career and we recognise this with our Long Service Awards. These events happen annually and we are looking forward to inviting staff to the 2023 awards ceremony at the Trust in December 2023. In 2022, we recognised 190 members of staff, including 52 staff members who reached milestones of 25, 30 and 40 years of service. We celebrated a collective total of 2,409 years of service in the NHS.

Social media

We have a strong social media presence and regularly post news about the Trust, events, our services and health advice on Facebook and Twitter. We actively encourage staff to engage with us on Twitter and more and more departments now have their own Twitter accounts. We have around 15,876, page followers on Facebook and nearly 7,587 followers on Twitter.

Dudley Improvement Practice (DIP)

The Dudley Improvement Practice (DIP) is the Trust’s long-term commitment to creating a culture of continuous improvement.

The DIP method consists of a range of training, collaborative problem solving and facilitated workshops, which together support teams with a structured approach to their improvement journeys. This is underpinned by developing leadership behaviours that promote an improvement culture, and by a management system that links improvement activities to the Trust’s strategic goals. DIP believes in three essential elements of Continuous Improvement:

- Engagement – the power of collaboration is maximised by engaging the people who do the work every day and, therefore, have the most insight about how to improve it.
- Equality – harnessing the great diversity in our people by treating everyone as 'thinking equals' drives innovation and creativity.
- Empowerment – developing a coaching style of leadership to make our people feel valued and psychologically safe to propose new ways of working, to contribute and to learn together.

To develop the improvement coaching capability of our leaders, DIP have recently gained university accreditation for their improvement mindset and coaching course. In addition, all line managers are encouraged to include DIP training and an improvement project as an objective in appraisals held April to July 2023.

During 2022, DIP supported improvement activity with teams along the Urgent and Emergency Care and Women and Children pathways. This included improvement events and extensive team support within the Maternity Department. Maternity Inpatients had been identified as outliers in the previous year's staff survey for morale and staff involvement. With collaborative support from Human Resources (HR), Organisational Development (OD) and DIP, they have now become a positive case study showing clear signs of culture change.

In 2023, the areas that will receive the same focussed support for the full year are Dudley Clinical Hub and District Nursing teams, Operating Theatre performance and utilisation. This work has started in our community services; engaging with staff at all levels and recognising the valuable care provided to achieve the vision of 'Community first, hospital where necessary'. Using the DIP method, Strategic Value Stream Analysis (VSA) events involving multi-disciplinary teams will take place to design and prioritise improvement workstreams throughout the year. Progress is reported quarterly at Trust Management Group meetings.

The DIP team are also working with the Patient Safety Incident Response Framework (PSIRF) team to support a standardised reporting structure which focuses on learning and implementation of improvements resulting from incidents.

Corporate resilience

The Corporate Resilience Team (CR Team) ensures the Trust can meet national requirements and standards around health and safety, fire, emergency planning and business continuity, providing professional input around national guidance and statutory requirements within the Trust. In addition, the team provides the divisions and directorates with the necessary frameworks to ensure that services meet the required standards.

Through ensuring that there is proper and effective oversight in place, the CR team ensures that health and safety is maintained, exceptions are managed and dealt with

quickly, that the Trust maintains a robust health and safety and Emergency Preparedness Resilience and Response process, that regular testing of the major incident and business continuity plans are performed and that the Trust is supported through times of pressure in relation to incidents (fire, flood etc) as well as industrial action. The team ensures that services are safe and meet their legal obligations.

During the 2022/23 period the team have:

Emergency Preparedness Resilience and Response (**EPRR)**

- Achieved NHS England (NHSE) Core Standards.
- Staffed the incident room as part of the COVID-19 response, acting as the accountable team to receive and disseminate data as and when required.
- Provided support and assurance in the build-up and during the Commonwealth Games held locally in 2022.
- Engaged with divisions and supported with the response to industrial action.
- Worked with and supported divisions to ensure business continuity plans are in place, so they can maintain continuity of key services in the face of disruption from identified local risks.
- Designed bespoke EPRR Awareness training in conjunction with Ron Grimley Undergraduate Centre, to raise staff awareness of EPRR.
- Increased Chemical, Biological, Radiological and nuclear (CBRNe) hazard training compliance within the Emergency Department
- Provided additional Strategic and Tactical Commander Training via NHSE to the trusts executive team. The Principles of Health Command course was completed by a number of staff building resilience within the Trust.
- Increased resilience within the Trust, due to the number of staff who have completed Train the trainer courses and can train Trust staff.

Fire

- Refreshed mandatory fire safety training, including relevant and recent examples of fires within healthcare settings.
- Delivered fire lead training on a one-to-one basis and increased fire leads across the Russells Hall Hospital to 134, and a further 47 fire leads in community buildings.
- Delivered fire risk assessments for all areas of the Trust.
- Developed a new training pack for developing leaders and their fire safety responsibilities.
- Created bespoke training for our site capacity team, on their role as the lead in the event of a fire and delivered to all members of the team.
- Created a new fire safety manual for all departments, detailing all fire safety measures and relevant information for the Fire and Rescue Service.

- Supported three site safety inspections from the West Midlands Fire and Rescue Service on West Wing, East Wing and the Rainbow Unit at Russells Hall Hospital.
- Audited the Trust against the Health Technical Memorandums, specifically '05-01 Managing Healthcare Fire Safety', '05-02 Fire Safety in the Design of Healthcare Premises' and '05-03 Part A General Fire Safety', to ensure we are meeting the requirements of this guidance.

Health & Safety

- Worked with and supported departments to ensure their risk assessments and Control of Substances Hazardous to Health Regulations 2002 (COSHH) assessments are not only in place, but are up to date, manageable and robust.
- Worked with and supported departments to increase compliance with COSHH and risk assessments.
- Provided additional staff training, as required, for fire safety, risk assessment, COSHH and DSE (Display screen equipment) assessor workshops.
- Designed and delivered bespoke health and safety training for managers and line managers.
- Increase communication with staff at all levels. We now have slots on the divisional risk meetings, have created health and safety lead meetings and produce communication emails containing relevant information.
- Increased the number of health and safety leads from 75 to 94 and provided support and training to these in relation to risk and COSHH assessments.
- Implemented several proactive measures that have successfully reduced incidents by 18 per cent this financial year.
- Leading the safer sharps works with support from the Sharps Group to reduce sharps incidents by 24 per cent this financial year.
- Provided assurance that the Trust meets its requirements for air monitoring of substances hazardous to health.
- Formed and supported several working parties with other departments to deliver improved staff and patient safety.

Moving forward the teams' objectives for 2023/24 include:

Emergency Preparedness Resilience and Response (**EPRR)**

- Achieve substantial rating from NHSE in regard to Core Standards
- Redevelopment of EPRR Training Packages
- Continue to support the trusts COVID-19 response.
- Continue to support the Trusts Industrial Action response.
- Facilitate large scale Major Incident exercise.

Fire

- Continue roll out of fire manuals to all departments, with information useful in the event of a fire.
- Continue desktop fire drills with all departments to ensure high levels of knowledge on fire safety, and to ensure leads are aware of what to do in the event of a fire.
- Review fire risk assessment process within the more complex hospital setting, as well as reviewing the fire risk assessments for less complex Community buildings.
- Complete a full gap analysis of the training packages provided by the fire safety team to ensure the highest levels of fire safety knowledge across the Trust, compared to the Core Skills Training Framework and Health Technical Memorandum 05-01 Managing Healthcare Fire Safety.
- Continue audits against the Health Technical Memorandums, to ensure high levels of fire safety across the Trust.
- Continue with rolling programme of fire risk assessments for the Trust.

Health & Safety:

- Continue to promote a good health and safety culture and safe working environment.
- Launch the Trust's own Work Related Stress Indicator tool to identify common stressors across the organisation and work to reduce those stressors.
- Continue to train staff in health and safety related subjects.
- Bring air monitoring in-house to provide more frequent air monitoring as well as ad hoc monitoring to provide more assurance that the Trust meets its obligations under the Control of Substances Hazardous to Health Regulations 2002 (COSHH)
- Continue to support the organisation with compliance with the various Health and Safety Regulations and auditing process.

Staff health and wellbeing

Staff health and wellbeing has remained a key area of focus during the past year, with a focus on embedding the importance of wellbeing well beyond the COVID-19 pandemic.

We understand that our workforce is our greatest asset and we acknowledge the importance of all our staff being safe and healthy and having access to professional support if required, supportive of our Trust goal to be a brilliant place to work and thrive.

We aim to care for our workforce as we would care for our patients, through a compassionate and inclusive lens, ensuring our values of Care, Respect and Responsibility are always upheld when supporting our workforce and providing an organisation that allows them to thrive in the workplace.

We want our workforce to feel assured that their wellbeing is taken seriously, and we are aiming for excellence in this area, no matter what their position is within the Trust.

We recognise the importance of the wellbeing of our workforce and how it contributes to a variety of factors to include a better organisational culture, healthier and more engaged employees, higher performance and productivity, ultimately leading to better patient care and better relationships and experience across the whole Trust.

The Staff Wellbeing champions culture sessions.

Over the past year, we have seen further development across the wellbeing service, as detailed below:

Occupational health service

- A new service lead for our occupational health service and plans in progress to develop further, to include new processes and training of our staff.
- Core occupational health services continued to be offered including pre-employment health assessments, immunisations and vaccinations, health surveillance, treatment and follow-up of inoculation injuries/sharps injuries.
- Management referrals to the occupational health service are also offered to ensure that staff are cared for and supported when required.
- Physiotherapy service continues to be offered to staff who benefit from a fast-track service where they can self-refer and receive specialist musculoskeletal support.

Wellbeing offer

- Further development of the Wellbeing Steering Group, to include divisional representation, real-life stories from our wellbeing champions and further development of the wellbeing offer.
- The recruitment of 70+ wellbeing champions, with further plans in place to grow this number over the next three years.
- The Board of Directors continues to monitor the Trust activities to promote wellbeing through the Health and Wellbeing Steering Group and the Workforce and Staff Engagement Committee (WSEC).
- Continued delivery of the three in house Trust wellbeing workshops, as well as ad hoc sessions delivered onsite for teams ranging from self-care, to short versions of our wellbeing workshops.
- Wellbeing updates and communications shared on a regular basis, to include via our Trust communications email and our CEO briefing.
- Collaboration on the new Supporting Attendance Policy to ensure staff wellbeing needs are considered when attendance is being monitored.
- All staff can access a variety of support offers which is regularly communicated and shared in relevant policies, to include a dedicated employee assistance programme which offers counselling and wider support available to NHS staff.
- Monthly webinars and educational wellbeing sessions are offered to staff, which are shared regularly via our internal communications and via our wellbeing champions.
- We have launched a Menopause Working Group, focusing on the staff voice for what support is required.
- Over the winter, the Trust offered cost of living support to include, access to a hardship fund, £1.50 meals, a staff pop up shop that offered discounted household items, a financial wellbeing guide summarising support available, and access to financial education via a series of webinars.
- Additional wellbeing support services are also shared with our staff via the Integrated Care System (ICS) and over the past year have included a series of ‘time to look after yourself’ sessions including topics such as sleep, relationships, dealing with anxiety, delivered by a clinical psychologist from Black Country Healthcare NHS Foundation Trust.
- Regular mindfulness classes have also been offered to staff, both virtually and in person.
- Teams have also had access to ad hoc support via the clinical psychologist at Black Country Healthcare, to include 121 wellbeing conversations and wider team interventions.
- Launch of mental health first aid training, securing funding for two courses and development of an in-house model.
- Ad hoc support offered to teams via the wellbeing business partner, to include summarising the wellbeing offer, recruiting champions and offering suggestions for local implementation of wellbeing initiatives.

- The wider national offer is also available to staff and details of this is accessible via our Wellbeing intranet pages and shared with staff, including the 24/7 staff support helpline, and free mental wellbeing apps including Headspace and Unmind.
- Exploration around developing the wellbeing offer further, to include wider financial support and education, piloting a staff engagement app, exploring an inhouse debrief model for staff, as well as piloting health booths across the Trust which will offer staff the opportunity to know their health numbers to allow for proactive behaviour change.

Training

Ensuring that staff have access to learning and development opportunities to enable them to be at their best at Dudley has been a continuing commitment during 2022/23. During the year, we have continued to offer a broad programme of development opportunities and are working hard to ensure that there are learning opportunities for everyone at The Dudley Group. This offer includes leadership and management programmes, nurse and Allied Healthcare Professional development, apprenticeships, informal half day Trust welcome sessions and wellbeing training being offered to staff at all levels throughout the organisation. The Trust's Managers' Essentials programme for all line managers, launched in 2020, has continued to be delivered and provides a clear standard of compassionate leadership for all people and teams. Accessibility to mandatory training has been improved through the implementation of information on the Trust external website. A prospectus of learning is available for staff and we held our first Learning and Development Showcase in March 2023.

There are training opportunities for clinical and non-clinical staff which includes access to entry level Functional Skills qualifications in English and Maths through to degrees and Masters qualifications. There are a range of programmes delivered in partnership with our local education providers and we have launched the national Higher Development Award for Support Workers this year.

Performance and development is supported through the Trust's appraisal review process for all staff which includes a focused career conversation. Appraisal conversation training and guidance is available for all staff. The Board of Directors ensures that quality improvement is central to all activities. This is achieved by routine monitoring, participation in national improvement campaigns, celebrating success with our staff awards and proactively seeking patient views on our services.

Countering fraud

The Trust has continued to ensure its staff are aware of responsibilities towards fraud and bribery and have both a fraud and corruption policy and an anti-bribery

policy to support staff and takes its responsibility for countering these issues very seriously.

We have a Local Counter Fraud Service and one of our key aims is to work together to promote an anti-fraud culture. Newsletters and alerts, including on COVID-19 related scams, are published and promoted regularly on the Hub to ensure staff understand that fraud against the NHS will not be tolerated.

Equality, diversity and inclusion (EDI)

Our duties and responsibilities

Our vision statement is *Excellent healthcare, improved health for all* and we are a values-based, aspiring for excellence organisation. We Intend to build on and uphold our pledge to become a more inclusive Trust.

At The Dudley Group, we want to ensure all colleagues, patients and visitors are respected and included in decisions that affect them. Our staff must feel safe and confident to be themselves at work and develop their skills as part of a great team. Embracing our diverse cultures and inspiring collaboration is critical to the success of the Trust. The care of our patients is strengthened through the diversity of thought, approach and culture delivered by staff from rich and different backgrounds. Embedding an environment of equality and inclusion is a pivotal pillar of the Dudley People Plan, which has the full support and championship of the Trust Board.

The Equality Act 2010 introduced a general equality duty requiring organisations to have due regard in the exercising of their functions. These are to:

- Eliminate discrimination, harassment and victimisation.
- Advance equality of opportunity between people who share a protected characteristic and people who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

We are required to do this by:

- Removing or minimising disadvantages suffered by people due to their protected characteristic.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include steps to take account of disabled person's disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to tackle prejudice and promote understanding.

The Protected Characteristics covered by the Equality Act 2010 are:

- Age.
- Disability.
- Gender Reassignment.
- Marriage and Civil partnership.
- Pregnancy and Maternity.
- Race.
- Religion or Belief.
- Sex.
- Sexual Orientation.

Our commitment

We are committed to being a more inclusive organisation where equality, diversity, and inclusion are a golden thread running through everything we do. The equality, diversity, and inclusion team at The Dudley Group has changed and grown vastly in 2022. The team, which is now the equalities and wellbeing team, has quadrupled in size to now four members of staff. The team has dedicated itself to ensuring equal opportunity for everyone, celebrating staff differences, and encouraging the workforce to reach their potential.

Connecting our strategic objectives to enhancing equality, diversity, and inclusion:

- Deliver right care every time.
- Build innovative partnerships in Dudley and beyond.
- To be a brilliant place to work and thrive.
- Drive Sustainability and financial environment.
- Improve health & well-being and reduce inequalities.

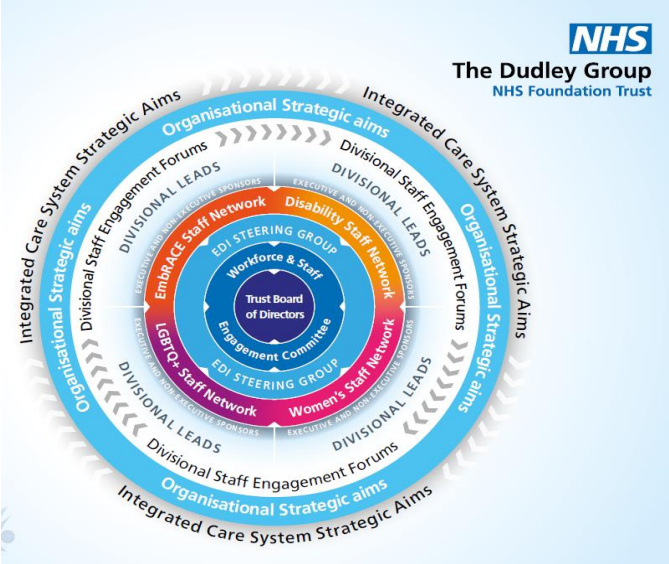
Compliance drivers

In support of the effective delivery of the equality duties of the Equality Act 2010 and the Public Sector Equality Duties (PSED), there are other mandatory requirements for the Trust as an NHS organisation. These include:

- NHS Standard Contract (SC13 Equity of Access, Equality and Non-Discrimination) compliance of which is regulated and monitored by the Care Quality Commission (CQC)
- Workforce Race Equality Standard (WRES)
- Workforce Disability Equality Standard (WDES)
- Gender Pay Gap (GPG) reporting.
- Equality Delivery System (EDS22)
- Accessible Information Standard (AIS)
- Sexual Orientation Monitoring Standard (SOMS)

Trust EDI governance

The following framework sets out the way in which the Trust embeds inclusive leadership across all parts of the organisation through direct engagement and representation. This approach will engage with staff from all communities, professions and protected characteristics to improve the experience for everyone working at The Dudley Group.



The EDI journey (Strategy)

Our Equality, Diversity and Inclusion (EDI) strategic journey for 2023 – 2025 has now been agreed and will be launched Trust-wide. The journey outlines our commitments for the next few years in becoming a more inclusive organisation and ensuring equality, diversity and inclusion are enshrined in our values. The journey is built on six building blocks i.e., the employee life cycle.

Each building block illustrates our goals, key focus on what we want to achieve and clear indicators on how we will measure success.

- **Attract** – attract talent, appeal to diverse talent pool and increase workforce diversity. Increase the ethnically diverse senior leaders (model employer targets)

- **Recruit** – overhaul our recruitment practices, strengthen our Equality Impact Assessment (EqIA) practices, eliminate bias in recruitment and selection processes. Increase diverse recruitment to create a representative workforce.
- **Welcome** - embed an inclusive culture and value lived experiences.
- **Develop & support** – Nurture and support our workforce. Implement equitable talent management. Assign specific EDI objectives in appraisals and continue to improve Trust Learning & Development Programmes.
- **Value & recognise** - Raise awareness of diversity and inclusion through recognition and celebration of our people. Further strengthen staff voice, empowering our staff networks to support positive decision making.
- **Retain & grow** - Act upon feedback, reflect and implement interventions and equitable processes. Improve staff experience and creating anti-discriminatory practices.

Equality, diversity and inclusion steering group

The steering group is responsible for the co-ordination and strategic leadership of all aspects of the inclusion agenda and upward reports into the Workforce Staff Engagement Committee and to the Trust Board.

Membership of the steering group and the committee includes key representatives from each of the departments and divisions. The group is chaired by a non-executive director. The Terms of Reference of the group has now been revised and membership has grown.

The Equality Delivery System (EDS)

The EDS is the foundation of equality improvement within the NHS. It is an accountable improvement tool for NHS organisations in England. It supports active conversations with patients, public, staff, staff networks and trade unions to review and develop services, workforces and leadership. It is driven by evidence and insight.

The EDS comprises of 11 outcomes spread across three domains, which are:

- Commissioned or provided services.
- Workforce health and well-being.
- Inclusive leadership.

The outcomes are evaluated, scored, and rated using available evidence and insight. It is these ratings that provide assurance or point to the need for improvement.

The EDS is designed to encourage the collection and use of better evidence and insight across the range of people with protected characteristics described in the Equality Act 2010 to help the Trust to meet the public sector equality duty (PSED).

The Trust has now carried out specific stakeholder engagement and grading has taken place. The Trust has also been peer reviewed for each of the three domains. A full report and action plan will be published by June 2023.

The Race Equality Code (RACE)

The Race Equality Code allows the Trust to use a robust and comprehensive framework of measures and a methodology for the transparent implementation of actions to which an organisation can demonstrate accountability. We will continue to work to reduce health inequalities faced by our ethnic minority communities. To this end, we will contribute to public discussions about our duty in the services we provide.

We are using the recommendations from our assessment to improve the working lives of our ethnically diverse workforce. As a result of our assessment, we have 12 'Must',12 'Should' and 7 'Could' Actions built into our Equality, Diversity, and Inclusion plans.

The Workforce Race Equality Standard (**WRES)** and The Workforce Disability Equality Standard (**WDES**).

We have seen some critical improvements in our Workforce Race and Disability Equality Standards metrics:

- Our Black and Minority Ethnic (BME) representation is growing year on year at 24.6%; we aim to reach 26%, in line with the Black Country population.
- Improving disability declaration from 3% to 5%.
- Likelihood of white applicants being appointed from shortlisting compared to BME applicants.
- Likelihood of non-disabled applicants being appointed from shortlisted compared to disabled applicants' ratio is 0.87.
- Percentage of BME staff experiencing harassment, bullying or abuse from other staff in the last 12 months - Percentage rates for BME (26.8%) and white (19.7%) an improvement of 6% results for both staff groups.
- Our Gender Pay Gap has improved from 35% in favour of males to 32%.

Throughout 2023 we will work on our actions, such as continuing our journey to becoming an anti-racist organisation and centralising our reasonable adjustment process to support colleagues with a disability or long-term condition. We are working towards a phase 2 LGBTQ+ rainbow badge accreditation and narrowing our gender pay gap by improving career pathways.

ENEI Tide (Talent Inclusion and Diversity Evaluation) Mark

The ENEI Tide Mark is a benchmarking tool developed by the Employers Network for Equality & Inclusion (ENEI) to assess organisational performance and progress with diversity and inclusion. TIDE measures the organisation against eight different areas of diversity and inclusion practice and then benchmarks them against their peers. The Trust has been awarded the gold award in December 2022, scoring 88 per cent in our assessment.

Staff networks
The Trust has four staff networks; the networks have focused on growing their membership over the past year to strengthen the voices and now have over 7 per cent of our workforce signed up. They work closely together, supporting each other with their priorities and driving improvements alongside the Equalities and Wellbeing Team.

- **Disability Network**

This network has gone from strength to strength, growing in numbers and visibility across the Trust. The network has co-produced supportive disability guidance for managers and staff, including a reasonable adjustment passport.

The Trust was awarded the 2022 Disability Innovation fund from the National Workforce Disability Equality Standard (WDES). As a result, a project to improve disability declaration rates called ‘This is Who I Am’ was launched. The network was instrumental in the success of this project and, so far, we have seen the rate rise to 5.2 per cent, with the work being nationally recognised at the NHS Employers 2022 Disability Summit.

- **EMBRACE Network**

This network has grown and has supported the Trust in shaping some critical steps in our equality journey. The staff survey participation rates for ethnically diverse staff doubled last year, with over 500 completing the survey and sharing their experience. The Network members have been pivotal in driving improvements in learning and development content and opportunities, policy, guidance development and raising awareness of lived experience to support the Trust and opportunities for colleagues.

The network has also been instrumental in simplifying language and terminology across the Trust in response to members and national guidance, moving away from controversial terms such as BAME. In addition, the network has celebrated national calendar events such as South Asian History Month and Black History Month, raising awareness across the Trust.

- **LGBTQ+ Network**

The LGBTQ+ network has worked on the revitalisation of the network. This has been one of the most challenging networks to grow and sustain. With a new chair and deputy chair coming into the post in 2022, the main priority was to reinstate creating

a safe space for LGBTQ+ members to talk about issues that affect them, signposting and offering support. The network members have supported shaping policy and guidance for the organisation and raising awareness across the Trust.

- **Women's Network**

The network has supported the Trust to improve its gender pay gap, already seeing an improvement. The network has been instrumental in gathering lived experiences from members to recommend meaningful action to decrease the pay gap.

The network also plays an active role in recommending actions to improve flexible working across the Trust and hosting and participating in a menopause working group, recommending actions to the Trust and supporting the workforce with experience sharing, signposting and general support.

The network has been involved in events such as White Ribbon Day, raising awareness of violence against women.

Key equality diversity and inclusion achievements over the last twelve months

Celebrating our staff networks.

