Salisbury NHS Foundation Trust

Salisbury NHS Foundation Trust Annual Report and Accounts
1 April 2022 to 31 March 2023

Salisbury NHS Foundation Trust

Annual Report and Accounts 2022 to 2023

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Schedule 7, paragraph 25(4)(a) of the National Health Service Act 2006.

CONTENTS

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PERFORMANCE REPORT

STATEMENT FROM THE CHAIR AND CHIEF EXECUTIVE

Context and Overview of Performance

As we write this annual report it has now been more than 3 years since the first case of COVID-19-19 was recorded in the UK. We have become used to working through a pandemic and the last year has seen surges of COIVD-19 variants which place pressure on our services. We cannot escape the national context with industrial action, financial pressures and workforce challenges and we are very proud of the way our teams have continued to respond.

Our colleagues have been amazing. Resilient and resourceful in the face of pressure they continue to find new and innovative ways to work around the challenges and offer expert and compassionate care to embody the spirit of *Improving Together*, the vision and values that underpin everything we do at the Trust.

We have asked a lot of our communities too. Like elsewhere in the UK our need to respond to COVID-19-19 has left a backlog of patients waiting for elective treatment. Our teams have worked tirelessly over the last year with colleagues, the independent sector and partners in Bath and Northeast Somerset, Swindon, and Wiltshire to use all available measures to reduce waiting times in line with national requirements. Whilst there is more for us to do it is positive that we have delivered on the national 22/23 targets in respect of recovering waiting times.

We have continued to develop our approach to continuous quality improvement with over 351 people having accessed training and development as we build a culture and ways of working that allows everyone to flourish. Whilst there is more for us to do our colleagues are putting this into practice and delivering significant improvements for patients.

Our Stroke team have been using daily huddles and data to reduce the number of patients who fall whilst they are in hospital and our Respiratory team have reduced the waiting times for first outpatient appointments by over 30 percent.

Our values – that we are *patient centred and safe, professional, responsive, progressive, and friendly* are at the heart of who we are and what we do at the Trust. Devised in collaboration with our staff we strive to be an inclusive, kind and welcoming organisation. More than 4,500 people work in our teams. We are a community where everyone plays a vital role in our organisation. We are passionate in ensuring that everyone is treated with dignity and respect and diversity and inclusion is celebrated.

We have fantastic colleagues, and their health and wellbeing are a major focus in our recovery and reset, learning from measures and resources we have put in place to support them and empower them to deliver outstanding care for patients and their families. Listening and learning from them is crucial and whilst we have seen some improvements in our staff survey, we are determined to continue to make meaningful changes that improve their working lives.

We have always been proud to deliver excellent care and experiences for our patients and in addition to recovering our waiting times for planned care, we have made good progress with recovering our cancer standards and in access to diagnostic services.

Collaboration and Integrated Care

The past year has seen the formation of Integrated Care Systems (ICS), boards (ICB), and partnerships (ICP). Salisbury NHS Foundation Trust (SFT) is one of three acutes in the ‘Bath and Northeast Somerset, Swindon, and Wiltshire’ system (BSW). Supporting system wide aims is a key element of SFT activity and

good progress was made around defining the integrated care system's vision and defining governance structures throughout 2022/23.

As a trust we have a long and positive history of working in partnership to improve health and social care for our communities. We know that collaboration produces fantastic results as the COVID-19-19 vaccination programme shows. Bringing together the Trust as lead agency with partners from the local authority and third sector at City Hall in Salisbury saw more people in Wiltshire receiving their vaccinations than anywhere else in the South West.

Strategically we are a key partner in the Bath and Northeast Somerset, Swindon, and Wiltshire (BSW) partnership and contribute to its newly established Integrated Care Board. This aims to improve people's health and wellbeing by tackling inequalities in health and social care across BSW, improving the quality of services and ensuring resources are used effectively.

We are also part of the Acute Hospital Alliance (AHA) a provider collaborative with our acute trust partners. We are working closely together to ensure our patients have access to high quality sustainable services. The AHA has joined up our services in procurement to deliver efficiencies and savings and we are working collectively to secure a single Electronic Paper Record system which will enable our clinical teams to work more effectively with each other.

A major focus of our collaboration with our partners in Wiltshire – both internally and externally has been on improving the systems for discharging patients from hospital and moving them to a setting more suitable for their continued recovery and care. We have taken part in the national Discharge Taskforce and worked hard to reduce delays including measures to open a dedicated lounge and implement several improvements to patient flow with our colleagues in adult social care, community health teams and our local care homes.

This year has given us much to reflect on. There is no doubt it has tested us, but it has also brought opportunities for improvements to transform our services as we continue to deliver our strategy.

We are very grateful to our colleagues, our partners and would like to thank our partner charities Stars Appeal, Salisbury Hospice Charity, and the League of Friends for their ongoing support.

To our colleagues and our patients – Thank you. Without you we wouldn't have a hospital I know the Board and our local community are very proud of.

Ian Green OBE

Chair
22 June 2023 (on behalf of the Trust Board)

Stacey Hunter

Chief Executive (Accounting Officer)
22 June 2023 (on behalf of the Trust Board

Purpose and Activities of the Trust

Introduction to Salisbury NHS Foundation Trust

Salisbury NHS Foundation Trust was formally established on 1 June 2006. The Trust deliver a broad range of clinical care to approximately 270,000 people in Wiltshire, Dorset and Hampshire which includes:

- Emergency and elective inpatient services
- Day Case services
- Outpatient services
- Diagnostic and therapeutic services

The Trust also provides Specialist services, such as burns, plastic surgery, cleft lip and palate and specialist rehabilitation which extends to a much wider population of more than three million people. The hospital includes the Duke of Cornwall Spinal Treatment Centre. This is a purpose built, 40 bedded unit which specialises in caring for people who have spinal cord injury and serves a population of 11 million covering an area across most of southern England.

The Trust has more than 4000 staff who deliver over 50 different clinical services at Salisbury, providing care to the local population and beyond, making SFT one of the biggest employers in South Wiltshire.

Integrated Care system

Salisbury is part of Bath Swindon and Wiltshire (BSW) Integrated Care system (BSW ICS), the Trust works in partnership with local NHS organisations and the Local Authority to take collective responsibility for planning services, improving health, and reducing inequalities across the area.

The Trust works closely with partners at a local level to deliver more integrated care, effectively working with the health and care organisations in the immediate geography, Wiltshire Health and Care for Adult community services, Wiltshire Council for care services and many voluntary and third sector organisations for the benefit of the local population.

As part of the new Integrated Care System (ICS) arrangements nationally, provider organisations are being asked to step forward in formal collaboratives to better enable them to work together to continuously improve quality, efficiency, and outcomes for the populations they serve together. SFT is working with Great Western NHS Foundation Trust in Swindon and The Royal United Hospitals in Bath as part of an Acute Hospital Alliance (AHA) in the BSW ICS.

To continually improve the services that we run for our patients and carers, the ability to work with partner health and care agencies remains crucial. The Trust has many partners, many beyond the BSW ICS boundary, all of which remain pertinent to delivering outstanding care.

Our Strategy 2022-26

The strategy is a key document for the hospital as the Trust sets out the future plans and priorities. It articulates the important commitments the Trust is making to the local communities over the next five years, and is underpinned by the vision:

To provide an outstanding experience for our patients, their families and the people who work for and with us.

The strategy confirms three priorities:

- Improving the health & wellbeing of the **Population** we serve
- Working through **Partnerships** to transform and integrate our services
- Supporting our **People** to make Salisbury NHS Foundation Trust the Best Place to Work

These three priorities guide how the Trust works as part of an Integrated Care System. The August 2022 publication of the strategy was the first step in using these priorities to continuously improve the way the Trust works and focus on the things that are most important to the local community and staff.

As the 'Improving Together' way of working is rolled out across the Trust, work will be prioritised through the identification of key short- and long-term improvement projects and programmes:

Strategic initiatives. These are 'must do, cannot fail' programmes of work that apply Trust-wide and are planned to deliver over 3-5 years. Because they are so important to the successful delivery of the strategy, they have dedicated delivery teams working to ensure they are delivered consistently with every SFT colleague. There are four strategic initiatives:

1. Delivering digital care
2. Delivering our people promise
3. Improving health and reducing health inequalities
4. Having a culture of continuous improvement (Improving Together)

Breakthrough objectives. These are operational in nature and where improvement efforts are focused for 12-18 months. They are reviewed each year and can evolve when the targets have been achieved for 6+ months.

In 2022-23 as part of Improving Together, the breakthrough objectives below were aligned to the Trust's quality priorities and further detail on progress against the Trust's quality improvement plans can be found in the Quality Account, published annually on the Trust's website. These priorities represent the three indicators of quality (patient safety, clinical effectiveness, and patient experience).

The continuous improvement approach applies to every aspect of our strategy and everyone in the Trust has a role to play in delivering and operationalising it.

Breakthrough Objectives 2022-2023

In 2022-23 the Trust chose the following four breakthrough objectives:

1. Reduction in falls
2. Reduction in time to first appointment
3. Same Day Emergency Care (SDEC) pathways
4. Reduction in No Criteria to Reside length of stay

As 2022/23 progressed the understanding of the Improving Together methodology matured. Ahead of a winter of anticipated intense operational pressure the Trust refreshed the breakthrough objectives.

The four breakthrough objectives became:

1. Reducing falls to ≤7 falls per 1,000 bed days
2. Reducing time to first outpatient appointment to an average of 87 days
3. Staff availability – reducing staff agency costs as a percentage of gross pay to 3.7%
4. Reducing bed occupancy to 96%

These changes recognised the need to focus on staffing levels alongside falls and time to first outpatient appointment. The use of bed occupancy as a breakthrough objective provided a greater focus on the areas of a patient's pathways the Trust has a significant influence over. For example, improving pathways for patients who can go home without packages of care.

Progress against the 2022-2023 breakthrough objectives

The evolution of the breakthrough objectives did not mean stopping work on SDEC and discharge pathways for those waiting for onwards care. The medical SDEC service launched in March 2023 and early analysis shows a two-fold increase in same day discharges, which is supporting the focus on reducing bed occupancy and improving patient experience. Work to streamline pathways for out of hospital care

continues with partners, with increased capacity of virtual wards and care co-ordination will continue to grow in 2023/24.

The recovery from the impact of COVID-19, especially on elective care is a continued priority. The primary objective of improving patient care through reduced waiting times is a key focus. The Trust achieved the target of ensuring no patients waited more than 78 weeks for their treatment in February 2023, a month ahead of the national March 2023 target. The Trust is now focusing on the delivery of having no patient waiting 65 weeks for their treatment by March 2024.

Improving Patient Flow & Reducing Bed Occupancy

A key challenge throughout 2022/23 has been ensuring flow through the hospital, ensuring people are not in hospital longer than they need to be and patients have a positive experience. This requires all parts of the health and care system to work in an integrated way. Our partners continue to work with the Trust in looking at all parts of the patient pathway for improvements with a clear aim to improve patient experience

We have deployed our same day emergency care (SDEC) service to alleviate admission demand, and this has begun to reduce inpatient capacity pressure as we exit 2022/23.

Over 2022/23 we had a record number of escalation beds open, including a ward at South Newton. These high levels of bed occupancy made patient flow through our Emergency Department challenging and unfortunately our patients have regularly experienced long waits for treatment in the department, with increased handover delays between our ambulance services and the department.

In managing winter, the Trust focused on a number of interventions including opening a discharge lounge, which facilitates discharges earlier in the day, ensuring that less patients are waiting within the ED department for an inpatient bed. In addition, the Trust focused on ensuring staffing levels improved with a range of interventions including recruitment and addressing pay differentials.

The Trust worked closely with system partners, and continues to do so, in an effort to reduce the time patients stay awaiting onwards care. This will improve flow, reduce costs, and most critically of all, ensure that patients experience the right care in the right place at the right time.

Recovery from COVID-19-19 – Elective Recovery

Good progress has been made in reducing the time patients are waiting for planned care. The greatest challenges have been access to inpatient beds and theatre capacity related to staffing levels.

Theatre recruitment has continued strongly again this year, with overseas staff now firmly embedded across the theatre's footprint. The increase in staffing levels and management and leadership time in theatres have supported the attainment of the nationally recommended utilisation levels within main theatres which has been maintained throughout the year.

Theatre utilisation is one of the component parts of a wider three-year development plan for theatres. The ongoing improvements have meant we were able to meet our waiting times management objectives in eliminating all RTT 78week waits by the end of February 2023.

Outpatient services are a significant focus nationally and locally in transforming service to be able to see and treat more patients and improve patient experience by reducing the number of routine follow up appointments.

Our improvement programmes are a response to both national guidance but also the BSW local ICB strategy, ensuring alignment as the Trust works in partnership to deliver transformation programmes. Supporting elective recovery, diagnostics performed well in the first half of the year however, remained challenged throughout the winter period particularly related to gaps in key staffing groups. A recovery plan is in place and the Trust's performance is now improving.

The most significant challenge has and continues to be elective bed capacity and escalation into our Day Surgery Unit, across most of the year, increasingly across the winter months. This significantly impacted on the volume of elective activity that has been able to be undertaken, resulting from the consistently high numbers of patients waiting for onward care, across the Trust's bed base.

Improving our Maternity Services

The Maternity Service has continued to work with the Care Quality Commission (CQC), Ockenden report and East Kent recommendations to improve maternity and neonatal services for women and families. They have actively engaged in the Maternity Services Support Programme, supported by NHSE, to improve and transform local services and in response to national work streams.

In October 2022 the Beatrice Birth Centre opened, which was funded by the Local Maternity and Neonatal System (LMNS), Salisbury NHS Foundation Trust and the Stars Appeal. The new place of birth offers another choice for women and birthing people and to date has had good clinical outcomes and positive user feedback. The Women and Newborn Division has also seen the successful launch of the PERIPrem (Perinatal Excellence to Reduce Injury in Premature Birth) care bundle within Neonatal services. This includes eleven interventions that demonstrate a significant impact on brain injury and mortality rates amongst premature babies. This year has also continued to see effective collaboration with the Maternity Voices Partnership, to support an improvement in experiences for all.

There has been further work in year to embed the governance structure within maternity services, allowing floor to Board transparency. This has meant continued work on strengthening leadership within the divisions, using external human factors training, internal transformational leadership, matron development, coaching, clinical director leadership development and an ongoing commitment to regular senior leadership away days. Additionally, there has been co-production of the maternity vision by the staff and a behaviour charter to express the unit employee's demand for professional standards in behaviour. Significant progress has also been made on staff communications to ensure everyone is informed of any developments or challenges. This has meant a continued progression of the improvement in culture, leadership and transformation within the service.

Recruitment of midwives continues to pose a challenge. However, five international midwives are currently working to achieve their OSCE qualification. Recruitment into Middle Grade and Consultant positions has been variable through the last year, and this is a national challenge. There has been an expansion in obstetric leadership to meet national requirements and successful consultant recruitment to maintain clinical care. The team is transitioning into 'Hub' working in the community, with work underway to identify locations and model staff and service delivery.

Responding to Staff Health and Wellbeing

2022-23 has continued to be very challenging for our staff across all professions. The Trust has managed a slight decrease in sickness absence levels from 31,218 working days lost in 2021-22, to 29,738 days lost in 2022-23. The continuing impact of COVID-19-19 and an increase in year of winter Flu and other respiratory infections have continued to contribute to a high level of short-term absences which impacts a challenging operational environment. However, the Trust performed well in the Health Care Worker vaccination programme, achieving the highest COVID-19 vaccination rate for staff (74.4%) and second highest for Flu vaccinations (66.4%) in the southwest, which was the highest performing region.

Under the 'we are safe and healthy' element of the People Promise, the Trust has been developing an improved health surveillance function, which has identified that Mental Health related issues and Musculo-Skeletal injury are the biggest contributors to absence after infectious diseases. This data has enabled improved interventions particularly in the wellbeing area, where a new website has been launched to signpost staff and managers to a number of additional resources to help with mental, financial and physical wellbeing. Clinical Psychology services have also continued offering wellbeing interventions to staff as a supportive mechanism of preventing sickness absence. The Trust's Occupational Health service has been

a focus for recruitment and now provides a full suite of OH support including staff counselling and physiotherapy.

The Trust appointed a Head of Wellbeing, Equality and Inclusion this year to provide greater focus on wellbeing and promote better health in conjunction with our Occupational Health service and Health and Safety team. Under this collaboration the Trust has monthly health and wellbeing topics/events, trained mental health first aiders, and health improvement coaches for weight management, alcohol, smoking cessation support, healthy eating, increasing physical activity and building confidence and motivation. Staff also retain access to the onsite health and fitness centre, green spaces, and walking routes.

National Staff Survey Results 2022

The NHS staff survey is conducted annually, with 2022 being the second year when the questions were aligned with the NHS people promise to track progress against our ambition to make Salisbury Foundation Trust (SFT) workplace the 'best place to work'. The national Staff Survey reports against the seven elements of the people promise, and two of the original themes of the staff survey: morale and staff engagement.

The 2022-23 response rate was slightly lower than the previous year with 1861 members of staff responding compared to 1881 in 2021. Details of the scores for each indicator, together with the average, best and worst scores in the benchmarking group across the NHS can be found in the Staff Report or on the NHS Staff Survey website:
https://cms.nhsstaffsurveys.com/app/reports/2022/RNZ-benchmark-2022.pdf

SFT demonstrated a comprehensive programme of improvement against each of the seven elements of the People Promise and has continued to be one of 23 Trusts exemplar sites continuing this work for a second year. Following these results there are a number of future priorities identified and both people services and divisional teams are developing action plans to address the key themes arising from the survey which was published in March 2023. Staff survey action plans will continue to be monitored by the Organisational Development and People Management Board and People and Culture Committee on behalf of the Trust Board.

Improving our digital capability

The Trust has launched a new Digital Plan in 2022/23, building on the work undertaken across the digital agenda over the life of the previous Digital Strategy. During 2022/23 we have made progress in our plans to implement electronic prescribing and medicines administration (ePMA), electronic patient records systems (EPR) and pathology laboratory management systems (LIMS). We have successfully upgraded a range of systems, commenced a programme of replacing paper-based nursing documentation with digital versions and implemented an integrated shared care record in conjunction with our partners in BSW. Improving Digital Healthcare remains a Strategic Initiative for the Trust over the next 5 years, with an initial focus on these projects and improved Business Intelligence and analytics tools.

We continue to improve digital access to our services for both patients and clinicians. Our outpatients' transformation programmes have included the expansion in the use of virtual appointment technologies for patient appointments and remote Advice and Guidance for our clinical partners. We are progressing a programme to implement a patient portal aligned with BSW peers, enabling patients to reschedule their own appointments and see key correspondence electronically.

Trust risks and mitigation

The Trust's Board Assurance Framework (BAF) details the principal strategic risks of the Trust's corporate objectives. This is received by the Board on a quarterly basis, alongside the Corporate Risk Register (CRR). The Board Committees have oversight of the BAF and CRR where the risk profile is reviewed and

discussed in detail. The BAF records that the Trust has been managing 12 significant risks during the 2022-23, with 6 risks outside of the Board agreed risk appetite (outlined below). For each BAF risk there is a detailed series of mitigations which will continue to be implemented throughout 2023/24.

The delivery of these mitigations and their impact on the risks is monitored through the appropriate Committee of the Board. As we enter 2023/2024, the Trust remains focussed on enacting recovery plans whilst dealing with significant operational challenges and staffing availability, compounded by on-going strike action.

Risk	Mitigation strategies
Demand for services that outweighs capacity, resulting in an increased risk to patient safety, quality, and effectiveness of patient care.	• Implemented an improvement programme for theatres and outpatients to support improvements in waiting times for planned care.
Financial sustainability.	• Increased focus on financial controls, emphasising best value decisions.
Staffing availability impacting on service delivery and health and wellbeing of staff.	• Implemented a range of initiatives to support staff attraction and retention including incentivised pay rates, wellbeing offers and significant recruitment campaigns.
Capacity versus demand and impact of delayed discharge from hospital	• Full engagement within the Wiltshire Alliance to improve discharge processes. • New urgent care transformation programme including SDEC, ED and Elderly Care.
Information technology, clinical systems and technical infrastructure.	• Implementation of the digital strategy and continued focus on development of the infrastructure and controls.
Critical plant and building infrastructure within limited capital funding.	• Robust capital prioritisation processes to ensure resources are deployed effectively.

Going Concern

Our Board considered an assessment of the Trust as a going concern at its meeting on 6 April 2023. A number of risks to this position were identified including a planned deficit position for 2023-24 and the uncertainty on industrial action giving material financial risk.

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.

Overview of financial performance in 2022/23

In 2022/23 the NHS had a continued focus on the recovery of elective pathways and addressing waiting times alongside managing emergency pathways. The pressure on the emergency pathway manifested through increased costs associated with the Trust's bed base, the loss of elective capacity to accommodate medically sick patients and the premium costs of bank and agency to cover vacancies and unavailability. Higher levels of beds occupied by patients no longer in need of acute clinical care than had been planned for has been reflected across the local BSW system and wider NHS.

The Trust incurred material cost pressures in year with significant volatility around Utilities costs, increasing drugs costs linked to activity levels and increases in bank and agency associated with pressures on the emergency care pathway and patient acuity and complexity. A number of pay initiatives were introduced to improve and enhance staff recruitment and retention in year with notable changes within the Band 2 and Band 3 staff groups during December to March.

The Group closed the year with a deficit of £1.3 million. Following required adjustments for national reporting, SFT reported a position of £39,000 surplus.

Group Statement of Comprehensive Income	2022/23 £'000	2021/22 £'000
Income		
From clinical activities	**316,728**	**278,480**
Other operating income	**44,826**	**39,252**
Total Operating Income	**361,554**	**317,732**
Operating Expenses	**-356,713**	**-311,781**
Operating Surplus/(Deficit)	**4,841**	**5,951**
Finance income	**1082**	**309**
Public Dividend Capital payable	**-4,447**	**-4,073**
Other finance costs	**-2,218**	**-2,002**
Net Finance Costs	**-5,583**	**-5,766**
Revaluation gains (+) / losses (-) on assets	**-305**	**189**
Fair value gains (+) / losses (-) on investments	**54**	**65**
Transfers by absorption gains (+) / losses (-)	**-329**	
Total Retained Surplus / (Deficit)	**-1,322**	**439**
Retained Surplus / (Deficit) for the year for SFT only	**39**	**49**

The Trust delivered £9.705m savings in year, which was in line with the plan, with the non-recurrent element of £5.005m achieved. Key workstreams underpinning the delivery included:

- Workforce redesign including skill mix reviews and vacancies (£3.5m);
- Procurement efficiency programmes (£2.9m);
- Other operating income sources realised (£2.2m); and

Capital investment

The Trust invested £20.4m in infrastructure and equipment during 2022/23 (£15.7m in 2021/22). This was funded internally through cash and I&E surpluses, donations and additional PDC from the Department of Health primarily for the Elective ward and Digital Pathology funding. The capital programme continues to achieve a balance between maintaining and replenishing the asset infrastructure, reducing risk and improving patient experience.

Significant in-year programmes included expenditure of:

- £5.5m on building and critical infrastructure schemes including the replacement of standby generators, the MRI Air handling unit, preliminary ward refurbishment costs, chiller upgrades and fire compliance works.
- £4.0m on the works and decant costs for the new Elective ward build and renovation of the Douglas Arter Centre.
- £4m on replacement and additional medical equipment, including Xray equipment, Theatre power tools, Portable Echocardiograph, Optical Coherence Tomography (OCT) scanners.
- £3.8m on the digital programme, including £2.0m investment in Network kit and £0.7m on the implementation of Electronic Prescribing and Medicines Administration.

- £1.2m on schemes related to Digital Pathology and replacement of the Pathology Laboratory Information Management System

Looking forward to 2023/24

2023/24 will be a year in which we continue to deliver our 2022-26 strategy, including training more of our teams in the Improving Together approach for strategy deployment. Our annual plan and strategic planning framework are aligned to deliver reduced bed occupancy, reduced agency staff spending, and to drive down wait times.

While delivery of our operational plan is partially reliant on interdependencies across our health and care system, we have credible and strong partnerships in place to de-risk that delivery.

We continue to develop our workforce across the domains of both recruitment and retention and we are delivering improvements across all seven elements of the NHS people promise to our staff. The biggest risk to delivery of our people plan and workforce ambitions is a general shortage of qualified staff exacerbated by the pandemic, the continuation of escalation of our clinicals spaces and the macroeconomic context.

Ultimately, our plan for 2023-24 is based on both meeting NHS England operating targets and continued deployment of the Trust strategy, particularly against our priorities of People, Population and Partnerships. We continue to strive for incremental improvements through our Improving Together programme, while remaining open to step change innovation that can drive benefit for our patients and colleagues. Elective activity has not fully recovered since the pandemic and the complex interdependencies of bed occupancy, escalation beds open, workforce availability, elective and diagnostic activity, and our cost improvement plans make delivery challenging. We have a robust plan in place to deliver over the coming year and remain confident we are on track to deliver an outstanding experience for our patients, their families, and our colleagues.

PERFORMANCE ANALYSIS

The Trust publishes a monthly Integrated Performance Report (IPR) which provides both the Board and the public with an overview of our performance. The report is structured around the strategic and enabling priorities identified by the Trust, Key Performance Indicators, and a range of watch metrics. The report evolves to reflect new areas of monitoring or national focus.

Our monthly integrated performance reports are available on our website as part of monthly Board papers and can be downloaded via:

https://www.salisbury.nhs.uk/about-us/the-trust-board/board-papers/

The IPR is presented at Board Committees, and then presented as one integrated document for scrutiny at Trust Board. The statistical process charts allow our Board and Committees to see trend analysis for the previous 24 months which provides more depth and understanding around our performance and emerging trends.

Performance overview

2022-23 was a challenging year for the Trust with the requirement to transition to an environment increasingly focused on post pandemic service recovery, whilst also continuing to improve the responsiveness of urgent and emergency care (UEC).

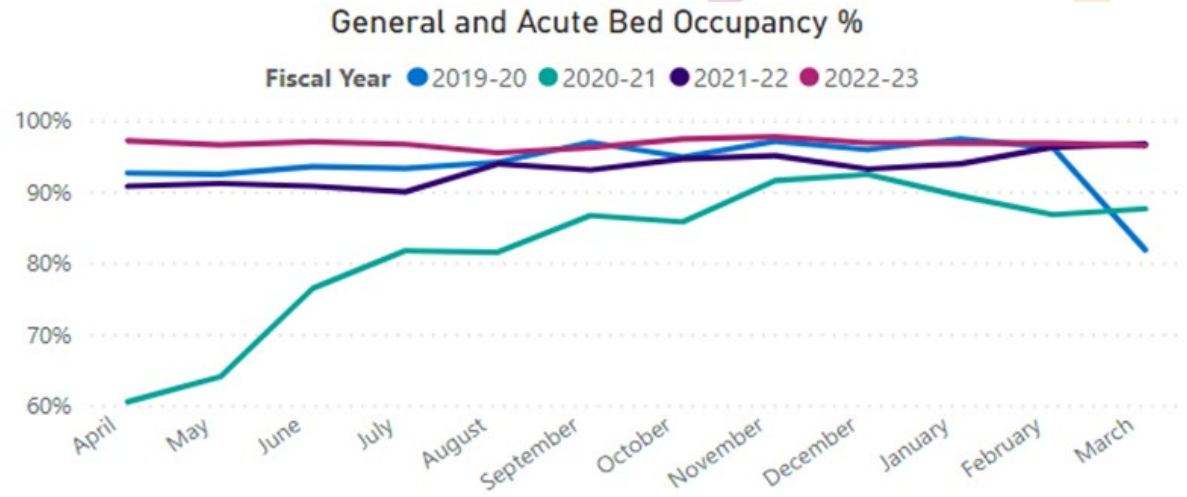
- Increase elective activity to above pre pandemic levels
- Reduce longest waiting times and improve performance against cancer waiting times standards
- Reduce the number of patients spending over 12 hours in the emergency department
- Improve ambulance handover delays

Ultimately, our operational plan was based on a series of balances – a commitment to move forward with the Trust strategy and make progress against our priorities of People, Population and Partnerships, renewed drive for operational improvements through Improving Together, a clear and ambitious national expectation for elective recovery and the need for a system response to non-elective demand.

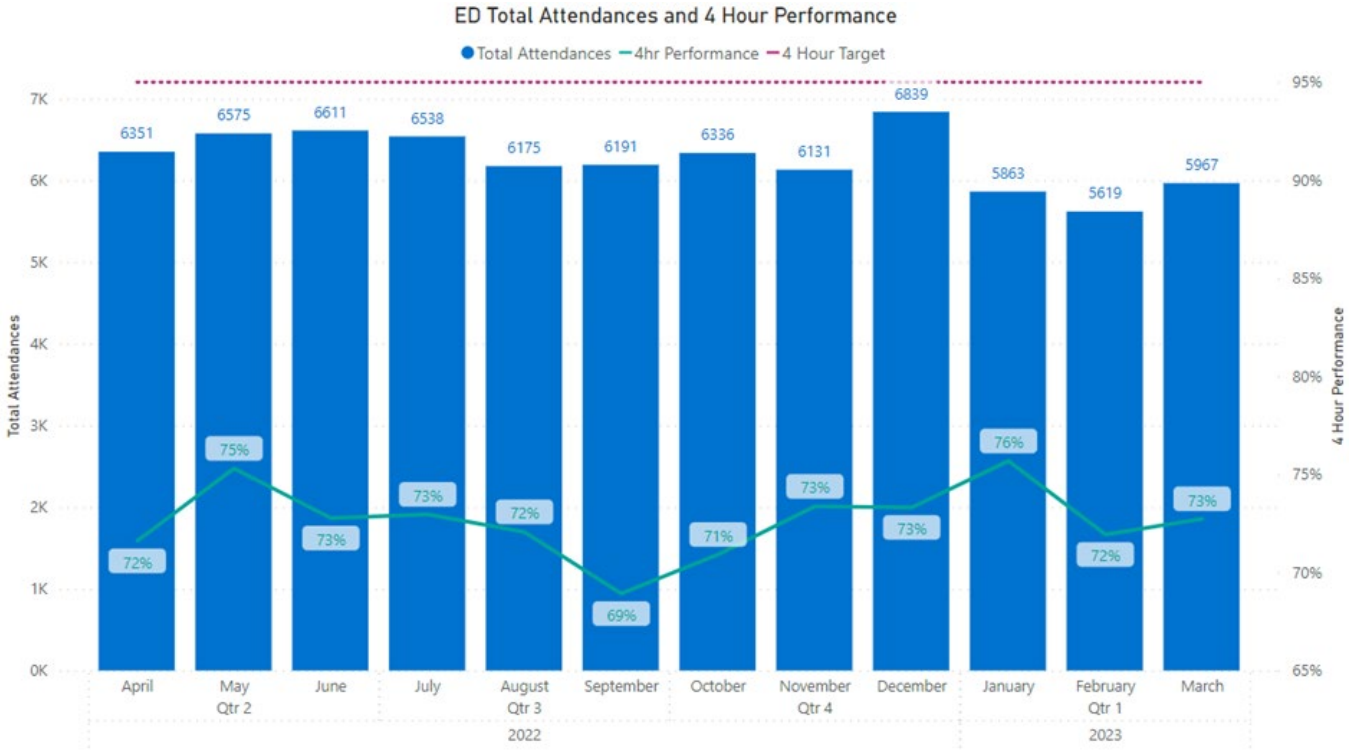
Urgent and Emergency Care

High levels of bed occupancy in the Trust over much of the year have placed considerable pressure on flow and inevitably the impact of this has been felt in our front door services. The high levels have been driven, at least partly, by an increasing number of patients staying in the hospital waiting for services elsewhere. During the Winter months this peaked at around 140, which represents around 30% of our total bed capacity.

