Royal Devon University Healthcare
NHS Foundation Trust

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Annual Report and Accounts 2022/23

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

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FOREWORD

These accounts are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

CHAIR'S INTRODUCTION

This report covers both my first year as Chair and the first year of the Royal Devon University Healthcare NHS Foundation Trust.

Since our integrated Trust was created on 1 April 2022, our teams have worked hard to welcome one another and learn from each other, and we have gone at a pace to ensure we maintained our focus on our quality and operational priorities, as well as stabilising our priority services. As we head into 2023/4, we are now focused on maximising the benefits of our integration for our patients across Northern and Eastern Devon.

It has been a challenging year and our services have continued to be very busy, with staff shortages and the COVID-19 pandemic continuing to impact upon our services. Against this backdrop, we've taken some major steps forward, including launching our five-year Trust strategy: Better Together, rolling out a new electronic patient record system across our Northern services and completing a number of important building developments to improve our services. We also launched a world-first genetic testing service, working with our academic partners at the University of Exeter and further afield, which demonstrates our commitment to being a research-led organisation.

We've worked more closely as a Devon-system than ever before too. This is demonstrated at the Nightingale Hospital Exeter led by the Royal Devon, where staff from across Devon provide care to patients living right across the county. We are committed to playing our full part in the Devon Integrated Care System.

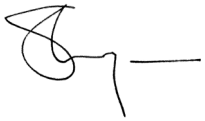
As we've achieved all this, I've been struck by how friendly and helpful our staff are despite the challenges, as well as their astonishing commitment to doing the very best for our patients and for each other, right across the Trust. Our staff do amazing work in a wide variety of roles, whether that's in our acute and community hospitals, in our specialist services, in our domestic and wider support services, or in any of our teams. The resilience of our staff has been a main concern for the Board, and we continue to work hard to recruit to our vacancies and to do everything we can to ensure the Royal Devon is a great place to work.

I've been really impressed at the support we have from our volunteers too. Our Council of Governors has been strengthened to include representatives from the whole area covered by our new Trust and we have very committed and experienced Governors volunteering their time who make an invaluable contribution to the work of the Trust. Volunteers play a fundamental role in our services too, enhancing the experience of our patients. It is clear that a huge number of people work collaboratively together to make the Royal Devon what it is – and we are indebted to you all.

We have been proud to continue our work this year with local universities and colleges as we develop our strengths in research and ensure we are an employer of choice for both clinical and non-clinical roles. We recognise the important role we play in our community, and this year we have focused strongly on building relationships and agreeing our shared goals as part of local care partnerships, which are focused on using our collective strengths to improve our communities.

We are grateful for the fantastic support we receive from our stakeholders, community organisations, leagues of friends and charities too – we couldn't provide the services we do without you.

This annual report details what an extraordinary year it has been, during which our colleagues have achieved so much, whilst experiencing challenges every day. As we look ahead to 2023/4, we must do so with optimism. There will undoubtedly be challenges ahead, but I am confident that with everybody who makes up the team at the Royal Devon – our colleagues, volunteers, Governors, communities and partners – we will be able to face them successfully together.



Dame Shan Morgan
Chair
Royal Devon University Healthcare NHS Foundation Trust

PERFORMANCE REPORT: OVERVIEW

Performance report overview introduction

The purpose of this overview is to provide a short summary that gives readers information about the Royal Devon University Healthcare NHS Foundation Trust (Royal Devon), its purpose, the key risks to the Trust achieving its objectives and how it has performed during the year.

The Royal Devon is a foundation Trust and, as such, we are legally required to produce an annual report and accounts. We are obliged, by our regulators, to follow a clear structure and to ensure we include certain mandated information that sets out how we have performed during the preceding financial year and how we have used the resources available to us. Our focus in preparing this report has been to make sure that we give a true and accurate account of our work over the last financial year.

Introduction by the Chief Executive

Welcome to our Annual Report and Accounts 2022/23.

Our report looks at the last 12 months, talks about some of our key achievements and the challenges we have faced, and looks forward to our plans for 2023/24.

Our organisation was created on 1 April 2022, and over the past year we have focused on bringing our teams together, developing a shared culture and developing plans for some of our highest priority clinical services.

Our first year as the Royal Devon has also been the first full year of recovery for the NHS from the COVID-19 pandemic and we experienced a number of ongoing challenges, including issues with infection prevention and control, high levels of demand for our services, workforce shortages, and industrial action. Our staff rose to these challenges magnificently, demonstrating professionalism and strong teamwork, and continuing to deliver compassionate care to our many patients who depend upon us.

We were pleased that against this backdrop, we delivered our plans for the year as an organisation, achieving better than our planned deficit of £18m, finishing the year at a £16.7m deficit. This is of course not where we want to be, and we are working closely with our system partners to reach a more sustainable financial position both for our organisation and for Devon. We have also worked hard to address our workforce shortages, and as well as improving our vacancy position, we are working as a system to consider how we best use the workforce we have available.

The challenges caused by the pandemic meant that at the close of 2021/22, more of our patients were waiting longer for elective care than ever before. We have acted to address this, and teams across our services have made incredible progress to reduce the numbers of long waiting patients. We are sorry to our patients who are still waiting too long, and we will continue our focus on reducing our waiting lists as we head into 2023/24.

We have continued to develop the services offered through the Nightingale Hospital Exeter and our Jubilee Ward at North Devon District Hospital to support this work. As we head into 2023/24, we have plans to open a new cardiology day-case unit at the RD&E hospital, a new endoscopy unit in Tiverton, a discharge lounge at North Devon District Hospital, and we've got two new surgical robots in place, all of which are helping us to reduce our waiting lists and improve the care we provide.

We head into 2023/24 in a challenging national context, but taking significant optimism from the progress we made in 2022/23 and the strength of our partnerships, with our system colleagues, with our research and academic partners, and with our local community groups.

I want to finish by saying to our staff, volunteers, patients and all of our stakeholders: thank you for everything you do. Your commitment and compassion has helped us deliver the very best care

and services we can to our patients. I am extremely proud of all that we have achieved together and look forward to working with you all next year.

Kind regards,

Signed:

Chris Tidman
Deputy Chief Executive Officer
Date: 28 June 2023

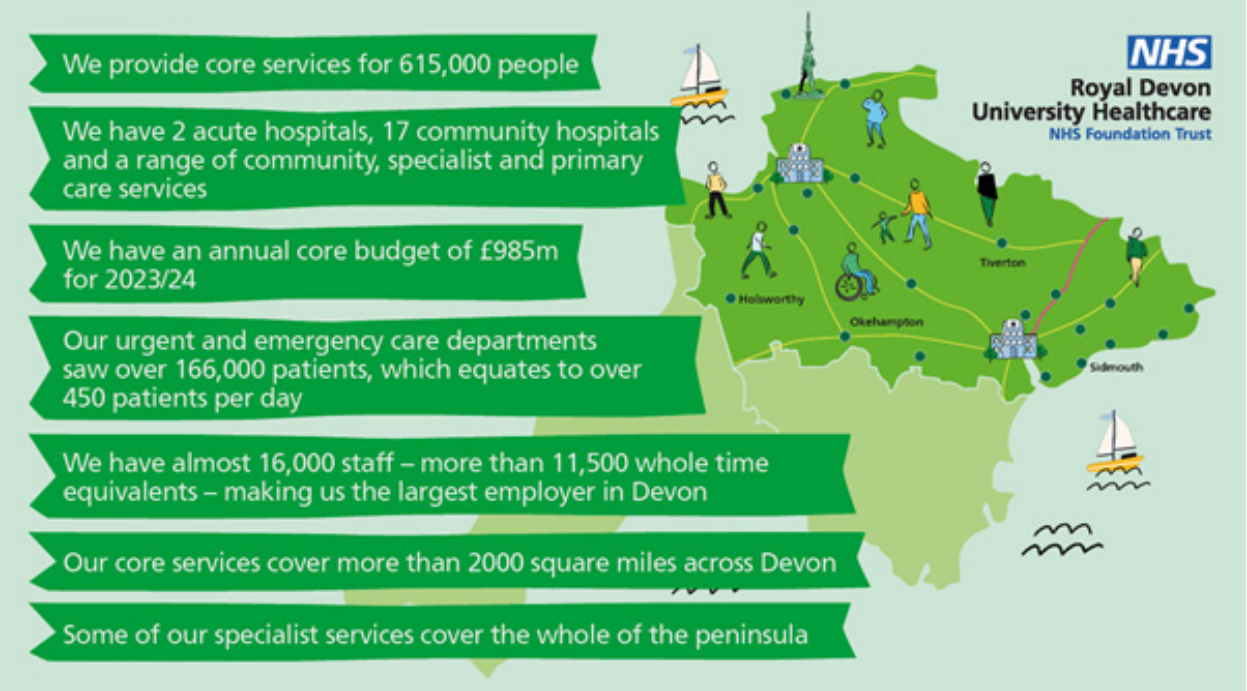
About the Royal Devon University Healthcare NHS Foundation Trust

The Royal Devon University Healthcare NHS Foundation Trust (the Royal Devon) was established in April 2022, bringing together the expertise of the Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust.

Stretching across Northern, Eastern and Mid Devon, we have a workforce of almost 16,000 staff, making us the largest employer in Devon. Our core services, which we provide for more than 615,000 people, cover over 2,000 square miles across Devon, while some of our specialist services cover the whole of the peninsula, extending our reach as far as Cornwall and the Isles of Scilly.

We deliver a wide range of emergency, specialist and general medical services through North Devon District Hospital and the Royal Devon and Exeter Hospital (Wonford). Alongside our two acute hospitals, we provide integrated health and social care services across a variety of settings including community inpatient hospitals, outpatient clinics, and within people's own homes. We also offer a range of specialist community services, Sexual Assault Referral Centres (SARC) and a GP practice.

Our hospitals are both renowned for their research, innovation and links to universities.



Royal Devon and Exeter (Wonford) Hospital, Exeter

The Royal Devon and Exeter (Wonford) Hospital is our district general hospital in Exeter. It provides emergency, urgent and planned care services to people in Exeter, Eastern Devon and the surrounding areas.

As a teaching hospital, it delivers undergraduate education for a full range of clinical professions and it is the lead partner for the University of Exeter College of Medicine and Health, as well as a leading centre for high quality research and development in the South West peninsula.

The Royal Devon and Exeter (Wonford) Hospital is home to a number of our highly acclaimed specialist units and centres, including the internationally renowned Princess Elizabeth Orthopaedic Centre, our award-winning Centre for Women's Health, and the purpose-built Mardon Neurorehabilitation Centre.

North Devon District Hospital (NDDH), Barnstaple

North Devon District (NDDH) Hospital is our district general hospital in Barnstaple. It provides emergency, urgent and planned care services to people in Northern Devon and the surrounding areas.

NDDH provides a 24/7 emergency service and is a designated trauma unit operating within a trauma network serving the whole of Devon and Cornwall.

The hospital also offers a range of general medical services, including cardio-respiratory, stroke care and gastroenterology, alongside a number of general surgical services including orthopaedics, urology and colorectal specialities.

Integrated health and social care community services

Our teams of integrated health and social care community professionals across Eastern and Northern Devon work to rehabilitate patients, avoid admissions, and promote health, wellbeing and independence. We also support people who may need short term support until they regain their independence or specialist end-of-life care and provide local outpatient and self-referral services, such as sexual health clinics.

We manage a range of inpatient and outpatient services from 17 community hospital locations, which provide accessible local hubs for our communities. These span a wide geographical area, and include minor injuries units and a variety of outpatient services.

Our community teams work closely with a wide number of health and care professionals, including colleagues working in the acute hospital, social care, primary care, mental health and other partner organisations to support people to self-manage their long-term conditions, improve their mobility and maintain their independence.

Specialist community services

The Trust is the main provider of specialist community healthcare services across Northern, Eastern, Mid and South Devon, including podiatry, dentistry and sexual health.

We also run Sexual Assault Referral Centres (SARC) across Devon, Cornwall and the Isles of Scilly, as well as adult and paediatric bladder and bowel care services in these areas.

Nightingale Hospital, Devon

The Nightingale Hospital Exeter was purchased by the Royal Devon University Healthcare NHS Foundation Trust in March 2021 on behalf of NHS organisations across Devon and the South West region to continue the site's legacy of supporting local people.

It has now been transformed into a state-of-the-art facility that is helping to further reduce waiting times for certain procedures. The Nightingale is now home to the following services:

- Southwest Ambulatory Orthopaedic Centre, which has two operating theatres for day case and short stay elective orthopaedic procedures
- Centre of Excellence for Eyes, which is delivering diagnostic outpatient services and cataract surgery
- Devon Diagnostic Centre (DDC), which is hosting CT, MRI, X-ray, ultrasound and fluoroscopy services
- The Royal Devon University Healthcare NHS Foundation Trust's Rheumatology department

In 2022/23

- We cared for 184,739 inpatients, 66,521 day cases, and 1,078,313 outpatients
- Our Emergency Departments had 136,892 attendances; our Minor Injuries Units had 13,068 attendances; and our Walk-In Centre had 20,010 attendances
- We looked after 1,691 people in our community hospitals
- We provided care to 59,217 people in their homes
- 4,759 babies were delivered

Our year in photos

Our Trusts merged to become the Royal Devon

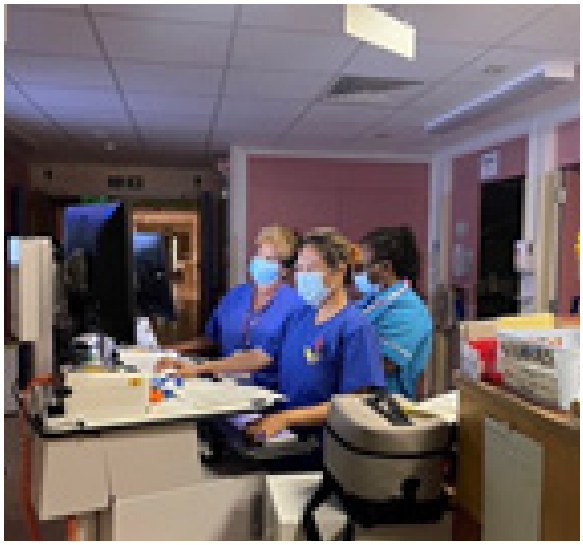
On 1 April 2022, the Royal Devon and Exeter NHS Foundation Trust (RD&E) and Northern Devon Healthcare NHS Trust (NDHT) formally merged to become the Royal Devon University Healthcare NHS Foundation Trust.

New orthopaedic ward opens

In May, Jubilee Ward, the Royal Devon's newest inpatient ward, opened on the North Devon District Hospital site. Named in honour of the Queen's Platinum Jubilee, the ward now cares exclusively for inpatients having elective orthopaedic surgery such as knee and hip operations.

Celebrating our extraordinary staff and volunteers

On the evening of Tuesday 21 June 2022, we held our Extraordinary People Awards ceremony to celebrate the incredible staff and volunteers who work across our Trust. The awards have 11 different categories and over 400 nominations were received.

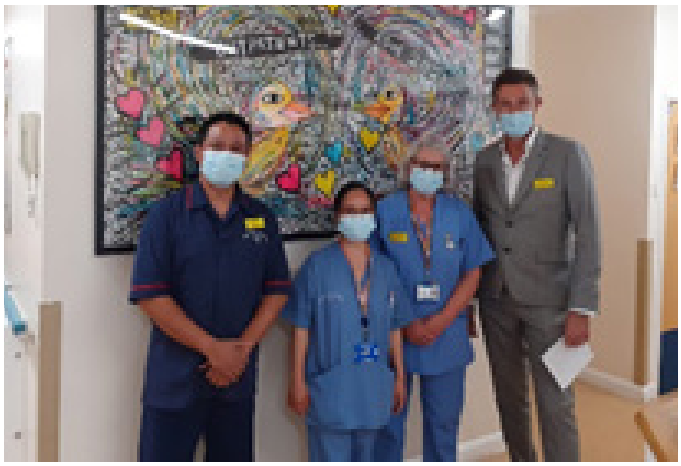


New electronic patient record system, Epic, goes live across Northern Devon

In July, we went live with our new electronic patient record, Epic, across Northern Devon. This huge digital milestone means we can now improve the experience for all of our staff, patients and carers across Northern and Eastern Devon.

Trust honoured for its support for students

Our support for T Level students won a prestigious employer award from Petroc, the North Devon further education college, and a mention in the Gatsby Report, a prestigious educational directory.



Services at Budlake Centre celebrate one-year anniversary

We marked the one-year anniversary of our Budlake Outpatient Hub in Exeter Community Hospital (Whipton) being expanded to offer local people a number of outpatient services, including cardiology, heart failure, colorectal, gastroenterology and neurology.

Another year of outstanding results in the National Cancer Patient Experience Survey

The outcomes of the 2021 National Cancer Patient Experience Survey show that patients across the Trust were well supported and informed throughout their experience from diagnoses to treatment. The survey was completed by over 1,317 patients who attended NDDH and the RD&E Wonford.colorectal, gastroenterology and neurology.

First trainees begin using new surgical simulators to tackle the COVID-19 training backlog

In August, our new surgical simulation unit began enhancing gynaecology and general surgery training for the many trainees who, as a result of the COVID-19 pandemic, were unable to complete their competencies and progress to consultant level.

New service in Seaton supports end-of-life patients in their own homes

We launched our new service, Seaton Hospice at Home, in collaboration with the Seaton and District Hospital League of Friends, to provide expert palliative care to local patients and ongoing bereavement support to their families.

Exeter wins £15m NIHR funding for Biomedical Research Centre

More than £15m in government funding will help us improve diagnoses and develop better precision approaches to target the right therapies to the right people using cutting edge technologies.
The new NIHR Exeter Biomedical Research Centre partnership is led by us and the University of Exeter, in partnership with other NHS organisations across the region.

Award-winning NHS team recognised at prestigious awards

The South West Ambulatory Orthopaedic Centre (SWAOC), based at the NHS Nightingale Hospital Exeter, was highly commended in the Health Service Journals acute sector innovation of the year award category for its innovative work to support people needing orthopaedic care.the region.

Royal Devon represented at Buckingham Palace

His Majesty King Charles III and The Queen Consort Camilla hosted a reception at Buckingham Palace to celebrate the contribution of East and South-East Asian communities. The Royal Devon's Dr Manish Gandhi, Dr Ash Kotecha, and Edmond Hernaez were invited.

RD&E Wonford emergency department's new entrance opens

In February, we completed the next major milestone of the RD&E Wonford Emergency Department redesign, with the opening of the new main entrance and waiting areas. This, alongside other key changes, will help to accommodate the increasing number of people accessing our emergency and urgent care services.

Ongoing works timeline is as follows:

- Completion of Internal ED reconfiguration works July 2023
- Completion of Paediatric Resus October 2023
- Completion of Children's ED & PAU Summer 2024

£1.25m eye care hub for South Molton Hospital opens

People with eye conditions in North Devon and Torridge now benefit from reduced waiting times and access to state-of-the-art equipment at our Ophthalmology Hub, thanks to a generous £500,000 donation from the South Molton League of Friends.

Research and development

There is a clear link between research and improved health outcomes which is why the Trust is committed to embedding research in the care we provide, supporting our staff to develop their own research and fostering excellent collaborations with key partners in order to achieve this.

All departments and all staff play a role whether that is developing and delivering research in their specialty area, working with life sciences partners about the approach and feasibility of their research, recruiting patients to studies led by our own staff and by other organisations and by implementing the evidence from research to improve care delivery.

In January 2023 the two research and development teams merged, and the ability to work together across our now wider region will provide more opportunities for all patients to benefit from research participation. As with all Trusts, recovering research activity post-pandemic has been a key focus during this past year.

5275 participants have been recruited to over 222 clinical trials and studies with research activity being delivered across the Trust's clinical specialties. The research benefits from support from the National Institute for Health and Care Research (NIHR) Exeter Clinical Research Facility (which has just been awarded core funding for a further five years), and the NIHR Exeter Patient Recruitment Centre. This funding and support enables us to work with commercial and non-commercial partners across a broad range of research development.

21 grant submissions are currently being supported with 12 trials currently being delivered under the leadership of Trust staff. Trust staff have also published over 372 papers demonstrating the strength and breadth of activity and our national and international impact.

Our close collaboration with the University of Exeter continues, supported by our Joint Research Office (JRO), a leading centre for high quality research, development and innovation and the NIHR Clinical Research Facility. This relationship has been further cemented this year with the collaboration being awarded an NIHR Biomedical Medical Centre (BRC), which will provide more than £15m over the next five years. The BRC is the first of its kind in the South West Peninsula and will translate scientific discoveries into tangible benefits for patients, partnering with other Trusts in the region and beyond to accelerate the development of better precision approaches to target the right therapies to the right people using cutting edge technologies. Click here to read more: **https://royaldevon.nhs.uk/news/exeter-wins-15m-nihr-funding-for-west-country-s-first-biomedical-research-centre**.

Other highlights include grant success for the team led by Mr Al-Amin Kassam, Orthopaedic Consultant. The team were awarded over £900,000 from the NIHR to carry out ground-breaking research in 'Hipster', a trial which will explore the use of pioneering robotic surgical methods to improve outcomes for hip replacement patients.

Chronic Obstructive Pulmonary Disease (COPD) is the most common respiratory disease in the UK affecting approximately three million people and has been identified by the NHSE CORE20PLUS5 programme as one of the five clinical areas requiring accelerated improvement. The 'MucAct COPD' trial led by Prof Michael Gibbons is assessing the clinical and cost-effectiveness of nebulised sodium chloride in patients with COPD. By working collaboratively with Primary Care colleagues, the respiratory research team are the top recruiting site in the UK and their approach to running the trial is now being rolled out across other UK sites.

Colleagues in Northern services have worked proactively to increase the number of nurses, midwives and allied health professionals taking the Principal Investigator role with five now leading studies including:

- Angela Tithecott, Heart Failure Lead Advanced Clinical Practitioner leading the 'EVOLUTION HF' study
- Physiotherapist Victoria Typaldou with the 'AFTER' trial looking at rehabilitation after ankle fractures
- Physiotherapist Ruth Wood leading the 'iRehab' study exploring rehabilitation following treatment in intensive care
- Physiotherapist James Rodger leading the 'BOOST-IS' study looking at interventions for symptomatic lumbar spinal stenosis and
- Nurse Consultant Naomi Clatworthy supporting the 'ICI GENETICS' study to identify the role of genetic factors that predispose to immune checkpoint inhibitor toxicity and 'QLG' looking to develop a cancer survivorship questionnaire.

Supporting the life sciences sector is a key objective for the NIHR. The Trust hosts one of only five NIHR Patient Recruitment Centres (PRC) designed to support late phase commercial trials at pace and scale. PRC Exeter is the top recruiting centre and highlights this year included exceeding the target for a Moderna COVID-19 booster trial and retaining 97% of all participants. The Trust also has commercial activity outside of the PRC with over 40 principal investigators currently and x92open commercial trials.

Focussed activity continues to implement the Chief Nursing Officer for England's nursing research strategy and allied health professionals national research strategy with membership of regional implementation groups. The launch of the Trust's own broader strategy including nursing, midwifery and allied health professionals and Healthcare Scientists launched in December 2022 with a six-year plan. The annual Chief Nurse Research Fellows' programme is now supporting it's third cohort with this approach adopted by all Trusts in the SW Peninsula and some funding provided by the NIHR CRN.

Rapid life-saving checks for babies and children

A world-first national genetic testing service that can diagnose and potentially save the lives of thousands of severely ill children and babies within days rather than weeks, has been developed by the Royal Devon in collaboration with world-leading genomics research groups at the University of Exeter and clinicians and academics worldwide.

Reuben was fighting for his life, but doctors could not pin down the reason and tests were inconclusive. By analysing Reuben's genome - looking at billions of letters of DNA code in his body - it was found that mutations in the CSP1 gene meant he could not break down nitrogen and that was causing toxic levels of ammonia in his blood to build up.

Reuben received the correct medication quickly and he is now doing well at home and waiting for a liver transplant to cure his condition.

His mum, Eleanor, said: "All the care Reuben received would not have happened as quickly and his early diagnosis meant we knew what to expect."

You can read more about the service, which launched in October 2022, here: **https://royaldevon.nhs.uk/news/world-first-national-genetic-testing-service-to-deliver-rapid-life-saving-checks-for-babies-and-kids/**

Charity update

The RD&E Charity (charity number 1061384) is the registered working name of the Royal Devon's Eastern services general charity, while Over and Above (charity number 1051463) is the registered working name of the Trust's Northern services general charity.

In April 2022, following the integration of RD&E and NDHT, the two charities also integrated to form the Royal Devon University Healthcare NHS Foundation Trust Charity (Registered Charity Number 1061384). Working closer together, the charity will be able to provide even more support for local NHS services.

The charities support the work of the Royal Devon by investing in key areas such as equipment, patient and family support, capital projects, staff training and transforming our hospitals into more welcoming and comfortable environments. The charities funds supplement NHS provision to make a real difference to patients, their families and the staff that treat them.

Many of our donors wish to give to an area close to their heart, especially those who have experienced our care or left money to us in their will. We gladly honour donor's wishes and maintain different funds allocated to particular wards, departments and services.

Our latest appeals

While also supporting with fundraising and donations for specific wards or departments, our charities mostly focus their fundraising on our three appeals:

- Our Cancer and Wellbeing Fern Centre appeal raises operating costs to keep this vital service running. The Fern Centre supports patients throughout their cancer journey, offering complementary therapies, counselling, bra fittings, hair loss support and support groups

- Our Starfish appeal is raising money to create a dedicated warm, bright and engaging space for the children, young people and families who use our children's services and outpatient waiting areas at the RD&E Wonford

- The #HelpUsHelpYou appeal was launched to support Royal Devon colleagues during the coronavirus pandemic. The fund helps us to support the physical and mental wellbeing of our colleagues.

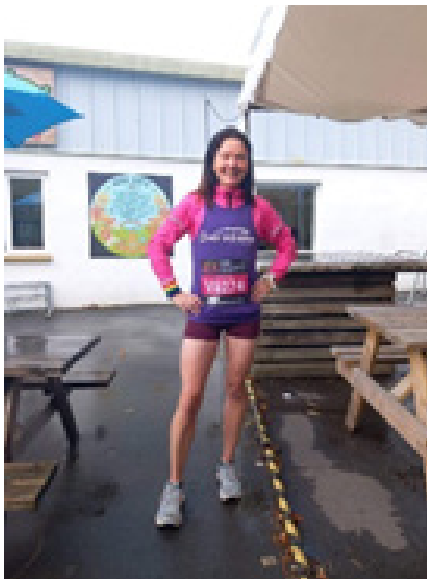
Fundraising for these projects enables us to benefit large numbers of patients and staff to ensure we can provide those extra things that make a difference.

Fundraising activities

Our supporters have been busy fundraising for us over the last year – here are just a few of the incredible challenges that have been completed for our charities:

Group of friends begin three-day Jurassic Coast challenge to raise money for the Stroke Unit

Four RD&E Charity supporters hiked along the Jurassic Coast in September to raise money for the Stroke Unit at the RD&E Wonford. They walked a total distance of around 112km over three days along the South West path from West Bay to Studland.



Louise's Story

Louise Butcher was training for the London virtual marathon in 2022 when she was diagnosed with Lobular breast cancer.

Louise completed the London virtual marathon the same week as undergoing radiotherapy, raising an incredible £1265 for Over and Above.

Louise said: "I wanted to support the charity and the hospital that has supported me so they can help anyone else who finds themselves in my shoes."

Royal Devon leaders take the leap for NHS charities

Last summer, Hannah Foster, Chief People Officer, and Professor Adrian Harris, Chief Medical Officer, jumped out of a plane at 15,000 feet, raising funds for both our charities. After a 20-minute three-mile ascent, the plane doors opened and, they faced a minute's freefall before their parachutes opened and they floated back to solid ground.

Bow's Story

Bow was born prematurely in December 2011, weighing just 1lb 6.5oz, and was taken straight to the neonatal unit. During his time there, Bow had daily battles with many of the general problems of premature babies. He also had a bleed on the brain over his first Christmas, and so was taken to a hospital in Bristol for emergency brain surgery.

Jodie, Bow's mum, said: "Sadly, one of the biggest battles we had was when Bow contracted Necrotizing Enterocolitis. This was the hardest four-week period of the whole neonatal journey, but like everything else, somehow, Bow got through it."

Since his time on the neonatal unit, Bow has also had a number of surgical procedures, including two bilateral hernia surgical repairs, and suffers from chronic lung disease. This resulted in him needing to be constantly attached to oxygen for a further two years after he left the neonatal unit.

Jodie said: "Over the last nine years, with Bow's complex medical needs, we've found ourselves at the Royal Devon very often – either through routine appointments or stays on a ward when things aren't quite right. Every single time the care and service has been faultless. Bow has received the best possible care and, as parents, we are reassured by the excellent knowledge the hospital provides.

"Bow does still have some ongoing things to deal with and hurdles to jump, but we are reassured in the knowledge that, when needed, the paediatric team at the Royal Devon will always be there and know exactly what to do."

Our charity shops

The Over and Above charity shops in Barnstaple and Westward Ho! continue to go from strength to strength. The Barnstaple shop completed its expansion in November, creating a larger space to sell small items of furniture. The shop has seen a fantastic response from customers and an increase in takings.

The combined income between the two shops in 2022/23 was an incredible £223,026.38, a 30% increase on the previous year.

All funds are in support of the Cancer and Wellbeing Fern Centre based at North Devon District Hospital, which is run solely on charitable funds. Thank you to all of the wonderful customers for continuing to support our shops.

Wider fundraising and charity support

In addition to support for our hospital charities, we see huge support from the wider charity sector. These include FORCE cancer charity and the Exeter Leukaemia Fund, NHS Charities Together, and a number of corporate and private sponsors who have enabled us to provide celebrations for our staff. Our hospital Leagues of Friends are also fundraising to donate fantastic additional equipment to enable us to improve our services for patients. We are hugely grateful to everybody that supports our patients and our team at the Royal Devon in so many different ways.

Volunteering

Volunteers make a valuable contribution to the Royal Devon and we continue to develop the volunteer service and volunteer roles across the Trust.

Across the Trust, there are many examples of fantastic volunteering projects that make a real difference to those who use our services and our colleagues every day. During the year Volunteering Services moved to being managed by the Patient Experience Team, and the safety and governance of volunteering was monitored and overseen by the Patient Experience Committee. Internal Audit Southwest benchmarked our services against the Lampard recommendations, which provided limited assurance following which a comprehensive action plan was developed and operationalised by the patient experience operational group.

New volunteering roles have been developed in the Royal Devon Emergency Departments in response to operational challenges faced in emergency care. These roles have been developed to support those in our waiting rooms by providing refreshments to patients and visitors, general errand running and engaging with and reassuring patients and visitors.

Meet and greet volunteers provide a fantastic service on our acute sites, they are the first point of contact, offer a friendly face and are on hand to point people in the right direction.

Spotting a volunteer has been made easier this year in our Eastern services with the introduction of the purple volunteering 'helping hands' polo shirts which had only previously been available in Northern services.

Re-establishing ward volunteers this year on the care of the older person wards in Eastern services has been a huge benefit to both patients and colleagues. Ward volunteers across the Trust support staff to help make the patients' mealtimes as enjoyable as possible. Many older patients are at high risk of dehydration and malnutrition, and volunteers can make a huge impact on this important aspect of patient well-being. Volunteers helped us celebrate Christmas on our care of older people wards this year.

We also recently welcomed back the second Pets as Therapy dog at North Devon District Hospital. Lord Simon shown here with his owner Claudia Stanley.

Trained chaplaincy volunteers continued to provide bed to bed pastoral and emotional support visiting over the last year across Exeter, Barnstaple and Tiverton. We also have a number of honorary chaplains who give unpaid time, they provided a more complex and supportive role to patients and families including end of life care over the past 12 months.

National Volunteer Certificate (NVC) was launched this year and was introduced to support volunteers to demonstrate that they have undertaken high-quality training in theory, and carried out a period of practice to be able to volunteer safely in health and social care. We are proud that two of our volunteers have recently completed this programme which has been developed by Health Education England.

Our strategy: Better Together

In the summer of 2022, we launched our new strategy, Better Together.

Our colleagues, governors, patients and stakeholders helped to shape our strategy, and so Better Together reflects their ambitions for our services across Eastern and Northern Devon, whilst also embedding our new values and building on the legacies of NDHT and the RD&E.

The strategy sets out how we will enhance staff experience and our determination to achieve great care for our population, drawing on:

- clinical excellence
- digital capabilities
- innovation and creativity
- cutting-edge research and development
- the value we place on partnerships and our amazing staff

Accompanying the strategy is a five-year roadmap which sets out the identified key deliverables and completion dates.

https://www.royaldevon.nhs.uk/about-us/better-together-our-strategy-mission-and-values/

Our mission, objectives and values

Our mission:

We are working together to help you to stay healthy and to care for you expertly and compassionately when you are not.

Our values:

- Compassion
- Integrity
- Inclusion
- Empowerment

Find out what our values mean to our staff by watching this video:

https://vimeo.com/727456769/8007898dfd

Our CARE objectives:

- **Collaboration and partnerships** - we will work in partnership to improve the health of our communities
- **A great place to work** - we will create a culture that retains, develops, supports, and attracts people to work as part of a team to deliver patient-centred care
- **Recovering for the future** - we will deliver an equitable recovery and capacity for further change
- **Excellence and innovation in patient care** - we will embrace new technologies and ways of working to deliver the best possible care and to enable people to stay well

Here's the progress we are making against these objectives:

1. Collaboration and partnerships

Our first objective sets out the importance of working in partnership to improve the health of our communities. Key pieces of partnership work include strengthening our local care partnerships across Eastern Devon, continuing our work with One Northern Devon, forming our Patient Experience Committee, and launching our Green Plan.

Partnership working across Devon

In July 2022, 42 integrated care systems (ICSs) were created across England as part of the changes following the publication of the Health & Care Act 2022. ICSs are, in effect, new partnerships of organisations that come together to plan and deliver joined up health and care services, and to improve the lives of people who live and work in their area. The new partnerships will build upon and expand already existing partnerships and are based on the principle of co-operation.

The Devon ICS - One Devon - is a collaboration of the NHS and local councils, as well as a wide range of other organisations like the voluntary sector, who are working together to improve the lives of people in Devon. Five place-based local care partnerships (LCPs) sit underneath the ICS reflecting the geography of the county: Northern, Eastern, Southern, Western and Plymouth.

The local care partnerships are not new organisations – they're a renewed partnership that, by aligning resources and efforts, will collectively seek to make a difference to the lives of people across Devon. The Royal Devon is involved in two of these place-based partnerships – the Northern Local Care Partnership and the Eastern Local Care Partnership.

Tackling health inequalities

During the year, a small team (Policy and Partnerships) was established and tasked with developing and delivering the organisation's approach to tackling health inequalities and meeting the Trust's obligations on health inequalities.

The Board established a task and finish group on health inequalities to steer the work of the team, to review work already underway and agree how the Board will be kept updated, and to accelerate the work on the Trust's status as an anchor institution.

The Board reviewed the work undertaken by the group and also considered the progress made on restoring NHS services inclusively, ensuring datasets are complete and timely, and mitigating against digital exclusion as set out in the NHS national planning guidance. Information was also provided to the Board on the work the Trust is doing in relation to health inequalities as part of its partnership work through the two local place-based partnerships where the Trust is a key player (the Northern Local Care Partnership and the Eastern Local Care Partnership) as well as the work undertaken on health inequalities by the One Northern Devon partnership.

The information received by the Board was published as part of the Trust's Board papers in March 2023 and the Board will receive further updates every six months. A Trust-wide strategy on health inequalities will be agreed by the Board in the coming months and this will set the approach over the coming years subject to further national guidance and/or reporting expectations.

The Northern Local Care Partnership (NLCP)

The Northern LCP (NLCP) brings together partners from across health and care in Northern Devon. The NLCP has the benefit of being able to build on the work of the already well-established partnership body that sits within it - One Northern Devon (OND). OND was founded in 2008 and is a coalition of willing partners across health, education, government, elected members, business, voluntary sector and charity – you can read more about OND's highlights for 2022/23 below.

OND has three programmes of work that sit under the One Northern Devon partnership – person, place and system:

- The person programme aims to enable the delivery of person-centred services and OND has developed a 'Flow' approach that it is rolling out pilots, where funding allows, in all parts of the health and social care system – emergency services, community mental health, primary care, secondary care.
- The place programme focusses on working in a place-based way with and in communities. There are seven 'One Communities' in each of the towns in Northern Devon.
- The system programme is about co-ordinating collaborative work across system partners, including but wider than health and social care, into the service providers that work in the wider determinants of health (H&SC plus councils, housing associations, education, police, leisure providers, DWP etc).

One Northern Devon (OND) achievements for 2022/23

Some highlights for OND this year include:

- Being shortlisted for the HSJ Place-Based Partnership Award, presented at the Rural Services Network conference on Rural Health and Social Care
- Being asked to be on the closing panel at the Kings Fund Integrated Care in Practice seminar
- Professor Sir Michael Marmot – one of the leading international experts in health inequalities - presenting at OND's Health Equity Stakeholder Workshop
- Leading on NHS Devon's Joint Forward Plan development - Community Development priority

OND has also been at the forefront of a practical approach to delivering person-centred care called 'Flow'.

It is particularly helpful for people who have a number of risk factors for poor health and multiple complex needs.

High Flow was highlighted by the chief executive of the NHS Confederation at his opening address to the conference, "We need to demonstrate to everyone – not least the critical minds of the Treasury – where improvements are taking place and how they are delivering efficiencies as well as improving health outcomes.

"The good news is that much is already happening up and down the country. Take for example the High Flow project in Northern Devon which has brought agencies together to reduce ED demand among those with complex and multiple needs."

The Eastern LCP (ELCP)

The ELCP is a collaboration of NHS, local councils, GPs, voluntary sector organisations and communities across Eastern Devon who are working together to better integrate services and work differently by providing more care in people's homes and the community. The area covered by the ELCP is diverse ranging from Axminister over to Okehampton and includes the city of Exeter.