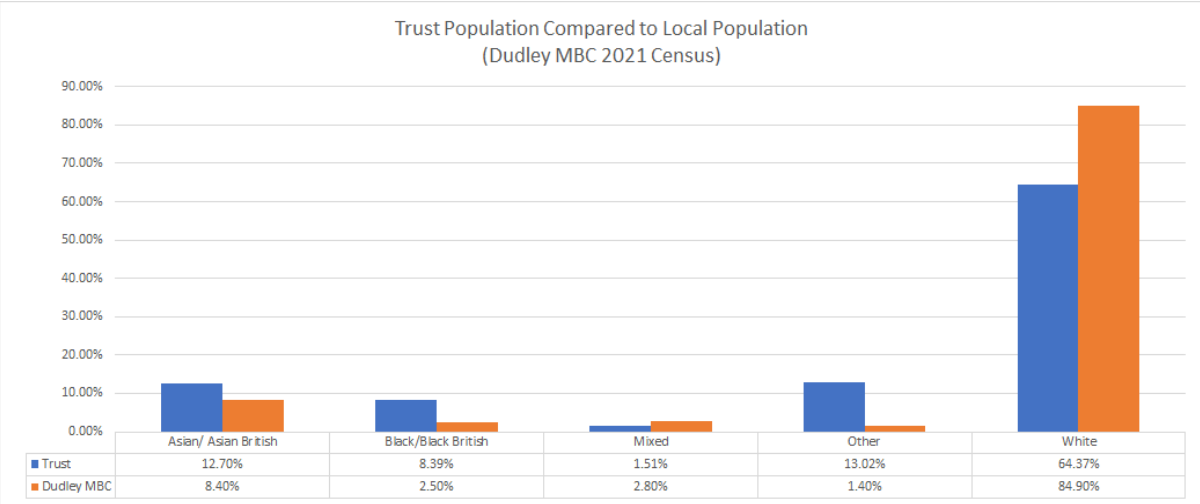
The Trust has achieved the following:

- Reviewed and increased membership of the Equality, Diversity and Inclusion Steering Group.
- Recruited a head of equality, diversity and inclusion.
- Equality, diversity and inclusion is a strategic theme in our Trust strategy.
- Embedded equality, diversity, and inclusion as a 'Golden Thread' throughout our organisation.

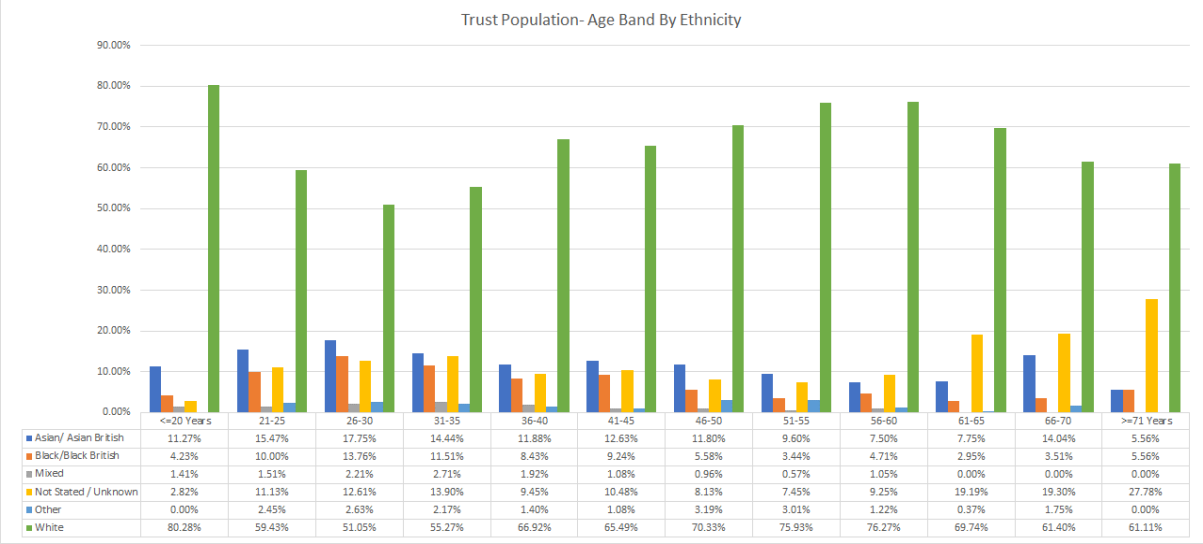
- Identified the need to undertake employee lifecycle review to address disparities within the workforce.
- Each network has an event plan and celebrates key dates in the inclusion calendar throughout the year to increase awareness and visibility.
- Updated the Equal Opportunity and Diversity Policy and developed Supportive guidelines which support all colleagues in inclusive practice.
- Undertaken career conversations with Women from areas where we have a Gender Pay Gap and Black, Asian and Minority Ethnic nurses to improve career progression.
- Achieved a gold level award from the Employers Network for Equality and Inclusion (ENEI) in our Talent Inclusion and Diversity evaluation (TIDE)
- Increasing disability declaration rates campaign
- Developing our Anti-Discrimination‘ Campaign - to tackle all forms of discrimination.
- Continued implementation of the RACE Code Kite mark and have a clear set of actions to support our organisation to improve Race equality.
- In the process of implementing the RCN Cultural Ambassadors programme.
- Supported the development of the Black Country Integrated Care system EDI Strategy.

Population and Workforce profile

Population profiles:

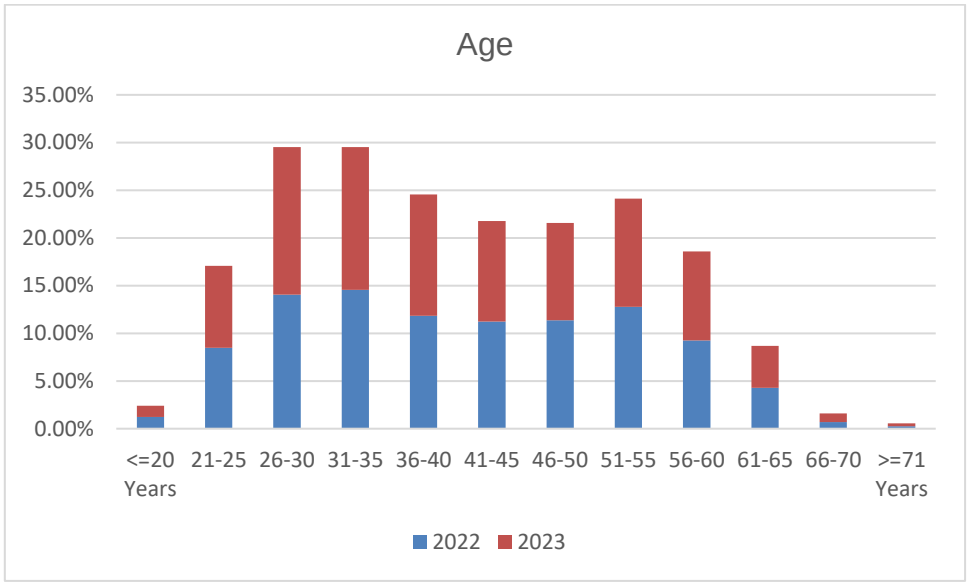


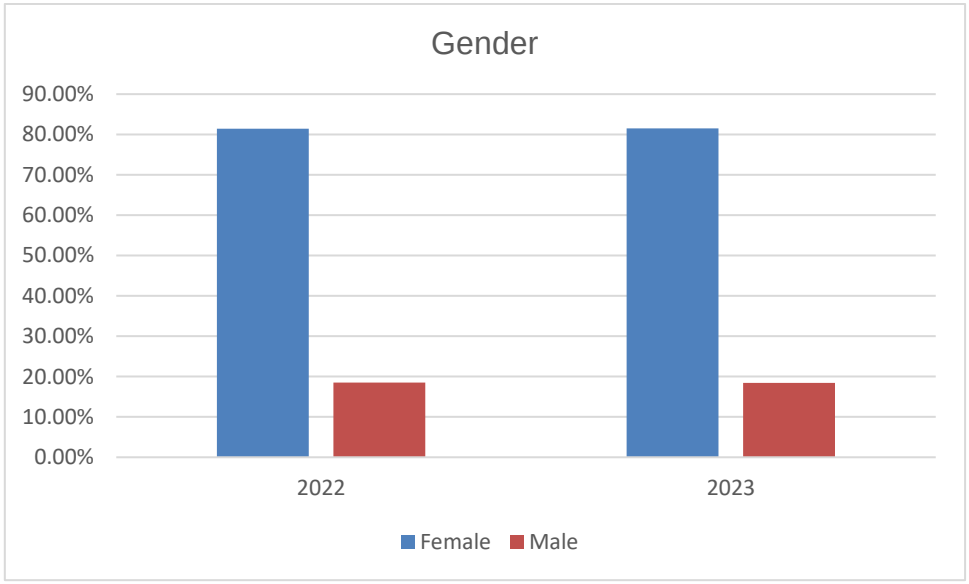
	Asian/ Asian British	Black/Black British	Mixed	Other	White
Trust	12.70%	8.39%	1.51%	13.02%	64.37%
Dudley MBC	8.40%	2.50%	2.80%	1.40%	84.90%

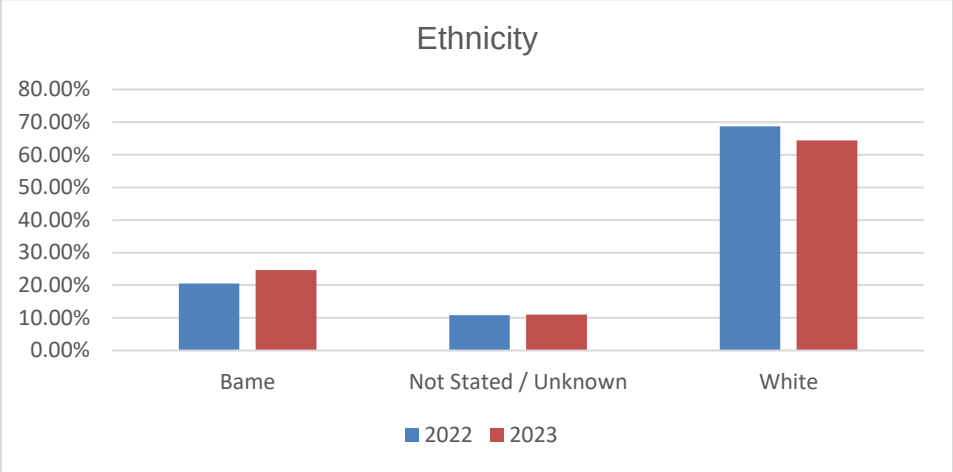


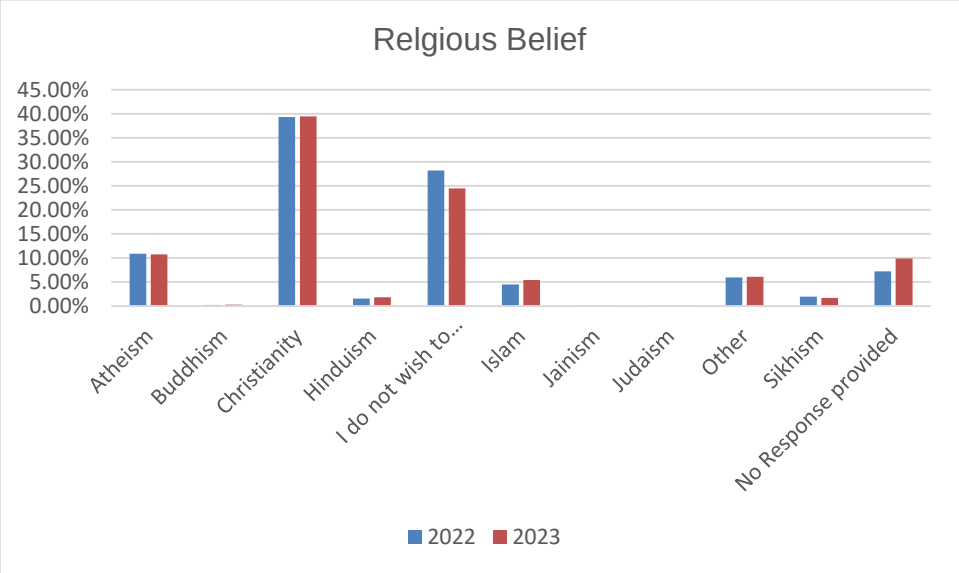
	<=20 Years	21-25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	61-65	66-70	>=71 Years
Asian/ Asian British	11.27%	15.47%	17.75%	14.44%	11.88%	12.63%	11.80%	9.60%	7.50%	7.75%	14.04%	5.56%
Black/Black British	4.23%	10.00%	13.76%	11.51%	8.43%	9.24%	5.58%	3.44%	4.71%	2.95%	3.51%	5.56%
Mixed	1.41%	1.51%	2.21%	2.71%	1.92%	1.08%	0.96%	0.57%	1.05%	0.00%	0.00%	0.00%
Not Stated / Unknown	2.82%	11.13%	12.61%	13.90%	9.45%	10.48%	8.13%	7.45%	9.25%	19.19%	19.30%	27.78%
Other	0.00%	2.45%	2.63%	2.17%	1.40%	1.08%	3.19%	3.01%	1.22%	0.37%	1.75%	0.00%
White	80.28%	59.43%	51.05%	55.27%	66.92%	65.49%	70.33%	75.93%	76.27%	69.74%	61.40%	61.11%

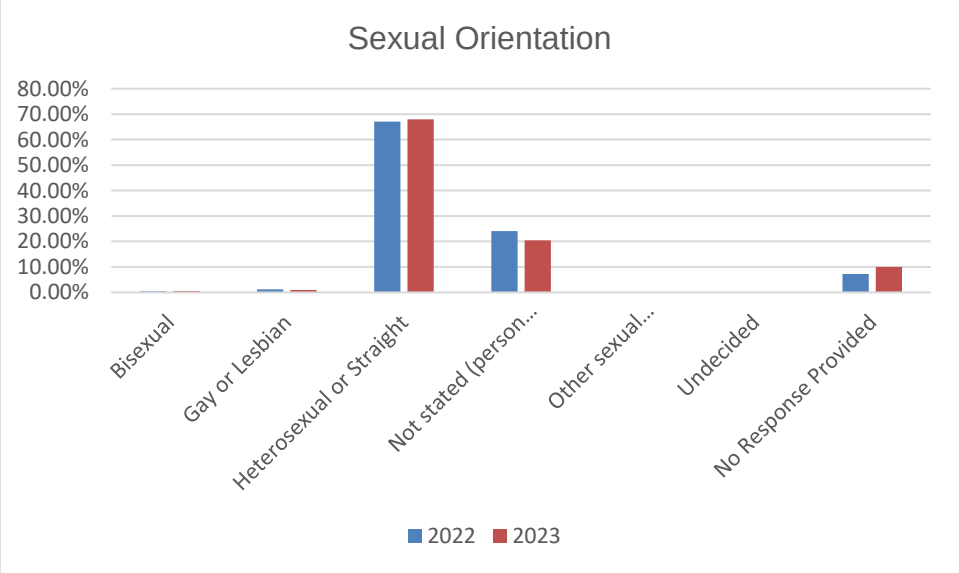
Workforce profiles:






Ethnicity
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Bame
Not Stated / Unknown
White
2022
2023


Relgious Belief
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
Atheism
Buddhism
Christianity
Hinduism
I do not wish to...
Islam
Jainism
Judaism
Other
Sikhism
No Response provided
2022
2023


Sexual Orientation
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
Bisexual
Gay or Lesbian
Heterosexual or Straight
Not stated (person...
Other sexual...
Undecided
No Response Provided
2022
2023

Staff turnover

Our staff turnover for the year was 7.36 per cent. More information on our staff turnover can be found at the NHS workforce statistics published by NHS Digital.

Staff survey

The NHS Staff Survey is conducted annually and is one of the largest workforce surveys in the world. It asks NHS staff in England about their experiences of working for their respective NHS organisation. From 2021/2022, the survey questions were redesigned to focus on the seven NHS People Promise, alongside themes of engagement and morale. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

We use the results each year to determine our focus for staff engagement, identifying what is working well and where we need to make improvement. We engage with staff on these issues further, for example through director-led workshops.

The survey was held between October and November 2022. All staff employed on 1st September 2022 were invited to complete the survey via a confidential online link. We used the company Picker to carry out the survey for us.

Summary of performance

2.1 The national survey question set has remained broadly the same for 2022 following the major changes undertaken in 2021. This means we will begin to establish historical comparisons for all datasets and are now able to review trend data on the seven people promises plus Engagement and Morale:

- We are compassionate and inclusive.
- We are recognised and rewarded.
- We have a voice that counts.
- We are safe and healthy.
- We are always learning.
- We work flexibly.
- We are a team.

2.2 **Response Rate**

The final response rate for 2022 was 49 per cent (2768 members of staff). Although disappointing, this was 10 per cent lower than the previous year, in which we reached our highest ever position of 58.7 per cent during 2021, it is above the benchmark average for similar organisations (Acute and Community Trusts) for 2022 which is 44.5 per cent. All benchmark groups have seen a decline in response rates from 0.9 per cent for the average group to >10 per cent for highest performers.

The results for 2022 show that, like 2021, performance in most questions is not significantly different in score to 2021 (as defined by the percentage increase). There have been several improvements and only a small number of declined scores.

In 2022, there are 97 questions that are positively scored which can be compared between 2021 and 2022. Of those questions:

- 26 are significantly better.
- 69 show no significant change.
- 2 are significantly worse.

Of the 26 questions where there has been a significant improvement to reported scores since 2021.

These relate mainly to: team working, line manager effectiveness, flexible working and health and wellbeing.

For those with significant declines, these relate to pay (a national issue) and appraisals – a known challenge during 2022/23.

Across all themes/questions, we are mostly aligned to the benchmark average – there are some questions where we are better than average, and others where we might need to improve.

Scores for each indicator together with that of the survey benchmarking group (Acute and Community Trusts) are presented below.

2021 - 2023

People Promise/Theme	Trust 2021/22	Benchmark 2021/22	Trust 2022/23	Benchmark 2022/23
We are compassionate and inclusive	7.2	7.2	7.2	7.2
We are recognised and rewarded	5.7	5.8	5.7	5.7
We each have a voice that counts	6.6	6.7	6.7	6.6
We are safe and healthy	5.8	5.9	5.8	5.9
We are always learning	5.2	5.2	5.2	5.4
We work flexibly	5.9	5.9	6.0	6.0
We are a team	6.5	6.6	6.7	6.6
Staff engagement	6.7	6.8	6.7	6.8
Morale	5.6	5.7	5.6	5.7

2020/21

Theme	Trust 2020/21	Benchmark 2020/21
Equality, diversity and inclusion	9.1	9.1
Health and wellbeing	5.8	6.1

Immediate managers	6.8	6.8
Morale	5.9	6.2
Quality of care	7.3	7.5
Safe environment – bullying and harassment	7.9	8.1
Safe environment – violence	9.5	9.5
Safety culture	6.7	6.8
Staff Engagement	6.8	7.0

Each year, once we receive our results, we share these widely to ensure our staff understand what our results say and what this mean at Dudley. In particular, we focus on what has improved and what we need to continue to work on.

Our divisional leadership teams are working on tailored actions for each of their areas of work – with a focus on those areas that need to improve the most.

As a whole organisation, we are continuing to focus on the elements of work we know make a difference to our people - embedding a culture of compassionate, inclusive, engaging and effective leadership. We have commenced work on relaunching a renewed People Plan and People Journeys that are focusing on the elements of work that make a difference to how people feel about working with us – Equality, Diversity and Inclusion, Wellbeing, Learning and Development, Improvement and Recruitment and Retention.

Our key areas for focus in the year ahead are:

We are always learning

For 2022, the poor compliance against appraisals across the organisation directly impacted this staff survey measure as both appraisal completion and impact is measured in the staff survey question deck and accounts for most of this people promise. In order to improve performance in this promise for 2023, we will deliver the Trust target for appraisals between April and July 2023. The revised process and ongoing follow up on career development should ensure that this element of the survey improves.

We are safe and healthy

Although performance in this area is at benchmark average, there are some areas within this Promise where performance has declined – around the experience of bullying and harassment – particularly reporting incidents**.** Work was planned around this during 2022/23 linked to the 'Be Kind' campaign – this will continue through 2023/24. In addition, to support this a full review of the current behaviour framework has commenced with a specific Culture Task Group established to support this work. A detailed action plan will be developed as part of this workstream with the goal of ensuring the enablers of a positive culture are embedded.

Staff engagement

This continues to be an area of below benchmark performance and will remain a focus for sustained action during 2023/24. The largest area of decline in this sub-set is around staff reporting their happiness to recommend the care we provide. There are links between this indicator and staffing, recruitment, and retention as well as absence. This will continue to have priority through the Recruitment and Retention Workgroup, embedding actions within the recruitment and retention journey – alongside continuing to embed the People Pulse and Staff Survey and engagement forums within divisions. A key part of the work around the Trust's culture and behaviour framework will see engagement with staff across the wider organisation.

In addition, to provide further understanding of how to improve staff responses in this areas, local questions on what influences and what improvements are needed to enable staff to recommend [Dudley] as a place for care will be added to the July People Pulse. This will enable a more focussed approach to improvements in this area.

Expenditure on consultancy

Details of expenditure on consultancy can be found on page 167 of the accounts.

Off payroll engagements

There were no off payroll engagements during 2022/23. It is our policy not to use off payroll engagements.

Reporting of other compensation schemes - exit packages 2022/23

	Agreements number	Agreements £
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	18	91
Exit payments following employment tribunals or court orders		
Non-contractual payments requiring HMT approval **(special severance payments)***	2	14
Total**	**20**	**105**

Exit packages - other (non compulsory) departure payment 2020/21

Note 6.1 Reporting of other compensation schemes - exit packages agreed in 2022/23										
	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Number of departures where special payments have been made	Cost of special payment element included in exit packages	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed
	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts
Note that columns G, I and M are entered in £000	31 Mar 2023	31 Mar 2023	31 Mar 2023	31 Mar 2023	31 Mar 2023	31 Mar 2023	31 Mar 2022	31 Mar 2022	31 Mar 2022	31 Mar 2022
NHS Trusts - note that the GAM advises local accounts should be in £	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22	2021/22
	No.	£000	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band (including any special payment element)										
<£10,000			19	95	1	4			13	42
£10,000 - £25,000	1	15	1	10	1	10			1	15
£25,001 - £50,000										
£50,001 - £100,000										
£100,001 - £150,000										
£150,001 - £200,000							1	169		
>£200,000										
Total	1	15	20	105	2	14	1	169	14	57

Gender pay gap

Information on the Trust's gender pay gap can be found on the Cabinet Office website at www.gender-pay-gap.service.gov.uk

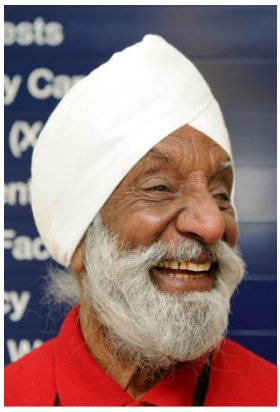
Hospital volunteer service

Volunteers from the local community give their time on a regular basis to make a real difference to patients, visitors, and staff at the Trust. 420 individuals between the ages of 16-81 have volunteered with us in 2022/23. Many of those leaving us have gone on to higher education or employment within the Trust.

We are currently recruiting individuals to support in the following areas:

- Nutrition & hydration
- Wayfinding and outpatients
- Chaplaincy
- Emergency dept
- Patient experience
- Pharmacy
- Driving

We welcome individuals of all ages who can either offer a regular weekly shift at one of our sites or those who are willing to join our database to be called upon for ad hoc events.



Throughout 2022/23, volunteers have been on hand to support with wayfinding in main reception and other key areas throughout Russells Hall Hospital, Dudley Guest Outpatient Centre and Corbett Outpatient Centre and have continued to make drinks and support our patients at mealtimes, providing a friendly chat which can make all the difference.

Our chaplaincy volunteers have provided support to patients, visitors and staff from all walks of life. Volunteers have helped the pharmacy team, taking urgent medication to wards as well as collecting prescriptions and paperwork from wards to free up clinical staff to carry on with their duties. Our patient experience volunteers have assisted with various surveys across the hospital and at our outpatient centres in order to gain feedback to improve the services that we provide.

Our volunteer driver service has continued to help with deliveries of medication, delivery and collection of medical equipment and the return of lost property to its owner. A volunteer 4x4 driver service is also in place to support the Trust in the event of bad weather, bringing staff into work as well as any other reasonable requests.

NHS Charities Together Volunteering Futures Fund, supported by the Department for Digital, Culture, Media and Sport, invited grant applications from NHS Charities who are already successfully delivering youth volunteering projects. The core objective of the fund was to support young people with a focus on those who experience barriers to volunteering, to build their skills, wellbeing, and social networks through volunteering.

We successfully secured the funding, and the money was used to set up the Trust's youth volunteering project – DGFT Advance. 204 young people aged 16-19 have taken part in the programme.