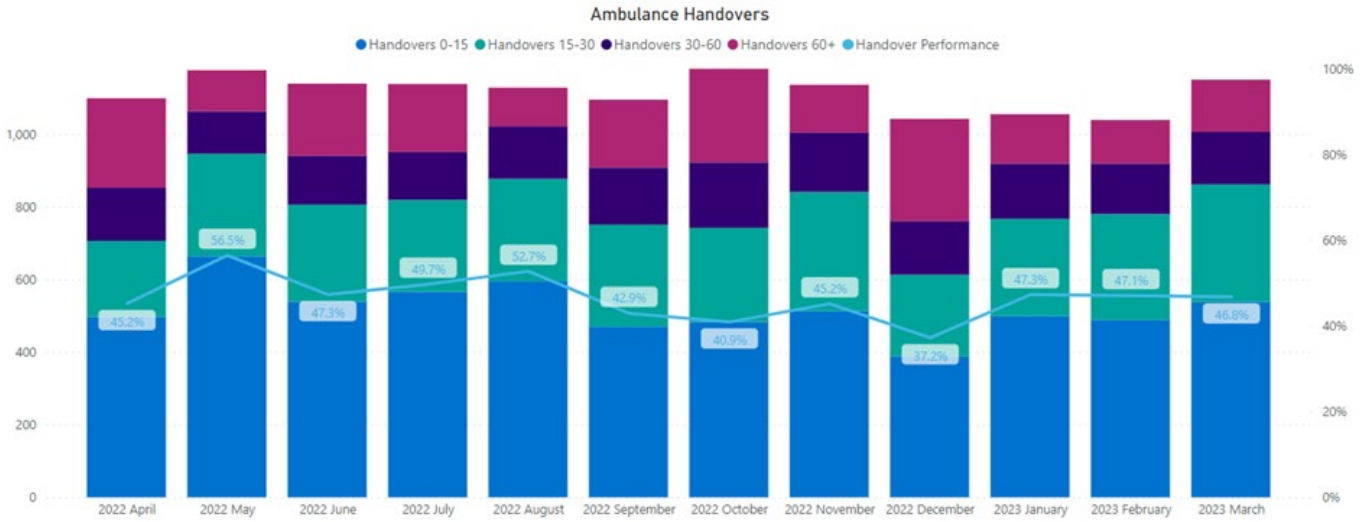
The development of same day emergency care services at the tail end of the year has started to make some improvement in our flow, and encouragingly, the number of patients spending longer than 12 hours in the Emergency Department made steady improvement over the last quarter of the year.



ED attendances have increased by 6% overall when compared to 21/22, however attendances at the main Emergency Department are slightly lower than last year, and static in comparison to the pre COVID-19 period. Attendances at the Walk in Centre in Salisbury were slow to recover during COVID-19, however over the last year have increased significantly and were 43% higher than 21/22, and 28% higher than the pre COVID-19 year (19/20). There has been collaboration with our partners on the promotion of the Walk in Centre services, particularly in relation to children, and this has been effective in diverting patients with more minor illnesses and injuries to the Walk in Centre.



The Trust did not achieve the 95% national target for admitting or discharging patients within 4 hours in the emergency department, however, the performance compared favourably with the average for acute trusts in England. Additionally, there were a higher number of delays in taking handover of patients arriving by ambulance to the emergency department. Almost half of patients were handed over within the expected 15 minutes of arrival. We know that when bed occupancy is high the impact of this is felt right back to the front door, and the focus on reducing our occupancy in the coming year will be critical to being able to release ambulances back out to the community more quickly.



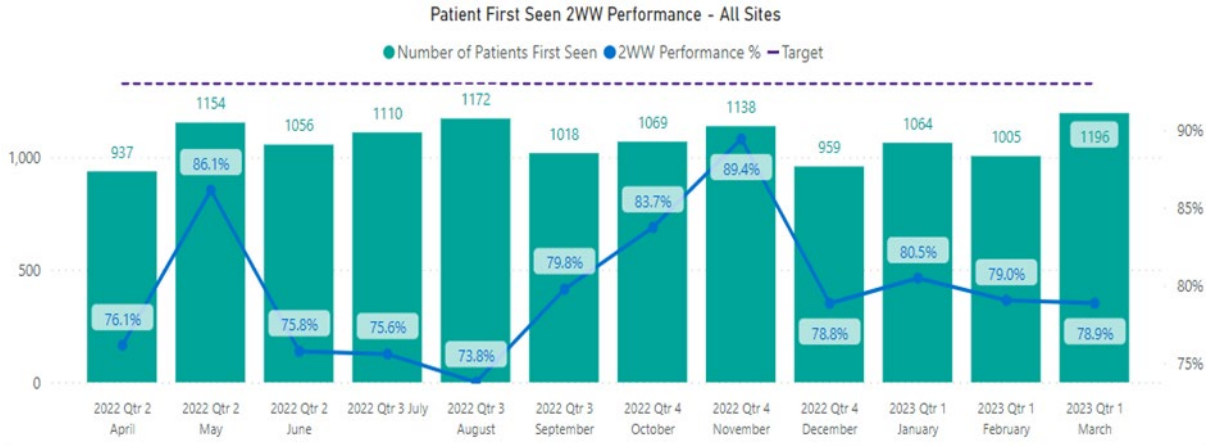
Elective Care

Cancer pathways

Suspected Cancer two week wait referrals

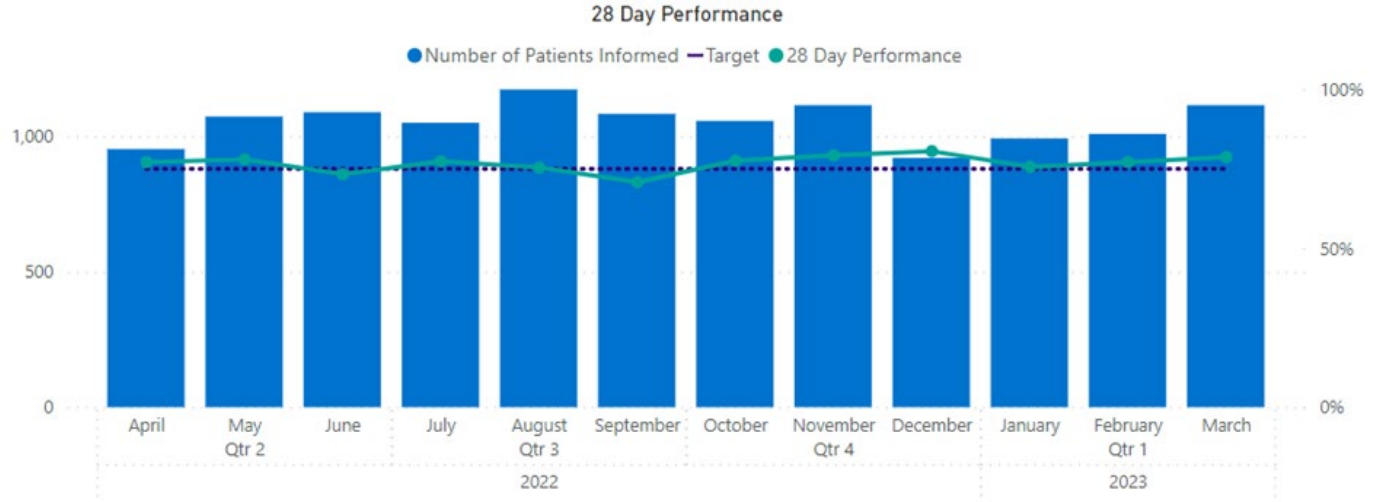
There was around a 3% growth in referrals for suspected cancer which was below cancer network projections. Performance against the 14-day target has been variable, with peak performance on 89.4% in September, but a reduction to 78% by the end of year. The skin and lower gastrointestinal (GI) pathways experienced particular challenges, with approximately 70% of the breaches occurring in these two high volume pathways.

Improvements have been made in the lower GI pathway with successful recruitment to the gastroenterology service, and performance improved from 49.3% in August, to 77.2% by March.
The skin pathway remains challenged with workforce constraints, the average waiting time in March was 14.1 days. Although there are challenges with the first appointment, the skin service performs well in patients receiving their first treatment with an average of 95% of patients receiving treatment within 62 days (85% target).



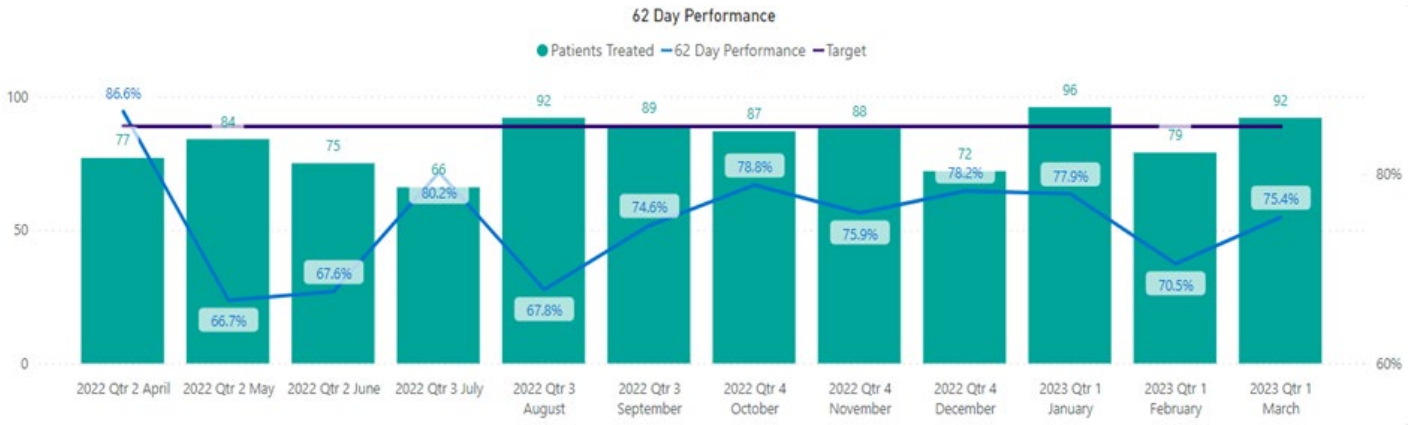
28-Day Faster Diagnosis Standard

Despite the challenges in the Two Week Wait pathway, we continue to perform well against the 28-day Faster Standard which aims to ensure patients who are referred for suspected cancer receive a timely diagnosis, with the standard met in all bar two months.



62 Day Standard

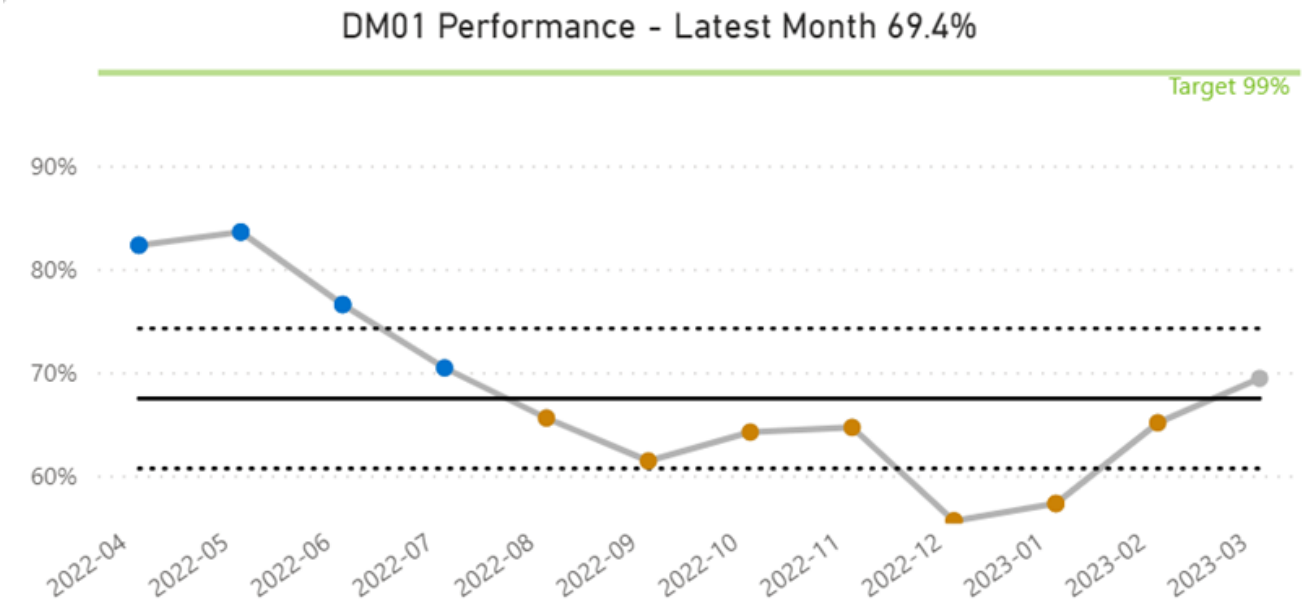
The 62 Day standard aims to ensure that at least 85% patients who are diagnosed with cancer wait no longer than two months from urgent suspected cancer referral to starting treatment. The standard is rightly challenging, and we achieved meeting the standard for an average of 75% of patients. We need to do better against this important standard despite being above the England average of 60%. Our Urology pathways in particular are areas that we will improve next year.



Diagnostics

After initially making good progress in recovering the 6-week diagnostic standard in 21-22, we hit some challenges this year which saw our performance deteriorate from 83% in May to a low of 55% in December. MRI, Ultrasound and Cardiac Echo all experienced issues with managing vacancies and recruiting. In January we started to see some signs of improvement and by March had increased to almost 70% of tests within 6 weeks. Notably, Cardiology Echo improved from 47% in August to 100% in January and maintained this through the rest of the year.

Improvements are also building in MRI and Ultrasound, with a clear plan to go further in 23/24.



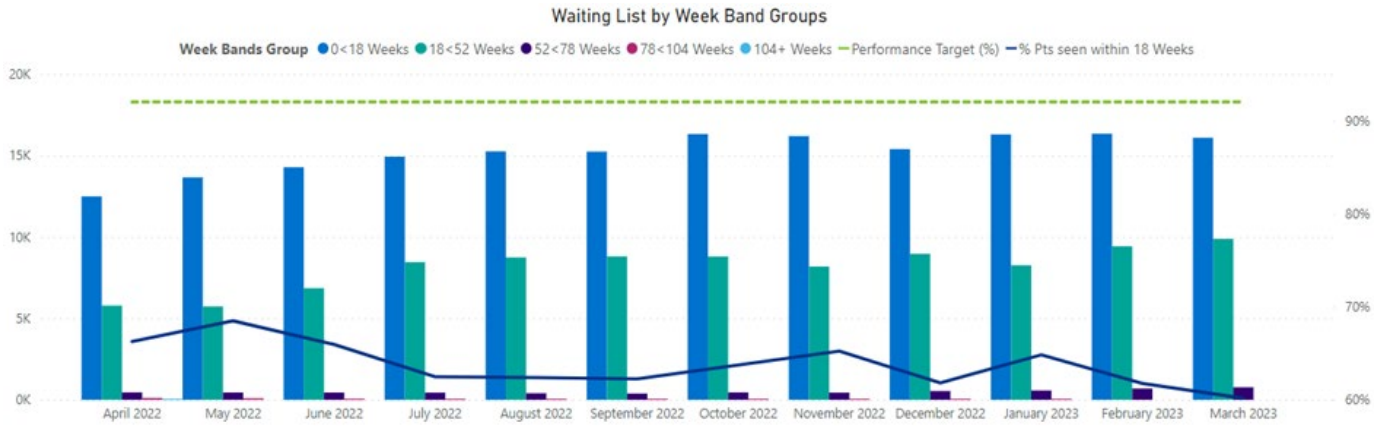
Referral to Treatment (18 weeks)

We have made progress this year in reducing the number of long waits, and by the end of February had eliminated any waits of over 78 weeks, one month ahead of our plan. The longest wait reduced from 120 weeks in April, to 75 by March 23. Our total waiting list has grown in the same period from 18,853 to 26,736. Increasing our elective activity levels in 23/24 will be critical for reducing the waiting list size and waiting times for elective care.

Restoring our activity levels to above that of the pre pandemic years remains a critical focus for us; the growth in waiting list size is being driven by fewer patients completing their pathways each month rather than increased referrals. Referral levels throughout the year remained fairly static and not quite yet to recover beyond the levels prior to COVID-19.

Of the patients on our waiting list, approximately 75% are waiting on a non-admitted pathway most likely requiring an appointment in an outpatient setting. Industrial action in the last quarter of the year impacted upon the outpatient capacity and our time to first outpatient wait, and our average wait to first appointment has risen from 107 days at the start of the year to 126 in March.

We continue to focus on seeing patients in line with clinical need and by longest wait in line with NHS England requirements.



Tackling Health Inequalities

Reducing health inequalities in both access to healthcare and clinical outcomes is a central theme in national guidance, and a key element of our strategic planning framework that drives everything we do in the Trust. Reducing health inequalities is one of our 4 strategic initiatives garnering significant attention and multi-year support from our executive team to those working on the frontline of our services. This strategic initiative flows from our vision to provide outstanding care and it is acknowledged that a measurable outcome, would be an increase in healthy life years. This is an outcome affected significantly by the wider determinants of health, and we are determined to use the influence of our acute hospital as an anchor institution, working with local place-based partners to reduce health inequity and increase the years of life lived in good health.

We have a Health Inequalities Group, in partnership with Wiltshire Council and third sector colleagues, chaired by the Chief Medical Officer. This group has been established to oversee work in this area. Our initial focus has been:

- Improved understanding of data relating to inequalities in our population – focused on economic and social deprivation and inequalities for people with protected characteristics – informed by the Wiltshire joint strategic needs assessment (JSNA).
- Addressing how our services cater for people with learning disabilities.
- Continued partnerships to support access to healthcare for our military and veteran populations and their families – including achieving Employee Recognition Scheme Gold status and Veterans Covenant Healthcare Alliance reaccreditation.
- We have continued participation and learning from BSW's participation in Wave 3 of the national Population Health Management programme.

We will report on our plans and progress in addressing Health Inequalities to the Trust Board, and into the ICS health inequalities board. We are adopting the national CORE20PLUS5 approach to reducing inequalities. This is a national NHS England approach to inform action to reduce healthcare inequalities at both national and system level.

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Board of Directors

The Board of Directors is accountable, through the Chair, to NHS England and NHS Improvement and is collectively responsible for the strategic direction and performance of the Trust. It has a general duty, both collectively and individually, to act with a view to promoting the success of the organisation.

Directors of Salisbury NHS Foundation Trust during 2022-23

Ian Green	Chair (from February 2023)
Stacey Hunter	Chief Executive
Dr Peter Collins	Chief Medical Officer
Judy Dyos	Chief Nursing Officer
Mark Ellis	Interim Chief Finance Officer (from August 2022)
Lisa Thomas	Chief Finance Officer (until August 2022) Interim Chief Operating Officer (from August 2022)
Melanie Whitfield	Chief People Officer
Michael von Bertele CB, OBE	Non-Executive Director
Tania Baker	Non-Executive Director (Senior Independent Director)
Margaret (Eiri) Jones	Non-Executive Director
Rakhee Aggarwal	Non-Executive Director
Dr David Buckle	Non-Executive Director
Debbie Beaven	Non-Executive Director (from January 2023)
Richard Holmes	Non-Executive Director (from January 2023)
Dr Nick Marsden	Chair (left December 2022)
Andy Hyett	Chief Operating Officer (left August 2022)
Paul Kemp	Non-Executive Director (left January 2023)
Paul Miller	Non-Executive Director (left June 2022)

Register of Directors' Interests

NHS employees are required to be impartial and honest in the conduct of their business. It is also the responsibility of all staff to ensure they are not placed in a position which risks, or appears to risk, conflict between their private interests and NHS duties.

Members of the Board of Directors are required to disclose details of company directorships or other material interests in companies held which may conflict with their role and management responsibilities at the Trust. There is an annual review of the Register of Interests and compliance with the Fit and Proper Persons Requirements. As a standing agenda item, the Directors declare any interests before each Board and Board Committee meeting which may conflict with the business of the Trust and excuse themselves from any discussion where such conflict may arise. The Trust Board considers that all its Non-Executive Directors are independent in character and judgement.

The Register of Declared Interests is made available to the public by contacting the Head of Corporate Governance, Trust Offices, Salisbury NHS Foundation Trust, Salisbury District Hospital, Salisbury, SP2 8BJ. This can also be found on the Trust website following the link below:
https://www.salisbury.nhs.uk/about-us/corporate-governance/

NHS Improvement's Well Led Framework

The Trust has considered NHS Improvement's well-led framework in arriving at its overall evaluation of the organisation's performance and in developing its approach to internal control, board assurance framework and the governance of quality.

The Care Quality Commission (CQC) undertook a well-led inspection in December 2019 and rated the Trust as 'Good'. The CQC stated that 'There was effective, experienced, and skilled leadership, a strong vision for the organisation and embedded values. The leadership had the capacity and capability to deliver high-quality sustainable care. Leaders understood the challenges to quality and sustainability and they were visible and approachable. There was a clear vision for the Trust and strong values.'

During 2022-23, the Trust has welcomed new members to the Board, including a new Chair Ian Green OBE. An external well-led review has been commissioned to start in April 2023 for a period of 3 months. This is a developmental review with the key aim to understand our strengths and also areas that require improvement from a well-led perspective.

The Annual Governance Statement describes in further detail the Trust's approach to ensuring services are well-led and quality governance. The Quality Account describes quality improvements in more detail.

Other disclosures

Modern Slavery Act 2022-23 annual statement

At the Trust we are committed to ensuring that no modern slavery or human trafficking takes place in any part of our business or our supply chain. We are fully aware of the responsibilities we hold towards our service users, employees, and local communities. We are guided by a strict set of ethical values in all our business dealings and expect our suppliers (i.e., all companies that we do business with) to adhere to these same principles. We have zero tolerance for slavery and human trafficking.

Cost allocation and charging guidance issued by HM Treasury

Salisbury NHS Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

Political Donations

The Trust has made no political donations of its own.

Better Payment Practice Code

The Trust conforms to the principles of the Better Payment Practice Code and aims to pay its bills promptly. Performance against the code can be viewed below. No interest was paid under the late Payment of Commercial Debts (Interest) Act 1998.

Better payment practice code	By Number	By Value £'000
Non-NHS	92.6%	92.1%
NHS	81.4%	77.2%
Total	92.4%	91.4%

Information on fees and charges

Please see table below which provides an aggregate of all schemes that, individually, have cost exceeding £1million.

		2022-23	2021-22	2020-21
	Expected sign			
Income	+	17,753	14,028	13,065
Full cost	-	15,561	12,787	12,103
Surplus/Deficit	+/-	**2,192**	**1,241**	**962**

Income Disclosure

The Trust can confirm that income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

Other Income and Impact on Provision of Services

The Trust provides a variety of services to patients, visitors, staff and external bodies that generate income which cover the cost of the service and makes a contribution towards funding patient care. Services that generate income include payroll services, accommodation, catering, car parking, private patient treatment, pharmacy products and sterile supplies. The total income from all these areas amounted to around £7.7 million. The other areas contributed surpluses, which have been applied to meeting patient care expenditure. In addition, the Trust received £12.0 million through Salisbury Trading Ltd (excluding laundry undertaken for the Trust) and £2.6 million through Odstock Medical Ltd.

The Accountability Report has been approved by the Trust Board.

Stacey Hunter
Chief Executive (Accounting Officer)
22 June 2023 (on behalf of the Trust Board)

REMUNERATION REPORT

Chair of the Remuneration Committee's Annual Statement on Remuneration

In accordance with the requirements of NHS England and NHS Improvement, this remuneration report consists of the following parts:

- An Annual Statement on remuneration
- The Senior Manager Remuneration Policy
- The Annual Report on remuneration

As the Chair of the Remuneration Committee, I am pleased to present our remuneration report for 2022-23

Senior managers have the authority or responsibility for directing and controlling the major activities of the Trust and for Salisbury NHS Foundation Trust this covers the Chair, the Executive and Non-Executive Directors. It is important to note that the Remuneration Committee of the Board has responsibility for setting the terms and conditions for the Executive Directors, while responsibility for setting the terms and conditions for the Chair and Non-Executive Directors lies with the Council of Governors, which is advised by the Performance Committee.

The Remuneration Committee reviewed the salaries and the individual reward packages of the Executive Directors for 2022-23. Salaries are set in comparison with those given to holders of equivalent posts within the NHS. Advancement within the individual salary scales of Executive Directors is based on successful appraisal outcomes and this is the only performance-related element of the Executive Director's remuneration. The Remuneration Committee works closely with the Chief Executive in reviewing each Executive Director's performance and the Chair advises the committee on the performance of the Chief Executive.

2022-23 major decisions on remuneration

During 2022-23, the Remuneration and Nominations Committee recognised the annual pay increase for Very Senior Managers as laid out in guidance shared from NHS England by 3.5% with effect from 1 April 2022. Two Executive Directors have also received an uplift in pay in 2022-23 in consideration of national benchmarking and guidance.

The changes to the Trust's Executive team during 2022-23 were:

- Andy Hyett left his post as Chief Operating Officer in August 2022
- Lisa Thomas commenced a secondment as interim Chief Operating Officer in August 2022
- Mark Ellis was appointed as interim Chief Finance Officer in August 2022

Ian Green OBE
Remuneration Committee Chair
22 June 2023

Senior Managers' Remuneration Policy

The following report details how the remuneration of senior managers is determined. A 'senior manager' is defined as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust'. The Trust deems this to be the Executive and Non-Executive members of the Board of Directors.

The remuneration of the Chief Executive and Executive Directors (with the exception of the Chief Medical Officer*) is determined by the Board of Directors' Remuneration Committee considering market levels, key skills, performance, and responsibilities. In reviewing remuneration, including making decisions about whether to pay the Chief Executive and any of the individual Executive Directors more than £150,000 per annum, as outlined in the guidance issued by the Cabinet Office, the Committee has regard to the Trust's overall performance, delivery of agreed objectives, remuneration benchmarking data in relation to similar NHS Foundation Trusts and the wider NHS and the individual Director's level of experience and development of the role.

*The pay, terms and conditions for the Chief Medical Officer are determined by the national Consultant Contract and the associated Medical Terms and Conditions. An additional payment is made which reflects the additional responsibilities for the role of Chief Medical Officer. The Chief Medical Officer is eligible to apply for discretionary performance-related pay under Medical Terms and Conditions.

The Trust's overarching approach to remuneration is designed to ensure that senior managers' remuneration supports its strategy and business objectives. The approach has been developed to support the provision of high-quality services for patients through its strategic aim of delivering an outstanding experience for every patient, financial stability, and improved service performance. The Trust is mindful of a broad range of factors in setting this approach including the equality, diversity, and inclusion agenda.

The Trust's remuneration principles are that rewards to senior managers should enable the Trust to:

- Attract, motivate, and retain senior managers with the necessary abilities to manage and develop the Trust's activities fully for the benefit of patients
- Align remuneration with objectives that match the long-term interests of the Trust
- Drive appropriate behaviours in line with the Trust's values
- Focus senior managers on the business aims and appraise them against challenging objectives
- Comply with the Public Sector Equality Duty under the Equality Act 2010, our compliance with equality and diversity requirements of the NHS Constitution and Care Quality Commission and meet the standards set within the Trust Equality, Diversity and Inclusion Policy.

Future Policy Table

Element of pay (Component)	How component supports short- and long-term strategic objective/goal of the Trust	Operation of the component	Performance metric used and time period
Basic salary	Provides a stable basis for recruitment and retention, taking into account the Trust's position in the labour market and a need for a consistent approach to leadership.	Individual pay point is set within a predesigned pay band which has a minimum and maximum limit. (See salary scales at the end of the Future Policies table which sets out the rates	Pay is reviewed annually in relation to individual performance based on agreed objectives set out prior to the start of that financial year which runs

	Stability, experience, reputation and widespread knowledge of local needs and requirements supports the Trust's short term strategic objectives and its long-term strategic priorities of: • Improving the health and wellbeing of the population we serve. • Working through partnerships to transform and integrate our services. • Supporting our people to make Salisbury NHS Foundation Trust the Best Place to Work	payable). Please note that this does not include additional payments over and above the role such as clinical duties, Clinical Excellence Awards. Total remuneration can be found in the Remuneration tables in the Annual Report on Remuneration. Initial positioning on this pay band is based on experience and benchmarked against the NHSI Guidance for pay for very senior managers.	between 1 April and 31 March.
Benefits	Benefits in kind relate to either the provision of a car, training or additional pension contributions. Salary for Executive Directors includes any amount received (See Basic salary on how this component supports short- and long-term strategic objective/goal of the Trust)	(See above)	(see above)
Pension	Provides a solid basis for recruitment and retention of top leaders in sector. Supports the Trust's short term strategic objectives outlined in its annual priorities and its long-term strategic goals stated in the basic salary component.	Contributions within the relevant NHS Pension Scheme	Contribution rates are set by the NHS Pension Scheme
Bonus	N/A	N/A	N/A
Fees	N/A	N/A	N/A

The components above apply generally to all Executives and there are no particular arrangements that are specific to an individual Executive Director. The Remuneration Committee adopts the principles of the Agenda for Change framework when considering Executive Director's pay. However, unlike Agenda for

Change, there is no automatic salary progression within the salary scale, even if individual directors meet their annual objectives.

The performance measures were chosen to reflect the Trust's adopted values and its strategic goals form the basis for Directors' objectives. Objectives for each Executive are set at the start of the financial year in order to deliver the strategic intentions (longer term) and the operational plans (short to medium term). These SMART objectives are the performance measures for the individual Executives. The objectives / performance measures are reviewed during the year and progress recorded.

There is no specific minimum level of performance that affects the payment and no further levels of performance which would result in additional amounts being paid. There is no specific provision for the recovery of sums paid to directors or for withholding the payment of sums to senior managers that relate to their basic salary. However, the Remuneration Committee in respect of the Executive Directors and the Council of Governors for the Non-Executive Directors does have the authority to decide on whether any pay or remuneration increase should be awarded each year based on performance.

No Executive Directors have been released to undertake other paid work elsewhere.

Where an individual Director is paid more than the Prime Minister, the Trust has taken steps to assure itself that remuneration is set at a competitive rate in relation to other similar NHS Foundation Trusts and that this rate enables the Trust to attract, motivate and retain senior managers with the necessary abilities to manage and develop the Trust's activities fully for the benefit of patients. This has been benchmarked against the NHSI guidance for pay for very senior managers.

Remuneration of Non-Executive Directors

Element of pay (Component)	How component supports short- and long-term strategic objective of the Trust	Operation of the component	Performance metric used and time period
Basic salary	The pay level reflects the part time nature of the role. It is set at a level that gives recognition for the post holder's commitment and responsibility of the role. Supports the Trust's short term strategic objectives outlined in its annual priorities and its long-term strategic priorities of: • Improving the health and wellbeing of the population we serve. • Working through partnerships to transform and integrate our services. • Supporting our people to make Salisbury NHS Foundation Trust the Best Place to Work.	It is one single pay point based on research of NHS remuneration for Non-Executive Directors in other NHS Foundation Trusts	The pay level is reviewed annually by the Council of Governors, advised by the Performance Committee
Benefits	N/A	N/A	N/A
Pension	N/A	N/A	N/A

Bonus	N/A	N/A	N/A
*Fees	N/A	N/A	N/A

*Non-Executive Directors Fees: Responsibility for setting the terms and conditions for the Chair and Non-Executive Directors lies with the Council of Governors. The policy on remuneration is that the Non-Executive Directors are paid a basic salary (see Salary Scales). No additional duties which require a fee are carried out by the Non-Executive Directors.

Statement of consideration of employment conditions elsewhere in the Trust

While the Trust did not consult with employees on the remuneration policy regarding senior managers, it did take into account the national pay and conditions of NHS employees.

Responsibility for setting the terms and conditions of appointment for Non-Executive Directors rests with the Council of Governors, which is advised by the Performance Committee and takes into account remuneration in other NHS organisations by reviewing available national comparisons in NHS Employers information. This was determined when the Trust was authorised, on the basis of independent advice. Please note that no additional fees are paid to the Chair and the Non-Executives Directors, other than travel and subsistence costs incurred.