Unlike the NLCP, there was no pre-existing pan-locality partnership infrastructure in place so the emphasis has been on developing relationships, on improving urgent care flow and engaging more strategically with the VCSE sector.

Over the year the main focus has been on three key prevention issues that are of

particular relevance to Eastern Devon based on the Joint Strategic Needs Assessment (JSNA) and the views brought together by community conversations. These are: unpaid informal carers; children and young people's mental health; and social isolation and loneliness. Joint VCSE/Statutory services projects on these focal areas have been established to turn the dial on these issues in the locality.

Partnering with the University of Exeter

The health and care system in Exeter comprise a number of NHS organisations and a strong network of non-NHS organisations who play a key role in supporting the sector in the region. Health and wellbeing is central to the new University of Exeter Strategy 2030 and one of the five missions of the Exeter Civic University Agreement.

To bring this collation of interests together, the Healthy Exeter Panel task and finish group was established to support the delivery of the CUA Mission to Enhance the health and wellbeing of our citizens. This collaborative group, comprising representation from all the major statutory and voluntary sector organisations responsible for the provision of health and wellbeing in Exeter, as well as academics from the University of Exeter, was convened to identify priorities and opportunities for collaboration.

The aims of the Healthy Exeter Panel were to:

1. Help identify opportunities for improved collaboration and partnership working across health and wellbeing providers and agencies in Exeter

2. Provide strategic- and thought-leadership to support existing, and new, multi-partner initiatives which support health and wellbeing across Exeter
3. Provide advice to deliver new initiatives which support academic or student engagement in public or VCSE sector organisations which bring about mutual benefit
4. Promote greater reflexivity in partner institutions to encourage and support opportunities for enhanced collaboration
5. Help identify and draft-in additional and more relevant members of partner organisations to help progress specific initiatives where appropriate

The work of the panel focused on three key areas:

1. Workforce recruitment, careers and retention
2. Service engagement - who is accessing services and what is stopping those that don't?
3. Community - isolation/empowerment

The Healthy Exeter Panel task-and-finish group has now finished its task and the next steps are to establish the best mechanisms to take forward the priorities identified.

Year one of our patient experience strategy

In April 2022 we launched our 2022-25 Patient Experience Strategy (**https://www.royaldevon.nhs.uk/patients-visitors/patient-experience/patient-experience-strategy-2022-2025/**). This strategy underpins the delivery of our Trust Strategy, ensuring patient experience of our services feeds into everything we do.

We are now a year on from the launch of the Patient Experience Strategy and there is no doubt that it has been a challenging year. But we hear feedback regularly from our patients that tells us the care we are delivering is 'outstanding' and 'amazing'. That our staff are 'friendly', 'caring' and 'understanding'. The majority of experiences are positive, and equally the feedback which is negative is helping us to improve.

We have also made significant progress with Trust-wide projects that aim to improve patient experience at the Royal Devon.

- We have heard and discussed a patient/carer story at every Board of Directors meeting over the past year, bringing the voices of patients and their carers to the forefront of our conversations.
- We are an early adopter of the new NHS Complaints Standards. We are leading the way towards a quicker, simpler and more streamlined complaint handling service that helps us improve care and our patients feel respected.
- As part of our commitment to carers we now include carer awareness training to staff, and offer free parking and meal vouchers to carers that support the cared for person as an inpatient.
- We have strengthened our collaborative working with Devon Carers. We have made over 2,000 referrals to their hospital services team in the past year, helping thousands of carers get practical support after the cared for person is discharged from hospital.
- We launched a new role for volunteers in the Emergency Departments at both RD&E (Wonford) and NDDH and are investing in the development of our volunteers by supporting them to complete the National Volunteer Certificate (NVC) programme.
- We set up our patient experience committee, which includes representation from Healthwatch, Maternity Voices Partnership and our Council of Governors.
- We are celebrating where we have acted on feedback by including 'You said, we did' reporting into PAF meetings, our patient experience operational group, and our patient experience committee.
- We have made our 2022-25 patient experience strategy available in alternative formats. There is a **summary document**, a **full strategy document**, and an **accessible patient experience strategy** (compatible with screen readers)

Alongside the launch of our strategy in 2022 we also formed our Royal Devon Patient Experience Committee, which includes Royal Devon leaders and representatives from our Council of Governors, Maternity Voices Partnership, and Healthwatch Devon.

Working in partnership, the committee aims to raise the profile of patient experience, help the Trust deliver its new patient experience strategy, and ensure that effective change and improvements are made to patient experience.

Launching our Green Plan

In June 2022, we formerly launched our Green Plan, which demonstrates our social responsibility as a

Trust and our ambitions to reach net zero carbon emissions. This includes delivering sustainable models of care, supporting staff to implement green improvements across our service, and reducing the environmental impact of our buildings and energy.

We aim to be a leading advocate for the sustainability agenda, and we are committed to working with our local partners for broader changes that promote sustainability and improve the wellbeing of our local communities.

Read our full sustainability report on page 142 for more information about our progress in this area.

2. A great place to work

This objective recognises that our staff and volunteers are our greatest asset, and so we need to create a culture which retains, develops, supports and attracts people to work as part of our Royal Devon team.

Supporting the health and wellbeing of colleagues

We know from listening to our staff that as well as improving staffing levels, the health and wellbeing support we offer is vitally important. This is a huge area of focus for us, with progress including:

- Running our first Team Royal Devon week in October 2022 to celebrate colleagues and promote some of our staff benefit, health and wellbeing and inclusion offers
- Supporting staff with the cost of living crisis through obtaining and promoting staff discounts, sharing financial wellbeing information, adding value meals to our staff restaurants, and setting up a staff food larder for colleagues
- Strengthening our in-house psychological and personal support services to provide staff with increased access to occupational health and wellbeing, staff counselling, and pastoral and spiritual care support
- Running inclusive leadership training to support managers and leaders, setting up more staff networks and support groups, and introducing career coaching for colleagues from an ethnic minority.

Launching Our Charter

In September 2022, we launched Our Charter, which brings together the core messages from our key Trust policies into a simple document to help us develop a shared culture for our organisation.

Our Charter, which was created collaboratively with staff across our Trust, helps us to live our new values, detailing the responsibilities staff share and the rights they should expect, regardless of their role.

Enhancing our learning and development offer

A core part of making the Royal Devon a great place to work centres around creating better development opportunities which all of our staff can easily access. This includes:

- Being the first Trust in the UK to offer combined NHS National Leadership Academy and accredited qualifications, giving staff the opportunity to complete programmes such as the Edward Jenner, Mary Seacole or Rosalind Franklin programmes alongside an accredited apprenticeship qualification
- Creating and delivering a range of inhouse management and leadership programmes and masterclass sessions, including courageous conversations, coping with change and manager's mental health
- Giving staff the opportunity to work with accredited coaches to improve areas such as self-confidence, feedback skills, and communication and listening skills.

Strengthening our talent pipeline

We are taking a number of steps to attract and develop skilled younger people, helping us to grow our talent pipeline across the Royal Devon, such as:

- We have a large number of people undertaking apprenticeship qualifications and are offering several new apprenticeships in areas such as administration, pharmacy, estates and facilities, and childcare roles
- We offer supported internships and Project Search employment opportunities to help young people with disabilities gain employment at our Trust
- We run NHS cadets each Tuesday evening to promote a number of the different career opportunities at the Royal Devon to local 14-18-year olds and we continue to work in partnership with colleges and local sixth forms to showcase the different careers available at the Royal Devon and offer work experience programmes to students completing vocational qualifications

Accelerating filling our vacancies

In recognition of the staffing challenges we face, which are reflected nationally, we have committed to prioritising accelerating filling our vacancies. This includes:

- Mobilising and expanding our recruitment capacity
- Launching a new recruitment portal, the Career Gateway, which has enabled us to develop a faster recruitment process and a better experience for candidates
- Running a number of recruitment events where candidates can speak to teams and interview for roles, with many jobs being offered on the spot
- Developing a suite of engaging and attractive recruitment materials which include information on career progression and development pathways, as well as launching a new area on our Trust website where the public can find out more about the different careers across the Royal Devon

This work is already having an impact and during 2022/23 we welcomed 2170 new colleagues to the Trust and our overall vacancy rate went from 9% to 6.4% (7% target). We also saw a 5% reduction in our time to hire.

3. Recovering for the future

Delivering equitable elective care and seeing our longest waiting patients as quickly as possible is a key priority area for the Royal Devon. There is lots of work underway to support elective recovery, including opening Jubilee ward, our dedicated orthopaedic ward at NDDH, and opening ringfenced beds at the Nightingale Hospital Exeter. We have also continued to place a significant operational focus on discharging patients in a timely way, are developing our plans for renewing North Devon District Hospital as part of the Government's New Hospitals Programme, and are working towards a stable financial position so that we are able to better plan for the future.

Opening Jubilee Ward at NDDH

Jubilee Ward opened in May 2022 on the North Devon District Hospital site, on time and within budget. The £1.9m, 10-bed ward is helping to reduce waiting times for some orthopaedic procedures.

Named in honour of the Queen's Platinum Jubilee, the ward cares exclusively for inpatients having elective orthopaedic surgery such as knee and hip operations.

One of the first patients to be treated in the ward was Leonard Perry, from Bideford, who has been waiting for a hip replacement operation. He was delighted to be in the new ward. "It's lovely in here," he said, "this new ward is gorgeous."

Since opening, over 999 patients have been cared for on our Jubilee Ward.

Opening ringfenced beds at the Nightingale Hospital Devon

The NHS Nightingale Exeter was initially part of the national response to the COVID-19 pandemic, caring for nearly 250 patients with COVID-19 from across Devon, Somerset and Dorset.

After being decommissioned as a COVID-19 hospital, the Nightingale was purchased by organisations across the South West and in May 2021, it was announced that the Nightingale would receive a share of national funding to support the reduction in waiting times.

The centre, one of only eight elective surgical hubs in the country to have been GiRFT accredited and recognised nationally for its high clinical and operational standard, has also expanded its services to include hindfoot and soft-tissue knee operations.

The Nightingale is now home to the following services:

- Southwest Ambulatory Orthopaedic Centre, which has two operating theatres for day case and short stay elective orthopaedic procedures
- Centre of Excellence for Eyes, which is delivering diagnostic outpatient services and cataract surgery
- Devon Diagnostic Centre (DDC), which is hosting CT, MRI, X-ray, ultrasound and fluoroscopy services
- The Royal Devon University Healthcare NHS Foundation Trust's Rheumatology department

Since then:

- Over 950 hip, knee and foot/ankle procedures have been performed
- Over 14,600 ophthalmology procedures have taken place
- Over 45,000 diagnostics tests have been complete
- Over 8,350 rheumatology appointments have been carried out
- Over 6,760 pre-operative assessment appointments have been completed

Plans are now underway to expand the DDC into a community diagnostic centre so that it can deliver clinical measurement diagnostics.

Pauline Pauline was advised that she needed cataract surgery following surgery for a retinal detachment. Pauline said:

"Everything was cloudy and I had to stop driving, especially at night, because the lights of oncoming vehicles were like fireworks in my eyes. The loss of clarity with my vision was very restricting."

"Six weeks later I was called and asked to have my cataract surgery at the Nightingale Hospital within a 'see and treat' style. This was excellent. It meant that I received a telephone call, where I was able to ask all of the questions I had. For me this included discussion around pain relief and possible sedation if required. All of my questions were answered. I felt like I knew what to expect."

"On the day the staff were so kind and everything about it was excellent. It took so much of the anxiety out of the experience by having the pre-op and the surgery on the same day – it halved the stress by only needing to attend once making it so much more convenient. It was wonderful!"

Being a part of the Peninsula Acute Sustainability Programme

We are working with colleagues across the peninsula on an ambitious plan to improve acute services for local people and staff as part of the Peninsula Acute Sustainability Programme.

To protect our services for the future, we need to be bold, brave, and radical in transforming services and supporting staff to deliver the best possible care to patients.

The programme is clinically led and at a very early stage. At the moment, a number of workshops are being held with clinical colleagues focusing on paediatrics, medicine and surgical pathways.

An extensive communications and involvement programme is underway to ensure staff, people and communities across the two counties understand the programme and have multiple opportunities to influence it in a variety of meaningful ways.

Discharging patients in a timely way – getting you home for lunch campaign

Our top priority is to help our patients get better and support them to leave hospital when the time is right. We know that when they're well enough, the best place for them to recover is in the comfort of their own home.

To help our patients, in September 2022, we launched our "getting you home for lunch" campaign. A key part of our discharge planning when patients have a hospital stay is to ensure we try to get them home or to our discharge lounge before lunchtime. Getting our patients home for lunch:

- improves their experience and means they feel more awake at the time of discharge
- reduces unnecessary delays
- is safer and more convenient for patients/families/carers
- improves our patients' access to other services if required (such as pharmacies and shops
- helps us accommodate new patients who need to be admitted.

To help our patients, their families, carers and/or friends understand what they should expect from us regarding discharge and the questions to ask during a hospital stay, we have produced a new patient guide to discharge information leaflet (**https://www.northdevonhealth.nhs.uk/wp-content/uploads/2018/09/Patient-guide-to-discharge-%E2%80%93-think-home-first.pdf**). This includes a helpful discharge checklist to help our patients get home smoothly.

Our Future Hospital Northern Devon

The Government has confirmed its commitment to the national New Hospital Programme (NHP), and the Trust continues to work closely with the NHP team and Department of Health and Social Care on the potential investment opportunity for North Devon District Hospital (NDDH).

The Trust's proposals include: replacement of residential accommodation to provide modern, fit for purpose facilities, a new surgical building to house operating theatres, ICU, maternity and women's and children's services.

This is all in support of the Trust's future model of care with the overall aim of providing modern, connected care for patients, an improved working environment for staff and ensuring high quality emergency and specialist facilities for Northern Devon - now and in the future.

While waiting for approval to proceed to the outline business case stage of the business case, which looks in more detail at the design plans for the hospital, we are focusing on preparatory work including development and control planning for the NDDH site. This work will enable us to demonstrate the end goals, and provide an explanation for any site changes or potential moves within the existing hospital site to facilitate the programme.

4. Excellence and innovation

We are committed to embracing new technologies and ways of working to deliver the best possible care and to enable people to stay well. Clear examples of this include rolling out Epic across the Royal Devon's Northern acute and community services, our continued commitment to research, development and innovation, and launching our patient and transformation strategies.

Rolling out Epic across Northern Devon and the new MY CARE app

On 9 July 2022, we launched Epic across our Northern services, which was a huge digital milestone for our Trust. Having gone live with Epic across our Eastern services in October 2020, having Epic in our Northern services is enabling us to improve the experience for all of our staff, patients and carers.

Because of Epic, our patients' care is now much more joined-up and they don't need to repeat the same information to different members of staff. Epic is also helping us to better mitigate the rurality of our local area through enhanced clinician sharing and virtual clinical input. For example, a shared patient record means that somebody who lives in Lynton could have a medication review with a consultant in Exeter remotely, saving them a long journey and improving their experience of our services.

On our wards, nurses and other staff no longer have to formally document care provided and patient observations, as Epic automatically records mandatory data.

The need to repeatedly ask and document the same information is also no longer necessary as it remains stored in the system. This releases our staff to provide more face-to-face care directly to our patients.

Work to optimise Epic work is ongoing and the Royal Devon is promoting MY CARE to its patients to empower them to be more involved in their care. MY CARE sits on a mobile phone or tablet through an app or can be accessed via a computer. MY CARE is accessible day or night and gives users handy access to their medical information wherever they are.

Key benefits include:

- Seeing the results of most tests when they are available
- Viewing a calendar of upcoming appointments, along with details about attending
- Keeping your care team informed by completing health questionnaires and updating allergy and medical information
- Sending a message directly to your care team from within the app if you have any questions about your care
- Allowing a family member or loved one to access your health and appointment information by enabling proxy access

Watch this video for more information: **https://vimeo.com/800901512**

Our goal is to register 100,000 patients by the end of 2022/23, and to have implemented an electronic 'self' booking service to give patients the opportunity to choose a convenient appointment.

Launching our patient experience strategy

In 2022, we launched our patient experience strategy.

Patient experience is a key element of quality alongside patient safety and clinical effectiveness - each interaction patients have with us is part of their overall experience of receiving care.

Patient involvement reflects an ethos of "nothing about us, without us" and is a key principle of patient experience. The involvement of "experts by experience" provide essential insight to support developing and improving our services for patients in a way that reflects their reality.

Our new patient experience strategy is enabling us to drive long term success and real change, and it provides us with a strong foundation to ensure that a focus on patient experience is at the core of every aspect of our activity in real and measurable ways.

Launching our transformation strategy – your brilliant ideas

The Royal Devon's transformation strategy launched in January 2023.

"Our Recipe for Transformation" is a key part of the Trust's overarching Better Together strategy. It sets out our plan for how we can work together to transform our services to make things better for our patients and staff by supporting and celebrating the brilliant ideas of staff, using new technology and continuing to learn together.

The strategy aims to:

- Foster a culture of curiosity and innovation through listening to our staff and volunteers, recognising that everyone offers a unique perspective about how we could do things differently for our patients and staff
- Improve patient care by delivering more appointments per year through smarter working
- Make our care greener and more cost-effective.

As part of the Transformation Strategy, we have launched Your Brilliant Ideas, which aims to inspire staff and patients to share their ideas and implement change and improvement.

Staff have already shared over 120 brilliant ideas, which have led to practical improvements, like adding pastoral volunteer support onto wards, raising awareness of green initiatives and making sure staff

know about the support that is available to them. It has also started to inspire staff.

We have introduced a productivity team who are working alongside clinical teams to help make best use of our resources and support 25,000 more patients in the first 12 months. Many divisions across the Trust have already had incredible achievements - for example, they have increased physiotherapy clinic capacity by 1,350 per year, Holsworthy respiratory clinics by 500 outpatient appointments per year, and throughput on MRI sessions by 1,000 scans per year.

Developing our enabling strategies

A key area of focus in 2022/23 has been developing the enabling strategies which will be focused on achieving the outcomes set out within our strategic CARE objectives.

Our clinical, digital, people and estates strategies are due to be shared with our Board of Directors in summer 2023 and will be launched once finalised.

Key issues and risks

Operational

The operational planning process is undertaken annually, in order to plan the allocation of resources and support the delivery of key organisational targets. The planning process considers organisational circumstances known or reasonably predicted at the start of the year, however there remains risks to the delivery of key performance indicators, principally due to changes which happen throughout the year.

These include but are not limited to:

- the impact of COVID-19 and other transmissible infections which require flexible patient management to support infection prevention
- changes to service provision in other providers which result in a changed demand on clinical services
- unforeseen increases in referrals, particularly in cancer specialties, requiring urgent two-week outpatient appointments and subsequent diagnostics
- changes in the urgent and emergency care landscape, such as the provision of 111 services, Minor Injury Units (MIU), Walk in Centres (WIC), access to primary care and support for patients with urgent mental health issues
- short term nature of discharge related funding streams which can inhibit flow and impede initiatives to facilitate timely discharge
- strategic focus of social care is on financial recovery, children and younger adults (rather than hospital discharge)
- severe adverse weather affecting capacity
- unplanned workforce availability such as industrial action
- workforce fragility arising from recruitment challenges following the pandemic and Brexit.

In the event of events such as those listed above, further discussions with commissioners, providers and regulators will take place to minimise the risk to performance.

Quality

Operational pressures (both local and regional) secondary to our ongoing pandemic response, continued financial constraints and the delivery of Cost Improvement Programmes (CIP) have the potential to impact the quality of our services.

Mitigation of these risks centre on the robust quality assurance framework which is in place. Assurance is provided through mechanisms including the Integrated Performance Report, the Performance Assurance Framework and Internal Audit Reports. Together, these approaches incorporate a balance of hard, empiric data and soft intelligence which alerts relevant levels of clinicians and managers throughout the Trust to any deterioration in quality.

Finance

The impact of COVID-19 continued through 2022/23 along with the re-emergence of flu during the winter that created significant financial and operational pressures with high demand for our urgent care services. We also experienced a high level of staff sickness, resulting in an increase in bank and agency usage to ensure staffing levels are maintained creating a financial pressure.

These sustained high levels of demand for urgent and emergency care through our emergency departments and medical inpatient beds resulted in increased hospitalisations, delays discharging patients that were medically fit for discharge heightened the operational challenges within the Trust, resulting in further use of escalation beds requiring additional staffing and driving cost growth.

The economic environment continues to pose a significant financial risk to the Trust. Rising costs of inflation above funded levels, in particular energy prices, continued to put pressure on non-pay budgets. In addition, the impact of industrial action and the risk of potential further industrial action as a consequence of the rising cost of living on lower paid staff risks a recruitment and retention deterioration and additional temporary workforce costs. There is also an impact on patients through cancelled appointments and operations, requiring rescheduling and further catch up capacity.

All of the above has significantly impacted on our post-COVID-19 elective recovery with prolonged periods of elective cancellations and contributed to

a £14.6m income shortfall in 2022/23 that required non-recurrent mitigations to achieve the financial plan for the year. Looking forward to 2023/24 activity trajectories have been set which allow additional income to be earned under the revised elective recovery arrangements. However, a number of factors need to be true to ensure the capacity is available to deliver the levels of activity required. In particular an improvement is needed on the volumes of 'no criteria to reside' occupancy to facilitate more timely discharge and flow and enable ring fenced bed capacity for surgical capacity to be held. This remains a significant risk looking forward and the trust is working closely across the ICS on plans for delivery.

Currently the Royal Devon and the Integrated Care System partners are rated in segment four of the System Oversight Framework (SOF) and have entered the Recovery Support Programme (RSP). The Devon system plans for 2023/24 have been designed to meet agreed exit criteria. An ambitious plan for operational and financial recovery has been put in place which will require focused and sustained effort on delivery across the whole system to ensure delivery. Due to the scale of change required there is a risk that plans will slip in year but the increasing collaboration and improved governance across the ICS will help support delivery in a way not achieved previously. Any risk of non-delivery with delay exist from the SOF 4 rating and could result in further regulator intervention.

Going concern statement

After making enquiries of internal information sources and receiving assurance from reviews of the requirements set out in the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM), the Board of Directors has a reasonable expectation that the Trust will have access to adequate resources to continue to deliver the full range of mandatory services for the 12 months from the date of approval of the financial statements and fulfil any liabilities as they fall due. The Directors consider that this provides sufficient evidence that the Trust will continue as a going concern for the 12 months from the date of approval of the financial statements.

On this basis, the Trust has adopted the going concern basis for preparing the accounts that has been supported by the Trust's external auditor.

PERFORMANCE REPORT: ANALYSIS

Performance management and assurance

The Trust Performance Assurance Framework (PAF) enables assurance to be provided that performance, including safety and quality indicators, is effectively monitored and reported, thereby supporting managers and clinicians to deliver the required targets. Monthly meetings are held with each of the clinical divisions which are chaired by the operations director, with support from the nursing director, medical director, director of operational finance, and director of people. At the meetings, divisional and speciality level positions are reviewed, covering a detailed set of indicators across safety and quality, performance, operational efficiency, workforce, finance and a wide array of supplementary information.

The reports prepared for the meeting also support the clinical divisions to undertake their own assessments of performance, as well as providing an outline of actions to address any key issues. The actions identified by the divisions are tested and challenged in the meetings.

The PAF is part of the monitoring and performance framework from ward and service line through Operations Boards and Trust Delivery Group to Board. The framework also includes operational steering groups focused on planned care, urgent and emergency care and cancer.

The monthly integrated performance report to Board includes a wide range of national and local performance indicators grouped under the following themes:

- quality and safety
- activity and flow
- operational performance
- patient experience
- our people
- finance

These are accompanied by narrative detailing the contributory issues, the actions planned to restore performance, the timeframes in which the actions are to be undertaken, and identification of any key risks. The integration of these indications within a single report provides an opportunity for triangulation of indicators and themes that is made explicit within the accompanying narrative and overview to the report.

Overview of performance 2022/23

2022/23 has continued to be a challenging year for the achievement of operational performance targets. The Trust has focused on delivering an improved position for both planned care and cancer services, alongside continued safe provision of urgent and emergency care services. The unpredictable nature of COVID-19 demand and the impact of seasonal infections has tested the allocation of both people and other resources to ensure continued delivery of safe healthcare services. This has been further tested by the reorganisation required to support the industrial action by successive sectors of the health care workforce as part of the national pay discussions.

Coordination of the Trust's resilience response has continued to take place through its Incident Management Framework, including t Strategic Command. This has enabled coordination and prioritisation of the Trust's continued operational service delivery. Occasions at which the Trust's Strategic Command has been stood up in 2022/23 have included:

- times of increased COVID-19, and seasonal infection high prevalence
- times of peak constraint in relation to patient flow within the Trust arising from difficulties in relation to discharge, and its associated impact upon inpatient bed availability
- periods of industrial action by sectors of the Trust's workforce, and by the workforce of health system partners including the ambulance service
- in preparation for and in the immediate period after implementation of the new Electronic Patient Record (Epic) across the Trust's Northern services.

The table below, 2022/23 summarises the performance position. Considerable progress has been made into reducing the volume of patients experiencing the most extended waits for elective treatment, and that the financial year has concluded with some key improvements delivered, and a platform on which to build further in 2023/24.

Indicator	Measure	Target	2020/21		2021/22		2022/23		
			Eastern Services (previously RD&E)	Northern Services (previously NDHT)	Eastern Services (previously RD&E)	Northern Services (previously NDHT)	RDUH	Eastern Services (previously RD&E)	Northern Services (previously NDHT)
Referral to Treatment Waiting Times	Proportion of incomplete pathways less than 18 weeks	92%	52.2%	59.0%	49.6%	56.0%	54.2% (March 2023)	57.0% (March 2023)	47.9% (March 2023)
	Volume of patients waiting longer than 52 weeks on an incomplete pathway		6612	1710	5788	1623	7220 (March 2023)	3926 (March 2023)	3294 (March 2023)
	Volume of patients waiting longer than 78 weeks on an incomplete pathway			126	1791	162	699 (March 2023)	404 (March 2023)	295 (March 2023)
	Volume of patients waiting longer than 104 weeks on an incomplete pathway		25	0	657	7	33 (March 2023)	32 (March 2023)	1 (March 2023)
Diagnostics	Proportion of patients waiting less than 6 weeks for a diagnostic test	99%		47.6%		44.1%	61.6% (March 2023)	69.2% (March 2023)	52.5% (March 2023)
Urgent & Emergency Care Waiting Times	Proportion of Patients Waiting Less than 4 Hours for Treatment at the Emergency Department / Walk in Centre / Minor Injury Unit (System Performance)	95%	81.1%	84.7%	72.6%	71.0%	66.0% (March 2023)	68.5% (March 2023)	59.0% (March 2023)
Ambulance Handovers	Volume of Ambulance Handover Delays over 60 minutes	0	0	0	24	115	486 (Month of March 2023)	165 (Month of March 2023)	321 (Month of March 2023)
Cancer Access	Cancer treatment started within 2 months of urgent GP referral	85%	73.9%	84.6%	79.9%	63.2%	61.9% (Month of March 2023)	63.4% (Month of March 2023)	56.5% (Month of March 2023)
COVID	Number of Inpatients with COVID		16	1	114	77	64 (Snapshot as at 31/03/2023)	42 (Snapshot as at 31/03/2023)	22 (Snapshot as at 31/03/2023)
Discharge Performance	Volume of (Green) Medically Fit Patients on Transfer List		60	18	83	78		82 (Month of March 2023)	57 (w/c 27 March 2023)

Highlights for the year include the successful reduction in the volume of patients waiting longer than 104 weeks for treatment, reducing from 664 in April 2022, to 33 patients at the end of March 2023 and the reduction in the volume of patients waiting longer than 78 weeks from 1953 patients in March 2022, to 699 in March 2023.

A suite of activities including support from the National Improvement Support Team and a 10-week challenge from NHSE has enabled the Trust to achieve these two waiting times positions. The Trust also received additional time-limited funding via the Elective Recovery Fund. This has supported additional activity using internal and external resources as part of the improvement programme.

Another key aspect of the improvement programme has been the repurposing of the Nightingale Hospital in Exeter. This is a dedicated facility for provision of elective orthopaedic and ophthalmic surgical procedures, and for provision of increased diagnostic capacity. Building on its previous use as a system asset, it remains for the use of local healthcare system providers and the benefit of patients from across the South-West.

As the Trust moves into the 2023/24 financial year, and delivery of its new 2023/24 financial and operational plan commitments, including the elimination of all 104 week waits by the end of quarter 1, the Trust's focus is shifting to the 78 and 65 week wait patient cohorts and reducing the time patients are waiting for their first appointment.

The continued growth in emergency activity across both the Trust's Northern and Eastern services in 2022/23 has resulted in a need for a particular focus throughout the financial year on maintaining and, at times of peak challenge, restoring patient flow. These challenges have notably included further waves of heightened COVID-19 prevalence, including a wave combined with Norovirus and Flu in Winter 2022/23, and ongoing challenges in the onward discharge of patients identified as ready to leave hospital. Illustrative of these pressures, both the Trust's Northern and Eastern services were at OPEL 4, the highest level of escalation, for three of the four weeks in March 2023, and at its peak, at NDDH upwards to one in every three of the Trust's beds were occupied by patients medically fit for discharge and awaiting onward care.

Ambulance handover delays at both sites have increased markedly in 2022/23 in comparison to previous years, although continue to benchmark favourably to other providers. As a result of comparable urgent care pressures at neighbouring providers, the Trust has with increased frequency in 2022/23 been asked and agreed to provide support to the Devon healthcare system by accepting ambulances diverted from the periphery of the Trust's catchment area, where both clinically appropriate, and when it is in a position to do so. Instrumental in facilitating the maintenance of patient flow at both sites and the Trust's ability to respond to requests for system support such as those referenced above, has been the successful delivery of a number of significant investments including the creation of discharge lounges in both Northern and Eastern services, the creation of a virtual ward whereby patients are under hospital care whilst remaining within their home environment, and the expansion of Same Day Emergency Care provision. The completion of the current phase of the Trust's Eastern services emergency department reconfiguration programme in early 2023/24 will provide a modern and expanded facility from which the Trust will be more equipped to respond to urgent and emergency care pressures going forwards.

The Trust has worked in partnership with the Devon ICS to develop a financial and operational plan for 2023/24. The commitments contained within the Trust's financial and operational plan for 2023/24 means it starts the financial year with plans for continued and accelerated step changes in performance across both elective and emergency care. Building on 2022/23, system collaboration and cooperation will be critical in enabling delivery of these commitments, particularly in relation to its commitment to facilitating swifter discharge of those patients identified as medically fit and ready to leave.

The programme of activities planned by the Trust for 2023/24, including those in relation to increased productivity alongside the estates infrastructure investment programmes already underway, will all play a part, alongside the actions of system partners, in supporting delivery of these commitments. As in previous years, delivery plans will continue to be refined throughout 2023/24, and will build upon the successes of 2022/23.

Financial performance

2022/23 has seen a focussed move to system reporting and individual organisations contributions to financial and operational performance targets. Planning included many areas of uncertainty and risk, particularly from further waves of COVID-19 and the Board of Directors approved a £18.3m deficit financial plan. Overall this plan was met with some improvement due to additional deficit support income received, resulting in a deficit for the year (for performance purposes) of £16.7m. However, delivery of the plan has seen emerging pressures with under delivery of the recurrent savings programme managed through non-recurrent in year benefits. This results in a growth in our underlying deficit overall and increases the challenge for the 2023/24 financial year.

Contracting has continued on a block contract basis from our main commissioners, Devon CCG and Specialised Commissioning (with the exception of high cost drugs through Specialised Commissioning that remained variable). An incentivised Elective Recovery Fund (ERF) provided a variable element to the contract; the ability to earn ERF is determined against system level achievement of activity performance.

During 2022/23 the operational pressures led to a number of workforce challenges, and recruitment and retention across the whole of the NHS worsened. The Trust benefited from savings on substantive staffing but experienced an increase in agency spend as a result, along with the need to cover increasing levels of staff sickness. In total £25.3m was spent on agency against an agency cap set by NHSEI of £12.7m.

Capital expenditure for the year was £56.6m, £5.2m higher than planned due to a number of national schemes being funded partway through the year not recognised at planning stage. This included investment in robotic surgery and discharge lounge in Northern services.

Material capital expenditure by scheme in 2022/23 is set out below:

- £12.7m medical equipment (Trust-wide)
- £10.1m MY CARE electronic patient record (Northern services)
- £8.0m Estate infrastructure programme (Trust-wide)
- £5.8m Emergency Department reconfiguration (Eastern services)
- £2.3m Digital diagnostic capability
- £2.0m Community Diagnostics Programme (Eastern services)
- £2.0m Discharge Lounge (Northern services)
- £1.8m Surgical Robot (Northern services)
- £1.6m Cardiology Day Case Unit (Eastern services)
- £1.2m Ophthalmology Hub (Northern services)

Looking forward to the 2023/24 financial year there are further challenges through the financial regime requiring a return to in-year breakeven for systems. The financial plans for the Trust show an increased deficit position to £28m. To reach this deficit position the Trust will need to deliver savings of £60.3m through a combination of cash releasing savings, productivity gains and COVID-19 cost-reduction. This is a combination of internal savings plans and a system stretch deliverable through further collaboration.

The table that follows highlights the deficit reported in the annual accounts, the surplus / deficit for the purposes of NHSEI reporting (excluding impairments, transfers by absorption and donations).

	2023/24 plan £'000	2022/23 £'000	2021/22 £'000
Surplus / (deficit) for the year (SOCI)	(27,967)	86,968	(4,347)
Add back all I&E impairments - buildings (note 5)	0	5,118	9,776
Add back all I&E impairments - intangibles (note 5)	0	5,321	0
Adjust (gains) on transfers by absorption (note 31)	0	(113,033)	0
Surplus / (deficit) before impairments and transfers	(27,967)	(15,626)	5,429
Remove capital donations / grants - SOCI impact (net value included in note 4 and note 5)	(68)	(1,133)	336
Remove net impact of DHSC centrally procured inventories (net value included in note 4 and note 5)	0	25	420
Adjusted reported financial performance surplus / (deficit)	(28,035)	(16,734)	6,185

Please see the accounts following at the end of the annual report for source numbers relating to the notes mentioned in the table above.

The Royal Devon continues to work closely with the Devon system on the overall financial recovery for the system. A joint financial model was agreed to ensure planning was aligned to inform the published system operational plan for 2023/24.

The agreed level of system deficit with NHS England in 2023/24 is £49.5m (£28m Royal Devon deficit) supported by system-wide strategic schemes of £62.0m (£15.6m Royal Devon included in the requirement above).

The system is focusing on the key priorities of:

- Collaboration across clinical and corporate services
- Maximising procurement opportunities
- ICB contract management
- Driving productivity including workforce and estate
- Digital asset optimisation

Additionally, a joint process was agreed to allocate the notified system capital resource limit to organisations to ensure achievement of capital resource plans.

Our people

In recent years there has been a considerable national focus on our people, with the launch of the NHS People Plan, NHS People Promise, NHS Health & Wellbeing Framework and the NHS HR and OD Programme. The aims of these national programmes align strongly with the Trust's great place to work strategic objective, with much progress having been made over the last year.

The themes of the NHS People Promise have been formally adopted as our Employee Value Proposition (EVP). Our EVP is what we want our employees to feel about the Trust most of the time and what candidates perceive about our organisation as an employer.

This section of the annual report provides some high-level context about the wider workforce, along with information about how the Trust measures performance in relation to workforce and some of the key achievements relating to our people for 2022/23.

Our people are our most important asset, without each and every one of them, we would be unable to provide vital care to our patients. The past few years have seen a considerable tightening of the labour market, with heightened competition between employers to recruit talent. These challenges have been further compounded in 2022/23 due to growing waiting lists and significant operational pressures, both after effects of the COVID-19 pandemic. This has been coupled with increased recruitment challenges as a longstanding result of Brexit. It is an ongoing challenge to ensure we can provide the right support to our people, who are under a sustained period of pressure, to enable them to stay safe and healthy.

In response to the challenges to recruitment, the Trust has worked hard to innovate and improve the way the Trust attracts candidates, retains staff and fills vacancies. This has been driven through a dedicated programme to accelerate filling our vacancies and has included the introduction of a new recruitment system, increased numbers of career fairs and improved marketing materials, all of which have had a sustained impact on our ability to recruit in the financial year. Retention has also played a key part in improving our position, with every area of the people function contributing to improving the experience of our people and targeted activity having taken place across the Trust to encourage people to stay with the Trust.

This has been a huge success story, with the Trust ending the year with 320 more employees (headcount) than it started with. This is set to continue into the next financial year, with the Trust continuing to attract a healthy pipeline of new employees, combined with a reduction in the number of people leaving our organisation each month. This will in turn enable the Trust to increase capacity to treat our patients, whilst also reducing spend on agency, meaning the Trust can make best use of its financial resources.

Despite a positive position now and in the short term, it is apparent that further challenges are on the horizon. Due to the baby boom generation, there is an ageing population nationally, with an anticipated increase in retirements in the coming years. Furthermore, the Royal Devon serves a large proportion of the South West of England, the region with the highest median age compared to the rest of the country. Based on this, it would be reasonable to expect that the impact on both retirement levels and demand for health services within the Trust will be greater than other NHS organisations. Therefore, it is of vital importance that the Trust is able to plan for its future workforce needs.

The need for dedicated workforce planning resource was recognised and supported as part of the people function leadership restructure last year. A baseline assessment was presented to public Board in February 2023 setting out some of the challenges to the Trust, including projections on population

growth, demographic change and a retirement trajectory. Alongside this work, the HR Systems, Data and Insights team have been firmly established, providing the capability to start transforming our systems in the people function, providing enhanced intelligence through improved data dashboards and supporting forecasting. This has, among other benefits resulted in improved reporting to Board through the Integrated Performance Report.

These teams are setting a firm foundation for the Trust to be able to measure the impact interventions have on our people and to be able to make more informed decisions based on enhanced intelligence moving forward.