The programme provided mandatory and optional training for our younger volunteers to support them in their chosen placement areas as well as for their own future career plans. Subject areas included cardiopulmonary resuscitation CPR, wellbeing, food safety, mental health, and sensory loss. Further training opportunities were provided through the funding of a fixed term contract for a clinical support worker to help train young people based in ward areas, equipping them with skills to best support patients. The programme gave young people a work experience platform to support those wishing to pursue a career in healthcare.

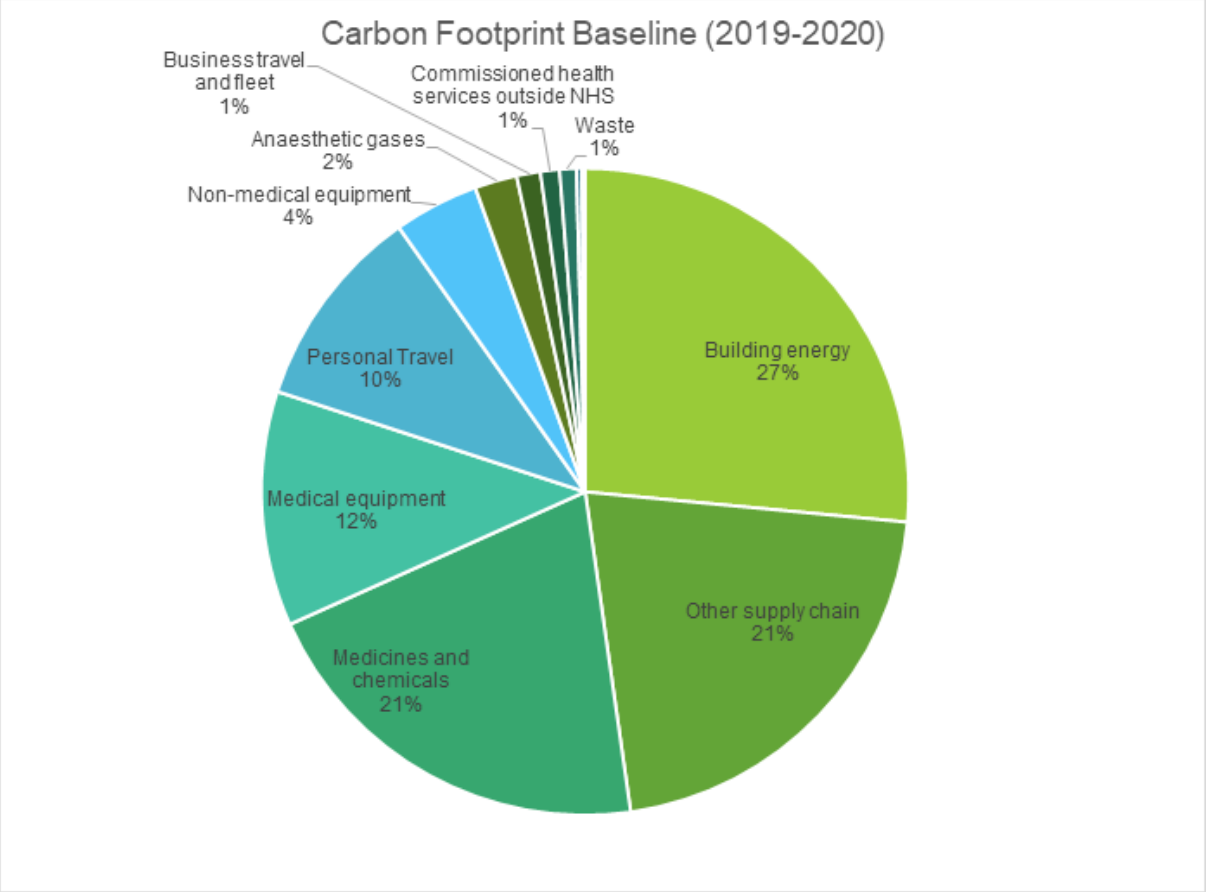
Anyone interested in any of our opportunities should contact the volunteer services team on 01384 456111 ext. 1887. Further information can be found on our webpage on www.dgft.nhs.uk or via email: dgft.volunteering@nhs.net

Exploring family connections in the Trust for our 2023 recruitment campaign and running infection control training sessions.

Sustainability and the environment

In October 2020, the NHS became the first health system in the world to commit to achieving net zero emissions, and in July 2022, it was embedded into legislation, through the Health and Care Act 2022.

This year NHS England (NHSE) released carbon reports for each trust using 2019/20 data as the baseline totalling 69,704 tonnes of CO_2e.



In 2022 we have appointed a sustainability lead to deliver the Greener NHS agenda within The Dudley Group. We are collaborating with key stakeholders including our PFI partners to develop a decarbonisation plan for the estate and a climate change adaptation plan. These will help us achieve our net zero targets and increase resilience to climate disruption.

During the pandemic, many reusable initiatives such as washable theatre caps and reusable coffee cups was paused. Now with greater understanding on the virus we are able to reintroduce reusables and are starting to look at expanding reusables where appropriate to reduce waste and our environmental impact.

In January 2023 we relaunched reusable coffee cups in all our cafés by providing a 10p discount on all hot drinks purchased with reusable cups. The 10p reusable coffee cup has been used over 770 times since being introduced in January. Cutting

out 770 disposable cups has saved 47 kilos of carbon emissions and 447 litres of water.

We have also worked with Mitie to sell Coffee Cups in our cafés helping raise over £100 for the Trust Charity.

Please see the following graphic for our key headlines for this year:

Code of governance

Foundation Trust membership

The membership of the Trust comprises local people and staff who are directly employed by us or our partner organisations. Our minimum age for membership is 14 years; there is no upper age limit. Full details of who is eligible to register as a member of the Trust can be found in the Trust Constitution which is available on our website www.dgft.nhs.uk. Any public members wishing to come forward as a governor when vacancies arise or to vote in governor elections must reside in one of the Trust's constituencies. Staff are automatically included as members within staff group constituencies unless they choose to opt out.

During 2022/23, we continued to maintain a public membership of more than 13,000. As of 31st March 2023, the Trust had a total of 13,334 public members.

More information about the Trust and the latest news can be found on our website at www.dgft.nhs.uk. The members' area of the website also contains information about being a member and the contribution members make to the ongoing success of the organisation.

Members can:

- Be involved in shaping the future of healthcare in Dudley by sharing their views.
- Vote in governor elections.
- Stand for election to represent their constituency (candidates must be minimum of 16 years old).
- Attend behind the scenes tours and member events.
- Participate in public meetings, public and patient involvement panels and focus groups.
- Fundraise for The Dudley Group NHS Charity.

Public membership

31st March 2021	13,443
31st March 2022	13,288
31st March 2023	13,334

Membership constituency breakdown report as of 31st March 2023

Public Constituencies	Number of Members
Brierley Hill	1,686
Central Dudley	2,328
Halesowen	1,082
North Dudley	1,268
Rest of England	2,278
South Staffordshire and Wyre Forest	1,071
Stourbridge	1,617
Tipton and Rowley Regis	2,004

Public membership breakdown by age, gender and ethnicity		Number of Members
Age	0-16 years	19
	17-21 years	283
	22+ years	12,402
	Not stated	630
Gender	Male	4,274
	Female	8,757
	Unspecified/not stated	303
Ethnicity	White	10,403
	Mixed	383
	Asian or Asian British	1,187
	Black or Black British	399
	Other	66
	Not stated	896

Staff constituencies

Staff constituencies	Number of Members
Allied Health Professionals and Healthcare Scientists	719
Medical and Dental	679
Nursing and Midwifery	3513
Non clinical	1239
Partner organisations	759

Council of Governors

The Council of Governors was formed on 1st October 2008 and is responsible for holding the non-executive directors to account for the performance of the Board of Directors. The majority of the Trust's governors are elected through the public membership to make up the Council of Governors which consists of 25 governors in total:

Public elected: 13 governors.
Staff elected: 8 governors.
Appointed from key stakeholders: 4 governors.

Tables summarising the Council of Governors and the constituencies they represent can be found on page 108.

The Board of Directors continues to work closely with the Council of Governors through regular attendance at both full Council of Governor meetings and the committees of the council. Both non-executive and executive directors are assigned as nominated attendees at the Council of Governors' sub-committees. This provides opportunities for detailed discussion and debate on strategy, performance, quality and patient experience and enables governors to see non-executive directors function. Governors regularly attend public Board of Directors' meetings and are invited to observe meetings of the committees of the board and encouraged to contribute by the respective chairs.

The Board of Directors is accountable to the Council of Governors, ensuring it meets its Terms of Authorisation. A Register of Interests confirming individual declarations for each governor is available on the Trust's website or is available on request by calling 01384 321124 or emailing dgft.foundationmembers@nhs.net.

All the Trust's governors comply with the 'fit and proper' persons test as described in the Trust's provider licence. The conditions are incorporated into the Foundation Trust Constitution.

The Council of Governors has the following key responsibilities:

- Appointing and/or removing the chair, including appraisal and performance management.
- Appointing and/or removing the non-executive directors.
- Appointing the external auditors.

- Advising the Board of Directors on the views of members and the wider community.
- Ensuring the Board of Directors complies with its Terms of Authorisation and operates within that licence.
- Recruiting and engaging with members.
- Advising on strategic direction.
- Receiving the Annual Accounts, any report of the auditor on them, and the Annual Report at the Annual Members' Meeting.
- Approving significant transactions which exceed 25 per cent by value of Trust assets, Trust income or increase/reduction to capital value.
- Approving any structural change to the organisation worth more than 10 per cent of the organisation's assets, revenue, or capital by way of merger, acquisition, separation or dissolution.
- Deciding whether the level of private patient income would significantly interfere with the Trust's principal purpose of providing NHS services.
- Approving amendments to the Trust's Constitution.

Where an item is reserved for both Council of Governors and Board of Directors approval, for example a change to the Trust's Constitution, then this change would not be made if either party did not approve the recommendation put before them. In practice, a constructive and close working arrangement is maintained between the Council of Governors and the board through the chair and lead governor.

The Trust continues to work closely with the Council of Governors to further develop the governor role to reflect the requirements of the Health and Social Care Act and other best practice and guidance. This includes adopting and adapting to the changes set out in the Health and Social Care Act 2022 that has been reflected in the Addendum to Statutory Duties.

Ongoing training and development is provided by the Trust, allowing experts from within and outside the Trust to work with the Council of Governors to identify key aspects of their role. This includes how they influence strategy within the Trust, and how they will engage with members and the wider community so that their views and opinions can be heard.

Council of Governors committees

The Council of Governors reviewed its committees and their terms of reference and operates the following:

- Remuneration and Appointments Committee (chair Sir David Nicholson)
- Experience and Engagement Committee (deputy chairman Alex Giles)

The Remuneration and Appointments Committee meets at least once a year and is responsible for ensuring a formal, rigorous and transparent procedure for the appointment, appraisal, reappointment and removal of the chair and non-executive directors, reviewing their number, specific skill mix and remuneration as set out in the relevant aspects of the Code of Governance and in line with the Trust's Constitution.

The committee, chaired by the Trust's chair, oversees the recruitment process through the use of interview and stakeholder assessment panels. The Remuneration and Appointments Committee submits its recommendations for appointments, outcomes of appraisals, reappointments and removals the full Council of Governors.

The table on page 47 provides a summary of the non-executive members' length of appointment.

Council of Governors membership and meetings 2022/23

Figures show number of meetings attended that were held during the term of office.

Public Governors

Name	Constituency	
Helen Ashby (Resigned June 2022)	Stourbridge	0/1
Arthur Brown (Elected June 2022)	Stourbridge	3/3
Emily Butler (Elected June 2022)	Halesowen	2/4
Alex Giles	Stourbridge	4/4
Sandra Harris	Central Dudley	3/4
Mike Heaton	Brierley Hill	3/4
Vicky Homer	South Staffordshire and Wyre Forest	1/4
Mushtaq Hussain (Elected December 2022)	Central Dudley	1/1
Maria Lodge-Smith	Brierley Hill	2/4
Hilary Lumsden (End of term June 2022)	Halesowen	1/1
Chauntelle Madondo	Rest of England	2/4
Lizzy Naylor	North Dudley	3/4
Yvonne Peers (Elected June 2022)	North Dudley	4/4
Nicola Piggott (End of term June 2022)	North Dudley	0/1
Alan Rowbottom	Tipton & Rowley Regis	4/4
Richard Tasker (Resigned September 2022)	Central Dudley	1/2

Staff Governors

Name	Constituency	
Kerry Cope	Nursing & Midwifery	0/4
Jill Faulkner	Non-clinical	1/4
Syed Gilani	AHP & HCS	3/4
Clare Inglis (Elected December 2022)	AHP & HCS	1/1
Catherine Lane (Elected June 2022)	Nursing & Midwifery	2/4
Atef Michael (Re-elected June 2022)	Medical and Dental	2/4
Michelle Porter (Resigned August 2022)	Partner Organisations	0/2
Louise Smith	Nursing & Midwifery	0/4

Appointed Governors

Name	Constituency	
Rebbekah Collins (Replaced May 2022)	Dudley Metropolitan Borough Council	1/1
Mohit Mandiratta (Re-appointed July 22)	Primary Care Representative	1/4
Sarah-Jane Stevens (Appointed May 2022)	Institute of Health – University of Wolverhampton	3/4
Alan Taylor (Appointed June 2022)	Dudley Metropolitan Borough Council	4/4
Mary Turner (Re-appointed March 2023)	Dudley CVS & Trust volunteers	3/4

The Council of Governors monitors attendance at full council meetings and committee meetings as agreed under the governors' Code of Conduct. In all instances above where governors have maintained less than the required attendance, the Council of Governors is satisfied that there was reasonable cause for non-attendance.

Full Council of Governors meetings are regularly attended by key clinicians and senior staff from across the Trust, providing presentations and question and answer sessions to help governors understand how the organisation works.

Governor elections and reappointments

During 2022/23, elections were held for vacancies in the following constituencies:

- **Public:** North Dudley, Central Dudley – one vacancy in each and, Halesowen – 2 vacancies

- **Staff:** Medical and Dental, Nursing and Midwifery, Allied Healthcare Professionals and Healthcare Scientists, Non-clinical – one vacancy in each

In accordance with the Trust's Constitution, we use the method of single transferable voting for all elections. This system allows voters to rank candidates in order of preference and, after candidates have either been elected or eliminated, unused votes are transferred according to the voter's next stated preference.

During the year, a total of 12 members put themselves forward as nominees for the vacancies arising with around 9 per cent returning votes in contested elections.

Civica Election Services was appointed to oversee the election process, returning the following governors for a three-year term:

Public: Central Dudley, Mushtaq Hussain
Public: Halesowen, Emily Butler
Public: North Dudley, Yvonne Peers
Staff: Allied Healthcare Professionals and Health Care Scientists, Clare Inglis
Staff: Medical and Dental, Dr Atef Michael
Staff: Nursing and Midwifery, Catherine Lane

The following governor was appointed in June 2022 owing to a resignation. The vacancy arose in the public constituency of Stourbridge and in line with the Trust constitution (Annex 9 - Paragraph 8), a decision was made to draw from the list of members who had stood for elections at the most recent election of governors from the Stourbridge constituency. The member who was not elected but who had secured the next most votes at that time was offered the position.

Public: Stourbridge, Arthur Brown

The following governors were appointed by their respective organisations for a three-year term:

- Primary Care Representative – Dr Mohit Mandiratta (re-elected July 2022)
- Institute of Health – University of Wolverhampton – Sarah-Jane Stevens (elected May 2022)
- The Dudley Metropolitan Borough Council - Councillor Alan Tylor (elected June 2022)
- Dudley CVS and Trust Volunteers – Mary Turner (re-elected March 2023)

Governors reaching end of term of office or resigning during 2022/23

June 2022
Helen Ashby, Public elected: Stourbridge (resigned)
Councillor Rebbekah Collins, appointed: Dudley Metropolitan Borough Council (replaced)
Hilary Lumsden, Public elected: Halesowen (end of term of office)
Nicola Piggott, Public elected: North Dudley (end of term of office)

August 2022
Michelle Porter, Staff: Partner Organisations (resigned)

September 2022
Richard Tasker, Public elected: Central Dudley (resigned)

Council of Governors review 2022/23

Since authorisation, our Council of Governors has regularly conducted a review of its effectiveness in discharging its statutory and other duties. During quarter two, the foundation trust office carried out a governor survey to gather information on preferred meeting timings and to also better understand governor interest in the different areas like board committee meetings, Quality and Safety reviews and participation in a Task and Finish Group to review the Governor and Membership Engagement Plan for 2023-2025. The Council of Governors meetings and training events for the coming year will be held with a mix of face-to-face and hybrid meetings as per the feedback from the governor survey. This will help the Trust to ensure good governor participation at meetings throughout the year.

The Governors involved in the Task and Finish Group have reviewed the Governor and Membership Engagement Plan for 2023-2025. Over the coming months, the plan will be implemented to support increased governor engagement with our staff and public members and delivery of their statutory duties.

The governor training programme is constructed on a modular basis held on a minimum of six sessions throughout the year. The modules are structured to support newly appointed and elected governors and as a refresher for all council members.

These modules were delivered for the newly elected governors from the elections in quarters one and three and as refreshers for those returned for a

further term of office and new governors. One-to-one support is in place for all new governors and buddying is encouraged for those more experienced governors to support newly appointed governors.

The Council of Governors has continued to maintain good attendance at the Annual Members Meeting, quarterly council meetings and at a series of development events to supplement their training.

Council members have also maintained attendance at Board of Directors meetings, board committees and working groups.

The Annual Members Meeting was held as a virtual event and featured reports from the executive team, auditors and the lead governor reporting on the year 2021/22. There was good attendance by local stakeholders, Trust members and members of the public who were encouraged to submit questions relating to the Annual Report and Accounts.

Governor engagement

The Trust supports governors in raising public and staff awareness of the work of the Trust and their role within their constituencies. The 'Out There' initiative continues to support governors to undertake their role in finding out what people think about the Trust and feedback their views to the Board of Directors.

We circulate regular update emails to our foundation trust members and a Trust Newsletter that contains an invitation to attend the Council of Governors and Board of Directors meetings and to submit any questions they wish to raise in advance.

Throughout the year, governors have continued to participate in a variety of Trust activities that seek to assure and improve standards of quality and patient experience and have joined online patient feedback and listening sessions hosted by the Trust and other health economy stakeholders including the Peoples Network, Healthier Futures and Healthwatch.

Lead governor

The lead governor role is designed to assist the Council of Governors where it may be considered inappropriate for the chair, or the deputy chair, to deal with a particular matter. The lead governor will also provide an independent link between the Council of Governors and the Board of Directors.

Helen Ashby, public elected governor for Stourbridge held the role of lead governor until her resignation in June 2022. During the year, nominations were sought for her successor with Alex Giles, public elected governor for Stourbridge, taking up the post in shadow form before becoming lead governor in November 2022.

How to contact a governor or director

There are several ways Trust members or members of the public can contact either their governor or a member of the Board of Directors:

- at Council of Governors meetings in public.
- at Board of Directors meetings in public.
- at the Annual Members' Meeting.
- at members events; and
- via the Foundation Trust office on email or by phone.

For dates and times of these meetings and other members' events, please visit the members section on the Trust website at www.dgft.nhs.uk or contact the Foundation Trust office:

Email dgft.foundationmembers@nhs.net

Telephone (01384) 321124

Write Freepost RSEH-CUZB-SJEG, 2nd Floor, South Block, Russells Hall Hospital, Pensnett Road, Dudley, DY1 2HQ.

NHS Foundation Trust Code of Governance Disclosures

- The Trust's Council of Governors, see page 105.
- The Trust's Board of Directors, see page 37.
- Nominations and Remuneration Committee, see page 62.
- Audit Committee, see page 59.
- The Foundation Trust's Membership, see page 103.

NHS Oversight Framework

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.

Segmentation

The Trust has been assigned a segmentation rating of 3 as of 31st March 2023. Segmentation of 3 or 4 would indicate a trust is, or is likely to be, in breach of its licence. For more information on how the Trust reviews its governance, risk management and systems of internal control see the Annual Governance Statement at page 116.

This segmentation information is the Trust's position as of 31st March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: NHS England » NHS oversight framework segmentation

Statement of the chief executive's responsibilities as the accounting officer of The Dudley Group 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 The Dudley Group 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 The Dudley Group 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 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 Dudley Group 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.

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Dudley Group 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 The Dudley Group NHS Foundation Trust for the year ended 31st March 2023 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

The Board of Directors has established committees of the board where they review the corporate risks to ensure their effective management and mitigations.

In addition, each division of the Trust, through their divisional governance framework, reports to the Risk and Assurance Group on their management of risks at an operational level. The group oversees the effective operation of the Trust's risk register and provides challenge to the levels of assurance throughout the organisation. The Risk and Assurance Group meets monthly chaired by the chief executive (chaired by Director of Governance from January 2023) and reports into the Quality and Safety Committee.

The Trust has a comprehensive induction and training programme, supplemented by e-learning training packages and additional learning opportunities for staff. Collectively, these cover a wide range of governance and risk management topics for both clinical and non-clinical staff in all disciplines and at all levels in the organisation.

Enhanced or additional training is available from the corporate governance team on aspects of the wider risk management and governance agenda.

The risk and control framework

The Foundation Trust is fully compliant with the registration requirements of the CQC.

The Board of Directors provides leadership on the management of risks, determining the risk appetite for the organisation and ensuring that the approach to risk management is applied consistently. Through the Board Assurance Framework, the board determines the total risk appetite the Trust is prepared to accept in the delivery of its strategic objectives. The board takes its assurance from the Risk and Assurance Group and its board committees. This incorporates the controls in place to manage the identified risks to their determined target score and the monitoring of any required actions where the risk exceeds the board's appetite for risk in that area.

To ensure a consistent approach, the Trust's Risk Management Strategy provides guidance on the identification and assessment of risk and on the development and implementation of action plans. Risk identification is clinically driven, and divisions undertake continuous risk assessments to maintain their risk registers and to implement agreed action plans. Risks are assessed by using a 5x5 risk matrix where the total score is an indicator as to seriousness of the risk. Action plans to address or manage risks are recorded in the risk register and managed at divisional and/or board level. Regular reports are submitted to the Risk and Assurance Group and committees of the board to confirm the progress made in managing any identified risks.

Each level of management, including the Board, reviews the risks and controls for which it is responsible. The board and board committees monitor the progress against actions to minimise or mitigate risks in accordance with the Risk Management Strategy. The strategy was reviewed by the Audit Committee in March 2023.

Papers received at the Board of Directors meetings and at board committee meetings identify the risks to the achievement of Trust objectives and their link to the risk register. The Trust uses a dedicated monitoring system. This records and

monitors all risks across the organisation including the current and targeted mitigated risk scores and progress against the identified action plans where the risk is above its target score. Active risk management forms part of the divisional governance framework with the operational risk registers being a standing item on the Risk and Assurance Group's agenda. Positive assurance to date confirms the effectiveness of the management and control of these identified risks. Action plans are in place to address any perceived gaps in control or assurance that arise during the year.

The Board Assurance Framework identifies the key risks to the achievement of the Trust's strategic goals and the assurance mechanisms and it reports on the effectiveness of the Trust's system of internal control in those areas. The Board Assurance Framework was reviewed during the course of the year in order to refresh the framework to reflect the review of the Trust Strategy that launched in the autumn of 2021 and align to the new strategic goals. This will ensure that the strategic risk framework reflects changes to the strategic priorities of the Trust.

Each board committee considers the strategic risks that fall within its terms of reference and the reports are triangulated with the Corporate Risk reports considered by the committees. The Board Assurance Framework supports this Annual Governance Statement and is informed by partnership working across the Black County Integrated Care System, and through working with the Integrated Care Board, Council of Governors, and other stakeholders. The Board Assurance Framework focuses on those key risks to achievement of the Trust's strategic goals; below are the significant issues that have been tracked and reported to the board and the degree of risk remaining at the end of the year.

The reporting framework requires risks to be identified, on both board and committee front summary sheets that accompany all reports submitted, providing an ongoing record of emerging issues which allow the link back to the Board Assurance Framework and the Corporate Risk Register.

The Trust faced the following major risks during the course of the year which includes clinical and longer-term risks:

- Inability to discharge patients in a timely manner to support emergency patient flow and sustain timely ambulance offloads.
- Increased demand and high levels of vacancies in our workforce impact the ability to deliver safe, effective services.
- Financial performance risks owing to legislative changes in the national and local health economy and in particular the potential implications of the ICP in Dudley.
- Failure of the IT infrastructure/cyber incident causing widespread operational capability issues.

The Trust adopts a robust approach to data quality and governance with more information available on page 130.

The Trust is practising good data security against the National Data Guardians' 10 data security standards and the Trust completes an annual Data Security and Protection (DSP) Toolkit to provide assurance. Board assurance is provided by the Caldicott and Information Governance Group (CIGG); the data protection officer (DPO), senior information risk owner (SIRO), chief information officer (CIO) and Caldicott Guardian are core members of this Group.