Annual Report on Remuneration

Service contracts obligations

None of the current substantive Executive Directors are subject to an employment contract that stipulates a length of appointment. The appointment of the Chief Executive is made by the Non- Executive Directors and approved by the Council of Governors. The Chief Executive and Executive Directors have a permanent employment contract and the contract can be terminated by either party with six months' notice. The contract is subject to normal employment legislation. Executive Directors are appointed by a committee consisting of the Chair, Chief Executive and Non-Executive Directors.

There are no specific obligations on Salisbury NHS Foundation Trust that impact on remuneration payments or payments for loss of office that are not disclosed elsewhere within the Remuneration Report.

The Service Contract for Non-Executive Directors is not an employment contract. Non-Executive Directors are appointed for an initial term of up to three years and are eligible for a further term of three years and a third term of two years. Where a director has served eight years, their appointment may be renewed for a further year provided that exceptional circumstances exist in relation to the renewal. The Council of Governors is responsible for appointing, suspending, and dismissing the Chair and Non-Executive Directors as set out in the Trust's Constitution.

Name	Role	Current term of office	Notice Period (months)
Ian Green	Chair	Commenced February 2023	3
Rakhee Aggarwal	Non-Executive Director	Commenced January 2023	3
Tania Baker	Non-Executive Director	Commenced May 2022	3
Michael von Bertele	Non-Executive Director	Commenced October 2022	3
David Buckle	Non-Executive Director	Commenced January 2023	3
Margaret (Eiri) Jones	Non-Executive Director	Commenced November 2022	3
Richard Holmes	Non-Executive Director	Commenced January 2023	3

Debbie Beavan	Non-Executive Director	Commenced January 2023	3
Peter Collins	Chief Medical Officer	Commenced October 2020	6
Judy Dyos	Chief Nursing Officer	Commenced June 2020	6
Mark Ellis	Interim Chief Finance Officer	Commenced August 2022	6
Stacey Hunter	Chief Executive	Commenced September 2020	6
Lisa Thomas	Chief Finance Officer Interim Chief Operating Officer	Commenced September 2017 Commenced August 2022	6
Melanie Whitfield	Chief People Officer	Commenced September 2021	6
Nick Marsden	Chair	Left December 2022	3
Paul Kemp	Non-Executive Director	Left January 2023	3
Paul Miller	Non-Executive Director	Left June 2022	3
Andy Hyett	Chief Operating Officer	Left August 2022	6

The remuneration and expenses for the Trust Chair and non-executive directors are determined by the Council of Governors, taking account of any National guidance.

Remuneration Committee

The Remuneration Committee decides the pay, allowances and other terms and conditions of the Executive Directors. The Trust's Chair is chair of the Remuneration Committee and all Non-Executive Directors are members of the committee.

The Remuneration Committee reviews the salaries and where relevant, the individual reward packages of the Executive Directors. Most other staff within the NHS have contracts based on Agenda for Change national terms and conditions, which is the single pay system in operation in the NHS. Doctors, dentists, very senior managers and directors have separate terms and conditions. Pay circulars inform of changes to pay and terms and conditions for medical and dental staff, doctors in public health medicine and the community health service, along with staff covered by Agenda for Change. The Trust follows these nationally set pay polices in negotiating with Trade Unions on areas of local discretion.

Name	Role	Attendance
Nick Marsden	Chair	3/3
Rakhee Aggarwal	Non-Executive Director	3/3
Tania Baker	Non-Executive Director	3/3
Michael von Bertele	Non-Executive Director	3/3
David Buckle	Non-Executive Director	3/3
Margaret (Eiri) Jones	Non-Executive Director	3/3
Paul Kemp	Non-Executive Director	2/3
Paul Miller	Non-Executive Director	1/1
Debbie Beaven	Non-Executive Director	0/0
Richard Holmes	Non-Executive Director	0/0
Ian Green	Chair	0/0

External advice is not routinely provided to the Remuneration Committee. However, the Chief Executive, Chief People Officer and the Director of Integrated Governance attend and provide internal advice to the committee.

Disclosures in accordance with the Health and Social Care Act

Expenses for Senior Managers and Governors

Year	Number of Directors in Office	Number of Directors Reimbursed	Amount Reimbursed to Directors	Number of Elected Governors in Office	Number of Elected Governors Reimbursed	Amount Reimbursed to Elected Governors
2021/2022	15	5	£13,040	22	1	£133
2022/2023	14	2	£958	21	1	£27
Expenses incurred during the course of their duties relate to travel, accommodation and subsistence. Directors include those who were in post in an interim capacity during the year						

Salary and Pension Entitlement

Name and Title	Remuneration Year to 1 April 2022 - 31 March 2023					
	Salary	Benefits in Kind	Annual Performance Related Bonus	Long-Term Performance Related Bonus	Pension Related Benefits	Total
	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
Nick Marsden - Chairman	35-40	0	0	0	0	35-40
Ian Green - Chairman	5-10	0	0	0	0	5-10
Paul Kemp - Non-Executive	10-15	0	0	0	0	10-15
Tania Baker - Non-Executive	15-20	0	0	0	0	15-20
Paul Miller - Non-Executive	0-5	0	0	0	0	0-5
Michael von Bertele – Non-Executive	10-15	0	0	0	0	10-15
Rakhee Aggarwal - Non-Executive	10-15	0	0	0	0	10-15
Margaret (Eiri) Jones - Non-Executive	10-15	0	0	0	0	10-15
David Buckle - Non-Executive	10-15	0	0	0	0	10-15
Richard Holmes - Non-Executive	0-5	0	0	0	0	0-5
Debbie Beavan - Non-Executive	0-5	0	0	0	0	0-5

Stacey Hunter - Chief Executive	185-190	0	0	0	102.5-105	290-295
Lisa Thomas - Interim Chief Operating Officer	140-145	0	0	0	7.5-10	150-155
Peter Collins - Chief Medical Officer	190-195	0	0	0	112.5-115	305-310
Judy Dyos - Chief Nursing Officer	120-125	0	0	0	50-52.5	170-175
Mark Ellis - Interim Chief Finance Officer	80-85	0	0	0	27.5-30	110-115
Melanie Whitfield - Chief People Officer	125-130	0	0	0	30-32.5	155-160
Andy Hyett - Chief Operating Officer	50-55	0	0	0	0	50-55

This table is subject to audit

- *Ian Green joined the Trust on 1 February 2023*
- *Richard Holmes and Debbie Beavan joined on 1 January 2023*
- *Mark Ellis was appointed as Interim Chief Finance Officer on 8 August 2022*
- *Lisa Thomas was appointed as Interim Chief Operating Officer on 22 August 2022, prior to this Lisa was the Chief Finance Officer*
- *Paul Miller left the Trust on 30 June 2022*
- *Andy Hyett left the Trust on 31 August 2022*
- *Nick Marsden left the Trust on 31 December 2022*
- *Paul Kemp left the Trust on 31 January 2023*
- *Lisa Thomas opted out of the NHS Pension Scheme on 1 December 2022.*

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

There is no additional benefit that will become receivable by a director in the event that that senior manager retires early.

No member above received remuneration for additional duties. No remuneration was received from another body and no severance payments were made within the year.

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

Name and Title	Remuneration Year to 1 April 2021 - 31 March 2022					
	Salary	Benefits in Kind	Annual Performance Related Bonus	Long-Term Performance Related Bonus	Pension Related Benefits	Total
	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
Nick Marsden Chair	45-50	0	0	0	0	45-50
Paul Kemp Non-Executive	10-15	0	0	0	0	10-15
Tania Baker Non-Executive	15-20	0	0	0	0	15-20
Paul Miller - Non-Executive	10-15	0	0	0	0	10-15
Michael von Bertele OBE Non-Executive	10-15	0	0	0	0	10-15
Rakhee Aggarwal Non-Executive	10-15	0	0	0	0	10-15
Margaret (Eiri) Jones Non-Executive	10-15	0	0	0	0	10-15
David Buckle Non-Executive	10-15	0	0	0	0	10-15
Stacey Hunter Chief Executive	170-175	0	0	0	122.5-125	295-300
Lisa Thomas Chief Finance Officer	135-140	0	0	0	67.5-70	205-210
Peter Collins Chief Medical Officer	175-180	0	0	0	225-227.5	405-410
Judy Dyos Chief Nursing Officer	110-115	0	0	0	65-67.5	175-180
Andy Hyett Chief Operating Officer	125-130	0	0	0	70-72.5	195-200
Susan Young Interim Chief People Officer	45-50	0	0	0	0	45-50
Lynn Lane Interim Director of OD and People	50-55	0	0	0	0	50-55
Melanie Whitfield Chief People Officer	65-70	0	0	0	15-17.5	85-90

This table is subject to audit

- *Lynn Lane left her position as interim Chief People Officer on 6 April 2021. Her remuneration figure includes a contractual payment in lieu of notice of £44k.*
- *Susan Young left her post as interim Chief People Officer on 31 August 2021 and Melanie Whitfield started as Chief People Officer on 6 September 2021.*

The amount shown above for Peter Collins Chief Medical Officer represents his total salary and any remuneration received from his clinical roles. No other member above received remuneration for additional duties. No remuneration was received from another body and no severance payments were made within the year.

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

There is no additional benefit that will become receivable by a director in the event that that senior manager retires early.

No member above received remuneration for additional duties. No remuneration was received from another body and no severance payments were made within the year.

There were no taxable benefits paid to Directors in the year. Salary for Executive Directors includes any amount received for car allowance.

Pension Benefits

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2023	Lump sum at pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2023	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 1 April 2022	Employers Contribution to Stakeholder Pension
	(Bands of £2,500) £000	(Bands of £2,500) £000	(Bands of £5,000) £000	(Bands of £5,000) £000	£000	£000	£000	To nearest £100
Stacey Hunter Chief Executive	5-7.5	5-7.5	60-65	115-120	1,157	99	1,000	0
Peter Collins Chief Medical Officer	5-7.5	7.5-10	65-70	130-135	1,230	107	1,064	0
Judy Dyos Chief Nursing Officer	2.5-5	2.5-5	35-40	70-75	613	41	539	0
Lisa Thomas	0-2.5	0	45-50	80-85	681	8	629	0

Interim Chief Operating Officer								
Andy Hyett Chief Operating Officer	0-2.5	0	50-55	105-110	931	2	880	0
Melanie Whitfield Chief People Officer	0-2.5	0	10-15	0	183	21	141	0
Mark Ellis Interim Chief Finance Officer	0-2.5	0-2.5	25-30	40-45	363	19	314	0

This table is subject to audit

Notes to Remuneration and Pension Tables

As Non-Executive directors do not receive pensionable remuneration, there are no entries in respect of any pensions.

Lisa Thomas opted out of the NHS Pension Scheme on 1 December 2022

Cash Equivalent Transfer Values

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

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

NHS Pensions is still assessing the impact of the McCloud judgement in relation to changes to benefits in the NHS 2015 Scheme. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Pay ratio information
This section is subject to audit

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £193,000 (2021-22 £180,000). This is a change between years of +8%, which was caused by the payment of a Clinical Excellence Award in 2022-23 and the sale of annual leave entitlement for the year back to the Trust in addition to a 3.5% pay award.

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 £14,000 to £264,000 (2021-22 £14,000 to £233,000). 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 5.1%. Nine employees received remuneration more than the highest-paid director in 2022-23.

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

2022/2023	25th percentile	Median	75th percentile
Salary component of pay	£ 24,600	£ 34,200	£ 46,100
Total pay and benefits excluding pension benefits	£ 24,600	£34,200	£ 46,100
Pay and benefits excluding pension: pay ratio for highest paid director	7.85	5.65	4.19

The banded remuneration of the highest paid director was 5.33 times the median remuneration of the workforce in 2021-22. The Trust's median remuneration increased in 2022-2023 compared with the previous year. This resulted from the highest paid director being in receipt of a Clinical Excellence Award in 2022-23 and the sale of annual leave entitlement for the year back to the Trust in addition to a 3.5% pay award.

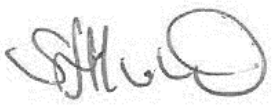
Payments for loss of office

There were no payments made to senior managers for loss of office in 2022-3.

Payments to past senior managers

None to report in 2022-23.

The Remuneration Report has been approved by the Trust Board.



Chief Executive (Accounting Officer)
22 June 2023 (on behalf of the Trust Board)

STAFF REPORT

Analysis of average staff costs

	Total 2022/23 £000	Permanently employed Total £000	Other Total £000
Salaries and wages	169,646	169,229	417
Social security costs	17,013	17,013	0
Pension cost- defined contribution plans employer's contributions to NHS pensions	18,622	18,622	0
Paid by NHSE on provider's behalf (6.3%)	8,062	8,062	0
Pension cost – other	42	42	0
Temporary staff/agency contract staff	13,666	0	13,666
Apprenticeship levy	789	789	0
TOTAL STAFF COSTS	227,840	213,757	14,083
Less: Costs capitalised as part of assets	(904)	(904)	0
TOTAL STAFF COSTS IN OPERATING EXPENDITURE	**226,936**	**212,853**	**14,083**

Analysis of average staff numbers (subject to audit)

	Total 2022/ 2023	Permanently employed 2022/ 2023	Other 2022/ 2023	Total 2021/22 number	Permanently employed 2021/ 2022 number	Other 2021/ 2022 number
Medical and Dental	473	463	10	459	450	9
Administration and Estates	1407	1329	78	1,327	1,252	75
Healthcare assistants and other support staff	685	677	8	673	673	0
Nursing, midwifery & health visiting staff	1095	1017	78	1,049	1,006	43
Scientific, therapeutic and technical staff	485	469	16	527	512	15
Total	4145	3955	190	4,035	3,893	142

The figure shown under the other column relates to other staff engaged on the objectives of the organisation such as, short term contract staff, agency/temporary staff, locally engaged staff overseas and inward secondments where the organisation is paying the whole or most of their costs.

The comparative numbers have been restated to bring them in line with the occupation codes within the electronic staff record, the NHS human resource and payroll database system.

The number of male and female directors, senior managers and employees 31 March 2023

Head Count	Female	Male	Total
Directors	8	6	14
***Senior managers**	16	6	22
All other staff	3,866	1,270	5,136

**Senior managers are defined as members of the Trust Management Committee which provides a forum for the Chief Executive, supported by the Executive Directors and Clinical Directors, to advise on the strategic direction of the Trust and the Trust's involvement in the wider health economy. Senior managers in this context include members of the Trust Management Committee who are not included in the two remaining groups.*

Staff Turnover

Staff turnover information can be found on the NHS Digital website:

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Sickness Absence

Year April March	Overall absence days lost	% of total available days	% Short term <28 days	% Long term >28 days	Absence Recorded with No reason given
21/22	*31,218*	*4.15%*	*2.11%*	*2.04%*	*3.25%*
22/23	*29,738*	*3.95%*	*1.95%*	*2.00%*	*3.00%*
23/24 Forecast	*26,715*	*3.50%*	*2.00%*	*1.50%*	*1.00%*

Between April 2022 and March 2023, the Trust has managed a slight decrease in sickness absence levels from 31,218 working days lost in 2021-22, to 29,738 days lost in 2022-23. This represents a 0.2 percentage point fall on the previous year to 3.95% but remains above the Trust's target of 3%. Time lost to absence has remained relatively equally balanced between long term sick and short-term absence. The continuing impact of COVID-19-19 and an increase in year of winter Flu and other respiratory infections have continued to contribute to a high level of short-term absences. The 23/24 Forecast assumes a 1% growth in workforce and an average 3.5% absence rate, with improved action to reduce long term sickness absences.

Under the 'we are safe and healthy' element of the People Promise, the Trust has been developing an improved health surveillance function, which has identified that Mental Health related issues and Musculo-Skeletal injury are the biggest contributors to absence after infectious diseases. This data has enabled improved interventions particularly in the wellbeing area, where a new website has been launched to signpost staff and managers to an increased range of resources to help with Staff mental, financial and physical wellbeing. Clinical Psychology services have also continued offering wellbeing interventions to staff as a supportive mechanism of preventing sickness absence. The Trust's Occupational Health service has been a focus for recruitment and now provides a full suite of OH support including staff counselling and physiotherapy. Work is underway to identify proactive interventions to reduce the instance of Musculo-skeletal injuries, with focus in the Spinal department initially.

We appointed a Head of Wellbeing, Equality, and Inclusion this year to provide greater focus on wellbeing and promote better health in conjunction with our Occupational Health service and Health and Safety team. Under this collaboration the Trust has monthly health and wellbeing topics/events, trained mental health first aiders, and health improvement coaches for weight management, alcohol, smoking cessation support, healthy eating, increasing physical activity and building confidence and motivation. Staff also retain access to the onsite health and fitness centre, green spaces and walking routes.

A health and wellbeing presentation has been implemented for all new starters as part of their induction and we have updated Flexible working and Remote working policies that will support greater agile working introducing practical ergonomic support. Our aim is to routinely update information to include financial, legal and other matters that may be underlying causes of stress.

Managers can view team absence data via ESR Manager Self Service and for teams on Health Roster, this system identifies and highlights staff that have triggered one of the Trust absence management policy thresholds, enabling managers to identify where additional interventions and support are required.

People Policies

People policies have been a focus this year, with significant work completed to ensure our policies are up to date, fair and consistent.

Our policies and associated procedures are designed to make clear what is expected of our employees when they come to work, setting clear guidance on how performance and behaviour is managed. They also sign-post our managers and staff to a wealth of information on a range of work-related subjects and entitlements. This is an important step in realising our ambition in making Salisbury Foundation Trust the best place to work for us all. Work to update policies has been conducted in consultation with our staff side colleagues and with our staff networks.

Key policies which have been introduced or refreshed include:

- **New Parental Leave and pay** – Maternity/Adoption leave (including fostering and surrogacy), Shared Parental Leave, New Parent Support Leave (formally paternity leave).
- **Transgender Policy** – advice and guidance for members of staff in relation to transgender matters and includes guidance for managers in supporting transgender colleagues.
- **Menopause Policy** – whilst aimed at women supporting the 70+% of our female workforce it also provides advice and guidance available to **all staff** who may have family members with menopausal symptoms.
- **Flexible Working Policy** supported by a revised **Home Working Policy.**
- **Mandatory and Statutory Training Policy**
- **Retirement** - including the **retire and return** option for staff who are eligible

Work has been undertaken this year to develop a management system which will forecast and assure Board that policies are reviewed by the appropriate consultation and stakeholder group and then approved in a timely and effective manner. Whilst typically reviewed every two - three years, when legislation changes, we review the new legislation or circumstance outside this formal program to continue to ensure the effectiveness of our policies. Work is planned to further streamline some of our key performance policies (for example Disciplinary, Grievance, Dignity at Work and Attendance Management) to not only make them easier to use and more easily understood, but to support our aspiration to introduce a restorative just and learning culture in support of both an improved staff employment experience and health outcomes for our patients.

Health and Safety (H&S)

Responsibility for H&S lies with the Chief Executive Officer (CEO), who is supported by the Chief People Officer (CPO). The Deputy Chief People Officer has direct oversight of the Trust's H&S Manager who has responsibility for the design and implementation of H&S Management policy and practices across the Trust.

The H&S function is supported by a Health and Safety Committee (the Committee), which includes representatives from across the Trust's management functions and staff side representatives. The Committee meets quarterly to provide direction and guidance to management representatives and to

receive assurance, information, and act as a point of escalation for several sub-committees that include, but are not limited to, fire, waste, radiation, water, electricity, and radiation protection. The Health and Safety Committee reports through the Trust Management Committee to the Trust Board.

In the past 12 months the H&S team has developed and implemented a formal H&S management system with specific and tangible performance measures designed to enable clear understanding of H&S performance across the Trust. This approach also identifies areas of improvement, based on frequency and consequence of hazard reports and injuries by location and job role. Improved reporting against formal performance measures commenced in April 2023. Metrics include:

- Lost time due to work related injuries as a frequency of hours worked.
- Number of injuries reported that resulted in lost time as a frequency of hours worked.

Incorporated into this formal H&S management system is an internal audit program implemented by the H&S Team. Internal audits are scheduled across the trust according to a rolling audit calendar and are conducted by the H&S team who are trained and experienced H&S auditors. Improving the strategic approach, and providing an audit program ensures that first-hand knowledge of risks by the H&S team and information provided from audits, performance measurement and risk-based task analysis allow TMC and the Board to make better informed decisions about H&S.

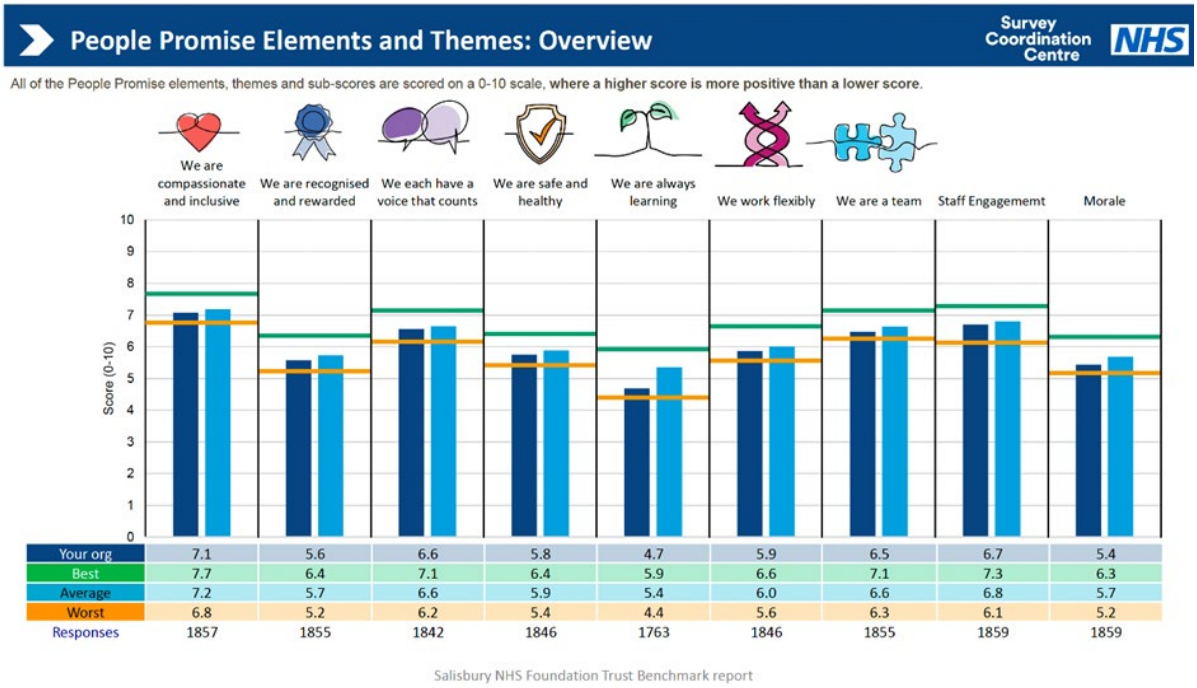
In addition to improving the systematic approach to H&S, routine activity such as investigations of injuries and incidents, trend analysis, completion of risk assessments and management of contractors performing specialty works across the Trust continued throughout the year.

Staff Survey

The NHS staff survey is conducted annually, with 2022 being the second year when the questions were aligned with the NHS people promise to track progress against our ambition to make Salisbury Foundation Trust (SFT) workplace the ‘best place to work’. The national Staff Survey reports against the seven elements of the people promise, and two of the original themes of the staff survey: morale and staff engagement.

The SFT response rate for the 2022-23 survey was 48% (1861 responses) compared with 48.5% for the 2021 survey (1881) responses. By comparison the median response rate in 2021 for our benchmarking group (acute and acute and community trusts) was 44%.

Scores for each indicator together with the average, best and worst scores in the benchmarking group across the NHS are presented below for 2022:



Comparisons between 2022/23 and 2021/22 are shown in the following table:

Indicators ('People Promise' elements and themes)	2022/23		2021/22	
People Promise elements:	**Trust score**	**Benchmarking group score**	**Trust score**	**Benchmarking group score**
We are compassionate and inclusive	7.1	7.2	7.1	7.2
We are recognised and rewarded	5.6	5.7	5.6	5.8
We each have a voice that counts	6.6	6.6	6.6	6.7
We are safe and healthy	5.8	5.9	5.8	5.9
We are always learning	4.7	5.4	5.0	5.2
We work flexibly	5.9	6.0	5.7	5.9
We are a team	6.5	6.6	6.4	6.6
Theme: Staff engagement score	6.7	6.8	6.8	6.8
Theme: Morale	5.4	5.7	5.5	5.7

Future priorities and targets

SFT is 1 of 23 People Promise exemplar sites in the country. The Trust benefits from the addition of a People Promise project manager who has supported people services to build a comprehensive improvement programme against all 7 elements of the Promise. In addition, Divisional and departmental action plans are being developed to address the key themes arising from the survey which was published on 8 March 2023. These are aligned with the Trust's People Promise improvement plans alongside the

'Improving Together' programme, with the focus on our vision and 'watch' metrics for 'people' including staff engagement, morale, and inclusion.

We aim to have more people recommending SFT as a place to work, feeling motivated and supported to make improvements to their work and the standard of care we give. We aspire to achieve the upper quartile in engagement for acute providers. We also want our people to recognise and experience SFT as an inclusive employer, and we will measure this by the trends in the staff survey questions which form part of the national NHS Workforce Race Equality Standards (WRES) and Workforce Disability Equality Standards (WDES).

Following the latest results, we will build on previous activities supporting staff survey outcomes, such as listening events to give our staff a greater voice, lunch and learn sessions to increase training and development opportunities and improved communications through the refreshed Intranet (SALi) and digital screens to increase understanding. Across all of our divisions we will encourage staff to get involved and generate ideas for improvement. Staff engagement and inclusion are our highest priorities.

Staff survey action plans will continue to be monitored by the Organisational Development and People Management Board and People and Culture Committee on behalf of the Trust Board.

Staff engagement

Identified as a breakthrough objective within the Improving Together methodology, Staff Engagement is a priority with the Trust aiming to achieve top quartile status amongst peer organisations in the Staff Survey. The Trust therefore remains committed to engaging with staff at all levels through the 'We all have a voice' element of the People Promise. More widely we seek to ensure that we remain an anchor organisation, meaning our long-term sustainability is aligned to the wellbeing of the population we serve. Establishing a new Communications, Engagement and Community Relations team, under the direction of the Chief People Officer in the OD&P team has reinforced the focus on our engagement ambition.

The Trust is committed to engaging with staff at all levels and through many different media. We continue to hold regular briefings and dialogue through MS Teams and now face to face. Our monthly Cascade briefings give the Trust the opportunity to share information and to take views from staff on a wide range of topics. These are well attended and give all staff an opportunity to engage with colleagues at all levels. For new staff there are 100 day and 1 year feedback sessions hosted by the Chief People Officer. In addition, the Trust has a regular Daily Bulletin, a weekly Chief Executive message and a Friday Line Manager's round up. The annual national NHS staff survey had a 47% response rate, which was slightly above the national average, we also ran the regular Pulse Survey to take up to date feedback from staff.

Our Staff Thank You Week included the staff awards, family fun day and staff party and was a key part of our engagement activity - we presented awards to our remarkable staff covering a mix of categories from the Chair's award, the CEO Award to Best Team and Unsung Contribution. In addition, at the volunteer's night we presented the Volunteer of the Year Award and long service certificates. We continue to have regular peer to peer SOX Awards and SOX of the month that enable staff to recognise the contributions made by their colleagues.

In 2022 the Trust launched its own podcast series *The Cake with Joe & Jayne*. The series looked at personal experiences and personal characteristics that make us who we are. There were 16 episodes in series one and subjects included Faith, Race, Sexuality, Ability, Mental Health, Grief, Parenthood, the Menopause, Military Service and Love. To date episodes have been downloaded nearly 4000 times. 2022 also saw the conclusion of the *My Name is Mercy* project and COVID-19-19 *Reflections*. *My Name is Mercy* is an award-winning poetry project written by Martin Figura and funded by our charity The Stars Appeal and the hospital League of Friends. The work was built from direct engagement with staff that explored how it felt to work in the hospital during the COVID-19-19 pandemic. In addition, the Trust worked with partners in social care to produce the impactful *Reflections* service at Salisbury Cathedral.

Board safety walks give our Board members the opportunity to engage directly with staff. These occur monthly with an Executive Director, Non-Executive Director and divisional management team visiting patient and non-patient facing areas, speaking to staff and listening to their concerns. 'Back to the floor' sessions have also taken place with Executive colleagues shadowing colleagues for half a day on a regular basis to learn from and engage with staff.

Equality, Diversity & Inclusion (EDI)

During this year much work has been completed to meet the recommendations identified in the EDI Audit covered in last year's report. The Trust's EDI Strategy was launched as part of the SFT People Plan 2022-26. One of the Trusts vision metrics is that our staff recognise, and experience SFT as an inclusive employer which will be measured using a number of qualitative measures and the quantitative measures of WRES and WDES data. More recently, we have adopted the South West Regional leadership community strategy on 'leading for inclusion', which will enable us to refresh our own strategy to include an Equality Delivery System and a six-point plan to increase equality within recruitment and promotion processes.

We have begun developing further our staff networks. Six are active (Ability Confident, Armed Forces, Carers, LGBTQ+, Race Equality and Women's). A faith network will be launching in 2023. Networks have been given a small annual budget for 23/24 to enable them to fund Network activities and events in accordance with their 12-month plans. In addition, protected time of one day per month remains in place for our staff network leads to facilitate their development. Terms of reference are being refreshed to ensure that we have a robust system of governance and reporting in line with the aims of the EDI strategy and the needs of each Network's members. All staff networks have been asked to develop three priority areas for their members for the next 12 months and have their own staff network pages on the Trust's intranet. The aim being that our networks become the cultural barometer of the Trust.

This year the Trust's long standing EDI adviser retired and has been replaced with a new combined lead for EDI and Wellbeing.

On the 31 March 2023, The Trust had a total of 5145 staff in the workforce. This consisted of 3881 who described themselves as White and 1129 who described themselves as Black and Minority Ethnic and 135 had unknown ethnicity. Of the 5145, 151 declared themselves as disabled with a further 288 with disability unknown.

Our 2022/23 Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Gender Pay Gap reports and action plans have been published on the Trust internet. Over the next year as part of the OD and P 5-year ambition, the Trust is aiming to increase our staff's experience of being an equitable and inclusive employer of choice. We are focusing on the seven WDES and four WRES indicators in the NHS staff survey.

Further Board development days on EDI have been agreed, and the Trust continues to play an active part on developing and embedding EDI across the Bath, Swindon and Wiltshire (BSW) ICS.

The Freedom to Speak Up Service is provided by the Trust to empower staff to raise a concern outside of an individual's management chain should they require it. The service is led by a Freedom to Speak Up Guardian. During the past year the Trust has increased the number of Freedom to Speak Up Ambassadors from right across the organisation to increase the accessibility for staff who need support to speak up. The remit of the service is to support the development of a culture that is open and transparent so that raising concerns becomes business as usual for all staff. The Trust's Freedom to Speak Up Guardian has direct access to all senior leaders including the Chief Executive and all Board members.

Level 2 Freedom to Speak Up enhanced online training, 'Listen Up' package will apply to all staff with line management responsibilities, which forms part of the Aspiring Leaders and Transformational Leaders offer which is currently being delivered by the Organisational Development Team. This approach will enable consistency and quality when concerns are raised.

Information on how to access the Freedom to Speak Up service is readily available via daily communication on the Staff Bulletin email, posters are displayed in prominent areas, and business cards are handed to every new member of staff at Trust Induction.

Themes and trends are reported quarterly to Board for assurance and to highlight lessons learned from concerns that have been raised. In the year 2022-23 124 concerns were raised to the Freedom to Speak Up Guardian, which is an increase of 50% compared to the previous year. Of these 37 had an element of patient safety and quality, these concerns are escalated immediately to senior leaders for appropriate action.