The following pages detail some of the key initiatives the Trust has introduced to support it to be a great place to work for all our staff, delivering the high-quality services our communities expect and deserve.

Key achievements during 2022/23

Attraction and recruitment

As previously noted, the recruitment market has become more competitive in recent years, with many industries competing for the same workforce. In response, the Trust has maintained a strong focus on attraction and recruitment, with many advances in the past year.

One such improvement has been the launch of the Career Gateway, a new recruitment system within the Trust. This has allowed the Trust to develop workflows and improve automation to speed up pre-employment checks, with time to hire having decreased to a lower level than the NHS national average.

Another area of improvement has been the development of new trust wide recruitment branding, which is being used online and at recruitment events. This new branding has been designed utilising images of our own staff in various roles, with the ability to make instant applications from posters by scanning a QR code. The branding is colourful and attractive, clearly sets out the value proposition of the roles and is consistent across all platforms.

In the past year, much work has been undertaken on the accessibility of recruitment, with some talented staff not confident in making applications online or not having sight of the Trust's digital marketing. In response to this and to ensure that we maximise the potential to attract a diverse pool of candidates, regular in person career events have been established. These events allow people to attend the event, be interviewed and walk away with a conditional offer on the day, with over 350 people having been recruited through a combination of face to face and virtual career fair events in 2022/23.

There has also been a focus on working flexibly within our job adverts in the new system, with references to work life balance, flexible working and family friendly policies in every job advert. Many of our job adverts in the past year have also included statements to say 'we are in Devon, but you don't have to be', allowing us to significantly expand the geographical radius in which we are able to recruit. This has been particularly beneficial in recruiting to highly specialist and technical roles that can be carried out remotely, without a need to be on site.

Finally, work has been undertaken to develop the former 'hard to fill roles' group into a trust-wide strategic resourcing group. The Trust has become more sophisticated in its approach, using a quantifiable risk-based approach to ensure that any trends are identified and that the right actions are taken in each scenario, to best support the filling of vacancies across the Trust.

Retention and attrition

Recruitment is vital, but is only effective if we are able to retain the talent that we attract to the Trust. In this vein, there is a dedicated workstream in the accelerating filling our vacancies programme that is dedicated to improving retention within the Trust.

The Trust wants to ensure that our people are recognised and rewarded for the work they are doing. One example of this is the ongoing work to review health care support workers' job descriptions, to ensure that these vital members of staff are remunerated fairly and in line with the responsibilities they undertake. It is expected that this review will result in many band two roles transitioning to a band three towards the start of the next financial year. This is expected to have a significant recruitment and retention benefit to this key staff group.

Another area of focus has been on retention in the first year in post, as Trust data shows that many staff, particularly those who are new to the NHS, leave their roles within a year of joining. A number of schemes have been introduced in the past year to ensure staff have greater levels of support in their first six months, including the introduction of a buddy system, a review of the probationary policy, pastoral support, employee experience feedback and automated checklists for managers to enable them to support new starters in the first six months.

A further area that will be impacting on retention is

the development of our people, with these schemes covered in the People Development section of the annual report.

Speaking up

Following a successful pilot, the Trust has agreed to substantively appoint a lead freedom to speak up guardian (FTSUG). This is an important role for the Trust in supporting staff to speak up and in ensuring that everyone has a voice that counts. It will strengthen the role of the FTSUGs, to promote the support that can be offered to any staff member in need of a listening ear and to help signpost them to the appropriate plan for resolution.

In the last year, the number of freedom to speak up guardians (FTSUG) in post across the Trust has increased from eight to 13, with the introduction of eight FTSU champion roles. The FTSU guardian and champion roles are voluntary and are undertaken by individuals in addition to their substantive role elsewhere in the Trust.

The FTSUGs work with senior management in the organisation to help develop a culture in which staff feel able to "speak up" if they feel that the Trust's values are being compromised.

The Trust has already seen a substantial increase in the number of cases reported to the guardians. It is thought that this could in part be due to increased visibility of the team across the Trust and an increase in people feeling able to speak up.

A survey was also launched in the last year to explore the barriers to speaking up and a full report, including key recommendations to be actioned will be completed early in the next financial year.

Cultural development

The Trust recognises that the journey towards delivering its cultural intent, which is one that embeds a just and learning culture is a journey one of three to five years. The Board of Directors is fully committed to delivering this, with delivery of a year one cultural development roadmap, including the development of new Trust values and behaviours.

Further steps which have been taken this year to support the cultural journey include the launch of Our Charter and the Promoting a Positive Working Environment Policy, both of which have begun to embed the new values and behaviours and promote restorative justice and learning. As a Trust, we aim for all of our staff to be compassionate and inclusive, whilst demonstrating integrity and feeling empowered.

To achieve this, we aim to ensure these values are embedded in everything we do.

People development

People development is an important part of our journey to become a great place to work. When our staff are offered opportunities to develop, they feel recognised and valued and are more likely to want to stay working with us. By always learning, employees also gain valuable skills and knowledge that can in turn support the Trust to learn and develop, ensuring that we can provide the best possible services for patients.

Over the last year, the people development team has driven many significant developments. These include the launch of the new Trust wide learning management system, Learn+, that supports employees' development and training journey, including induction, developmental training, statutory and mandatory training and appraisal, all in one user friendly system. This has enabled us to offer development using more digital methods so our colleagues are able to do training when they want in a more flexible way.

Following the launch of our new Trust wide strategy, values and objectives, we have created a Senior Leadership Group, made up of quarterly executive-led events engaging with and developing on our most senior leaders. These vital sessions provide space to further understand the strategic goals of the Trust, time to learn new skills and approaches to support delivery of the Trust strategy and maximise our performance. The cultural development roadmap has complemented this work, helping the newly integrated Trust to firmly embed its values and behaviours and enabling the desired culture to be embedded for the future.

Since integration we have also partnered with the National Leadership Academy (NLA) and are now able to run the NHS Leadership Academy programmes ourselves, either as a standalone programme or combined with our Chartered Management Institute Leadership Apprenticeship Programmes. We are the first Trust in the country to be accredited to run these courses outside of the usual national cohorts.

In addition to this, the Royal Devon is a full educational provider of apprenticeships, the same status afforded to an educational establishment such as a college. We run our own leadership and management, administration, customer service and healthcare support worker apprenticeship programmes in-house. We are now extending these programmes to support colleagues across the wider

Integrated Care System in Devon by having cross-organisational cohorts. The Trust recently had its first Ofsted inspection relating to delivery of these qualifications, and received positive feedback in the inspection report.

The people development teams continue to work in partnership with external educational institutions, such as schools, colleges and universities to create career pathways into the Royal Devon. One example includes the first cohort of the Assistant Practitioner Apprenticeship in collaboration with Petroc College who are due to graduate in September 2023. Additionally, this year we have been one of the first Trusts to support T-Level students, have had continued success with our NHS ICS rotational graduate programme, have offered placements to BTEC students and have successfully launched Project Search and internship programmes Trust wide.

#TeamRoyalDevon

We are a team, so earlier this year we launched our first all staff celebration following integration, #TeamRoyalDevon week. During the week, staff were treated to a range of events, discounts and giveaways, many of which were supported by our local business community. This week was supported by the executive directors, with visits to departments and attendance at events. This was also an opportunity for staff to find out more about our staff benefit, health and wellbeing and inclusion offers.

Events included complimentary yoga classes, reflexology, meditation, bike checks and massages as well as training and information sessions on a range of topics, including sleep, financial wellbeing and menopause awareness. This was the very first #TeamRoyalDevon week, with plans to make this even bigger and better in 2023/24 to show our staff that they are supported, valued and to reward them for their hard work.

Extraordinary people awards

On the evening of Tuesday 21 June 2022, the Royal

Devon University Healthcare NHS Foundation Trust held their Extraordinary People Awards ceremony to celebrate the incredible staff and volunteers who work across the Trust.

The awards have 11 different categories which recognise the outstanding contribution that staff and volunteers make. Over 400 nominations were received and an independent judging panel then created a shortlist of 68 finalists.

The Royal Devon's finalists and their nominators came together at Sandy Park for an awards ceremony. As well as thanking all of our staff and volunteers, our Extraordinary People Awards celebration allows us to say an extra special thank you to those who were recognised by colleagues and patients as being truly extraordinary.

Social, community, anti-bribery and human rights issues

We are committed to ensuring that services are accessible, appropriate and sensitive to the needs of the whole community, with a workforce representative at all levels of the population it serves.

The Trust is working hard to deliver services to its patients and staff, which reflect equality, diversity and inclusion in all areas and respect of human rights, in accordance with the requirements of the Equality Act 2010, the Workforce Race Equality Scheme (WRES), the Workforce Disability Equality Scheme (WDES) and Gender Pay Gap Reporting. Action plans to identify and address issues related to WRES, WDES and gender pay reporting are monitored by the Board and the Inclusion Steering Group chaired by the chief executive officer. We are committed to ensuring the advancement of equality of opportunity between different groups, whether they are people who work for us or the patients and communities we serve. As a public body we believe it is our duty to work towards eliminating discrimination and help foster positive relations between the different groups that make up society.

Our work with the Eastern Local Care Partnership, with our health and social care partners and the voluntary, community and social enterprise sector seeks to address heath inequalities and is carried out in accordance with the Equality Act 2010.

Throughout 2022/23, the Board has remained committed to maintaining an honest and open atmosphere, ensuring that all concerns involving potential fraud have been identified and investigated

in line with the expectations of the NHS Counter Fraud Authority. In any such cases appropriate civil, disciplinary and/or criminal sanctions have been applied, where guilt has been proven to the required standard.

The Trust engages ASW Assurance to provide a suitably qualified and nominated Local Counter Fraud Specialist (LCFS) to support its work in this area. This has helped to create an anti-fraud culture, including a new Counter Fraud Champion role held by the Operational Director of Finance, which has enabled deterrence and prevention measures to be embedded in the organisation which forms part of the annual Counter Fraud report summarising Counter Fraud activity and outcomes during the year.

The Trust's Audit Committee agrees the annual work plan for the LCFS and receives routine reports on progress against its delivery. The Committee has agreed the Trust's policy for dealing with suspected fraud, bribery and corruption. The Trust submits an annual self-assessment about its counter fraud arrangements and work against the Government Functional Standard GovS 013: Counter Fraud to the NHS Counter Fraud Authority.

Equality of service delivery

Equality performance

The Trust is committed to working to become a national exemplar for diversity, equality and inclusion. We aim to create a positive sense of belonging for everyone, regardless of their background or identity, and to value visible and invisible differences.

For us, inclusion is about positively striving to meet the needs of different people and creating environments where everyone feels respected and able to achieve their full potential. However, we know that there is a lot to learn and do, and we are committed to doing so because it's the right thing to do for both staff and the people we care for.

We take our responsibility seriously in ensuring no person (staff, patient or public) will receive less favourable treatment on the grounds of the nine protected characteristics as governed by the Equality Act 2010, regardless of race or ethnicity, age, disability, nationality, gender, gender reassignment, sexual orientation, religion or belief, marriage and civil partnerships.

The Royal Devon strategy sets out our mission to work together to help you to stay healthy and to care for you expertly and compassionately when you are not. The strategy emphasises that the Trust is a values-driven organisation and inclusion is central to achieving its mission.

Our Board of Directors understands that inclusion is fundamental to the approach the organisation takes to organisational development, culture change, service improvement, and public and patient engagement. Moreover, while the focus on protected characteristics in this field must remain central to our work, there is a keen sense that there are other barriers that reduce equality of access, or which lead to discrimination and our work must reflect this broader understanding.

We aim to:

- Improve everyone's – patients, carers, staff experience of the Royal Devon in line with our values and inclusion ambition
- Ensure our services are delivered in a way that is demonstrably inclusive and that enables equality of access for all
- Create an environment where our staff have an ongoing sense of belonging and everyone is able to flourish and progress equally.

The Trust has made a number of appointments to support its ambition to be a truly inclusive organisation including the appointment of an associate director of wellbeing, inclusion and employee experience, an inclusion lead and a diversity and inclusion data analyst.

We have refreshed our approach to inclusion to ensure that it:

- Fully reflects the central importance of inclusion to our corporate strategy
- Builds on the steer provided by the Board – who are vital to setting the tone and leadership on inclusion – drawing upon the experience and insight of our staff and the communities we serve
- Considers the need to build a social movement for change within the organisation focussing on attitudinal shifts and changing ways of working, to fully embrace diversity and inclusion
- The Trust aims to ensure that all of its healthcare services are accessible and inclusive to everyone in

line with our legal duties under the Equality Act 2010

- To help develop a truly inclusive organisation the Trust has adopted inclusion as one of its core values
- We work with a group of people with learning disabilities to ensure that we enable improved access to healthcare services. This has resulted in improved understanding about the issues faced by people with learning disabilities and the introduction of improved communication materials
- We expect staff to challenge any discriminatory or harassing behaviour, and to report them through procedures such as grievance, disciplinary, whistle blowing or incident reporting.
- We are also working hard to meet the requirements made on all NHS organisations of the accessibility information standard. In addition, we aim to make our website as easy to use and understand as possible. We want visitors with disabilities to have the same benefit from using our website as those who are able-bodied.

We have developed a plan on a page which sets out our strategic commitment to inclusion for our staff, patients and community. There have been many achievements in this space including:

- Delivery of inclusive leadership training and wider inclusion training across the Royal Devon, to bolster organisational capability in supporting conversations about inclusion
- An inclusion calendar for staff developed and published
- The launch of a new recruitment model for consultants
- A 'Driving Your Career' programme created and ready for launch
- Royal Devon is the first NHS Trust in the country to be accredited as Communication Accessible
- Specialist inclusion training sessions for #TeamRoyalDevon Week
- Inclusion and employee support and resolution colleagues have partnered together to provide enhanced specialist support for staff concerns relating to inclusion
- A project around inclusive recruitment has begun
- Funding for a pilot associate NED programme has been secured
- Funding to improve reasonable adjustment offerings and understanding the lived experience of disabled colleagues within the workplace has been secured
- Securing Defence Employers Recognition Scheme (DERS) Gold level accreditation as an integrated trust
- Securing Veterans Covenant Healthcare Alliance (VCHA) accreditation as an integrated trust.

ACCOUNTABILITY REPORT

Quality governance reporting

Patient experience of care

In April 2022 we launched our new patient experience strategy for the newly merged Trust. Our patient experience strategy underpins the delivery of our new Trust strategy and was developed over several months in consultation with both service users and our people. It sets out our high-level vision for the next three years and describes how we plan to put the experience of our patients centre stage through the delivery of five strategic objectives.

For more detail of what has been achieved in the year since launching the strategy see page 21.

The 2022/23 patient experience work plan sets out a number of improvements and developments linked with the implementation of the patient experience strategy, and are in addition to the team's "business as usual" activities. The Patient Experience Committee monitors the progress of the patient experience work plan.

Monitoring improvement in quality

The Trust adopts a balanced scorecard approach to monitoring quality, presented through the Board's integrated performance report (IPR). The Governance Committee has comprehensive oversight of the quality and safety of care, including all inpatient, outpatient and community services.

A schedule of ward accreditation assessments has been undertaken across both northern and eastern sites during 2022/23 using the care quality assessment tool (CQAT). Key patient experience metrics arising from the assessments are reported to the Patient Experience Operational Group (PEOG) and the Patient Experience Committee (PEC) through quarterly reports. During this period a full review of the ward accreditation programme has been undertaken and a new framework to support accreditation has been developed. This framework will be launched in 2023/24.

Patient experience governance

The Trust's PEOG is a sub-group of the PEC and focuses on improving and sustaining patient experience, promoting co-production and co-design whenever appropriate. Through its work, the group ensures that we are listening to what matters to our patients and acting on patient feedback to continually improve the experience of care we offer.

Patient stories

Listening to, and learning from patient stories is fundamental to improving the safety and experience of our patients and carers. Patient stories are presented at every Board meeting, and during the pandemic we have ensured that the stories continued by holding virtual meetings and phone calls with patients, and sharing videos of feedback direct with Board members. During the last year we have expanded the forums in which patient stories are heard, with a patient story being a standing agenda item at Northern and Eastern services Operations Boards and PEOG. Patient stories are obtained either from compliments, complaints, service transformation projects, letters from patients who have approached the Trust, or from staff who feel that one of their patients has had an experience which we can learn from.

Complaint handling

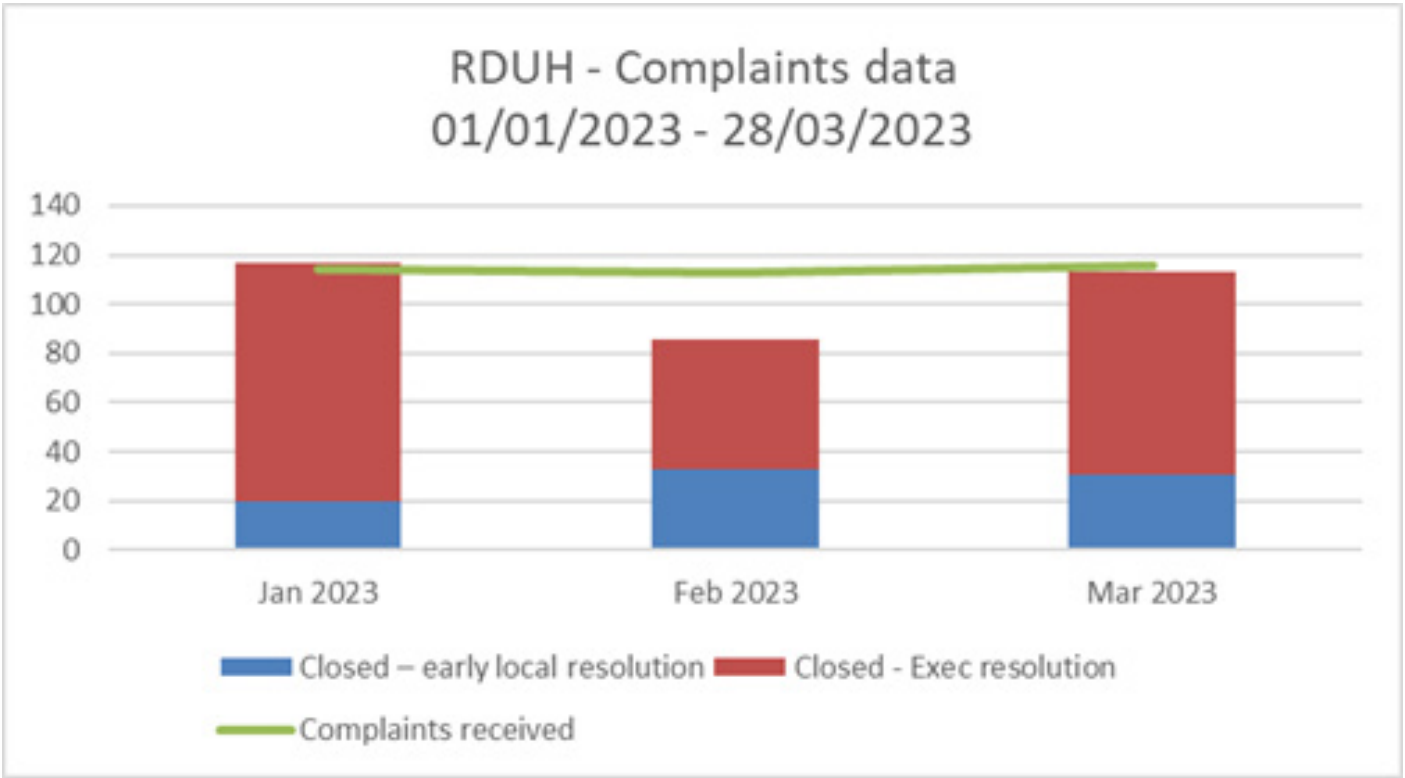
We are committed to welcoming all forms of feedback, including complaints, and using them to improve services. The Trust strives to provide the best care, however, when we do not get this right, complaints from our patients, carers and relatives are a vital source of feedback and we use themes to establish learning and identify quality improvement opportunities.

As part of a national pilot the Trust was selected to became an early adopter site for the New Complaints Standards working closely with the Parliamentary and Health Service Ombudsman (PHSO). The aim of this project is to embed a standardised framework for NHS organisations to follow with complaint handling that focuses on promoting a learning and improvement culture, positively seeking feedback, being thorough and fair and giving fair and accountable decisions.

The new complaint standards are due to formally launch in spring 2023, however involvement as an early adopter site has helped the alignment of processes, data and reporting across both sites.

Northern and Eastern complaint data reporting was aligned formally in January 2023, therefore the complaint reporting figures for 2022/23 cannot be collectively reported for the whole of this financial year. The data reporting below is separated into before and after the data alignment. The PHSO are planning to introduce reporting guidance in its next phase of complaint management and the Trust will be working with it to progress reporting over the coming year.

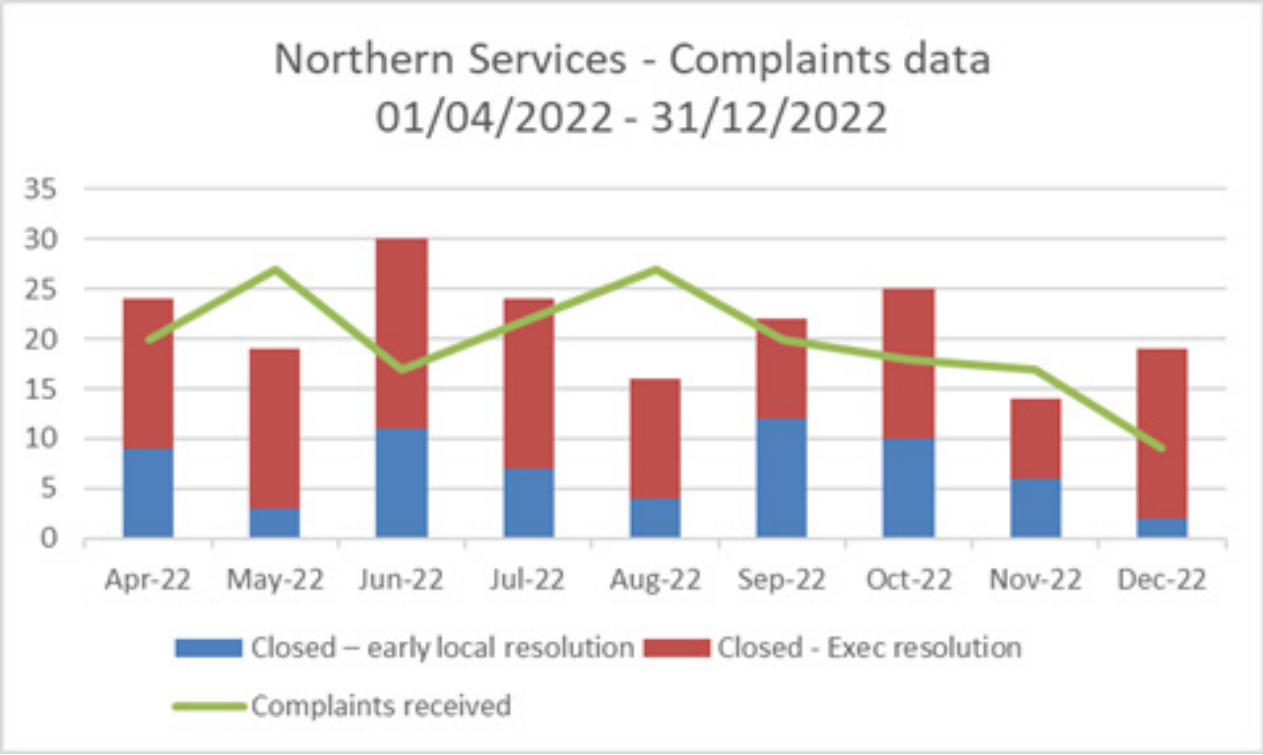
The chart below relates to complaint data for the whole Trust following the alignment of data reporting. Below this is the individual data for the earlier part of the year.

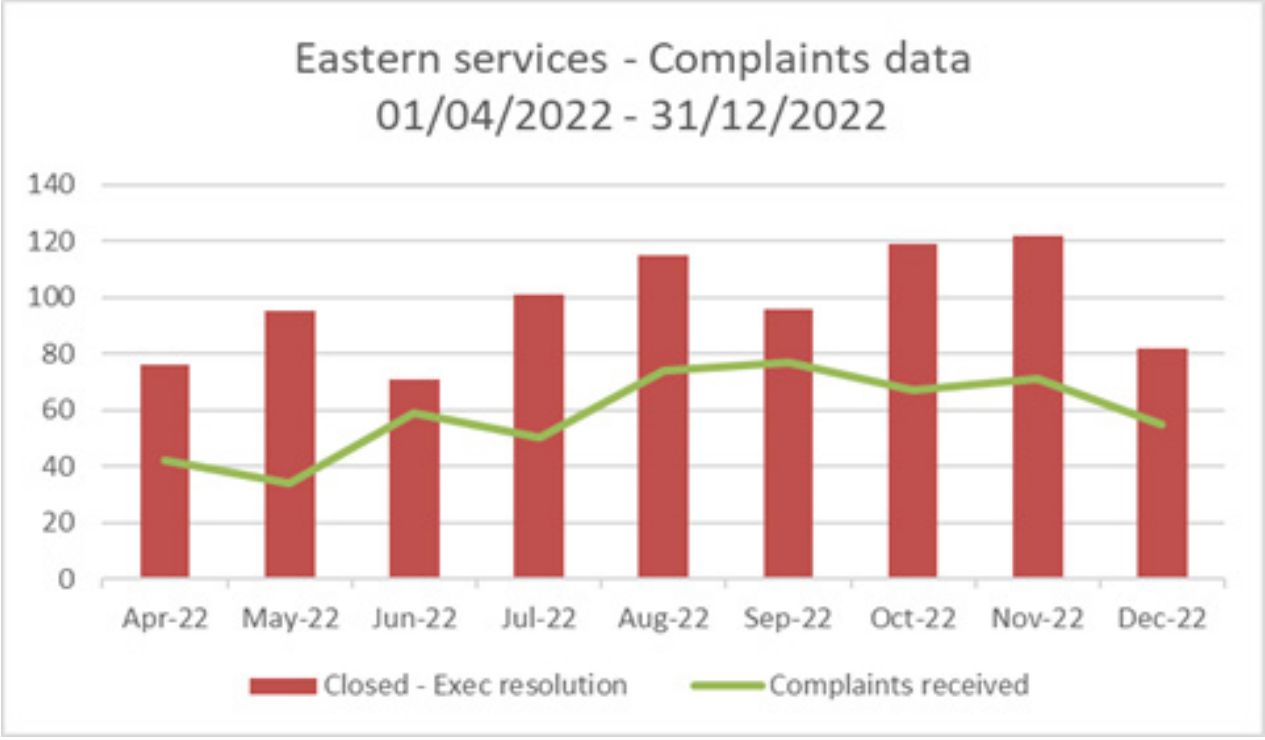


The top five complaint subjects during this period were:

- Communication
- Values and behaviours
- Patient care
- Admissions and discharges
- Clinical treatment – surgical group

Prior to the alignment of complaints data across the sites, the following complaints were received and closed by the respective sites:





Key performance metrics

All complaints are required to be acknowledged within three working days in line with Trust policy and The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.

The Trust achieved 87% compliance with acknowledging complaints within three working days which fell short of the 95% target. Plans have been put in place to improve this for 2023/24 and compliance with this indicator will be monitored by the patient experience committee.

	Complaint timeliness	
	Ack. Within 3 working days	Response exceeding 6 months
Apr-22	93%	13%
May-22	85%	24%
Jun-22	84%	11%
Jul-22	79%	14%
Aug-22	96%	11%
Sep-22	86%	17%
Oct-22	87%	15%
Nov-22	94%	6%
Dec-22	91%	2%
Jan-23	82%	21%
Feb-23	84%	13%

Patient Advice and Liaison Services (PALS) contacts data

During 2022/23 Northern services received 1,343 PALS contacts. This is a 12% decrease on the previous year (1,533). Eastern services have historically not recorded PALS contacts, however as part of the data alignment this was introduced in November 2022.

The top five themes for Trust wide PALS contacts during 2022/23 were:

- Communication
- Appointments
- Access to treatment or drugs
- Waiting times
- Facilities

Parliamentary and Health Service Ombudsman

When a complainant remains dissatisfied with our complaint response or the way their complaint was handled by the Trust, they have the right of redress to raise their dissatisfaction with the Parliamentary and Health Service Ombudsman (PHSO). The PHSO will review their concerns and the Trust's management of their complaint, including the outcome of the Trust's investigation. Where possible, and in line with the complainant's wishes, the Trust undertakes many attempts to try to resolve any outstanding areas of dissatisfaction. A complainant can approach the PHSO after this process or as soon as they receive their complaint response.

When the PHSO receives a request to investigate a complaint, their first step is to complete a primary investigation. This involves contacting us to request information to enable them to complete initial checks. Approximately 25% of primary investigations will proceed to a detailed investigation. A detailed investigation will take a closer look at how we have managed the complaint and seek clinical advice on our investigation findings. Once the investigation is complete the PHSO will decide if the complainant's concerns are: upheld, partly upheld or not upheld. If a complaint is upheld or partly upheld, the PHSO will make recommendations for the Trust to resolve this.

During 2022/23 22 PHSO cases were received. The table below shows the number of PHSO cases that were closed during the same period (please note that they may not all relate to the same financial year) and the resulting outcomes.

PHSO investigations 2022/23	Number			
Investigations received	22			
Investigations closed	17	Outcome		
		Upheld	Partly upheld	Not upheld
		2	2	0

The cases that were partly upheld and managed via dispute resolution received recommendations from the PHSO. The Trust complied with all of the recommendations and monitored these via our Trust governance processes.

Patient surveys

Maternity services 2022

The overall results for the Trust's maternity services were very positive.

Out of a total of 59 questions, Northern services' results were in the top 20% of all Trusts. Overall scores for Eastern services were also very positive and incredibly reassuring, with scores higher than or equalling the national average in nine categories. Eastern Services achieved 100% in one category in antenatal care, concerning being spoken to in a way they understood.

Northern services scored well on a range of questions including:

- Were you offered a choice of where to have your baby?
- Did you get enough information from either a midwife or a doctor to help you decide where to have your baby?
- During your pregnancy if you contacted a midwifery team, were you given the help you needed?

In Eastern services, for antenatal care, of the 14 categories reported, they scored above the national average in eight categories and equal to it on one area.

Eastern highlights include:

- Women surveyed felt that they were given enough information during their pregnancy about where to have their baby, compared to nationally
- 93% of women confirmed their partner was involved during labour and birth compared to 89% nationally
- Women reported that they were spoken to in a way they understood 100% of the time.

Both sites have developed an action plan to address any areas for improvement identified through the survey.

National Inpatient Survey 2021

The Trust received the outcomes of the National Inpatient Survey carried out in 2021. The National Inpatient Survey was undertaken prior to April 2022 and therefore reflects the RD&E and NDHT Trusts. The NDHT and RD&E results noted some significant positive changes between 2020 and 2021, and identified some areas for improvement.

The results were analysed by the patient experience operational group, which identified positive results across:

- Confidence and trust in doctors and nurses
- Help, support and information giving by staff; and
- Overall experience of being in hospital.

Actions arising from the survey have been identified and are already being actioned through Trust workstreams. Progress will be monitored through the patient experience operational group.

During the year, the inpatient survey programme, which had been paused due to the pandemic, was resumed at North Devon District Hospital. A team of volunteer surveyors routinely visit inpatient wards to collect patient feedback at the bedside. The ward and senior management receive a report on this feedback within two to three hours, allowing teams to act quickly on the feedback received. Subject to patient consent, selected patient comments are routinely used across Trust communication channels, both internally and externally. It is intended to restart inpatient surveys at South Molton Community Hospital and to introduce them at Royal Devon and Exeter Hospital.

With an increasing reach, social media forms an important feedback channel, together with online feedback from Care Opinion, NHS Choices, compliment cards/letters, postal surveys, face-to-face engagement, contacts to our Patient Advice and Liaison Service and the Friends and Family Test.

Friends and Family Test

The Trust-wide Friends and Family Test (FFT) score for 2022/23 was very positive with 97% of respondents answering either 'Very good' or 'Good' to the FFT question 'Overall, how was your experience of our service?'. This score was based on 12,510 FFT responses.

Patients are routinely asked the reason they answered the FFT question in the way they did and for suggestions as to how the Trust might further

improve the service they have experienced.

In Northern services, patient comments received through the FFT are routinely analysed into positive and negative feedback, themed and presented regularly to the patient experience operational group. The top subject themes during the year were care, staff attitude and communication. The feedback from these themes, which accounted for most of the qualitative FFT feedback received during the period, was nearly all positive.

The FFT programme of work gathers feedback from the majority of services across the Trust. Northern services routinely publishes FFT results and detailed feedback on the Trust website: **https://www.royaldevon.nhs.uk/patients-visitors/patient-experience/friends-and-family-test-feedback-northern-services/**

Care Opinion – Northern services

During 2022/23 the Trust has received 536 personal stories on the Care Opinion website and in the past 12 months Care Opinion stories relating to the Trust have been viewed by the public 60,600 times in total. The plan for the coming year is to roll out the advanced subscription to Eastern services, enabling Trust-wide full responding access to all of our services. The advanced subscription empowers all of our wards, services and teams to maximise the impact of learning from our patients' experiences and to identify quality improvement opportunities from online feedback.

In addition, services are able to respond personally to service users in real time to produce reports that help to recognise themes and regularly report to governance meetings. Care Opinion is monitored by professional bodies and NHS regulators. The website allows us to demonstrate that we are 'listening and learning' to public feedback we receive. We achieve this by highlighting when we have made changes based on the comments made, signposting patients to appropriate services and linking them to service managers when more support is needed. Examples of using Care Opinion feedback can be found below in the 'you said, we did' section of this report.

You said we did

	You said	We did!
1	The Friends and Family Test A raised chair in the waiting room may have been useful. (Emergency department, North Devon District Hospital)	We procured four raised chairs and positioned two in each of the minors and majors waiting areas, with signage indicating that they have a higher seat height to encourage the correct use of them by patients.
2	The Friends and Family Test WiFi would be useful. I had to go outside to use my phone. (Emergency department, North Devon District Hospital)	We created posters to increase patient awareness of the free WiFi which is available in the department.

	You said	We did!
3	The Friends and Family Test There was no one to ask the way to Jubilee Ward as it was very early and there were no directions on the 'Hospital Directory' board. (Main entrance - North Devon District Hospital)	We amended the signage on the 'Hospital Directory' board to include Jubilee Ward.
4	The Friends and Family Test The appointment booking system is quite frustrating - especially as I know I need an appointment every 3 months for PrEP. It would be great to be able to book the next appointment at the end of each previous appointment. (Devon Sexual Health – Sidwell Street, Exeter)	We set up a new PrEP clinic, which is aimed at providing follow-up care for patients on PrEP where they can book directly via an email system. We are now direct booking certain other follow-up appointments, such as depo injections so that patients can book their next appointment when they attend for their current injection. Patients can now directly book in for routine refits for specific methods of contraception, e.g. implant and IUD/IUS methods, without the need for a pre-consultation. We have designed a checklist for the reception team to ensure they are able to book in the appropriate patients correctly.
5	The Friends and Family Test The lack of a waiting room at the bungalow location means that patients, sometimes elderly, have to wait outside, including in the wind and rain. There are no seats and nowhere to shelter. Handrails are needed on the paths to improve access. There is only one small treatment room. (Leg Ulcer Service – North Devon District Hospital)	We relocated the Leg Ulcer Service to Barnstaple Health Centre. There have been extensive improvements to the facilities, including a waiting room and the formation of two bespoke clinic suits, repurposed specifically for Leg Ulcer Service patients. Considerable effort was made by staff to ensure a smooth transfer of patients and equipment without disruption to the usual level of service.
6	The Friends and Family Test A mirror is required in the ladies' toilet. (Endoscopy Suite, North Devon District Hospital)	We fitted a mirror in the ladies' toilet.

	You said	We did!
7	The Friends and Family Test I think it could have been made clearer to me that whilst my main concern (to be assessed for and fitted with a prostheses) would be handed over to Exeter Mobility Centre, I'd remain in the care of South Molton Community Rehab team – and that the scope of that care could have been better defined. (South Molton Community Rehabilitation Team)	We reminded staff of the importance of discussing roles within the multidisciplinary teams that pull around patients and how we share information.
8	Care Opinion A patient who was trying to make an appointment with the cardiology department left messages on two occasions as no one was available to take the call. A call back was not received in response to the messages left. (Cardiology Department, North Devon District Hospital)	Telephone coverage has been maximised to ensure that patients are able to contact the department without multiple failed attempts.
9	Care Opinion The COVID-19 postal swabbing system involves a lot of travelling to drop off the sample at the nearest collection point. (North Devon District Hospital)	We changed our process and most patients are now able to complete lateral flow tests at home prior to admission, in line with the change in government guidelines.
10	Care Opinion It is difficult to contact the physiotherapy department to book an appointment. (Physiotherapy Department, North Devon District Hospital)	We introduced a new process in the physiotherapy department for answering the telephone and retrieving messages.

Service improvements

Virtual ward

In October 2020, the Trust launched the Epic electronic patient record system in Eastern services and in July 2022, Epic went live within our Northern services. We now have a common electronic patient record system across Northern and Eastern services, and across acute and community services. This offers us huge potential to transform and improve the way patients access care and how we communicate with each other.

One of the early digital opportunities the Trust is exploring is remote monitoring. The virtual ward (Acute Hospital at Home) is supporting patients at home, who would otherwise come into the hospital environment as an inpatient.

The virtual ward concept is a safe and efficient alternative to NHS bedded care that is enabled by technology. Virtual wards support patients, who would otherwise be in hospital, to receive the acute care, monitoring and treatment they need in their own home. This includes either preventing avoidable admissions into hospital or supporting early discharge out of hospital. The use of the virtual ward (Acute Hospital at Home) links with national NHS priorities to deliver virtual ward capacity across systems.