The Trust also has well established arrangements to monitor quality, governance and improvements in quality. A bespoke service reviews Internal Quality and Safety reviews undertaken by the compliance team focus on key areas and provide actions and their progress to Quality and Safety Group which reports upwards. Review and monitoring of Nursing Care Indicators and the robust monitoring against local and national targets for quality measures including healthcare associated infections (HCAI), pressure ulcers and falls are also undertaken. The outcomes are reported to the Quality and Safety Committee

The Trust has further developed its integrated performance report during 2022/2023 and is using Statistical Process Control (SPC) reporting which informs the effectiveness of our business improvement processes. A consistent base set of data is used to report to each of the relevant board committees – workforce and staff engagement, finance and performance, and quality and safety committee, as well as operationally to the divisions and the executive. Quality dashboards are also provided for each ward giving visual feedback on quality metric delivery for staff and patients.

Regular reports on the progress against key quality priorities provide assurance that these are actively managed and progressed at an operational level. Internal audit involves external stakeholder partners and provides an independent opinion on the adequacy of the arrangements for ensuring compliance with the Care Quality Commission Regulatory Standards.

Information risks are managed and controlled through the Trust's established risk management processes. The Trust has a Caldicott and Information Governance Group (CIGG), which reports to the Audit Committee, whose remit is to review and monitor all risks and incidents relating to data security and governance. The Trust's Caldicott Guardian, SIRO (director of finance and information) and information governance manager are members of the CIGG.

The Trust is registered with the Information Commissioner's Office registration number Z8909702.

The Trust is working to the Data Security and Protection (DSP) Toolkit which is an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards. All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they are practicing good data security and that personal information is handled correctly. There are 36 Assertions (34 of which are mandatory and two non-mandatory) within the Data Security and Protection Toolkit requiring 113 mandatory pieces of evidence. In the June 2022 submission, the Trust met all standards.

All committees of the board are chaired by non-executive directors. The board has established seven committees each with clear terms of reference which are reviewed annually to ensure they remain appropriate to support the board.

Committee effectiveness reviews were undertaken by each committee during quarter four 2022/2023 and some amendments to workplans and terms of reference were made as a result. There are no outstanding actions arising from these reviews.

Each committee chair provides a formal summary of key issues arising from the committee to the Board of Directors meeting. This summary report provides information on the assurance received at the committee which supports the Trust's assurance framework and performance reporting ultimately received by the board.

The Trust informs and engages with its key stakeholders in relation to risk through a number of forums. This includes regular review meetings with the Trust's regulators and commissioners and the sharing of performance reports with the Trust's Council of Governors. Key stakeholders include local and national politicians, Integrated Care Board, our PFI partner Summit Healthcare (Dudley) Ltd, the Council of Governors, the Foundation Trust (FT) members, patient groups, patients, the local community and the Local Authority Select Committee on Health and Adult Social Care.

In response to the governance challenges presented by the COVID-19 pandemic, the Trust has also adopted additional forms of assurance outside of its formal decision-making structures. For example, there are regular meetings of non-executive directors and the chief executive, that are documented and ensure that key operational matters are given additional scrutiny.

Non-executive directors are assigned additional roles and engage in a variety of programmed activities to allow them to triangulate information received though

formal meetings. This includes participating in Trust-wide Team Briefs, joining divisional team meetings, shadowing and volunteering sessions and contributing to a number of improvement forums.
All directors have completed in-year appraisals that have continued to feed into a structured Board Development Programme. This will provide an additional evidence base for the board to identify and focus on the key challenges over the next 12 months.

During 2022/2023, the work of the internal auditors and the board review of the Board Assurance Framework and supporting governance processes had identified some recommendations. Other reviews undertaken within the internal audit plan, identified some gaps in control which resulted in specific action plans being drawn up with their progress reported to, and any follow up audit work monitored by, the Audit Committee:

- Cyber security awareness, monitoring and response.
- Discharge management, data analytics.

Management have established an action plan to address each of the control areas.

Cyber security actions relate to continuous reverification of third-party security controls, the inclusion of medical devices in security monitoring processes, in addition to defining and agreeing recovery point and time objectives with the one high action raised relates to the backup restoration of key systems.

The review of discharge management, data analytics, was only able to utilise an incomplete dataset providing a limited testing environment. The review did however identify issues in respect of ensuring that the current documented Discharge Management Policy defined key roles and responsibilities and inconsistencies in how certain types of data was recorded across a number of pathways. There are several recommended actions for the Trust to consider.

None of the gaps had impacted on the final delivery of the Trust's stated objectives.

The head of internal audit opinion includes an assessment of the Trust's Risk Management processes and control framework.

The Audit Committee

Greater detail on the role of the Audit Committee is set out elsewhere in the Annual Report, however the Audit Committee, comprised of non-executive directors, is established to provide assurance to the board that there is an effective system of integrated governance, risk management and internal control across the whole of the

Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives and that this system is established and maintained.

After each of its meetings during the year, the Audit Committee provides a written report to the Trust board that details the matters discussed, key issues identified and any items requiring referral to Trust board.

Further, as part of discharging its main functions, the Audit Committee prepares an annual report for the Trust board and the chief executive as accounting officer of the Trust and expresses its considered opinion on key aspects of governance based upon the evidence and assurances it has received.

Workforce safeguards

The Trust regularly reviews progress and delivery against its People Plan (Dudley People Plan) which is aligned to the NHS People Plan 2020/2021 and the Trust's strategic objective for the Trust to be 'a brilliant place to work and thrive', including key workforce development, transformation and wellbeing initiatives. The plan was approved by the board in November 2020. The plan has five key pillars:

- A workforce for now and in the future.
- A caring, kind and compassionate place.
- Equality, fairness and inclusion.
- Improvement and development culture.
- Using technology to innovate.

The implementation of the plan is overseen by the Workforce and Staff Engagement Committee, supported by an Equality, Diversity and Inclusion Steering Group, which is chaired by a non-executive director and also a Health and Wellbeing Steering Group which is chaired by the Trust's Wellbeing Guardian who is a non-executive director of the Trust.

In addition, in 2023 the Trust will be developing and consulting on a revised People Plan (Dudley People Plan) which will set out our overall direction in how we recruit and support our people in delivering the Trust Shaping #OurFuture Strategy and meet our goal of being a brilliant place to work and thrive.

The main areas of workforce performance including absence rates, vacancy rates, staff turnover, agency spend, appraisal and mandatory training compliance are reported within the specific Workforce Key Performance Indicator (KPI) Report, which is also reported to the Board of Directors.

The Trust collates and reviews data every month for a range of workforce metrics, quality and outcomes indicators and productivity measures. This enables the Trust to undertake safe workforce planning and delivery against its ambitious People Plan priorities, including improvements in staff satisfaction and inclusivity. For example, a range of targeted recruitment campaigns were launched for nursing and healthcare support workers, there has been continued support and championship for the development of the Trust's Inclusion Networks which have expanded their membership, as well as enhanced staff health and wellbeing packages put in place.

The Trust has published on its website an up-to-date register of interests**,** including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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

Further information on staff matters is available in the staff section of the Annual Report.

Failure to remain financially sustainable in 2021/2022 and beyond

For 2022/2023 the main source of income for the Trust was contracts with commissioners for health care services. Funding envelopes were set at an Integrated Care System (ICS) level. Most of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. In 2022/2023 fixed payments were set at a level assuming the achievement of elective activity targets.

Additional resources have been channelled through the Black Country Integrated Care System (ICS) and all constituent organisations have agreed a formal risk share arrangement to manage any additional pressures arising in individual organisations. A combination of non-recurrent measures and a share of the risk share has enabled the Trust to reduce the relevant risk score on the corporate risk register as the year has progressed and achieve a breakeven position.

The Black Country ICS has received its funding allocation for 2023/2024 and significant work has been done to agree allocations to constituent organisations. With the removal of COVID-19 funding and due to a high level of non-recurrent funding measures agreed in 2022/2023 the System and the Trust is forecasting a significant deficit. Work continues to refine plans at a System and Trust level to reduce the deficit as much as possible. The Trust's sustainability going forward is heavily reliant on two main factors; the ability to reduce costs and equally improve efficiency and the Trust's ability to recover baseline elective activity to pre-COVID-19 levels (2019/2020) and above.

Work continues with the Black Country ICS and NHS England to ensure all resource issues are addressed. The Trust continues to support medium term planning objectives to secure a recurrently financially balanced position. Oversight continues to be provided by the board and the Finance and Performance Committee. The current level of deficit makes achieving a balanced financial position in 2023/2024 a big task and all efforts need to be put into making the Trust sustainable over the next five years.

Never Events

The Trust has reported two Never Events during 2022/23; one has been investigated and closed and one is under review at the time of writing (the events were unrelated in nature and service area). In both cases mitigations to manage immediate risk were implemented to help prevent re-occurrence.

All Serious Incidents are subject to a non-linear investigation, each are reviewed by a team including a trained patient safety team member, an independent clinical specialist and a director lead. All investigation reports are reviewed are presented at the Risk and Assurance Group for wider consideration and to share learning. The Trust continues to work with the Integrated Care Board to review investigations and ensure timely closure.

Green Plan

The Trust's Green Plan was approved by the board in December 2020. Following the formal adoption of the strategic plan in September 2021, the director-level responsibility of this agenda sits with the director of finance. The Green Plan complies with the requirements outlined by NHS England and ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. You can read more about the work we do to provide our services in a sustainable way on page 101.

Care Quality Commission (CQC)

Following a CQC inspection in January and February 2019, the Trust was rated by the CQC overall as 'Requires Improvement'. Urgent and Emergency Care had originally been rated as 'Inadequate' in the safe domain. Following a further review of Urgent and Emergency Care in February 2021 this improved to 'Requires Improvement'. The final Section 31 notice was removed in March 2020. Emergency Care had an overall 'Requires Improvement' rating. Diagnostic imaging was additionally rated as 'Inadequate' at a service level, and also on both the safe and well-led domains. The Trust was rated 'Requires Improvement' in the well-led inspection.

Since March 2018, following the introduction of e-NEWS, e-Sepsis and intensive work within the Emergency Department and across the whole Trust, mortality outcomes for sepsis have fallen. In a four-year period, we have seen 20 per cent less deaths in hospital.

There is a sepsis team within the Trust and a programme of education for staff. The Trust has embedded an educational package in relation to the deteriorating patient which includes patients with sepsis with three different levels of attainment, and ward area accreditation in respect of the management of the deteriorating patient.

The Trust's sepsis data demonstrates that the Trust is now performing at target and in excess of the national average. Nurse staffing has been reviewed by the chief nurse and safe staffing is reported to the Board of Directors as part of the chief nurse monthly report.

During the year, the Trust has completed actions from recommendations arising from the external well led review undertaken in 2021/2022 that made assessments made against each of the Care Quality Commission key lines of enquiry (KLOEs). The report concluded that the organisation had improved its service delivery and noted the significant progress in developing relationships and effective clinical leadership. The recommendations to build on the achievements to date have been incorporated into an action plan to support continued improvement.

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

In 2022/2023 the profile of the use of resources has been high following the previous two years during the pandemic response. The Trust continues to benchmark its spend with available metrics including the Use of Resources framework and Model Hospital. Throughout 2022/2023 the Trust has continued to review Patient Level Information and Costing System (PLICS) data locally to provide assurance that the

costing data was robust and to identify specific clinical pathways where the Trust appeared to be an outlier. These were cross referenced to Getting It Right First Time metrics where available and are being used to identify where resources can be used more effectively. This has been discussed at the Financial Improvement Group that has continued to meet monthly.

The Trust has refined its long-term financial model which is being constantly updated especially with the 2023/2024 income allocations and our response to the current deficit plan. Getting the Trust to a sustainable financial position in the medium, term is our high priority.

The form of the operational planning process moved back to pre-pandemic processes albeit still scaled down with block allocations and a concentration on elective recovery. The Board of Directors, supported by the Finance and Performance Committee, were kept informed of the changes in the planning and financial regime at the beginning of the year and the Finance and Performance Committee reviewed the financial plan on several occasions before recommending it to the Trust Board.

The in-year resource utilisation is monitored by the board and its committees via a series of detailed reports covering finance, activity, capacity, human resource management and risk. Clinical risk assessments are conducted on individual savings proposals that may impact on the provision or delivery of clinical services. The 2023/2024 financial framework and subsequent funding means the Trust has a significant underlying financial challenge. This is being addressed through the Finance Improvement Group and enhanced ‘Grip and Control’ measures.

Performance review meetings assess each division’s performance across a full range of financial and quality matrices which, in turn, form the basis of the monthly integrated performance report to the Finance and Performance Committee. The Trust has been assigned a segmentation rating of 3 as of 31st March 2023 with regard to the NHS National Oversight Framework.

The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively, centre around a robust budget setting and control system which includes activity related budgets and periodic reviews during the year which are considered by executive directors and the Board of Directors. The budgetary control system is complemented by Standing Financial Instructions, a Scheme of Delegation and Financial Approval Limits. This process enables regular review of financial performance by highlighting areas of concern via variance analysis. The Finance and Performance Committee also receives a monthly report showing the Trust’s performance against the block contract and the elective recovery

fund. The external auditors also give comment upon this aspect of the Trust business.

As Accounting Officer, I have overall accountability for delivery of the Annual Plan, and I am supported by the executive directors with delegated accountability and responsibility for delivery of specific targets and performance objectives. These are formally reviewed and monitored monthly by the Board of Directors and its committees. Independent assurance on the use of resources is provided through the Trust's internal audit programme, Audit Committee and external agencies such as NHS England, External Audit and the CQC.

Information governance

The General Data Protection Regulation (GDPR), as implemented by the UK Data Protection Act 2018, came into UK law on 25th May 2018. It introduced a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority. The Security of Network and Information Systems Directive ("NIS Directive") also requires reporting of relevant incidents to the Department of Health and Social Care (DHSC) as the competent authority from 10th May 2018.

An organisation must notify a qualifying breach of personal data within 72 hours. If the breach is likely to result in a high risk to the rights and freedoms of individuals, organisations must also inform those individuals without undue delay. Those breaches that also fulfil the criteria of a NIS notifiable incident will be forwarded to the DHSC where the Secretary of State is the competent authority for the implementation of the NIS directive in the health and social care sector. The Information Commissioner remains the national regulatory authority for the NIS directive.

The Trust has self-reported to the Information Commissioner on four occasions during 2022/23. No regulatory action was taken against the Trust in relation to any of these cases and the learning from the incidents was disseminated through the Trust's governance processes.

Governance and leadership

The executive and non-executive directors have a collective responsibility as a board to ensure that the governance arrangements supporting the Quality Accounts and Report provide adequate and appropriate information and assurances relating to the Trust's quality objectives. Board sponsors are nominated for all Quality Priorities providing visible board leadership of specific quality initiatives.

Whilst the chief executive has overall responsibility for the quality of care provided to patients, the implementation and co-ordination of the quality framework is delegated to both the chief nurse and medical director. They have joint responsibility for reporting to the Board of Directors on the development and progress of the quality framework, clinical framework and clinical management and for ensuring that the Quality Improvement Strategy is implemented and evaluated effectively.

Policies

High quality organisational documentation are essential tools of effective governance which will support the Trust to achieve its strategic objectives, operational requirements and bring consistency to day-to-day practice. A common format and approved structure for such documents helps reinforce corporate identity, helps to ensure that policies and procedures in use are current, and reflects an organisational approach. A standard approach ensures that agreed practice is followed throughout the organisation. With regard to the development of approved documentation, all procedural documents are accessible to all staff supporting the delivery of safe and effective patient care.

Development and reporting of quality indicators and the Quality Account

The systems and processes which support the development of the Quality Accounts focus on engagement activities with public, patients and staff and utilising the many media/data capture opportunities available.

This year has seen the Trust continue with the priorities from the previous year which include patient experience and discharge management. The topics were agreed by the Board of Directors and the Council of Governors on the basis of their importance both from a local perspective (e.g., based on complaints, results of the monitoring of Quality Indicators) and a national perspective (e.g., reports from national bodies: NHS England, CQC findings).

The Trust reviews its Quality Priorities annually and is currently engaging with governors, staff and members of the public and partner organisations to consult on the 2023/2024 quality priorities.

Electronic Staff Record programme (ESR)

ISAE 402 service auditor report covering the period of 1st April 2022 to 31st March 2023, which identified potential control deficiencies impacting (in the 3rd party national ESR solution) The Dudley Group NHS Foundation Trust.

The Trust is happy that mitigating controls are in place and that this does not present a risk to the Trust.

People and skills

In addition to the leadership provided by the Board of Directors, clinical divisional management teams (led by clinical directors and co-ordinated by general managers) are accountable for and ensure that a quality service is provided within their respective divisions and areas of authority. They are required to implement the Quality Improvement Strategy, providing safe, effective and personal care and ensure that patients have a positive experience and are treated with courtesy, respect and kindness.

Training opportunities are available for clinical and non-clinical staff and competency is monitored as part of the Trust's appraisal system. The Board of Directors ensures that quality improvement is central to all activities. This is achieved by routine monitoring, participation in national improvement campaigns, celebrating success with our staff awards and proactively seeking patient views on our services. This is achieved by routine monitoring, participation in national improvement campaigns, celebrating success with our staff awards and proactively seeking patient views on our services.

The Dudley People Plan sets out our approach to people and skills, it recognises the contribution made by every member of staff and the important role they play, each and every day, in delivering safe, effective, high quality patient care, whilst role modelling our values. Our plan recognises that our people are our most important asset, who through dedication and commitment provide excellent care for our patients.

Through our 5 key areas of focus we are:

- Building 'A workforce for now and in the future' by making Dudley the place people want to be and stay.
- Ensuring we develop 'A caring, kind and compassionate place' where we support our people to have joy in their work and to treat each other with kindness and respect.
- Embedding an 'Equality, fairness and inclusion' culture where we all believe in and live by our Trust values.
- We are 'Using technology to innovate' to ensure we embrace technology to support different ways of working.
- We develop an 'Improvement and development culture' that supports our staff to access opportunities for development and improvement.

In 2023, the Trust will be developing and consulting on a revised People Plan (Dudley People Plan) which will set out our overall direction in how we recruit and support our people in delivering the Trust Shaping #Our Future Strategy and meet our goal of being a brilliant place to work and thrive. The People Plan recognises the value of our people and the link that exists between an engaged, happy workforce who feel valued and the quality and efficiency of the care they are able to provide.

The Dudley Improvement Practice (DIP) is the Trust's long-term commitment to creating a culture of Continuous Improvement. DIP training in improvement fundamentals is now an integral part of the two in-house leadership training programmes: Managers' Essentials and Developing Leaders.

The training and post-training improvement coaching provides our people with the skills and support needed to complete an improvement project as part of their development portfolio and achieve DGFT Managers Accreditation. To further support the improvement capability of the trust, all line managers are encouraged to include DIP training and an improvement project as an objective in appraisals held April to June 2023.

During 2022, DIP supported improvement activity supported by Organisational Development and Human Resources with teams along the Urgent and Emergency Care and Women and Children pathways. This included improvement events and extensive team support within the Maternity department. Maternity Inpatients had been identified as outliers in the previous year's staff survey for morale and staff involvement. In the most recent staff survey, they have now become a positive case study showing clear signs of culture change.

In 2023, the areas that will receive focused support from DIP, Organisational Development and Human Resources for the full year are the Dudley Clinical Hub and District Nursing teams, and Operating Theatre utilisation. Work has commenced with our community services; engaging with staff at all levels and recognising the valuable care provided to achieve the vision of 'Community first, hospital where necessary'. Using the DIP method, Strategic Value Stream Analysis (VSA) events involving multi-disciplinary teams will take place to design and prioritise improvement workstreams throughout the year. Progress will be reported quarterly at Trust Management Group meetings.

The DIP team are also working with the Patient Safety Incident Response Framework (PSIRF) team to support development of improvement capability and a standardised reporting structure which focuses on learning and implementation of improvements resulting from incidents.

Data quality and governance

Data Quality (DQ) Assurance over the various elements of quality, finance and performance is of key importance to management and the board. Reviews of the Trust's system of internal control in respect of data quality are undertaken in each year through the internal audit work plan.

The Dudley Group NHS Foundation Trust continues to develop digital and data services heightening the reliance upon good data quality. Data quality is pivotal to the Trust's innovation plans. High levels of data quality are required for modern analytic techniques and artificial intelligence (AI). When new digital services are introduced, high data quality must be assured from the outset. We do this by providing real-time data support tools to allow operational teams to see the impact of their interventions and interrogate the quality data entry. This is underpinned by open and transparent engagement with data generators to aid progression of quality standards.

Our high Digital Data Quality Maturity Index (DQMI) levels have been maintained and, in some cases, improved despite the obvious challenges of the ongoing COVID-19 response. Maintaining the normal level of interaction in data quality groups has been a challenge through the COVID-19 pandemic due to operational pressures and clinical priorities. The Data Quality and Standards Group provides assurance oversight, knowledge sharing and escalate decision points by direct engagement with information asset owners, operational teams and executive directors.

Despite various changes to the national mandates of performance we continued to monitor and report on key performance metrics, ensuring patients were cared for appropriately. Particular focus was given to restoration and recovery of services as we navigate elective care recovery and continued COVID-19 pandemic response. Close monitoring of time sensitive care needs is being delivered to meet the national priorities.

This year the health informatics portfolio team has embedded the data relationship manager (DRM) role into the Trust. These key roles are seen as the translators of data analytics into insight that can be acted upon by operational teams. These subject matter experts coach clinical and operational colleagues through their data, data quality and what it means in practice. The data relationship managers also listen to the needs of the operational teams to support evidence-based decision making. Data relationship managers are aligned with divisions of the Trust and part of their role is to help identify, understand and influence opportunities to improve data quality and promote the impact it has on organisational performance, patient care and safety. Throughout the year the DRMs have worked closely across all divisions of the Trust to help operational and clinical colleagues articulate and

understand the issues and decisions they face. Through this approach we have seen significant improvements in the oversight and assurance available to all levels.

The Trust's IT Department (Terafirma) maintains ISO27001 accreditation, holds Cyber Essentials (CE) certification and has achieved 100 per cent compliance with regards to the NHSD Data Security Protection (DSP) Toolkit and Data Guardian Standards. Our approach to delivering data security is defined in the Trust board approved Cyber Security Strategy which identifies the key data security and protection risks including but not limited to; supply chain compromise (SCC), business email compromise (BEC) and the Internet of Things (IoT).

The Trust has implemented sophisticated technology solutions and controls including data leak protection (DLP), Microsoft Endpoint Defender (MDE), proactive threat monitoring and automated security validation, geo-referencing and secure domain firewalling to address key data security risks and continues to invest in new technologies and solutions to provide further assurance. In the constantly evolving technology and cyber workspace, the Trust maintains its commitment to provide robust assurances and delivery plans to further enhance our controls and ensuring alignment with the Network and Security Systems (NIS) Directive and the NHS England Cyber Security Programme.

As the Trust continues to increase the deployment of digital workflows to support clinical and operational activities, the technology solutions which have been implemented continue to provide significant assurance; however, workforce remains a risk in terms of an access point for a major cyber-attack. This is due to several factors including human response which may, for example, increase susceptibility to attempted phishing attacks.

Staff cyber awareness remains a key focus for 2022 with the introduction of mandatory Trust wide Cyber Awareness training, regular scheduled staff awareness campaigns and the introduction of Cyber Bulletins.

This financial year has seen a strong commitment from the board to invest in modern technologies and Public Cloud infrastructure in accordance with national policy recommendations. These modern tools enhance the speed, access and availability of digital-data services to our population and workforce alike. Simultaneously, the technology adds layers of protection, security and service resilience to the Trust's clinical services.

The Dudley Group NHS Foundation Trust's head of cybersecurity and IT governance currently chairs the Black Country Integrated Care System cybersecurity sub-group. In this role, the Trust has developed and influenced a collaborative knowledge sharing network between local experts to meet the challenges of modern healthcare

IT delivery and the amplified cyberthreat landscape that COVID-19 has presented. In addition, the Trust's Digital, Data and Technology Directorate has provided expertise and support to partner organisations within the system in Root Cause Analysis (RCA) to support the commitment to data confidentiality, integrity and accessibility.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by recommendations received as part of the Trust commissioned Well-Led review by an external party, comments made by the external auditors in their ISA 260 report and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Risk and Governance Committee and Quality and Safety Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework and the Trust's risk management arrangements provide me with evidence that the controls to manage the risks to the Trust achieving its principal objectives have been reviewed and are effective. My review is also informed by the work of external and independent assessors and advisors including the Care Quality Commission.