	Themes	Cases Q1 2022-23	Cases Q2 2022-23	Cases Q3 2022-23	Cases Q4 2022-23
1	Patient Safety/Quality	8	10	12	7
2	Worker Safety	3	12	8	2
3	Element of inappropriate attitude or behaviours	24	14	25	17
4	Bullying/Harassment	5	8	7	4
5	Disadvantageous and/or demeaning treatment (Detriment)	10	0	3	1

**Please note that some cases record more than one theme*

Apprenticeships

The Trust supports the aim of creating a highly skilled workforce, including via our apprenticeship offer. An apprenticeship combines practical training in an occupation with study. It can be accessed by people in entry-level jobs right through to those in senior clinical, scientific, or managerial roles. Depending on the apprenticeship, upon successful completion, apprentices may be eligible to apply for professional registration.

	2020/2021	2021/2022	2022/23
Total Number of apprentices	128	153	143
Current Funds	£1,318,012.00	£1,481,729.00	£1,575,253
Total Spent to Date	£832,402.11	£1,265,125.39	£1,972,717.77
Total Spend in Year	£445,354.91 Of which £12,557 (2.8%) was transferred to other organisations	£432,724.28 Of which £6,918.43 (1.6%) was transferred to other organisations	£579,197.20 Of which £71,377.58 (12.32%) was transferred to other organisations
Annual Expired Levy	£87,493.45	£112,685.57	£136,370.30

SFT currently offer apprenticeships to 142 people in 29 different occupations including: Nursing Associate, Registered Nurse, Physiotherapist, Pharmacy Technician, Diagnostic Radiographer, Senior Healthcare Support Worker, Associate Project Manager, Business Administration, Clinical Coder and more. We are proud to say that 37 of our apprentices successfully completed their apprenticeships in 2022.

The Apprenticeship Levy is used to pay the training providers who deliver training which makes up a minimum of 20% of the apprentices' time. SFT currently pays 0.5% (c. £60k) of its total pay bill into the Apprenticeship Levy per month, with a current total of £1.6 million available for us to access. Levy utilisation has continued to improve in the last 12 months. In 2022/3 the trust spent £579,197, which is a 12.78% increase of spend compared to last year. Our planned spending estimate for the next 12 months is currently £588,221 which equates to approximately one third of the available levy funds. Any Levy not utilised within 2 years of being paid into the fund will expire and we recognise the opportunity to encourage further take up.

Leadership and Development

The Trust has finalised its Education, OD and Leadership Strategy which will support our people to develop themselves in 'Leading Self' (self-awareness), 'Leading Others' and 'Leading the Organisation' to build capability and the desire to shape the culture we seek.

A new Leadership Behaviours Framework, based on the feedback from Improving Together methodologies, development of our work as an exemplar site within the NHS People Promise programme, staff/pulse survey results and previous gap analysis has been designed. Our identified Leadership Behaviours align with those we want our leaders to model to achieve the Trust vision and achieve People Plan outcomes.

Alongside strategy development we have continued to provide a significant and impactful offer of Leadership and wider Organisational Development (OD) training interventions. This Leadership and OD activity aligns with the Strategy, which highlighted the need for greater emphasis on, and a move towards a more collaborative and compassionate style of Leadership. The success of this initial programme has allowed us to build a broader offering supporting our junior team leaders through to our senior managers with further leadership development programmes.

We are pleased that over 130 leaders attended our internal Best Place to Work (BPTW) leadership programme and a further 85 started our newly designed Leadership programmes. Coaching skills programmes have seen 240 leaders participate, with a further 116 leaders receiving one-to-one coaching support from our network of 18 coaches to support our 'We are always learning' people promise element.

Looking forward, a 360° self-assessment tool for managers will be tailored to provide feedback against the new behavioural framework to be introduced in the year ahead. Our Talent Management aspirations defined by a welcome Talent and Succession Management strategy is a key contributor to our ambition of "Always Learning" alongside a meaningful annual appraisal and we recognise the value of ensuring their timely completion.

We are looking to create a clear 'pathway' for aspiring leaders and our current leaders that will support all talent development through improving core leadership and management skills/capabilities and aligning opportunities for personal growth and performance.

Consultancy Expenditure - Off Payroll Payments

Table 1: Highly paid off-payroll worker engagements as at 31 March 2021 earning £245 per day or greater For all off-payroll engagements as of 31 March 2023	**22/23**	**21/22**	**20/21**
Number of existing engagements as of 31 March 2023	**25**	124	11
Of which:			
Number that have existed for less than one year at the time of reporting	**6**	114	2

Number that have existed for between one and two years at the time of reporting	**13**	2	5
Number that have existed for between 2 and 3 years at the time of reporting	**3**	3	1
Number that have existed for between 3 and 4 years at the time of reporting	**2**	3	2
Number that have existed for 4 or more years at the time of reporting	**1**	3	1
	25	125	11

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2021 earning £245 per day or greater.	**22/23**	**21/22**	**20/21**
Number of off-payroll workers engaged during the year ended 31 March 2023	**692**	466	12
Of which:			
Not subject to off-payroll legislation	**682**	16	0
No. assessed as caught by IR35	**0**	0	6
No. assessed as not caught by IR35	**4**	450	6
No. of engagements reassessed for consistency / assurance purposes during the year	**0**	16	6
No. of engagements that saw a change to IR35 status following the consistency review	**0**	0	0

Table 3: Off-payroll board member/senior official engagements for any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023	**22/23**	**21/22**	**20/21**
Number of off-payroll engagements of board members and/or senior officers with significant financial responsibility, during the financial year (1)	**0**	0	0
Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure must include both on payroll and off-payroll engagements. (2)	**18**	18	18

Staff Exit Packages

Staff exit packages include those made under nationally agreed arrangements or local arrangements for which Treasury approval is required. This does not include retirements due to ill health. Figures for 2022-23 included in this table. The 2021-22 figure is in brackets.

Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
Under £10,000	0(0)	6(0)	29(0)
£10,000 - £25,000	0(0)	1(1)	14(1)
£25,001 – £50,000	0(0)	0(1)	0(1)

£50,001 - £100,000	0(0)	0(0)	0(0)
£100,001 - £150,000	0(0)	0(0)	0(0)
£150,001 - £200,000	0(0)	0(0)	0(0)
Total number of exit packages by type	0(0)	7(2)	43(2)
Total resource cost	£0(£0)	£43,000(£59,000)	£43,000(£59,000)

This table is subject to audit.

The other departures shown above relate to contractual payments in lieu of notice.

Trade Union Facility Time Disclosures

Since April 2017, public sector organisations are required to report on trade union facility time.

Table 1 - Relevant Union Officials

Number of employees who were union reps	23
FTE union reps	21.37

Table 2 Percentage of time spent on facility time

Percentage of time	**%**
0%	12
0-50%	11
51-99%	0
100%	0

Table 3 Percentage of pay bill spent on facility time

Percentage of pay bill on facility time	
Total cost of facility time	£25,699.03
Total pay bill	£218,532,000.00
Percentage facility time	0.01%

Paid Union Activities	
Time spent	0

NHS FOUNDATION TRUST CODE OF GOVERNANCE

Disclosure Statement

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

The Board considers that for the 2022-23 year the Trust has been fully compliant with the provisions of the Code, with the exception of provision B.6.2 that states “evaluation of the boards of NHS foundation trusts should be externally facilitated at least every three years”. An external review was delayed given the ongoing executive recruitment during 2012-22 and the continued focus on COVID-19-19 recovery. The Trust Board has previously undertaken a self-assessment which has highlighted specific areas of focus for improvement, prior to the external review which will run from April-June 2023.

The Board is committed to the highest standards of good corporate governance and follows an approach that complies with this code through the arrangements that it puts in place for our governance structures, policies and processes and how it will keep them under review. These arrangements are set out in documents that include:

- The Constitution of the Trust
- Standing orders
- Standing financial instructions
- Integrated Governance Framework
- Accountability Framework
- Terms of reference for the Board of Directors, the Council of Governors and their committees
- Annual declarations of interest
- Annual Governance Statement

Council of Governors Public Constituency

The Trust’s Governors are the representatives of members, staff, our stakeholders, and public interests, and are an integral part of advising us on how best to meet the needs of patients and the wider community. Our Governors have a number of statutory duties but their key role is to hold the Non-Executive Directors to account individually and collectively for the performance of the Board of Directors. Other statutory duties of the Council of Governors’ role include:

- Appointing the Chair and Non-Executive Directors
- Approving the appointment of the Chief Executive
- Deciding on the remuneration of the Chair and Non-Executive Directors
- Receiving the Trust’s Annual Accounts, Auditors Report and Annual Report
- Reviewing the Membership and Public Engagement Strategy

The Council has been placed into groups to consider various topics over which they can have an influence. In 2022-23 these covered:

- Membership and Communications Committee
- Performance Committee (Chair and Non-Executive Directors)
- The Trust’s Annual Plan prior to submission to the regulator
- Nominations Committee
- Staff Governors Committee
- Self-assessment Committee
- Patient Experience Group
- The strategic direction of the Trust
- Volunteers

The Governors review their work programme and the make-up of their working groups annually. They appreciate that, statutory roles apart, their principal duties are to monitor, advise and inform. Governors are also party to discussions about elements of the Trust's strategy when items are taken at meetings of the Trust Board and Council of Governors.

The public and staff members of the Council are elected from and by the Foundation Trust membership to serve for three years. They may stand for re-election but they may not serve for more than nine years in total.

In addition, some of the organisations we work most closely with nominate stakeholder Governors. An appointed Governor may hold office for three years and can be re-appointed in line with elected Governors.

The representatives of public constituencies must make up at least 51% of the total number of Governors on the Council of Governors.

The Council of Governors hold four meetings a year, in addition to the Annual General Meeting (AGM). The Governors canvass opinions of the members and public through their constituency meetings and at the AGM. The Trust held its first constituency meeting in four years on 27th March 2023 in Kennet. Constituency meetings had not been scheduled largely due to the restrictions in place during the COVID-19-19 pandemic. However, membership engagement has been highlighted as a priority in the Membership Strategy and more meetings are scheduled to take place in 2023-24.

Elected Governors - Public Constituency

Name	Constituency	Elected or Re-elected	Term of Office	Attendance from 6 meetings
Kevin Arnold	Salisbury City	June 2020	Three years	3 / 4
Lucinda Herklots (Lead)	Salisbury City	May 2018	Three years	4 / 4
Joanna Bennett	Salisbury City	June 2020	Three years	4 / 4
Dr James Robertson	South Wiltshire Rural	June 2020	Three years	3 / 6
Anthony Pryor-Jones	South Wiltshire Rural	June 2020	Three years	4 / 6
Angela Milne	South Wiltshire Rural	June 2021	Three years	5 / 6
Andrew Rhind-Tutt	South Wiltshire Rural	June 2021	Three years	6 / 6
Peter Russell	South Wiltshire Rural	June 2021	Three years	5 / 6
John Parker	North Dorset	June 2021	Three years	6 / 6
Christine Wynne[1]	North Dorset	June 2021	Three years	0 / 1
John Mangan (Lead)	New Forest	June 2021	Three years	5 / 6
Peter Kosminsky	Kennet	June 2020	Three years	4 / 6
Mary Clunie	Rest of England	June 2021	Three years	5 / 6

[1] Christine Wynne resigned from her post in May 2022

Elected Governors - Staff Constituency

Name	Constituency	Elected or Re-elected	Term of Office	Attendance from 6 meetings
Paul Russell	Clerical, Administrative and Managerial	June 2020	Three years	6 / 6
Jane Podkolinski	Volunteers	June 2021	Three years	6 / 6
Anisa Nazeer	Medical & Dental	June 2021	Three years	4 / 6

Mark Brewin	Scientific, Technical & Therapeutic	June 2021	Three years	4 / 6
Jayne Sheppard	Nurses & Midwives	June 2021	Three years	5 / 6

Nominated Governors

Name	Constituency	Appointed or Re-appointed	Term of Office	Attendance from 6 meetings
Cllr Richard Rogers	Wiltshire Council	9 March 2022	Three Years	N/A
Vacant	Wessex Community Action	N/A	N/A	N/A
Vacant	Dorset Integrated Care Board (ICB)	N/A	N/A	N/A
Vacant	Bath and Northeast Somerset, Swindon, and Wiltshire ICB	N/A	N/A	N/A
James House	Hampshire and Isle of Wight ICB	July 2021	Three years	4 / 6
Sarah Walker	Military	July 2021	Three years	2 / 6

During the year the Directors have used a variety of methods to ensure that they take account of, and understand, the views expressed by Governors and members. The Council of Governors is chaired by the Chair of the Trust and these meetings are attended by the Chief Executive, who is there to provide clarifications on the Integrated Performance Report (IPR). There is an opportunity for Governors to express their views and raise any other issues, so that members of the Board, including Non-Executive Directors can respond.

There have been no formal requests for Director attendance at the Council of Governors meetings, but it has been standard practice for the Chief Executive to attend. Other executives attend as and when required dependent on the topics raised as part of the agenda.

An informal meeting is normally held between the Governors and the Non-Executive Directors a week after a public board meeting approximately four times a year.

The Trust Board is aware of the work carried out by the Governor committees and information is fed back to the directors.

In 2022-23, the Trust Board met regularly in public and, as part of its commitment to openness, Governors and members are invited by the Chair to comment or ask questions on any issues that they may wish to raise at the end of the public session. A response is provided by the appropriate member of the Trust Board.

Public Trust Board papers are made available on the website and Governors alerted so that these can be viewed prior to the meetings.

The Trust Board has invited Governor observers to attend the meetings of the Board's Finance and Performance Committee, its Clinical Governance Committee and its People and Culture Committee.

Register of Governor Interests

A register of interests is held in the Trust Offices. Information regarding the Governors' interests and whether they have undertaken any material transactions with Salisbury NHS Foundation Trust can be obtained by contacting:

Head of Corporate Governance,
Trust Offices,
Salisbury NHS Foundation Trust,
Salisbury
SP2 8BJ

Dispute Resolution

There are several mechanisms in place that allow an issue or concern to be discussed and escalated. Informally, there are meetings between the Lead Governor and the Chair. There are also regular meetings between the Governors and the Non-Executive Directors. A formal procedure is in place (see point 51, Dispute Resolution in the Trust's Constitution) should there be a dispute between the Council of Governors and Trust Board. There have been no disputes during 2022-23.

The Board of Directors

The Board comprises the Chair, Chief Executive, five other Executive Directors and seven other Non-Executive Directors. There is a clear separation between the roles of the Chair and the Chief Executive, which has been set out in writing and agreed by the Board. As Chair, Ian Green, has responsibility for the running of the Board, setting the agenda for the Trust and for ensuring that all Directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day-to-day business of the Trust.

All of the Non-Executive Directors are considered to be independent in accordance with the NHS Foundation Trust Code of Governance. The Board considers that the Non-Executive Directors bring a wide range of business, commercial and financial knowledge required for the successful direction of the Trust. All directors are equally accountable for the proper management of the Trust's affairs.

All directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

The Board Committees including the Clinical Governance Committee, Audit Committee, Finance and Performance Committee and People and Culture Committee have completed a self-assessment of committee effectiveness. These reviews concluded that these Committees were meeting the requirements as set out in their terms of reference.

In Quarter 4 2022-23, the Trust, alongside Royal United Hospitals Bath NHS Foundation Trust (RUH Bath) and Great Western Hospitals NHS Foundation Trust (GWH) secured an external company to undertake a well-led developmental review. The Trust review commenced in April 2023.

The Trust has Board approved Standing Financial Instructions and a Scheme of Delegation and Reservation of Powers, which outline the decisions that must be taken by the Board and the decisions that are delegated to the management of the hospital. These documents include, but are not limited to, instructions on budgetary control, contracts and tendering procedures, capital investment and security of the Trust's property, delegated approval limits, fraud and corruption and payroll.

The Board is satisfied as to its balance, completeness and appropriateness but will keep these matters under review.

Trust Board Members

Non-Executive Directors

Ian Green OBE– Chair (Independent)

Ian Green joined the Trust as Chair in February 2023 for his first three-year term. Ian has held Non-Executive Director posts within the NHS over the past 15 years, including Non-Executive Director of South-Central Ambulance Trust Board. This broad experience has provided Ian with an excellent grasp of the challenges of healthcare delivery and of those specific to Salisbury. He is committed to ensuring services are delivered in accordance with best possible practice and emphasises the importance of working with partners to ensure population health needs are met, in a safe and effective environment. Most recently Ian has been Chief Executive of the Terrence Higgins Trust.

Rakhee Aggarwal – Non-Executive Director (Independent)

Rakhee Aggarwal joined the Trust in January 2020. Rakhee has been a mental health nurse since 1999; She has a BSc in Behavioural Studies (Psychology); and a Master's in teaching and Learning for Health Professionals. She has worked for the University of the West of England for the past 15 years as a Senior Lecturer; Associate Head of Nursing and Midwifery - Mental Health and Learning Disability Nursing; Associate Head of Nursing and Midwifery - Adult Nursing; and as Associate Head of Nursing and Midwifery - Continuing Professional Development. Rakhee is leading and developing the CPD Education provision for the NHS and private and voluntary sectors. In addition to her work at the University she has been a Non-Executive Director with the South Western Ambulance Trust since 2017. Rakhee was appointed for her second term of office of three years in December 2022.

Tania Baker - Non-Executive Director (Independent)

Tania Baker joined the Trust in June 2016 for a three-year period. Her term of office was extended for a further two years in February 2019. She was Chief Executive Officer at health analytics company, Dr Foster where she was involved in developing the business nationally and internationally. Before this Tania held senior appointments in private healthcare and was Commercial Director at Aviva Health insurance. Tania is the Senior Independent Director (SID) and was appointed for her third term of office, for two years in May 2022.

Michael von Bertele CB, OBE - Non-Executive Director (Independent)

Michael joined the Trust in November 2016 for a three-year period. His term of office was extended for a further three years in October 2019. As an army junior doctor, he trained in occupational and environmental medicine, and became a consultant in 1992. Michael has served in the UN Protection Force in Croatia, was chief medical planner in the Ministry of Defence and was Director General of the Army Medical Services. He retired in 2012 and worked for Save the Children International until 2015. Michael was appointed for his third term of office, for two years in October 2022.

Dr David Buckle – Non-Executive Director (Independent)

Dr David Buckle joined the Trust in January 2020. He is MB BS, DRCOG and MRCGP qualified and is a Fellow of the Royal College of General Practitioners. He was a practising GP until 2017 whilst latterly working part-time (until May 2018) as the Medical Director for Herts Valley Clinical Commissioning Group, where he was the Director of General Practice development. He has previously held other roles comprising various positions within Berkshire East and Berkshire West Primary Care Trusts and with NHS Berkshire West Primary Care Trust. David currently has a portfolio of non-Executive appointments, as the President of the Society for Assistance of Medical Families, Non-Executive Director with Berkshire Healthcare NHS Foundation Trust, Non-Executive Director with East and North Hertfordshire NHS Hospitals Trust; and Vice Chair (clinical) of the Stroke Association. David became a voting member of the Board in May 2020. David was appointed for his second term of three years in January 2023.

Debbie Beaven– Non-Executive Director (Independent)

Debbie Beaven joined the Trust in January 2023 for her first three-year term as Non-Executive Director. Debbie is a qualified accountant and experienced executive and board director. She has a career spanning 25 years in financial leadership, from which she brings sound financial expertise around good governance, financial improvement plans and long-term financial modelling. Debbie also works as a Non-Executive Director at Isle of Wight NHS Trust, chairing their finance committee and working with the board to help evolve their health and care plans and trust strategy.

Richard Holmes– Non-Executive Director (Independent)

Richard Holmes joined the Trust in January 2023 for his first three-year term as Non-Executive Director. Richard has had a wide range of senior appointments with responsibility for business services, including IT, HR, estates, and infrastructure. However, Richard's fundamental background is in finance and assurance as finance director and chief operating officer, and corporate governance as Company Secretary. Richard currently chairs an audit committee for a multi-academy school trust and is also appointed to the audit committee for two other charities that support people and communities in the wider Bristol area. He has been instrumental in improving organisational systems of control and assurance in organisations across many sectors ranging from both large corporate organisations to small charities, from public to private, and from education to manufacturing and construction.

Margaret (Eiri) Jones – Non-Executive Director (Independent)

Eiri Jones joined the Trust in November 2019. Eiri is a registered adult and children's Nurse, has an MA in Professional Development and is a QSIR Practitioner. She has clinical, managerial, and executive leadership knowledge and skills gained during a career spanning over 40 years.

Eiri has held senior and board positions in a range of Trusts in England and Wales and has also held regional (Trust Development Authority), national (Welsh Government and State of Qatar) and regulatory (Nursing and Midwifery Council) appointments. Her last UK Executive role was as the Director of Nursing for the United Lincolnshire Hospitals NHS Trust (2012 – 2014). Since then, she has held roles as an interim Quality Manager at NHS Crawley CCG; interim Director of Quality Governance at Barts Health NHS Trust; Implementation Director of GIRFT in the Southwest of England and most recently as a Quality Programme Director for Cwm Taf Morgannwg Health Board. Eiri is also Non-Executive Director at Dorset County Hospital and sits on Allocate's Advisory Board.

Executive Directors

Stacey Hunter – Chief Executive

Stacey is an experienced NHS Board Director with over 35 years' experience working in the NHS and a decade operating in Chief Operating Officer, Divisional Director, and Executive System Transformation roles. She has spent time working in large scale teaching hospitals, an integrated acute and community trust and is passionate about reducing the inequalities patients experience in respect of their access to, experience of and outcomes from care.

A nurse by background Stacey spent several years working in clinical leadership roles before expanding her experience in general management. She has invested in her leadership development having undertaken the NHS Leadership Academy Aspiring CEO programme and is keen to continue to support the Trust to develop an inclusive culture that develops clinical and operational leaders to seek to continuously improve their services. Stacey has experience of being a trustee in a number of different charities over the last 20 years most of them related to health and care. Stacey joined the Trust in September 2020.

Dr Peter Collins – Chief Medical Officer

Peter trained as a liver specialist and was the clinical lecturer at the Sheila Sherlock Liver Centre at the Royal Free Hospital prior to taking up a consultant post at University Hospitals Bristol Foundation Trust in 2005. He has a research interest in primary liver cancer and alcohol related liver failure and led the regional Primary Liver Cancer Service for the West of England. He has had a number of senior leadership positions in research, education and hospital care.

In 2017, Peter was appointed to the role of Medical Director at Weston Area Health Trust where he played a key role in developing models of integrated care, reconfiguring services across Bristol and North Somerset and readying the organisation for a successful merger with University Hospitals Bristol. Since the merger Peter worked as a Deputy Medical Director for the large organisation focusing on the delivery of safe and effective COVID-19-19 care and the restoration of non-COVID-19 services for the Trust and the local Healthcare system. Peter joined the Trust as Interim Medical Director in October 2020 and was successfully appointed to the substantive position in March 2021.

Judy Dyos – Chief Nursing Officer

Judy joined the Trust from Isle of Wight NHS Trust where she was formerly Deputy Director of Nursing and was instrumental in the Isle of Wight Trust obtaining a CQC rating of Good in many areas. Prior to this she was the Lead for Clinical Assurance and Quality Governance at University Hospital Southampton. Judy joined the Trust as Interim Director of Nursing in June 2020 and was successfully appointed to the substantive position in March 2021.

Mark Ellis – Interim Chief Finance Officer

Mark has worked in the Trust as Deputy Chief Finance Officer was appointed as Interim Chief Finance Officer in August 2022, responsible for the Trust's Finance, Payroll, and Procurement departments. Mark has over 18 years' NHS finance experience, working in senior finance positions at a number of NHS Trusts across Hampshire and Berkshire until joining the Trust in late 2017. Mark has an undergraduate master's degree in engineering science from the University of Oxford and obtained Chartered Management Accountant status as part of the NHS Graduate Training Scheme.

Lisa Thomas – Interim Chief Operating Officer / Chief Finance Officer

Lisa has over 18 years' finance experience in a number of NHS organisations having started her career in 1999 on the Graduate Financial Management Training scheme. She was previously Deputy Director of Finance at Royal United Hospitals Bath NHS Foundation Trust, and prior to that she spent time working in Basingstoke, Winchester, and Gloucestershire NHS organisations in senior roles. Lisa joined Salisbury in 2017 as Chief Finance Officer. In August 2022, she took on the role as Interim Chief Operating Officer on a one-year secondment.

Melanie Whitfield – Chief People Officer

Melanie is an accomplished HR leader and coach with many years' experience leading on significant programmes of change and people strategy in both the private and public sector. With years of organisational HR experience, including Board level experience within private equity and public charity sectors, Melanie joined the national team at NHS England and Improvement as one of the founding authors of the People Plan.

Melanie began her career in retail working for some of the best-known brands on the high street including The John Lewis Partnership, Sainsbury's, and Boots. She has continued both her formal academic studies and professional development and has a particular interest in the value and impact of team coaching. On joining the Trust Melanie expressed her wish to support all staff to be the best they could be, by helping create the kind of environment where everyone can thrive and in doing so, provide the best possible care to

the community we serve. Within the Trust's executive team, she is the responsible leader for our Operational HR Services, Resourcing, Organisation design and Development, Education and Communication strategies alongside our Health and Safety and Occupational Health services.

Directors that left the Trust during 2022-23

Dr Nick Marsden
Nick joined the Trust in January 2014 as chair of the Trust. He was appointed as Chair for a total of 9 years, which included an additional year extension, considering the extenuating circumstances around the COVID-19-19 pandemic and recent recruitment into the executive team. Nick left the Trust on 31st December 2022.

Paul Kemp
Paul joined the Trust in February 2015 as Non-Executive Director and was appointed for a total of 8 years. Paul chaired the Trust's Audit Committee until he left on 31st January 2023.

Paul Miller
Paul joined the Trust in March 2018 as Non-Executive Director and was appointed until June 2022 when he left the Trust to take up a non-Executive position with the Bath and North-East Somerset, Swindon, and Wiltshire Integrated Care Board (BSW ICB).

Andy Hyett
Andy joined the Trust in 2015 and worked as Chief Operating Officer (COO) until he left the Trust in August 2022.

Board of Directors' Attendance (Members' attendance only) 2022-23

	Appointment Date		Trust Board (13 meetings)	Audit Committee (6 meetings)	Remuneration Committee (3 meetings)	Finance & Performance (13 meetings)	Clinical Governance Committee (12 meetings)	People and Culture Committee (9 meetings)	Subsidiary Governance Committee[2] (3 meetings)
	From	To							
Rakhee Aggarwal Non-Executive	01/01/20	-	11		3			7	
Tania Baker Non-Executive	01/06/16	-	12	6	3				
Debbie Beaven Non-Executive	01/01/23		2		0	4	3		
Michael Von Bertele Non-Executive	01/11/16	-	11	6	3			7	
Dr David Buckle Non-Executive	27/01/20	-	13		3		11		
Peter Collins Medical Director	05/10/20	-	10				12	8	
Judy Dyos Director of Nursing	15/06/20	-	13				8	7	
Mark Ellis Interim Chief Finance Officer	08/08/22	-	7	3		9		1	1
Richard Holmes Non-Executive	01/01/23	-	3	1	0	3			
Andy Hyett Chief Operating Officer	13/04/15	31/08/22	5			2	3		
Stacey Hunter Chief Executive	01/09/20	-	13	1		12	9		
Ian Green Chair	01/02/23	-	2		0				
Margaret (Eiri) Jones Non-Executive	11/11/19	-	12		3	12	12		
Paul Kemp Non-Executive	01/02/15	31/01/23	10	5	2	9			2
Nick Marsden Chairman	01/01/14	31/12/22	10		3				2
Paul Miller Non-Executive	16/04/18	30/06/22	3	1	1	2	2		0
Lisa Thomas[1] Chief Finance Officer/ Interim Chief Operating Officer	03/07/17	-	13	3		13	7		2
Melanie Whitfield Chief People Officer	06/09/21	-	12			11		8	2

[1] Lisa began her role as Interim Chief Operating Officer in August 2023.

[2] Subsidiary Governance Committee was disbanded in 2022/23 and oversight and assurance of governance and performance is now received through Finance and Performance Committee.

Register of Director's Attendance – Public Council of Governors 2022-23

	23 May 2022	25 July 2022	28 Nov 2022	2 Nov* 2022	10 Nov* 2022	27 Feb 2023	Attendance rate
Nick Marsden	✓	✓	✓	✓	✓		5/5
Ian Green						✓	1/1
Tania Baker	✓	✓	✓		✓	✓	5/5
Michael von Bertele	✓	x	x			✓	2/4
Paul Kemp	x	x	x				0/3
Rakhee Aggarwal		x	x			✓	1/4
Paul Miller	✓						1/1
Stacey Hunter	✓	✓	✓			✓	4/4
Peter Collins	✓	✓	x			x	2/4
Lisa Thomas	x	✓	✓			x	2/4
Andy Hyett	x	x					0/2
Judy Dyos	x	x	x			x	0/4
Melanie Whitfield	x	x	✓			x	1/4
Margaret (Eiri) Jones	✓	x	x			✓	2/4
David Buckle	x	✓	✓			x	2/4
Mark Ellis			✓			✓	2/2

*Directors are not invited to extraordinary meetings.
Tania Baker chaired the meeting on 2nd November to support the CoG in approving the new Trust Chair.

The Audit Committee

Name	Committee Role	Attendance
Paul Kemp	Chair	5/5
Richard Holmes	Chair (from 1st Jan 2023)	1/1
Michael von Bertele	Non- Executive Director	6/6
Tania Baker	Non- Executive Director	6/6
Paul Miller	Non- Executive Director	1/2

The Work of the Audit Committee in Discharging its Responsibilities

The Audit Committee is in place to provide the Board with assurance as to the effectiveness of the processes overseen by the Board itself and by the Finance & Performance, People and Culture, and Clinical Governance Committees.

The committee is supported by the Appointed Auditor, Grant Thornton LLP who took office from November 2018. In October 2019 the Council of Governors approved the appointment of Grant Thornton as the Trust's External Auditor for the next four years.

During 2022-23, the internal audit service was provided by PwC UK.

The Committee has an annual work programme as well as dealing with other items that arise during the year. It also agrees annual work programmes with the auditors and the Executive.

The Audit Committee is chaired by Richard Holmes, Non-Executive Director. He took on this role on 1st January 2023. Paul Kemp, Non-Executive Director, chaired the Audit Committee from April 2022 - December 2022. The Audit Committee is responsible for:

- Monitoring the integrity of the financial statements of the Trust, any formal announcements relating to the Trust's financial performance and reviewing significant financial reporting judgements contained in them.

- Assisting the Board of Directors with its oversight responsibilities and independently and objectively monitoring, reviewing, and reporting to the Board on the adequacy of the processes for governance, assurance, and risk management; where appropriate, facilitates and supports through its independence, the attainment of effective processes.

- Reviews the effectiveness of the Trust's internal audit and external audit function.

- In discharging its role and function, the Committee shall provide assurance to the Board of Directors that an appropriate system of internal control is in place to ensure that business is conducted in accordance with the law and proper standards.

In addition to its standing items of business, which includes payroll analysis, internal audit recommendation tracker, Internal Audit Reports, External Audit Reports and Counter-Fraud progress reports, the Audit Committee has reviewed risk management systems and processes.

The committee reviewed the draft financial statements and governance statements for the 2021-22 annual report and recommended their adoption to the Board. The Audit Committee signed off the Annual Accounts on 16th June 2022, acting on the delegated authority of the Board.

During the financial year 2022-23, PWC conducted eight internal audits, resulting in the identification of 4 high, 14 medium and 11 low risk findings to improve weaknesses in the design of controls and/or operating effectiveness. The 2022-23 Head of Internal Audit Opinion remains unchanged from the opinion given in 2021-22. The opinion on the adequacy and effectiveness of governance, risk management and control is that there is "Reasonable/moderate assurance" which states "Governance, risk management and control in relation to business-critical areas is generally satisfactory." There is a focused effort on action plans to address the identified risks, with the Trust utilising an electronic system to track all audit recommendations and actions to enhance monitoring and oversight.