Our Eastern Acute Medical Unit is piloting this with patients and, where suitable, offering a range of portable devices for patients to use to be monitored at home, allowing them to have more control over their own care through embracing new technologies, research and innovation.

Discharge lounge

Due to a long-term focus on elective and non-elective length of stay and patient flow, North Devon District hospital has not required a discharge lounge since 2012. Although the implementation of MY CARE has improved the discharge process most elements of the discharge take place after the board round in wards contributing to a delay in patients leaving the wards.

Operationally there have been sustained pressures in Urgent Care resulting in bed escalation including increased number of patients with 'No Criteria to Reside', cancellation of elective procedures and increased numbers of patients waiting more than 52 weeks, 78 weeks and 104 weeks.

In response to these pressures a temporary patient discharge lounge was created from 1 March 2022 consisting of four chairs. At the time of writing the impact of the discharge lounge equated to an average of 3.4 patients using the lounge between a Monday to Friday saving 297 bed hours. This correlates to a total saving of 12.3 bed days for the 43 days that the lounge was open.

The early availability of inpatient beds is essential to improving efficiency and flow across the hospital. A key recommendation of NHS Improvement's 'SAFER' patient flow bundle is a requirement that 33% of patients be discharged from base inpatient wards before midday. Considering the limited capacity afforded by the current location, the discharge lounge delivered an overall average of 31% of all transfers before midday, and 76% prior to 2pm. This is beneficial for the patient who will have more access to Pharmacy support and public transport than they would later in the day.

Following the success of this initial test approval for a modular discharge to be funded by national capital monies has been gained. This will create a discharge hub with capacity for eight bedded patients and an ambulatory patient lounge with 10 chairs. This work has been delivered on time and within budget (photos below shows the modular unit in place).

Stakeholder relations

Communicating with, involving, and including stakeholders is the foundation of our approach.

Effective engagement relies on our commitment to listen and communicate openly and honestly with stakeholders. NHS Services are of particular importance and interest to most people – whether provided in the community or in hospital. By working with our stakeholders, our goal is to achieve improved mutual understanding and trust. We want to listen to the ideas of local people and understand them better to help us make improvements to the way we provide services. We aim to create a culture of partnership with patients, staff and the community, for patients to be involved in their care, for ongoing listening and learning, and for everyone to work together in the design and delivery of services for the continuous improvement of the healthcare services:

The Royal Devon works with a wide range of partners from the statutory and voluntary sectors:

- we have established good relations with our local MPs and politicians in local government
- we have, over the years, sought to foster positive relationships with primary care colleagues
- we work closely with the University of Exeter, particularly on the Joint Research Office (JRO), a leading centre for high quality research, development and innovation in the South West peninsula.
- we work in close partnership with many voluntary, community and social enterprises (VCSE) to continually improve care and offer more integrated care

We have talked in more detail about many of these on pages 19-21 of this annual report.

The Integrated Care System Devon, in line with the vision set out in the NHS Long Term Plan, provides a key vehicle for developing the networks and relationships necessary to drive improvements in health and social care in Devon, address the wider determinants of health, and focus our resources in the areas where they are most needed.

The Integrated Care System for Devon

NHS Devon (the integrated care board) is currently developing its joint forward plan (JFP) in collaboration with the five local care partnerships and three health and wellbeing boards in the county.

The plan, which is to be submitted by June 2023, will set out how the system will work together in a different way, to deliver transformational change and improve the health and wellbeing of the population.

It includes nine areas of focus:

1. Primary and community care
2. Mental health, learning disabilities and neurodiversity
3. Women and children
4. Acute services
5. Housing
6. Community development
7. Employment
8. Health protection
9. Suicide prevention

The JFP is a response to the Integrated Care Strategy, which was published in draft on the One Devon website in January 2023. NHS, local authority and other partners were all involved in producing the strategy which was coordinated by the One Devon Partnership (the integrated care partnership).

The Devon system is currently in level four of the system oversight framework (SOF4) due to finance and performance issues, which brings with it enhanced direct oversight by NHS England and additional reporting requirements and financial controls. The JFP therefore reflects the need to focus on system recovery and exiting SOF4 as priority.

A summary of the SOF4 exit criteria are listed below, with an estimated exit date of 2024/25:

1. **Urgent and emergency care** – make progress against national objectives
2. **Elective recovery** – make progress against national objectives
3. **Finance** – develop and deliver realistic balanced plan for 2023/24
4. **Leadership** – demonstrate collaborative decision-making
5. **Strategy** – deliver phase one of PASP

Partners across the county continue to work

together in many areas, including the Peninsula Acute Sustainability Programme (PASP). PASP sees clinicians and staff from across Devon, Cornwall and Isles of Scilly working together to ensure the clinical, workforce and financial sustainability of acute services.

A series of workshops have been underway since December 2022 to review and redesign acute services, initially beginning with paediatric assessment, medical assessment and surgical assessment.

Disclosures

Income disclosures required by Section 43 (2a) of the NHS Act 2006

The Trust has complied with Section 43 (2a) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012). The Trust's 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.

Income generated from the provision of goods and services for any other purposes is used by the Trust to provide healthcare services.

Remuneration report

Annual statement on remuneration

The membership of the Remuneration Committee (RC) consists of the Chair and all the non-executive directors for the Royal Devon. The chief executive officer and, as necessary, other executive directors are invited to attend the RC in an advisory role but are excluded on issues directly relevant to them by the Chair of the committee. The committee is supported by the chief people officer and their senior team as required.

For the year following integration, Professor Janice Kay, Senior Independent Director, held the position of Chair of the Remuneration Committee for the Royal Devon, having previously held this role at RD&E pre-integration. Mr Stephen Kirby remained as Deputy Chair throughout the financial year. It should be noted that as this report reflects on the first year as an integrated Trust, there will be some significant differences within the remuneration report, compared to the separate reports for RD&E and NDHT that were published last year.

In addition to the above, there have been five changes to the membership of the RC during 2022-23. Shan Morgan joined the Trust as Chair on the 1 April 2023. Tony Neal joined the Board of Directors on 1 April 2022, having formerly held a NED position in NDHT prior to integration. Kevin Orford left the Board of Directors in June 2022, with Martin Marshall having joined in November 2022. Janice Kay left the Board of Directors on the 31 March 2023.

The committee's main purpose is to set rates of remuneration and terms and conditions of service for the chief executive officer, executive directors and very senior managers (VSMs), who are remunerated on benchmarked salaries outside of nationally agreed pay scales. This encompasses those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust.

Formal adoption of Royal Devon Remuneration Committee Principles & Terms of Reference took place following integration during the RC in April 2022 along with sign off of the annual workplan.

Non-executive director and Chair remuneration is dealt with by the Non-Executive Director Remuneration Committee (NEDRC, see page 116).

In-year remuneration decisions

On 19 July 2022, Steve Barclay, the Secretary of State for Health and Social Care, announced the NHS pay awards for 2022/23, with government accepting the recommendations of the pay review bodies in full. This included a 3% uplift for VSM colleagues, with organisations given flexibility to award an additional 0.5% to ensure that no senior leaders are paid less than the AfC band 9s whom they manage. The Forty-Fifth Annual Report on Senior Salaries by the Senior Salaries Review Board (SSRB) also noted that remuneration of leadership roles should reflect the step-change in challenge, complexity and accountability on promotion. The Remuneration Committee agreed to apply the recommended 3% to all VSM's and agreed that the 0.5% would not be awarded, pending the annual benchmarking exercise later in the year.

The SSRB flagged that there were risks associated with AfC inflation progression being at a greater rate in recent years than VSM pay inflation. It noted the need to prevent erosion in the differential between AfC and VSM pay. It was agreed by the RC that any VSM whose salary is within the AfC range should have the higher of the two recommendations relating to the AfC or VSM cost of living increase applied, to ensure they are not disadvantaged.

Whilst the majority of benchmarking took place during October 2022, the RC reviewed recommendations for some VSM staff whose pay fell within the range of Agenda for Change in July 2022, to ensure the aforementioned points in the Forty-Fifth Annual Report on Senior Salaries were addressed, to ensure these individuals were not disadvantaged. This review resulted in two salary increases.

The remaining salary benchmarking was completed in October 2022, accounting for the 3% uplift applied earlier in the year. As part of this process the RC reviewed remuneration information for the Trust's chief executive officer, executive directors and other VSM's. It was noted that operating income and WTE changes had not resulted in any changes to the categories being benchmarked against. Previously Northern services were benchmarked against NHS and Foundation Trusts when using NHS Providers data, with other roles only being benchmarked against foundation trusts. Now that the integration has taken place, the methodology has been adjusted to ensure all roles are benchmarked against foundation trusts.

The Royal Devon carries out a robust and consistent process for benchmarking all of our VSM posts. The way this data is used means that we can understand and adjust for when a role is remunerated at a significantly lower level than colleagues elsewhere in the country, considering performance and other factors. This has also enabled honest and transparent conversations to happen about pay, with VSMs understanding how their pay is determined.

The Royal Devon, is highly mindful of the gender pay gap and other pay gaps, with our RC continually looking at ways in which these gaps can be narrowed. Information relating to gender has been reviewed in previous years as part of the annual benchmarking process; however, for the first time in 2022/23 the national gender pay gap data was used to understand if there is any national bias and where appropriate the benchmark was adjusted to account for this. This provides assurance that our organisation is applying fair pay locally and is effectively contributing to a national narrowing of the pay gap.

In the current financial context and in light of the new anticipated VSM framework it was acknowledged that it would not be fiscally responsible for staff to have received remuneration increases to 100% of benchmark. On this basis the 2022/23 benchmarking took a balanced but cautious approach to address inequities and provide a fair increase to those whose salaries are significantly below benchmark.

In the previous financial year (2021/22) significant disparities were identified between the remuneration and benchmarking information available for six posts. This was identified as an equality issue, disproportionately impacting on female colleagues, therefore the RC made a balanced decision to award modest non-consolidated increases to those impacted, to reduce the gap between their current salaries and benchmark. Typically, these awards would have been on a consolidated basis, however this was not possible due to the national directive.

In light of the above context, the Remuneration Committee approved the following recommendations:

- Consolidation of the 2021/22 increases as a % of salary.
- Uplift salaries that are significantly below benchmark to 95% of benchmark, unless this would result in an increase of more than 5%. Where this was the case the increase was capped at 5% in recognition of need to balance financial restraint and pay equity.
- Where staff were still developing in role and were below 95% of benchmark, no increase beyond the consolidation of last years' increases and the cost of living from earlier this year were applied.
- All decisions were made in accordance with the Remuneration Principles as set out below and considered benchmarking information from comparator Trusts using NHS Provider data, national median data provided by NHSE/I and individual performance data for each VSM. It should be noted that benchmarking data has not been released by NHSE/I since 2019/20, therefore the benchmarking information has been adjusted locally in line with nationally recommended uplifts since this point.

These recommendations resulted in salary increases for a total of fourteen VSM colleagues. This included four executive directors who were being remunerated below benchmark were the increase was made for equity reasons to achieve 95% of the benchmark salary They were Hannah Foster, Chief People Officer, Angela Hibbard, Chief Finance Officer, Chris Tidman, Deputy Chief Executive Officer and Carolyn Mills, Chief Nursing Officer. The RC received feedback from NHSE/I in relation to these four increases, as the resultant salaries exceeded the £150k threshold. Despite these salary increases being below NHSE/I benchmark, NHSE/I were unable to recommend the increases for support on the basis that ministers are continuing to request NHS organisations apply pay restraint across VSM pay.

On 22 September 2022, the Health Secretary, Thérèse Coffey set out a range of measures to address key NHS challenges, including patient backlogs. This included a statement confirming that the government would be correcting pension rules regarding inflation and would mandate NHS trusts to offer (PCRS) Pension Contributions Recycling Scheme by 2023, as part of its bid to prevent punitive pension rules from encouraging workers to leave the NHS. In response to this statement, the Remuneration Committee reviewed and approved a proposal to introduce a pension recycling scheme that was implemented in November 2022, in line with NHS Employers pension tax guidance.

The RC also undertook a routine review of the VSM process for settlements and redundancy to ensure that the processes are comprehensive, up to date and reflect practices that the Remuneration Committee agree with. As part of this review, an opportunity was identified to be more explicit about how redundancy or settlements are handled for VSMs within the Trust Standing Financial Instruction and Scheme of Delegation (SFI). The RC agreed that the responsibility for agreeing settlements and/or redundancy relating to a VSM should sit with the Remuneration Committee. It was agreed that this would apply to any value if outside of normal contractual terms and anything over £100,000 within normal contractual terms.

Finally, the Trust introduced a new approach to succession planning for the senior leadership group during 2022/23, using the NHS Leadership Academy maximising potential tool to identify individuals with potential for progression. This exercise also identified the risk of each individual leaving the organisation. The RC reviewed a summary report highlighting the overall portfolio of each executive director. The strengths and opportunities from the exercise were identified along with the risks and issues. It is planned that this process will be fed through the divisions, enabling this tool to be used throughout the organisation as well as becoming an annual exercise for the senior leadership group.

NED attendance at RC meetings in 2022/23

	25 April 2022	28 July 2022	12 October 2022	16 January 2023
S Morgan	P	P	P	P
J Kay	P	P	A	A
C Burgoyne	P	A	P	P
B Kent	P	P	P	P
S Kirby	A	P	P	P
M Marshall				P
A Matthews	P	P	P	P
T Neal	P	P	P	P
K Orford	A			

P - Present / A - Apologies

Joiners and leavers:

- Martin Marshall joined November 2022
- Kevin Orford left June 2022
- Janice Kay left March 2023

Senior managers remuneration procedure

Remuneration principles and application

Key principles

1. The committee understands that its approach must strike an appropriate balance with its duty to ensure the effective stewardship of public resources. The Committee understands that senior level positions in the Trust operate in a regional/ national context and that remuneration for these positions is primarily determined by the market. In order to remain competitive and attract and retain high calibre staff, the salaries of senior staff must be regularly reviewed to ensure that they remain broadly competitive and that the salaries offered to post holders do not degrade over time so that they are out of line with comparable Trusts. Nevertheless, the committee will avoid paying more than is necessary to recruit, retain and motivate high calibre executive directors and VSMs and will take positions that are publicly defensible.

2. The committee's approach to remuneration will seek to position the Trust in a way that it is able to attract, retain and motivate executive directors and VSMs of sufficient calibre to maintain high quality, patient-centred healthcare and effective management of the Trust's resources.

3. In reaching its determinations, the committee will take proper account of National Agreements, for example Agenda for Change, and guidance issued by the Government, the Department of Health and the NHS market rates for comparable roles in comparable organisations.

4. The committee will treat all people with equality and fairness when determining remuneration. It will seek to gain assurance that remuneration decisions do not exacerbate systemic pay issues.

5. The committee will be rigorous in ensuring that potential conflicts of interest are recognised and avoided. Executive directors and VSMs will not be involved in deciding their own remuneration package.

6. On an annual basis, the committee will consider the remuneration packages of all executive directors and VSMs bearing in mind the performance of the executive directors and VSMs in fulfilling their duties and in regard to the overall performance of the Trust (as set out in Appendix 2). The objectives set for the executive directors at appraisal and the progress against these will be shared with the committee.

7. The committee will consider external benchmark comparison data on the pay and conditions of executive directors and VSMs in comparator Trusts and other external organisations annually. This work will be undertaken on behalf of the RC by the associate director of people. The process followed for benchmarking can be found at Appendix 2. The committee will make judgements on where it wants to position its relative remuneration package for executive directors and VSMs.

8. The committee will seek to apply the principles fairly and transparently and on the basis of data and advice from competent external bodies/ consultants or a senior HR advisor as necessary. The committee understands that it will use the data it gathers and the framework set out in the principles to exercise the necessary judgment on pay and reward issues. The committee will ensure that remuneration reflects the extent of the role and responsibilities of individual posts and their contribution to the organisation and will be based on judgements relating to:

    - Market rates for comparable roles in comparable organisations
    - The size and scope of the role in question
    - Advice from the Chair of the Trust in relation to the chief executive officer
    - Information from the chief executive officer in relation to the executive directors and VSMs
    - Affordability
    - Other NHS pay settlements
    - Wider implications that may arise from setting the remuneration packages of executive directors and VSMs in relation to pay levels determined through national agreements within the NHS
    - Performance against set objectives
    - Any other factors deemed appropriate

9. The committee will seek assurance that any pay differentials and / or variation from benchmarks are for justifiable reasons for example performance or experience. It will seek to ensure that the reasons for any variations are

transparently communicated with individuals.

10. The committee will seek to achieve broadly standardised terms and conditions for example on notice periods for all posts which fall within the scope of the principles.

11. The committee will be transparent in the application of its remuneration principles. It is a requirement that details of the remuneration package for Board level directors are recorded in the Trust's annual report.

12. The Trusts recognises that the RC has the authorised responsibility to apply its independent judgement on matters within its remit within the wording and the spirit of the agreed principles. However, there may be times when a different approach is required which steps outside the scope of the principles and in these cases, particular care must be taken and clear justification must be given and recorded. Some circumstances which may require flexibility include temporary promotions; atypical employment conditions; specific issues related to individuals etc.

13. The committee will reserve the right to recruit an executive director or VSM on a salary below the market value in cases where a development plan would enable the employee to reach the minimum standards to undertake the role at a satisfactory level. The committee also reserves the right to pay additional payments to executive directors and VSMs when deemed necessary because of exceptional circumstances. The occasions when additional payments are required will be limited. When considering using additional payments, the RC will need to be able to fully justify and explain why it has opted to take this course of action. It would only normally consider such action on the basis of a clear business case. Special care must be taken to ensure that the use of additional payments is completely transparent and that consideration has been given to the impact on pay inflation among executive directors and VSMs as well as to guard against accusations of bias or arbitrary practice.

14. The committee will on an annual basis (in line with the committee's work plan) ensure effective succession planning is in place for the executive directors and receive assurance from the chief executive officer that effective succession planning is in place for VSMs.

Scope

1. The principles will apply to the pay, awards and terms of employment of the Trust's chief executive officer, executive directors and VSMs and include the following components:
    - the core salary
    - any supplementary payments over and above the core salary in recognition of extraordinary factors such as matching market forces in recruitment; exceptional performance etc
    - additional non-pay benefits over and above the core salary including pensions, vehicle/ lease car issues, mobile phones and other such benefits
    - the terms and conditions in regards to issues (such as notice periods, conditions attached at recruitment stage for professional development for example) etc
    - arrangements for termination of employment and other contractual terms.
2. On an annual basis the committee will consider whether any issues have emerged which require consideration of any adjustments to existing remuneration packages such as:
    - at the beginning of a process to recruit a replacement executive director or VSM
    - when issues concerning national inflationary uplifts within the NHS need to be considered – on an annual basis;
    - when changes are made to the size and scope of executive director or VSM portfolios.

Process for benchmarking chief executive officer, executive director and VSM salaries

Each year national benchmarking data is provided by NHSEI and NHS Providers. This data is obtained via national salary survey submissions relating to the remuneration paid to executive and non-executive directors of all Trusts and foundation trusts operating in the UK. Typically, between 140 and 150 Trusts complete the return and data is collated into the annual dashboards. The committee will use these sources of benchmark data to inform the discussion to decide remuneration for all Executive Director and Very Senior Manager positions.

For VSM roles only, the annual benchmarking

exercise will also benchmark VSM roles against the AfC pay parameters for Bands 8D and 9. This will ensure that VSM pay remains aligned to the top salary brackets offered in nationally agreed Agenda for Change pay scales or that salaries exceeding this are clearly justified.

It is recognised that for some non-clinical executive director and VSM posts, the Trusts may wish to attract talent from non-NHS backgrounds. In order to ensure that the Trusts remain competitive and can attract non-NHS talent, executive director and VSM salaries may be benchmarked against private and other non-NHS public sector organisations where high quality comparator information is not available or where the regular benchmarking method produces unexpected results. Data sources to inform this benchmarking exercise will include national job boards, executive search salary data and other data sources that will be agreed with RC at the time of undertaking the benchmarking.

The director of people will also provide analysis of the benchmarking data, history of individuals pay awards and any other data regarding current or planned NHS pay awards to inform the committee.

The following table summarises the agreed approach to benchmarking for executive and VSM posts:

Role Type	NHSE / I Comparator	NHS Provider Comparator	Other Factors
Joint Executive Board (Including Director of Governance)	Supra large acute Trusts (median)	Large acute FTs national peer average of total remuneration	
Joint Directors (e.g. Joint Director of Strategy)	Supra large acute Trusts (median)	Large acute FTs national peer average of total remuneration	-15% to reflect the post is not board level
Site Director Eastern Services (e.g. Director of Nursing, Eastern Services)	Extra large acute Trusts (median)	Large acute FTs national peer average of total remuneration	-20% to reflect the post is not board level
Site Director Northern Services (e.g. Director of Nursing, Northern Services)	Medium acute Trusts (median)	Medium acute FTs national peer average of total remuneration	-20% to reflect the post is not board level

The thresholds for the size of Trust are defined by the turnover and WTE for NHSE/I and NHS Providers data respectively. For NHSE/I data, there are categories for lower quartile, median and upper quartile. The category used for benchmarking is determined by where the Trust turnover sits in relation to the threshold.

Other Information

The chief executive officer completes a formal annual performance review for all executive directors and the Chair reviews the performance of the chief executive officer. These reviews, including the objectives and performance summaries are reported to RC and, whilst the Trust does not currently operate a performance related pay scheme, these reviews are considered as a part of the review of remuneration.

The Trust follows Agenda for Change (AfC) principles in calculating severance packages for redundancy. The redundancy payment will take the form of a lump sum, dependent on the employee's reckonable service at the date of termination of employment. The lump sum will be calculated on the basis of one month's pay for each complete year of reckonable service, subject to a minimum of two years' continuous service and a maximum of 24 years' reckonable service being counted. Fractions of a year of reckonable service will not be considered. For those earning over £80,000 per year (full time equivalent) the redundancy payment will be calculated using notional full-time annual earnings of £80,000, prorated for employees working less than full time. No redundancy payment will exceed £160,000 (pro-rata).

In accordance with the Agenda for Change Terms and Conditions of Employment executive directors shall not be entitled to redundancy payments or early retirement on grounds of redundancy if:

- they are dismissed for reasons of misconduct, with or without notice; or
- at the date of the termination of the contract have obtained without a break, or with a break not exceeding four weeks, suitable alternative employment with the same or another NHS employer; or
- unreasonably refuse to accept or apply for suitable alternative employment with the same or

another NHS employer; or

- leave their employment before expiry of notice, except if they are being released early; or
- they are offered a renewal of contract (with the substitution of the new employer for the previous NHS one); or
- where their employment is transferred to another public service employer who is not an NHS employer

Future Remuneration 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. Stability, experience, reputation and widespread knowledge of local needs and requirements supports the Trust's short term strategic objectives outlined in its annual priorities and its long term strategic goals	Following market testing (undertaken every year) which seeks to identify salary paid for similar role, individuals are remunerated by spot salary on a case by case basis. There is no predefined upper limit. In accordance with the NHSI Guidance on pay for very senior managers in NHS trusts and Foundation Trusts the Chief Executive Officer contract includes a clause permitting 10% of salary to be clawed back if performance is not considered to be satisfactory.	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 between 1 April and 31 March. Increases are ordinarily in line with the wider NHS workforce as recommended by the NHS Pay Review Body.
• Benefits	N/A	N/A	N/A
• Pension	Provides a solid basis for recruitment and retention of top leaders in sector.	Contributions within the relevant NHS pension scheme. Details of the schemes currently in place can be found at: http://www.nhsbsa.nhs.uk/Pensions.aspx	Contribution rates are set by the NHS Pension Scheme.
• Bonus	N/A	N/A	N/A
• Fees	N/A	N/A	N/A

Service contracts

Name	Title	Date of Service Contract	Unexpired Term	Notice Period
S Morgan	Chair	1 April 2022	31 March 2025	6-months
C Burgoyne	Non-Executive Director	28 June 2021	27 June 2024	3-months
J Kay	Non-Executive Director	1 April 2020	31 March 2023	1-month
B Kent	Non-Executive Director	28 June 2021	27 June 2024	3-months
S Kirby	Non-Executive Director	1 September 2017	31 August 2024	1-month
M Marshall	Non-Executive Director	28 November 2022	27 November 2025	3-months
A Matthews	Non-Executive Director	1 October 2018	30 September 2024	1-month
T Neal	Non-Executive Director	1 April 2022	31 March 2025	1-month
K Orford	Non-Executive Director	29 March 2021	30 June 2022	1-month
H Foster	Director of People	5 August 2019	N/A	6-months
A Harris	Executive Medical Director	1 December 2014	N/A	6-months
A Hibbard	Chief Financial Officer	1 January 2021	N/A	6-months
C Mills	Chief Nursing Officer	18 January 2021	N/A	6-months
J Palmer	Chief Operating Officer	12 April 2021	N/A	6-months
C Tidman	Deputy Chief Executive	30 September 2019	N/A	6-months
S Tracey	Chief Executive	1 July 2016	N/A	6-months

The executive directors are appointed on permanent contracts and have a six-month notice period.

Directors Remuneration 2022/23

Name and Title		Salary (bands of £5,000)	Expense Payments (Taxable) (Rounded to the nearest £100)	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total (bands of £5,000)
		£000	£			£000	£000
S Morgan	Chairman (appointed 1 April 2022)	65 - 70	-	-		-	65 - 70
C Burgoyne	Non-Executive Director	10 - 15	-	-		-	10 - 15
JM Kay	Non-Executive Director (left the Board 31 March 2023)	10 - 15	-	-		-	10 - 15
B Kent	Non-Executive Director	10 - 15	-	-		-	10 - 15
S Kirby	Non-Executive Director	15 - 20	-	-		-	15 - 20
M Marshall	Non-Executive Director (appointed 28 November 2022)	0 - 5	-	-		-	0 - 5
AS Matthews	Non-Executive Director	15 - 20	-	-		-	15 - 20
T Neal	Non-Executive Director (appointed 1 April 2022)	15 - 20	-	-		-	15 - 20
K Orford	Non-Executive Director (resigned 30 June 2022)	0 - 5	-	-		-	0 - 5
H Foster	Chief People Officer	155 - 160	-	-		7.5 - 10.0	160 - 165
A Harris	Chief Medical Officer	215 - 220	-	-		7.5 - 10.0	225 - 230
A Hibbard	Chief Financial Officer	175 - 180	-	-		75.0 - 77.5	250 - 255
C Mills	Chief Nursing Officer	160 - 165	-	-		7.5 - 10.0	170 - 175
J Palmer	Chief Operating Officer	175 - 180	-	-		42.5 - 45.0	220 - 225
C Tidman	Deputy Chief Executive	180 - 185	-	-		7.5 - 10.0	190 - 195
S Tracey	Chief Executive	250 - 255	-	-		92.5 - 95.0	345 - 350

There were no annual performance-related bonuses or long-term performance-related bonuses paid to any individual in the financial year.

With effect from 1 April 2019, the PAYE Settlement agreement for non-executive directors where the Trust paid Tax and NI on behalf of the non-executive has ceased. Therefore, there is no benefit in kind reportable.

Name and Title		Salary and Fees (bands of £5000)	Taxable Benefits (Rounded to the nearest £100)	Pension related Benefits (bands of £2500)	Other Remuneration (bands of £5000)	Golden hello/ compensation for loss of office (bands of £5000)	Gross Total (bands of £5000)	Recharges to Northern Devon Healthcare NHS Trust (bands of £5000)	Net Total (bands of £5000)
		£000	£	£000	£000	£000	£000	£000	£000
J Brent	*Chair (Term of office ended 31 March 2022)*	45-50	-	-	-	-	45-50	20-25	20-25
C Burgoyne	Non-Executive Director *(appointed 28 June 2021)*	10-15	-	-	-	-	10-15	-	10-15
B Kent	Non-Executive Director *(appointed 28 June 2021)*	10-15	-	-	-	-	10-15	-	10-15
K Orford	Non-Executive Director *(appointed 29 March 2021)*	10-15	-	-	-	-	10-15	-	10-15
C Bones	Non-Executive Director *(resigned 31 May 2021)*	0-5	-	-	-	-	0-5	-	0-5
P Dillon	Non-Executive Director *(resigned 31 March 2022)*	10-15	-	-	-	-	10-15	-	10-15
J Kay	Non-Executive Director	10-15	-	-	-	-	10-15	-	10-15
H Khalil	Non-Executive Director *(resigned 02 June 2021)*	0-5	-	-	-	-	0-5	-	0-5
S Kirby	Non-Executive Director	10-15	-	-	-	-	10-15	-	10-15
A Matthews	Non-Executive Director	15-20	-	-	-	-	15-20	-	15-20
H Foster	Director of People	140-145	-	-	-	-	140-145	70-75	70-75
A Harris	Executive Medical Director	210-215	-	57.5-60.0	-	-	270-275	135-140	135-140
A Hibbard	Chief Financial Officer	160-165	-	80.0-82.5	-	-	240-245	120-125	120-125
C Mills	Chief Nursing Officer	155-160	-	97.5-100.0	-	-	255-260	125-130	125-130
J Palmer	Chief Operating Officer *(appointed 12 April 2021)*	105-110	-	32.5-35.0	75-80	-	215-220	105 -110	105-110
C Tidman	Deputy Chief Executive	175-180	-	117.5-120.0	-	-	295-300	145-150	145-150
S Tracey	Chief Executive	240-245	-		-	-	240-245	120-125	120-125

Whilst no bonuses were paid to any individual in the 2021/22 financial year, non-consolidated payments were made to the chief finance officer and chief people officer to reflect that these roles were significantly below benchmark when compared to their colleagues. This reflects a commitment made by the RC in 2020/21, to ensure that female employees who were below benchmark in the previous year would be fairly remunerated in line with benchmarks in the future, subject to requisite experience and satisfactory performance.

The chief operating officer joined the Royal Devon and Exeter NHS Foundation Trust (RD&E) and Northern Devon Healthcare NHS Trust (NDHT) as an interim in April 2021, before being appointed as chief operating officer in July 2021. The agency costs associated with this period are detailed within the 'other remuneration' section of the above table.

There are no benefits in kind reported this year relating to the mileage allowance paid over and above the HM Revenue & Customs allowance for executive directors as this is now taxed at source.

The final column discloses the net total remuneration for each director in respect of their duties for the Royal Devon & Exeter NHS Foundation Trust.

Ratio between highest paid director and median remuneration received by employees of the Trust

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. In addition, the 25th and 75th percentile ratio is also now required to be reported.

The banded remuneration of the highest paid director in the organisation in the financial year 2022/23 was £255k - £260k (2021/22 was £120k - £125k). This was 7.2 times (2021/22, 3.8 times) the median remuneration of the workforce, which was £35.6k (2021/22 £32.4k).

In 2022/23, one employee received remuneration in excess of the highest-paid director, with remuneration of £377k (2021/22 239 employees received remuneration in excess of the highest paid director, the range of remuneration was £122k - £239k).

The reason for the increase in the highest paid Director's pay compared to 2021/22, and the reduction in the number of employees paid more than the highest paid director, is that in 2021/22 the collaborative agreement meant that only the net salary cost incurred by RD&E for the highest paid director was required to be included.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The calculation is based on the full-time equivalent staff of the Trust at the reporting period end date on an annualised basis. Where there is a sharing arrangement, it is cost to the entity of an individual that identifies them as "highest paid" and not the total of that individual's remuneration.

The chief executive officer is the highest paid director for the purposes of the calculation. The national pay deal is responsible for the change in median pay for employees.

Ratio between highest paid director and median remuneration received by employees of the Trust	2022/23	2021/22
Band of highest paid director - as above	250 - 255	120 - 125
25th percentile remuneration received by employees within the Trust	26.2	23.3
Median remuneration received by employees within the Trust	35.7	32.4
75th percentile remuneration received by employees within the Trust	46.5	42.7
25th percentile ratio	9.6	5.3
Median ratio	7.1	3.8
75th percentile ratio	5.4	2.9

Pension related benefits for defined benefit schemes

This is the aggregate input amounts, calculated using the method set out in section 229 of the Finance Act 2004. This figure will include those benefits accruing to senior managers from their membership of the 1995/2008 Scheme and 2015 Scheme. Any pension contributions made by the senior manager or any transferred in amounts are excluded from this figure.

The amount to be included here is the annual increase (expressed in £2,500 bands) in pension entitlement. In summary: for the 1995/2008 Scheme and 2015 Scheme the increase is calculated using the following formula:

Increase = (20 x PE) + LSE) – (20 x PB) + LSB) – Ees conts.

- PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year;
- PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year;
- LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year;
- and LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.
- Ees cont is the employee pension contributions for the financial year

Name and Title		Real increase in pension at age 60 (bands £2,500)	Real increase in pension related lump sum at age 60 (bands £2,500)	Total accrued pension at age 60 at 31 March 2023 (bands of £5,000)	Total accrued related lump sum at age 60 at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Real Increase in Cash Equivalent Transfer Value at 31 March 2023
		£000	£000	£000	£000	£000	£000	£000
H Foster	Chief People Officer	-	-	-	-	-	-	-
A Harris	Chief Medical Officer	-	-	80-85	235-240	405	1,954	-
A Hibbard	Chief Financial Officer	2.5-5.0	0.0 - 2.5	40-45	60-65	602	525	48
C Mills	Chief Nursing Officer	-	-	65-70	195-200	1,570	1,519	-
J Palmer	Chief Operating Officer	2.5-5.0	-	20-25	-	259	207	21
C Tidman	Deputy Chief Executive	-	-	-	-	-	-	-
S Tracey	Chief Executive	2.5-50	5.0-7.5	60-65	110-115	1,172	1,030	92

Supporting notes re table above:

- As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.
- The Remuneration Committee authorised the implementation of a pension recycling scheme, effective from November 2022 in response to a statement from the Health Secretary in September 2022 setting out an intention to mandate NHS trusts to offer (PCRS) Pension Contributions Recycling Scheme by 2023. The driver behind this was to remove barriers that currently prevent senior clinicians from taking on additional work / responsibility. In order to ensure an equitable approach this scheme was opened to any member of staff meeting the eligibility criteria in line with national guidance.
- Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Name and Title		Real increase in pension at age 60 (bands £2,500)	Real increase in pension related lump sum at age 60 (bands £2,500)	Total accrued pension at age 60 at 31 March 2022 (bands of £5,000)	Total accrued related lump sum at age 60 at 31 March 2022 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2022	Cash Equivalent Transfer Value at 31 March 2021	Real Increase in Cash Equivalent Transfer Value at 31 March 2022
		£000	£000	£000	£000	£000	£000	£000
H Foster	Chief People Officer	-	-	-	-	-	-	-
A Harris	Chief Medical Officer	2.5-5.0	7.5-10.0	75-80	235-240	1,954	1,814	99
A Hibbard	Chief Financial Officer	2.5-5.0	5.0-7.5	35-40	55-60	525	445	55
C Mills	Chief Nursing Officer	5.0-7.5	15.0-17.5	65-70	195-200	1,519	1,360	130
J Palmer	Chief Operating Officer *(appointed 12 April 2021)*	0.0-2.5	-	15-20	-	207	164	11
C Tidman	Deputy Chief Executive	2.0-2.5	2.5-5.0	65-70	160-165	1,275	1,140	44
S Tracey	Chief Executive	-	-	-	-	-	-	-

Supporting notes re table above:

- Hannah Foster joined the pension scheme for part of the year, but then opted out and took a refund from NHS Pensions so no amounts are included in relation to pension for her.
- Chris Tidman opted out of the pension scheme 31 August 2021.
- Suzanne Tracey opted out of the pension scheme on 30 November 2020.
- John Palmer is a member of the 2008 section and the 2015 scheme and has no mandatory lump sum
- As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

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, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Cash Equivalent Transfer Values (CETV) are not available for members that have reached the normal retirement age or who have commenced drawing their pension or are a deferred member.

Signed:

Chris Tidman
Deputy Chief Executive Officer
Date: 28 June 2023

Staff Report

The Trust would like to thank all staff, volunteers and Governors who contribute so much every day to making the Royal Devon a great organisation and for always striving to do the right thing for our patients, people and communities. Over the following pages the Trust will share the annual staff report, including key metrics.

The following sections summarise the staff numbers, staff costs and exit packages.

Note that the 2021/22 figures reflect the former Royal Devon and Exeter NHS Foundation Trust staff only, with 2022/23 staff numbers including all staff within the newly integrated Trust. There are therefore some significant differences year on year, much of which is as a result of the integration.

Staff numbers

Staff numbers for 2022/23 and 2021/22 are summarised in the table below:

Average number of employees (WTE basis)	Total 2022/23 No.	Permanent 2022/23 No.	Other 2022/23 No.	Total 2021/22 No.	Total 2021/22 No.	Total 2021/22 No.
Medical and dental	1,370	1,341	29	948	930	18
Ambulance staff	13	13	0	2	2	
Administration and estates	2,037	1,893	144	1,559	1,452	107
Healthcare assistants and other support staff	4,005	3,634	371	2,788	2,494	294
Nursing, midwifery and health visiting staff	3,209	2,968	241	2,195	2,105	90
Nursing, midwifery and health visiting learners	15	15	0	16	16	
Scientific, therapeutic and technical staff	1,213	1,187	26	801	778	23
Healthcare science staff	274	274	0	212	212	
Social care staff	0	0	0	0		
Other	11	11	0	13	13	
Total average numbers	12,147	11,336	811	8,534	8,002	532
Of which:						
Number of employees (WTE) engaged on capital projects	12	12	0	5	5	

Staff costs

Staff costs for 2022/23 and 2021/22 are summarised in the table below:

Staff Costs	Total 2022/23 £000	Permanently employed total 2022/23 £000	Other Total 2022/23 £000	Total 2021/22 £000	Permanently employed 2021/22 £000	Other 2021/22 £000
Salaries and wages	484,240	481,297	2,943	324,631	322,643	1,988
Social security costs	52,861	52,861	0	30,430	30,430	
Apprenticeship levy	2,461	2,461	0	1,601	1,601	
Pension cost - employer contributions to NHS pension scheme	57,347	57,347	0	39,100	39,100	
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	25,129	25,129	0	17,117	17,117	
Pension cost - other*	335	335	0	230	230	
Other post employment benefits	0	0	0	0		
Other employment benefits	0	0	0	0		
Termination benefits	67	67	0	67	67	
Temporary staff - external bank	15,933	0	15,933	0		
Temporary staff - agency/contract staff	25,271	0	25,271	10,610		10,610
TOTAL GROSS STAFF COSTS	**663,644**	**619,497**	**44,147**	**423,786**	**411,188**	**12,598**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	0	0	0	0		
Recoveries from other bodies in respect of staff cost netted off expenditure	0	0	0	0		
TOTAL GROSS STAFF COSTS	**663,644**	**619,497**	**44,147**	**423,786**	**411,188**	**12,598**
Included within:						
Costs capitalised as part of assets	6,740	6,740	0	315	315	
Total employee benefits excl. capitalised costs	656,904	612,757	44,147	423,471	410,873	12,598

Average staff numbers and thus costs have increased in 2022/23 compared to 2021/22, in part this is due to integration, however there has been additional growth as a result of a successful and targeted recruitment programme to fill our vacancies, with a particular focus on Health Care Support Worker and nursing vacancies.