During 2022/2023, the work of the internal auditors and the board review of the Board Assurance Framework and supporting governance processes had identified some recommendations. Other reviews undertaken within the internal audit plan, identified some gaps in control which resulted in specific action plans being drawn up with their progress reported to, and any follow up audit work monitored by, the Audit Committee:

Specifically, whilst not significant issues in themselves, Internal Audit identified some internal control weaknesses and judged them relevant for consideration as part of the annual governance statement in regard to audits in the areas of:

- Cyber security awareness, monitoring and response.
- Discharge management, data analytics.

Management have established action plans in respect of each of these areas and progress on the implementation of the recommendations of Internal Audit is being

overseen by the Audit Committee. Some planned completion dates have been impacted by the need to divert resources to the manage capacity owing to winter pressures and this has required an extension to these dates, which has also been scrutinised and approved by the committee.

The Trust complies with the NHS Foundation Trust Code of Governance with the aim to deliver effective corporate governance, contribute to better organisational performance and ultimately discharge our duties in the best interests of patients.

Counter fraud provisions are in place in line with the NHS Counter Fraud Authority (NHSCFA) Standards. The Trust complies with its responsibilities to fully implement a Code of Conduct that includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the code is regularly tested. RSM are also the providers of our local counter fraud service.

The Head of Internal Audit opinion stated that the Trust has an 'adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective'.

However, none of the identified weaknesses were deemed to be significant in terms of the overall systems of internal control of the Trust.

EU exit

The UK left the EU on 31st January 2020 and the transition period expired on 31st December 2020. The Trust has not experienced any issues relating to exiting the EU.

Operational Performance Elective and Recovery Update

Operational focus during 2022/23 with regards to elective restoration and recovery post COVID-19 centred on reducing long waits and achieving timely cancer interventions. The Trust attained the national objective of having zero breaches of patients waiting in excess of 104 weeks by July 2022 and made significant progress in reducing the number of patients waiting over 78 weeks. Focus for 2023/24 will turn to reducing the backlog of patients waiting 65 weeks to commence routine treatment. The Trust has committed to achieving zero 65 week breaches by March 2024 and zero 52 week breaches by March 2025.

Trust focus with regards to cancer restoration and recovery resulted in the attainment of the 2 week wait target towards the end of the year, along with achieving the 28 Day Faster Diagnosis target for a number of months during 2022/23. The Trust has committed to consistently delivering the 28 Faster Diagnosis Standard by March 2024 and is well placed to achieve this.

Performance standard DM01 saw improvement during 2022/23 and remains on course to attain 95% by the mandated date of March 2025.

The Finance and Performance Committee and the Board have continued to oversee operational performance with regards to national standards and elective restoration and recovery targets.

COVID-19 vaccination programme

In December 2020 The Dudley Group took on the role of lead employer for the Black Country and West Birmingham Integrated Care System (ICS) vaccination programme. This involves:

- Assessing workforce demand for the ICS vaccination programme, across the different delivery models and develop supply channels.
- Recruiting, onboarding, training and deploying the workforce to undertake roles in the various delivery models for the ICS, including establishing banks of current staff to deploy as required, liaising with local agencies and NHS Trust banks to secure shifts and the employment of new staff.
- Establishing and overseeing a single rostering system across the ICS vaccination sites.
- Liaising with national supply routes to seek additional staff from national suppliers.
- Liaising with the regional Workforce Bureau and Regional Vaccination Operation Centre, including providing KPI and performance reporting.
- Arranging payment to staff.
- Liaising with volunteers.

The Black Country and West Birmingham Employment Bureau has been recognised as a high performing bureau, having recruited a vaccination workforce of over 4,000 additional bank staff, with high average shift fill rates, delivering almost 3 million vaccinations to our communities across the Black Country.

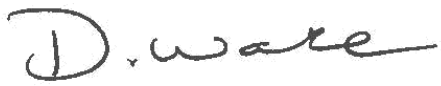
Governance of the vaccine programme is through the ICS Programme Board and internally through the Trust's Finance and Performance Committee and ultimately the Trust Board. The Dudley Group relinquished its role as Lead Employer on 31st March 2023.

Conclusion

My review of the effectiveness of the risk management and internal control has confirmed that:

- The Trust has a generally sound system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.
- Based on the work undertaken by a range of assurance providers, there were no significant control issues identified during 2022/23.
- I 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.
- We prepare the financial statements on a 'going concern' basis.
- Where improvements had been recommended, we have acted on them and tracked their implementation at both management and board/committee level.

I, therefore, believe that the Annual Governance Statement is a balanced reflection of the actual control position in place within the year.



Signed: Diane Wake
Chief Executive
Date: 15.06.23

Running infection control training sessions.

Statement of directors' responsibilities in respect of the accounts

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

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

The directors are responsible for keeping proper accounting records which disclose the position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the board

Diane Wake
Chief Executive
Date: 15.06.23

Signed: Kevin Stringer
Director of Finance
Date: 15.06.23

Independent auditor's report to the Council of Governors of The Dudley Group NHS Foundation Trust

Report on the audit of the financial statements

Opinion on financial statements

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

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2023 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2022/23 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

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

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or

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

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

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer of The Dudley Group NHS Foundation Trust set out on page(s) 113 to 114, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
  - We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, the presumed risk of fraud in revenue and the risk of fraud or error in the completeness of expenditure and accruals. We determined that the principal risks were in relation to:

  - Journal entries that altered the Trust's financial performance for the year;
  - Potential management bias in determining accounting estimates, especially in relation to:
    - The calculation of the valuation of the Trust's land and buildings;
    - Accruals of income and expenditure at the end of the financial year;
    - Estimation of the value and liabilities associated with right of use assets; and
    - Estimation of the annual leave accrual.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on significant journals at the end of the financial year which impacted on the Trust's financial performance;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations and accruals of variable income and expenditure at the end of the financial year;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements. [Matters were reported by the component auditors and further audit

procedures, identified above, were performed to respond to the identified risks of material misstatement. OR No such matters were identified by the component auditors.]

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

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

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

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

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

Responsibilities of the Accounting Officer

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

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

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

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

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

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's

Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

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

We cannot formally conclude the audit and issue an audit certificate for The Dudley Group 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 until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

M C Stocks

Mark Stocks, Key Audit Partner

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

Birmingham 21 June

2023

Independent auditor's report to the members of the Council of Governors of The Dudley Group NHS Foundation Trust

In our auditor's report issued on 22 June 2023, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2023, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2023 issued on 22 June 2023 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2023 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since 22 June 2023 that would have a material impact on the financial statements on which we gave this opinion.

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

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

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

We have nothing to report in respect of the above matter except on 10 August 2023 we identified a significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the level of unidentified savings in the Trust's financial plan for 2023/24 that substantially threaten the Trust's ability to deliver the financial plan.

We recommended that the Trust should:

- prioritise the identification of potential efficiency schemes for the Cost Improvement Plan and progress potential schemes through the maturity matrix as soon as possible; and
- agree funding arrangements with the ICB which allow the Trust to meet its activity demands and costs in the medium-term. A medium-term financial plan should be developed in conjunction with the development of the system level medium-term financial plan.

Responsibilities of the Accounting Officer

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

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

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

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

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

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

Report on other legal and regulatory requirements – Audit certificate

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

Use of our report

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

M C Stocks

Mark Stocks, Key Audit Partner

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

Birmingham

25 August 2023

Accounts

Foreword to the Accounts

These accounts for the period 1st April 2022 to 31st March 2023 have been prepared by The Dudley Group NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed: Diane Wake
Chief Executive
Date: 15.06.23

Consolidated and Foundation Trust Statements of Comprehensive Income

For the Year Ended 31 March 2023

	Note	Group Year Ended 31 March 2023 £'000	Group Year Ended 31 March 2022 £'000	Foundation Trust Year Ended 31 March 2023 £'000	Foundation Trust Restated * Year Ended 31 March 2022 £'000
Operating Income from patient care activities	4	507,259	459,681	507,259	459,681
Other Operating Income	5	38,095	59,210	37,809	58,912
Total Operating Income from continuing operations		**545,354**	**518,891**	**545,068**	**518,593**
Operating Expenses from continuing operations	6	(529,285)	(502,543)	(529,362)	(502,463)
Operating Surplus / (Deficit)		**16,069**	**16,348**	**15,706**	**16,130**
Finance Costs					
Finance income	10	765	81	689	31
Finance expense - financial liabilities	11	(12,630)	(11,795)	(12,630)	(11,795)
PDC Dividends payable		(3,903)	(2,764)	(3,903)	(2,764)
Net Finance Costs		**(15,768)**	**(14,478)**	**(15,844)**	**(14,528)**
Gain/(loss) of disposal of assets	14	(184)	0	(184)	0
Corporation tax expense	12	(54)	(36)	0	0
Surplus/(Deficit) for the year from continuing operations		**63**	**1,834**	**(322)**	**1,602**
SURPLUS/(DEFICIT) FOR THE YEAR		**63**	**1,834**	**(322)**	**1,602**
Other comprehensive income/(expense)					
Will not be reclassified to income and expenditure:					
Revaluations	14	12,982	5,816	12,982	5,816
Fair value gains/(losses) on equity instruments designated at FV through OCI	15	(36)	64	0	0
Other reserve movements		0	(1)	0	(1)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		**13,009**	**7,713**	**12,660**	**7,417**

The notes on pages 6 to 50 form part of these accounts.
All income and expenditure is derived from continuing operations.

There are no Non-Controlling Interests in the Group, therefore the surplus for the year of £63,000 (2021/22 surplus of £1,834,000 and the Total Comprehensive Income of £13,009,000 (2021/22 Total Comprehensive Income of £25,602,000) is wholly attributable to the Trust.

*There has been an amendment to the classification of Reimbursement and Top up Funding from Operating income from patient care activities to other operating income. This classification corrects this error and relates solely to the Trust values only. Further details came be found in Note 3.2

Consolidated and Foundation Trust Statements of Financial Position

As at 31 March 2023

	Note	Group			Foundation Trust		
		31 March 2023	Restated 31 March 2022 **	Restated 1 April 2021 *	31 March 2023	Restated 31 March 2022 **	Restated 1 April 2021 *
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Intangible assets	13	8,514	9,640	10,406	8,514	9,640	10,406
Property, plant and equipment	14	248,844	229,826	217,785	248,844	229,826	217,785
Right of Use Assets	9	19,862	0	0	19,862	0	0
Other Investments/financial assets	15	1,433	1,469	1,405	0	0	0
Receivables	17	16,885	14,948	13,736	16,885	14,948	13,736
Total non-current assets		295,538	255,883	243,332	294,105	254,414	241,927
Current assets							
Inventories	16	4,983	3,865	3,775	4,779	3,612	3,459
Receivables	17	20,503	14,685	8,856	20,307	14,471	8,653
Other Investments/financial assets	15	0	500	500	0	0	0
Non-current assets for sales and assets held in disposal groups	14	0	1,000	0	0	1,000	0
Cash and cash equivalents	18	13,778	25,166	19,307	11,616	23,736	17,928
Total current assets		39,264	45,216	32,438	36,702	42,819	30,040
Current liabilities							
Trade and other payables	19	(45,669)	(42,782)	(35,444)	(45,762)	(42,655)	(35,084)
Borrowings	20	(8,093)	(2,889)	(5,206)	(8,093)	(2,889)	(5,206)
Provisions	21	(118)	(307)	(1,239)	(118)	(307)	(1,239)
Other liabilities	22	(3,489)	(7,289)	(3,040)	(3,489)	(7,289)	(3,040)
Total current liabilities		(57,369)	(53,267)	(44,929)	(57,462)	(53,140)	(44,569)
Total assets less current liabilities		**277,433**	**247,832**	**230,841**	**273,345**	**244,093**	**227,398**
Non-current liabilities							
Trade and other payables	19	0	(2,571)	0			
Borrowings	20	(120,382)	(108,517)	(110,095)			
Provisions	21	(644)	(499)	(899)	0	(2,571)	0
Total non-current liabilities		(121,026)	(111,587)	(110,994)	(120,382)	(108,517)	(110,095)
					(644)	(499)	(899)
Total assets employed		**156,407**	**136,245**	**119,847**	(121,026)	(111,587)	(110,994)
					152,319	**132,506**	**116,404**
Financed by							
Taxpayers' equity							
Public Dividend Capital		65,045	57,892	49,207			
Revaluation reserve		62,516	49,534	43,719			
Income and expenditure reserve		26,175	26,268	24,511			
					65,045	57,892	49,207
					62,516	49,534	43,719
					24,758	25,080	23,478
Others' equity							
Charitable Fund reserves		2,671	2,551	2,410	0	0	0
Total Taxpayers' and Others' equity		**156,407**	**136,245**	**119,847**	**152,319**	**132,506**	**116,404**

The notes on pages 6 to 50 form part of these accounts.

The financial statements on pages 3 to 50 were approved by the Board of Directors and authorised for issue on their behalf by:

Signed ..... D. Wake

Diane Wake
Chief Executive

Date: 15 June 2023

Prior Period Adjustment

The Trust have made a prior period adjustment relating to property, plant and equipment values. During 2022-23 additional information was provided by the Trusts PFI provider that changed the value of the buildings included in this category. The floor areas of the buildings had been understated and this had led to the value of the buildings being understated in the accounts. The Trust has made a prior period adjustment and restated the Statement of Financial Position as at 1st April 2021 and 31st March 2022. The impacts are detailed below.

* restated to reflect £17.889m increase in property, plant and equipment and revaluation reserve

** restated to reflect £18.484m increase in property, plant and equipment and revaluation reserve

Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity

for the Year Ended 31 March 2023

	Group					Foundation Trust			
	..... Taxpayers' Equity					..... Taxpayers' Equity			
	Public Dividend Capital	Restated Revaluation Reserve*	Income and Expenditure Reserve	Charitable Fund Reserves	Total Taxpayers' and Others' Equity	Public Dividend Capital	Restated Revaluation Reserve *	Income and Expenditure Reserve	Total Taxpayers' Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Taxpayers' and Others' Equity at 1 April 2021 restated*	**49,207**	**43,719**	**24,511**	**2,410**	**119,847**	**49,207**	**43,719**	**23,478**	**116,404**
Surplus / (Deficit) for the year	0	0	1,710	124	1,834	0	0	1,602	1,602
Revaluations - property, plant and equipment	0	5,816	0	0	5,816	0	5,816	0	5,816
Fair value gains/(losses) on equity instruments designated at FV through OCI	0	0	0	64	64	0	0	0	0
Public Dividend Capital Received	8,685	0	0	0	8,685	8,685	0	0	8,685
Other reserve movements	0	(1)	0	0	(1)	0	(1)	0	(1)
Consolidation adjustment	0	0	47	(47)	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2022	**57,892**	**49,534**	**26,268**	**2,551**	**136,245**	**57,892**	**49,534**	**25,080**	**132,506**
Taxpayers' and Others' Equity at 1 April 2022	**57,892**	**49,534**	**26,268**	**2,551**	**136,245**	**57,892**	**49,534**	**25,080**	**132,506**
Surplus / (Deficit) for the year	0	0	(141)	204	63	0	0	(322)	(322)
Revaluations - property, plant and equipment	0	12,982	0	0	12,982	0	12,982	0	12,982
Fair value gains/(losses) on equity instruments designated at FV through OCI	0	0	0	(36)	(36)	0	0	0	0
Public Dividend Capital Received	7,153	0	0	0	7,153	7,153	0	0	7,153
Consolidation adjustment	0	0	48	(48)	0	0	0	0	0
Taxpayers' and Others' Equity at 31 March 2023	**65,045**	**62,516**	**26,175**	**2,671**	**156,407**	**65,045**	**62,516**	**24,758**	**152,319**

The notes on pages 6 to 50 form part of these accounts.

***Prior Period Adjustment**

The Trust have made a prior period adjustment relating to property, plant and equipment values. During 2022-23 additional information was provided by the Trusts PFI provider that changed the value of the buildings included in this category. The floor areas of the buildings had been understated and this had led to the value of the buildings being understated in the accounts. The Trust has made a prior period adjustment and restated the Statement of Financial Position as at 1st April 2021 and 31st March 2022. The impacts are detailed below.

1st April 2021 £17.889m increase in revaluation reserve

31st March 2022 £18.484m increase in revaluation reserve

Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the Dudley Group NHS Foundation Trust Charity consolidated within these financial statements. These reserves comprise Unrestricted Funds £2,419,000 (2021/22 £2,239,000) of which £2,192,000 (2021/22 £1,695,000) have been designated for specific purposes, Restricted Funds £252,000 (2021/22 £312,000) and Endowment Funds £nil (2021/21 £nil). Unrestricted Funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the Charity objectives, Restricted Funds are specific appeals for funds or donations where legal restrictions have been imposed by the Donor, and Endowment Funds are held as capital by the Charity to generate income for charitable purposes but cannot themselves be spent.

Consolidated and Foundation Trust Statements of Cash Flows

For the Year Ended 31 March 2023

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Cash flows from operating activities	£'000	£'000	£'000	£'000
Operating surplus/(deficit) from continuing operations	16,069	16,348	15,706	16,130
Operating surplus/(deficit)	**16,069**	**16,348**	**15,706**	**16,130**
Non-cash income and expense:				
Depreciation and amortisation	15,173	11,011	15,173	11,011
Impairments and Reversals	67	1,877	67	1,877
Income recognised in respect of capital donations (cash and non-cash)	(220)	(226)	(220)	(226)
(Increase)/Decrease in trade and other receivables	(7,647)	(7,447)	(7,670)	(7,439)
(Increase)/Decrease in inventories	(1,118)	(90)	(1,167)	(153)
Increase/(Decrease) in trade and other payables	(345)	11,960	(112)	12,187
Increase/(Decrease) in other liabilities	(3,800)	4,249	(3,800)	4,249
Increase/(Decrease) in provisions	(44)	(1,332)	(44)	(1,332)
Movements in charitable fund working capital	508	(10)	0	0
Corporation Tax (paid) / received	(54)	(36)	0	0
NET CASH GENERATED FROM/(USED IN) OPERATIONS	18,589	36,304	17,933	36,304
Cash flows from investing activities				
Interest received	586	13	586	13
Purchase of intangible assets	(868)	(1,010)	(868)	(1,010)
Purchase of Property, Plant and Equipment	(13,537)	(19,232)	(13,537)	(19,232)
Proceeds from sales of Property, Plant and Equipment	40	0	40	0
NHS Charitable funds - cash flows from investing activities	76	51	0	0
Net cash generated from/(used in) investing activities	(13,703)	(20,178)	(13,779)	(20,229)
Cash flows from financing activities				
Public dividend capital received	7,153	8,685	7,153	8,685
Capital element of PFI Obligations	(5,354)	(5,250)	(5,354)	(5,250)
Capital element of lease liability repayments	(2,212)	0	(2,212)	0
Interest element of PFI Obligations	(12,442)	(11,795)	(12,442)	(11,795)
Interest element of lease liability repayments	(188)	0	(188)	0
PDC Dividend paid	(3,231)	(1,907)	(3,231)	(1,907)
Net cash generated from/(used in) financing activities	(16,274)	(10,267)	(16,274)	(10,267)
Increase/(decrease) in cash and cash equivalents	**(11,388)**	**5,859**	**(12,120)**	**5,808**
Cash and Cash equivalents at 1 April	25,166	19,307	23,736	17,928
Cash and Cash equivalents at 31 March	**13,778**	**25,166**	**11,616**	**23,736**

The notes on pages 6 to 50 form part of these accounts.

1. Accounting Policies and Other Information

NHS England has directed that the financial statements of NHS foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC Group Accounting Manual 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 NHS Foundation 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.

Going Concern

The Foundation Trust's annual report and accounts have been prepared on a going concern basis.
International Accounting Standard 1 requires the Board to assess, as part of the accounts preparation process, the Group and Trust's ability to continue as a going concern. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Group and Trust without the transfer of its services to another entity within the public sector. In preparing the financial statements, the Board of Directors has considered the Group's and Trust's overall financial position against the requirements of IAS1. After making enquiries, the directors have a reasonable expectation that the services provided by the 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.

Accounting Convention

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

1.1 Consolidation

The Group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to 31st March 2023. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's financial statements and Group financial statements have been prepared.

Subsidiaries

Subsidiary entities are those which the Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and revenue attributable to minority interests are included as a separate item in the Statement of Financial Position. The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year. Where subsidiaries' accounting policies are not aligned with those of the Foundation Trust then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation. Dudley Clinical Services Limited is a subsidiary of the Trust.

NHS Charitable Fund

The NHS Foundation Trust is the corporate trustee to The Dudley Group NHS Foundation Trust Charity. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31st March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Foundation Trust's accounting policies; and
- eliminate intra-Group transactions, balances, gains and losses.

1. Accounting Policies and Other Information (continued)

1.2 Revenue

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows:

- As per paragraph 121 of the Standard the Foundation Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.
- The Foundation Trust is to similarly not disclose information where the revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with the value of the performance completed to date.
- The GAM has mandated the exercise of the practical expedient offered in C7 (a) of the Standard that requires the Foundation Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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.

The main source of income for the Trust is contracts with commissioners for healthcare services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. In 2021/22 income earned by the system for elective recovery was distributed between individual entities by local agreement. Income earned from the fund in 2021/22 was accounted for as variable consideration. [Drafting note: Final arrangements for the elective recovery fund in 2022/23 have not yet been finalised with HM Treasury. The Trusts accounting policies will be updated to include a sentence on ERF for 2022/23.]

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

Revenue from Research contracts

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

NHS injury cost recovery scheme

The Foundation Trust receives income under the NHS 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 Foundation Trust recognises the income when 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 a provision 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. Accounting Policies and Other Information (continued)

1.2 Revenue

Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants. In 2022/23 the trust received DHSC centrally procured personal protective equipment. These transactions have been recognised as a 'Government Grant' as defined above. The Trust has recorded a charge to operating expenditure when the items have been utilised and this is matched with a gain in income.

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.

Education and Training

The Trust receives income from Health Education England for education and training of medical and non-medical trainees. Revenue is in respect of training provided and is recognised when performance obligations are satisfied when training has been performed. All performance obligations are undertaken within the financial year and is agreed and invoiced to Health Education England.

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees including non-consolidated performance pay earned but not yet paid.

Employees are not permitted to carry forward leave into the following period. Therefore, the Trust does not recognise any untaken leave in the financial statements.

Pension costs

NHS Pension Scheme

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 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.

1. Accounting Policies and Other Information (continued)

1.3 Expenditure on Employee Benefits

Pension costs

NHS Pension Scheme

b) Full actual (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% of pensionable pay.

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

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 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 Foundation Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and;
    - has an individual cost of at least £5,000; or
    - the items form a group of assets which 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 the same managerial control; or
    - form part of the initial equipping and setting up cost of a new building or refurbishment of a ward or unit, and the items collectively have a cost of at least £5,000.

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.

For property assets the frequency of revaluations will be at least every five years.

The fair value of land and buildings are determined by valuations carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out primarily on the basis of depreciated replacement cost, modern equivalent asset basis for specialised operational property and existing use value for non-specialised operational property. Assets held at depreciated replacement cost have been valued on a Modern Equivalent Asset Optimised Alternative Site basis. For the Trust's PFI buildings the valuation does not include any VAT liability as VAT is recoverable on the unitary payments made by the Trust and any re-provision of the existing buildings would be carried out by the PFI provider. 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 at open market value.

Assets under construction are valued at cost and are subsequently revalued by professional valuers when they are brought into use if factors indicate that the value of the asset differs materially from its carrying value. Otherwise, the asset should only be revalued on the next occasion when all assets of that class are revalued.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

1. Accounting Policies and Other Information (continued)

1.5 Property, Plant and Equipment (continued)

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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.

The Trust depreciates its non-current assets on a straight line basis over the expected life of the assets after allowing for the residual value. Useful lives are determined on a case by case basis. The typical lives for the following assets are:

Asset Category	Useful Life (years)
Buildings - each component of a building is assigned its own life	5 - 90
Engineering Plant & Equipment	5 - 15
Medical Equipment	2 - 15
Transport Equipment	7 - 10
Information Technology	3 - 15
Furniture & Fittings	2 - 10

Freehold land is considered to have an infinite life and is not depreciated.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the sale must be highly probable and the asset available for immediate sale in its present condition

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1. Accounting Policies and Other Information (continued)

1.5 Property, Plant and Equipment (continued)

Donated, Government Grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment. This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to the assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. This valuation will exclude VAT. Subsequently the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16. An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a lifecycle element, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme. The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

The lifecycle element is established on the lifecycle plan contained within the financial model. Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively. Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1.6 Intangible Assets

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

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised only where all of the following can be demonstrated:

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

Software

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

Purchased computer software licences are capitalised as intangible non-current assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the license and their useful lives.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

1. Accounting Policies and Other Information (continued)

1.6 Intangible Assets

Amortisation and impairment

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Asset Category	Useful Life (years)
Software Licences	2 - 10

1.7 Government Grants

Government grants are grants from Government bodies other than income from Integrated Care Boards or NHS Trusts for the provision of services. Grants from the Department of Health, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government 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 the grant is credited to income at the same time, unless the grant has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the grant, in which case, the grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

1.8 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.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.9 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.10 Financial Instruments and Financial Liabilities

Financial assets

Financial assets are recognised when the Foundation Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and the Foundation Trust has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition. All of the financial assets held by the Group are held at amortised cost with the exception of the investment held by Dudley Group NHS Charity which is held at fair value through other comprehensive income.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where cash flows are solely payments of principal and interest. This category also includes investments in equity instruments where the Group has opted to classify them here.