During the year, the committee continued its practice of inviting management teams to give a detailed 'deep dive' presentation on a specific management process or area of concern. The Audit committee has received presentations on the progress made against the internal audit recommendations in relation to Sterile Services Limited (SSL), fraud risks and mitigations, security provision and contract management and an update on progress of the finance and accounting environment, since implementation of NHS Shared Business Services (SBS) in July 2021. All the presentations were of a good standard and led to a good discussion in the committee on the issues raised.

The Local Counter Fraud Officer (LCFO) continued to work with management on both proactive and reactive work packages, linking in with guidance from the NHS Counter Fraud Authority. Good progress was achieved through the year on the actions required to improve the Trust's rating in the NHS Counter

Fraud Functional Standard Return, with all components achieving green rating, except for component 12, Declaration of Interests, which achieved an amber rating.

The Audit Committee is also responsible for monitoring the external auditor's independence and objectivity, including the effectiveness of the audit process. The committee reviews the effectiveness of the audit process including verifying compliance with statutory requirements and deadlines, communication with key senior management personnel, satisfactory planning processes, and confirmation that the provision of staff to carry out work for the Trust are those named and qualified.

Grant Thornton has not provided any non-audit services for the Trust in 2022-23.

Membership of the Audit Committee

The Audit Committee is comprised of three of the eight eligible Non-Executive Directors. The other main assurance committees of the Board are the Finance & Performance, People and Culture and Clinical Governance committees.

Financial Audit

The external auditors for the Trust are Grant Thornton. During the 2022-23 period, the Trust has incurred the following costs on external audit:

- Audit services: £125,000 (plus VAT)
- Other services: Nil

As mentioned above, no other remuneration was paid to the auditor and the auditor was not involved in any other work for the Trust that may have compromised their independence.

The Trust has an internal audit function which was delivered under contract by PwC in 2022-23. The work programme is reviewed and approved by the Audit Committee. Senior representatives of PwC report to the audit committee and a working protocol is in place with Grant Thornton, the Trust's appointed auditor. The delivery of the contract with PwC is overseen by the Chief Finance Officer and the internal audit fee for 2022-23 was £100,000.

Revaluation of Property and Land

The Trust's accounting policies requires a land and buildings revaluation to be undertaken at least every five years, dependent upon the changes in the fair value of the property. The five-yearly revaluations are carried out by a professional qualified valuer in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and valuation manual. The valuations are carried out on the basis of a Modern Equivalent Asset, as required by HM Treasury. The annual reviews are carried out using the most appropriate information available at the date of the review. The last full revaluation was carried out during 2019-20. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – modern equivalent depreciated replacement cost

Annual desktop valuations and annual impairment reviews are carried out in all other years where a full revaluation has not taken place.

Recognition of Income

Of the Trust's income, 89% is received from other NHS organisations, with the majority being receivable from NHS Bath and North-East Somerset, Swindon, and Wiltshire ICB. The Trust participates in the Department of Health and Social Care's agreement of balances exercise. This exercise seeks to identify all income and expenditure transactions and payable and receivable balances that arise from Whole

Government Accounting (WGA) bodies. The Audit Committee is satisfied that by participating with this exercise it helps to provide further assurance that the vast majority of income and expenditure with WGA have been properly recognised and WGA payable and receivable balances are appropriately recorded. The Trust's external auditors will review the outcome of the exercise and report their findings to the Audit Committee.

Directors' Responsibilities for Preparing the Annual Report and Accounts

The Directors are aware of their responsibilities for preparing the annual report and accounts and are satisfied that they meet the requirements as reflected in the statement of Chief Executive's Responsibilities as the Accounting Officer at Salisbury NHS Foundation Trust. This can be found in the Annual Accounts for Salisbury NHS Foundation Trust. In Summary, the Annual Report and Accounts taken as a whole are fair, balanced, and understandable and provide the information necessary for patients, regulators, and other stakeholders to assess the Trust's performance, business model and strategy.

NOMINATIONS COMMITTEE

The purpose of the Directors' Nominations Committee is to conduct the formal appointment to, and removal from office, of Executive Directors of the Trust, other than the Chief Executive (who is appointed or removed by the Non-Executive Directors subject to approval by the Council of Governors).

The Committee membership includes the Trust Chair, as Chair and all Non-Executive Directors.

FOUNDATION TRUST MEMBERSHIP

The membership of the Trust is made up of local people, patients and staff who have an interest in healthcare and their local hospital. Public members have to be aged 16 and over.

The staff membership has five classes to reflect the following occupational areas:

- Medical and Dental
- Nurses and Midwives
- Scientific, Therapeutic and Technical
- Administrative, Facilities and Managerial
- Voluntary

Public members (including volunteers) can only be a member of one constituency. Staff members can only be a member of the staff constituency. Eligibility requirements for joining different membership constituencies, including the boundaries for public membership, are shown in the Trust's Constitution, which is available on the Trust's website.

During the year the Trust sought to broadly maintain membership numbers. At 31 March 2023 the membership for Salisbury NHS Foundation Trust is as follows:

Public Constituency	Number
Salisbury City	2,445
South Wiltshire Rural	4,382
Kennet	1,161
North Dorset	1,307
East Dorset	558
New Forest	987
Rest of England	1,095
Staff Constituency	1,866
Total	**13,801**

Ownership of the Trust's Membership Strategy sits with the Governors with support from the Trust. A key objective of the strategy is to maintain an engaged membership of Salisbury NHS Foundation Trust which broadly represents the population it serves, taking account of age, ethnicity, and diversity in the population of the catchment area.

The Trust's Membership Strategy was revised by the governor-led Membership and Communications Committee and approved by the Council of Governors in February 2023. The Trust should continually seek to communicate with its members, through a variety of effective means, i.e., governor newsletters, Medicine for Members meetings, constituency meetings, public Council of Governor meetings, the Annual General Meeting and through local and social media.

With an updated Membership Strategy, the Membership and Communications Committee is focusing on different methods of recruitment, including using the Trust's social media platforms. Furthermore, it is hoped that an updated membership page on the Trust's website and the re-introduction of constituency meetings and other events, for example, 'Medicine for Members' will attract a more representative membership and is a focus for 2023-24.

This year, a digital summary of the Annual Review was published to enable a wider reach to the local population. This document was published on the Trust website, promoted to our members. This document provides a succinct and informative summary of the year's events, including our ambitions for the year ahead.

During 2022-23 Governors continued to join their committee's and groups in person and virtually to enable flexibility for those who are not always able to travel to the Trust. They have been focusing on their statutory duties and have also been involved in the development of the Trust's Annual Plan and Quality Account. Governors have been able to participate on Trust-led working groups, such as Food and Nutrition and the Transport Strategy. With restrictions easing in terms of COVID-19-19 during the year, Governors have been given other opportunities to be involved in or sample the 'patient experience' e.g., Real Time Feedback.

A dedicated section on the Trust's website and intranet provides details of each Governor, their interests, and a means for members to communicate with them. There are also members' newsletters for staff and people in the public constituencies.

Table 1 below sets out the Code of Governance Provisions to be included in the Annual Report and their location.

Table 1: Code of Governance Provisions included in the Annual Report and their location

Relating to	*Code of Governance* reference	Summary of requirement	Annual Report Location
Board and Council of Governors	A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of Governors. This statement should also describe how any disagreements between the council of Governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	Code of Governance 'Board of Directors'/ 'Council of Governors' pg.50-53
Board, Nomination Committee(s), Audit Committee, Remuneration Committee	A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. Part of this requirement is also contained within paragraph 2.24 as part of the directors' report.	Code of Governance 'Board of Directors'/ Accountability Report 'Directors Report' Pg. 54-55 & 58
Council of Governors	A.5.3	The annual report should identify the members of the council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead Governor.	Code of Governance 'Council of Governors' pg.51-52
Council of Governors	n/a	The annual report should include a statement about the number of meetings of the council of Governors and individual attendance by Governors and directors.	Code of Governance 'Council of Governors'/ 'Board of

Board	B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Code of Governance 'Board of Directors' pg. 53
Board	B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Code of Governance 'Board of Directors' pg.53-56
Board	n/a	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Code of governance 'Board of Directors'/ Remuneration Report pg.30
Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Code of Governance 'Nominations Committee' pg. 62
Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	N/A – external consultancy agency used
Chair/Council of Governors	B.3.1	A chairperson's other significant commitments should be disclosed to the council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of Governors as they arise and included in the next annual report.	Code of Governance 'Board of Directors' None to disclose
Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed Governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Code of Governance 'Council of Governors' pg. 50-52

Council of Governors	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a Governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trusts or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Code of Governance 'Council of Governors'. No issues identified in the reporting year.
Board	B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Code of Governance 'Board of Directors' pg.50 & 53
Board	B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Code of Governance 'Board of Directors' No commissioned external reviews in 2022/23.
Board	C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 2.97.	See Annual Accounts and Annual Report. 'Directors Responsibilities for preparing the Accounts, the Independent Auditor's Report to the Governors and the Annual Governance Statement'

Board	C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement pg.72
Audit Committee/control environment	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Code of Governance 'Financial Audit' pg.61
Audit Committee/ Council of Governors	C.3.5	If the council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of Governors has taken a different position.	No issues identified in the reporting year.
Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed. • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Code of Governance 'Audit Committee' pg.59

Board/ Remuneration Committee	D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Nil to report for the reporting year
Board	E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of Governors and members about the NHS foundation trust, for example through attendance at meetings of the council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Code of Governance 'Foundation Trust Membership' and 'Council of Governors' pg.52
Board/ Membership	E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Code of Governance 'Foundation Trust Membership' pg.62
Membership	E.1.4	Contact procedures for members who wish to communicate with Governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Code of Governance 'Foundation Trust Membership' pg. 63
Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership. • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Code of Governance 'Foundation Trust Membership' pg.62

Board/Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by Governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of Governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 2.24 as directors' report requirement.	Accountability Report 'Board of Directors' pg.53

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.

The Trust is currently segmented at 2. This rating has been maintained, meaning that plans to address areas of challenge are being managed within the system, but targeted support may be required to address specific issues. The specific areas under review are the Trust's financial performance, having met in year targets largely through the means of non-recurrent funds. The Trust's ability to achieve financial sustainability is highlighted as major risk going into 2023-24. Further detail on mitigations and controls in relation to this can be found in the Annual Governance Statement (AGS)

The second area of focus is the Trust's engagement in the maternity safety support programme, which will remain until the Trust exits the support programme. The Board is kept appraised of this through regular report by the Chief Nursing Officer.

This segmentation information is the Trust's position as of 31 March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

Salisbury NHS Foundation Trust remains subject to enforcement undertakings due to the suspected breach of licence since January 2018 for the deteriorating financial position.

Statement of the Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities, as the accounting officer of Salisbury 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 Salisbury 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 Salisbury NHS foundation trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

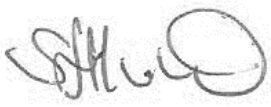
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- 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 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*.



Stacey Hunter
Chief Executive (Accounting Officer)
22 June 2023 (on behalf of the Trust Board)

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 Salisbury 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 Salisbury NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

Trust Board

The Trust has a Risk Management Strategy and Policy, endorsed by the Board of Directors. The Board recognise that risk management is an integral part of good management practice and to be most effective should be embedded within the Trust's culture. This is embodied within the Strategy and Policy as this documents the Board's risk appetite and the processes applied across the Trust which see the oversight of the Trust's corporate and strategic risks assigned to a Board Committee and each risk has a named Executive Lead. The Board is committed to ensuring that risk management is embedded across all functions and is not seen or practiced as a separate programme and that responsibility for implementation is accepted at all levels of the organisation.

The Board maintained its governance arrangements throughout the COVID-19-19 pandemic and continued scheduled Board and Board Committee meetings with the use of technology. This facilitated robust information flows to Board recognising the continued challenges facing the Trust. This was supplemented by the bronze, silver and gold command structure established to oversee the development of the Trust COVID-19 19 incident response plan. The Trust has subsequently moved back to face-to-face Board and Board Committee meetings but continues to support these with technology in a hybrid model where necessary.

The Board brings together the corporate, financial, workforce, clinical and operational risk agendas. The Board Assurance Framework (BAF) ensures that there is clarity about the risks that may impact on the Trust's ability to deliver its strategic objectives together with any gaps in control or assurance.

Board Committees

The Audit Committee has overall responsibility for ensuring there is effective risk management process employed across the Trust. The Audit Committee receive information annually from the Trust's internal auditors through their work which supports the Board Assurance Framework and through this work the Committee supports the Board to be assured over the robustness of the Trust's application of sound internal control processes.

The other key Board Committees of Clinical Governance, Finance and Performance and People and Culture receive and consider the strength of assurance of actions being taken to manage key corporate

and strategic risks outside of the Board's stated risk appetite and request further assurance in the form of deep dives or specific reports where necessary.

Non-Executive Directors
All Committees are chaired by a nominated Non-Executive Director. The Audit Committee which plays a pivotal role in providing assurance on the risk management processes of the Trust has a membership of only Non-Executive Directors. Through the Non-Executive Directors, together with the Non-Executive Audit Committee chair, they all have a responsibility to challenge robustly the effective management of risk and to seek reasonable assurance of adequate control.

The Audit Committee provides a key forum through which the Trust's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance. The constructive interface between the Audit Committee and Board supports the effectiveness of the Trust's systems of internal control.

Executive Directors
The Chief Executive has overall responsibility for risk management within the Trust.

The day-to-day oversight has been delegated to the Chief Nursing Officer who is responsible for the strategic development and implementation of organisational risk management systems and processes and for ensuring there is a robust system in place for monitoring compliance with standards and the Care Quality Commission (CQC) registration and legal requirements. The Chief Nursing Officer is also responsible for patient safety, patient experience and medical legal matters.

The Chief Finance Officer oversees the adoption and operation of the Trust's Standing Financial Instructions including the rules relating to budgetary control, procurement, banking, losses and controls over income and expenditure transactions, and is the lead for counter fraud. The Chief Finance Officer attends the Trust's Audit Committee and liaises with internal audit, external audit and counter fraud services, who undertake programmes of audit with a risk-based approach.

The Trust's Senior Leadership Team Committee, chaired by the Chief Executive Officer, has the remit to ensure oversight of the adequacy of the management of key risks facing the organisation.

The day-to-day management of risks is undertaken by Divisions and corporate managers, who are charged with ensuring that risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where issues are identified. There is a process of escalation to Executive Directors through Executive Performance Reviews, relevant committees and governance groups as required where there are challenges in implementing mitigations.

Divisional Governance committees introduced to further strengthen the governance arrangements are now embedded in the risk management structure and have responsibility for the oversight of divisional governance and risk processes.

The Trust's capacity to handle risk was evidenced through the Care Quality Commission (CQC) Inspection report 1 March 2019 that "The trust had effective systems for identifying risks, planning to eliminate or reduce them, and coping with both the expected and unexpected". The CQC rated the Trust Good for the Well-led domain which recognised the strong culture of good governance.

The Head of Risk Management supports the Executive Lead and is responsible for ensuring that staff are trained and equipped to manage risk in a way appropriate to their authority and duties. This is achieved through risk training programmes and through supporting and facilitating departments and teams directly.

The Risk and Control Framework

The Trust understands that healthcare provision and the activities associated with caring for patients, employing staff, providing premises, and managing finances will always involve an inherent degree of risk.

Good risk management practice requires that identified risk is analysed, evaluated, treated and actions followed up for the purposes of monitoring and review to further improve.

The overall objective of the Risk Management Strategy is to ensure that robust risk management processes are in place which provide assurance to the Board that the Trust is discharging its responsibilities as an NHS Foundation Trust in ensuring business and financial acumen, improving services and the quality-of-care provision, whilst operating as a model employer and service provider in achieving the Trust's operational and strategic objectives. The strategy is updated every three years to ensure that it continues to reflect best practice in risk management methodologies and sets out the key responsibilities and accountabilities and includes a review of the Trust's risk appetite. The Risk Management Strategy sets out the strategic goals towards which the Trust is working with regard to risk management and provides a framework that sets out the key responsibilities for managing risk within the organisation, including ways in which risk is identified, evaluated and controlled.

Risk management requires participation, commitment and collaboration from all staff. The process starts with the systematic identification of risks via structured risk assessments. These risks are documented on risk registers throughout the organisation.

These risks are then analysed in order to determine their relative importance using a risk scoring matrix. Low scoring risks are managed by the area in which they are found, whilst higher scoring risks are managed at progressively higher levels within the organisation.

Risk control measures are identified and implemented to reduce the potential for harm. The potential consequence and likelihood of the risk occurring are scored along with the effectiveness of existing control measures. It is the sum of these scores which determines the level in the organisation at which the risk is reported and monitored to ensure effective mitigation.

Each Division maintains risk registers containing clinical and non-clinical risks. All unresolved risks affecting multiple departments, or the division as a whole, are recorded within the Divisional risk register whilst individual departments/specialties maintain departmental risk registers containing risk to the achievement of individual department's objectives. The escalation process between these risk registers is monitored via the divisional management team with oversight through the Divisional Governance Committees. Escalation of Divisional risks to the Corporate Risk Register is via the Executive Performance Reviews.

Risks are identified through third-party inspections, recommendations, comments and guidelines from external stakeholders and internally through incident forms, complaints, risk assessments, audits (including clinical and internal), information from the Patient Advice and Liaison Service (PALS), benchmarking and claims and national survey results. External stakeholders include the Care Quality Commission, NHS England, the Health and Safety Executive, NHS Resolution, the Medicines and Healthcare Products Regulatory Agency and the Information Commissioner's Office.

The Audit Committee oversees and monitors the performance of the risk management system, with internal and external auditors working closely with this committee. The internal auditors use a risk-based model to undertake reviews and provide assurances on the systems of internal control operating within the Trust. The results of internal audit reviews are reported to the Audit Committee which oversees that weaknesses in the system are addressed. Procedures are in place to monitor the implementation of control improvements and to undertake follow-up reviews if systems are deemed less than adequate. Internal Audit recommendations are tracked via reports to the Audit Committee. The Counter Fraud programme is also monitored by the Audit Committee.

The Clinical Effectiveness Steering Group, reporting to the Clinical Management Board consider evidence that the Trust's comprehensive programme of clinical audit effectively supports improving clinical quality in alignment with the Trust's quality objectives. The Clinical effectiveness agenda is overseen by the Chief Medical Officer.

The Trust's Board Assurance Framework (BAF) details the principal strategic risks to the achievement of the Trust's corporate objectives. This is received by the Board on a quarterly basis together with the Corporate Risk Register. The Finance and Performance Committee, People and Culture Committee and Clinical Governance Committee have oversight of the BAF and Corporate Risk Register on a quarterly basis where the risk profile is reviewed and discussed in detail. The work plan of the Board Committees is linked so that the Board is assured that there is an aligned independent and executive focus on strategic risk and assurance. Referral of issues between committees ensures a respective understanding of risk and assurance concerns.

The BAF records that the Trust has been managing 12 significant risks during the year, with 6 risks outside of the Board-agreed risk appetite, focussed around:

- Demand for services that outweighs capacity, resulting in an increased risk to patient safety, quality, and effectiveness of patient care.
- Financial sustainability.
- Staffing availability impacting on service delivery and health and wellbeing of staff.
- Capacity versus demand and impact of delayed discharge from hospital
- Information technology, clinical systems, and technical infrastructure.
- Critical plant and building infrastructure within limited capital funding.

For each of the BAF risks, there is a detailed series of mitigations which will continue to be implemented throughout 2023/24. The delivery of these mitigations and their impact on the risks is monitored through the appropriate Committee of the Board.

The Trust established controls or implemented actions to manage these risks as summarised below:

- Implemented an improvement programme for theatres and outpatients to support improvements in waiting times for planned care.
- New urgent care transformation programme including SDEC, ED and Elderly Care.
- Implemented a range of initiatives to support staff attraction and retention including incentivised pay rates, wellbeing offers and significant recruitment campaigns.
- Increased focus on financial controls, emphasising best value decisions.
- Implementation of the digital strategy and continued focus on development of the infrastructure and controls.
- Robust capital prioritisation processes to ensure resources are deployed effectively.
- Full engagement within the Wiltshire Alliance to improve discharge processes.

Major risks 2023/24

As we enter 2023/2024, the Trust remains focussed on enacting recovery plans whilst dealing with significant operational challenges and staffing availability, compounded by on-going strike action. The focus will be on the delivery of NHS England Operational Planning Priorities 2023/24:

- Supporting the health and wellbeing of staff.
- Accelerate the restoration of elective and cancer care and reduce waiting times.
- Working with partners to transform community and urgent and emergency care to prevent inappropriate attendance at emergency departments (ED), improve timely admission to hospital for ED patients and reduce length of stay.
- Working collaboratively across systems to deliver on these priorities.
- Ability to achieve financial sustainability.

Key risks include:

- Scale of the transformation required to achieve both urgent and planned care requirements.
- No control over external factors such as on-going industrial action and/or infection control outbreaks.
- Financial constraints.
- A sustainable workforce to deliver the Trust priorities.

- Reliance on whole system change to enact plans.

Within this context, we acknowledge the great opportunity in our closer integration with local partners and will continue to prioritise this and the benefits it provides in the delivery of our wider strategic objectives. We will review these to ensure the Trust is best placed to deliver the NHS and Bath, Swindon, and Wiltshire Integrated Care System (BSW ICS) Long Term Plans and we will embrace the priorities of the NHS People Plan with the vision to make the Trust 'the Best Place to Work.'

Our underlying financial position remains a significant challenge. The financial regime for 2023-24 signals a return to the national tariff (i.e., payment by volume) for a significant proportion of planned activity and with it comes an income risk compounding the expenditure risk associated with emergency pathway and workforce availability pressures. As a healthcare system, financial sustainability is also a priority; BSW ICS is developing plans to address the system deficit where Salisbury will play a significant role. The pathway redesign that began in response to COVID-19-19 presents both a challenge and opportunity to deliver, with particular focus on urgent and emergency care and outpatient pathways.

The future sustainability of the Trust will also be dependent on our ability to progress the delivery of our Estates masterplan. The operational resilience of areas such as Day Surgery and the Maternity Unit remain regular concerns, alongside managing the risk of high capital expenditure on reactive maintenance in the ageing parts of our estate.

Quality Governance

The Trust is committed to and expects to provide excellent healthcare services that meet the needs of our patients and their families and provides the highest quality standards. The Board and Senior Management Team have a critical role in leading a culture which promotes the delivery of high-quality services. All efforts are focussed on creating an environment for change and continuous improvement.

The Trust has a robust Quality Governance reporting structure in place through an established Clinical Governance Committee. The Quality Governance arrangements are described in the recently merged Integrated Governance Framework and Accountability Framework to form one integrated accountability and governance framework. The framework was presented for approval at the Trust Board in May 2023. This framework is a means by which the Board controls and directs the organisation and its supporting structures, to identify and manage risk and ensure the successful delivery of the strategic objectives. The Integrated Accountability and Governance Framework makes it clear that quality governance is the responsibility of the Board supported by the Clinical Governance Committee for continuously improving the quality of services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish. The Quality Account published alongside this Annual Report and Accounts describes quality improvements and quality governance in more detail.

The Chief Executive is the Accountable Officer for quality governance. Each Director is a lead for a number of Board objectives. The responsible officers for quality are the Chief Medical Officer who leads on clinical effectiveness and the Chief Nursing Officer who leads on patient safety and patient experience.
Improving Together is our Board approved approach to embedding operational excellence through continuous improvement. It is the 'how' to achieve the Trust's strategy and is founded on the development of a coaching culture, which enables every member of staff to improve the services they work in.
Evidence shows that Trusts that have a continuous improvement approach provide better patient care, and colleagues working in these Trusts have greater job satisfaction.
Ultimately Improving Together is about improving the quality-of-care provision. By focusing our efforts where they'll have the most positive impact on our services, we'll improve the way we work. It covers the following main areas:

- Alignment of priorities – using the strategic planning framework from board to ward we focus on linked priorities, helping us achieve our goals more effectively.
- Empowerment – Colleagues will know they are empowered to make changes in their team. Every member of SFT will be supported to develop and improve their skills to be able to identify and adopt improved ways of working.

- Developing our culture – by empowering each and every member of staff to have a voice and supporting our leaders to adopt compassionate and enabling leadership approaches.
- Improving quality – by adopting an evidenced based continuous improvement approach to better understand and continually improve the services we offer.
- Stopping doing things that do not add value to our people, population and partners.

With the simple goal of delivering an outstanding experience for patients, their families and the people who work with us - and being in a position where everyone can proudly say that Salisbury NHS Foundation Trust is the best place to work

The Trust has a robust approach to the assessment of the potential impact of cost reduction programmes on the quality of services. The quality impact assessment process involves a structured risk assessment using a standard template which requires Divisional Management Team sign off. The Chief Medical Officer and Chief Nursing Officer are responsible for assuring themselves and the Board that Cost Improvement Programmes will not have an adverse impact on quality. This process is under review and will be refreshed for 2023-24.

Delivery of the Trust's strategic objectives is underpinned by the publication of the annual quality account which sets out the progress made against our quality priorities in 2022-23 and the quality priorities selected for 2023-24. Progress of the priorities is monitored via the Clinical management Board and Clinical Governance Committee; reviewing a suite of quality metrics that track performance against key quality indicators. There is no requirement currently for Foundation Trusts to produce a separate quality report.

The Integrated Performance Report (IPR) is aligned to our key areas of focus within the strategic planning framework. It comprises of detailed reports on quality, operational performance, finance and workforce, has been received by the Board monthly and is considered in detail. Our divisions follow the same approach via the Executive Performance Reviews, which feed into the IPR.

Dedicated data quality teams pro-actively manage elements of data quality within key Trust systems and provide appropriate training and guidance to service colleagues across the Trust. Independent assurance regarding data quality is provided using SUS dashboards, ad hoc internal audits which review internal processes and the annual Data Security and Protection Toolkit self-assessment audit review.

Risks to data quality and data security are continually assessed and added to the Trust's risk register and scored appropriately. These are all managed through internal governance processes, overseen at the Information Standards Group and assured through the Digital Steering Group. Escalation of issues goes to the Trust Management Committee and the Trust's Finance and Performance Committee where appropriate.

The Trust has a Freedom to Speak Up Guardian (FTSUG) to act in an independent and impartial capacity to support staff who raise concerns and whom has access to the Chief Executive and the Trust's nominated Non-Executive Director for 'Freedom to Speak Up'.

Risk management is embedded in the activity of the organisation in a variety of ways. A suite of risk management policies underpins the Risk Management Strategy and are available to staff on the intranet. Training and awareness sessions are available to staff across the Trust and via mandatory training. Divisions and Corporate Functions proactively identify risks which are recorded on risk registers. The specialties and divisions also retrospectively identify risk through adverse incident reporting, receipt and response to complaints and claims, patient and staff surveys and feedback, and concerns raised by the coroner.

Due to the devolved nature of risk management and compliance of incident reporting and investigation at a local level, quality and quantity of incident reporting continues to improve and develop. The Trust actively promotes an open and fair culture that encourages the honest and timely reporting of adverse events and near misses to ensure learning takes place and improvement actions are taken. The Trust submits patient safety incident data to the National Reporting Learning System. The Trust works in partnership with our commissioners to share learning and improvement actions. The ICS quality leads are an integral part of the Trust quality governance arrangements and attend key quality committees. The Trust reviews all incidents

graded moderate or severe together with compliance with Duty of Candour on a weekly basis through the Patient Safety Summit. The Trust has commenced a programme of work to transition to the new National Patient Safety Incident Response Framework (PSIRF) and has established a PSIRF Implementation Group.

Salisbury NHS Foundation Trust has taken the following actions to improve the quality of its services and reduce the rate of patient safety incidents that have resulted in severe harm or death by:

- Refreshed Board Assurance Framework and application of the Board approved risk appetite and risk tolerances which has enabled a focus on risks outside of tolerance.
- Monitoring ward to board reporting on key patient safety and experience indicators and reporting these monthly to Board via the Integrated Performance Report.
- Service level deep dive reviews through the Clinical Governance Committee receiving assurance on the quality-of-service provision and areas for improvement.
- Reviewing a significant proportion of deaths in hospital through the Trust's Medical Examiners, Learning from Deaths Process and Mortality Review Group.
- Preparations for the community Medical Examiner roll-out have been ongoing, with several GPs having been newly appointed to the role of Medical Examiner during 2022/23.
- The Trust's Mortality Surveillance Group (MSG) continue to meet every two months, providing assurances that the Trust has a robust process for overseeing mortality. Structured training has been provided to staff to improve our understanding of local and national mortality data
- Weekly review of all reported incidents graded moderate and above to agree the appropriate level of investigation and identify any immediate actions to mitigate identified risk.
- Ensuring that learning from incidents is maximised and disseminated via the Patient Safety Steering Group, Clinical Risk Group, Clinical Management Board and Divisional Governance Committees.
- Weekly oversight of compliance for any notifiable safety incident where unintended or unexpected moderate or above harm occurred to service users.
- Our Risk Management System (RMS) provides a range of quantitative data to support analysis across services and wards to provide assurance that we have effective systems for the monitoring of incidents.
- To improve patient safety, the Trust is preparing for the introduction of the new NHS Patient Safety Incident Response Framework (PSIRF). The PSIRF places emphasis on reviewing incidents thematically to increase the amount of potential learning.

The Trust's patient and public involvement and consultation process ensures compliance with relevant legislation and is described in the Patient and Public Involvement Strategy. All departments, both clinical and non-clinical, are responsible for planning and public involvement initiatives, where appropriate. The Trust completes an annual patient and public engagement report, which is reported to Trust Board.

The Trust is fully committed to ensuring that voices of our service users have forums and means by which to share their experiences and use these to help us shape future services.

Our first fully patient-led committee for service improvement was launched in 2023 under our Spinal Specialty. The group meets every 4-6 weeks currently and has an agreed terms of reference and has appointed a chair. The purpose of this forum is to use shared, lived experiences of previous service users to drive improvement and change that would positively impact patient experience in the future. Their current focus is on improvements to facilities and equipment, better utilising existing resources and how we can promote self-rehabilitation to speed up recovery, boost morale and improve patient flow.

This group is pioneering the patient-led model of engagement and through their learning we hope to be able to introduce this model to other specialities in the future.

The Trust is continuing to invest in the digitisation and extraction of data insights from our Friends and Family Test (FFT) surveys, to help shape service improvements. Response rates and overall experience

ratings are nationally reported currently, but it is recognised the additional value this data could provide if we were able to robustly theme and analyse feedback received through this mechanism.

In the Autumn of 2023, we anticipate a phased roll-out of a new digital provider that will aid our achievement of the following objectives:

- Increase overall response rates to FFT to achieve the targets set under our Improving Together Metrics (>10% of eligible patients in 2022-23 and >15% of eligible patients in 2023-24)
- Diversify methods for completion (including, online, SMS, over the phone)
- Increase accessibility and options for inclusivity (sight impairments, languages and additional demographic options)
- Robust analysis of data for insight and meaningful comparison/benchmarking via a real-time dashboard.

The Trust works with Healthwatch Wiltshire through regular liaison and communication to identify opportunities for the involvement of Healthwatch in Trust activities. During the summer of 2022 the Trust engaged in a co-produced complaints process review project with Healthwatch Wiltshire (HWW). Healthwatch Wiltshire are an independent statutory body, which has the power to make sure NHS leaders and other decision makers are made aware of and listen to local feedback in order to improve standards of care.

The survey was co-developed and based around the principles of the PHSO Complaints Framework; early resolution; meaningful apology; full and thorough investigation; promotion of learning and improvement cultures; and training and support for staff. 90 participants were invited to give their feedback and the only criteria for inclusion was a closed complaint with the Trust between 1st January 2022 and 30th June 2022. Multiple methods for completion of the survey were offered, by post, over the phone or online. A mixture of quantitative and qualitative analysis were used and demographic information was also collected. The survey achieved a 25% response rate. A full action plan has since been developed in response to the findings of this report, many of which are already in progress and on track for completion. The full report publication and the Trust's response to the findings can be found (here).

The Trust's Council of Governors engage with the quality agenda through its relevant working groups and a nominated Governor attends the Clinical Governance Committee. There is nominated Governor representation on all Board and Board Committees.