Exit packages

2022/23

Reporting of other compensation schemes - exit packages agreed in 2022/23	Number of compulsory redund-ancies 2022/23	Cost of compulsory redund-ancies 2022/23	Number of other departures agreed 2022/23	Cost of other departures agreed 2022/23	Total number of exit packages 2022/23	Total cost of exit packages 2022/23	Number of departures where special payments have been made 2022/23	Cost of special payment element included in exit packages 2022/23
	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band (including any special payment element)								
<£10,000	0	0	17	63	17	63	0	0
£10,000 - £25,000	0	0	3	44	3	44	0	0
£25,001 - £50,000	2	67	0	0	2	67	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Total	**2**	**67**	**20**	**107**	**22**	**174**	**0**	**0**

Exit packages

2021/22

Reporting of other compensation schemes - exit packages agreed in 2021/22	Number of compulsory redund-ancies 2021/22	Cost of compulsory redund-ancies 2021/22	Number of other departures agreed 2021/22	Cost of other departures agreed 2021/22	Total number of exit packages 2021/22	Total cost of exit packages 2021/22	Number of departures where special payments have been made 2021/22	Cost of special payment element included in exit packages 2021/22
	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band (including any special payment element)								
<£10,000	3	10	21	65	24	75		
£10,000 - £25,000			1	13	1	13		
£25,001 - £50,000			1	29	1	13		
£50,001 - £100,000	1	57			1	57		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
>£200,000					0	0		
Total	**4**	**67**	**23**	**107**	**27**	**174**	**0**	**0**

Redundancy is based on one month's pay for each completed year of reckonable service (between two and 24 years).

PILON is based on the notice period held within the employees' contract of employment and can range from one month to three months basic pay

A settlement agreement will be made following an Employment Tribunal in conjunction with Trust Solicitors advice on amount to be paid.

Gender equality

The Trust is committed to achieving equality and diversity in all that we do, with gender equality an important factor for our people. The numbers of male and female employees at 31 March 2023 is reported in the table below:

	Female	Male	Total
Directors	7	7	14
Employees*	10,396	2,960	13,356

*The figure for employees is the total number of employees as opposed to the whole time equivalent reported in the staff number section above.

Much of the Trust's pay is aligned to national pay agreements and actions are in place seek to reduce the gender pay gap in areas within the control of the trust. More information on the gender pay gap can be found on page 81.

Sickness absence

A summary of sickness absence for 2022 is summarised in the table below:

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2022	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
10,641	146,534	3,884,069	237,710	13.8

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse.

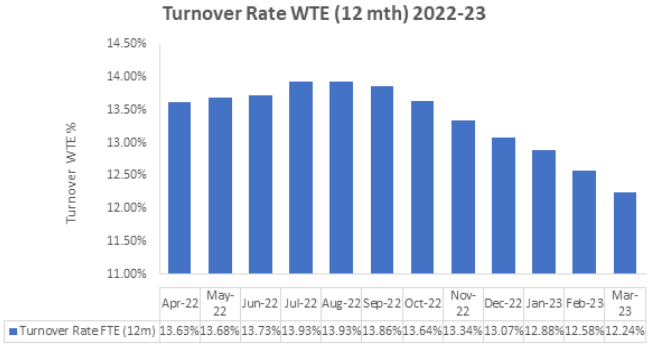
Period covered: January to December 2022

Data items: ESR does not hold details of normal number of days worked by each employee. Data on days available and days recorded sick are based on a 365-day year.

Average Annual Sick Days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE, and multiplying by 225 (the typical number of working days per year).

There may be inconsistencies between these data and the statutory basis for accounts, in terms of the organisation against which staff are reported for a particular month.

Trust turnover – rolling 12-month average



In the previous financial year (2021/22), the Trust saw increased levels of turnover that exceeded the Trusts plan of 12%. This has since recovered from a peak of 13.93% in the summer of 2022, to a level that is close to that planned rate.

This recovery primarily happened during the latter half of the financial year and coincided with the programme of work to accelerate filling our vacancies, which also included a workstream dedicated to retention. Whilst the improvement cannot be directly correlated with this intervention, it is likely that improved staffing levels across the Trust, will have improved staff experience and lowered turnover. Workforce dashboard and intelligence are continuing to be developed and over the next year should allow for correlation between employee experience and turnover.

Staff policies and actions

Recruitment of disabled persons

The Equality Act 2010 defines disability, and makes it clear that a person is disabled if they have a physical or mental impairment that has a substantial and long-term negative effect on their ability to do normal daily activities. The Trust already takes a variety of approaches to support applicants wishing to join the Trust.

The Trust's Recruitment and Selection Policy is designed to ensure that recruitment is carried out in accordance with the Equality Act 2010. Its aim is to ensure that applicants sense that they have been dealt with professionally, fairly and that they feel that the Trust values its staff. This policy is currently under review using the newly agreed approach to writing people policies, to improve accessibility and embed a just and learning culture.

The Equality and Diversity Policy is also in place and gives full and fair consideration to applications for

employment made by disabled persons relating to their particular aptitudes and abilities. in the last quarter of 2022/23 the Trust has been working on further enhancing its inclusive culture by creating an Inclusion Policy Statement, to ensure we embed inclusion across all of our work and policies, recognising the important role inclusion plays in our staff experience.

The Trust is accredited as a 'Disability Confident Employer'. This means that the Trust will:

- interview all applicants with a disability who meet the minimum criteria for a position, and consider them on their abilities
- consult with employees with a disability about how the Trust can help develop their abilities
- make every effort when employees acquire a disability to ensure they can remain in employment
- act to ensure that all employees develop sufficient awareness of disability to make these commitments work, and
- review these commitments and plan on ways to improve them.

All applicants asked to attend a selection process (whether face to face or via MS Teams) are invited to provide details on any reasonable adjustments that they require so that these can be implemented.

Once a conditional offer of employment has been made, all applicants complete a health questionnaire that is reviewed by the Occupational Health and Wellbeing Service. If issues are identified, the individual will be invited to attend an assessment, from which recommendations are made to the line manager. This ensures that whenever possible the person can be employed safely and with the necessary adjustments in place to enable them to carry out the role.

Experts from the people function are available to provide advice on reasonable adjustments and guidance to managers during and after the recruitment process.

During the probationary period of a new employee to the Trust, the line manager will ensure that reasonable adjustments are provided as appropriate at the commencement of employment. During each review meeting, line managers consider the adjustments required to support the employee's disability. If line managers require further guidance on the Equality Act and Disabilities, support and expertise is available within the people function including a wealth of guidance and signposting to managers and employees to both internal and external resources; including guidance for staff experiencing stress, anxiety or depression.

Existing disabled staff and staff who become disabled

The chief people officer is accountable for ensuring that the Trust complies with equality law and any relevant NHS standards for the promotion and assessment of equality. The Inclusion Steering Group is chaired by the chief executive officer, reflecting the importance placed by the Trust on the proper and equitable treatment of all applicants, workers and service users regardless of disability. All staff undergo equality and diversity training, raising awareness of personal and Trust responsibilities to those with any protected characteristic, including disability. This training is now part of Learn+ our learning management system, with content having been aligned across the Trust.

As mentioned the core Trust policy that applied during the financial year is the equality and diversity policy. This policy supports those with a disability to continue in employment, including arranging appropriate training for employees who have become disabled persons during the period, and for the training, career development and promotion of disabled employees. This policy was temporarily updated during 2022 in light of integration and is being formally reviewed using the newly agreed approach to writing people policies, to improve accessibility and embed a just and learning culture. The ultimate aim of the policy is to harness the individuality of every employee, so everyone is fully engaged in the work of the Trust, and to protect all workers and service users from all forms of discrimination, harassment and victimisation on the basis of any protected characteristic. The new inclusion policy statement that is under development aims to take this further by ensuring all of our policies and practices reflect the importance of inclusion in all we do.

Whenever possible, we support staff to prevent or minimise the impact of any disability on the ability to work. Early discussions with line managers, and referrals to the Occupational Health and Wellbeing Service, are encouraged so that action can be taken to aid rehabilitation and return to work following illness or injury, making any reasonable adjustments that can support the individual.

Career development and progression of disabled persons

In 2022/23 the Trust has developed a "Driving Your Career" programme to support the career development and progression of colleagues within the organisation. The programme will be piloted in quarter one of 2023/24. Disabled staff have been identified as a key group that we wish to open the programme up to in its early cohorts.

Our recruitment practices (noted above) also support with career development and progression opportunities, with all applicants with a disability being interviewed, providing they meet the essential criteria.

Support for those with learning disabilities

The Trust has continued to increase its support to those with learning disabilities via its work on Project Search. This project aims to provide secure and supported work experience placements to members of our local communities. As a result of this, many have gone on to secure open employment with the Trust, and with other local employers. During the past year we have expanded Project Search across our Eastern services, and it has been widely supported and welcomed.

The Trust has also identified an increasing number of colleagues with Neurodiverse conditions and has started work around inclusion and progression for these colleagues.

Communication with employees

The Trust has a central communications team who manage all internal and external corporate communications within the Trust. This includes communication with staff, patients, foundation trust members, the media and the wider community. The team is responsible for sharing information with staff to help them in their roles, spreading the word about the hospital's latest news and achievements, and ensuring colleagues are involved in what's going on in the Trust.

With such a diverse range of staff in different roles, locations and with different levels of digital literacy, the way staff access information varies greatly. The communications team have therefore adapted to providing information in a variety of ways including twice weekly all staff e-mails, social media groups, television screens and posters throughout the Trust, computer, web and intranet pop-ups, providing information for managers to cascade to their teams, stands in restaurants and newsfeeds on the intranet.

Additionally, the communications team facilitates staff engagement events including monthly executive led all staff webinars, meetings for heads of departments and webinar series specific to particular topics or themes.

Staff consultation and partnership working

The Trust has continued to strengthen partnership working with Staffside colleagues for the benefit of improving the working lives of our people. Staffside representatives continue to be a part of many committees and steering groups that impact on our people, including the People, Workforce Planning and Wellbeing Committee, Staff Rest Space Group, Space Utilisation and Travel Groups.

The Trust makes significant efforts to listen to and meaningfully consult with staff from all areas. This involves senior managers meeting with Staffside representatives from a broad range of trade unions on a monthly basis at the Partnership Forum. This year saw the integration of the Partnership Forums from the former Trusts into a single entity, with joint Staffside Chairs. Throughout the year the Trust has continued to strengthen partnership working across the wider ICS region by means of the ICS Partnership Forum, which is jointly chaired by our chief people officer and Staffside Chair.

Partnership working continues to be an integral part of everything the Trust does, to ensure that every voice counts. This is illustrated through the case review panels that have been established Trust wide as part of the 'Promoting a Positive Working Environment Policy', which replaces the former bullying and harassment, grievance, performance management and disciplinary policies. These case panels ensure that all cases are fairly reviewed by a panel made up of independent specialists, including relevant subject matter experts, HR experts and Staffside, to ensure that all informal resolution routes have been explored fully before any case is managed formally.

Staffside colleagues also continue to be a core part of discussions and key processes, including management of change processes, development of action plans from the staff survey, development of people function policies, job evaluation and pay decisions.

The year saw a number of periods of Industrial action. During these periods the Trust worked closely

and in partnership with trade unions and employee representatives to ensure services remained safe whilst enabling employees who were entitled and wanted to take strike action were able to do so. Significant efforts were made to ensure colleagues were supported and respected whether they chose to work or take strike action, focusing on the need for people to work together to keep patients and staff safe. The Trust had robust plans and escalation routes in place to manage the risks of industrial action.

Actions to involve employees in the Trust's performance

The Trust has much to celebrate and, like all NHS organisations, some big challenges to face. In order to meet these challenges at the Royal Devon, we will harness the power of our staff to think differently, innovate and learn together. In January 2023, the Trust launched a new transformation strategy, central to which is the "your brilliant ideas" campaign.

This encourages staff from all backgrounds and professions to share their ideas for change through a range of approaches, such as QR codes, emails, picking up the phone or attending one of our transformation cafés, where they can talk to one of our improvement experts in person. The Trust has already received 120 ideas, which our transformation team is helping to make happen.

Support for employee's wellbeing

The health and wellbeing of our people is hugely important to the Trust. We strive to support all our people to improve their physical and emotional wellbeing and help them to lead a healthy lifestyle. In order to be able to care for others, it's important that our people are taking the time to care for themselves.

The support provided by the Trust is comprehensive and includes a range of specialist services including, mental health support, physiotherapy, a dedicated menopause adviser, a dietician, counselling and pastoral support, specialist sleep advice and sleep coaching, fitness to work advice from specialist occupational health advisers or physicians as well as financial wellbeing. Employees also continue to have access to a comprehensive Employee Assistance Programme. The diverse multi-disciplinary team and expertise available to staff has been commended during the Trust's recent Safe Effective Quality Occupational Health Service (SEQOHS) reaccreditation.

Health and wellbeing champions continue to be a valued resource embedded within the organisation and the 'healthier you' service offers staff the opportunity for one-to-one health consultations regarding lifestyle support. In addition, the health and wellbeing conversation programme is being rolled out with the opportunity for a wellness passport to enable easy and supported transition throughout the workplace if changing roles internally with any identified need or adjustment.

Mental health first aid courses continue to be delivered, and with the ability to deliver MHFA courses in-house, we have strengthened the number of mental health first aiders. Stress and burnout sessions are scheduled on a regular basis accounting for the challenges faced over recent years and with a view to normalising mental health first aid in the same way as physical first aid. Trauma support, in the form of trauma risk incident management (TRiM) is also available. The service is currently in the process of consolidating TRiM and mental health first aid with intention to increase the accessibility and delivery of these services across the Trust, facilitating a culture of prevention, early intervention and enhanced psychological support for all employees.

The Trust continues to hold the Mindful Employer accreditation for the way we promote good mental health among our employees. By signing up to this, the Trust is making a public declaration of its ambition to support the mental health and wellbeing of our staff by agreeing to uphold a number of values. More detail about this can be found on the Mindful Employer website: **(https://www.mindfulemployer.dpt.nhs.uk/our-charter/about-the-charter)**

Counter fraud and corruption

The Trust is committed to countering fraud and corruption and achieves this by working with the ASW Assurance Counter Fraud Team, and by raising awareness of fraud through both the internal intranet and presentations delivered to staff at both divisional and speciality level.

The Trust has a number of policies to guide and support colleagues, such as the Standards of Business Conduct and the Trust's Whistleblowing Policy. Colleagues access Trust policies via the intranet HUB, and are encouraged to seek clarification direct from the policy author, or through the head of governance.

The ASW Assurance Counter Fraud Team monitor and reports fraud to the Board through the Audit Committee.

Health and safety performance

Over the last financial year, the Trust had the following Health and Safety issues as its main points of focus.

Review of the health and safety function

The Symonds Safety Associates Report was released in July 2021 was used to provide the groundwork for a wider conversation about health and safety governance, compliance, capacity and infrastructure. This resulted in the creation of a fixed term head of health and safety, an interim role for six months and the recruitment of a substantive role who took up post in January 2023.

The team is being transformed to a position where it can operate across the Trust but still retain local safety management expertise. A new health and safety support role has been created to support the Northern services health and safety manager and to provide Trust wide support from an admin and clerical basis.

As the team works through the upcoming assurance program and implements the long-term work program that has been devised it is expected that it will need to grow in order to meet the increased pressures.

Trustwide Health and Safety Group

The group is now well established and provides a good platform for the higher-level health and safety issues to be debated. This fulfils the statutory requirement for a health and safety committee and includes representatives from across the organisation and elected safety representatives. It acts as the natural filter to ensure the right issues are escalated to Safety and Risk Committee if required. The terms of reference have been well established and the group has good overall representation.

A health and safety meeting with Staffside safety representative is planned to provide a forum to address issues that could be solved prior to escalation to the Health and Safety Group and ensure we get the full input and expertise of our qualified safety representatives.

Receiving and responding to staff incidents reporting

Health and safety incidents are reported on the Datix system and are presented quarterly to the Health and Safety Group, matters requiring escalation go on to be considered by the Safety and Risk Committee.

The following tables represent the total number of colleague and patient accidents and violence and aggression incidents by financial year.

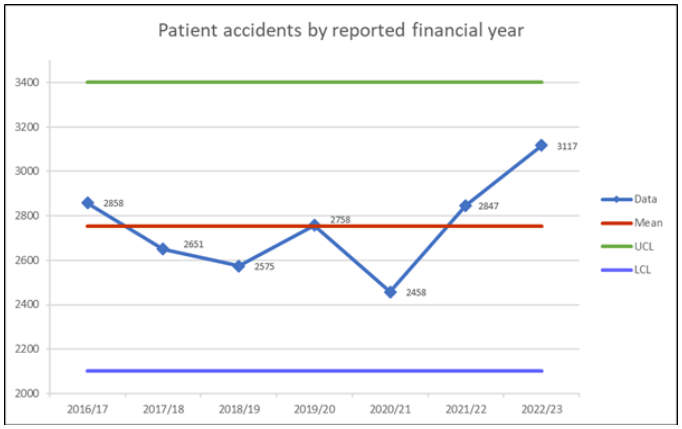


Figure 1: Patient accidents by reported financial year

Of the 3117 patient accidents, the top sub categories of accident reported during 2022/23 are:

- 2899 slips, trips and falls
- 51 self-harm

Based on outcomes, 98.0% of patient accidents had severity ratings of NONE or MINOR.

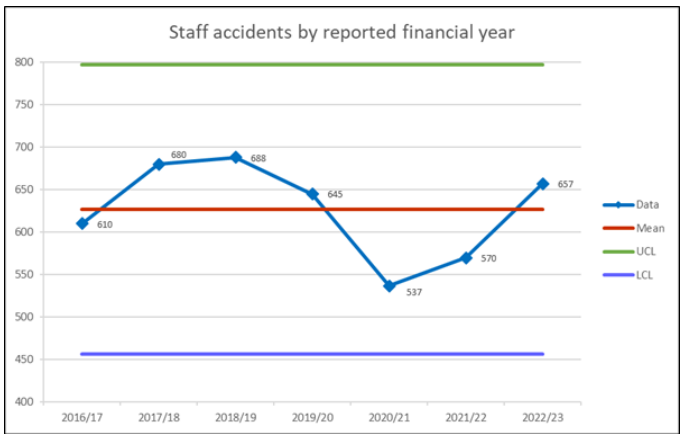


Figure 2: Staff accidents by reported financial year

Of the 657 staff accidents, the top sub categories of accident are:

- 152 slips, trips and falls
- 140 contaminated inoculation injuries (needle stick)
- 125 moving and handling

Based on outcomes, 97.1% of staff accidents have severity ratings of NONE or MINOR.

Inoculation injuries and sharps management

There is a lot of work being carried out in the Trust to highlight and control injuries arising from needle sticks and promote safer use of sharps. There are risk assessments in place where non-safety sharps cannot be avoided and staff are reminded of the need to exercise caution at all times when using sharps. Incidents involving needlestick injuries are reported on the Trust reporting platform Datix.

The Health and Safety Executive announced an intention to visit North Devon District Hospital during November 2022. This was part of a national inspection programme to assess how NHS organisations identify and manage the risks of exposure to employees from blood borne viruses as a result of sharp's injuries. Preparations for the inspection visit (cancelled by the HSE) included review and updating of the management of inoculation injury procedures, aligning them with the new electronic healthcare record platform (Epic).

Work to align relevant policies and procedures will continue during the new financial year.

Slips, trips and falls

The task to reduce the likelihood of slips, trips and falls is a continuous piece of work that is considered during site safety walkabouts. It will also feature in the walk-through survey part two process in the health and safety self-assessment program due to start this year. All staff can report such instances through the Datix system.

There is a chance to reduce the likelihood of occurrences in new builds and refurbishments by ensuring that health and safety have a presence during the design and build process. During the cleaning of floors, the domestic staff use wet floor signs and carry out a 50/50 process to ensure there is always a dry walkway.

Violence prevention and reduction

The NHS Long Term Plan and the NHS People Promise both demonstrated a commitment to the health and wellbeing of NHS colleagues, recognising the negative impact that poor staff health and wellbeing can have on patient care. Violence and abuse toward NHS colleagues is one of the many factors that can have a devastating and lasting impact on health and wellbeing.

The NHS national staff survey in 2022 found that:

- 14.7% of NHS staff have experienced at least one incident of physical violence from patients, service users, relatives or other members of the public in the last 12 months
- The impact on staff is significant, with violent attacks contributing to 44.1% of staff feeling unwell as a result of work-related stress in the last 12 months, and 58.4% saying that they were thinking about leaving their respective organisation.

Figure 3: Violence and Aggression incidents by reported financial year

Of the 1241 violence and aggression (V&A) incidents reported it can be noted that:

- 646 non-physical assaults (e.g. verbal abuse)
- 595 physical assaults

Based on outcomes, of the V&A incidents reported, 779 incidents have severity ratings of NONE and 453 have severity ratings of MINOR.

Violence prevention and reduction leads and security management teams for Eastern and Northern services have worked collaboratively during the financial year. Mapping against the national Violence Prevention Reduction Standard has been undertaken to establish the organisations current levels of compliance with the standards objectives and key performance indicators. Current gaps that require further consideration include analysis of violence and aggression incident data using the demographic make-up of the workforce.

Aligning with the organisation's values and strategy, in support of a workplace culture where people act with civility and kindness the "Respect Us" campaign series of posters has been updated and re-launched.

The Trust code of conduct leaflet is applicable to all staff, patients, visitors and volunteers outlining conducts expected and continues to be a reference point for discussion when addressing unacceptable behaviours. Prevention of violence and aggression impacting our staff remains a real concern and an ongoing focus for the H&S Group.

Security

In response to a small cohort of vulnerable patients enacting risky behaviours and gaining unauthorised access to height, additional physical control measures have been installed at the RD&E and NDDH acute sites to mitigate risks. Other measures implemented include updated estates department governance procedures for scaffolding not aiding the ability of any unauthorised person accessing buildings, structures or areas of height.

Moving and handling

The moving and handling service gives vital inhouse support, training and equipment management capacity to the Trust. It is central to ensuring we give the best care possible to patients whilst being moved around and also ensuring we protect the physical health of our staff from back and other moving and handling injuries.

The service is in high demand with MSK risk a important element of staff and patient protection. It is the subject of a wide-ranging review to give the Trust the opportunity to determine the best possible arrangement for a Trust-wide service.

NHS Staff Survey

The National Staff Survey helps to inform improvements in staff experience and wellbeing. The results for 2022 provide a snapshot of how staff are experiencing their time at work.

Figure 4 below presents information concerning People Promise element 4 "We are safe and healthy" and includes some data on negative experiences concerning staff experiencing musculoskeletal (MSK) injury and physical violence in the workplace.

Benchmarking averages are made in comparison with similar Acute and Community Trusts.

Promise Element 4: we are safe and healthy	Royal Devon	National Average	National Worst	National Best
Health & Safety Climate	5.2	5.2	4.6	5.9
Negative experiences (overall)	7.9	7.7	7.3	8.1
Highlighted sub question responses				
MSK injury in past 12 months	28.3%	30.8%	38.0%	22.0%
Physical violence experienced by staff in past 12 months (by patients / public)	12.4%	14.8%	22.8%	7.7%
Harassment, bullying and abuse experienced by staff in past 12 months (by patients / public)	22.5%	28.0%	38.5%	20.6%

Figure 4: NHS Staff Survey 2022 – safety climate

RIDDOR regulations

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), certain categories of incident are reported to the Health and Safety Executive (HSE) for both patients and staff. The HSE recently re-released their Health Services Information Sheet No1 (Rev4).

This information sheet gives guidance on how the RIDDOR regulations apply to the health and social care sector and is aimed at employers and others who have a duty to report under RIDDOR. It will impact on how we decide what we report for patient incidents that meet the guidance laid out in RIDDOR.

Financial Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RIDDORs	61	67	57	62	39	42	20
RIDDORs per 1000 FTE Staff	6.6	7.2	5.9	6.2	3.7	4.0	1.8

Figure 5: RIDDORs submitted to the HSE by reported financial year

(Note: National rate of all reported non-fatal injuries per 1000 employees for human health activities (HSE stats 2021/22) was 3.1)

RIDDOR reports submitted to HSE during 2022/23	Bone fracture excluding finger, thumb or toe	Dangerous Occurrence	Off work for more than 7 days	Total
Collision/ contact with an object			1	1
Inoculation injury (Sharps/Needlestick) - Contaminated		1		1
Moving and Handling			10	10
Other incident			1	1
Physical Assault			2	2
Slips, trips and falls	2		2	4
Walk into/trap/struck by	1			1
Total	3	1	16	20

Figure 6: RIDDORs submitted to the HSE during financial year 2022/23

Fire safety

All aspects of fire safety are managed within the Estates and Facilities Department and the Trust now has dedicated fire risk assessors to carry out all of the fire risk assessment and fire management functions within the Trust.

Fire related external review notices from NHS England that come into the Trust are disseminated to the fire department, and are acted on accordingly working with the relevant department and involving health and safety as required. A recent notice regarding extra bed capacity and the associated fire management risks highlighted how having an internal service gives the flexibility for a quicker more concise response.

Training

Statutory and mandatory health and safety training (including fire) is now undertaken on Learn+, the Trust's learning management system. This allows for concise data to be available for inclusion in reports and for those taking the training to know when it is due.

Work continues to towards aligning fire safety training across the Trust to provide consistent content and mode of delivery that satisfies National guidance contained within the Health Technical Memorandum suite of documents. A full review of course content has been conducted and clarification of course requirements on the Learn+ system is underway.

In January 2023 Northern services secured an on-site training venue at NDDH in which face to face moving and handling training is now being delivered. The new facility has optimised resources and efficiencies for the delivery of training.

In support of conflict resolution training, face to face de-escalation, breakaway and safe holding training sessions continued to be delivered by the in-house training team based in Exeter for Eastern services staff. For Northern services; on a prioritised risk basis, training sessions were delivered to NDDH acute staff by an external training provider. Training needs analysis and options appraisal will be undertaken for the new financial year for continuation of training for Royal Devon acute and community staff.

Risk assessment training for Eastern services staff has been undertaken by the Health and Safety team on a monthly basis.

The new head of health and safety will be working with the talent and learning head and other interested stakeholders to look at health and safety training needs over the next 12 months. One line of inquiry that will be pursued is peer working with other Trusts to ensure we are all aligned in the training we offer.

Fit testing

Fit testing of staff for FFP3 respiratory face masks has been strengthened in response to national core priority requirements for FFP3 resilience, for the protection of staff and patients from respiratory virus infection (aerosol generating procedure risks). The RD&E was seen as an exemplar site in the development of the new requirements

The fit test co-ordinator will continue the programme of fit testing for front line clinical and support staff on a yearly basis (exceeding NHS England's recommendation of two-yearly testing). Further fit testers will be recruited to increase team resilience during 2023/24.

The booking system and performance dashboard enables data to be shared nationally in support of the governments drive to stabilise and build resilience into the use of masks sourced from the UK. A passport system recording pass / fail results will reduce duplication of testing and increase flexibility where staff move between healthcare organisations.

Trade union facility time

The Trust is proud of its work with its trade unions, and works in collaboration with their representatives throughout the Trust. Our Partnership Forum is the formal group where our Staffside and management representatives formally engage and consult.

As part of the trade union (facilities time publication requirements) regulations 2017, the Trust is required to report facility time, which is paid time-off during working hours for trade union representatives to carry out trade union duties.

The 2022 report provided to the Cabinet Office (**https://www.gov.uk/government/statistical-data-sets/public-sector-trade-union-facility-time-data**) is reflective of the period 1 April 2021 to 31 March 2022.

As this period was prior to integration, separate submissions were made for Northern Devon Healthcare NHS Trust (NDHT) and the Royal Devon and Exeter NHS Foundation Trust (RD&E). Both reports have therefore been reflected below:

NDHT trade union facilities time

Number of trade union representatives

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
17	16.03

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	2
1-50%	14
51-99%	1
100%	0

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£90,379
Trust's total pay bill	£167,888,000
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	10.80%

RD&E trade union facilities time

Number of trade union representatives

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
30	26.34

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	8
1-50%	19
51-99%	3
100%	0

Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£85,727
Trust's total pay bill	£324,631,000
Percentage of the total pay bill spent on facility time	0.03%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	25.50%

Expenditure on consultancy

The total expenditure on consultancy for the 2022/23 financial year was £828,000 compared to £714,000 in 2021/22.

Gender pay gap

From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. In line with statutory reporting the Trust publicly reported its gender pay gap report in line with requirements.

This is available via gender-pay-gap.service.gov.uk. The Trust also publishes an analysis of its annual gender pay gap data, which can be found here: **https://www.royaldevon.nhs.uk/about-us/equality-diversity-and-inclusion/**

NHS Staff Survey

Our approach to colleague engagement and key activities

Our colleagues work together to achieve the best and safest outcomes for people who require acute and community care and working with communities and other stakeholders to keep people well and supported at home.

Colleague engagement helps to:

- deliver continued improvements and programmes of change - engaged colleague are likely to exert more influence over the use of standard processes, teamwork and the degree to which there is a culture of improvement.
- connect clinicians with the organisation as well as the professional agenda and take on leadership roles.
- improve sickness absence.

The Trust has developed a multi-year programme focused on improving colleague engagement as part of a broader organisational development and culture change agenda. Based on overwhelming academic evidence that demonstrates a clear link between committed and motivated colleagues, improved patient outcomes and patient experience, the Trust has consciously sought to build a culture in which colleaguef engagement is viewed as mission critical. Our approach to colleague engagement focuses on:

- creating the conditions for optimum colleague engagement
- assisting people to prepare for and actively participate in changes to care
- contributing to improved patient care now and in the future
- ensuring engagement efforts are as inclusive as possible

Having colleagues who are informed and have access to the information they require to do their jobs is important. However, there are a range of factors including reward, values and behaviour, recognition and leadership as well as giving staff "voice" and influence over their work through greater empowerment.

Our methodology is one that encompasses the whole organisation and is based on the understanding that all colleagues have a level of responsibility to consider and act on colleague engagement and that engagement is a two-way process. It is essential to enable colleagues to develop the necessary skills and behaviours required to manage the scale of change required to deliver health and care differently into the future, and we need to support them to do that. We aim to deliver more joined-up care for people out of hospital and this will only be realised if the culture and outlook of colleagues right across the organisation rapidly adapts. Our colleagues are at the heart of these changes as we lead the way in helping to innovate and transform services, to ensure that our way of delivering care and services is fit for the future.

Our approach to engagement aims to create optimum conditions for job satisfaction, with a particular focus on outcomes in the following areas, so that our colleagues feel:

- **Valued**: Nurture a culture of gratitude and appreciation and implement mechanisms for recognition and award, raising awareness/flagging issues that undermine this
- **Listened to**: Promote two-way dialogue between staff and management and implement tools, activities and training to facilitate active listening and outcomes and amplify staff "voice"
- **Connected**: Generate a welcoming and inclusive work environment in which staff feel a genuine sense of belonging, involving people in a meaningful set of values and behaviours and inspiring them with a clear and compelling strategic narrative
- **Informed**: Colleagues receive open, honest and timely information through a range of appropriate channels to enable them to go about their work fully engaged and motivated

- **Empowered to drive positive change**: Cultivate an environment in which colleagues are trusted and supported to play an active role in continuous improvement and changes to care
- **Wellbeing**: Assist efforts to ensure colleagues feel supported and well in their work and personal life.

As the above environment and culture is generated the Royal Devon's reputation as a good employer is enhanced, consequently improving staff retention and better, safer care.

A range of regular mechanisms are in place to monitor and learn from staff feedback, including:

- NHS Staff Survey: The Trust has continued to engage each division and larger departments in developing and implementing bespoke, local action plans in response to the evidence collated from the staff survey
- People Pulse survey: the quarterly regional People Pulse survey includes 15 staff engagement related questions. A dashboard is being developed to enhance reporting
- Learning from Excellence: colleagues can easily submit reports which celebrate excellence, enabling us to create new opportunities for learning and improving resilience and staff morale
- Monthly all-staff webinar: Colleagues are able to anonymously ask questions ahead of the webinar and in real time, which are then answered by three of our executive and trust directors. A recording and FAQ's are made available afterwards.

In addition to these regular mechanisms, we have also monitored and learnt from colleagues feedback to develop a range of improvements, such as rest spaces, travel to work options, and catering. Alongside this we have also developed a Devon system cultural dashboard which enables us to benchmark and share data with our system partner organisations. This allows for greater partnership and collaboration and sharing of best practice.

Indicator score and benchmarking scores

The NHS staff survey is conducted annually and 2021 saw the most significant changes to the NHS Staff Survey within the last decade, with the survey amended and aligned to the seven People Promise elements, whilst maintaining the two existing staff engagement and morale themes. Sub-scores were also introduced within the element/theme scores, providing greater depth of insight. All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

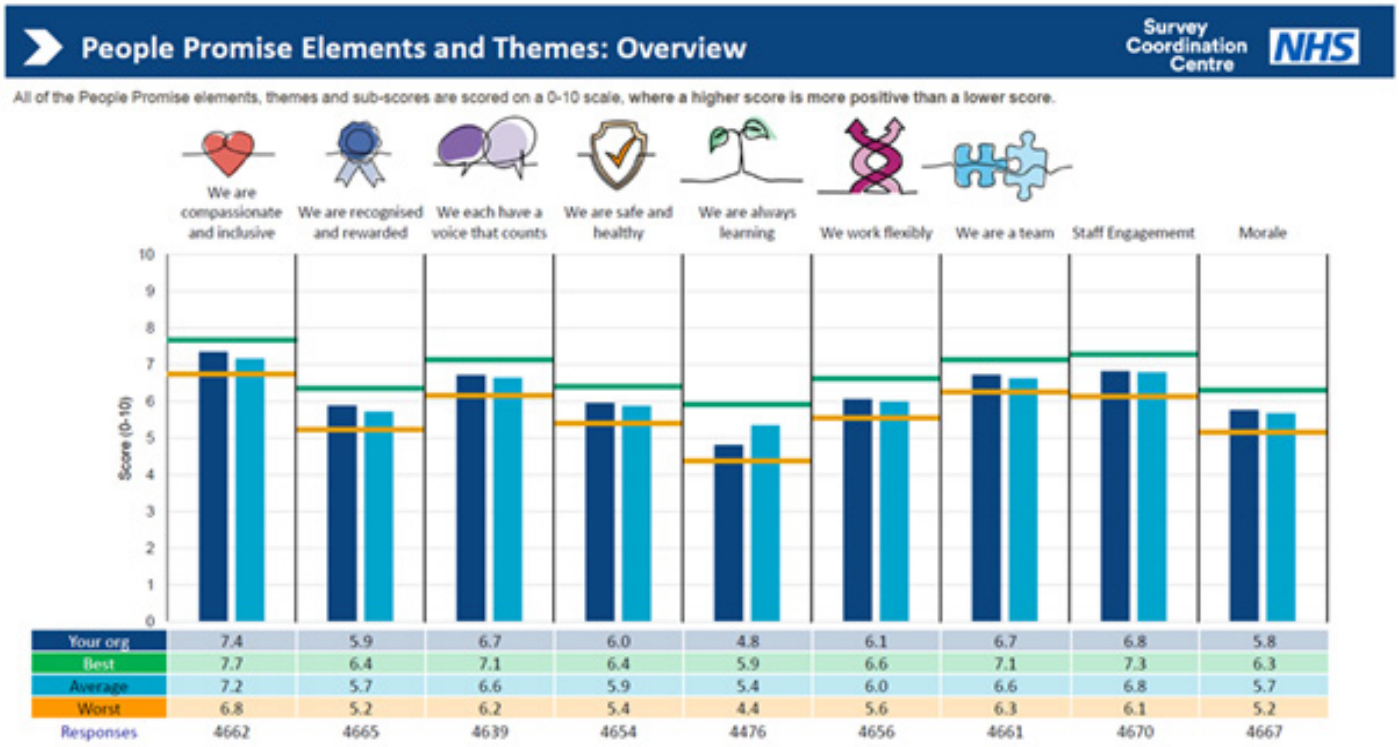
The 2022 survey is the first time that the survey has been run for the newly formed Royal Devon, since the integration of Royal Devon & Exeter NHS Foundation Trust (RD&E) and Northern Devon Healthcare NHS Trust (NDHT) in April 2022.

The response rate for the 2022 NHS Staff Survey for the Trust was 37% (2021: RD&E: 46% NDHT: 51%). This represents a decline of between 9% and 14%.

The NHS Staff Survey took place in the third quarter of 2022/23, during which time the Trust saw significant operational pressures throughout the survey period. Alongside this, the ongoing recovery work and the continued effects of the pandemic, have combined with other key local factors such as the integration and implementation of MyCare across Northern services. These should be considered contributory factors to the overall landscape in which the survey was conducted.

Scores for each indicator together with that of the survey benchmarking group (acute and acute and community) are presented in chart 1 below.