1. Accounting Policies and Other Information (continued)

1.10 Financial Instruments and Financial Liabilities (continued)

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the Foundation Trust recognises a loss allowance representing expected credit losses on the financial instrument.

The Foundation Trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Foundation Trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Foundation Trust does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Financial liabilities

Financial liabilities are recognised when the Foundation Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Financial liabilities at fair value through profit and loss

Derivatives that are liabilities are subsequently measured at fair value through profit or loss, Embedded derivatives that are not part of a hybrid contract containing a host that is an asset within the scope of IFRS 9 are separately accounted for as derivatives only if their economic characteristics and risks are not closely related to those of their host contracts, a separate instrument with the same terms would meet the definition of a derivative, and the hybrid contract is not itself measured at fair value through profit or loss.

Other Financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

1.11 Leases

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

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

The Trust as lessee

Initial recognition and measurement

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

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

1. Accounting Policies and Other Information (continued)

1.11 Leases

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

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

Subsequent measurement

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

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

The Trust as lessor

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

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

Finance leases

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

Operating leases

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

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. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

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

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

1. Accounting Policies and Other Information (continued)

1.11 Leases (continued)

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 NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2023.

		Nominal rate	Prior Year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2023:

	Inflation rate	Prior Year rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% (2021-22 minus 1.30%) in real terms.

Clinical negligence costs

NHS Resolution (the trading name of the NHS Litigation Authority NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 20, but is not recognised in the Trust accounts.

Non-clinical risk pooling

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

1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.14 Public Dividend Capital

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care's investment in the trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

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

1. Accounting Policies and Other Information (continued)

1.14 Public Dividend Capital (continued)

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as PDC dividend. The charge is calculated at the real rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the trust. Relevant net assets are calculated as the value of all assets less all liabilities, except for:

- donated and grant funded assets
- charitable funds
- average daily cash balances held with the Government Banking Service (GBS) and National Loans Fund (NLF) deposits (excluding cash balances held in GBS accounts that relate to a short term working capital facility)
- approved expenditure on Covid-19 capital assets
- assets under construction for nationally directed schemes
- any PDC dividend balance receivable or payable.

The average relevant net assets is calculated as a simple average of opening and closing relevant net assets. In accordance with the requirements laid down by the Department of Health and Social Care, 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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries), but excluding consolidated charitable funds.

1.15 Value Added Tax

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

1.16 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 expenditure 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.

1.17 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in note 28 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.18 Corporation Tax

The Trust is a Health Service Body within the meaning of S519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to remove the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the future scope of income tax in respect of activities where income is received from a non-public sector source. The Charity is also exempt from corporation tax.

The tax expense on the Statement of Comprehensive Income comprises current and deferred tax due to the Trust's trading commercial subsidiary. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred taxation is calculated using rates that are expected to apply when the related deferred asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

1. Accounting Policies and Other Information (continued)

1.19 Critical accounting judgements and key sources of estimation and uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Accounting for PFI
- Application of IFRIC 4 Determining whether an Arrangement contains a Lease
- Application of IFRIC12 Service Concession Arrangements

Russells Hall Hospital, Guest Ambulatory Centre and Corbett Ambulatory Centre are owned by Summit Healthcare (Dudley) Limited and provided to the trust under a Private Finance Initiative (PFI) contract. The accounting judgement is around the classification of the transaction under IFRIC 4 and IFRIC 12.

Management have reviewed the service concession of the PFI scheme and has confirmed it is within the scope of IFRIC 12. The PFI scheme is 'on-balance sheet' meaning that the buildings and equipment are recognised in the Trust's balance sheet along with a finance lease creditor for the amount owed by the Trust over the PFI contract term.

Key sources of estimation uncertainty

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

- Valuation of Non-Current Assets

Modern equivalent asset valuation of property

As detailed in accountancy policy note 1.5 'Property, plant and equipment' The District Valuer provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life). The significant estimation being the specialised building - depreciation replacement value, using modern equivalent asset optimised alternative site methodology, of the hospital sites (Russell's Hall, Corbett and Guest). The result of this valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, is disclosed in note 14 to the financial statements on page 30. Future revaluations of the Trust's property may result in further material changes to the carrying value of non-current assets.

The impact of using modern equivalent asset valuation is shown in note 14.7 on page 37.

A further valuation has been undertaken as at 31 March 2023 to update the costs assumptions within the valuation. The total valuation of land and buildings was £215.644m. This valuation considers several factors including BCIS index, location factors, obsolescence and fees. Should any of these factors change this could lead to a material change in the valuation of the buildings (a change of 4.1% would impact on the value by £8.8m).

Asset lives

The Trusts' buildings and equipment are depreciated over their remaining useful economic lives as described in note 1.5. Management assesses the useful economic life of an asset when it is brought into use and periodically reviews for reasonableness. Lives are based on physical lives of similar class of asset as calculated by the District Valuer and updated by management to make a best estimate of the useful economic life which can result in an extension to the lives of these assets. Should the useful economic lives change by 1 year then this could lead to a material change in the depreciation charge in year and the valuation of assets (a reduction of 1 year in useful economic lives would increase depreciation on buildings by £251k and equipment by £1.124m. With both asset categories value at 31st March 2023 being an equivalent amount lower).

1. Accounting Policies and Other Information (continued)

1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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.

1.22 Transfers of functions to/from other NHS/Local Government Bodies

For functions that have been transferred to the Trust from another NHS Body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to their fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/Local Government Body, the assets and liabilities are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Foundation Trust's policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

There were no transfers to/from other NHS/Local Government bodies during 2022/23.

2 Segmental Analysis

The analysis by business segment is presented in accordance with IFRS 8 Operating Segments, on the basis of those segments whose operating results are regularly reviewed by the Board (the Chief Operating Decision Maker as defined by IFRS 8) as follows:

Healthcare Services

The Board as 'Chief Operating Decision Maker' has determined that Healthcare Services operate in a single operating segment, which is the provision of healthcare services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The Trust has identified segments in line with the thresholds in IFRS 8, applying the requirement of the DH GAM to consider expenditure instead of income as income is not analysed between segments in our monthly finance report to the Trust Board. Following a significance test of the expenditure segments the Trust found that there were three significant operating segments subject to the external reporting requirements of IFRS 8. Applying the aggregation criteria to the Trust's three significant operating segments found that in all cases the segments had similar economic characteristics, the nature of the services are similar, the nature of the production process are similar, the type or class of customer for the services are similar, the methods used to provide the services are similar and the nature of the regulatory environment is similar.

The Trust's significant operating segments satisfy all of the criteria listed for an aggregation to be deemed appropriate. The three significant operating segments of the Trust are all active in the same business – the provision of healthcare, and all operate within the same economic environment – the United Kingdom. Given that the purpose of disclosing segmental information is to enable users of the financial statements to evaluate the nature and financial effects of business activities and economic environments, reporting a single segment of "Healthcare" would be consistent with the core principle of IFRS 8, as it would show the singular nature of both the business activity and the economic environment of the Trust.

Income from activities (medical treatment of patients) is analysed by customer type in note 4 to the accounts on page 25. Other operating income is analysed in note 5 to the accounts on page 26 and materially consists of revenues from healthcare, research and development, medical education, and the provision of services to other NHS bodies. Total income by individual customers within the whole of HM Government and considered material, is disclosed in the related parties transactions note 26 to the accounts on page 44.

Dudley Clinical Services Limited

The company is a wholly owned subsidiary of the Trust and provides an Outpatient Dispensing service. As a trading company, subject to an additional legal and regulatory regime (over and above that of the Trust), this activity is considered to be a separate business segment whose individual operating results are reviewed by the Trust Board (the Chief Operating Decision Maker).

A significant proportion of the company's revenue is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 20.

Dudley Group NHS Charity

The Trust Board is corporate trustee for Dudley Group NHS Charity. Following Treasury's agreement to apply IFRS 10 to NHS Charities from 1st April 2013, the Trust has established that as the Trust is the corporate trustee of the linked NHS Charity, it effectively has the power to exercise control so as to obtain economic benefits. The Charity is therefore treated as a group entity and is consolidated. The consolidation is for reporting purposes only and does not affect the charities' legal and regulatory independence and day to day operations. Some of the charity's expenditure is inter segment trading with the Trust which is eliminated upon the consolidation of these group financial statements. The quarterly performance report to the Chief Operating Decision Maker reports financial summary information in the format of the table on page 20.

2 Segmental Analysis (continued)

Year ended 31 March 2023	Healthcare Services £000	Dudley Clinical Services Limited £000	Dudley Group NHS Charity £000	Inter Group Eliminations £000	Total £000
Total segment revenue	545,068	5,862	646	(6,222)	545,354
Total segment expenditure	(529,362)	(5,579)	(566)	6,222	(529,285)
Operating Surplus/(Deficit)	15,706	283	80	0	16,069
Net Financing	(11,941)	0	76	0	(11,865)
PDC Dividends Payable	(3,903)	0	0	0	(3,903)
Taxation	0	(54)	0	0	(54)
Retained surplus/(deficit) - before non-recurring items	(138)	229	156	0	247
Non-recurring items	(184)	0	0	0	(184)
Retained surplus/(deficit)	(322)	229	156	0	63
Reportable Segment assets	330,807	1,760	2,728	0	335,295
Eliminations	0	0	0	(493)	(493)
Total assets	330,807	1,760	2,728	(493)	334,802
Reportable Segment liabilities	(178,488)	(343)	(57)	0	(178,888)
Eliminations	0	0	0	493	493
Total liabilities	(178,488)	(343)	(57)	493	(178,395)
Net assets/liabilities	152,319	1,417	2,671	0	156,407

Year ended 31 March 2022	Healthcare Services £000	Dudley Clinical Services Limited £000	Dudley Group NHS Charity £000	Inter Group Eliminations £000	Total £000
Total segment revenue	518,594	5,948	653	(6,304)	518,891
Total segment expenditure	(502,464)	(5,757)	(626)	6,304	(502,543)
Operating Surplus/(Deficit)	16,130	191	27	0	16,348
Net Financing	(11,764)	0	50	0	(11,714)
PDC Dividends Payable	(2,764)	0	0	0	(2,764)
Taxation	0	(36)	0	0	(36)
Retained surplus/(deficit) - before non-recurring items	1,602	155	77	0	1,834
Non-recurring items	0	0	0	0	0
Retained surplus/(deficit)	1,602	155	77	0	1,834
Reportable Segment assets	278,749	1,421	2,595	0	282,765
Eliminations	0	0	0	(150)	(150)
Total assets	278,749	1,421	2,595	(150)	282,615
Reportable Segment liabilities	(164,727)	(233)	(44)	0	(165,004)
Eliminations	0	0	0	150	150
Total liabilities	(164,727)	(233)	(44)	150	(164,854)
Net assets/liabilities	114,022	1,188	2,551	0	117,761

3. Prior Period Adjustment

3.1 Revaluation of Property, Plant and equipment

The Trust have made a prior period adjustment relating to property, plant and equipment values. During 2022-23 additional information was provided by the Trusts PFI provider that changed the value of the buildings included in this category. The floor areas of the buildings had been understated and this had led to the value of the buildings being understated in the accounts. The Trust has made a prior period adjustment and restated the Statement of Financial Position as at 1st April 2021 and 31st March 2022.

The effect on the Statement of Financial Position for 1st April 2021 and 31st March 2022 are shown in this note.
Other notes amended to reflect restated 2021/22 figures include notes 14.2, 14.3 and 14.4.
The fully restated Statement of Financial Position is shown on page 2. The adjustments made are shown in the following tables.

Effect on the line items in the Statement of Financial Position 1st April 2021

	Group			Foundation Trust		
	As Originally Stated	As Restated	Amount of Restatement	As Originally Stated	As Restated	Amount of Restatement
	1 April 2021	1 April 2021	1 April 2021	1 April 2021	1 April 2021	1 April 2021
Non-current assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	10,406	10,406	0	10,406	10,406	0
Property, plant and equipment	199,896	217,785	17,889	199,896	217,785	17,889
Right of Use Assets	0	0	0	0	0	0
Other Investments/financial assets	1,405	1,405	0	0	0	0
Receivables	13,736	13,736	0	13,736	13,736	0
Total non-current assets	225,443	243,332	17,889	224,038	241,927	17,889
Current assets						
Inventories	3,775	3,775	0	3,459	3,459	0
Receivables	8,856	8,856	0	8,653	8,653	0
Other Investments/financial assets	500	500	0	0	0	0
Cash and cash equivalents	19,307	19,307	0	17,928	17,928	0
Total current assets	32,438	32,438	0	30,040	30,040	0
Current liabilities						
Trade and other payables	(35,444)	(35,444)	0	(35,084)	(35,084)	0
Borrowings	(5,206)	(5,206)	0	(5,206)	(5,206)	0
Provisions	(1,239)	(1,239)	0	(1,239)	(1,239)	0
Other liabilities	(3,040)	(3,040)	0	(3,040)	(3,040)	0
Total current liabilities	(44,929)	(44,929)	0	(44,569)	(44,569)	0
Total assets less current liabilities	**212,952**	**230,841**	**17,889**	**209,509**	**227,398**	**17,889**
Non-current liabilities						
Borrowings	(110,095)	(110,095)	0	(110,095)	(110,095)	0
Provisions	(899)	(899)	0	(899)	(899)	0
Total non-current liabilities	(110,994)	(110,994)	0	(110,994)	(110,994)	0
Total assets employed	**101,958**	**119,847**	**17,889**	**98,515**	**116,404**	**17,889**
Taxpayers' equity						
Public Dividend Capital	49,207	49,207	0	49,207	49,207	0
Revaluation reserve	25,830	43,719	17,889	25,830	43,719	17,889
Income and expenditure reserve	24,511	24,511	0	23,478	23,478	0
Others' equity						
Charitable Fund reserves	2,410	2,410	0	0	0	0
Total Taxpayers' and Others' equity	**101,958**	**119,847**	**17,889**	**98,515**	**116,404**	**17,889**

3. Prior Period Adjustment (continued)

3.1 Revaluation of Property, Plant and equipment (continued)

Effect on the line items in the Statement of Financial Position 31st March 2022

	Group			Foundation Trust		
	As Originally Stated	As Restated	Amount of Restatement	As Originally Stated	As Restated	Amount of Restatement
	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022
Non-current assets	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	9,640	9,640	0	9,640	9,640	0
Property, plant and equipment	211,342	229,826	18,484	211,342	229,826	18,484
Right of Use Assets	0	0	0	0	0	0
Other Investments/financial assets	1,469	1,469	0	0	0	0
Receivables	14,948	14,948	0	14,948	14,948	0
Total non-current assets	237,399	255,883	18,484	235,930	254,414	18,484
Current assets						
Inventories	3,865	3,865	0	3,612	3,612	0
Receivables	14,685	14,685	0	14,471	14,471	0
Other Investments/financial assets	500	500	0	0	0	0
Non-current assets for sales and assets held in	1,000	1,000	0	1,000	1,000	0
Cash and cash equivalents	25,166	25,166	0	23,736	23,736	0
Total current assets	45,216	45,216	0	42,819	42,819	0
Current liabilities						
Trade and other payables	(42,782)	(42,782)	0	(42,655)	(42,655)	0
Borrowings	(5,317)	(5,317)	0	(5,317)	(5,317)	0
Provisions	(307)	(307)	0	(307)	(307)	0
Other liabilities	(7,289)	(7,289)	0	(7,289)	(7,289)	0
Total current liabilities	(55,695)	(55,695)	0	(55,568)	(55,568)	0
Total assets less current liabilities	**226,920**	**245,404**	**18,484**	**223,181**	**241,665**	**18,484**
Non-current liabilities						
Trade and other payables	(2,571)	(2,571)	0	(2,571)	(2,571)	0
Borrowings	(106,089)	(106,089)	0	(106,089)	(106,089)	0
Provisions	(499)	(499)	0	(499)	(499)	0
Total non-current liabilities	(109,159)	(109,159)	0	(109,159)	(109,159)	0
Total assets employed	**117,761**	**136,245**	**18,484**	**114,022**	**132,506**	**18,484**
Financed by						
Taxpayers' equity						
Public Dividend Capital	57,892	57,892	0	57,892	57,892	0
Revaluation reserve	31,050	49,534	18,484	31,050	49,534	18,484
Income and expenditure reserve	26,268	26,268	0	25,080	25,080	0
Others' equity						
Charitable Fund reserves	2,551	2,551	0	0	0	0
Total Taxpayers' and Others' equity	**117,761**	**136,245**	**18,484**	**114,022**	**132,506**	**18,484**

3. Prior Period Adjustment (continued)

3.1 Revaluation of Property, Plant and equipment (continued)

The fully restated Statements of Changes in Taxpayers' and Others' Equity is shown on page 3. The adjustments made are shown in the following tables.

Effect on the Consolidated and Foundation Trust Statements of Changes in Taxpayers' and Others' Equity 31st March 2022

	Revaluation Reserve Group			Revaluation Reserve Foundation Trust		
	As Originally Stated	As Restated	Amount of Restatement	As Originally Stated	As Restated	Amount of Restatement
	£'000	£'000	£'000	£'000	£'000	£'000
Taxpayers' and Others' Equity at 1 April 2021	**25,830**	**43,719**	**17,889**	**25,830**	**43,719**	**17,889**
Surplus / (Deficit) for the year	0	0	0	0	0	0
Revaluations - property, plant and equipment	5,221	5,816	595	5,221	5,816	595
Other reserve movements	(1)	(1)	0	(1)	(1)	0
Taxpayers' and Others' Equity at 31 March 2022	**31,050**	**49,534**	**18,484**	**31,050**	**49,534**	**18,484**

Effect on the Consolidated and Foundation Trust Statements of Comprehensive Income for the Year Ended 31 March 2022

The fully restated Statements of Comprehensive Income is shown on page 1. The adjustments made are shown in the following tables.

	Group			Foundation Trust		
	As Originally Stated	As Restated	Amount of Restatement	As Originally Stated	As Restated	Amount of Restatement
	£'000	£'000	£'000	£'000	£'000	£'000
Operating Income from patient care activities	459,681	459,681	0	481,625	481,625	0
Other Operating Income	59,210	59,210	0	36,968	36,968	0
Total Operating Income from continuing operations	**518,891**	**518,891**	**0**	**518,593**	**518,593**	**0**
Operating Expenses from continuing operations	(502,543)	(502,543)	0	(502,463)	(502,463)	0
Operating Surplus / (Deficit)	**16,348**	**16,348**	**0**	**16,130**	**16,130**	**0**
Finance Costs						
Finance income	81	81	0	31	31	0
Finance expense - financial liabilities	(11,795)	(11,795)	0	(11,795)	(11,795)	0
PDC Dividends payable	(2,764)	(2,764)	0	(2,764)	(2,764)	0

3. Prior Period Adjustment (continued)

3.2 Reclassification of Income

The Trust have made a prior period adjustment relating to the classification of income for reimbursement and top up funding between other income from patient care activities and other operating income within the Statements of Comprehensive Income for the Foundation Trust for the year ended 31 March 2022. This reclassification corrects this error, and relates solely to the Trust values and did not affect the figures for the Group.

The effect on the Statement of Comprehensive Income for the year ended 31 March 2022 are shown in this note.

	As Originally Stated	Amount of reclassification	Restated Value
	£'000	£'000	£'000
Operating Income from patient care activities	481,625	(21,944)	459,681
Other Operating Income	36,968	21,944	58,912
Total Operating Income from continuing operations	518,593	0	518,593
Operating Expenses from continuing operations	(502,463)	0	(502,463)
Operating Surplus / (Deficit)	16,130	0	16,130
Finance Costs			
Finance income	31	0	31
Finance expense - financial liabilities	(11,795)	0	(11,795)
PDC Dividends payable	(2,764)	0	(2,764)
Net Finance Costs	(14,528)	0	(14,528)
Gain/(loss) of disposal of assets	0	0	0
Corporation tax expense	0	0	0
Surplus/(Deficit) for the year from continuing operations	1602	0	1,602
	0	0	0
SURPLUS/(DEFICIT) FOR THE YEAR	1602	0	1,602
Other comprehensive income/(expense)			
Will not be reclassified to income and expenditure:			
Impairments	0	0	0
Revaluations	5,816	0	5,816
Fair value gains/(losses) on equity instruments designated at FV through OCI	0	0	0
Other reserve movements	(1)	0	(1)
May be reclassified to income and expenditure where certain conditions are met:			
Fair Value gains/(losses) on financial assets mandated at fair value through OCI	0	0	0
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR	**7,417**	**0**	**7,417**

There are no other statements or notes affected by this reclassification.

4 Operating income from patient care activities

4.1 By Commissioner

	Year Ended 31 March 2023 £'000	Year Ended 31 March 2022 £'000
NHS England	80,778	56,635
Clinical Commissioning Groups	99,450	397,422
Integrated Care Boards	320,663	0
NHS Foundation Trusts	89	23
NHS Trusts	2,963	2,699
Local Authorities	2,305	2,145
Non NHS: Private patients	6	8
Non-NHS: Overseas patients (chargeable to patient)	106	120
NHS injury scheme (was RTA)	768	624
Non NHS: Other	131	5
Total income from activities	**507,259**	**459,681**

4.2 By Nature

	Year Ended 31 March 2023 £'000	Year Ended 31 March 2022 £'000
Acute Services		
Block contract / system envelope income	413,081	385,307
High cost drugs income from Commissioners	36,427	33,825
Other NHS clinical income	1,689	1,444
Community Services		
Block contract / system envelope income	21,741	21,815
Income from other sources (e.g. local authorities)	616	701
Private Patients	6	8
Elective recovery fund	8,043	2,225
Agenda for change pay offer central funding *	10,162	0
Additional pension contribution central funding **	11,437	10,886
Other clinical income	4,057	3,470
Total income from activities	**507,259**	**459,681**

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

** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For both 2022/23 and 2021/22, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers behalf. The full cost and related funding have been recognised in these accounts.

4.3 Income from Commissioner Requested Services and Non-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:

	Year Ended 31 March 2023 £'000	Year Ended 31 March 2022 £'000
Income from Commissioner Requested Services	451,197	420,576
Income from Non Commissioner Requested Services	22,357	22,516
Income from Activities	473,554	443,092
Other Clinical Income	4,063	3,478
Elective Recovery Fund	8,043	2,225
Agenda for change pay offer central funding	10,162	0
Additional pension contribution central funding	11,437	10,886
Total Income	**507,259**	**459,681**

Other NHS Clinical Income comprises the following services pathology; rehabilitation; community support services; radiology; renal services; patient transport services; and appliances.

4 Revenue from Activities (continued)

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

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	7,290	1,594
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

4.5 Transaction price allocated to remaining performance obligations

	2022/23 £000	2021/22 £000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
- within one year	0	0
- after one year not later than five years	0	0
- after five years	0	0
	0	0

The accounting policies for revenue recognition and the application of IRS15 are consistently applied. The majority of income from NHS commissioners being in the form of a block contract where no funding has been received in advance of performance obligations.

4.6 Overseas Visitors

	Year Ended 31 March 2023 £'000	Year Ended 31 March 2022 £'000
Income recognised this year	106	120
Cash payments received in-year	30	18
Amounts added to provision for impairment of receivables	125	138
Amounts written off in-year	22	56

5 Other Operating Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Recognised in IFRS15:		
Research and development	1,083	850
Education and training	16,229	13,486
Non-patient care services to other bodies	2,367	7,201
Reimbursement and top up funding	6,142	22,254
Income in respect of employee benefits accounted for on a gross basis	5,954	7,077
Other *	3,094	4,534
Recognised in accordance with other standards:		
Education and training - apprenticeship fund	1,070	879
Charitable asset donations	75	25
Donated equipment from DHSC for COVID response (non-cash)	145	201
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	908	1,671
Operating leases - variable lease receipts	382	379
NHS Charitable Funds incoming resources excluding investment income	646	653
Total other operating income	**38,095**	**59,210**

* Other income is derived from Pharmacy Drugs £396,000 (2021/22 £539,000); and numerous other small amounts.