The Trust has assessed compliance with the NHS provider Condition 4. The Trust believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of Directors and subcommittees
- Reporting lines and accountabilities between the Board, its subcommittees, and the executive team
- The submission of timely and accurate information to assess risks to compliance with the trust's licence *and*
- The degree and rigour of oversight the Board has over the Trust's performance.

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Finance and Performance Committee and subsequently Trust Board. Finance and Performance Committee reviewed the assessment in detail at its meeting on 25 April 2023 and confirmed that no material risks had been identified. Trust Board approved the submission at their meeting on 4 May 2023.

The Trust implements key approaches and mechanisms to ensure that the short, medium, and long-term workforce strategies and staffing systems are in place to assure the Board that staffing processes are safe, sustainable and effective. These include the following:

- Workforce plans are developed at Divisional Level, informed by clinical strategy work within the NHS, the system and the Trust. These plans are then aligned to operational and financial priorities at Trust level to ensure staffing is safe, sustainable and efficient. The plan is resourced through an

agreed programme with a strong focus on hard to recruit posts (including registered nurses, consultants and AHPs) and through bulk recruitment campaigns for non-specialist posts.
- Proposed changes to staffing profiles undergo Quality Impact Assessment in accordance with national guidance by the Chief Medical and Nursing Officers.
- Collaborative working between Divisional Management Teams and the Strategic Workforce Planning team, using Organisational Development and People (OD&P) business partners, optimises workforce planning to define effective establishments which meet safe staffing policy.
- An assessment of the nursing establishment and skill mix is reported to the Board twice a year, in accordance with National Quality Board guidance.
- Workforce risks are identified and monitored in the Board Assurance Framework and divisional risk registers.
- The Guardian for Safe Working liaises with educational and clinical supervisors to ensure that the health, wellbeing, and safety of junior doctors is maintained. Monthly forums are in place to address issues and concerns raised by junior doctors. The Guardian reports through the People and Culture Committee to assure the Trust Board. Wider health and wellbeing issues for staff are raised through the Wellbeing committee, which monitors the effectiveness of a number of wellbeing initiatives through wellbeing ambassadors, staff side representation and management input.
- E-Roster is used to capture and collate staffing numbers and skill mix for nursing staff. A project is in place to roll out this system to the remainder of the Trust. The Trust is implementing the results of an end-to-end review of resourcing practices and is also implementing a project to improve temporary staffing processes, reducing Agency Spend and increasing Staffing agility through development of increased numbers of Bank staff.

Assurance on the above is provided by:

- Regular board updates on key strategic staffing issues, including staff wellbeing and systems to support staffing processes. These include care hours per patient day.
- Formal reports on nurse staffing to Board and Board Committees.
- Integrated performance reports showing safe staffing levels and bank/agency usage.
- Executive Performance Review meetings consider staffing issues with escalation of any concerns
- The Trust's BAF reflects increased risk to sustainable staffing level in 2022/23 to reflect increased risks around staffing.

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC).

The Trust was last subject to a full CQC inspection, including Use of Resources and Well-Led, in November and December 2018, receiving an improved rating of 'Good'. Two core services, Maternity and Spinal, were subject to an unannounced inspection in March 2021. The Maternity Service had a further announced inspection in October 2021, which focused on the parts of the service that did not meet legal requirements in the March inspection. The rating for Maternity Service changed from 'good' to 'requires improvement' and the Spinal Service remained 'requires improvement.' The Maternity Services team has continued with engagement in the NHSE/I Maternity Safety Support Programme during 2022/23. There have been no further inspections.

Our engagement with the CQC has continued through scheduled meetings via Teams. These include bi-monthly meetings with designated Executives and the Head of Compliance and bi-monthly meetings with the Head of Risk Management and Head of Compliance to monitor our Clinical Reviews and Serious Incident Investigations. The Trust's internal peer review programme was reviewed, and it was found that there was an overlap between this and the Matrons Quality Assurance Round, a quarterly audit of wards using the CQC's key lines of enquiry, so the peer review programme was not reintroduced.

Registration of an additional location with the Care Quality Commission

Due to the need to provide alternative accommodation to enable the completion of some environmental work on one of the wards at the hospital and, later, to provide additional capacity as part of winter planning

processes, alternative accommodation was secured at South Newton Hospital, an independent hospital approximately six miles from the main hospital site.

In September 2022, the Trust applied to the CQC to add a location to its existing registration. Following review of submitted evidence and pre-registration inspection by CQC of the potential new location, the Trust was granted registration to provide the regulated activity of treatment of disease, disorder or injury. Three additional conditions were applied to this location:

- The registered provider is only permitted to use SFT inpatients - South Newton Hospital, Nadder Ward and Pembroke Lodge as a condition of registration until 30 June 2023.
- The registered provider must not accommodate patients anywhere within the location other than Nadder Ward and Pembroke Lodge.
- In order to ensure patient safety, the registered provider must ensure there is an effective traffic management procedure in place within the location that supports the following: pedestrian only access to areas marked as "Time Limited Vehicle Access" on the registered providers South Newton Hospital Site Plan between 8am and 7.30pm except for vehicles with a staff escort.

The patients transferred to this location have been deemed medically fit for discharge with no criteria to reside and each patient is individually assessed against approved criteria to ensure the most appropriate patients are transferred. Management and oversight of the new location is part of the established Medicine Divisional governance arrangements, with the Medicine Division Management Team having day to day oversight.

External Well-led Developmental Review

In Quarter 4, 2022/23 a successful system wide procurement process was undertaken across the 3 BSW Acute Trusts to secure an external company to undertake a well-led developmental review. The Trust last had a review in 2018 and due to COVID-19, the Board approved a delay to a further review until 2023. The Trust review is due to commence in April 2023 for a period of 3 months.
There are no material inconsistencies between the Annual Governance Statement, the annual and board statements required by NHS England and the corporate governance statement.

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

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

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

The foundation trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust regularly reviews the economy, efficiency, and effectiveness of the use of resources through benchmarking, reference costs, regular meetings between Divisions and the Executive Directors, and assessing performance against plans. Investments are determined against detailed business plans and outcomes are reviewed against those plans.

The Audit Committee gives specific consideration to matters of probity, the propriety, regularity of public finances and value for money, which arise from the work of the external auditors and the Trust's local counter fraud specialist and internal audit service.

The Trust continues to actively pursue the opportunities as identified through the model hospital, GIRFT and the right care data, increasingly the Trust is working with system partners to identify how working collaboratively can reduce the cost base. This is reviewed at the Acute Alliance and BSW Directors of Finance meetings.

Arrangements to operate efficiently, economically, and effectively are formally reviewed by external audit. Departmental cost improvement programmes and their delivery is tracked through the Directorate Performance Reviews and facilitated by the deployment of the 'Improving Together' operating management system. This will continue to be taken forward as a key part of financial governance and controls.

The Trust's finances are reviewed by the Finance and Performance Committee at its monthly meetings. Monthly performance, workforce and quality information is scrutinised each month by the Board through the Integrated Performance Report.

Information Governance

The Trust acknowledges the importance patients and staff place on the security, confidentiality, integrity and availability of corporate and personal information. The Trust is committed to proactively managing all its resources through clear leadership and accountability, which is underpinned by the Trusts values and behaviours through awareness and education.

The Chief Medical Officer, Caldicott Guardian and Chief Digital Officer, Senior Information Risk Owner (SIRO), oversee compliance and adherence to the Trusts Confidentiality, Information Risk and Security policies and procedures which define how the Trust proactively manages the security and confidentiality of personal information and systems.

Information Governance arrangements within the organisation are constantly reviewed by the Trust. The Data Security and Protection Toolkit (DSPT) provides the conduit to demonstrate that the organisation can be trusted to maintain the confidentiality and security of personal information, in an open and transparent manner thereby increasing public confidence. The DSPT reporting year runs from the 1st July to the 30th of June, with the Trust ensuring that a comprehensive evidence-based assurance programme exists to underpin the DSPT assertions.

Since July 2022, the Trust reported two security incidents to the Information Commissioners Office and NHS Digital. The incidents related to a subject access request submitted to the Trust which had breached the agreed extension time frame, and the Trust was notified by staff that the Trust's Electronic Patient Record (EPR), Lorenzo was offline. The Information Commissioners Office considered the information provided by the Trust and decided in all instances that no further action was necessary.

Work continued to ensure that a comprehensive and robust evidence-based assurance programme exists to reinforce the work of the DSPT to demonstrate that the organisation can be trusted to maintain the confidentiality and security of personal information, in an open and transparent manner thereby increasing public confidence.

In line with the NHS Digital guidance, the Trust confirms it will submit the 2022/2023 Data Security and Protection Toolkit assessment on or before 30th June 2023.

Data Quality and Governance

There is corporate leadership for data quality with the Chief Digital Officer (SIRO) holding responsibility for the quality of performance data which is reported monthly at the Trust Board and assurance committees.

The Trust has an up-to-date Data Quality Policy that was last refreshed during 2021-22. The policy outlines a comprehensive approach to data quality, focussing on the following key areas:

- Raising awareness of the importance of high-quality data.
- Assisting all staff in understanding their role and responsibility in maintaining high quality data.
- Assisting staff in getting data quality 'Right First Time' through supporting staff to implement and maintain working practices and processes that enable high data quality at the first time of input.
- Minimising risks arising from poor data quality.
- Monitoring the quality of data used by the Trust and where needed, to highlight where data is inaccurate and needs to be checked and improved.
- Establishing a framework within which data quality issues can be raised and actioned.

The Trust's Information Standards Group, chaired by the Head of Information, oversees implementation of the Data Quality Policy. This includes the routine assessment of data quality maturity for all metrics used in core external returns and internal monitoring by Trust committees. Where potential improvements have been highlighted a full analysis of the impact on reporting is completed and undergoes a robust change control process.

The Trust is an active participant in a system wide Business Intelligence Group which seeks to standardise the approach to reporting, ensuring best practice methodologies are followed and building a shared pool of expert resource across the system in the use of tools such as Power BI and demand and capacity. The system wide Business Intelligence strategy developed in 2021-22 sets a clear direction towards convergence on cloud-based technology for our underpinning business intelligence infrastructure in the coming years. This will enable improved collaborative working, reduced duplication of reporting and increased ability to support detailed interpretation and predictive analysis on areas such as population health management.

All data used for quality reporting is derived from operational clinical systems which are well known and reviewed by the staff using them. The weekly division-led Delivery Performance Group regularly reviews performance data, including patient level information, especially on elective waiting times.

Waiting list data is updated daily and this feeds into a suite of reports that allow various operational teams to monitor the size and performance of the waiting list. There is a dedicated team that review and validate the waiting list daily, ensuring that records are accurate and up to date as far as possible. There is close review of the longest waiting patients by the divisional teams, providing the Trust with the greatest possible opportunity to meet waiting list targets and be assured of data accuracy. All external performance reporting returns are reviewed and signed off at Executive level before being submitted. Waiting list size data is included as part of the integrated performance report which is reviewed monthly at Trust Board. This is supported by the use of Statistical Process Control (SPC) charts to allow close monitoring of specialty level performance over time, highlighting any deteriorating or improving trends or outliers.

One of the Data Quality Policy's activities is to improve the education of staff in the role they play in meeting the Trust's high standards of data quality aspirations.

Data Quality features within staff job descriptions who have roles and responsibilities for inputting data into systems, and those who review and assess data accuracy.

A Data Quality Improvement Group reviews key data quality issues and oversees data quality improvement across the following areas:

- Training – design and delivery of targeted training to support high quality data.
- Awareness – using existing forums (e.g., ward clerk meetings) to communicate data quality issues.
- Process change – use of structured Standard Operating Procedures to meet operational and reporting requirements.
- Information systems – regular checks to ensure data being used is compliant and accurate.

- Data quality monitoring – reviewing nationally and locally developed data quality reports, use of spot checks (e.g., monthly review of waiting list data) and software such as coding software to check data quality.
- Data Quality Standards - agree and approve different DQ standards within the Trust e.g., Identifying an Admitting Consultant. This is created as a document (which is reviewed annually) and published to the Intranet.

The Improvement Group also feeds up any persistent DQ issues to the Trust's Digital Improvement Network which meets regularly. This is an opportunity to reflect current performance to operational staff.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Clinical Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors and its committees have met regularly and kept arrangements for internal control under review through discussion and approval of policies and practice and monitoring of outcomes agreed as indicators of effective controls. The Board and its committees review the Integrated Performance Report monthly which covers the key national priority and regulatory indicators, and locally derived key performance indicators. The report provides more detailed briefings on any areas of adverse performance. This report is supported by a number of more granular reports reviewed by Board committees and regular Executive performance review meetings with the Divisions.

The selection of appropriate metrics is subject to regular review, with changes in definitions or strategic priorities reflected in the selection and these are underpinned by the Improving Together methodology.

The Audit Committee has provided the Board of Directors with an independent and objective review of financial and corporate governance, and internal financial control within the Trust. The Audit Committee has received reports from external and internal audit, including reports relating to the Trust's counter fraud arrangements. There is a full programme of clinical audit in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit opinion for 2022-23 remains unchanged from the opinion given for the year 2021-22. The opinion on the adequacy and effectiveness of governance, risk management and control is that there is "Reasonable/moderate assurance" which states "Governance, risk management and control in relation to business critical areas is generally satisfactory. However, there are some areas of weakness in the framework of governance, risk management and control which potentially put the achievement of objectives at risk. Some improvements are required in those areas to enhance the adequacy and/or effectiveness of the framework of governance, risk management and control". The opinion was based on the following:

- Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control.
- High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and
- None of the individual assignment reports have an overall classification of critical risk.

During 2022-23, Internal Audit conducted eight internal audits. The finalised reports have resulted in the identification of 4 high, 14 medium and 11 low risk findings to improve weaknesses in the design of controls and/or operating effectiveness.

A summary of the four high risk findings were considered in forming the opinion as to the adequacy and effectiveness of the Trust's framework of governance, risk management and control is set out below:

- A lack of Conflicts of Interest (CoI) disclosures during procurements – these were not being consistently disclosed, recorded, and monitored throughout the procurement process. Procurement policy and procedure documents made limited reference to the requirement to consider CoI. Action deadline: 31 July 2023.
- No password monitoring for the POET IT Application – this stores patient information and is used by clinicians. The Trust uses a Security Information and Event Management (SIEM) tool to monitor password settings for Active Directory however, the tool does not cover this specific application. There is a risk of unauthorised access not being detected. Action deadline: 30 April 2023. Action completed.
- There is a lack of transparency over the actions taken by line managers - Neither the ESR nor the Healthroster system is being used/has the capability to capture the evidence to demonstrate how line managers are complying with the Absence Management Policy. Unless the individual has been referred to the People Advisors, who will have then created their own personnel file for the individual, there is no mechanism for them to easily identify what steps are being taken by management. This makes it impossible to provide accurate data on the status of employees across the stages of the Absence Management process within the Trust. It also impacts on the ability of the Trust to hold Line Managers to account for their compliance with the policy. Action deadline: 30th June 2023.
- Multiple exceptions identified when testing compliance with the Absence management Policy – this includes informal/formal meetings not being held despite breaches of the absence triggers, incomplete records, lack of Occupational health referral and escalation between stages not in line with policy. Action deadline: 31st May 2023 with training on-going.

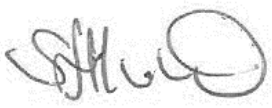
A report is produced at the conclusion of each audit assignment and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Reports are issued to and followed up with the responsible Executive Directors, with the results of audit work reported to the Audit Committee. In addition to the planned programme of work, internal audit provides advice and assistance to senior management on control issues and other matters of concern. Where Internal Audit issued a report rated high risk, the relevant audit executive lead attended the Audit Committee to discuss the report and actions taken. A process was implemented that any extension to action deadlines requires collective executive approval and is presented by the executive Sponsor for the audit.

The Trust is focused on action plans to address the identified risks reported in 2022-23 which have been approved by the Trust Audit Committee. The Trust utilises an electronic solution to track all audit recommendations and actions to enhance monitoring and oversight. The success of this has been sustained and is demonstrated by quarterly reports to Audit Committee.

Conclusion

The Trust Board is committed to the continuous improvement of its governance arrangements to ensure that systems are in place to identify and manage risks correctly. Any serious incidents or incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action. This is to ensure that patients, service users, staff and stakeholders can be confident in the quality of the services delivered, and the effective, economic, and efficient use of resources.

Overall, there is in place a dynamic process for the management of internal control which is reviewed and updated regularly by the Executive Team and various Board Committees that are in place in the Trust to help me meet my responsibilities as Accounting Officer. The risks the Trust has faced, together with the actions taken to address each of these areas are detailed within this annual governance statement. My review confirms that Salisbury NHS Foundation Trust has sound systems of internal control up to the date of approval of the annual report and accounts and no significant internal control issues have been identified.



Stacey Hunter
Chief Executive (Accounting Officer)
22 June 2023 (on behalf of the Trust Board)

SALISBURY NHS FOUNDATION TRUST

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2023

INDEX

FOREWORD TO THE ACCOUNTS

These consolidated accounts for the year ended 31 March 2023 have been prepared by Salisbury NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Signed: 

Stacey Hunter - Chief Executive

Date: 22 June 2023

Independent auditor's report to the Council of Governors of Salisbury NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

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

- based on the work undertaken in the course of the audit of the financial the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 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 Committe, 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 group and 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. We determined that the principal risks were in relation to:

  - high risk and unusual journals;

  - management estimates including land, buildings and dwellings valuations for indicators of management bias;

  - fraudulent revenue recognition – we rebutted income recognition under block contract arrangements, where income could be verified to agreements with third parties. For other income streams the Trust's ability to manipulate revenue recognition in any meaningful way, or to adopt aggressive revenue recognition policies, is determined to be low.

- 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 high risk and unusual journals, including those journals processed by senior officers, journals posted by unauthorised users, journals with blank decriptions, journals that appeared to be unauthorised, journals with related party entities and journals that contained other criteria that we determined presented a higher risk;

  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;

  - 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 communicated with management and the Audit Committee in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue, and the significant accounting estimates related to land and building 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. [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.

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

Responsibilities of the Accounting Officer

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

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

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

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

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

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

Report on other legal and regulatory requirements – Certificate

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

Use of our report

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

Signature:

Barrie Morris

Barrie Morris, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Bristol
Date: 28 June 2023

STATEMENTS OF COMPREHENSIVE INCOME
For The Year Ended 31 March 2023

		Group		Trust	
		2022/23	2021/22	**2022/23**	2021/22
	Note	**£000**	£000	**£000**	£000
Revenue from patient care activities	3	**316,728**	278,480	**316,728**	278,480
Other operating revenue	4	**44,826**	39,252	**31,206**	26,887
Operating expenses	6	**(355,455)**	(311,781)	**(340,321)**	(299,976)
OPERATING SURPLUS		**6,099**	5,951	**7,613**	5,391
FINANCE COSTS					
Finance income	11	**1,082**	309	**1,012**	233
Finance expense	12	**(2,218)**	(2,002)	**(2,159)**	(2,002)
PDC Dividends payable		**(4,447)**	(4,073)	**(4,447)**	(4,073)
NET FINANCE COSTS		**(5,583)**	(5,766)	**(5,594)**	(5,842)
Losses on disposal of assets	15	**(5)**	(249)	**(5)**	(249)
Share of profit of associates/ joint ventures	32	**54**	65	**54**	65
Movement in fair value of other investments	17	**(300)**	438	**-**	-
(Losses) from transfers by absorption	38	**(329)**	-	**(329)**	-
RETAINED SURPLUS/ (DEFICIT) FOR THE YEAR		**(64)**	439	**1,739**	(635)
OTHER COMPREHENSIVE INCOME:					
Items that will not be reclassified to income and expenditure					
Revaluations		**8,869**	10,261	**8,949**	10,042
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,805**	10,700	**10,688**	9,407
NOTE: ALLOCATION OF PROFIT/(LOSSES) FOR THE YEAR					
(a) Surplus/(Deficit) for the period attributable to:					
(i) Minority interest, and		**10**	27	**-**	-
(ii) Owners of Salisbury NHS Foundation Trust		**(74)**	412	**1,739**	(635)
TOTAL		**(64)**	439	**1,739**	(635)
(b) Total comprehensive income/ (expense) for the year attributable to:					
(i) Minority interest, and		**10**	27	**-**	-
(ii) Owners of Salisbury NHS Foundation Trust		**8,795**	10,673	**10,688**	9,407
TOTAL		**8,805**	10,700	**10,688**	9,407

The notes on pages 5 to 56 form an integral part of these financial statements.
All revenue and expenditure is derived from continuing operations.

STATEMENTS OF FINANCIAL POSITION
31 MARCH 2023

		Group		Trust	
		31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	Note	**£000**	£000	**£000**	£000
NON-CURRENT ASSETS					
Intangible assets	14	**6,967**	9,896	**6,967**	9,896
Property, plant and equipment	15	**181,572**	162,419	**179,333**	158,532
Right of use assets	16	**4,805**	-	**2,587**	-
Investments in joint ventures	32	**300**	246	**300**	246
Investments	17	**8,245**	8,225	**500**	-
Other financial assets	18	**2,658**	2,497	**3,900**	4,006
Receivables	20	**402**	656	**402**	656
Total non-current assets		**204,949**	183,939	**193,989**	173,336
CURRENT ASSETS					
Inventories	19	**7,955**	7,939	**6,098**	6,311
Receivables	20	**23,607**	14,211	**21,445**	13,103
Investments	17	**123**	337	**-**	-
Other financial assets	18	**-**	-	**654**	1,940
Cash and cash equivalents	21	**33,179**	39,306	**27,455**	30,819
Total current assets		**64,864**	61,793	**55,652**	52,173
Total assets		**269,813**	245,732	**249,641**	225,509
CURRENT LIABILITIES					
Trade and other payables	22	**(56,668)**	(46,071)	**(54,258)**	(44,755)
Borrowings	23	**(2,000)**	(1,714)	**(1,488)**	(1,546)
Provisions	24	**(475)**	(1,234)	**(475)**	(1,234)
Total current liabilities		**(59,143)**	(49,019)	**(56,221)**	(47,535)
Total assets less current liabilities		**210,670**	196,713	**193,420**	177,974
NON-CURRENT LIABILITIES					
Borrowings	23	**(17,668)**	(18,145)	**(16,275)**	(17,146)
Provisions	24	**(594)**	(895)	**(594)**	(895)
Total non-current liabilities		**(18,262)**	(19,040)	**(16,869)**	(18,041)
TOTAL ASSETS EMPLOYED		**192,408**	177,673	**176,551**	159,933
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital	33	**99,600**	94,826	**99,600**	94,826
Revaluation reserve		**84,729**	75,780	**84,729**	75,780
Income and expenditure reserve		**(6,173)**	(9,239)	**(7,778)**	(10,673)
OTHERS' EQUITY					
Minority Interest		**90**	80	**-**	-
Charitable fund reserves	34	**14,162**	16,226	**-**	-
TOTAL TAXPAYERS' AND OTHERS' EQUITY		**192,408**	177,673	**176,551**	159,933

The notes on pages 5 to 56 form an integral part of these financial statements.
The financial statements on pages 1 to 56 were approved by the Board on 22 June 2023 and signed on its behalf by:

Signed: 

Stacey Hunter - Chief Executive

CONSOLIDATED STATEMENTS OF CHANGES IN TAXPAYERS EQUITY

	Trust				Subsidiary		Charitable Fund	Group
	Public dividend capital (PDC)	Income and expenditure reserve	Revaluation reserve	Trust Reserves	Profit & Loss Reserves	Minority interest	Charitable Funds reserve	Total taxpayers' equity
	£000	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2021	90,997	(10,038)	65,738	146,697	1,142	53	15,252	163,144
Changes in taxpayers' equity for 2021/22								
Retained surplus/(deficit) for the year	-	(635)	-	(635)	292	27	755	439
Other recognised gains and losses	-	-	-	-	-	-	-	-
Impairment of property plant and equipment	-	-	-	-	-	-	-	-
Net gain/(loss) on revaluation of property plant and equipment	-	-	10,042	10,042	-	-	-	10,042
Transfers between reserves	-	-	-	-	-	-	-	-
Revaluations and impairments - charitable fund assets	-	-	-	-	-	-	219	219
Fair Value gains/(losses) on Available-for-sale financial investments	-	-	-	-	-	-	-	-
Other reserve movements	-			-	-	-	-	-
Public dividend capital received in year	4,112	-	-	4,112	-	-	-	4,112
Public dividend capital repaid in year	(283)	-	-	(283)	-	-	-	(283)
Balance at 31 March 2022	**94,826**	**(10,673)**	**75,780**	**159,933**	**1,434**	**80**	**16,226**	**177,673**
Changes in taxpayers' equity for 2022/23								
Implementation of IFRS 16 on 1 April 2022	-	1,156	-	**1,156**	-	-	-	**1,156**
Retained surplus/(deficit) for the year	-	1,739	-	**1,739**	171	10	(1,984)	**(64)**
Other recognised gains and losses	-	-	-	**-**	-	-	-	**-**
Impairment of property plant and equipment	-	-	-	**-**	-	-	-	**-**
Net gain/(loss) on revaluation of property plant and equipment	-	-	8,949	**8,949**	-	-	-	**8,949**
Transfers between reserves	-	-	-	**-**	-	-	-	**-**
Revaluations and impairments - charitable fund assets	-	-	-	**-**	-	-	(80)	**(80)**
Fair Value gains/(losses) on Available-for-sale financial investments	-	-	-	**-**	-	-	**-**	**-**
Other reserve movements	-			**-**	-	-	**-**	**-**
Public dividend capital received in year	4,774	-	-	**4,774**	-	-	**-**	**4,774**
Public dividend capital repaid in year	-	-	-	**-**	-	-	**-**	**-**
Balance at 31 March 2023	**99,600**	**(7,778)**	**84,729**	**176,551**	**1,605**	**90**	**14,162**	**192,408**

The notes on pages 5 to 56 form an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Total operating surplus		**6,099**	5,951	**7,613**	5,391
NON-CASH INCOME AND EXPENSE					
Depreciation and amortisation charge	6	**14,553**	13,682	**13,759**	13,481
Impairments	6	**-**	474	**-**	474
Income recognised in respect of capital donations - NHS Charity		**(2,308)**	(685)	**(2,308)**	(685)
Income recognised in respect of capital donations - Other		**(1,116)**	-	**(1,116)**	-
(Increase)/ decrease in trade and other receivables	20	**(9,324)**	(2,036)	**(8,057)**	(1,229)
(Increase)/ decrease in inventories	19	**(16)**	(305)	**213**	(261)
Increase/ (decrease) in trade and other payables	22	**14,430**	4,608	**13,333**	4,665
Increase/ (decrease) in provisions	24	**(1,058)**	(96)	**(1,058)**	(96)
Movements in charitable fund working capital		**209**	(17)	**-**	-
Net cash inflow from operating activities		**21,469**	21,576	**22,379**	21,740
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**752**	32	**802**	115
Purchase of financial assets		**-**	-	**-**	-
Payments to acquire property, plant and equipment	15	**(24,210)**	(7,839)	**(24,109)**	(7,390)
Receipts from sale of property, plant and equipment		**-**	50	**-**	50
Payments to acquire intangible assets	14	**-**	(1,922)	**-**	(1,922)
NHS charitable funds - net cash flows from investing activities		**58**	57	**-**	-
Net cash (outflow) from investing activities		**(23,400)**	(9,622)	**(23,307)**	(9,147)
CASH FLOWS FROM FINANCING ACTIVITIES					
New public dividend capital received	33	**4,774**	4,112	**4,774**	4,112
Public dividend capital repaid	33	**-**	(283)	**-**	(283)
Loans received		**-**	-	**-**	40
Loan to subsidiary		**-**	-	**-**	(306)
Loan repayment received		**-**	-	**1,053**	-
Movement in loans from the Department of Health and Social Care		**(631)**	(631)	**(631)**	(631)
Capital element of lease liability repayments		**(1,030)**	(435)	**(382)**	(435)
Capital element of Private Finance Initiative obligations	28	**(612)**	(525)	**(612)**	(525)
Interest paid		**(34)**	(44)	**(34)**	(44)
Interest element of lease liability repayments		**(64)**	(20)	**(5)**	(20)
Interest element of Private Finance Initiative obligations	28	**(2,126)**	(1,944)	**(2,126)**	(1,944)
PDC dividend paid		**(4,473)**	(4,047)	**(4,473)**	(4,047)
Net cash inflow/ (outflow) from financing		**(4,196)**	(3,817)	**(2,436)**	(4,083)
Increase/ (decrease) in cash and cash equivalents		**(6,127)**	8,137	**(3,364)**	8,510
Cash and cash equivalents at the beginning of the financial year		**39,306**	31,169	**30,819**	22,309
Cash and cash equivalents at the end of the financial year	21	**33,179**	39,306	**27,455**	30,819

The notes on pages 5 to 56 form an integral part of these financial statements.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Going concern

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

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

1.3 Critical accounting estimates and judgements

International accounting standard IAS1 requires estimates, assumptions and judgements to be continually evaluated and to be based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The purpose of evaluation is to consider whether there may be a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year, compared to the carrying value in these accounts.

Critical accounting judgements employed in the year are outlined in note 35.

Critical accounting estimates made in the year are outlined in note 36.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Basis of Consolidation

1.4.1 NHS Charitable Fund

The Trust is the Corporate Trustee to Salisbury District Hospital Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the 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 consolidation is for reporting purposes only and does not affect the charity's legal and regulatory independence and day to day operations.

The charitable fund's statutory accounts are prepared to 31 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 Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

1.4.2 Subsidiaries

Subsidiary entities are those over which the 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 reserves 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 previous year together with draft figures for the current year.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Unless otherwise stated the notes to the accounts refer to the Group and not the Trust. Where the Trust's balances are materially different, these are stated separately.

1.4.3 Associates

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the Trust from the associate.

1.4.4 Joint ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement.

Joint ventures are accounted for using the equity method.

1.4.5 Joint operations

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Income Recognition

1.5.1 Revenue from contracts with customers

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

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

Where 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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners 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.

These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differs from the agreed level set in the fixed payments, the variable element either increases or reduces the income earned by the Trust at a rate of 75% of the tariff price

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts.

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.

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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Income Recognition (continued)

Revenue from research contracts
Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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

Education and training
Income for training and education is received from Health Education England. The Trust recognises the income when the conditions of the contract have been met.

1.5.2 Other forms of income

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

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

Income received by the Charity
Charitable incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Legacy income is accounted for within the charity as incoming resources, either upon receipt, or where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made, or property transferred, and once all conditions attached to the legacy have been fulfilled.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Expenditure on employee benefits

1.6.1 Short-term employee benefits

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

1.6.2 Pension costs

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

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

National Employment Savings Trust (NEST)
Employees that are not entitled to enrol on the NHS Pension Scheme are auto-enrolled into the Government NEST defined contribution workplace pension scheme.

Under the terms of the NEST scheme employees retain the right to opt-out after having been auto-enrolled.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Subsidiary pension scheme
The subsidiary companies operate defined contribution schemes for employees who have contracts of employment directly with the companies. Employer's pension costs are charged to operating expenses as and when they become due.

These schemes comply with legislative requirements.

1.7 Expenditure on 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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Intangible assets

1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally generated intangible assets

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

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

Software

Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

1.8.2 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 (DRC) and the value in use where the asset is income generating. The Trust uses historic cost less depreciation as an approximation of DRC. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Amortisation

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

Useful lives of intangible assets

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

Software 1 - 7 Years

1.9 Property, plant and equipment

1.9.1 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 will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.9 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.

1.9.2 Measurement

Valuation

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

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

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

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

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

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

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

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Property, plant and equipment (continued)

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

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Useful lives of property, plant and equipment
Items of property, plant and equipment are depreciated over their remaining useful lives, as follows:

Buildings (excluding dwellings)	5 - 72 years
Dwellings	5 - 58 years
Plant and Machinery	1 - 15 years
Transport equipment	3 - 10 years
Information Technology	1 - 10 years
Furniture and Fittings	5 - 15 years

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

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

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

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

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

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Property, plant and equipment (continued)

1.9.3 De-recognition

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their fair value less costs to sell. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds, less costs associated with the sale, and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

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

1.9.4 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 assets that the Trust controls and is obtaining economic benefits from at the year end.