Chart 1 – 2022 staff survey results



The below charts (2-5) show the scores and the change in survey components for the indicator scores for 2020 and 2021 for both RD&E and NDHT and the benchmarking group (documented under the 'average' row).

Chart 2 - 2021 NHS staff survey results - RD&E

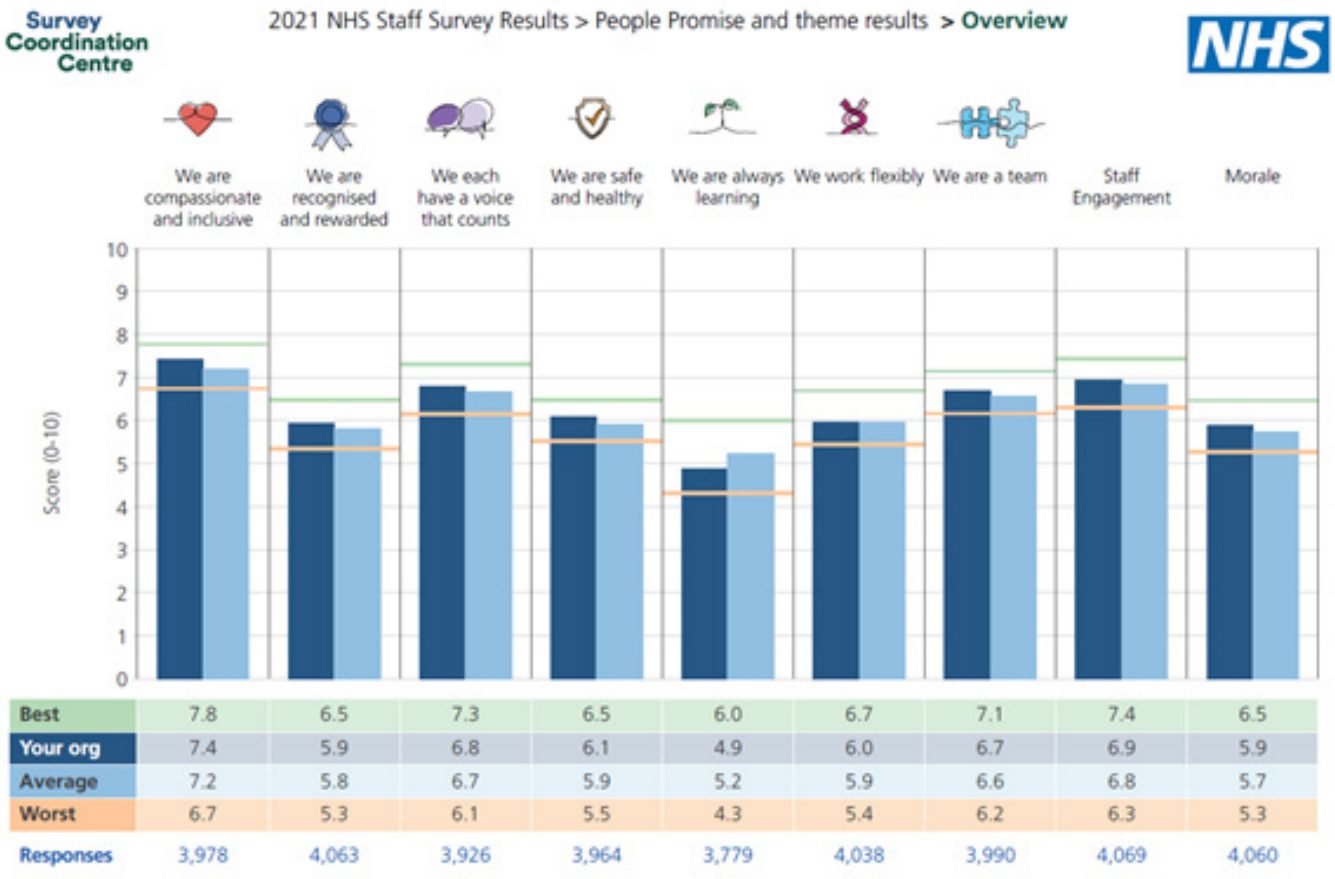
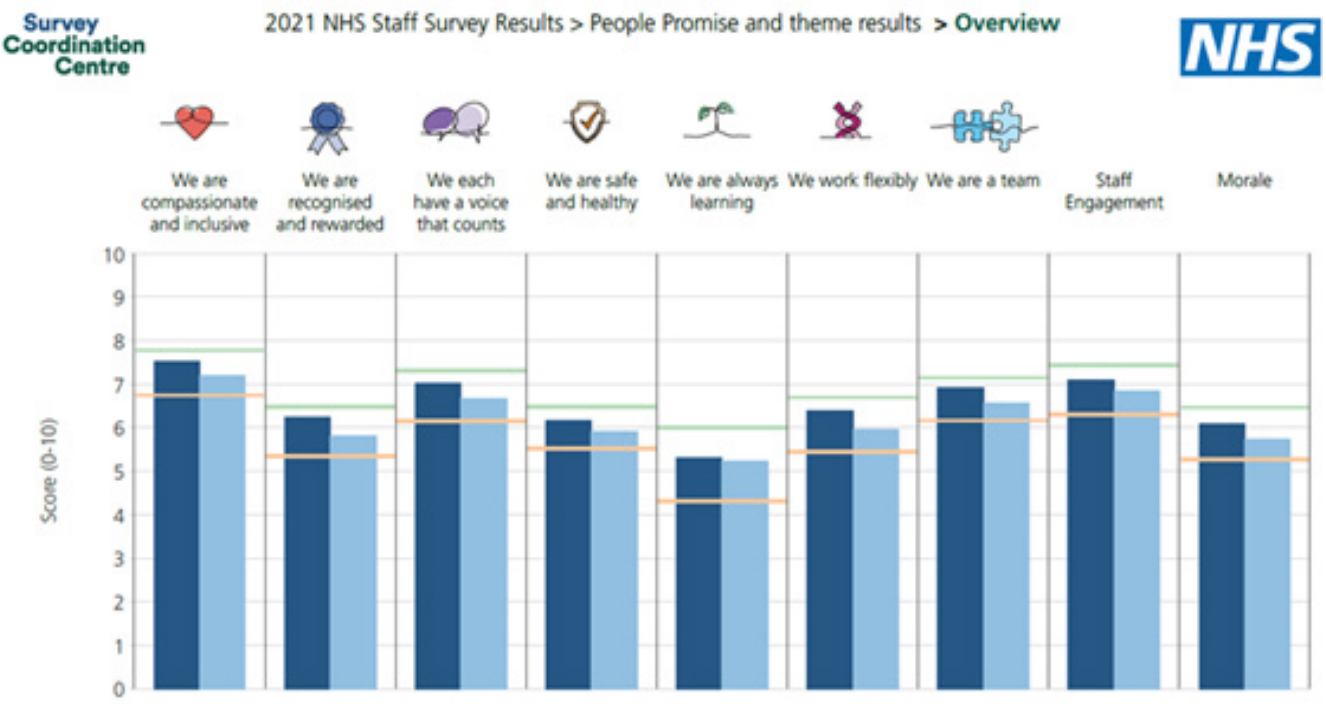
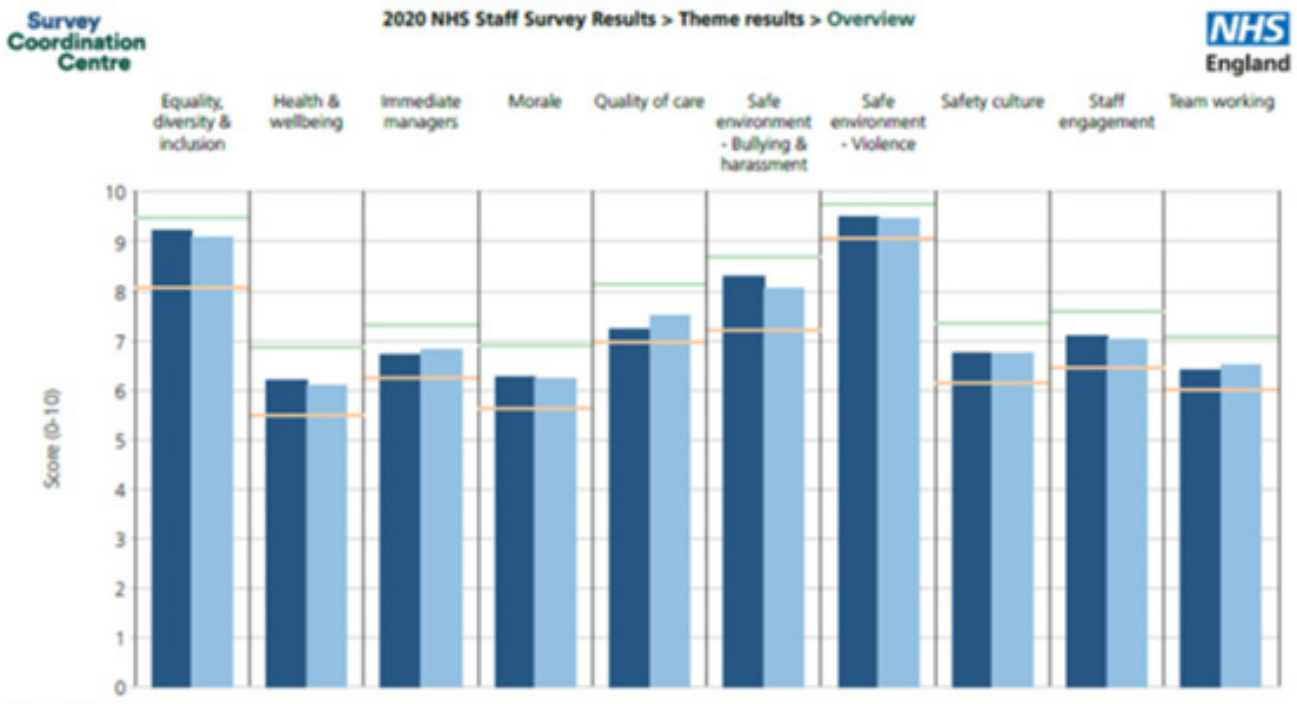


Chart 3 - 2021 NHS staff survey results - NDHT



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Best	7.8	6.5	7.3	6.5	6.0	6.7	7.1	7.4	6.5
Your org	7.5	6.2	7.0	6.2	5.3	6.4	6.9	7.1	6.1
Average	7.2	5.8	6.7	5.9	5.2	5.9	6.6	6.8	5.7
Worst	6.7	5.3	6.1	5.5	4.3	5.4	6.2	6.3	5.3
Responses	1,796	1,793	1,782	1,788	1,714	1,784	1,790	1,796	1,795

Chart 4 - 2020 NHS staff survey results - RD&E



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.2	6.2	6.7	6.3	7.2	8.3	9.5	6.7	7.1	6.4
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	3,816	3,842	3,850	3,792	3,385	3,721	3,826	3,803	3,887	3,852

Chart 5 - 2020 NHS staff survey results - NDHT

	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.3	6.4	7.3	6.6	7.6	8.3	9.5	6.9	7.3	6.9
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	1,881	1,887	1,890	1,885	1,587	1,883	1,885	1,884	1,893	1,870

Action plans

During 2022, action planning was performed at a Trust-wide level, and plans at both divisional and local level were also encouraged.

The identification of priorities, recommendations and action planning has to be an inclusive and representative process. As such a task and finish group was established consisting of key representatives from across the Trust including managers, Staffside, staff governors, staff group representatives and the Employee Experience team. Through data analysis, discussions and reviews, they developed the Trust-wide action plan (cross referenced with the NHS People Plan actions and 2022/23 inclusion plan on a page) to address key areas of concern/ priorities.

The action plan was monitored through the task and finish group and additionally through other committees, such as PWPW and Partnership Forum.

Key findings

When we look at the four key indicators for staff sentiment, the Trust has continued to perform well and is rated above average by our people. However, it is important to note that whilst the majority of the scores are above average when compared to similar trusts, scores have declined from 2021, as shown below:

Staff sentiment indicator	2022		2021	
	Benchmarking average	Trust	NDHT	RD&E
I would recommend my organisation as a place to work	56.5%	**59.7%**	67.7%	65.0%
If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	61.9%	**69.2%**	72.6%	78.4%
Care of patients / service users is my organisation's top priority	73.5%	**76.1%**	81.7%	80.5%
My organisation acts on concerns raised by patients / service users	68.3%	**66.5%**	76.9%	72.5%

The overall 'NHS staff engagement' indicator is assessed by combining the answers to nine key questions from the NHS Staff Survey. The Trust score was 6.8 (out of 10) comparing to 6.8 nationally for similar Trusts (Benchmarking group - acute and acute & community Trusts).

From the nine key indicator areas, colleagues scored the Trust above the national average in eight of the nine areas:

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We work flexibly
- We are a team
- Staff engagement theme
- Staff morale theme

While the survey highlights key achievements it also identifies areas for improvement. Some of the key initial findings include:

- Northern services saw declines across all nine People Promise elements / themes and 20 out of the 21 sub-scores
- Eastern services in comparison showed a much more stable position – seeing improvements across nine out of the 21 sub-scores
- Despite remaining above average, significant declines have been seen for key questions around recommending the organisation as a place to work or receive care
- Appraisals are an area that continues to decline with many questions below average. This is impacting on the 'We are always learning' People Promise element
- Significant declines were noted in staff feeling confident that patients, service users and staff concerns would be addressed.

Moving forward there is a need to further understand the differing experiences between groups of colleagues (division/department/staff group etc.) to identify additional areas of focus.

Future priorities and targets

To further enhance an inclusive action planning process, this year, we have held listening/feedback sessions for both managers and staff. These sessions allowed us to engage our staff in the action planning process to address the results.

We heard their lived experiences, and their feedback has helped:

- shape what the priority areas of focus should be
- clarify how we can empower managers and staff to make the changes they want to make

Some of the emerging themes from the listening sessions so far are:

- Culture, values and behaviour
- Health and wellbeing
- Communication
- Flexible working
- Patient care
- Learning and development
- Recruitment and retention
- Staffing
- Freedom to speak up
- Bureaucracy
- Empowerment
- Leadership
- Workload and burnout

Some of the areas of focus from the action planning include:

- A focus on ensuring meaningful 1-2-1 conversations
- Further embedding flexible working opportunities
- Continue the successful delivery of the health and wellbeing programme
- Continue to support remedial work for staff groups, divisions and departments with low staff engagement scores – focus of localised engagement plans
- Continue to deliver decisively, such as through the health and wellbeing groups on basic needs, raised by colleagues - this could include physical environment; staff rooms, queues in canteen, outdoor space for staff to take breaks

A Trust wide action plan will be established from the work of the Staff Survey Task and Finish team to address key areas of concern/priorities identified. The plans will be monitored through committees such as People, Workforce Planning and Wellbeing Committee (PWPW), Staff Partnership Forum (with HR and Staffside representatives), and the Board of Directors.

Divisions and larger departments will be requested to refresh their localised action plans, taking them through the PAF.

The Trust will continue to improve on colleague experience, with the aim of maintaining our position to score above the national average as measured by the engagement score in the NHS Staff Survey and other feedback mechanisms.

Off payroll payments

Table 1:

Number of new engagements, or those that reached 6 months duration between 1 April 2022 and 31 March 2023, for more than £245 per day and that lasted longer than 6 months	0
of Which	
Number assessed as within IR35	3
Numbers assessed not as within the scope of IR35	0
Number engaged directly (via PSC contracted to a Trust) and are on the Trust payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 2:

Number of new engagements, or those that reached 6 months duration between 1 April 2021 and 31 March 2022, for more than £245 per day and that lasted longer than 6 months	0
of Which	0
Number assessed as within IR35	0
Numbers assessed not as within the scope of IR35	0
Number engaged directly (via PSC contracted to a Trust) and are on the Trust payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

There were no off-payroll engagements of a board member with significant financial responsibility during the financial year.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

Number of off-payroll engagements of board members, and /or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	18

Board Assurance Framework (BAF)

The BAF is a Board-owned document whose primary role is to inform the Board about the totality of risks or obstacles that may impede it from achieving its strategic objectives, as outlined in the Trust's long-term strategy document. The BAF also provides assurances that adequate controls are operating to reduce these risks to acceptable levels. Following the Integration of the Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust in April 2022, the Board of Directors has reviewed its approach to the BAF, having adopted a new template and process and having identified risks emerging from the new Trust strategy that was launched in 2022.

The Board review the BAF on a quarterly basis, with individual risks receiving review and scrutiny by sub committees of the Board each time they meet. Internal Audit undertake an annual review of the BAF and the processes that support this. For 2022/23 the review was undertaken in quarter four, with the findings being "significant assurance". The BAF is explained further in the Annual Governance Statement on pages 99-106.

Audit Committee

The Audit Committee is a formal, statutory committee of the Board of Directors and is Chaired by Mr Alastair Matthews. Its primary role is to conclude upon the adequacy and effective operation of the organisation's overall internal control system, including without limitation, providing assurance in relation to the financial systems and controls of the Trust.

Four non-executive directors constitute the membership of the Audit Committee – quoracy is at least three members.

The Audit Committee is also attended by representatives the Trust's External Auditors, Internal Audit, Counter Fraud Service, chief operating officer, chief finance officer, site directors of operational finance, and the director of governance. A governor can attend in an observational capacity.

As part of the external audit plan for 2022/23, KPMG highlighted three significant audit opinion risks (expenditure recognition, valuation of land and buildings, management override of controls) and one other audit risk relating to merger, which have been considered by the Audit Committee.

Valuation of land and buildings

The audit risk identified is the carrying amount of revalued land and buildings differs materially from the fair value.

The previous year's land and buildings were last valued for the Eastern assets in 2019/20 and in 2020/21 for the Northern assets. Whilst the auditors did not identify any issues arising from the work performed relating to the revaluation of land and buildings it was agreed that a professional valuation would be commissioned to value the Trust's land and buildings as at 31 March 2023.

KPMG have not identified any issues arising from the work performed relating to the fair value of land and buildings.

Fraud risk from expenditure recognition

The audit risk identified is recognising expenditure that does not exist to achieve a financial target. The setting of a financial target can create an incentive for management to understate the level of expenditure compared to that which has been incurred.

Management override of controls

Professional standards require auditors to communicate the fraud risk from management override of controls as significant. Management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

KPMG have carried out appropriate controls and substantive procedures, testing and substantive procedures, including testing of journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual. No specific instances of management override were identified from this audit.

Other issues considered by the Audit Committee

Merger

The Trust is reporting a consolidated set of accounts from two separate legacy finance systems for the financial year, acting as separate reporting regions whilst providing consolidated reporting to NHSE on a monthly basis. As such there was a risk that the combined financial statements will be more susceptible to error through varied processes, distinct finance functions and overall consolidation process.

KPMG have not identified any issues arising from the work performed relating to the reporting and consolidation process that materially affects the accounts.

Meeting schedule

The Audit Committee met five times during 2022/23. The names of members and their attendance at the meetings are as follows:

NAME	May 2022	June 2022	July 2022	Nov 2022	Feb 2023
A Matthews	P	P	P	P	P
B Kent**			P	A	A
S Kirby***	P	A	A	A	
T Neal	P	P	P	P	P
K Orford*	P	P			
Professor J Kay	A	P	A	P	A

*Mr Orford left the Trust in July 2022

** Professor Kent joined the Committee in July 2022.

*** Mr Kirby left the Committee after the November 2022 meeting.

P – Present / A – Apologies

Duties and responsibilities of the Audit Committee

Governance, risk management and internal control

The Audit Committee reviews the establishment and maintenance of an effective system of integrated governance across the whole of the Trust's activities (both financial and non-financial), that supports the achievement of the Trust's objectives.

In particular, the Audit Committee reviews:

- all risk and control related disclosure statements together with any accompanying head of internal audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the board
- the assurance processes that underpin the achievement of the Trust's objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements
- the policies and procedures for all work related to fraud and corruption as set out in the NHS England standard contract and as required by the NHS Counter Fraud Authority.
- The annual ISA260 report and Letter of Representation produced by External Audit in relation to the Annual Report, Quality Report and Accounts.

In carrying out this work, the Audit Committee primarily utilises the work of internal audit, local counter fraud specialists, external audit and other assurance functions, but is not limited to these functions. It will also seek reports and assurances from the Governance Committee (including clinical governance, patient safety, quality and CQC compliance) and Directors and Managers as appropriate.

Internal audit

The internal audit function is provided by ASW Assurance. The Audit Committee ensures that there is an effective internal audit function, including the Counter Fraud function, established by management that meets mandatory Public Sector Internal Audit Standards and provides appropriate independent assurance to the committee, Chief Executive and Board. This is achieved by:

- consideration of the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal
- review and approval of the annual internal audit plan, ensuring that this is consistent with the audit needs of the Trust as identified in the assurance framework
- consideration of the major findings of internal

audit work (and management's response), and ensuring co-ordination between the internal and external auditors to optimise audit resources

- consideration of the annual Head of Internal Audit's opinion
- follow-up by the Governance Committee, or one of its sub-committees, where internal audit's work is an area covered by that committee, as set out in internal audit's plan
- ensuring that the internal audit function is adequately resourced and has appropriate standing within the Trust, and
- an annual review of the effectiveness of internal audit.

External audit

The Audit Committee:

- reviews and monitors the external auditor's independence and objectivity, and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements
- keeps under review the level of non-audit services provided by the external auditor, taking into account relevant guidance
- makes recommendations to the Council of Governors in relation to the appointment, re-appointment and removal of the external auditor and
- approves the remuneration and terms of engagement of the external auditor

Further, the Audit Committee reviews the work and findings of the external auditor and considers the implications of, and management's responses to, their work.

This is achieved by:

- discussion and agreement with the external auditor, before the audit commences, of the nature and scope of the audit as set out in their annual plan
- discussion with the external auditors of their evaluation of audit risks and associated impact on the audit fee, and
- reviewing all external audit reports together with the appropriateness of management responses

Other Functions

The Audit Committee considers the work of other committees within the Trust, the work of which can provide relevant assurance to the committee's own scope of work. This particularly includes the Governance Committee because of its management of the Trust's Corporate Risk Register and the Clinical Audit function.

The Audit Committee also:

- reviews material changes to standing orders and standing financial instructions and schemes of delegation
- receives a report from management on the review of data quality included in the Quality Report and
- is given the opportunity, where possible, to review the accountancy element of any significant financial transaction within the Trust prior to its presentation to the Board of Directors for approval.
- receives a Statement of Losses and Compensation once a year which has been approved by the chief finance officer.

Financial reporting

The Audit Committee reviews and, if thought appropriate, recommends to the Board approval of the annual report and financial statements, focusing particularly on:

- specific enquiry into the question of whether the Trust keeps proper books of account
- the integrity of the financial statements
- the wording in the Annual Governance Statement and other disclosures relevant to the terms of reference of the committee
- changes in, and compliance with, accounting policies and practices
- unadjusted mis-statements in the financial statements
- major judgemental areas, and
- significant adjustments resulting from the audit

- the annual ISA260 report and Letter of Representation produced by External Audit in relation to the annual report and accounts
- Providing assurance on behalf of the Board to the Department of Health around the costing process and methodology as required by the reference cost guidance.

Board of Directors reporting arrangements

The Chair of the Audit Committee provides a report highlighting the key issues arising from the Committee to the meeting of the Board that directly follows the Audit Committee. The minutes of the Audit Committee are also available to the Board.

The Annual Governance Statement, which is included in the annual report, reviews in considerable detail the effectiveness of the system of internal control. By concurring with this statement and recommending its adoption to the Board, the Audit Committee also gives the Board its assurance on the effectiveness of the overarching systems of integrated governance, risk management and internal control.

NHS System Oversight Framework

NHS England and NHS Improvement's NHS System Oversight Framework (SOF) provides the framework for identifying where Integrated Care Systems (ICS) and NHS organisations may benefit from, or require support, to meet the standards required of them in a sustainable way, and to deliver the overall objectives of the sector in line with the priorities set out in 2022/23 Operational Planning Guidance

Alongside local strategic priorities, and a single set of metrics that are reviewed across ICS, and their constituent member organisations, the framework looks the following national themes:

- quality of care
- access and outcomes
- preventing ill health and reducing inequalities
- people
- finance and use of resources
- leadership and capability

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy.

Segmentation

The current assessment for the Trust is segment 4 (Providers and Systems enter the Recovery Support Programme). This is as a result of concerns in relation to performance, specifically elective and cancer, as well as issues in relation to patient flow in and out of hospital.

This segmentation information is correct as at 20 April 2023.

Care Quality Commission (CQC)

The Royal Devon and Exeter NHS Foundation Trust and Northern Devon Healthcare NHS Trust merged on the 1 April 2022 to become the Royal Devon University Healthcare NHS Foundation Trust.

The Trust is required to register with the Care Quality Commission and its current registration status is registered in full without conditions.

In November and December 2022, the CQC undertook an announced inspection of the surgical, medical and diagnostic imaging services across the Eastern and Northern acute sites. The full inspection report was published on 26 May 2023 and can be found on the CQC's website. The following changes to ratings were reported:

Eastern	
Medical services.	previously rated as good, now rated as requires improvement
Surgical service	previously rated as good, now rated as requires improvement
Diagnostic and imagining services	rated as good

Northern	
Medical services.	remains requires improvement
Surgical service	reviously rated as good, now rated as requires improvement
Diagnostic and imagining services	rated as good

A well led planned inspection took place on 3 and 4 May 2023. The final report, rating of the well led element of the Inspection and overall Trust rating is awaited.

Until the new ratings are published, the existing ratings for the acute and community sites are as follows:

Key to tables

Ratings	Not rated	Inadequate	Requires improvement	Good	Outstanding
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	→←	↑	↑↑	↓	↓↓

Month Year = Date last rating published

* Where there is no symbol showing how a rating has changed, it means either that:

- we have not inspected this aspect of the service before or
- we have not inspected it this time or
- changes to how we inspect make comparisons with a previous inspection unreliable.

Ratings for individual sites/locations/services – Eastern services

Ratings for Royal Devon and Exeter Hospital (Wonford)

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good Feb 2016	Outstanding Feb 2016	Outstanding Feb 2016	Good Feb 2016	Outstanding Feb 2016	Outstanding Feb 2016
Medical care (including older people's care)	Good ↑ Apr 2019	Good →← Apr 2019	Good →← Apr 2019	Good →← Apr 2019	Good →← Apr 2019	Good →← Apr 2019
Surgery	Requires improvement Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016
Critical care	Good Feb 2019	Good Feb 2019	Outstanding Feb 2019	Good Feb 2019	Outstanding Feb 2019	Outstanding Feb 2019
Maternity	Requires improvement Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016
Services for children and young people	Good Apr 2016	Good Apr 2016	Good Apr 2016	Good Apr 2016	Good Apr 2016	Good Apr 2016
End of life care	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016	Good Feb 2016
Outpatients	Good Apr 2019	Good Apr 2019	Good Apr 2019	Requires improvement Apr 2019	Good Apr 2019	Good Apr 2019
Renal Services	Good Apr 2019	Outstanding Apr 2019	Outstanding Apr 2019	Outstanding Apr 2019	Outstanding Apr 2019	Outstanding Apr 2019
Overall*	Requires improvement →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019

*Overall ratings for this hospital are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Royal Devon and Exeter Hospital (Wonford)	Requires improvement →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019
Honiton Hospital	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019
Mardon Neuro-rehabilitation Centre	Good ↑ Feb 2019	Good →← Feb 2019	Outstanding ↑ Feb 2019	Good →← Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019
Overall trust	Requires improvement →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019	Outstanding →← Apr 2019	Good →← Apr 2019

Ratings for the trust are from combining ratings for hospitals. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Ratings for community health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Requires improvement Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019
Community health inpatient services	Requires improvement Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019
Community end of life care	Requires improvement Apr 2019	Requires improvement Apr 2019	Good Apr 2019	Requires improvement Apr 2019	Requires improvement Apr 2019	Requires improvement Apr 2019
Overall*	Requires improvement Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019

*Overall ratings for community health services are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

Ratings for primary medical services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Castle Place Practice	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019	Good Apr 2019

Ratings for individual sites/locations/services – Northern services

Ratings for North Devon District Hospital

North Devon District Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Medical Care (including older peoples care)	Requires Improvement	Requires Improvement	Outstanding	Good	Requires Improvement	Requires Improvement
Services for children and young people	Good	Good	Good	Good	Good	Good
Critical Care	Good	Good	Good	Requires Improvement	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Maternity	Requires Improvement	Requires Improvement	Good	Good	Good	Requires Improvement
Outpatients	Good	Not Rated	Good	Requires Improvement	Good	Good
Surgery	Good	Good	Good	Requires Improvement	Good	Good
Urgent and emergency services	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement
Overall Rating	Requires Improvement	Requires Improvement	Outstanding	Good	Requires Improvement	Requires Improvement

Statement of the chief executive officers' responsibilities as the accounting officer of the Royal Devon University Healthcare NHS Foundation Trust

The NHS Act 2006 states that the chief executive officer 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 Officers Memorandum issued by Monitor (NHSI).

Under the NHS Act 2006, Monitor (NHSI) has directed the Royal Devon University Healthcare NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Devon University Healthcare NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the accounting officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the accounts direction issued by Monitor, 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 have been followed, and
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- 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
- prepare the financial statements on a going concern basis

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 him/her 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.

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

Signed:

Chris Tidman

Deputy Chief Executive Officer
Date: 28 June 2023

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Royal Devon University Healthcare NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Royal Devon for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust has a comprehensive governance system in place (which was also implemented at NDHT prior to the integration of the two Trusts in April 2022); this structure has been developed and enhanced over a number of years and continues to be subject to regular review to ensure its continued fitness for purpose. The current governance architecture was established in October 2011. A number of independent reviews have been undertaken over the years which have concluded that the governance system is robust.

The Audit Committee monitors and oversees both internal control issues and the process for risk management. ASW Assurance (internal audit) and KPMG (external auditors) attend all Audit Committee meetings. The Audit Committee receives all reports of the Internal and External Auditors and reports regularly to the Board.

Risk issues are reported through the Governance Committee via the Safety and Risk Committee and the Trust's management structure. Management of risk is delegated to the appropriate level from director through to local management through the Divisional management teams. There are established governance managers and coordinators in post to support the divisions in implementing robust risk and governance processes. Each division has a Divisional Governance Group which meets regularly to manage risk and report and escalate concerns via the five sub committees of the Governance Committee. Performance management of any governance/risk action plan is managed via the Trust's Performance Assessment Framework (PAF) led by the chief operating officer. Strategic risks are managed via the Board-owned Board Assurance Framework (BAF). This document focuses on risks that could prevent the Trust from achieving its strategic objectives.

The Board has appointed a senior independent director to be available to Governors and Members if they have concerns where contact through the normal channels of Chairman, chief executive officer or deputy chief executive officer, have failed to resolve them or for which such contact is inappropriate. In addition, the Trust has a Whistleblowing Policy to guide and protect staff who raise issues of concern. The Trust also has a lead freedom to speak up guardian who oversees the thirteen freedom to speak up guardians who report (via the director of governance) to the chief executive officer and provide regular reports to the Governance Committee.

All staff joining the Trust are required to attend corporate induction which covers key elements of risk management and how to raise concerns. This is further enhanced at departmental induction. Risk assessor training courses are available to staff, providing the skills needed to undertake risk management duties. Staff are trained and equipped to manage risk in a way appropriate to their authority and duties. The Trust's risk management policies and procedures are available on the Trust's intranet. All our staff are signed up to Our Charter, which helps all colleagues understand how to report risks and issues. This will be regularly renewed to ensure there is an understanding and commitment to respect, safety and reporting principles.

An electronic Risk Management system (Datix), which has the ability to record, manage and triangulate incidents, complaints, risks and legal claims has been operational since June 2011. In June 2022 the Trust invested in Datix Cloud IQ. This is compatible with the learning from Patient Safety Events platform which will replace the current national reporting platforms. This investment has allowed oversight of incidents, risks, feedback and claims across both Eastern and Northern services.

An established cohort of senior clinical staff and Governance Managers trained to conduct Serious Incidents (SI) reviews is in place. The Risk Management Team co-ordinates SIs and adverse incidents, which are reported and managed through the Incident Review Group (a sub group of the Safety and Risk Committee). Learning points from SI's and incidents are fed back to relevant clinical teams directly and are highlighted in safety briefings, an iBulletin, and a Trust-wide journal. These are made available to all staff via the local intranet. All SI investigation reports and action plans are shared with the Trust's lead commissioner; NHS Devon Integrated Care Board (ICB) and the Care Quality Commission (CQC).

The risk and control framework

The Board of Directors is responsible for the strategic direction of the Trust. It reviews the Board Assurance Framework ("BAF") quarterly in line with the Trust's Risk Management Policy. The BAF identifies the key risks and mitigations related to the Trust's strategic objectives and key priorities. The Board has identified a number of financial risks to the achievement of the corporate strategy including the Trust's ability to deliver the required cost savings, and the impact of financial pressure on performance targets. In addition to being reviewed by the Board, the BAF risks are reviewed monthly by the relevant sub-committee of the Board. For example, Finance BAF risks are reviewed by the Finance and Operational Committee, safety risks by the Safety and Risk Committee and digital risks by the Digital Committee etc.

The Corporate Risk Register is reviewed by the Governance Committee bi-annually. The Governance Committee reports to the Board of Directors quarterly. The Audit Committee considers the Board Assurance Framework and the Corporate Risk Register when setting Internal Audit's annual work plan.

The director of governance attends both the Governance Committee and the Audit Committee. This supports continuity and oversight of agenda preparation and completion of actions. The Chair of the Governance Committee is also a member of the Audit Committee, ensuring the two committees are aligned and there are not gaps in assurance.

The Board of Directors, as part of the Annual Plan reporting cycle, is responsible for the completion of the Corporate Governance Statement. The Board has adopted a process by which evidence is identified for each element of the statement to provide assurance and support a decision of compliance or gap in compliance (i.e. risk). Where risk is identified this would be risk assessed, mitigating actions put in place and added to the appropriate risk register.

The Governance Committee is chaired by a non-executive director and provides oversight of the risk management process. The committee takes a comprehensive oversight of the quality and safety of care provided by the Trust and provides assurance to the Board of Directors. The work of the Governance Committee is supported by five key sub committees:

- Clinical Effectiveness Committee – chaired by the chief medical officer
- Safeguarding Committee – chaired by the chief nursing officer
- Safety and Risk Committee – chaired by the chief executive officer
- People, Workforce Planning and Wellbeing Committee – chaired by the chief people officer
- Patient Experience Committee – chaired by a non-executive director

These five committees are responsible for monitoring and managing specific types of risk. As outlined above, the committees also review risks on the BAF.

The Safety and Risk Committee, chaired by the chief executive officer, has a number of key sub-groups leading the Trust's management of safety and risk:

- The Patient Safety Group is accountable for delivery of the Trust's patient safety programme and is chaired by the director of nursing. The Mortality Review Group is chaired by Dr Daly, Trust Mortality Lead
- The Incident Review Group is chaired by the director of nursing and reviews all Serious Incidents (SI) and action plans
- Radiation Safety Group is chaired by one of the associate medical directors

- Infection Control and Decontamination Group is chaired by the joint directors of infection prevention and control
- Health and Safety Group is chaired by the chief people officer
- Emergency Preparedness, Resilience and Response Group is chaired by the chief operating officer
- Medical Devices Group is chaired by one of the associate medical directors
- Information Governance Steering Group is chaired by the Caldicott Guardian

Other specialist groups whose work relates closely to safety and risk report via the Clinical Effectiveness Committee include the Medicines Management Group.

The Patient Experience Committee was paused in 2020 during COVID-19 for a review and refresh, and as a result a Patient Experience Strategy was developed and approved by the Board in 2022. This strategy included the re-introduction of the Patient Experience Committee in May 2022, and is chaired by a non-executive director.

In addition, patient experience performance information is also available to the Board of Directors through the monthly Integrated Performance Report and patient stories have continued to be a standard agenda item for the Board of Directors. These stories, which are video recordings of patients sharing first hand their experiences have provided an invaluable connection for the Board to our patients. Selection of the stories is undertaken with the independent support of the comms team ensuring a balance of both "what has gone well" and "even better if". In all cases learning is identified and where relevant appropriate actions put in place.

The Trust has a robust, responsive and reflective reporting and monitoring framework in place in relation to Mortality and Learning from Deaths.

All deaths that occur in the acute and community hospitals are reviewed within 24 working hours by a Medical Examiner, in line with the National Medical Examiner System. This system is responsible for ensuring accuracy of death certification, referral of cases as appropriate to Her Majesty's Coroner, and identification and escalation of governance issues to the Trust and Mortality service. Cases are identified for specialist review in line with National Guidance, and those that fulfil the CQC Duty of Candour regulations (Section 20) identified. Themes identified from this comprehensive review are presented monthly to the Mortality Review Group which reports into the Safety and Risk Committee.

The Summary Hospital Mortality Indicator (SHMI) and Hospital Standardised Mortality Ratio (HSMR) are used within the organisation to monitor trends in data quality and mortality. A detailed Trust level mortality dashboard is scrutinised by the Mortality and Review Group on a monthly basis. Mortality is reported to the Board of Directors monthly through the Integrated Performance Report and quarterly through the Joint Governance Committee by a detailed Learning from Deaths Report. The Board also receives relevant mortality reports by escalation from the Governance Committee. The Trust sets a low threshold in relation to responding to deviations in mortality rates, with deep dive case note reviews undertaken to ensure that the causes of any deviation(s) can be identified and acted upon, where required.

The chief nursing officer and chief medical officer have joint director leadership and accountability for Clinical Governance. To ensure executive directors are aware of all safety issues in a timely manner and to utilise their expertise, Safety Huddles are in place. The Safety Huddle comprises of the chief nursing officer, chief medical officer, the Trust director of nursing, the Trust medical director, the associate directors for safety and quality and the risk manager. The huddle takes place once a week and complements the formal Governance Performance System by looking at soft intelligence but also provides an opportunity to discuss incidents/concerns in real time at a senior level.