6 Operating Expenses of continuing operations

6.1 Operating Expenses

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Purchase of healthcare from NHS and DHSC bodies	1,576	1,806
Purchase of healthcare from non-NHS and non-DHSC bodies	1,761	1,461
Staff and executive directors costs	348,482	330,313
Non-executive directors	178	184
Supplies and services - clinical (excluding drug costs)	47,894	45,907
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	967	1,862
Supplies and services - general	1,735	1,579
Drug costs (inventory consumed and purchase of non-inventory drugs)	42,072	38,583
Drugs Inventories written down	20	27
Consultancy costs	322	614
Establishment	3,570	3,602
Premises - Business Rates	1,507	1,462
Premises - Other	7,725	7,309
Transport - Business Travel	824	497
Transport - Other	319	171
Depreciation on property, plant and equipment and right of use assets	13,179	9,235
Amortisation on intangible assets	1,994	1,776
Impairments net of (reversals)	67	1,877
Movement in credit loss allowance: contract receivables/assets	337	172
Audit fees payable to the external auditor:		
Audit services	122	89
Other Auditor Remuneration	9	9
NHS Charitable Fund Accounts	12	7
Internal audit	162	141
Clinical negligence	14,871	15,541
Legal Fees	22	414
Insurance	177	220
Research and development - staff costs	1,286	1,310
Research and development - non staff	126	103
Education and training - staff costs	0	53
Education and training - non staff	1,529	918
Education and training - apprenticeship fund	1,070	879
Lease expenditure - short term leases (<= 12 months)	52	0
Lease expenditure - low value assets (<£5k, excluding short term leases)	22	0
Lease expenditure - irrecoverable VAT (map to premises costs in accounts)	32	0
Operating lease expenditure	0	2,719
Redundancy	0	160
Charges to operating expenditure for on-SOFP IFRIC 12 schemes e.g. PFI	33,761	29,105
Car Parking and security	2	4
Hospitality	98	54
Other losses and special payments	18	15
Other NHS Charitable funds resources expended	393	471
Other	992	1,894
TOTAL	**529,285**	**502,543**

Other expenditure includes numerous small amounts.

6.2 The Late Payment of Commercial Debts (interest) Act 1998

During the year 2022/23 the Trust paid £nil (2021/22 £nil) for interest for the late payment of commercial debts.

7 Employee Expenses and Numbers

7.1 Employee Benefits

	Year Ended 31 March 2023			Year Ended 31 March 2022		
	Total	Permanent	Other	Total	Permanent	Other
	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	262,002	259,285	2,717	244,551	242,472	2,079
Social security costs	27,934	27,934	0	23,473	23,473	0
Apprenticeship Levy	1,330	1,330	0	1,206	1,206	0
Employer's contributions to NHS Pensions	26,486	26,486	0	24,984	24,984	0
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	11,437	11,437	0	10,886	10,886	0
Pension Cost - other	93	93	0	92	92	0
Termination Benefits	0	0	0	0	0	0
Temporary Staff (including agency)	20,373	0	20,373	26,543	0	26,543
NHS Charitable funds staff	113	113	0	101	101	0
Total	349,768	326,678	23,090	331,836	303,214	28,622

7.2 Average Number of Persons Employed

This information can now be found in the staff report section of the accountability report within the annual report and accounts.

7.3 Employee Benefits

Employees benefits include payment of salaries/wages and pension contributions. There were no other employee benefits paid in 2022/23 (2021/22 £ nil).

7.4 Retirements due to Ill-health

During the year 2022/23 there were 6 (in 2021/22 there were 1) early retirements from the Trust on the grounds of ill-health.
The estimated additional pension liabilities of these ill-health retirements will be £259,064 (2021/22 £49,548).
The cost of these ill-health retirements is borne by the NHS Business Services Authority - Pensions Division, and therefore there is no liability or provision in the Trust annual report and accounts.

7.5 Sickness Absence

The detail of staff sickness / absence from work for the year are:

	For the Year 2022	For the Year 2021
Total Days Lost	56,250	51,767
Total Staff Years	5,079	4,838
Average Working Days Lost Per WTE	11	11

This sickness absence data represents the calendar year ended 31 December not the financial year.

7.6 Other Compensation Schemes and Exit Packages

This information can now be found in the staff report section of the annual report and accounts.

8 Directors' Remuneration and other benefits

	Year ended 31 March 2023
	£'000
Salary	1,344
Taxable Benefits	0
Performance Related Bonuses	0
Employer contributions to a pension scheme	67
	1,411

Further details of directors' remuneration can be found in the remuneration report.

9 Right of Use Assets

9.1 Right of use assets 2022/23

The Trust has adopted IFRS 16 'Leases' from 1 April 2022. As permitted by the FReM, the Group has implemented it using the cumulative catch-up method, without restating prior year figures. All leases were recognised as operating leases until 31 March 2022 are now recognised as right-of-use lease assets and borrowings. The Trust's lease contracts comprise leases of operational buildings, medical equipment and motor vehicles. Most are individually insignificant. Two elements, however, are significant in their own right:

1. The Trusts most significant lease relates to its community services operated from Community Health Partnership premises. This lease is currently undocumented and the Trust has used a 10 year lease term to account for the lease transaction. The 10 year term has taken into consideration the Trust and System business plans as well as the terms of other property leases the Trust currently has. The value of the asset at 31st March 2023 was £16.113m. The Trust has measured the right-of-use asset applying a cost model. The Trust has applied the cost model given that the lease is property but are simply rooms within a much larger building and the agreement has a relatively short economic life.

2. The Trust also has a lease relating to further community services operated from NHS Property Services Limited premises. This lease is currently undocumented and the Trust has used a 10 year lease term to account for the lease transaction. The 10 year term has taken into consideration the Trust and System business plans as well as the terms of other property leases the Trust currently has. The value of the asset at 31st March 2023 was £16.113m. The Trust has measured the right-of-use asset applying a cost model. The Trust has applied the cost model given that the lease is property but are simply rooms within a much larger building and the agreement has a relatively short economic life.

	Total	Land & Buildings	Plant & Machinery	Transport
	£'000	£'000	£'000	£'000
IFRS16 implementation - adjustments for existing operating leases/subleases 1 April 2022	22,069	21,867	175	27
Additions	98	98	0	0
Gross cost value 31 March 2023	22,167	21,965	175	27
Accumulated depreciation 1 April 2022	0	0	0	0
Provided during the year	2,305	2,205	83	17
Accumulated depreciation at 31 March 2023	2,305	2,205	83	17
Net book Value 31 March 2023	19,862	19,760	92	10
Net book value of right of use assets leased from other DHSC group bodies	18,895	18,895	0	0

There are no right of use assets with other NHS providers.

9.2 Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS16 as at 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.
The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy 1.11.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

	Total	Leased from NHS providers 1 April 2022	Leased from other DHSC bodies 1 April 2022	Lease from bodies external to government 1 April 2022
	£'000	£'000	£'000	£'000
Operating lease commitments under IAS 17 at 31 March 2022	3,028	99	2,658	271
Impact of discounting at the incremental borrowing rate	0	0	0	0
IAS 17 operating lease commitment discounted at incremental borrowing rate	3,028	99	2,658	271
Less				
Low value leases (underlying asset <£5,000)	(51)	0	0	(51)
Irrecoverable VAT previously included in IAS17 commitment	(35)	0	0	(35)
Services included in IAS17 commitment not included in the IFRS16 liability	(615)	0	(615)	0
Other adjustments				
Public sector leases previously excluded from operating leases disclosure *	18,804	0	18,804	0
Correction of immaterial prior period items	45	(99)	147	(3)
Adjustments for reassessed contracts on transition to IFRS16	893	0	0	893
Total Lease liability under IFRS16 as at 1 April 2022	22,069	0	20,994	1,075

* The Trust operates community services from rooms within from Community Health Partnership and NHS Property Services Limited premises. These leases are undocumented and were previously not included in full within the IAS 17 operating lease commitment note within the Trust accounts. The £18.825m reflects the amount that was previously excluded."

9 Right of Use Assets (continued)

9.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 20.

	2022/23	Leased from other DHSC bodies	Lease from bodies external to government
Carrying value at 1 April 2022	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases	22,069	20,994	1,075
Lease additions	98	0	98
Interest charge arising in year	188	179	9
Lease payments (cash outflows)	(2,400)	(2,191)	(209)
Carrying value at 31 March 2023	19,955	18,982	973

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

These payments are disclosed in note 6.1. Cash outflows in respect of leases recognised on-SOFP are disclosed in the reconciliation above.

9.4 Lease liabilities maturity analysis

	Total	Leased from other DHSC bodies	Lease from bodies external to government
Undiscounted future lease payments payable in:	£'000	£'000	£'000
- not later than one year;	2,365	2,190	175
- later than one year and not later than five years;	9,253	8,563	690
- later than five years.	9,092	8,955	137
Total gross future lease payments	20,710	19,708	1,002
Finance charges allocated to future periods	(755)	(726)	(29)
Net lease liabilities	19,955	18,982	973

9.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	2,719
Total	**2,719**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	2,799
- later than one year and not later than five years;	224
- later than five years.	5
Total	**3,028**
Future minimum sublease payments to be received	0

10 Finance Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000
Interest on bank accounts	689	31
NHS Charitable funds: investment income	76	50
	765	81

11 Finance Expense - Financial Liabilities

	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000
Interest Expense:		
Other	0	0
Interest on lease obligations	188	0
Finance Costs in PFI obligations:		
Main Finance Costs	4,352	4,502
Contingent Finance Costs	8,090	7,293
	12,630	11,795

12 Corporation tax expense

The activities of the subsidiary company Dudley Clinical Services Limited have given rise to a corporation tax liability recognised in the Statement of Comprehensive Income of £54,000 (2021/22 £36,000). The activities of the Trust and the Charity do not incur corporation tax.

UK Corporation Tax Expense	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000
Current tax expense		
Current year	54	36
Adjustments in respect of prior years	0	0
Total income tax expense in Statement of Comprehensive Income	54	36

Reconciliation of effective tax rate	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000
Effective tax charge percentage	19.00%	19.00%
Tax if effective tax rate charged on surpluses before tax	22	355
Effect of:		
(Surpluses)/losses not subject to tax	32	(319)
Total income tax charge for the year	54	36

The subsidiary company falls under the 'small profits' rate for corporation tax and tax rates are not planned to change from 19% for future financial years.

13 Intangible Assets

2022/23	Group and Foundation Trust	
	Computer Software	Total
	£'000	£'000
Gross Cost as at 1 April 2022	16,182	16,182
Additions Purchased	868	868
Disposals	(164)	(164)
Gross Cost as at 31 March 2023	16,886	16,886
Accumulated Amortisation as at 1 April 2022	6,542	6,542
Provided during the Year	1994	1,994
Disposals	(164)	(164)
Accumulated Amortisation as at 31 March 2023	8,372	8,372
Net Book Value		
Purchased at 31 March 2022	9,635	9,635
Donated at 31 March 2022	5	5
Total at 31 March 2022	9,640	9,640
Net Book Value		
Purchased at 31 March 2023	8,510	8,510
Donated at 31 March 2023	4	4
Total at 31 March 2023	8,514	8,514

2021/22	Group and Foundation Trust	
	Computer Software	Total
	£'000	£'000
Gross Cost as at 1 April 2021	17,599	17,599
Additions Purchased	1,010	1,010
Disposals	(2,427)	(2,427)
Gross Cost as at 31 March 2022	16,182	16,182
Accumulated Amortisation as at 1 April 2021	7,193	7,193
Provided during the Year	1,776	1,776
Disposals	(2,427)	(2,427)
Accumulated Amortisation as at 31 March 2022	6,542	6,542
Net Book Value		
Purchased at 31 March 2021	10,396	10,396
Donated at 31 March 2021	10	10
Total at 31 March 2021	10,406	10,406
Net Book Value		
Purchased at 31 March 2022	9,635	9,635
Donated at 31 March 2022	5	5
Total at 31 March 2022	9,640	9,640

A separate schedule for the Trust intangible assets has not been produced as the NHS Charity intangible assets represent just £nil (31 March 2022 £nil) of the net book value held by the Group and the subsidiary does not have any intangible assets.

The valuation of intangible assets is on the basis described in the accounting policy in note 1.6 on page 11. No revaluation has taken place and historic cost is considered to be the appropriate valuation basis.

14 Property, Plant and Equipment

14.1 2022/23

	Group and Foundation Trust							
	Total	Land	Buildings excluding dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2022	262,035	12,120	188,428	1,921	41,516	512	16,423	1,115
Additions - purchased	13,513	0	5,518	0	5,921	0	2,050	24
Additions - IFRIC 12 scheme assets	2,468	0	0	0	2,468	0	0	0
Additions - donated	75	0	40	0	17	0	0	18
Additions - equipment donated from DHSC for COVID response (non-cash)	145	0	0	0	145	0	0	0
Revaluations	7,149	(195)	7,344	0	0	0	0	0
Reclassifications	0	0	1,921	(1,921)	(66)	0	5	61
Transfers to assets held for sale and assets in disposal groups	1,000	1,000	0	0	0	0	0	0
Disposals	(6,025)	0	(224)	0	(4,379)	0	(1,422)	0
Cost at 31 March 2023	280,360	12,925	203,027	0	45,622	512	17,056	1,218
Accumulated depreciation at 1 April 2022	32,209	0	0	0	23,522	83	7,758	846
Provided during the year	10,874	0	5,863	0	3,135	49	1,725	102
Impairments charged to operating expenses	67	0	0	0	67	0	0	0
Revaluations	(5,833)	0	(5,833)	0	0	0	0	0
Reclassifications	0	0	0	0	(12)	0	1	11
Disposals	(5,801)	0	0	0	(4,379)	0	(1,422)	0
Accumulated depreciation at 31 March 2023	31,516	0	30	0	22,333	132	8,062	959
Net book value 31 March 2022								
Owned - purchased	63,568	12,120	28,450	1,921	11,758	429	8,633	257
On SOFP PFI contracts and other service concession arrangements	164,926	0	159,973	0	4,953	0	0	0
Owned - donated / granted	185	0	5	0	136	0	32	12
Owned - equipment donated from DHSC and NHSE for COVID response	1,147	0	0	0	1,147	0	0	0
NBV total at 31 March 2022	229,826	12,120	188,428	1,921	17,994	429	8,665	269
Net book value 31 March 2023								
Owned - purchased	68,843	12,925	30,514	0	15,814	380	8,978	232
On SOFP PFI contracts and other service concession arrangements	178,767	0	172,483	0	6,284	0	0	0
Owned - donated / granted	146	0	0	0	103	0	16	27
Owned - equipment donated from DHSC and NHSE for COVID response	1,088	0	0	0	1,088	0	0	0
NBV total at 31 March 2023	248,844	12,925	202,997	0	23,289	380	8,994	259

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

14 Property, Plant and Equipment (continued)

14.2 2021/22

Group and Foundation Trust

	Total	Land	Buildings excluding dwellings Restated *	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
Restated	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2021	234,627	11,450	152,487	13,521	39,724	512	15,994	939
Prior period adjustment	17,889	0	17,889	0	0	0	0	0
Revised 1 April 2021 value	252,516	11,450	170,376	13,521	39,724	512	15,994	939
Additions - purchased	16,756	74	7,732	1,015	3,997	0	3,742	196
Additions - IFRIC 12 scheme assets	1,355	0	0	0	1,355	0	0	0
Additions - donated	25	0	25	0	0	0	0	0
Additions - equipment donated from DHSC for COVID response (non-cash)	201	0	0	0	201	0	0	0
Impairments charged to operating expenses	(1,943)	0	(1,943)	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0
Revaluations	1,219	1,596	(377)	0	0	0	0	0
Reclassifications	0	0	12,615	(12,615)	0	0	0	0
Transfers to/from assets held for sale and assets in disposal groups	(1,000)	(1,000)	0	0	0	0	0	0
Disposals	(7,094)	0	0	0	(3,761)	0	(3,313)	(20)
Cost at 31 March 2022	262,035	12,120	188,428	1,921	41,516	512	16,423	1,115
Accumulated depreciation at 1 April 2021	34,731	0	0	0	24,488	34	9,417	792
Provided during the year	9,235	0	4,663	0	2,795	49	1,654	74
Impairments charged to operating expenses	(66)	0	(66)	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0
Revaluations	(4,597)	0	(4,597)	0	0	0	0	0
Disposals	(7,094)	0	0	0	(3,761)	0	(3,313)	(20)
Accumulated depreciation at 31 March 2022	32,209	0	0	0	23,522	83	7,758	846
Net book value 31 March 2022								
Owned - purchased	57,718	11,450	16,158	13,521	9,454	425	6,577	133
Finance leased	0	0	0	0	0	0	0	0
On SOFP PFI contracts and other service concession arrangements	158,825	0	154,218	0	4,607	0	0	0
Off-SOFP PFI residual interests	0	0	0	0	0	0	0	0
Owned - donated / granted	267	0	0	0	200	53	0	14
Owned - equipment donated from DHSC and NHSE for COVID response	975	0	0	0	975	0	0	0
NBV total at 31 March 2022	217,785	11,450	170,376	13,521	15,236	478	6,577	147
Net book value 31 March 2022								
Owned - purchased	63,568	12,120	28,450	1,921	11,758	429	8,633	257
Finance leased	0	0	0	0	0	0	0	0
On SOFP PFI contracts and other service concession arrangements	164,926	0	159,973	0	4,953	0	0	0
Off-SOFP PFI residual interests	0	0	0	0	0	0	0	0
Owned - donated / granted	185	0	5	0	136	0	32	12
Owned - equipment donated from DHSC and NHSE for COVID response	1,147	0	0	0	1,147	0	0	0
NBV total at 31 March 2022	229,826	12,120	188,428	1,921	17,994	429	8,665	269

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

Prior Period Adjustment

* The Trust have made a prior period adjustment relating to property, plant and equipment values. During 2022-23 additional information was provided by the Trusts PFI provider that changed the value of the buildings included in this category. The floor areas of the buildings had been understated and this had led to the value of the buildings being understated in the accounts. The Trust has made a prior period adjustment and restated the Statement of Financial Position as at 1st April 2021 and 31st March 2022.

14 Property, Plant and Equipment (continued)

14.3 Financing of Property, Plant and Equipment

	Group and Foundation Trust							
	Total	Land	* Restated Buildings excluding dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
Net Book Value at 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Owned - purchased	63,568	12,120	28,450	1,921	11,758	429	8,633	257
On SOFP PFI contracts and other service concession arrangements	164,926	0	159,973	0	4,953	0	0	0
Owned - donated / granted	185	0	5	0	136	0	32	12
Owned - equipment donated from DHSC and NHSE for COVID response	1,147	0	0	0	1,147	0	0	0
	229,826	12,120	188,428	1,921	17,994	429	8,665	269
Net Book Value at 31 March 2023								
Owned - purchased	68,843	12,925	30,514	0	15,814	380	8,978	232
On SOFP PFI contracts and other service concession arrangements	178,767	0	172,483	0	6,284	0	0	0
Owned - donated / granted	146	0	0	0	103	0	16	27
Owned - equipment donated from DHSC and NHSE for COVID response	1,088	0	0	0	1,088	0	0	0
	248,844	12,925	202,997	0	23,289	380	8,994	259

A separate schedule for the Trust tangible assets has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any tangible assets.

* The restatement is explained at Note 3

14.4 Analysis of Property, Plant and Equipment

	Group and Foundation Trust							
	Total	Land	* Restated Buildings excluding dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
Net Book Value at 31 March 2022	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioner Requested Assets	190,679	12,120	178,559	0	0	0	0	0
Non Commissioner Requested Assets	39,147	0	9,869	1,921	17,994	429	8,665	269
	229,826	12,120	188,428	1,921	17,994	429	8,665	269
Net Book Value at 31 March 2023								
Commissioner Requested Assets	207,408	12,925	194,483	0	0	0	0	0
Non Commissioner Requested Assets	41,436	0	8,514	0	23,289	380	8,994	259
	248,844	12,925	202,997	0	23,289	380	8,994	259

Commissioner Requested assets are land and buildings owned or leased by the Foundation Trust, the disposal of which may affect the Trust's ability to provide these requested goods and services.

* The restatement is explained at Note 3

Assets subject to an operating lease (lessor) 2022/23

	Group and Foundation Trust							
	Total	Land	Buildings excluding dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Not subject to an operating lease	248,245	12,925	202,398	0	23,289	380	8,994	259
Subject to an operating lease to a body external to government	599	0	599	0	0	0	0	0
	248,844	12,925	202,997	0	23,289	380	8,994	259

14 Property, Plant and Equipment (continued)

14.5 Economic Life of Assets

The estimated useful economic lives of the Group's intangible and tangible assets are as follows with each asset being depreciated over this year, as described in accounting policy notes 1.5 and 1.6

	Minimum Life Years	Maximum Life Years
Intangible		
Software Licences	2	10
Tangible		
Buildings excluding dwellings	5	90
Plant & Machinery	2	15
Transport Equipment	7	10
Information Technology	3	15
Furniture & Fittings	2	10

Land does not depreciate.

In January 2019 The Royal Institution of Chartered Surveyors issued guidance clarifying that where a large asset includes a number of components with significantly different asset lives, then these components must be treated as separate assets and depreciated over their own useful lives. The Trust's asset valuation, undertaken as at 31 March 2022, took account of this clarification.

14.6 Impairment Losses

The Trust carried out an impairment review of its non-current assets in March 2022 . For land and buildings the Trust received a valuation report from the District Valuer prepared on a Modern Equivalent Asset (MEA) basis. The valuation report was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition, insofar as the terms are consistent with the requirements of HM Treasury, the National Health Service and NHSI. On application there was a general increase in value of land and buildings (£5.220m) compared to the carrying value following the March 2021 valuation. In line with IFRS the Trust took the increase in value of the buildings directly to the revaluation reserve. The valuation for the Rainbow Unit of Russells Hall Hospital resulted in an impairment of £1.877m which the Trust has taken to the income and expenditure account. In addition the Trust undertook an impairment review of equipment and intangible assets. The carrying value of equipment and intangible assets was deemed to fairly reflect the value of the assets.

Impairment of Assets	31 March 2023 £'000	31 March 2022 £'000
Unforeseen obsolescence	67	0
Changes in market price	0	1,877
TOTAL IMPAIRMENTS	67	1,877

14 Property, Plant and Equipment (continued)

14.7 Asset Valuations

A Modern Equivalent Asset Optimised Alternative Site valuation was undertaken as at 1st April 2018 by the District Valuer. The underlying principal is that the valuation of land and buildings should reflect a modern configuration of the estate required for the provision of the same services as already provided by the existing estate. With service delivery requirements evolving, this requires the Trust to consider whether the existing buildings and sites are optimal in terms of number and size. If the Trust were starting with a 'clean sheet', the Modern Equivalent Asset aligned to service delivery would be very different to the current layout in terms of building configuration and the size of the land. The net book value of the Trust's land and buildings decreased by £52,412,000 between 31 March 2018 and 31 March 2019, of which £41,768,000 was the result of using an optimised alternative site valuation.
A further valuation has been undertaken as at 31 March 2023 to update the costs assumptions within the valuation. Details of this are included in note 13.6 above.

14.8 Non Current Assets Held For Sale and assets in disposal groups

During the year 2021/22 the Trust reclassified a parcel of land as an asset held for sale. During the year 2022/23 planning permission was not granted for the land and the land is no longer held for sale. There are therefore no Non Current Assets held for sale in 2022/23.

	2022/23		2021/22	
	Total	**Land**	**Total**	**Land**
	£'000	£'000	£'000	£'000
At 1 April	1,000	1,000	0	0
Assets classified as available for sale in the year	0	0	1,000	1,000
Assets no longer classified as held for sale	(1,000)	(1,000)	0	0
At 31 March	0	0	1,000	1,000

14.9 Capital Commitments

Commitments under capital expenditure contracts at the end of the year, not otherwise included in the annual report and accounts were £281,000 (2021/22 £896,000). The amount relating to property, plant and equipment is £240,000 (2021/22 £896,000) and intangible assets £41,000 (2021/22 NIL).

14.10 Gains/losses on disposal /derecognition of assets

	31 March 2023	31 March 2022
	£'000	£'000
Gains on disposal/derecognition of other property, plant and equipment	25	0
Losses on disposal/derecognition of other property, plant and equipment	(209)	0
	(184)	0

15 Other Investments / financial assets

15.1 Investments

	Group	
	2022/23	2021/22
Current	£'000	£'000
NHS Charitable funds: investments/financial assets	0	500
Non Current		
NHS Charitable funds: investments/financial assets	1,433	1,469
Total	1,433	1,969

Current funds were cash funds held by The Dudley Group NHS Foundation Trust Charity which are deposited in a fixed term deposit account. These funds have been returned to the charity current account.

Non current funds are investments in stocks and shares which are only held by The Dudley Group NHS Foundation Trust Charity.

Movements in Non current Investments

	2022/23	2021/22
	£'000	£'000
Carrying Value at 1 April	1,469	1,405
Fair value movements taken to OCI (for equity instruments designated as FV through OCI)	(36)	64
Carrying Value at 31 March	1,433	1,469

A separate schedule for the Trust investments or financial assets has not been produced as the Trust does not have any investments or financial assets(2021/22 £nil).