1.9.5 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. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Services received

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

PFI Asset

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. 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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Property, plant and equipment (continued)

PFI liability
A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement
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.

Assets contributed by the Trust to the operator for use in the scheme
Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator
Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.10 Investments

Investments in subsidiary undertakings, associates and joint ventures are treated as fixed asset investments and stated at cost.

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cash flow statement.

Investments in quoted stocks, shares, gilts and alternative investments are included in the Statement of Financial Position at mid-market price, ex-dividend.

All gains and losses are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or value at purchase date if later).

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured on the First In, First Out (FIFO) method. Work-in-progress comprises goods in intermediate stages of production. The Laundry stock value is based on the original cost less an adjustment to reflect usage, over a three year life (except for Towels and Scrub Suits which have a two year life), in determining an approximation of net realisable value.

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.

1.13 Cash and cash equivalents

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

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

1.14 Financial assets and financial liabilities

1.14.1 Recognition

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

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

1.14.2 Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure.

Financial liabilities classified as subsequently measured at amortised cost.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.14.3 Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets and financial liabilities at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

1.14.4 Impairment of financial assets

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

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

The Trust does not normally recognise expected credit losses in relation to other NHS 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 estimated future cash flows discounted at the financial asset's original effective interest rate.

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

1.14.5 De-recognition

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

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.15 Leases

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

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

1.15.1 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.

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.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.15 Leases (continued)

1.15.2 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.

1.15.3 Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

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

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

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

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 or other systematic basis.

1. ACCOUNTING POLICIES (CONTINUED)

1.16 Provisions

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

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 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 from 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% in real terms (prior year: minus 1.30%).

Clinical negligence costs
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust.

The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 24 but is not recognised in the Trust's accounts.

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

1.17 Contingencies

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

A Contingent liability is disclosed 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.

1.18 Public dividend capital

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

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

1. ACCOUNTING POLICIES (CONTINUED)

1.18 Public dividend capital (continued)

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

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

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

1.19 Value Added Tax

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

1.20 Corporation Tax

The Trust does not have a corporation tax liability for the year 2022/23 (2021/22 £nil). Tax may be payable by the Trust on activities described below:

- The activity is not related to the provision of core healthcare as defined under Section 14(1) of the HSCA. Private Healthcare falls under this legislation and is not therefore taxable.
- The activity is commercial in nature and competes with the private sector. In house trading activities are normally ancillary to the core healthcare objectives and are therefore not subject to tax.
- Annual profits from the activity must exceed £50,000

The Trust's subsidiary companies have made a modest profit leading to a corporation tax liability of £34k (2021/22: £37k).

1.21 Climate change levy

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

1.22 Foreign exchange

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

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

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

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

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

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note (note 30) to the accounts in accordance with the requirements of HM Treasury’s FReM.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.24 Losses and Special Payments

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

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

1.25 Gifts

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

1.26 Transfers of functions to other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to 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 body, the assets and liabilities transferred 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.

1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23

1.28 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 Retail Prices Index (RPI). 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.

NOTES TO THE ACCOUNTS

2. Segmental Analysis

Group and Trust

The business activities of the Group can be summarised as that of 'healthcare'. The Trust's activities comprise six key operating areas where costs are closely monitored during the year. The chief operating decision maker for Salisbury NHS Foundation Trust is the Trust Board. Key decisions are agreed at monthly Board meetings and sub-committee meetings of the Board, following scrutiny of performance and resource allocation. The Trust Board review and make decisions on activity and performance of the Trust as a whole entity, not for its separate business activities. The activities of the subsidiary companies, Odstock Medical Limited and Salisbury Trading Limited, and of the charity, Salisbury District Hospital Charitable Fund, are not considered sufficiently material to require separate disclosure.

NOTES TO THE ACCOUNTS

3 Revenue From Patient Care Activities

3.1 Revenue by Nature

	Group and Trust	
	2023	2022
	£000	£000
Aligned payment and incentive (API) contract income/ system block income*	**257,252**	233,471
High cost drugs income from commissioners	**23,908**	20,952
Other NHS clinical income	**5,007**	2,882
Total revenue at full tariff	**286,167**	257,305
Private patient revenue	**2,583**	2,416
Elective recovery fund	**7,919**	3,440
Agenda for change pay award central funding**	**6,740**	-
Additional pension contribution central funding***	**8,062**	7,460
Other clinical income	**5,257**	7,859
Total income from patient care activities	**316,728**	278,480

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.
https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

Other types of activity revenue above includes amounts due for specialist services (e.g. spinal, burns, genetics, cleft lip and palate), direct access, intensive care, community and hospice services.

**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. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

3.2 Revenue by Source

	Group and Trust	
	2023	2022
	£000	£000
NHS England	**68,745**	59,779
Clinical commissioning groups	**51,231**	206,667
Integrated Care Boards	**182,987**	-
Department of Health and Social Care	**39**	7
Other NHS providers	**5,007**	3,853
NHS other	**592**	553
Local authorities	**1,724**	1,553
Non NHS:		
- Private patients	**2,451**	2,416
- Overseas patients (chargeable to patient)	**132**	93
- NHS Injury cost recovery scheme	**906**	640
- Other	**2,914**	2,919
	316,728	278,480

NHS Injury Scheme revenue is subject to a provision for doubtful debts of 24.86% (2022: 23.76%) to reflect expected rates of collection. The doubtful debt provision is included in the allowance for impaired contract receivables included in note 20.3

NOTES TO THE ACCOUNTS

3 Revenue From Patient Care Activities (continued)

3.3 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:

	Group and Trust	
	2023	2022
	£000	£000
Income from services designated as commissioner requested services	**293,874**	259,382
Income from services not designated as commissioner requested services	**22,854**	19,098
	316,728	278,480

3.4 Overseas visitors (relating to patients charged directly by the provider)

	Group and Trust	
	2023	2022
	£000	£000
Income recognised this year	**132**	93
Cash payments received in-year	**75**	90
Amounts added to provision for impairment of receivables	**-**	-
Amounts written off in-year	**3**	2

NOTES TO THE ACCOUNTS

4. Other operating revenue

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Reimbursement and top up funding	**1,229**	3,050	**1,229**	3,050
Research and development	**862**	916	**862**	916
Education and training	**10,400**	10,142	**10,400**	10,142
Non-patient care services to other bodies	**4,855**	3,980	**4,855**	3,980
Received from DHSC group bodies for COVID response- donated assets	**184**	-	**184**	-
Received from NHS charities - donated assets	**-**	-	**2,308**	685
Contributions to expenditure - equipment donated from DHSC group bodies for COVID response below capitalisation threshold	**-**	-	**-**	-
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	**619**	883	**619**	883
Peppercorn leased assets recognised	**932**	-	**932**	-
Salisbury Trading Limited	**11,954**	9,593	**-**	-
NHS Charitable Funds: Incoming Resources excluding investment income	**1,803**	1,820	**-**	-
Odstock Medical Limited	**2,632**	2,151	**-**	-
Accommodation	**1,383**	1,259	**1,383**	1,259
Administrative services provided to Sterile Supplies Limited	**198**	229	**198**	229
Car Parking	**792**	198	**792**	198
Catering	**693**	500	**693**	500
Payroll services provided to other organisations	**2,180**	1,961	**2,180**	1,961
Other	**4,110**	2,570	**4,571**	3,084
	44,826	39,252	**31,206**	26,887

Included within 'Other' revenue above are: Covid mass vaccination centre income £1,750k (2022: £1,188k), Royalty Income £475k (2022: £890k), procurement framework income re: apprenticeships £475k (2022: £433k), Leisure Centre income £148k (2022: £121k), income from the rent and hire of rooms £118k (2022: £166k), cancer transformation £606k (2022: £432k) and overseas recruitment £468k (2022: £23k).

5. Operating lease income

5.1 As lessor

The Trust has entered into short term commercial leases on buildings, which primarily relate to the rental of an area within the hospital main entrance to a high street retailer and properties rented to subsidiary companies.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

5.2 Receipts recognised as income

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Rental revenue from operating leases - minimum lease receipts	**113**	166	**277**	413

5.3 Total future lease income

	Group		Trust	
	2023	2022	**2023**	2022
Future minimum lease receipts due at 31 March 2023:	**£000**	£000	**£000**	£000
- not later than one year	**105**	93	**213**	257
- later than one year and not later than two years	**120**	91	**170**	198
- later than two years and not later than three years	**137**	90	**187**	140
- later than three years and not later than four years	**145**	90	**145**	140
- later than four years and not later than five years	**145**	90	**145**	90
- later than five years	**367**	323	**367**	323
Total	**1,019**	777	**1,227**	1,148

NOTES TO THE ACCOUNTS

6. Operating Expenses

Operating expenses comprise:

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Purchase of healthcare from NHS and DHSC bodies	**4,225**	3,871	**4,225**	3,871
Purchase of healthcare from non-NHS and non-DHSC bodies	**3,569**	3,097	**3,569**	3,097
Staff and executive directors costs	**226,936**	198,535	**218,532**	191,336
Non-executive directors	**156**	166	**156**	166
Supplies and services – clinical (excluding drugs costs)	**29,508**	25,943	**28,244**	25,127
Supplies and services - general	**4,512**	4,861	**3,124**	3,684
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	**29,305**	25,213	**29,305**	25,213
Inventories written down	**-**	99	**-**	99
Consultancy costs	**280**	680	**280**	680
Establishment	**5,490**	3,065	**5,490**	3,065
Premises	**21,364**	16,838	**19,725**	15,649
Transport	**1,872**	1,660	**1,356**	1,056
Depreciation on property, plant and equipment and right of use assets	**11,629**	10,714	**10,835**	10,513
Amortisation on intangible assets	**2,924**	2,968	**2,924**	2,968
Impairments net of (reversals)	**-**	474	**-**	474
Movement in credit loss allowance: contract receivables / contract assets	**342**	15	**342**	15
Provisions arising /(released) in year	**84**	(43)	**84**	(43)
Change in provisions discount rate(s)	**(27)**	4	**(27)**	4
Lease expenditure - short term leases (<= 12 months)	**-**	-		-
Lease expenditure - low value assets (<£5k, excluding short term leases)	**-**	-		-
Lease expenditure - variable lease payments not included in the liability	**-**	-		-
Operating lease expenditure (net)	**-**	94	**-**	136
Audit fees payable to the external auditor				
audit services- statutory audit	**150**	117	**150**	117
Internal audit costs	**126**	111	**126**	111
Clinical negligence	**6,756**	8,190	**6,756**	8,190
Legal fees	**25**	67	**25**	67
Insurance	**213**	292	**213**	292
Research and development	**76**	46	**76**	46
Education and training	**2,665**	1,465	**2,665**	1,465
Charges to operating expenditure for on-SoFP PFI scheme	**1,166**	1,114	**1,166**	1,114
Other NHS charitable fund resources expended	**1,052**	591	**-**	-
Other	**1,057**	1,534	**980**	1,464
	355,455	311,781	**340,321**	299,976

The total employer's pension contributions are disclosed in note 8.1

Redundancy payments totalling £nil (2022: £nil).

There is a limitation on the Auditor's liability of £2.0m (2022: £2.0m). The fees payable to auditors for the statutory audit and additional services above are quoted gross of VAT at 20%, reflecting the Trust's inability to reclaim VAT on this type of expenditure.

Other expenses include professional fees associated with the hospital site development £0.1m (2022: £0.3m) and home testing kits £0.2m (2022: £0.2m).

NOTES TO THE ACCOUNTS

7. Impairment of assets

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Net impairments charged to operating surplus / deficit resulting from:				
Loss or damage from normal operations	**-**	18	**-**	18
Over specification of assets	**-**	456	**-**	456
Total net impairments charged to operating surplus / deficit	**-**	474	**-**	474
Impairments charged to the revaluation reserve	**-**	-	**-**	
Total net impairments	**-**	474	**-**	474

8. Employee benefits

8.1 Staff costs

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Salaries and wages	**169,646**	151,408	**163,028**	145,387
Social security costs	**17,013**	14,788	**17,013**	14,788
Apprenticeship levy	**789**	737	**789**	737
Employer's contributions to NHS pensions	**26,684**	24,583	**26,564**	24,489
Pension cost - other	**42**	42	**42**	42
Temporary staff (including agency)	**13,666**	7,735	**12,000**	6,651
Total gross staff costs	**227,840**	199,293	**219,436**	192,094
Of which				
Costs capitalised as part of assets	**904**	758	**904**	758

NOTES TO THE ACCOUNTS

8. Employee benefits (continued)

8.2 Directors' remuneration

	Group and Trust	
	2023	2022
	£000	£000
Salaries and wages	**1,038**	1,040
Social Security Costs	**134**	127
Employer contributions to Pension Schemes	**168**	161
	1,340	1,328

The total number of Directors accruing benefits under pension schemes is 6 (2022: 6). The Directors Remuneration only relates to the Group.

9. Pension costs

The total cost charged to income in respect of the Group's obligations to the NHS Pension Agency and the defined contribution schemes for Odstock Medical Limited and Salisbury Trading Limited was £18.6m (2022: £17.1m). With the exception of employer contributions to NHSPA paid by NHSE on provider's behalf (6.3%), as at 31 March 2023 (and 2022), contributions of £2.90m (2022: £2.53m) due in respect of the current reporting period (representing the contributions for the final month of the year) had not been paid over to the schemes by the balance sheet date.

9.1 NHS Pension Schemes

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 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 at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

NOTES TO THE ACCOUNTS

9. Pension costs (continued)

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

10. Retirements due to ill-health

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

During the year to 31 March 2023 there was 6 (2022: 5) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £477k (2022: £474k). The cost of the 2023 ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

NOTES TO THE ACCOUNTS

11. Finance income

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Interest on bank accounts	**756**	32	**756**	102
Interest income on finance leases	**-**	-	**-**	
Interest on other investments / financial assets	**162**	102	**256**	131
NHS charitable fund investment income	**164**	175	**-**	-
Other finance income	**-**	-	**-**	-
	1,082	309	**1,012**	233

12. Finance expenditure

	Group		Trust	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Interest on loans from the Department of Health and Social Care	**30**	40	**30**	40
Interest on other loans	**-**	-	**-**	-
Interest on overdrafts	**-**	-	**-**	-
Interest on lease obligations	**64**	20	**5**	20
Interest on late payment of commercial debt	**-**	-	**-**	-
Main finance costs on PFI obligations	**1,061**	1,098	**1,061**	1,098
Contingent finance costs on PFI obligations	**1,065**	846	**1,065**	846
Total finance expense - financial liabilities	**2,220**	2,004	**2,161**	2,004
Unwinding of discounts on provisions	**(2)**	(2)	**(2)**	(2)
Total	**2,218**	2,002	**2,159**	2,002

13. Losses and special payments

	Group and Trust			
	2023		2022	
	Number	**Value**	Number	Value
		£000		£000
Losses				
Cash losses	**1**	**1**	-	-
Fruitless payments and constructive losses	**-**	**-**	1	-
Bad debts and claims abandoned	**140**	**26**	445	308
Stores losses	**4**	**1**	5	100
	145	**28**	451	408
Special payments				
Compensation payments	**-**	**-**	-	-
Extra-contractual payments	**-**	**-**	-	-
Ex-gratia payments	**40**	**45**	23	247
Special severance payments	**-**	**-**	-	-
Extra-statutory and extra-regulatory payments	**-**	**-**	-	-
	40	**45**	23	247
Total losses and special payments	**185**	**73**	474	655

There were no case payments that exceeded £0.1m.

NOTES TO THE ACCOUNTS

14. Intangible Assets

14.1 Intangible assets at the balance sheet date comprise the following elements:

Group and Trust

	Assets under Construction £000	Software Licences £000	Total £000
Cost or valuation			
At 1 April 2022	3,306	17,869	21,175
Additions - purchased	-	-	-
Additions - donated	-	-	-
Impairments charged to operating expenses	-	-	-
Reclassifications	(1,052)	1,052	-
Disposals	-	(217)	(217)
At 31 March 2023	**2,254**	**18,704**	**20,958**
Amortisation			
At 1 April 2022	-	11,279	11,279
Provided during the period	-	2,924	2,924
Impairments charged to operating expenses	-	-	-
Disposals	-	(212)	(212)
Amortisation at 31 March 2023	**-**	**13,991**	**13,991**
Net book value at 31 March 2023			
- Purchased at 31 March 2023	2,254	4,713	6,967
- Donated at 31 March 2023	-	-	-
Total at 31 March 2023	**2,254**	**4,713**	**6,967**

Cost or valuation			
At 1 April 2021	2,143	19,077	21,220
Additions - purchased	1,922	-	1,922
Additions - donated	-	-	-
Impairments charged to operating expenses	-	-	-
Reclassifications	(759)	759	-
Disposals	-	(1,967)	(1,967)
At 31 March 2022	**3,306**	**17,869**	**21,175**
Amortisation			
At 1 April 2021	-	10,268	10,268
Provided during the period	-	2,968	2,968
Impairments charged to operating expenses	-	-	-
Disposals	-	(1,957)	(1,957)
Amortisation at 31 March 2022	**-**	**11,279**	**11,279**
Net book value at 31 March 2022			
- Purchased at 31 March 2022	3,306	6,579	9,885
- Donated at 31 March 2022	-	11	11
Total at 31 March 2022	**3,306**	**6,590**	**9,896**

NOTES TO THE ACCOUNTS

15. Property, plant and equipment

Group

15.1 Property, Plant and equipment at the balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2022	2,401	116,709	7,938	6,007	48,530	110	13,351	3,369	198,415
Reclassification of existing finance leased assets to right of use assets at 1 April 2022	-	-	-	-	(1,782)	-	(1,943)	-	(3,725)
Transfers by absorption	-	-	-	-	(952)	-	(206)	-	(1,158)
Additions - purchased	-	-	-	20,376	-	-	-	-	20,376
Additions - donated	-	-	-	-	2,492	-	-	-	2,492
Impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	3,284	8	(9,723)	2,857	-	3,490	84	-
Revaluation	19	4,252	(82)	-	-	-	-	-	4,189
Transfer to assets held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(2,083)	-	-	-	(2,083)
At 31 March 2023	**2,420**	**124,245**	**7,864**	**16,660**	**49,062**	**110**	**14,692**	**3,453**	**218,506**
Accumulated depreciation									
At 1 April 2022	-	220	-	-	25,098	39	8,292	2,347	35,996
Reclassification of existing finance leased assets to right of use assets at 1 April 2022	-	-	-	-	(108)	-	(1,263)	-	(1,371)
Transfers by absorption	-	-	-	-	(637)	-	(197)	-	(834)
Provided during the period	-	4,224	236	-	3,768	11	1,427	240	9,906
Revaluation	-	(4,444)	(236)	-	-	-	-	-	(4,680)
Impairments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(2,083)	-	-	-	(2,083)
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**26,038**	**50**	**8,259**	**2,587**	**36,934**
Net book value at 31 March 2022									
Owned	2,401	94,593	7,938	6,007	21,592	71	4,379	1,022	138,003
Finance leased	-	-	-	-	1,286	-	680	-	1,966
On balance sheet PFI	-	21,896	-	-	-	-	-	-	21,896
Donated	-	-	-	-	554	-	-	-	554
Total at 31 March 2022	**2,401**	**116,489**	**7,938**	**6,007**	**23,432**	**71**	**5,059**	**1,022**	**162,419**
Net book value at 31 March 2023									
Owned	2,420	101,080	7,864	16,660	22,347	60	6,433	866	157,730
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI	-	23,165	-	-	-	-	-	-	23,165
Donated	-	-	-	-	677	-	-	-	677
Total at 31 March 2023	**2,420**	**124,245**	**7,864**	**16,660**	**23,024**	**60**	**6,433**	**866**	**181,572**

On 31 March 2023 Gerald Eve LLP revalued the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their current value at that date.

NOTES TO THE ACCOUNTS

15. Property, plant and equipment (continued)

Group

15.2 Property, plant and equipment at the previous balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2021	1,813	106,610	7,587	6,082	50,207	251	14,432	3,708	190,690
Additions - purchased	-	-	-	12,574	1,166	-	-	-	13,740
Additions - donated	-	351	-	-	289	-	7	38	685
Impairments	-	(456)	-	-	(18)	-	-	-	(474)
Reclassifications	-	5,373	-	(12,649)	5,209	33	1,877	157	-
Revaluation	588	4,831	351	-	-	-	-	-	5,770
Disposals	-	-	-	-	(8,323)	(174)	(2,965)	(534)	(11,996)
At 31 March 2022	**2,401**	**116,709**	**7,938**	**6,007**	**48,530**	**110**	**13,351**	**3,369**	**198,415**
Accumulated depreciation									
At 1 April 2021	-	-	-	-	29,190	202	9,495	2,593	41,480
Provided during the period	-	4,362	219	-	4,077	11	1,762	282	10,713
Revaluation	-	(4,271)	(219)	-	-	-	-	-	(4,490)
Impairments	-	129	-	-	(129)	-	-	-	-
Disposals	-	-	-	-	(8,040)	(174)	(2,965)	(528)	(11,707)
Accumulated depreciation at 31 March 2022	**-**	**220**	**-**	**-**	**25,098**	**39**	**8,292**	**2,347**	**35,996**
Net book value at 31 March 2021									
Owned	1,813	85,874	7,587	6,082	20,005	49	3,869	1,115	126,394
Finance leased	-	-	-	-	143	-	1,068	-	1,211
On-SoFP PFI	-	20,736	-	-	-	-	-	-	20,736
Donated	-	-	-	-	869	-	-	-	869
Total at 31 March 2021	**1,813**	**106,610**	**7,587**	**6,082**	**21,017**	**49**	**4,937**	**1,115**	**149,210**
Net book value at 31 March 2022									
Owned	2,401	94,593	7,938	6,007	21,592	71	4,379	1,022	138,003
Finance leased	-	-	-	-	1,286	-	680	-	1,966
On-SoFP PFI	-	21,896	-	-	-	-	-	-	21,896
Donated	-	-	-	-	554	-	-	-	554
Total at 31 March 2022	**2,401**	**116,489**	**7,938**	**6,007**	**23,432**	**71**	**5,059**	**1,022**	**162,419**

On 31 March 2022 Gerald Eve LLP reviewed the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their current value at that date.

NOTES TO THE ACCOUNTS

15. Property, plant and equipment (continued)

Trust

15.3 Property, Plant and equipment at the balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2022	1,460	116,709	6,941	6,007	44,677	110	13,351	3,369	192,624
Reclassification of existing finance leased assets to right of use assets at 1 April 2022	-	-	-	-	(228)	-	(1,943)	-	(2,171)
Transfers by absorption	-	-	-	-	(952)	-	(206)	-	(1,158)
Additions - purchased	-	-	-	20,267	-	-	-	-	20,267
Additions - donated	-	-	-	-	2,492	-	-	-	2,492
Impairments	-	-	-	-	-	-	-	-	-
Reclassifications	-	3,284	8	(9,713)	2,847	-	3,490	84	-
Revaluation	-	4,252	42	-	-	-	-	-	4,294
Transfer to assets held for sale	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(2,073)	-	-	-	(2,073)
At 31 March 2023	**1,460**	**124,245**	**6,991**	**16,561**	**46,763**	**110**	**14,692**	**3,453**	**214,275**
Accumulated depreciation									
At 1 April 2022	-	220	-	-	23,204	39	8,292	2,347	34,102
Reclassification of existing finance leased assets to right of use assets at 1 April 2022	-	-	-	-	(108)	-	(1,263)	-	(1,371)
Transfers by absorption	-	-	-	-	(637)	-	(197)	-	(834)
Provided during the period	-	4,224	211	-	3,670	11	1,427	240	9,783
Revaluation	-	(4,444)	(211)	-	-	-	-	-	(4,655)
Impairments	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(2,083)	-	-	-	(2,083)
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**24,046**	**50**	**8,259**	**2,587**	**34,942**
Net book value at 31 March 2022									
Owned	1,460	89,049	6,941	6,007	18,792	71	4,358	804	127,482
Finance leased	-	-	-	-	120	-	680	-	800
On balance sheet PFI	-	21,896	-	-	-	-	-	-	21,896
Donated	-	5,544	-	-	2,571	-	21	218	8,354
Total at 31 March 2022	**1,460**	**116,489**	**6,941**	**6,007**	**21,483**	**71**	**5,059**	**1,022**	**158,532**
Net book value at 31 March 2023									
Owned	1,460	95,360	6,991	16,561	22,717	60	6,433	866	150,448
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI	-	23,165	-	-	-	-	-	-	23,165
Donated	-	5,720	-	-	-	-	-	-	5,720
Total at 31 March 2023	**1,460**	**124,245**	**6,991**	**16,561**	**22,717**	**60**	**6,433**	**866**	**179,333**

On 31 March 2023 Gerald Eve LLP revalued the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their current value at that date.

NOTES TO THE ACCOUNTS

15. Property, plant and equipment (continued)

Trust

15.4 Property, plant and equipment at the previous balance sheet date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
At 1 April 2021	1,010	106,610	6,647	6,082	46,732	251	14,432	3,708	185,472
Additions - purchased	-	-	-	12,125	-	-	-	-	12,125
Additions - donated	-	351	-	-	289	-	7	38	685
Impairments	-	(456)	-	-	(18)	-	-	-	(474)
Reclassifications	-	5,373	-	(12,200)	4,760	33	1,877	157	-
Revaluation	450	4,831	294	-	-	-	-	-	5,575
Disposals	-	-	-	-	(7,076)	(174)	(2,965)	(534)	(10,749)
At 31 March 2022	**1,460**	**116,709**	**6,941**	**6,007**	**44,687**	**110**	**13,351**	**3,369**	**192,634**
Accumulated depreciation									
At 1 April 2021	-	-	-	-	26,236	202	9,495	2,593	38,526
Provided during the period	-	4,362	196	-	3,900	11	1,762	282	10,513
Revaluation	-	(4,271)	(196)	-	-	-	-	-	(4,467)
Impairments	-	129	-	-	(129)	-	-	-	-
Disposals	-	-	-	-	(6,803)	(174)	(2,965)	(528)	(10,470)
Accumulated depreciation at 31 March 2022	**-**	**220**	**-**	**-**	**23,204**	**39**	**8,292**	**2,347**	**34,102**
Net book value at 31 March 2021									
Owned	1,010	80,588	6,647	6,082	17,245	49	3,851	868	116,340
Finance leased	-	-	-	-	143	-	1,068	-	1,211
On-SoFP PFI	-	20,736	-	-	-	-	-	-	20,736
Donated	-	5,286	-	-	3,118	-	18	247	8,669
Total at 31 March 2021	**1,010**	**106,610**	**6,647**	**6,082**	**20,506**	**49**	**4,937**	**1,115**	**146,956**
Net book value at 31 March 2022									
Owned	1,460	89,049	6,941	6,007	18,792	71	4,358	804	127,482
Finance leased	-	-	-	-	120	-	680	-	800
On-SoFP PFI	-	21,896	-	-	-	-	-	-	21,896
Donated	-	5,544	-	-	2,571	-	21	218	8,354
Total at 31 March 2022	**1,460**	**116,489**	**6,941**	**6,007**	**21,483**	**71**	**5,059**	**1,022**	**158,532**

On 31 March 2022 Gerald Eve LLP reviewed the Trust's land, buildings and dwellings on a Modern Equivalent Asset basis in accordance with the guidance included in the Royal Institution of Chartered Surveyors Valuation Standards. As a result, these assets were revalued to bring them to their current value at that date.

NOTES TO THE ACCOUNTS

16. Leases - Salisbury NHS Foundation Trust as a lessee

This note details information about leases for which the Trust is a lessee.

The Trust leases rooms in medical centres/ practices to provide outreach clinics closer to the population it serves, vehicles for staff visiting these sites as well as patients in their own homes, commercial vehicles for site management, a computer server environment and medical equipment provided as part of managed service agreements. The subsidiary company, Salisbury Trading Limited, is purchasing through a leasing arrangement new laundry equipment as well as the hire of commercial premises for production and storage of laundered items and vehicles for delivery.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

16.1 Right of use assets - 2022/23

Group	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total	Of which:leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	1,782	-	1,943	-	3,725	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	947	1,166	390	-	-	2,503	-
Transfers by absorption	-	-	-	-	-	-	-
Additions - leases	120	17	602	-	-	739	-
Additions - peppercorn leases	-	932	-	-	-	932	-
Remeasurements of the lease liability	-	-	-	-	-	-	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
At 31 March 2023	**1,067**	**3,897**	**992**	**1,943**	**-**	**7,899**	**-**
Accumulated depreciation							
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	108	-	1,263	-	1,371	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	301	745	288	389	-	1,723	-
Impairments	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2023	**301**	**853**	**288**	**1,652**	**-**	**3,094**	**-**
Net book value at 31 March 2023	**766**	**3,044**	**704**	**291**	**-**	**4,805**	**-**

NOTES TO THE ACCOUNTS

16. Leases - Salisbury NHS Foundation Trust as a lessee (continued)

16.2 Right of use assets - 2022/23

Trust	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total	Of which:leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation							
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	228	-	1,943	-	2,171	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	475	1,158	129	-	-	1,762	-
Transfers by absorption	-	-	-	-	-	-	-
Additions - leases	120	17	9	-	-	146	-
Additions - peppercorn leases	-	932	-	-	-	932	-
Remeasurements of the lease liability	-	-	-	-	-	-	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
At 31 March 2023	**595**	**2,335**	**138**	**1,943**	**-**	**5,011**	**-**
Accumulated depreciation							
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	108	-	1,263	-	1,371	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	88	522	54	389	-	1,053	-
Impairments	-	-	-	-	-	-	-
Reversal of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Accumulated depreciation at 31 March 2023	**88**	**630**	**54**	**1,652**	**-**	**2,424**	**-**
Net book value at 31 March 2023	**507**	**1,705**	**84**	**291**	**-**	**2,587**	**-**

NOTES TO THE ACCOUNTS

16. Leases - Salisbury NHS Foundation Trust as a lessee (continued)

16.3 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 23.

	Group 2022/23 £'000	Trust 2022/23 £'000
Carrying value at 31 March 2022	**1,457**	**291**
IFRS 16 implementation - adjustments for existing operating leases	1,347	613
Transfers by absorption	-	-
Lease additions	739	145
Lease liability remeasurements	-	-
Interest charge arising in year	64	5
Early terminations	-	-
Lease payments (cash outflows)	(1,094)	(446)
Other changes	-	-
Carrying value at 31 March 2023	**2,513**	**608**

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.

16.4 Maturity analysis of future lease payments at 31 March 2023

	Group 31 March 2023 £000	Trust 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	728	138
- later than one year and not later than five years;	1,538	221
- later than five years.	508	297
Total gross future lease payments	**2,774**	**656**
Finance charges allocated to future periods	(261)	(48)
Net lease liabilities at 31 March 2023	**2,513**	**608**
Of which:		
- Leased from other NHS providers	-	-
- Leased from other DHSC group bodies	-	-

16.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group 31 March 2022 £000	Trust 31 March 2022 £000
Undiscounted future lease payments payable in:		
- not later than one year;	502	306
- later than one year and not later than five years;	1,172	-
- later than five years.	-	-
Total gross future lease payments	**1,674**	**306**
Finance charges allocated to future periods	(217)	(15)
Net finance lease liabilities at 31 March 2022	1,457	291
of which payable:		
- not later than one year;	458	291
- later than one year and not later than five years;	999	-
- later than five years.	-	-

NOTES TO THE ACCOUNTS

16. Leases - Salisbury NHS Foundation Trust as a lessee (continued)

16.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group 2021/22 £000	Trust 2021/22 £000
Operating lease expense		
Minimum lease payments	94	108
Contingent rents	-	-
Less sublease payments received	-	-
Total	94	108

	Group 31 March 2022 £000	Trust 31 March 2022 £000
Future minimum lease payments due:		
- not later than one year;	28	52
- later than one year and not later than five years;	27	26
- later than five years.	-	-
Total	55	78
Future minimum sublease payments to be received	-	

16.7 Initial application of IFRS 16 on 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 in note 1.15

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%.