Risk identification and evaluation

The Trust has a Risk Management Policy which has been approved by the Governance Committee and clearly sets out the process for identifying and managing risk and the Trust's risk appetite. It incorporates a standard methodology in which risk is evaluated using a likelihood/consequence matrix. The roles and responsibilities of staff in managing risk are defined and key posts highlighted. The policy also includes the governance reporting structure. This policy was updated in early 2023 and the revised policy will be launched on the 1 April 2023.

The Trust maintains a comprehensive Corporate Risk Register (CRR) covering both clinical and organisational risks. The risks from the separate Eastern and Northern services CRRs were merged into one Trust CRR following the integration in April 2022. The CRR is currently under review to align with the revised Risk Management policy but at

the present time there are 65 current risks on the Corporate Risk Register. A thematic review of the CRR was carried out and presented to the S&RC in December 2022. The review demonstrated that a large proportion of risks on the CRR (60%, or 39 out of 65) can be categorised into two themes:

- Risks related to demand and capacity = 20 risks (31%)
- Risks related to Workforce and staffing = 19 risks (29%)

This aligns with the operational challenges being faced by the organisation.

The remaining risks on the CRR can be categorised into themes such as digital (15%), mental health provision (8%), estates (6%), infection control (6%), health and safety (3%) and equipment (2%).

Robust action plans are in place and these risks are assigned to an appropriate executive lead and manager who are responsible for ensuring that the risk is either eliminated or managed appropriately. A robust system is in place to monitor progress of action plans, which is undertaken by both the director of governance and the manager of the risk to ensure that risks are proactively managed down to their end target score. A detailed report is produced by the director of governance to the Safety and Risk and Governance Committees on a predefined frequency.

The Trust has divisional risk registers which feed into the Corporate Risk Register. At divisional level, the risk registers contain lower level localised risks which can be managed by the relevant division. The Corporate Risk Register contains the high-level risks and Trust-wide risks. This ensures that risks are identified, managed and escalated appropriately at all levels of the organisation. Risk assessments, including Health and Safety and Infection Control, are undertaken throughout the Trust. All areas of the Trust have trained risk management officers, and the Risk Management Department and director of governance facilitate Risk Surgeries to provide support and training and to ensure consistency in approach.

The Trust has a robust process for assessing risk to cost improvement plans (CIP). A Quality Impact Assessment is undertaken which includes identification of risk, risk score and mitigating actions. The assessment is reviewed and if appropriate authorised by the divisional triumvirate (divisional director, associate medical director and assistant director of nursing). Quality Impact Assessments with a risk score of 12 or above are reviewed by the chief nursing officer and chief medical officer, with the Trust's Operations Board overseeing the total process.

Other sources used to identify risks include:

- Complaints, Care Quality Commission and Health Service Ombudsman reports and recommendations
- Inquest findings and reports from HM Coroner
- Health and Safety Executive and regulatory body compliance inspections
- Medico-legal claims and litigation reports
- Reviews commissioned from external bodies i.e. Royal Colleges
- Health Scrutiny Committee reports
- Incident reports and trend analysis (via Datix software, identification of hot spots)
- Internal and external audit reports
- Performance Assurance Framework
- Feedback from Governors and Members
- Care Quality Assessment Tool

The Trust has systems and processes in place to assess whether there is sufficient suitably qualified competent staff to meet the treatment needs of our patients safely and effectively. The Trust benchmarks staffing and effectiveness against the model hospital data with both staffing establishments and safe staffing data being reviewed and monitored by the Board in the integrated performance report on a monthly basis.

The demand and capacity planning undertaken to inform the Trust operational plan identifies the broad workforce priorities and involves full clinical engagement with robust exploration of assumptions and appropriate challenge. The Trust is aiming however to improve its longer-term workforce planning approach and is currently identifying its preferred model to support this work. The Trust's People Workforce Plan is being developed with a comprehensive implementation plan to address the workforce challenges for the future.

The Trust uses an e-rostering system for nurses, midwives and care staff. The Allocate Safe Care tool is used to undertake a census three times a day to assess the acuity and care hours per patient day; Staffing tactical meetings happen daily. As a minimum, an establishment and skill mix review is undertaken annually for each clinical area. The Trust has also introduced Medirota for Medical staff for

Eastern services, and Allocate is in place in Northern Services. Alignment of a single system is planned for Medical Staffing e-Rostering in the future, following due process. Medical staff are also included in the tactical meetings at times of extreme pressure and during critical incidents with redeployment of medical staff where appropriate.

The reviews use relevant national guidance as set out and also detail clinical judgement, triangulated with safety metrics and patient outcomes to safe and effective skill mix.

Where service changes are identified, such as a reduction of beds due to staffing shortfalls specifically in community hospital settings, they are always supported by a quality impact assessment.

The Performance Assurance Framework also use metrics including staffing and safety measures to assess the effectiveness and safety of care.

The People, Workforce Planning and Wellbeing Committee is well established and transacts all core governance business in relation to staff. The committee has a workplan, including a cycle of reporting, metrics and dashboards to provide assurance around the quality and capacity of services within the People Function. Regular safe staffing reports are also received to the committee as well as Guardian of Safe Working Hours reports for Consultants. The committee also receives strategic updates relating to staff and ensures an oversight of risks within the people function and wider workforce risks across the Trust.

The committee has sub-groups for People Development, Staff Health & Wellbeing and Strategic Resourcing and also receives updates from the Trust Partnership Forum meetings, with Staffside forming part of the quoracy of the Committee, to enable appropriate levels of challenge and transparency. The committee reports directly to the Governance Committee providing a clear route of escalation through to the Board.

Recruitment and retention remain a priority for the Trust and indeed the wider NHS. In the past year, the recruitment market has become more competitive than ever before. The NHS has released a number of national initiatives in recent years relating to workforce, namely the NHS People Plan, the NHS health and wellbeing framework and the HR & OD review. The Trust has been heavily engaged with these programmes to ensure that everything possible is being done to recruit and retain our people.

The Board review the Integrated Performance Report (IPR) each month, including a core section containing key metrics and information about 'Our People', to ensure that staffing establishment, turnover, sickness etc. are all reviewed and monitored by the Trust.

This year the People Function developed the integrated people function, creating increased capacity and expertise in a number of areas including workforce planning, inclusion, specialist recruitment and workforce systems, reporting and information. The increase in capacity and expertise has enabled significantly improved understanding of the workforce position and risk, to support development of long-term plans that enable quality development, progression, recruitment, improved employee experience and retention.

The Trust believes the above is in line with the 'Developing Workforce Safeguards ' recommendations on using evidence-based tools, professional judgement and outcomes to ensure safe staffing processes exist and are in line with the National Quality Board guidance .

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

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff 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 and all regulatory requirements have been met.

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

[1] **Developing-workforce-safeguards.pdf (england.nhs.uk)**

[2] **2904770 NQB Guidance v1_2_with links A (england.nhs.uk)**

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

The financial environment of the NHS has continued to be challenging post pandemic as recovery of the operational position alongside the need to manage financial control are key priorities. Changes in funding levels as well as legacy cost growth during the pandemic has resulted in a deficit plan being approved by the Trust Board for the 2022/23 financial year.

Focus throughout the year has been on delivery with a review of the financial control environment through undertaking the Healthcare Financial Management Association (HFMA) grip and control review leading to an action plan for improvement monitored by the Audit committee.

The Trust also introduced a dedicated Finance and Operational Committee to provide additional assurance to the Trust Board of Directors. Although previously undertaken as part of the confidential board agenda, given the heightened level of risk around financial and operational delivery a further level of scrutiny was deemed to be appropriate at this time.

Overall in year performance continues to be monitored via an integrated performance report at the monthly meetings of the Board of Directors. Operational management and the coordination of Trust services are delivered by the executive directors. Performance of individual clinical Divisions is monitored formally on a monthly basis through the Performance Assurance Framework which is led by the chief operating officer and supported by all executive directors. This also escalates through to the Trust Delivery Group allowing a route of escalation and multi professional leadership challenge.

An element of assurance provided to the Board is the rigidity of the financial control processes. Internal audit review the overall financial controls to support the head of internal audit opinion and the Trust is rated at a satisfactory level of assurance in this area.

I can confirm that the Trust complies with the cost allocation of and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

As well as key financial controls, Internal Audit has conducted reviews on Integration, Workforce, COVID-19 response, payroll, Care Quality Commission regulations, Cyber Security/Business Continuity, data quality, the Ockendon response and CNST maternity standards, as well as areas of operational process. In addition, they have annual reviews of the Trust's risk management and governance arrangements.

Information governance

Information governance and data security is managed by the Information Governance Steering Group, led by the Caldicott Guardian. The chief medical officer is the Trust's nominated senior information risk owner and freedom of information lead. Information asset owners for critical systems have been identified; system risk assessments and Information Risk Management training is undertaken annually.

An Information Security Forum, chaired by the Northern services chief information officer, deals with all aspects of information security and data confidentiality. Risks to information security are reported directly to the Information Security Forum (a sub group of the Information Governance Steering Group) and recorded on the Corporate Risk Register. The Trust has completed the Data Protection and Security Toolkit assessment and the Safety and Risk Committee and the Board of Directors has received a report regarding its system for control of information governance.On 29 June 2022 the Trust published the annual Data Security and Protection Toolkit assessment. The return included 49 out of 108 mandatory evidence items and 25 of the 40 assertions. The Trust completed 40 of the 59 remaining evidence items in December 2022, with significant progression on the remaining 19 and is currently rated as "Approaching Standards" by NHS Digital.

The 2022/23 annual Data Security and Protection Toolkit assessment has a completion date of 30 June 2023.The initial baseline was published on 21 February 2023. Work is progressing for full submission in June 2023.

During 2022/23 the Trust reported 14 information governance incidents to the Information Commissioners Office in line with the reporting requirements. The Information Commissioner has responded to nine of these incidents and we are awaiting their outcome in response to three. The ICO stated "No Further Action by the ICO", with the recommendation to investigate the causes of the incidents to ensure we understand how and why they occurred and what steps we need to take to prevent them from happening again. The incidents were fully investigated by the Trust with mitigating actions put in place, including the recommendations from the Information Commissioner. The ICO will

consider taking further action against an individual for inappropriate access in four of the reported incidents, dependant on the findings of the internal investigation report.

Data quality and governance

The Trust continues to actively promote the importance of good data quality throughout the Trust to ensure the accuracy, completeness and timeliness of the data that is held, as well as the importance of the identification and proactive mitigation of risks associated with any inaccuracies.

NHS England guidance and embedded legislation on the recording and monitoring of elective waiting time data is complex and allows for local agreement and flexibility in how some rules are interpreted. To ensure that inherent risks and unintended consequences from local interpretation are monitored, the Trust has a robust framework and meeting structure that supports and drives the Data Quality and Information Governance agenda. This provides the Board of Directors, via the Safety and Risk Committee, with the assurance that effective data quality and information governance best practice mechanisms are in place within the organisation.

The Trust's Access policy establishes a number of principles and definitions and defines roles and responsibilities to assist with the effective management of waiting lists relating to outpatient appointments, elective treatment imaging and other diagnostic tests. Furthermore, standard operating procedures are in place to support staff in applying a consistent and effective approach to waiting list management.

The operational implementation of our access policies has been refreshed through expert input from NHSE Improvement Support Team this year and the commissioning of MBI Healthcare Technologies to review both elective Patient Tracker Lists (North and East) as part of our Tier 1 arrangements. We have also benefitted from a peer review from King's College Hospital NHS Foundation Trust that has informed our updated approach. Similar work has been undertaken through MBI Healthcare Technologies to positively review the Cancer Patient Tracker Lists.

Assessment of data quality incorporating referral to treatment/elective waiting list management is included in the Trust's annual internal audit work plan. The audit process provides independent assurance of the design and operation of controls in place.

To complement the aforementioned thematic consideration of data quality within the governance framework, consideration of data quality is also an intrinsic element of the Trust's elective care operational management framework. Detailed operational monitoring occurs across all specialties and in conjunction with internal metrics against data quality. These are applied to identify areas for improvement and are monitored on a regular basis. Reporting takes place through the Trust's Performance Framework, with escalation where appropriate to the Trust's Governance Performance System. Our data quality approach has been updated and improved through the Business Intelligence Steering Group over the last six months and the implementation of a detailed action plan has significantly improved the reliability of automated data reporting into NHSE through Waiting List Minimum Data Sets (WLMDS).

The start of the 2022/23 financial year represented a unique juncture between the completion of the first full financial year following implementation of the Trust's new Electronic Patient Record (Epic) in the Trust's Eastern services (in October 2020), and the cusp for Go Live for the new EPR implementation in the Trust's Northern services (in July 2022). During the course of 2022/23, the Trust has taken a number of key steps to review as well as to enhance the quality of its elective waiting time data. These have been undertaken as one-off activities, and as an intrinsic part of the Trust's elective recovery programme in 2022/23. Outcomes from the reviews and data quality improvement activities have been reported to the Trust's newly instigated Finance and Operational Committee, and have also informed the development of the Trust's Business Intelligence Strategy. In addition to the BI Steering Group, an executive led task and finish group has been established to provide oversight of all the data quality major activities incorporated within this programme and this has been reported to Board on a monthly basis through the Integrated Performance Report.

The Trust's Digital Committee which has been established as a further sub-committee of the Trust Board, takes oversight of all digital issues, including those referenced above. It works in parallel with the existing governance structure, and as a sub-committee of the Trust's Board of Directors reports directly to the Board.

Review of effectiveness

As accountable officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by 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 Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The processes applied in maintaining and reviewing the effectiveness of the system of controls includes:

- The maintenance of a view of the overall position with regard to internal control by the Board of Directors through its routine reporting processes and its work on corporate risk
- Review of the Board Assurance Framework and receipt of Internal and External Audit reports to the Audit Committee
- Personal input into the controls and risk management processes from all executive directors, senior managers and clinicians
- The review of the Trust's risk and internal control framework is supported by the annual head of internal audit opinion which states a significant opinion rating, therefore assurance can be given that there is a sound system of internal control and that the controls are generally being applied.
- Evidence gathering for core Care Quality Commission regulations and registration.
- Assessment against the Care Quality Commission's Essential Standards for Quality and Safety (reviewed by Internal Audit)
- Self-assessment against NHSI's Code of Compliance and NHSI's Governance Framework
- Performance monitoring by the Board of Directors of the Trust's strategy and operational milestones to achieve internal and external targets
- Results of the national patient and staff survey results and development of targeted action plans
- Delivery of the Health and Safety action plan
- The Trust's compliance with the Hygiene code
- The Trust's unconditional registration with the CQC, rated overall as 'Good' March 2019
- Safe Staffing reviews

My review of the effectiveness of the system of internal control has been presented and approved by the Board of Directors. The Board of Directors and the Audit and Governance Committees have been kept informed of progress against action plans throughout the year.

Conclusion

There are no significant internal control issues I wish to report in respect of 2022/23.

Signed:

Chris Tidman

Deputy Chief Executive Officer
Date: 28 June 2023

Directors report

The Royal Devon is an NHS Foundation Trust that is constituted as a public benefit corporation. Its governance structure is founded on a constitution that is approved by the regulator, NHSI. The constitution sets out how the organisation will operate from a governance perspective and what arrangements it has in place, including its committee structures and procedures, to enable the Trust to be governed effectively and within the legislative framework. The Trust's constitution incorporates the legal and statutory requirements necessary to govern the Trust. In addition, Monitor (NHSI) has developed a Code of Governance which all Foundation Trusts must comply with (or explain if they choose not to comply). This details the necessary governance structures and processes that Foundation Trusts should have in place.

Essentially, there are three basic components to the Royal Devon's governance structure:

- The membership
- The Council of Governors (CoG)
- The Board of Directors

Members of the Royal Devon consist of members of the general public who choose to apply for membership and Trust staff (unless they opt out). Members are located in a defined number of constituencies.

Members elect governors and can stand for election themselves.

The CoG consists of elected public governors, staff governors and appointed individuals from key stakeholder organisations (as defined in the constitution). governors help bind the Trust to its patients, service users, staff and stakeholders. Governors are unpaid and volunteer part-time on behalf of the Trust. They are not directors and therefore do not act in a directional capacity as their role is very different. The Trust Chair is chair of both the CoG and the Board of Directors.

Governors are the direct representatives of local communities. They collectively challenge the Board of Directors and hold them to account for the Trust's performance, as well as presenting the interests of foundation trust members and the public and providing them with information on the Trust's performance and forward plan. Governors have a range of statutory powers as well as significant influence over the Trust; they appoint the Chair and the non-executive directors and ratify the appointment of the chief executive officer.

The Board of Directors of the Royal Devon is ultimately and collectively responsible for all aspects of the performance of the Trust. The Board of Directors' role is to:

- Provide effective and proactive leadership of the Trust within a framework of processes
- Take responsibility for making sure the Trust complies with its licence, its constitution, mandatory guidance issued by NHSI, relevant statutory requirements and contractual obligations
- Set the Trust's vision, values and standards of conduct and ensure the Trust meets its obligation to its members, patients and other stakeholders and communicates them to these people clearly
- Set the Trust's strategic aims at least annually, taking into consideration the views of the CoG
- Be responsible for ensuring the quality and safety of healthcare service, education, training and research delivered by the Trust
- Ensure that the Trust exercises its functions effectively, efficiently and economically
- Develop procedures and controls which enable risk to be assessed and managed
- Take decisions objectively in the interests of the Trust
- Take joint responsibility for every decision of the Board, regardless of their individual skills or status
- Share accountability as a unitary Board
- Constructively challenge the decisions of the Board and help develop proposals on priorities, risk, mitigation, values, standards and strategy.

The Board of Directors has both executive and non-executive directors (NEDs). All non-executive directors are independent. It is a unitary Board which means that both executive and NEDs share the same liabilities and joint responsibility for every decision of the Board. In so doing, Board members bear full legal liability for the operational and financial performance of the Trust. The chief executive officer is the nominated accountable officer and is responsible for the overall organisation, management and staffing of the NHS Foundation Trust, for its procedures

in financial and other matters, and for offering appropriate advice to the Board on all matters of financial propriety and regularity.

In carrying out their role, directors need to be able to deliver focused strategic leadership and effective scrutiny of the Trust's operations, and make decisions objectively and in the interest of the Trust. The Board of Directors will act in strict accordance with the accepted standards of behaviour in public life, which include the principles of selflessness, openness, honesty and leadership (The Nolan Principles).

The Board of Directors is legally accountable for services provided by the Trust and is responsible for setting the strategic direction, having taken account of the views of the CoG, and of the overall management of the Royal Devon.

The Board is led by the non-executive Chair. In addition, there are seven NEDs who, together with the Chair, form a majority on the Board. The executive directors manage the day-to-day operational and financial performance of the Trust.

The Board normally meets to conduct its core business at least 10 times a year. At these meetings it takes strategic decisions and monitors the operational performance of the Trust, holding the executive directors to account for the Trust's achievements.

Board meetings

The Board's meeting schedule for 2022/23 was returned to normal with 10 meetings held with no meeting in July or December 2022. Due to ongoing COVID-19 challenges and following the guidance issued by NSHE/I most meetings were held using MS Teams virtual technology apart from those held in September 2022 and February 2023.

The papers for the monthly public Board meeting and the approved minutes of the previous meeting are published on the Trust's website in advance of the Board meeting. In advance of the legislation compelling NHS Foundation Trusts to hold their Board meetings in public, the former RD&E decided in June 2012, to move to public Board meetings that were accessible to the public. These are meetings that take place in the public arena rather than public meetings, although members of the public have the opportunity to ask questions at the end of the public section of the meeting. Items of a confidential nature are discussed by the Board in private in a monthly confidential meeting.

The issues discussed in the closed sessions tend to be commercial in-confidence issues that may impede the conduct of the Trust's business if they were to be aired publicly. The 1960 Act on Admission to public Meetings is used by the Board to help determine which topics are discussed privately and, over the course of the year, the Board has sought to discuss the majority of its business in the public session. In addition to its formal Board meetings, the Board also holds a number of development and strategy sessions.

The framework within which decisions affecting the work of the Trust are made are set out in the Trust's published Standing Orders, Standing Financial Instructions and Scheme of Delegation, copies of which may be viewed on the Trust's website (**https://www.royaldevon.nhs.uk/#**) or on request from the foundation Trust secretary.

The composition of the Board is in accordance with the Trust's constitution and the policy for the composition of NEDs on the Board. The Board considers it is appropriately composed in order to fulfil is statutory and constitutional function and remain within the NHSI's Licence. In consultation with Governors, it has, through its recruitment of NEDs, been able to maintain a good quality and effective Board that is appropriately balanced and complete.

There is a clear division of responsibility between the Chair and the chief executive officer. The Chair heads the Board, providing leadership and ensuring its effectiveness in all aspects of its role, and sets the Board agenda. The Chair ensures the Board receives appropriate information to ensure that Board members can exercise their responsibilities and make well-grounded decisions. The chief executive officer is responsible for running all operational aspects of the Trust's business, assisted by the team of executive directors.

The Chair and all NEDs meet the independence criteria laid down in Monitor's/NHSI's Code of Governance (Provision A.3.1). The Board is satisfied that no direct conflicts of interest exist for any member of the Board. There is a full disclosure of all directors' interest in the Register of Directors' Interest which is available on the Trust's website or upon request from the foundation Trust secretary. Directors and governors may appoint advisors to provide additional expertise on particular subjects if required.

The Board of Directors is accountable to the membership via the CoG. The Chair informs the CoG about the work and effectiveness of the Board at each council meeting.

The business of the Trust is conducted in an open manner and annual schedules of meetings for the

Board of Directors and CoG are published 12 months in advance.

Board focus

Over the year the Royal Devon Board has led and governed the organisation successfully. Its focus has been on ensuring a sustainable and safe clinical service. A clear governance and management system is in place. The Board reviews in detail the Trust's safety, quality, financial and operational performance at every Board Meeting.

Some of the key issues the Board focused on during the year included discussions and debates on:

- The Trust's continued response to the COVID-19 pandemic, staff health and wellbeing and the Devon mass vaccination programme, as well as the recovery programme
- Operational performance, both COVID-19 and non-COVID-19
- Five-year Trust strategy and the corporate roadmap
- Research and development
- Infection prevention and control
- Workforce, including safe staffing reports, equality and diversity in the workforce and the gender pay gap, the workforce strategy
- Staff and patient survey results
- NHS People Plan update
- Patient experience, including the annual complaints report and the patient experience strategy
- One Devon Integrated Care System
- Outpatient transformation
- Kirkup Report on maternity and neonatal services in East Kent
- Updates on progress against the recommendations of the Ockenden Maternity report
- Health inequalities and public health management presentation
- Digital Transformation presentation
- The Board Assurance Framework including a review of the template and process
- Patient stories
- Deep dives into cancer, outpatient transformation and strategic workforce planning
- Maternity safety presentation
- The Acute Provider Collaborative and terms of reference
- The Royal Devon Better Together Strategy Roadmap 2022-27
- The transformation strategy
- The Board met as the Corporate Trustee

Outside Interests

The Board regularly updates its register of directors' interests to ensure that each member discloses details of company directorships or other material interests in companies which may conflict with their management responsibilities. Board members also have an opportunity at the start of each meeting to declare any interests which might impede their ability to take part in discussions and Directors are aware that such a declaration would be permissible at any time during a meeting, dependent on the issue being discussed and the potential for any conflict to arise.

The Directors' Register of Interests is available from the foundation Trust secretary (01392 404551) or on the Trust website:

https://royaldevon.nhs.uk/about-us/foundation-trust-and-membership/foundation-trust-documents/

Board effectiveness and evaluation

The Board continued to develop its effectiveness during the year primarily through its programme of 'development days'. Development days are seminar sessions that allow the whole Board to explore a range of issues and topics and develop and discuss ideas outside the formal setting of the Board.

A total of four Board development days were held during 2022/23 which focused on:

- Two Board development days focussing on developing the electronic patient record in the peninsula, child protection competence training for Board members, a workshop on the effective board

- Two joint development days with the CoG, focusing on progress on the corporate strategy and roadmap, the governance performance system, engagement with the community, the work of the quality improvement academy.

The Chair undertook appraisals for all NEDs. The process used a system that was co-designed and agreed by the Appraisals Working Group, a group made up of the Chair, the senior independent director and the Governors who sit on the Nominations Committee. The process involved a questionnaire aimed at the specific role of Board members that was used as part of a 360-degree feedback by fellow NEDs, executive directors and Governors.

Feedback on the performance of the NEDs was considered by the Chair and fed back to the NEDs in appraisal meetings. Feedback on the performance appraisals was provided in written form and verbally to the Nominations Committee and an overview of the appraisals was discussed with the CoG. All the appraisals undertaken were favourable with all NEDs performing at or above the expected level. In the event of concerns being identified through the appraisal process, this would be managed in line with the appropriate Human Resource policy. A similar process was undertaken for the outgoing Chair. In this case the process was led by the Senior Independent Director. The same process will be followed for the Trust's new Chair for 2022/23.

Feedback on the appraisals of the Executive Directors was provided by the chief executive officer to the Remuneration Committee (RC). The outgoing Chair and the new Chair of the integrated Trust jointly undertook an appraisal of the chief executive officer and the results of this were fed back to the RC.

Quality governance reporting

We have put in place a rigorous approach to governing the quality of our services. More details about these arrangements are included in the Annual Governance Statement (pages 99-106 of this report).

Well led

The Trust's approach to well led is outlined within the accountability report (from page 42) and also within the Annual Governance Statement (pages 90-106 of this report).

The last independent review of the Trust's well led framework was undertaken by the Care Quality Commission as part of a full routine inspection in January 2019 at RD&E and June 2019 at NDHT.

At the time of writing this report, the Trust has a planned Well Led inspection by the Care Quality Commission planned for 3 and 4 May 2023.

Foundation Trust code of governance

The Royal Devon has applied the principles of the NHS Foundation Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance is based on the principles of the UK Corporate Governance Code.

Summary board attendance 2022/23

	27 April 2022		25 May 2022		29 June 2022		No July meeting	28 September 2022		26 October 2022	
	Public	Confidential	Public	Confidential	Public	Confidential		Public	Confidential	Public	Confidential
Mrs C Burgoyne	P	P	P	P	P	P		P	P	A	A
Mrs H Foster	P	P	P	P	P	P		P	P	P	P
Prof A Harris	P	P	P	P	P	P		P	P	P	P
Mrs A Hibbard	P	P	P	P	P	P		P	P	P	P
Prof J Kay	A	A	P	P	A	A		A	P	P	P
Prof B Kent	P	P	P	P	P	P		P	P	P	P
Mr S Kirby	P	P	P	P	P	P		P	P	P	P
Prof M Marshall											
Mr A Matthews	P	P	P	P	P	P		P	P	P	P
Mrs C Mills	P	P	P	P	P	P		P	P	P	P
Dame S Morgan	P	P	P	P	P	P		P	P	P	P
Mr T Neal	A	A	P	P	P	P		P	P	P	P
Mr K Orford	P	P	P	P	P	P					
Mr J Palmer	P	P	P	P	P	P		P	P	P	P
Mr C Tidman	P	P	P	P	P	P		P	P	P	P
Mrs S Tracey	P	P	P	P	A	A		P	P	P	P

	30 November 2022		No December meeting	25 January 2023		22 February 2023		29 March 2023	
	Public	Confidential		Public	Confidential	Public	Confidential	Public	Confidential
Mrs C Burgoyne	P	P		P	P	P	P	P	P
Mrs H Foster	P	P		P	P	P	P	P	P
Prof A Harris	P	P		P	P	P	P	P	P
Mrs A Hibbard	P	P		P	P	P	P	P	P
Prof J Kay	P	P		P	P	A	A	P	P
Prof B Kent	P	P		P	A	A	A	P	P
Mr S Kirby	P	P		P	P	P	P	P	P
Prof M Marshall	P	P		P	P	P	P	P	P
Mr A Matthews	P	P		P	P	P	P	P	P
Mrs C Mills	P	P		A	A	P	P	P	P
Dame S Morgan	P	P		P	P	P	P	P	P
Mr T Neal	P	P		P	P	P	P	P	P
Mr K Orford									
Mr J Palmer	P	P		P	P	P	P	P	P
Mr C Tidman	P	P		P	P	P	P	P	P
Mrs S Tracey	P	P		P	P	P	P	A	A

M Marshall joined in November 2022 / K Orford left in June 2022 / No formal Board meetings held in July and December 2022

Board of Directors

Non-executive directors

Shan Morgan DCMG, Chair

Shan joined the Trust as Chair on 1 April 2022. She has a wealth of experience from her career working in a variety of roles in both the Foreign Office and the home Civil Service. She was HM Ambassador to Argentina and Paraguay, and has represented the UK in the European Union. In her previous role, Shan was head of the Civil Service of the Welsh Government in Cardiff and led over 5,500 staff with responsibility for a budget of £17bn. Shan was appointed Companion of the Order of St Michael and St George (CMG) in the 2012 New Year Honours and Dame Commander of the Order of St Michael and St George (DCMG) in the 2017 Birthday Honours.

Carole Burgoyne MBE, Non-Executive Director

Carole joined the Trust in June 2021. She retired from Plymouth City Council in 2019 after 40 years of local government experience. She started her career as a social worker in Plymouth, became a human resources professional and ended as strategic director for people which covered the statutory roles of director of children's services and adult services. Carole has worked with partners in health to lead the transformation of social care in Plymouth and delivered a pioneering project to deliver the integration of commissioning with NEW Devon CCG and an integrated community health and social care services in Livewell Southwest. She worked in a range of senior leadership roles across the Council and led a wide range of services including Corporate Services, Refuse collection, Culture, Sport and Leisure, Community Safety and Housing as well as the Children's and Adults Services. Carole was awarded an MBE for services to children and young people in June 2017. Married and living in Plymouth, Carole is a Trustee of Transforming Futures Multi Academy Trust and a Co-opted Governor of Thornbury Primary School.

Janice Kay CBE, Senior Independent Director

Janice joined the Trust in April 2014. She is Provost at the University of Exeter and academic deputy to the vice chancellor. She line manages three faculties at the University. Janice holds accountability for the University's wellbeing, inclusion and culture remits, and for its climate emergency and advancement activities. She also works closely with external partners to support regional engagement across several areas including education and skills development. She holds several national positions within higher education, including Advance HE, Office for Students, Teaching Excellence Framework Panel member. Janice was appointed senior independent director in April 2017.

Bridie Kent, Non-Executive Director

Bridie joined the Trust in June 2021. Bridie is a registered nurse, with a background in both clinical and academic appointments, resulting in extensive experience in leadership, quality improvement, practice change, health services education and implementation research. She has held a number of senior academic positions, including head of school and executive dean at the University of Plymouth.

For the last 20 years, she has played a leading role in evidence-based practice uptake and implementation in the UK, New Zealand and Australia, working to enhance the transfer of evidence into practice, and improve quality of care for patients.

Steve Kirby, Vice Chair

Steve joined the Trust in September 2017. Following a period in the NHS, he worked internationally in health, running hospitals before moving to consulting. As a partner at KPMG and then Ernst & Young (EY), he has consulted to a wide range of government and health organisations both in the UK and overseas. He has worked at all levels on a wide variety of health projects and programmes, including large system reorganisations, regulatory issues, and 'at the coal face' helping to develop services or dealing with failing organisations. He was one of the two EY partners who undertook the administration of Mid Staffs NHS FT. Steve was appointed as vice-chair in April 2022.

Martin Marshall, Non-Executive Director

Martin joined the Trust in November 2022. Martin has been a GP for over 30 years, including 10 years as a GP partner in Exeter and most recently serving some of the most deprived communities in East London. He originally began his career as a junior doctor at the Royal Devon and Exeter Hospital (Wonford) and is relocating back to Devon. He has significant experience as a board member, having been a non-executive director for the Care Quality Commission, the Chair of the Royal College of General Practitioners, medical director and director of research and development at the Health Foundation, and deputy chief medical officer at the Department of Health. He has led programmes at the major

academic health science network UCL partners and is currently chair of the Nuffield Trust, an independent think-tank which aims to improve the quality of healthcare in the UK through research and policy analysis.

Alastair Matthews, Non-Executive Director

Alastair joined the Trust in October 2018. He has broad strategic financial and commercial experience gained in both the private and public sectors. He was chief financial officer at the University of Plymouth for five years until November 2020. Prior to that he spent eight years as finance director and deputy CEO at the University of Southampton NHS Foundation Trust. He has been finance director at Ordnance Survey, including being a member of HMT's Financial Reporting Advisory Board, and spent 6 years as VP finance and administration at Computer Sciences Corporation.

He qualified and worked with Price Waterhouse in Bristol and then Southampton on a broad range of assignments across many sectors. Alastair is the Chair of the Trust's Audit Committee and Integration Programme Board.

Tony Neal, Non-Executive Director

Tony joined the Trust on 1 April 2022, having served as a NED at Northern Devon Healthcare NHS Trust since January 2016. Tony has a background as a management consultant in IT and business consultancy with a particular focus on organisational visioning, development and change with previous extensive Board level experience with BT and Fujitsu. He has worked locally with each of the South West Local Authorities and a number of third sector organisations, chiefly as an interim manager and leading/supporting business turn around and change.

Kevin Orford, non-executive director (until 30 June 2022)

Kevin joined the RD&E Board on 29 March 2021. Kevin has a background in finance with previous roles as both an executive director and a non-executive director in the NHS and as a Trustee on charity boards. He has previously served as a non-executive member for governance (Audit and Risk Committee Chair) for Southern Derbyshire Clinical Commissioning Group and was formerly director of finance and then chief executive of East Midlands Strategy Health Authority. He has a special interest in finance, governance and audit and their role in delivering high quality patient care.

He also serves on the Board of the Intellectual Property Office.

Executive directors

Suzanne Tracey, Chief Executive Officer

Suzanne joined the NHS in 1993 having qualified as an accountant with Price Waterhouse. She held the post of director of finance/deputy chief executive at Yeovil District Hospital NHS Foundation Trust since 2002 before joining the RD&E to take up the role of director of finance in 2008 and subsequently deputy chief executive/chief financial officer. Suzanne was appointed chief executive of the Royal Devon and Exeter NHS Foundation Trust in 2016 and later the former Northern Devon Healthcare NHS Trust in 2018. Suzanne became the chief executive officer of the Royal Devon in April 2022. She is also the chair of the Healthcare Financial Management Association (HFMA) Provider Faculty and past president of the HFMA.

Professor Adrian Harris, Chief Medical Officer

Adrian has been the chief medical officer since April 2015. Prior to his appointment, Adrian served as associate medical director for the Surgical Services Division and previously held the role of director of the Emergency Department, spanning 12 years. Adrian has seen healthcare from both a primary and secondary care perspective, having trained as a GP before joining the Trust as a consultant emergency physician in 1996. He is an honorary associate professor in healthcare leadership and management at the University of Exeter Medical School.

In his spare time, Adrian is a practising sports physician and is the head of sports medicine for the Exeter Chiefs Rugby Football Club and intermittently works for the English Rugby Football Union (RFU).

Chris Tidman, Deputy Chief Executive Officer

Chris joined the former Royal Devon and Exeter NHS Foundation Trust as chief financial officer in September 2017, having worked in a number of senior NHS roles in the West Midlands across Acute, Mental Health and Commissioning sectors and as director of delivery and Improvement for NHS Improvement. Chris was appointed deputy chief executive officer for the Royal Devon in January 2021. After graduating in 1991, Chris took his first CFO position in 2005 at South Birmingham Primary Care Trust before joining Birmingham and Solihull Mental Health Foundation Trust as director of resources and leading them to FT status in 2008. Chris joined Worcestershire Acute in 2011 as director of resources / deputy CEO.

Chris has taken on strategic change projects, including major PFI hospital moves, EPR and IT

change programmes, and developing strategic clinical partnerships with neighbouring providers. Chris has been part of the NHS Top Leaders programme and was also HFMA Chair for the West Midlands in 2015.

Hannah Foster, Chief People Officer

Hannah joined the Trust in August 2019, coming to the NHS from Flybe, the Exeter-based airline, where she was director of people. Prior to her Flybe role, Hannah also held top strategic posts for the Church of England and global educational provider Pearson, helping both organisations develop key culture and organisational growth programmes. As well as strategic and business acumen, Hannah brings a strong voluntary and charitable ethos to the Royal Devon.

Carolyn Mills, Chief Nursing Officer

Carolyn joined the Trust as chief nursing officer in January 2021. Carolyn is an experienced nurse whose career in the NHS spans over 30 years, including working in the acute, community and academic sectors. Previous to joining the Royal Devon, Carolyn worked for Hillingdon Hospitals NHS Trust, University College London Hospitals NHS Foundation Trust in assistant chief nurse positions and was director of nursing at NDHT between 2005 and 2014.

From 2014 to 2021, Carolyn was chief nurse at University Hospitals Bristol & Weston NHS Foundation Trust, where she had experience of merging together University Hospitals Bristol NHS Foundation Trust and Weston Area HealthTrust.

Angela Hibbard, Chief Finance Officer

Angela joined the NHS in 2003 following a number of years in the private sector. Angela has held a variety of accounting roles across provider, commissioner and regulator organisations gaining a wealth of experience across the sector and qualifying as a chartered management accountant along the way. Angela moved to the former Northern Devon Healthcare NHS Trust as director of finance in 2018 and was appointed as chief finance officer for the Royal Devon in January 2021.

John Palmer, Chief Operating Officer

John's extensive public sector career spans nearly 25 years and includes executive roles in healthcare, local government, the senior civil service and management consultancy. Before being appointed deputy group chief executive and site chief executive (Denmark Hill) at King's College Hospital NHS Foundation Trust, John was the chief operating officer of Cwm Taf Morgannwg University Health Board, overseeing the delivery of primary, community, hospital and mental health services to 450,000 people across the South Wales Valleys. Prior to this, John worked in a series of national roles in the Cabinet Office, Welsh Government and NHS Wales, having started his career in the Royal Brompton Hospital and then local government in Hertfordshire and Monmouthshire. Most recently, John has been the Silver Commander for North West Anglia Foundation Trust through the COVID-19 second wave.