15.2 Subsidiaries

The Trust wholly owns the subsidiary company Dudley Clinical Services Limited with a share of £1. Dudley Clinical Services Limited, was registered in the UK company number 8245934 ,and commenced trading on 9 October 2012.

The registered address for the Trust, Charity and Subsidiary is Russells Hall Hospital, Dudley, DY1 2HQ.

16 Inventories

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
Drugs	2,341	2,022	2,137	1,769
Consumables	2,444	1,534	2,444	1,534
Consumables donated from DHSC group bodies	126	185	126	185
Energy	43	46	43	46
Other	29	78	29	78
TOTAL Inventories	4,983	3,865	4,779	3,612

The Group expensed inventories during the year of £46,364,000 (2021/22 £41,488,000), of which £41,211,000 (2021/22 £36,111,000) related to the Trust.

The Trust charged £20,000 to operating expenses in the year due to write-downs of obsolete inventories (2021/22 £27,000). This expense occurred due to the expiry of stock which was unable to be used due to the postponement of services during the covid 19 pandemic. There were no other write-offs of inventories within the Group.

17 Receivables

17.1 Trade and Other Receivables

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Current	£'000	£'000	£'000	£'000
Contract receivables (IFRS15): invoiced	4,570	3,927	4,570	3,927
Contract receivables (IFRS15): not yet invoiced/non-invoiced	10,632	5,845	10,632	5,845
Allowance for impaired contract receivables/assets	(706)	(428)	(706)	(428)
Deposits and Advances	27	16	27	16
Prepayments(revenue) non PFI	4,077	2,999	4,070	2,993
Interest Receivable	120	17	120	17
PDC dividend receivable	0	0	0	0
VAT Receivable	1,733	2,285	1,573	2,101
Corporation and other taxes receivable	0	0	0	0
Clinician pension tax provision reimbursement funding from NHSE	21	0	21	0
Other receivables	0	0	0	0
NHS Charitable funds: receivables	29	24	0	0
TOTAL CURRENT RECEIVABLES	20,503	14,685	20,307	14,471

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Non Current	£'000	£'000	£'000	£'000
Contract receivables (IFRS15): not yet invoiced/non-invoiced	1,416	1,416	1,416	1,416
Allowance for impaired contract receivables/assets	(352)	(337)	(352)	(337)
Prepayments(revenue) non PFI	1,478	1,566	1,478	1,566
PFI Lifecycle prepayments (revenue)	13,824	11,929	13,824	11,929
Clinician pension tax provision reimbursement funding from NHSE	519	374	519	374
Other Receivables	0	0	0	0
NHS Charitable funds: receivables	0	0	0	0
TOTAL NON-CURRENT RECEIVABLES	16,885	14,948	16,885	14,948
Of which receivable from NHS and DHSC group bodies:				
Current	12,964	8,159	12,964	8,159
Non-current	519	374	519	374

Current and non current contract assets include the NHS Injury Scheme (was RTA).

Included within trade and other receivables of both Group and Trust are balances with a carrying amount of £4,134,000 (31 March 2022 £2,791,000) which are past due at the reporting date but for which no specific provision has been made as they are considered to be recoverable based on previous trading history.

17 Receivables (continued)

17.2 Allowances for credit losses (doubtful debts)

	Group and Foundation Trust		
	Total	Contract Receivables/ Contract Assets	All Other Receivables
	£'000	£'000	£'000
Allowances at 1 April 2022	765	765	0
New Allowances Arising	683	683	0
Reversals of allowances (where receivable is collected in year)	(346)	(346)	0
Utilisation of allowances (where allowance is written off)	(44)	(44)	0
Allowances as at 31 March 2023	1,058	1,058	0
Loss/(gain) recognised in expenditure note 5.	337		

	Group and Foundation Trust		
	Total	Contract Receivables/ Contract Assets	All Other Receivables
	£'000	£'000	£'000
Allowances at 1 April 2021	663	663	0
New allowances arising	463	463	0
Reversals of allowances (where receivable is collected in year)	(291)	(291)	0
Utilisation of allowances (where allowance is written off)	(70)	(70)	0
Allowances as at 31 March 2022	765	765	0
Loss/(gain) recognised in expenditure note 5.	172		

Separate schedules for the Trust analysis of receivables have not been produced as the NHS Charity receivables are without credit loss assessment and represent just £29,000 (31 March 2022 £24,000) of the value shown by the Group in the 0-30 days category and the subsidiary did not have any receivables outstanding .
Credit loss impairments are not recognised against NHS receivables, in accordance with the DHSC Group Accounting Manual.

18 Cash and Cash Equivalents

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
At 1 April	25,166	19,307	23,736	17,928
Transfers By Absorption	0	0	0	0
Net change in year	(11,388)	5,859	(12,120)	5,808
At 31 March	13,778	25,166	11,616	23,736
Analysed as follows:				
Cash at commercial banks and in hand	897	829	1	1
Cash with the Government Banking Service	12,881	24,337	11,615	23,735
Other current investments	0	0	0	0
Cash and cash equivalents as in Statement of	13,778	25,166	11,616	23,736
Bank overdraft	0	0	0	0
Cash and cash equivalents as in Statement of	13,778	25,166	11,616	23,736

19 Trade and Other Payables

	Group		Foundation Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Current	£'000	£'000	£'000	£'000
Trade payables	1,551	432	1,551	431
Capital payables	3,298	3,322	3,298	3,322
Accruals	5,016	8,060	5,222	8,016
Annual leave accrual	0	4,059	0	4,059
Vat payable	56	65	56	65
Taxes payable	7,006	6,956	6,950	6,918
PDC dividend payable	1,103	431	1,103	431
Pension contributions payable	3,661	3,375	3,661	3,375
Other payables	23,921	16,038	23,921	16,038
NHS Charitable Funds trade and other payables	57	44	0	0
TOTAL CURRENT TRADE & OTHER PAYABLES	45,669	42,782	45,762	42,655
Non Current				
Trade payables	0	2,571	0	2571
TOTAL NON CURRENT TRADE & OTHER PAYABLES	0	2,571	0	2,571
Of which payables from NHS and DHSC group bodies: □				
Current:	2,726	1,239	2,726	1,239
Non-current:	0	0	0	0

Taxes payable consists of employment taxation only (Pay As You Earn and National Insurance contributions), owed to HM Revenue and Customs at the year end, and Corporation Tax payable by the subsidiary Dudley Clinical Services Limited.

Other payables includes superannuation owed to NHS Pensions.

Non-current liabilities in 2021/22 related to the fine from CQC that the Trust is liable to pay in December 2023, this is now contained within current other payables.

20 Borrowings

	Group and Foundation Trust	
	As at 31 March 2023	As at 31 March 2022
Current	£'000	£'000
Lease liabilities	2,198	0
Obligations under Private Finance Initiative contracts (excl lifecycle)	5,895	2,889
Total Current borrowings	8,093	2,889
Non Current		
Lease liabilities	17,757	0
Obligations under Private Finance Initiative contracts	102,625	108,517
Total Other non Current Liabilities	120,382	108,517

A separate schedule for the Trust borrowings has not been produced as neither the NHS Charity or the subsidiary Dudley Clinical Services Limited have any borrowings.

21 Provisions

	Group and Foundation Trust Current		Group and Foundation Trust Non Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£'000	£'000	£'000	£'000
Other legal claims	97	307	0	0
19/20 Clinician's pension tax reimbursement	21	0	519	374
Lease Dilapidations	0	0	125	125
Total	118	307	644	499

	Total	**Other legal claims**	**Clinical pension tax reimbursement**	**Lease dilapidations**
	£'000	£'000	£'000	£'000
At 1 April 2022	806	307	374	125
Change in discount rate	(465)	0	(465)	0
Arising during the year	906	271	635	0
Utilised during the year	(202)	(198)	(4)	0
Reversed unused	(283)	(283)	0	0
At 31 March 2023	762	97	540	125
Expected timing of cashflows:				
- not later than one year;	118	97	21	0
- later than one year and not later than five years;	179	0	54	125
- later than five years.	465	0	465	0
TOTAL	762	97	540	125

Other Legal Claims include claims under Employers' and Public Liability.

Clinicians pension tax reimbursement relates to costs associated with the pension tax scheme. Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme. Individual Trusts have been instructed to reflect this future estimated liability within the provisions note and include a corresponding amount as owing from NHS England within the receivables note.

The NHS Litigation Authority has included in its provisions at 31 March 2023 £276,076,000 (2021/22 £392,751,000) in respect of clinical negligence liabilities for the Trust.

22 Other Liabilities

	Group		Foundation Trust	
Current	31 March 2023 £'000	31 March 2022 £'000	31 March 2023 £'000	31 March 2022 £'000
Deferred Income	3,489	7,289	3,489	7,289
TOTAL OTHER CURRENT LIABILITIES	3,489	7,289	3,489	7,289

Where income has been received for a specific activity which is to be delivered in the following financial year, that income is deferred.

23 Deferred Tax

Liability for corporation tax only arises from the activity of the commercial subsidiary, the activities of the Trust do not incur corporation tax, see accounting policy note 1.18 for detailed explanation.

The subsidiary did not have any deferred tax in 2022/23 (2021/22 £nil).

24 Events after the reporting year

There are no events after the reporting year.

25 Contingencies

Neither the Group nor the Trust have any contingent assets or liabilities in 2022/23 (2021/22 £nil).

26 Related Party Transactions

During the year none of the Department of Health Ministers, Trust Board Members or members of the key management staff, or parties related to any of them, have undertaken material transactions with The Dudley Group NHS Foundation Trust.

The Department of Health and Social Care is the parent department to the Trust and is considered to be a related party. During 2022/23 the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

Birmingham Womens and Childrens NHS Foundation Trust
Black Country Healthcare NHS Foundation Trust
Dudley Integrated Health and Care NHS Trust
Health Education England
NHS Birmingham and Solihull CCG *
NHS Birmingham and Solihull ICB *
NHS Black Country and West Birmingham CCG *
NHS Black Country ICB*
NHS England
NHS Herefordshire and Worcestershire CCG *
NHS Herefordshire and Worcestershire ICB *
NHS Resolution
NHS Shropshire, Telford and Wrekin CCG *
NHS Shropshire, Telford and Wrekin ICB *
NHS South East Staffs and Seisdon Peninsula CCG **
NHS Staffordshire and Stoke-on-Trent ICB **
Sandwell and West Birmingham Hospitals NHS Trust
The Royal Wolverhampton NHS Trust
University Hospitals Birmingham NHS Foundation Trust
Walsall Healthcare NHS Trust
Worcestershire Acute Hospitals NHS Trust

* CCG's demised 1 July 2022 and became the respective ICB.
** CCG's demised 1 July 2022 and became the respective ICB.

In addition, the Trust has had a number of material transactions with other Government Departments and Local Government Bodies. These related parties are summarised below by Government Department.

Care Quality Commission
Community Health Partnerships
Dudley Metropolitan Borough Council
HMRC
NHS Blood & Transplant
NHS Pensions
NHS Property Services
Sandwell Metropolitan Borough Council

26 Related Party Transactions (continued)

Key management personnel, namely the Trust Board Directors, are those persons having authority and responsibility for planning, directing and controlling the activities of the Trust. During the year none of the key management personnel have parties related to them that have undertaken any material transactions with The Dudley Group NHS Foundation Trust.

The table below details, on an aggregate basis, key management personnel compensation:

	31 March 2023	31 March 2022
Compensation	£'000	£'000
Salaries and short-term benefits	1430	1225
Post-employment benefits	270	245
	1,700	1,470

The following members of the Trust Board hold positions in the organisations stated below.

	Trust position	**Other Body**	**Position held**
Sir David Nicholson	Chairperson	Sandwell & West Birmingham Hospitals NHS Trust; Walsall Healthcare NHS Trust; The Royal Wolverhampton NHS Trust	Chairperson
Kevin Stringer	Interim Director of Finance	The Royal Wolverhampton NHS Trust	Director of Finance
Alan Duffell	Chief People Officer	The Royal Wolverhampton NHS Trust	Chief People Officer
Gary Crowe	Non Executive Director	University Hospital of North Midlands NHS Trust	Non Executive Director
Elizabeth Hughes	Non Executive Director	Health Education England	Deputy Medical Director
Vijith Randeniya	Vice Chair	Birmingham Women's and Children's Foundation Trust	Vice Chairman

The annual report and accounts of the parent (the Trust) are presented together with the consolidated annual report and accounts and any transactions or balances between Group entities have been eliminated on consolidation. Dudley Group NHS Charity has a Corporate Trustee who are the Board members of the Trust. The Board members of Dudley Clinical Services Limited include from the Trust, Executive Director Adam Thomas and Non Executive Directors Lowell Williams as Chairman and Vijith Randeniya as a Director.

The Trust received revenue payments from Dudley Group NHS Charity for finance administration services totalling £48,000 (2021/22 £47,000). Dudley Clinical Services Limited received income of £5,862,000 (2021/22 £5,936,000) and incurred expenditure of £355,000 (2021/22 £309,000) with the Trust.

Dudley Group NHS Charity and Dudley Clinical Services Limited and do not have any transactions with any NHS or Government entity except those with it's parent, the Trust and HMRC.

27 Private Finance Initiatives

27.1 PFI schemes on the Statement of Financial Position

The Dudley PFI project provided for the refurbishment and new building of major inpatient facilities at Russells Hall Hospital, the building of new facilities at Guest Hospital and Corbett Hospital. The Capital value of the scheme was £160,200,000. The Project agreement runs for 40 years from May 2001. The Dudley PFI is a combination of buildings (including hard Facilities Managed (FM) services) and a significant range of allied and clinical support services.

The standard Unitary Payment changes periodically as a consequence of:

- Inflation (based on RPI and reviewed annually)
- Deductions for poor performance (Deficiency points and financial penalties for poor performance or non-compliant incidents).
- Variations to the Project Agreement (PA) (agreed under Variations procedure in the PA)
- 50% of market testing or refinancing impact
- Energy tariff adjuster (the difference between actual energy tariff changes and the uplift that comes through RPI)
- Volume adjuster (computed by comparing actual in patient days against that in the schedule, with a tolerance of plus or minus 3%)

The Trust has the rights to use the specified assets for the length of the Project Agreement and has the rights to expect provision of the range of allied and clinical support services. At the end of the Project Agreement the assets will transfer back to the Trust's ownership.

The PFI transaction meets the IFRIC 12 definition of a service concession, as interpreted in the Group Accounting Manual GAM) issued by Monitor, and therefore the Trust is required to account for the PFI scheme 'on-balance sheet' and this means that the Trust treats the asset as if it were an asset of the Trust and the substance of the contract is that the Trust has a finance lease and payments comprise two elements, an imputed finance lease charge and service charges.

27 Private Finance Initiatives (continued)

The following obligations in respect of the PFI arrangement are recognised in the statement of financial position.

	As at 31 March 2023 £'000	*Restated As at 31 March 2022 £'000
Gross PFI Liabilities	156,750	163,988
of which liabilities are due		
- not later than one year;	10,085	7,241
- later than one year and not later than five years;	27,051	27,761
- later than five years.	119,614	128,986
Finance charges allocated to future periods	(48,230)	(52,582)
Net PFI liabilities	**108,520**	**111,406**
- not later than one year;	5,895	2,889
- later than one year and not later than five years;	11,191	11,550
- later than five years.	91,434	96,967

Total future commitments for on-SOFP schemes are as follows:

	31 March 2023 £'000	*Restated 31 March 2022 £'000
- not later than one year;	49,892	44,529
- later than one year and not later than five years;	212,358	207,178
- later than five years.	861,134	916,206
Total	**1,123,384**	**1,167,913**

* Following a change in the methodology of calculating future commitments, the prior year has been restated to reflect this. The original gross PFI liability for 2021-22 was £123.858m as only the following years finance charges had been included in the calculation. All future years finance charges have now been included. This does not impact on the net liability.

Analysis of amounts payable to the service concession operator:

	31 March 2023 £'000	31 March 2022 £'000
Unitary payment payable to the concession operator	**44,529**	**42,579**
Consisting of:		
- Interest charge	4,352	4,502
- Repayment of finance lease liability	5,356	5,249
- Service element	22,470	21,504
- Capital lifecycle maintenance	2,267	2,145
- Contingent rent	8,090	7,293
- Addition to lifecycle prepayment	1,994	1,886
Total amount paid to concession operator	**44,529**	**42,579**

Other amounts paid to the service concession operator but not part of the unitary payment

Amounts charges to revenue	11,291	7,601
Amounts capitalised	0	0
Total amount paid to the service concession operator	**55,820**	**50,180**

Total length of the project (years)	40
Number of years to the end of the project	18

27.2 PFI schemes off the Statement of Financial Position

The Trust does not have any PFI schemes which are deemed to be off-statement of financial position.

28 Financial Instruments and Related Disclosures

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The nature of the Group's activities means that exposure to risk, although not eliminated, is substantially reduced.

The key risks that the Group have identified are as follows:

28.1 Financial Risk

Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, and the relationship that the subsidiary company and charity have with the Trust, the Group is not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Group's treasury management operations are carried out by the finance department, within parameters defined formally within the standing financial instructions and policies agreed by the Board of Directors. Group treasury activity is subject to review by the Finance and Performance Committee.

28.2 Currency Risk

The Group are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Group have no overseas operations. The Group therefore have low exposure to currency rate fluctuations.

28.3 Market (Interest Rate) Risk

All of the Group financial assets and all of its financial liabilities carry nil or fixed rates of interest. The Group is not therefore, exposed to significant interest rate risk.

28.4 Credit Risk

The majority of the Group's income comes from contracts with other public sector bodies, resulting in low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in note 17 to the annual report and accounts. The Group mitigates its exposure to credit risk through regular review of debtor balances and by calculating a credit loss allowance at the end of the year.

28.5 Liquidity Risk

The Group's net operating costs are incurred under annual service agreements with Clinical Commissioning Groups and NHS England, which are financed from resources voted annually by Parliament. This is regulated by the Trust's compliance with the 'Financial Sustainability Risk Rating' system created by Monitor, the Independent Regulator of NHS Foundation Trusts. In addition should the Group identify a shortfall on cash, the Trust has the ability to borrow from the FT financing facility. The Group ensures that it has sufficient cash to meet all its commitments when they fall due. The Board continues to monitor monthly and future cash positions and has governance arrangements in place to manage cash requirements throughout the year. The Group is not, therefore, exposed to significant liquidity risks.

28.6 Fair Values

All of the financial assets and all of the financial liabilities of the Group are measured at fair value on recognition and subsequently amortised cost, with the exception of the investment of the Charity which is measured at fair value through other comprehensive income.

28 Financial Instruments and Related Disclosures (continued)

28.7 Financial Assets and Liabilities By Category (continued)

The following tables show by category the financial assets and financial liabilities at 31 March 2023. The values are shown at amortised cost which is representative of the carrying value.

	Group			Foundation Trust	
Financial Assets as at 31 March 2023	Total	Valued at amortised cost	Investments in equity instruments designated at fair value through OCI	Total	Valued at amortised cost
	£'000	£'000	£'000	£'000	£'000
Receivables (excluding non financial assets) with NHS and DH bodies	13,384	13,384	0	13,384	13,384
Receivables (excluding non financial assets) with other bodies	2,716	2,716	0	2,716	2,716
Cash and cash equivalents	12,512	12,512	0	12,512	12,512
Consolidated NHS Charitable fund financial assets	2,728	1,295	1,433	0	0
	31,340	29,907	1,433	28,612	28,612

	Group		Foundation Trust	
Financial Liabilities as at 31 March 2023	Total	Valued at amortised cost	Total	Valued at amortised cost
	£'000	£'000	£'000	£'000
Obligations under leases	19,955	19,955	19,955	19,955
Obligations under Private Finance Initiative contracts	108,520	108,520	108,520	108,520
Trade and other payables (excluding non financial liabilities) with NHS and DH bodies	1,531	1,531	1,531	1,531
Trade and other payables (excluding non financial liabilities) with other bodies	28,342	28,342	28,342	28,342
IAS 37 provisions which are financial liabilities	762	762	762	762
Consolidated NHS Charitable Fund financial liabilities	57	57	0	0
	159,167	159,167	159,110	159,110

28 Financial Instruments and Related Disclosures (continued)

28.8 Financial Assets and Liabilities By Category

The following tables show by category the financial assets and financial liabilities at 31 March 2022. The values are shown at amortised cost which is representative of the carrying value.

	Group			Foundation Trust	
Financial Assets as at 31 March 2022	Total	Valued at amortised cost	Investments in equity instruments designated at fair value through OCI	Total	Valued at amortised cost
	£'000	£'000	£'000	£'000	£'000
Receivables (excluding non financial assets) with NHS and DH bodies	8,434	8,434	0	8,434	8,434
Receivables (excluding non financial assets) with other bodies	2,281	2,281	0	2,281	2,281
Cash and cash equivalents	24,564	24,564	0	23,736	23,736
Consolidated NHS Charitable fund financial assets	2,595	1,126	1,469	0	0
	37,874	36,405	1,469	34,451	34,451

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

	Group		Foundation Trust	
Financial Liabilities as at 31 March 2022	Total	Valued at amortised cost	Total	Valued at amortised cost
	£'000	£'000	£'000	£'000
Obligations under Private Finance Initiative contracts	111,406	111,406	111,406	111,406
Trade and other payables (excluding non financial liabilities) with NHS and DH bodies	549	549	549	549
Trade and other payables (excluding non financial liabilities) with other bodies	29,851	29,851	29,850	29,850
Provisions under contract	806	806	806	806
Consolidated NHS Charitable Fund financial liabilities	44	44	0	0
	142,656	142,656	142,611	142,611

28 Financial Instruments and Related Disclosures (continued)

Note 28.9 Fair values of financial assets and liabilities

IFRS7 requires the Trust to disclose the fair value of financial liabilities. The PFI scheme is a non-current Financial Liability where the fair value is likely to differ from the carrying value. The Trust have reviewed the current interest rates available for borrowing and if these were used as the implicit interest rate for the scheme the fair value of the liability would be £79,962,000 (£79,576,000 in 2021/22).

The Trust has used an interest rate of 3.96% in this calculation as this represents the higher of the intrinsic rate and the real financial interest rate set by HM Treasury.

28.10 Maturity of Financial Liabilities

	Group		Foundation Trust	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	£'000	£'000	£'000	£'000
In One Year or Less	42,498	35,421	42,498	45,948
In more than one year but not more than five years	36,483	30,332	36,483	23,839
In more than five years	129,171	129,485	129,171	85,320
Total	208,152	195,238	208,152	155,107

29 Third Party Assets

The Trust held £8,000 as cash at bank or in hand at 31 March 2023 (31 March 2022 £18,000) which related to monies held by the Trust on behalf of patients. These balances are excluded from cash at bank and in hand figures reported in the annual report and accounts note 17 on page 37.

30 Losses and Special Payments

NHS Foundation Trusts are required to record payments and other adjustments that arise as a result of losses and special payments on an accruals basis, excluding provisions for future losses.

	2022/23		2021/22	
	Number	Value	Number	Value
		£000		£000
Loss of Cash	0	0	0	0
Fruitless payments	3	0	2	0
Bad debts and claims abandoned	40	29	31	60
Damage to Buildings, property etc. due to:				
Theft	0	0	0	0
Stores losses	11	128	35	136
Total Losses	54	157	68	196
Ex gratia payments	58	60	49	48
Overtime Corrective Payments *	2	14	0	0
Total Special Payments	60	74	49	48
Total Losses and Special Payments	**114**	**231**	**117**	**244**

* The overtime corrective payments are considered as special payments for which HMT approval was sought nationally by NHS England on local employers' behalf.

There were no (2021/22 £nil) clinical negligence, fraud, personal injury, compensation under legal obligations or fruitless payment cases where the net payment for the individual case exceeded £300,000

31 Auditors' Liability

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the liability of the Trust Auditor, Grant Thornton UK LLP is restricted to £1,000,000 in respect of liability to pay damages for losses arising as a direct result of breach of contract or negligence in respect of services provided in connection with or arising from their letter of engagement dated 6th May 2021.

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للحصول على هذه النشرة بحجم أكبر، وعلى شكل إصدار صوتي و بلغات أخرى، الرجاء الاتصال بالرقم 08000730510.

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ਇਹ ਪਰਚਾ ਵੱਡੇ ਅੱਖਰਾਂ, ਬੋਲ ਕੇ ਰੀਕਾਰਡ ਕੀਤਾ ਹੋਇਆ ਅਤੇ ਦੂਸਰੀਆਂ ਭਾਸ਼ਾਵਾਂ ਵਿਚ ਵੀ ਪ੍ਰਾਪਤ ਹੋ ਸਕਦਾ ਹੈ, 0800 073 0510 ਤੇ ਫੋਨ ਕਰੋ ਜੀ।

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یہ کتابچہ آپ کو بڑے حروف کی لکھائی ، سمعی صورت اور دیگر زبانوں میں مہیا کیا جا سکتا ہے۔برائے مہربانی فون نمبر 08000730510پر رابطہ کریں۔