	Group 1 April 2022 £000	Trust 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**55**	**78**
Impact of discounting at the incremental borrowing rate	-	-
IAS 17 operating lease commitment discounted at incremental borrowing rate	**55**	**78**
adjustments:		
Adjustments for contracts reassessed for being or containing a lease on transition to IFRS 16.	1,292	535
Finance lease liabilities under IAS 17 as at 31 March 2022	1,457	291
Total lease liabilities under IFRS 16 as at 1 April 2022	**2,804**	**904**

17. Investments

Non-current	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Carrying value at 1 April	**8,225**	7,893	-	-
Additions	**3,160**	7,415	500	-
Fair value (losses)/ gains taken to I & E	**(300)**	438	-	-
Fair value movements taken to OCI	**-**	-	-	-
Disposals	**(2,840)**	(7,521)	-	-
Carrying value at 31 March	**8,245**	8,225	**500**	-
Current				
Financial assets designated at amortised cost	**123**	337	**-**	-

NOTES TO THE ACCOUNTS

17. Investments (continued)

Non-current investments represents an investment portfolio managed by HSBC Private Bank (UK) Limited on behalf of the charitable fund.

Current asset investments are the cash balances held by HSBC Private Bank (UK) Limited on behalf of the charitable fund and represents dividend income, interest income and the proceeds of fixed asset investment disposals which have not yet been reinvested.

During 2022-23 a loan of £500k previously provided to Salisbury Trading Limited by the Trust was converted into Salisbury Trading Limited ordinary shares, see also note 18.

Fair value measurement of investments
Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: unobservable inputs for the asset or liability

The investments in the group financial statements are all level 1 investments and are measured at quoted prices at the date of the Statement of Financial Position.

18. Other financial assets

Non-current	**Group**		**Trust**	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Carrying value at 1 April	**2,497**	2,395	**4,006**	4,551
Loans provided in year	**-**	-		306
Transfer (to)/ from current assets	**-**	-	**1,286**	(913)
Amortisation at the effective interest rate	**161**	102	**161**	102
Loan converted to share capital			**(500)**	-
Repayments in year	**-**	-	**(1,053)**	(40)
Carrying value at 31 March	**2,658**	2,497	**3,900**	4,006
Current				
Carrying value at 1 April	**-**	-	**1,940**	1,027
Transfer from/ (to) non-current assets	**-**	-	**(1,286)**	913
Loans	**-**	-	**-**	-
Carrying value at 31 March	**-**	-	**654**	1,940

NOTES TO THE ACCOUNTS

18. Other financial assets (continued)

Current other financial assets represent loans made to:
a) Salisbury Trading Limited to purchase laundry equipment and laundry stocks from Salisbury NHS Foundation Trust on the commencement of the subsidiary business due in less than one year; and
b) Salisbury Trading Limited to purchase laundry stocks following the successful tender to acquire new business.
c) Odstock Medical Limited to assist with working capital requirements

Non-current other financial assets represent loans made to:
a) Salisbury Trading Limited to purchase laundry equipment and laundry stocks from Salisbury NHS Foundation Trust on the commencement of the subsidiary business due after more than one year: and
b) Sterile Supplies Limited to re-develop a new production facility with a third party.
c) Odstock Medical Limited to assist with working capital requirements

Details of the loans to Salisbury Trading Limited are as follows:
1. £1.3m to purchase the laundry stock.
2. £2.0m to purchase the laundry equipment.
3. £0.5m to purchase laundry stocks.
4. £0.7m to purchase laundry stock.
5. £0.5m to purchase laundry stock to assist with the Covid 19 pandemic.

The first four of the loans with an outstanding balance of £2.682m at 31 March 2022 were amalgamated into one loan during the year. This loan will be repaid over the next five years culminating in the final repayment on 1 April 2026.

The remaining fifth loan of £0.5m at 31 March 2022 was converted into ordinary shares in Salisbury Trading Limited during 2022-23.

Details of the loan to Sterile Supplies Limited is as follows:
In March 2016 the Trust made a loan to its then wholly owned subsidiary company, Sterile Supplies Limited. The intention was for this sum to be used to help finance a joint venture arrangement with a third party, which will deliver cost savings into the future. Until the joint venture agreement was finalised and formal agreement signed, the loan remained repayable on demand.

During 2016-17 Sterile Supplies Limited became the joint venture vehicle between the Trust and a third party, Steris Plc (Registered in Ireland (formerly Synergy Health Plc)). As part of the joint venture agreement the Trust ceded control of Sterile Supplies Limited and the loan agreement was formalised as long term.

The long term loan of £2.0m is to assist the development of a new production facility. Loan repayments will commence when the building becomes operational. Interest is payable at 4% above the Bank of England base rate and is capitalised and added to the principal sum.

Details of the loan to Odstock Medical Limited is as follows:
During 2021-22 the Trust made a loan to its wholly owned subsidiary company, Odstock Medical Limited, to assist with its working capital requirements. The loan repayments commenced in November 2021. Interest is payable at 3.5% above the Bank of England base rate and is capitalised and added to the principal sum.

NOTES TO THE ACCOUNTS

19. Inventories

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Drugs	**1,933**	1,395	**1,933**	1,395
Consumables	**3,784**	4,554	**3,784**	4,554
Laundry	**1,857**	1,628	**-**	-
Other	**381**	362	**381**	362
	7,955	7,939	**6,098**	6,311
Inventories recognised as an expense in the period	**60,007**	54,095	**58,814**	52,697

In response to the Covid pandemic, The Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During the year the Trust received £619k (2021/22: £883k) items free of charge.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

20. Receivables

20.1 Amounts falling due after more than one year:

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Clinician pension tax provision reimbursement funding from NHSE	**402**	656	**402**	656
	402	656	**402**	656
Of which receivables from NHS and DHSC group	**402**	656	**402**	656

20.2 Amounts falling due within one year:

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Contract receivables	**20,619**	11,079	**18,409**	9,900
Allowance for impaired contract receivables / assets	**(1,270)**	(954)	**(1,270)**	(954)
Prepayments (non-PFI)	**2,880**	2,930	**2,928**	2,930
PDC dividend receivable	**57**	31	**57**	31
VAT receivable	**1,136**	950	**1,136**	950
Clinician pension tax provision reimbursement funding from NHSE	**16**	9	**16**	9
Other receivables	**169**	166	**169**	237
	23,607	14,211	**21,445**	13,103
Of which receivables from NHS and DHSC group	**11,315**	3,464	**11,315**	3,464

NOTES TO THE ACCOUNTS

20. Receivables (continued)

The majority of transactions are with Integrated Care Boards (ICBs) or NHS England's Specialist Commissioners, as commissioners for NHS patient care services. As ICBs and Specialist Commissioners are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary.

The average credit period taken on sale of goods is 24 days (2022: 17 days). No interest is charged on trade receivables.

20.3 Allowance for credit losses

Group and Trust

	31 March 2023 receivables and contract assets £000	**All other receivables £000**	31 March 2022 receivables and contract assets £000	All other receivables £000
Allowance for credit losses at 1 April - brought forward	**954**	**-**	1,351	-
New allowances arising	**342**	**-**	15	-
Utilisation of allowances (write offs)	**(26)**	**-**	(412)	-
Balance at 31 March	**1,270**	**-**	954	-

An allowance for impairment is made where there is an identifiable event which, based on previous experience, is evidence that the monies will not be recovered in full.

21. Cash and cash equivalents

	Group		**Trust**	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Balance at beginning of year	**39,306**	31,169	**30,819**	22,309
Net change in year	**(6,127)**	8,137	**(3,364)**	8,510
Balance at end of year	**33,179**	39,306	**27,455**	30,819
Made up of:				
Cash with Government Banking Service	**27,240**	30,791	**27,240**	30,791
Cash at commercial banks and in hand	**5,939**	8,515	**215**	28
Cash and cash equivalents as in balance sheet	**33,179**	39,306	**27,455**	30,819
Bank overdrafts	**-**	-	**-**	-
Cash and cash equivalents as in cash flow statement	**33,179**	39,306	**27,455**	30,819

NOTES TO THE ACCOUNTS

22. Trade and other payables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Amounts falling due within one year:				
Trade payables	**28,342**	18,942	**25,902**	17,614
Capital payable	**5,455**	9,289	**5,455**	9,289
Accruals and deferred income	**2,357**	2,514	**2,357**	2,514
Receipts in advance	**1,456**	2,140	**1,456**	2,140
Social security and other taxes payable	**4,559**	4,115	**4,559**	4,115
PDC dividend payable	**-**	-	**-**	-
Pay creditor re: agenda for change pay offer	**7,101**	-	**7,101**	-
Pay and pensions related	**5,280**	5,449	**5,280**	5,449
Other	**2,118**	3,622	**2,148**	3,634
	56,668	46,071	**54,258**	44,755
Of which payables from NHS and DHSC group bodies:	**3,731**	2,845	**3,731**	2,845

Included in 'Other' payables is £1.1m (2022: £1.2m) potential exposure following change in Vat guidance, £Nil (2022: £0.9m) funds due as an agent on an education training contract, £Nil (2022: £0.3m) Public Dividend capital repayable.

All Trade and other payables are current liabilities.

23. Borrowings

Group	Current		Non-current	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Lease liabilities *	**660**	458	**1,853**	999
Amounts due under PFI (note 29.7)	**699**	612	**14,865**	15,564
Loans from Department of Health and Social Care (DHSC)	**641**	644	**950**	1,582
	2,000	1,714	**17,668**	18,145

Trust	Current		Non-current	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Lease liabilities *	**148**	290	**460**	-
Amounts due under PFI (note 29.7)	**699**	612	**14,865**	15,564
Loans from Department of Health and Social Care (DHSC)	**641**	644	**950**	1,582
	1,488	1,546	**16,275**	17,146

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 16.

The capital loan from the Department of Health and Social Care is unsecured and for a 10 year period, repayable in equal instalments commencing on 18 May 2016. Interest is payable on the loan at a rate of 1.64% pa.

NOTES TO THE ACCOUNTS

23. Borrowings (continued)

23.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2022/23	Loans from DHSC £000	Other loans £000	Lease liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	**2,226**	**-**	**1,457**	**16,176**	**19,859**
Cash movements:					
Financing cash flows - payments and receipts of principal	(631)	-	(1,030)	(612)	**(2,273)**
Financing cash flows - payments of interest	(34)	-	(64)	(1,061)	**(1,159)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	1,347	-	**1,347**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	739	-	**739**
Lease liability remeasurements	-	-	-	-	**-**
Application of effective interest rate	30	-	64	1,061	**1,155**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2023	**1,591**	**-**	**2,513**	**15,564**	**19,668**

Group - 2021/22	Loans from DHSC £000	Other loans £000	Lease liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2021	**2,861**	**-**	**726**	**16,701**	**20,288**
Cash movements:					
Financing cash flows - payments and receipts of principal	(631)	-	(435)	(525)	**(1,591)**
Financing cash flows - payments of interest	(44)	-	(20)	(1,098)	**(1,162)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	1,166	-	**1,166**
Application of effective interest rate	40	-	20	1,098	**1,158**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2022	**2,226**	**-**	**1,457**	**16,176**	**19,859**

NOTES TO THE ACCOUNTS

23. Borrowings (continued)

23.2 Reconciliation of liabilities arising from financing activities (Trust)

Trust - 2022/23	Loans from DHSC £000	Other loans £000	Lease liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	**2,226**	**-**	**291**	**16,176**	**18,693**
Cash movements:					
Financing cash flows - payments and receipts of principal	(631)	-	(441)	(612)	**(1,684)**
Financing cash flows - payments of interest	(34)	-	(5)	(1,061)	**(1,100)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	613	-	**613**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	145	-	**145**
Lease liability remeasurements	-	-	-	-	**-**
Application of effective interest rate	30	-	5	1,061	**1,096**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2023	**1,591**	**-**	**608**	**15,564**	**17,763**

Trust - 2021/22	Loans from DHSC £000	Other loans £000	Lease liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2021	**2,861**	**-**	**726**	**16,701**	**20,288**
Cash movements:					
Financing cash flows - payments and receipts of principal	(631)	-	(435)	(525)	**(1,591)**
Financing cash flows - payments of interest	(44)	-	(20)	(1,098)	**(1,162)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	40	-	20	1,098	**1,158**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2022	**2,226**	**-**	**291**	**16,176**	**18,693**

NOTES TO THE ACCOUNTS

24. Provisions for liabilities and charges

Group and Trust	Current		Non-current	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
Pensions - early departure costs	**14**	13	**26**	25
Pensions - injury benefits	**25**	24	**166**	214
Legal claims	**375**	973	**-**	-
Clinician pension tax reimbursement	**16**	9	**402**	656
Other	**45**	215	**-**	-
	475	1,234	**594**	895

	Pensions - Early departure costs	Pensions - Injury benefits	Legal claims	Clinician pension tax	Other	**Total**
	£000	£000	£000	£000	£000	**£000**
At 1 April 2022	38	238	973	665	215	**2,129**
Change in the discount rate	-	(27)	-	(368)	-	**(395)**
Arising during the year	16	6	182	133	-	**337**
Utilised during the year	(14)	(24)	(35)	(20)	-	**(93)**
Reversed unused	-	-	(745)	-	(170)	**(915)**
Unwinding of discount	-	(2)	-	8	-	**6**
At 31 March 2023	**40**	**191**	**375**	**418**	**45**	**1,069**
Expected timing of cash flows:						
Within 1 year	14	25	375	16	45	**475**
1 - 5 years	26	88	-	19	-	**133**
5+ years	-	78	-	383	-	**461**
	40	**191**	**375**	**418**	**45**	**1,069**

	Pensions - Early departure costs	Pensions - Injury benefits	Legal claims	Clinician pension tax	Other	**Total**
	£000	£000	£000	£000	£000	**£000**
At 1 April 2021	32	259	453	762	721	**2,227**
Change in the discount rate	-	4	-	-	-	**4**
Arising during the year	20	1	528	-	-	**549**
Utilised during the year	(14)	(24)	(8)	-	-	**(46)**
Reversed unused	-	-	-	(97)	(506)	**(603)**
Unwinding of discount	-	(2)	-	-	-	**(2)**
At 31 March 2022	**38**	**238**	**973**	**665**	**215**	**2,129**
Expected timing of cash flows:						
Within 1 year	13	24	973	9	215	**1,234**
1 - 5 years	5	96	-	6	-	**107**
5+ years	20	118	-	650	-	**788**
	38	**238**	**973**	**665**	**215**	**2,129**

Pension provisions arise from early retirements which do not result from ill health. These liabilities are not funded by the NHS Pension Scheme.

Legal claims relate to the Trust's provision for personal injury and employee claims. These are based on valuation reports provided by the Trust's legal advisers.

NOTES TO THE ACCOUNTS

24. Provisions for liabilities and charges (continued)

Clinician pension tax reimbursement provision arises in respect of clinicians who are members of the NHS Pension Scheme, and who as a result of work undertaken, face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold. Government policy is that the Trust will reimburse the NHS Pension Scheme on the retirement of the clinician in exchange for the Scheme paying the additional tax due.

Other provisions relate to an additional tax liability following revised guidance by HMRC.

£88.1 m is included in the provisions of NHS Resolution at 31 March 2023 in respect of clinical negligence liabilities of the Trust (2022: £122.9 m).

25. Capital and other commitments

Capital commitments - Group and Trust

Commitments under capital expenditure contracts at the balance sheet date were £4.3 m (2022:£1.7 m).

26. Contingent liabilities

The Trust has agreed in principle to underwrite any loans to its subsidiary company, Odstock Medical Limited, up to a value of £0.5m.

27. Related Party Transactions

Salisbury NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The Department of Health and Social Care is regarded as a related party. During the year ended 31 March 2023 the Foundation Trust has had a significant number of material transactions with other entities for which the Department is regarded as the parent. These entities include Clinical Commissioning Groups, NHS England, Health Education England, NHS Resolution and other Trusts and Foundation Trusts.

Salisbury NHS Foundation Trust also has transactions with its subsidiary companies, joint ventures and charitable funds (for which it is the Corporate Trustee) These are listed below:

	Income £000	Expenditure £000	Receivables £000	Payables £000
Year ending 31 March 2023				
Salisbury Trading Limited	**206**	**997**	**1,081**	**128**
Odstock Medical Limited	**214**	**-**	**63**	**1**
Salisbury District Hospital Charitable Fund	**1,089**	**39**	**470**	**-**
Sterile Supplies Limited	**263**	**2,123**	**1**	**222**
Wiltshire Health and Care LLP	**591**	**224**	**140**	**24**
Locums Nest Limited	**-**	**64**	**-**	**-**
Year ending 31 March 2022				
Salisbury Trading Limited	261	817	239	59
Odstock Medical Limited	214	-	78	1
Salisbury District Hospital Charitable Fund	724	42	543	-
Sterile Supplies Limited	1,178	1,988	243	199
Wiltshire Health and Care LLP	616	269	64	21

During the period none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Salisbury NHS Foundation Trust.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies.

NOTES TO THE ACCOUNTS

28. Private Finance Initiative Schemes (PFI)

28.1 PFI schemes deemed to be on-Statement of Financial Position

Contract start date: 3 March 2004
Contract end date: 31 January 2036
The PFI scheme provides modern clinical buildings for patient services
At the end of the contract term the hospital buildings revert back to the Trust for
There were no changes to the terms and conditions of the PFI agreement

Terms of the Arrangement - the unitary payment is comprised of two elements, an Availability fee which is fixed for the duration of the contract and a service fee which is subject to indexation based upon 'the Retail Prices Index (RPI) All items'. At the end of the project term the Agreement will terminate with no compensation payable. In the event of re-financing of the PFI the Trust is entitled to receive half of the re-financing cash flow benefits.

28.2 PFI scheme - Charge to operating expense in Statement of Comprehensive Income

	Group and Trust	
	2023	2022
	£000	£000
Amounts included within operating expenses in respect of the 'service' element of PFI schemes deemed to be on-Statement of Financial Position	**1,166**	1,114
Depreciation of PFI asset	**638**	594
Net charge to operating expenses	**1,804**	1,708

28.3 PFI scheme - Analysis of amounts payable to service concession operator

	Group and Trust	
	2023	2022
	£000	£000
Interest	**1,061**	1,098
Repayment of finance lease liability	**612**	526
Service element	**1,166**	1,114
Capital lifecycle maintenance	**425**	440
Contingent rent	**1,065**	846
Unitary payment payable to service concession operator	**4,329**	4,024

28.4 Annual commitments under Private Finance Transactions - On Statement of Financial Position

The Trust is committed to make the following service payments on the PFI:	**2023**	2022
	£000	£000
Due within one year	**1,290**	1,166
Due within 2 to 5 years	**5,406**	4,794
Due after 5 years	**10,994**	11,190
	17,690	17,150

The annual charge will be indexed each year. Indexation will be increased in line with the Retail Price Index.

Imputed finance lease obligations comprise:	**Minimum lease payments**		**Present value of minimum lease payments**	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Rentals due within one year	**1,718**	1,673	**699**	612
Rentals due within 2 to 5 years	**6,976**	6,936	**3,413**	3,159
Rentals due thereafter	**15,002**	16,761	**11,452**	12,405
	23,696	25,370	**15,564**	16,176
Less: interest element	**(8,132)**	(9,194)		
Total	**15,564**	16,176		

NOTES TO THE ACCOUNTS

28. Private Finance Initiative Schemes (PFI) (continued)

28.5 Total future payments committed in respect of PFI

	2023	2022
	£000	£000
Total	**73,244**	70,510
of which due:		
Within one year	**4,910**	4,329
Within 2 to 5 years	**20,900**	18,424
Due thereafter	**47,434**	47,757
Total	**73,244**	70,510

29. Financial instruments

IFRS 7 and IFRS 9 require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The main source of income for the Group is under contracts from commissioners in respect of healthcare services. Due to the way that the Commissioners are financed, the Group is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

29.1 Currency risk

The Group is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Group has no overseas operations although the charity holds a small number of investments denominated in United States dollars and Euros, these are immaterial and, as a result, the Group has low exposure to currency fluctuations.

29.2 Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under contracts with commissioners, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from funds made available from Government. Salisbury NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

29.3 Interest-rate risk

The Group's financial liabilities carry either nil or fixed rates of interest. The Group is not exposed to significant interest-rate risk.

29.4 Liquidity and interest risk tables

The interest rate profile of the non-derivative financial liabilities of the Group, their contractual maturity profile and their weighted average effective interest rates are as follows:

As at 31 March 2023

	Weighted average effective interest rate	Less than one month	1-3 months	3 months to 1 year	1-2 years	2-5 years	over 5 years	Discount	**Total**
	%	£000	£000	£000	£000	£000	£000	£000	**£000**
Fixed rate									
Finance lease obligations	**3.4 - 5.1**	**61**	**121**	**546**	**385**	**1,153**	**508**	**(261)**	**2,513**
PFI obligations	**6.5**	**139**	**278**	**1,301**	**1,718**	**5,258**	**15,002**	**(8,132)**	**15,564**
DHSC capital loan	**1.64**	**-**	**328**	**326**	**644**	**322**	**-**	**(29)**	**1,591**
Floating rate									
Trade and other payables	**-**	**36,154**	**-**	**-**	**-**	**-**	**-**	**-**	**36,154**

As at 31 March 2022

	Weighted average effective interest rate	Less than one month	1-3 months	3 months to 1 year	1-2 years	2-5 years	over 5 years	Discount	**Total**
	%	£000	£000	£000	£000	£000	£000	£000	**£000**
Fixed rate									
Finance lease obligations	3.4 - 5.1	16	33	453	195	586	391	(217)	1,457
PFI obligations	6.5	139	278	1,256	1,718	5,218	16,761	(9,194)	16,176
DHSC capital loan	1.64	-	334	331	655	966	-	(73)	2,213
Floating rate									
Trade and other payables	-	30,745	-	-	-	-	-	-	30,745

NOTES TO THE ACCOUNTS

29. Financial instruments (continued)

29.5 Credit risk

As the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk, the maximum exposures at 31 March 2023 are in receivables from customers, as disclosed in note 20.

29.6 Carrying values of financial assets

Group	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2023				
Trade and other receivables excluding non financial assets	**19,745**	**-**	-	**19,745**
Other investments / financial assets	**2,658**	**-**	-	**2,658**
Cash and cash equivalents	**28,891**	**-**	-	**28,891**
Consolidated NHS Charitable fund financial assets	**4,602**	**8,245**	**-**	**12,847**
Total at 31 March 2023	**55,896**	**8,245**	**-**	**64,141**

Group	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2022				
Trade and other receivables excluding non financial assets	10,557	-	-	10,557
Other investments / financial assets	2,497	-	-	2,497
Cash and cash equivalents	33,448	-	-	33,448
Consolidated NHS Charitable fund financial assets	6,197	8,225	-	14,422
Total at 31 March 2022	52,699	8,225	-	60,924

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2023				
Trade and other receivables excluding non financial assets	**17,324**	-	-	**17,324**
Other investments / financial assets	**5,354**	-	-	**5,354**
Cash and cash equivalents	**27,455**	-	-	**27,455**
Total at 31 March 2023	**50,133**	**-**	**-**	**50,133**

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total carrying value £000
Carrying values of financial assets as at 31 March 2022				
Trade and other receivables excluding non financial assets	9,848	-	-	9,848
Other investments / financial assets	6,192	-	-	6,192
Cash and cash equivalents	30,819	-	-	30,819
Total at 31 March 2022	46,859	-	-	46,859

NOTES TO THE ACCOUNTS

29. Financial Instruments (continued)

29.7 Carrying values of financial liabilities

Group	Held at amortised cost £000	Held at fair value through I&E £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	**1,591**	**-**	**1,591**
Obligations under leases	**2,513**	**-**	**2,513**
Obligations under PFI, LIFT and other service concession contracts	**15,564**	**-**	**15,564**
Trade and other payables excluding non financial liabilities	**50,605**	**-**	**50,605**
Provisions under contract	**903**	**-**	**903**
Total at 31 March 2023	**71,176**	**-**	**71,176**

Group	Held at amortised cost £000	Held at fair value through I&E £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2022			
Loans from the Department of Health and Social Care	2,226	-	2,226
Obligations under finance leases	1,457	-	1,457
Obligations under PFI, LIFT and other service concession contracts	16,176	-	16,176
Trade and other payables excluding non financial liabilities	39,486	-	39,486
Provisions under contract	1,820	-	1,820
Total at 31 March 2022	61,165	-	61,165

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	**1,591**	**-**	**1,591**
Obligations under finance leases	**608**	**-**	**608**
Obligations under PFI, LIFT and other service concession contracts	**15,564**	**-**	**15,564**
Trade and other payables excluding non financial liabilities	**48,243**	**-**	**48,243**
Provisions under contract	**903**	**-**	**903**
Total at 31 March 2023	**66,909**	**-**	**66,909**

Unless otherwise stated above, carrying value is considered to be a reasonable approximation of fair value.

NOTES TO THE ACCOUNTS

29. Financial Instruments (continued)

Trust	Held at amortised cost £000	Held at fair value through I&E £000	Total carrying value £000
Carrying values of financial liabilities as at 31 March 2022			
Loans from the Department of Health and Social Care	2,226	-	2,226
Obligations under finance leases	291	-	291
Obligations under PFI, LIFT and other service concession contracts	16,176	-	16,176
Trade and other payables excluding non financial liabilities	38,217	-	38,217
Provisions under contract	1,820	-	1,820
Total at 31 March 2022	58,730	-	58,730

Maturity of financial liabilities - undiscounted future cash flows

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
In one year or less	**54,784**	43,251	**52,421**	42,262
In more than one year but not more than five years	**9,613**	9,836	**9,613**	9,836
In more than five years	**15,971**	17,549	**15,971**	17,549
Total	**80,368**	70,636	**78,005**	69,647

30. Third Party Assets

The Trust held £nil cash at bank and in hand at 31 March 2023 (2022: £0.5k) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

31. Investment in subsidiary

31.1 Odstock Medical Limited

Salisbury NHS Foundation Trust established, following Department of Health approval, a subsidiary company, Odstock Medical Limited (registered in England), to market and develop a technology created at Salisbury District Hospital. The technology assists patients to obtain increased mobility following illnesses which reduce their muscular co-ordination. The company was established in August 2005 and commenced trading on 1 April 2006. Salisbury NHS Foundation Trust owns 70% of Odstock Medical Limited.

Shares at cost	**Trust 2023 £'000**	Trust 2022 £'000
At 31 March	**-**	**-**

The Trust established the company and received an interest in the company equal to the fair value of assets on its formation.

In 2021/22 the Trust charged the goodwill on the purchase of shares from former employees of the subsidiary to expenditure.

The Trust's charity, Salisbury District Hospital Charitable Fund, owns a further 18% of Odstock Medical Limited.

NOTES TO THE ACCOUNTS

31. Investment in subsidiary (continued)

31.2 Salisbury Trading Limited

Salisbury NHS Foundation Trust established a subsidiary company, Salisbury Trading Limited (registered in England), to market and deliver laundry and linen services. The company commenced trading on 1 October 2013. Salisbury NHS Foundation Trust owns 100% of Salisbury Trading Limited. The company has experienced steady growth since commencing to trade by winning new linen contracts. It has increased operational capacity through arrangements involving the management of another NHS laundry facility, which will provide an additional base for future expansion.

	2023	2022
Shares at cost	**£000**	£000
At 31 March 2023 and 31 March 2022	**500**	**-**

No goodwill arose in respect of the subsidiary as the reporting Trust established the company and received an interest in the company equal to the fair value of assets on its formation.

During 2022-23 a loan of £500k previously provided to Salisbury Trading Limited by the Trust was converted into Salisbury Trading Limited ordinary shares, see also notes 17. and 18.

32. Investment in Joint Ventures

32.1 Sterile Supplies Limited

Salisbury NHS Foundation Trust owns 50% of the issued share capital of Sterile Supplies Limited, the remaining 50% is owned by Steris Plc (Registered in Ireland (formerly Synergy Health Plc)). The Board structure and voting rights are such that the Trust is not able to exert overall control of Sterile Supplies Limited, the Trust therefore recognises the company as a joint venture. The joint venture is re-developing a new production facility, from which it will market and deliver sterilisation services. The Joint Venture currently trades from the Trust's existing sterilisation and Disinfection Unit.

Group and Trust	**2023**	2022
	£000	£000
Carrying value of investment at 1 April	**86**	68
Share of profit/ (loss) in the period	**51**	18
Carrying value of investment at 31 March	**137**	**86**

32.2 Wiltshire Health and Care

The Trust is a one third partner in Wiltshire Health and Care LLP. The other equal partners being Royal United Hospitals Bath NHS Foundation Trust and Great Western Hospitals NHS Foundation Trust. Wiltshire Health and Care is focused solely on delivering improved community services in Wiltshire and enabling people to live independent and fulfilling lives for as long as possible.

Salisbury NHS Foundation Trust has not invested any capital sum in this partnership.

Group and Trust	**2023**	2022
	£000	£000
Carrying value of investment at 1 April	**160**	113
Share of surplus in the period	**3**	47
Carrying value of investment at 31 March	**163**	**160**

NOTES TO THE ACCOUNTS

33. Movements on Public Dividend Capital

Group and Trust	2023	2022
	£000	£000
Public Dividend Capital at 1 April	**94,826**	90,997
New public dividend capital received	**4,774**	4,112
Public dividend capital repaid	**-**	(283)
Public Dividend Capital at 31 March	**99,600**	94,826

The new public dividend capital received in the year relates to additional funding to purchase capital items of £4,774k (2022: £3,829k).

34. Charitable fund balances

Group only	2023	2022
	£000	£000
Restricted funds	**4,162**	6,217
Unrestricted funds	**10,000**	10,000
Endowment funds	**-**	9
	14,162	16,226

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the donor, or where the donor has restricted the use of their donation to a specified ward, patients', nurses' or project fund. Where the restriction requires the gift to be invested to produce income but the trustees have the power to spend the capital, it is classed as expendable endowment.

Unrestricted income funds comprise those funds that the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include general funds, where the donor has not specified or restricted the use the Charity may make of their donation. General funds additionally generate income from Gift Aid, investment income, interest and donations given specifically to cover running costs.

During 2022-23 the Charity Trustees performed a review of funds resulting in endowment funds being converted into distributable funds..

35. Critical accounting judgements

The Trust has made no critical judgements in the application of the accounting policies set out on pages 5 to 21.

36. Critical accounting estimates

In the application of the Trust's accounting policies, the Trust has made estimates and assumptions in a number of areas, as the actual value is not known with certainty at the Statement of Financial Position date. By definition, these estimations are subject to some degree of uncertainty; however in each case the Foundation Trust has taken all reasonable steps to assure itself that these items do not create a significant risk of material uncertainty. Key areas of estimation include:

- The valuation of the Trust's estate of land and buildings was carried out on 31 March 2023 by Gerald Eve, Chartered Surveyors. Gerald Eve valued the land and buildings (including dwellings) at £134.6m, of which £125.8m relates to specialised assets valued on a depreciated replacement cost basis.

  It is the rebuilding cost values determined by the valuer using industry standard rates that gives rise to the uncertainty in the valuation.

  A 10% change in the valuation would have £13.5m impact on the statement of financial position with a £451k impact on the PDC dividend due to be paid next year and accrued in these financial statements.

NOTES TO THE ACCOUNTS

37. Reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time the 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 and Social Care 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 Group and the Trust.

Minority interest
Minority interest relates to the ownership stake in the subsidiary companies which is under 50% of the total shares in terms of voting rights and hence doesn't exercise control of the company.

38. Transfers by absorption

During 2022-23 the Genetics service provided by the Trust was transferred to University Hospital Southampton Foundation Trust. This included the transfer of equipment with a net book value of £329k. This was transferred by absorption in accordance with DHSC GAM, with no payment received, resulting in a loss on disposal.