John joined the Royal Devon as interim chief operating officer in April 2021, before being appointed as chief operating officer on July 2021.

Chair and non-executive director appointments

The Chair and NEDs are appointed by the CoG acting on the recommendation of the

Nominations Committee, which is a committee of the CoG.

The Chair chairs the Committee when appointing NEDs, with the committee chaired by the lead governor when dealing with matters related to the Chair.

During 2022/23, the Nominations Committee completed the following appointments (see the section The Governors' Year below for more detail):

- Appointed Martin Marshall as a NED for a term of three years from November 2022 to November 2025.
- Steve Kirby was re-appointed for an additional one year from September 2023 to August 2024

Membership of Nominations Committee (as at 31 March 2023)

- Chair of the Trust – Shan Morgan (Chair)
- Lead Governor – Barbara Sweeney
- Deputy Lead Governor – Heather Penwarden
- Hugh Wilkins (Southern)
- Gill Greenfield (Southern)
- Kay Foster (Eastern)
- Rachel Noar (Eastern)
- Dale Hall (Northern)
- Vacancy (Northern)
- Simon Leepile (Staff)
- Angela Shore (Appointed – University of Exeter)*

The committee is also supported by the senior independent director when dealing with matters related to the Chairman's appraisal.

*Professor Shore took a break from the committee during 2022/23 and Cllr Ian Hall (appointed governor, Devon County Council) supported the committee for a period before Professor Shore's return.

Non-executive director Remuneration Committee

The Non-Executive Director Remuneration Committee (NEDRC) is made up of Governors and is chaired by the lead governor. The committee is supported by the chief people officer.

Recommendations for any changes to remuneration for the Chair and other NEDs are made by the NEDRC for consideration by the CoG at a general meeting. The committee met in May 2022 to consider Chair, NED remuneration and terms and conditions.

Membership of NEDRC (as at 31 March 2023)

- Lead Governor – Barbara Sweeney (Chair)
- Deputy Lead Governor – Heather Penwarden
- Vacant (Staff)
- Liz Witt (Southern)
- Vacant (Northern)
- Vacant (Eastern)
- Ian Hall (Appointed Governor)

Our Governors and members

The Trust's Council of Governors (CoG) is an elected representative voluntary body and is an integral part of the Royal Devon's governance structure. The CoG provides a vital connection between the Trust, its members and the public.

During the year, the CoG has ensured that it has carried out, as effectively as possible, its joint roles of:

- holding the non-executive directors to account, who in turn hold the executive directors to account
- representing the interests of members and the wider public to the Trust

The CoG experienced a year of significant change following the integration. The overall number of seats on the council increased following a review of the constitution, and a number of governors reached their maximum term of office in the year. This meant that governor elections in the year sought to elect over half of seats on the council.

Following the election,16 new governors were elected, with one re-election of an existing governor. With over half of the governors being new to the role, the CoG and the Trust focused on inducting and supporting governors to understand the role and the work of the Board of Directors.

Growing public confidence in a return to face-to-face meetings enabled greater face-to-face interaction between the CoG and the Board of Directors. This has been beneficial for developing these important relationships. Some meetings have continued to be held online, including some meetings of the Board of Directors, which has also helped the CoG to conduct its work more flexibly and address some of the challenges of having a wide geographical footprint. The Trust recognised the wide geography of our constituencies in choosing face-to-face meeting locations and going forward we have meetings planned at both Eastern and Northern locations.

There is a process in place should the Board of Directors and the CoG find themselves in the unlikely situation that they have a disagreement – this process has not been required during the reporting period. The Trust has a whistleblowing policy for managing formal concerns that cannot be resolved through the existing process and also has a Senior Independent Director who would act as an independent facilitator in such circumstances.

The CoG met four times during the year to conduct its core business. During these meetings, the CoG collectively considered the performance of the Trust over a quarter, highlighting any issues or concerns it had in relation to the way in which the Board of Directors is managing performance. The performance report, (which essentially summarises the performance information that goes to the Board), contains information about the Trust's operational performance and its adherence to various national targets, quality and its financial performance.

The CoG met an additional two times to consider work related to NED appointments.

Key highlights for Governors in 2022/23

Appointment of a new non-executive director (NED)

Following on from 2021/22's significant appointment activity, the Nominations Committee continued to be busy during 2022/23, playing a key role in the selection of candidates to be NEDs on the Board of Directors, for subsequent recommendation to, and appointment by, the Council of Governors. The committee's work considered the policy for the composition of the NEDs on the Board and the skills and experience required on the Board, and involved engagement with the Board and regular updates to the CoG.

The Trust recruited a new NED in 2022 to replace Kevin Orford, who left the Royal Devon in July 2022 to take up a NED position on the Devon Integrated Care Board. The skills required were identified as clinical or legal skills, ideally with IT transformation. The Nominations Committee long-listed and then short-listed candidates, with interviews taking place in September 2022. The appointment of Professor Martin Marshall, who has a clinical background, was approved by the Council of Governors on 22 September 2022. Professor Marshall started his three-year term on the Board on 28 November 2022.

The Nominations Committee also worked from November 2022 to March 2023 to recruit a new NED to replace Professor Kay, who left the Board on 31 March 2023 after completing nine years on the Board of Directors. The skills required were identified as public/voluntary sector. The Nominations Committee long-listed and then short-listed candidates, with interviews taking place in March 2023. The CoG met

on 2 March 2023 and approved the recommendation of the Nominations Committee to not make an appointment from the candidates shortlisted for interview. At the time of writing, a meeting to consider next steps was on-going.

Re-appointment of a non-executive director

The Nominations Committee made a recommendation to the CoG at its meeting on 23 November 2022 to re-appoint Steve Kirby as a NED for a further one-year term from 1 September 2023 to 31 August 2024. Noting Mr Kirby's strong performance as a NED, including in his role as vice chair providing support to the new Trust Chair, the CoG unanimously agreed that Mr Kirby be reappointed for the additional year.

NED appraisals 2022

The Chair conducted the annual appraisals of the NEDs, which included feedback from the council as part of the process. All appraisals were satisfactory and this was agreed by the CoG at its November 2022 meeting.

Further details on the membership of the Nominations Committee can be found on page 116.

Review of NED remuneration

The NED Remuneration Committee met in May 2022 to undertake a review of NED remuneration, additional payments for additional roles (such as Vice Chair, Chair of Audit Committee etc.) and terms and conditions of service. Further details on the Committee and its membership can be found on page 116.

Elections to CoG 2022

Governors undertook work throughout 2022 to support the new Trust's first elections to the CoG. Please see pages 119 and 120 for more information.

Review of the CoG's working arrangements

The CoG agreed to disband the CoG Effectiveness and Patient Safety and Quality Working Groups and continue with the Public and Member Engagement Group, but to review its purpose.

Please see page 120 for more information.

Council of Governor meetings

In addition to the standard agenda items: performance report, working group updates, election updates, operational and strategic updates from the Chair and CEO, there were regular discussions with a NED on their role and remit, alongside progress reports on the recruitment of a NED. The governors held an informal discussion on what feedback they were receiving within their networks and communities as part of each meeting. Below is a selection of issues discussed at the formal routine meetings:

June 2022

- Bridie Kent, NED, held a discussion with the governors about her role and portfolio as a NED
- There was feedback from the recent Patient Experience Committee from the governor member of the committee
- There was a report from the NED Remuneration Committee regarding NED remuneration and terms and conditions as part of the NED recruitment campaign
- There was a session to discuss the roles and responsibilities of the lead governor and deputy lead governor.

August 2022

- The CoG received a report on the recently completed governor elections and the number of vacancies remaining. A plan was presented and supported by governors to hold a further election during September and October with results declared prior to the next meeting in November 2022
- The CoG received and considered the report on the performance of the external auditor, presented by Alastair Matthews, NED and chair of the Audit Committee. The CoG has a key role in the appointment of the external auditor and therefore receives information on performance
- Mr Matthews also discussed his role as a NED with the governors, including his portfolio and roles with the Audit Committee
- The CoG received the annual report and accounts 2021/22 ahead of their presentation at the Annual Members Meeting in September 2022. It also reviewed and agreed the agenda for the Annual Members Meeting

- There was further discussion on the roles and responsibilities of the lead governor and deputy lead governor
- The governors provided their feedback to the Trust Chair on the NEDs as part of the annual appraisal process.

September 2022

- This was a meeting called for the CoG to receive a recommendation on the appointment of a new NED (referred to above).

November 2022

- The governors received reports from the recent CoG election, from the Annual Members Meeting 2022 and the annual membership report
- The CoG considered a proposal from the CoG Coordinating Committee with regards to its working arrangements (as detailed below), which was approved by the majority of governors
- The governors had a discussion with Steve Kirby, NED and Vice Chair, about his role, responsibilities and portfolio
- The CoG received the annual appraisal reports for the NEDs and agreed them all as satisfactory
- The governors met with Dr Sarah Wollaston, Chair of the Devon Integrated Care Board, to discuss the integrated care system in Devon
- The governors had a session with the teams from KPMG (external audit) and ASW Assurance (internal audit) in order to understand more about the role of audit and the Audit Committee at the Royal Devon. Alastair Matthews, NED and Chair of the Audit Committee, also joined the session

2 March 2022

- This was a meeting called for the CoG to receive a recommendation on the appointment of a new NED (referred to above).

8 March 2022

- The full routine meeting planned for this day was shortened due to adverse weather. The CoG had been due to meet in person in Barnstaple but the decision was taken to meet virtually and focus on the 'must do' business. This included the approval of previous minutes, approval of Terms of Reference for the CoG Coordinating Committee and Public and Member Engagement Group, and work to select the governor quality priorities for 2023/24 for inclusion in the quality report 2022/23.

All the agendas and approved minutes from the CoG's meetings in public can be found on the Trust's website:

https://www.royaldevon.nhs.uk/about-us/foundation-trust-and-membership/council-of-governors/public-meetings-and-minutes/

CoG development days

The key focus for the development days during 2022/23 was ensuring the governors were equipped with the skills and knowledge they needed to fulfil their role.

July 2022

- This was a joint CoG and Board development day focussed on the Trust Strategy. There was an update on progress against the strategy and a discussion on the delivery of the roadmap
- Tony Neal, NED and Chair of the Governance Committee, also led a discussion on how the governors could gain assurance from the NEDs on the Trust's performance system
- There was also a discussion, led by Suzanne Tracey, on the public's attitudes to the NHS and how the governors could help the Trust better engage with its community
- The CoG separately met to discuss the annual CoG effectiveness review report.

November 2022

- This was the second joint CoG and Board development day of the year
- Suzanne Tracey provided an update on the Devon system, and Carolyn Mills update the CoG and Board on the governors' quality priorities
- Adrian Harris introduced a presentation from the Trust's Quality Improvement Academy
- The governors met separately to hear an update from the CoG Coordinating Committee on proposals related to the working groups. There was also a discussion on the governors' role in holding NEDs to account and observing them in meetings.

February 2023

- NHS Providers were invited to provide a workshop on the role of the CoG and the relationship between the CoG and the Board of Directors. This included talking about the statutory duties, holding to account and the importance of

good information. There was also a facilitated conversation on how the CoG was going to take forward its work. This was developed in the afternoon as the governors discussed the establishment of a number of task and finish groups

- The governors received a presentation on partnership working at the Trust and discussed how this linked to the role of the governor. This linked to one of the regular discussion slots on the feedback governors are receiving in their communities.

CoG working groups

The CoG started the year with three working groups:

- Public and member engagement
- CoG effectiveness
- Patient safety and quality

The membership of some of the groups had been dwindling for some time. The CoG effectiveness and patient safety and wuality working groups in particular were without Chairs for a considerable period.

The CoG Coordinating Committee conducted a review of the purpose and aims of the working groups and proposed a restructure intended to streamline the work of the governors. The proposal, which was approved by the CoG in November 2022, resulted in the disbanding of the CoG effectiveness and patient safety and quality working groups. There was agreement to distribute the work of these groups between other meetings of the CoG or to establish task and finish groups as needed.

The proposal recommended that the public and member engagement group continued with more frequent meetings and a revision of its purpose.

Since this time, the public and member engagement group and CoG Coordinating Committee have reviewed and updated their Terms of Reference and these were approved by the CoG at its 8 March 2023 meeting. There have also been discussions on how to take forward the work of the disbanded groups via task and finish groups.

Public and Member Engagement Group

The purpose of the working group is to ensure that the Council of Governors is meeting its duty to represent the interests of the members of the Trust and of the wider public.

The group met four times in the year. The key emphasis of meetings throughout the year was on:

- Supporting the first governor election for the Royal Devon
- Recruiting members post-integration, with a focus on Northern Devon
- Planning and evaluation of the first members' events and Annual Members' Meeting of the Royal Devon
- Reviewing the Trust's membership profile and discussing objectives for a future membership strategy
- Receiving updates on engagement projects where the Trust sought views from patients, the public and/or members
- Revising the purpose of the group.

CoG Effectiveness Working Group

The Group met once during 2022/23, in May 2022. It considered how best to receive and manage feedback on the effectiveness of meetings attended by governors and how to take forward the CoG Effectiveness annual review report, which had been produced earlier in the year. Changes to the group's membership throughout the previous year meant the group was without a permanent chair or vice chair. The meeting in September 2022 was stood down due the passing of HM Queen Elizabeth II. The meeting in December 2022 was cancelled, following the CoG's approval of new working arrangements at its meeting in November 2022.

Patient Safety and Quality Working Group

The Group met in May 2022 and discussed the quality priorities it had carried forward into the year and updates on patient experience, including the patient experience strategy work. Changes to the group's membership throughout the previous year meant the group was without a permanent Chair or Vice Chair. Its planned meeting for September 2022 was stood down due to lack of staff and

governor capacity. The meeting in December 2022 was cancelled, following the CoG's approval of new working arrangements at its meeting in November 2022.

Our members

As a membership organisation, the Royal Devon encourages local people to become members. Through the Trust's membership offer, members are kept informed about what is happening at the Trust, are provided with opportunities for them to feedback on our plans for the future, and are advised of other ways they can get involved in the organisation. Members vote for their representatives on the CoG and can stand for election themselves.

Membership is a distinguishing feature of foundation trusts. All foundation trusts are obliged, through legislation, to have members. The Trust aims to have a meaningful relationship with members by developing an on-going dialogue and seeking their feedback to help us improve services.

Membership activity

- The easing of pandemic restrictions and COVID-19 infection rates enabled greater in-person member engagement in the year. In September 2022 we held our first in-person member event since the pandemic began. We shared an update about our new electronic patient record and MY CARE app, and asked for member views on public satisfaction of the NHS. We also made plans to hold our first members' event in North Devon, which will be held in May 2023. The Trust aimed to run the events in a hybrid way (both face-to-face and online), recognising the wide geography of the Trust
- The member email newsletter was revamped and issued regularly, sharing updates on the Trust's latest developments and opportunities to get involved
- A number of engagement opportunities were shared with our members. This included a survey about the patient bedside entertainment system at NDDH and RD&E (Wonford), and a request for people to take part in our Patient-Led Assessments of the Care Environment (PLACE) programme at our hospitals. We also shared opportunities to get involved in wider NHS work, such as the South West Outpatient Transformation Programme. The Royal Devon is a leading centre for high-quality research and development, and we also shared research opportunities with members
- Members played a key role in voting for new governors to join the CoG in the first election for the Royal Devon.

Members' event and Annual Members Meeting (AMM) 2022

All Trust members (public and colleagues), Governors and other stakeholders were invited to join our AMM and preceding members' engagement event on 28 September 2022.

This was a momentous occasion for us in many ways – it was our first face-to-face members' event since 2019 and our first attempt at doing it in a hybrid way (simultaneously face-to-face and online). It was also our first formal AMM as the Royal Devon.

In our members' engagement event, colleagues spoke to members about how we are improving and transforming care with our electronic patient record system and answered questions about the system. We then spoke to members about the changing public perception of the NHS and what it means for us. We shared this feedback with our Board of Directors and with our governors.

The annual members' meeting provided an overview of the previous financial year, the accounts and plans for future by our Suzanne Tracey, Chief Executive Officer and Dame Shan Morgan, Chair. This was followed by an assurance report from our external auditors and a roundup of the governors' year by Barbara Sweeney, Lead Governor.

Jessica Newton, Head of Communications and Engagement, opening our members' engagement event

GOVERNOR PROFILES

Governors play a key role in representing the interests of members and the public as a collective. They do not, however, represent individual cases. Members and members of the public can contact governors via email to share their views at:

rduh.royaldevonmembers@nhs.net

The governor's' register of interests is available for inspection on the Trust website or from the Trust secretary (01392 404551).

Governors in post as of 31 March 2023:

Eastern constituency (East Devon, Dorset, Somerset and rest of England)

Eastern constituency (East Devon, Dorset, Somerset and rest of England)	
Barbara Sweeney **Lead Governor**	Barbara was first elected as a public governor in September 2017 and was re-elected in 2021 for two years. She has lived in East Devon for over 40 years and has recently retired from further education where she worked in governance. During her working career she has also held senior positions in management in healthcare and in higher education. Three of her four children work in the NHS and her late husband was a Professor of General Practice in Exeter. Her particular interest is in the quality of patient experience. She is a strong advocate of remembering the person within the patient, so that they are viewed as an expert and collaborator, rather than recipient, by their healthcare teams. Barbara is a trustee at Hospiscare and other voluntary roles include being a lay member of the Patient and Public Involvement Group at the University of Exeter's Academy of Nursing and as a governor on the Local Governing Body of West Exe School, part of the Ted Wragg Multi Academy Trust. Previous Board experience includes eight years as a governor of Exeter College.
Kay Foster	Kay Foster has been a public governor since 2014. She was re-elected in 2017 for a term of three years, and again in 2021 for two years. Kay is a retired state registered nurse/midwife with 30 years of nursing experience. Kay spent eighteen years serving as a nursing officer with the Queen Alexandra Royal Army Nursing Corps, retiring as a major. She gained a wide variety of experiences with international postings, including Saudi Arabia during the First Gulf War. She has a BSc (Hons) in Health Services Management. During six years as governor, Kay has been a member of several subcommittees and Chairs the Public Members Engagement Group (PMEG). During the COVID-19 pandemic 2020/21 first lockdown, Kay worked closely with the Budleigh Hub, supporting the GP's surgery with referrals for volunteers to help with shopping, prescriptions and phone buddies for the Exmouth community. In August 2020, she became a volunteer at the Nightingale Hospital and developed the role of volunteers' coordinator working on the wards caring for COVID-19 patients.

Rachel Noar	Rachel was elected as a public governor in 2019 and re-elected in 2022 for a further three years. Rachel is deaf and her family's first language is British Sign Language (BSL). Rachel lives in Ottery St Mary. She worked with young deaf people at Derby College, as an independent support worker, encouraging them to develop independent living skills. She went on to study Contemporary Arts/ Computer Animation, gaining an MA. She became a consultant for a disability board for East Midlands Art Council and was a member of the board of EQUATA, an arts agency for deaf/disabled. She worked as an advisory deaf inclusion worker for DCC. Rachel supported hearing families with deaf babies/toddlers. This job centred on giving parents confidence to develop their children's language skills. She also worked with nurseries and schools to develop the inclusion of deaf children in mainstream situations. Since developing MS, she has become the full-time mother of two boys.
Heather Penwarden - Deputy Lead Governor	Heather was elected as a public governor in September 2021 for a term of two years. Heather is a retired mental health nurse, cognitive behaviour therapist and clinical supervisor. She enjoyed every minute of her long career working within the NHS in Devon, gaining valuable experience on busy wards, in community settings, GP practices, and as a tutor at Exeter University. She has been a long term carer and is passionate about communities working together in partnership with the statutory care agencies. In her local community of Honiton, Heather has served as; chairman of Governors of Mill Water Special School, chair of Honiton Arts Society and in retirement she is founding chair of Dementia Friendly Honiton and is currently chair of the Honiton Hospital and Community League of Friends. Heather is a strong believer in our NHS being accessible and inclusive for those who need it. She is an active member of any committee she sits on and approaches everything with an open and curious mind.
Dr Maurice Dunster	Maurice was elected as a public governor in November 2022 for a term of two years. After graduating as a scientist, Maurice had a career in education before taking up a management role with John Lewis Partnership. Following his retirement from the role of Group Organisational Director, he was appointed as a non-executive director of Yeovil District Hospital NHS Foundation Trust where his responsibilities included chair of the Trust Board Workforce Committee. He was also chair of the NHS Dorset Clinical Commissioning Group Primary Care Commissioning Committee and currently is independent chair of Symphony Healthcare Services (SHS), who provide primary healthcare and are owned by Yeovil District Hospital NHS Foundation Trust. SHS holds 16 GP contracts across Somerset and North Devon with c.117,000 registered patients. Maurice has a particular interest in developing and improving relationships between primary and secondary care, so that there is better understanding of the challenges facing both sectors, with the aim of improving patient outcomes.

Southern constituency (Exeter, Teignbridge, Torbay, South Hams and Plymouth)	
Janet Bush	Janet was elected as a public governor in 2021 for a two-year term. Janet is a writer and editor, specialising in economics. She has worked for management consultants McKinsey & Company for the past 15 years, working on major reports on global trends. Before that, she was a national newspaper and broadcast journalist working for Reuters, The Financial Times, the BBC, and finally The Times where she was Economics Editor. She moved to Devon 20 years ago and has lived in Exeter for the past five years. She was treated at the Royal Devon & Exeter six years ago for a serious condition, and is now keen to serve the hospital in any way she can.
Hugh Wilkins	Hugh was elected as a public governor in September 2021 for a term of two years. Hugh is a clinical scientist with 40 years' experience in service delivery, education and research in hospitals and universities in the UK, Africa and Asia. Much of this work has involved support for the safe and effective use of radiation in diagnosis, treatment and research. He has worked in the public, private and charity sectors. He has been elected to fellowships of five institutions including the Higher Education Academy and the Chartered Management Institute and is a Senior Associate of the Royal Society of Medicine. He took particular satisfaction from a Cabinet Office Charter Mark award for public service excellence to an NHS team which he led. His current portfolio combines voluntary, consultancy, advisory, qualified expert, educational and leadership roles. This includes review of clinical trial proposals for the Health Research Authority, curriculum design and development for the Patient Safety Movement Foundation, and topic leadership for the charity Patient Safety Learning.
Elizabeth Witt	Elizabeth was elected as a public governor in September 2021 for a term of two years. Elizabeth is a retired registered nurse, with a background in both NHS clinical and occupational health and safety. Elizabeth is a member of the Southwest Ambulance Research Group and a national health and safety environmental auditor for St John Ambulance, liaising with the Care Quality Commission. Elizabeth has held previous roles as director of the former Hospital Savings Association, was a former director of Healthwatch Devon and was a public governor of the Norfolk and Suffolk Mental Health Trust Foundation. Elizabeth has a strong interest in the quality of life and services available to people living in our communities and is keen to see service users placed at the heart of everything the local health and social care services may offer.

Richard Westlake	Richard was elected as a public governor in September 2022 for a term of three years. Born in Okehampton, Richard followed his father into the railway, enjoying a career spanning 46 years and becoming a high-speed train driver instructor. Richard has represented a ward in Exeter for Devon County Council for 32 years and was elected chair of Devon County Council in 1994/5. He then served the Devon Health Scrutiny Board for eight years as its chair. He has served on numerous committees and organisations, at local, national and international level. He currently serves on two charitable trusts in Exeter and chairs the My Surgery Friends/PPG group. This keeps Richard informed of the concerns and issues affecting residents in Exeter.
Gillian Greenfield	Gillian was elected as a public governor in September 2022 for a term of three years. Gillian worked locally for the NHS for 44 years; latterly working as a nurse and managing partner in general practice, leading the team to be rated outstanding by the CQC on all assessments. She was vice-chair of Eastern CCG, leading on end-of-life care. She operated at board levels at Devon CCG, and Integrated Care Exeter. She has experience working strategically across health, social and third sector partnerships. At a national level, Gillian worked with the Department of Health on numerous steering groups with a focus on improving the quality of care. She was on the editorial board of a national journal, often writing articles. Gillian has been awarded for her work with carers, and has maintained face-to-face contact with patients throughout her career. She brings to the role a wealth of knowledge of working for the NHS at all levels, community connections and the experience of a grounded life. She enjoys hiking with her husband, grandma duties, and providing seated exercise classes for local groups.

Northern constituency (Mid Devon, North Devon, Torridge, West Devon, Cornwall and the Isles of Scilly)

Catherine Bearfield	Catherine was elected as a public governor for a two-year term in September 2022. Catherine worked briefly as a "casualty clerk" at Hackney Hospital, London, and then as a hospital social worker from 1974-78. She then left for Italy where she taught English and yoga for many years. Between 1999-2002 she lived in Gabon, studying anthropology. On returning to Italy, she completed a masters degree in bioethics, then a doctorate in moral philosophy at the University of Rome, La Sapienza. Catherine then taught bioethics on the masters course, and on in-service training courses for doctors and nurses working with the terminally ill, at the San Camillo-Forlanini Hospital in Rome, 2013-2016. Catherine moved to Devon in 2018 and, concerned as ever with health issues, joined the Save Our Hospital Services group to learn more about the problems of the NHS locally, and contribute to what can be done. She hopes her varied experience of health systems will be useful as she serves the Trust as governor.

Dale Hall	Dale was elected as a public governor for a two-year term in September 2022. Dale came to love Devon when fostered here for ten years. He returned with his wife Rachel in 2016. In between, he lectured in political philosophy at Swansea University and founded Opinion Research Services (ORS), a university spin-out social research company. He also served as a member of the Wales Medical Research Ethics Committee and as a non-executive director of a health authority, housing association and the Wales Quality Centre. In Devon, Dale is a trustee of the Devon CPRE and Devon Communities Together, as well as being a parish councillor in Ashford. Meanwhile, ORS continues as a UK-wide applied social research practice specialising in policing and emergency services, health, housing, and local and national government studies. Dale is particularly interested in community consultation, governance, and the importance of free speech and accountability in civic affairs. He produces the village newsletter and runs the Ashford community support network, both of which had their origins in the COVID lockdowns.
George Kempton	George was elected as a public governor for a three-year term in September 2022. George was born and educated in Hampshire, where he began his career in pathology. He then moved to Surrey and then North Devon as the scientific head of pathology. After seven years he was seconded to what was the NHS Training Authority, to manage the General Management Training Scheme and to develop competency frameworks for the delivery of healthcare. A further secondment to a London Hospital to co-direct the DOH project Patients First also led to his appointment as an honorary senior university lecturer. George's later years were spent in consultancy, both nationally and internationally. He now supports charities supporting the less able, both locally and nationally. George is happily married with two sons, three grandsons and one granddaughter.
Carol McCormack-Hole	Carol was elected as a public governor for a three-year term in September 2022. Carol has lived in North Devon since 1977. She bought a public house with her husband and continued her teaching career, specialising in pupils who had special educational needs. She had ovarian cancer in 1987 and discovered that North Devon District Hospital did not have a CT scanner. She began the North Devon Scanner Appeal and has been involved in engagement with local health services ever since. Carol was a district councillor for 20 years and is still a parish councillor since 1990. Carol was the lay member of the Northern Locality Clinical Commissioning Group and Chair of Devon Senior Voice. Now an active member of many community groups, Chair of Queen's Medical Centre Patient Participation Group, Devon County Council's Joint Engagement Group, CCG Clinical Policy Engagement and Consultation Group, Public Stakeholder Network for CCG, Involving People Steering Group at the Royal Devon and member of Healthwatch steering group. She has many opportunities to engage with the community and is committed to ensuring that the patient's voice is heard.

Jeffrey Needham	Jeffrey (Jeff) was elected as a public governor for a three-year term in September 2022. Jeff has spent his career in the field of medical research starting in virus vaccine research with Glaxo. He then went to the Medical Research Council, based at Northwick Park Hospital. While there, he was appointed as a government consultant to the Boots Company. This changed his career path as later he left the Medical Research Council and set up a private international practice, building a successful practice based on the control of infectious diseases. He is now semi-retired. He has written many scientific papers and chapters in books, as well as writing a technical book based on his own work. He has lectured regularly to students and at conferences, both national and international. Jeff is a parish councillor and works with some national charities. He has experience of Devon health services, both as a patient himself and with his daughter on a long-term basis.
Bob Deed	Bob was elected as a public governor in 2022 for a two-year term. Bob was born and raised in Surrey, before moving to Devon in 1992. After joining Westminster Bank in 1960, he enjoyed a career in the City of London until retirement in 2003, having been in international banking for 30 years. During his career, Bob gained experience in understanding financial accounts and auditing. Latterly he also worked in public sector finance, including for local authorities and social housing. For the past 15 years, Bob has been a district councillor for Cadbury Ward (north of Exeter) and since May 2019 the Leader of Mid Devon District Council. Previously, Bob has been a governor at the RD&E and for the South Western Ambulance Service NHS Foundation Trust. Bob is honoured to be a governor of the Royal Devon and looks forward to working with the Board of Directors and other governors, and particularly working with staff governors to ensure the wellbeing of all of the Trust's employees.

Staff constituency

Simon Leepile	Simon Leepile was elected as staff governor in September 2021 for a two-year term. Simon was a Farmer in South Africa and worked in a building society before moving to the UK where he joined RD&E in 2008 working in Domestic services. In 2015 he was elected as Unison representative for RD&E and later joined Staffside, as a rep for RD&E and NDHT. He passionately believes good standards of cleanliness in our hospital and community sites reduces infections and promotes a good quality of life. He also supports the NHS training existing unskilled employees to help tackle the staffing shortages. Simon has used his Staffside time to train colleagues in basic use of computers, to enable them to access information and complete training. He is also passionate about improving communication between management, staff and patients to improve service delivery. He believes in charitable work and helping those in need. Simon spends his spare time with his family and enjoys watching the Springboks play rugby. He is a member of The Mint Methodist church in Exeter and registered with Exeter City Council as a Taxi driver.

Catherine Bragg	Catherine was elected as a staff governor in November 2022 for a two-year term. Catherine is an occupational therapist working in Exeter Community Rehabilitation Services. She qualified in 1996 and has worked in the NHS ever since, starting in Bristol then in both East and North Devon. Having worked primarily in community rehab services, she also worked at the Royal Devon and Exeter Hospital (RD&E) and at the NHS Nightingale Hospital Exeter during COVID-19. Currently she is working in the Exeter Community Neuro Rehab team. She has been carers champion for her team and is a mental health first aider champion and freedom to speak up champion. She is keen to champion community services and staff health and well-being, and contribute to improving services for both staff and patients.
Nicky Stapleton	Nicky was elected as a staff governor in November 2022 for a one-year term. Nicky has lived in Devon since June 2022, moving from Herefordshire. She is a registered nurse who has worked in a variety of settings, including as a district nursing sister, and as a specialist Parkinson's nurse for the last seven years. Nicky has a strong interest in improving healthcare outcomes and experiences for both patients and staff. She is passionate about supporting nurses to be the best they can be, and firmly believes well-supported staff who feel valued provide good healthcare. Nicky has acted as a critical friend to other trusts, helping them develop services that meet the needs of the local population, ensuring inclusion and challenging discrimination and inequalities. She has experience of committee working in business and voluntary sectors.
Cathleen Tomlin	Cathleen was elected as a staff governor in November 2022 for a one-year term. Cathleen joined the Trust three years ago as a caterer and is currently working as a ward housekeeper on a medical and trauma/orthopaedic ward at the Royal Devon and Exeter Hospital. Cathleen previously worked as a healthcare assistant across Devon and Somerset for four years. She is passionate about helping people with mental health needs and has become a mental health first aid champion at the Trust. Cathleen wants to be part of improving services at the Trust for the patients and staff she works with. Cathleen enjoys cooking and baking for her family and friends and loves to go for long walks and spending time with her many animals.
Tom Reynolds	Tom was elected as a staff governor in November 2022 for a three-year term. Tom moved to the UK from Ireland in 1989 and from Reading to North Devon in 2017. While Tom lived in Reading he worked for Reading University as a contracts manager, leading the European research team, and also worked as an independent consultant to the EU on large-scale international research projects, mainly in climate research. Since moving to Devon, Tom has taken on the role of deputy research and development manager at the Trust and continues to pursue his passion for research. Tom is keen to support and encourage staff input to the development of the Trust, so the senior management team get to hear from those staff working on the front line. Tom plays rugby for Ilfracombe and snooker at his local social club in his spare time, as well as supporting his daughter through her A-Levels.

Jayne Westcott	Jayne was elected as a staff governor in November 2022 for a three-year term. Jayne has worked for the NHS for 20 years, starting as a receptionist with her local surgery and working for the Trust for the last 16 years in administration, with six years in health and social care. Since September 2021, Jayne has enjoyed her role as admin information officer with the MY CARE programme, assisting with the launch programme of our new electronic patient record. Jayne also works on the Staff Bank, occasionally, as a receptionist in the emergency department. She has always been passionate about supporting community teams, and is especially keen to improve the communication between the acute and the community. Jayne has lived in North Devon most of her life and having worked in various areas of the NHS, Jayne has seen the increased need for services and how North Devon District Hospital has approached these changes. She is looking forward to supporting the Royal Devon in her role as staff governor.

Appointed

Cllr Ian Hall	Councillor Ian Hall is one of two appointed governors and represents Devon County Council, appointed in June 2021 for a three-year term. As a district and county councillor for his hometown of Axminster and its surrounding parishes, Ian has a deep passion for improving public services in both the local community and Devon as a whole. Ian believes that if we put the physical and mental health of individuals at the heart of public services then we will provide more resilient and prosperous communities. During his time as an elected member, he has been designated as a mental health champion for DCC and pushed hard for protections against the most vulnerable in society. Ian was the Axminster Skatepark Chair 2016 – present (sports charity). He now holds the role of chair of Devon County Council, May 2022 – May 2023 and his civic themes are diversity/inclusivity/equality and mental health. Ian looks forward to supporting the work of a hospital that has so kindly helped personal relatives in the past. Ian looks forward to supporting the work of a trust that has so kindly helped personal relations in the past.
Professor Angela Shore	Angela is one of two appointed governors and represents the University of Exeter, appointed in 2016 and renewed in 2019 for a three-year term. Angela is Professor of Cardiovascular Sciences and was vice dean research at the University of Exeter Medical School until 2019. Angela is principal investigator of a large team of scientists and clinicians in vascular medicine based at the hospital. She co-leads the Exeter Centre for Excellence in Diabetes Research with Andrew Hattersley. As Scientific Director of the Exeter NIHR Clinical Research Facility she facilitates Experimental Medicine Research for the RD&E/Medical School collaboration. Angela is currently chair of the Diabetes and Wellness Foundation project and fellowship committees and a member of the Diabetes Research Steering Group 6 (complications) led by Diabetes UK. Angela was president of the British Microcirculation Society 2017-2020 and Treasurer for the European Society for microcirculation for over 10 years. She is a member of the International Liaison Committee for World Microcirculation Research.

Other Governors in post during the year

- Peta Foxall (Eastern) until September 2022
- Hazel Hedicker (Staff) until September 2022
- Rob Biggar (Staff) until September 2022
- Olwen Goodall (Southern) until September 2022
- Des Kumar (Southern) until September 2022
- Faye Doris (Southern) until September 2022
- Monika Herpoldt-Bright (Northern) until September 2022
- Peter Flatters (Northern) until September 2022
- Anum Shuja (Staff) until September 2022
- Annie Adcock (Northern) until November 2022
- James Bradley (Northern) until December 2022
- Lydia Balsdon (Staff) until February 2023

Governor expenses

Claims were submitted by 12 governors during the year. The total claims for expenses from governors during the financial year 2022/23 was £780.85. In 2021/22 the total was £60. This increase is reflective of an increased number of governors overall, wider geography of the Trust post-integration, and increased travel expense claims due to some meetings returning to face-to-face.

The CoG members are entitled to claim a £30 allowance for administrative costs such as telephone usage, home printing or postage costs. This allowance can be claimed once annually for each full year of tenure after the Annual Members Meeting when the governor was appointed.

Elections to the Council of Governors 2022

The routine election to the CoG included 19 posts in total. This comprised 12 current posts and seven posts newly created by the Royal Devon Constitution to reflect the Trust's wider footprint and increase in the number of members of staff. The timetable for the election was set so that it met transaction guidance issued by NHS England/NHS Improvement that an election should be held to fill any new governor posts within five months of a merger by acquisition transaction being completed. For the Royal Devon therefore, the election was required to be undertaken by 31 August 2022.

Below is a summary of the posts included by constituency, including detail of governors eligible to stand for re-election and also details of the length of terms to be offered.

Constituency	Number of posts	No of Governor(s) eligible to stand for re-election	Terms of office included in the election
Eastern (East Devon, Dorset & Somerset and Rest of England)	**2**	1	1 term of three years 1 term of two years
Northern (Mid Devon, North Devon, Torridge, West Devon, Cornwall and the Isles of Scilly)	**7**	2	3 terms of three years 3 terms of two years 1 term of one year
Southern (Exeter, Teignbridge, Torbay, South Hams and Plymouth)	**5**	3	3 terms of three years 2 terms of two years
Staff	**5**	1	2 terms of three years 1 term of two years 2 terms of one year
Total	**19**		

The usual term of office for a governor is three years, however, the Trust's Constitution provides for terms of office shorter than three years to ensure that the turnover of governors at future elections will not be excessive. Taking into account the elections held in 2019 and 2021 and the fact that an election was not held in 2020 due the COVID-19 pandemic, a look forward was developed to map out governor terms of office and to establish the best way forward in terms of achieving balanced elections across the three-year cycle.

The Trust engaged CIVICA as the election services company to supply its services for the election and to act as the returning officer. At the close of the nominations period in July 2022, there were nine validly nominated candidates and CIVICA issued an uncontested election report. In summary:

Constituency	Uncontested Result
Eastern (East Devon, Dorset & Somerset and Rest of England)	Rachel Noar, re-elected for a term of three years 1 vacancy remained
Northern (Mid Devon, North Devon, Torridge, West Devon, Cornwall and the Isles of Scilly)	George Kempton, Carol McCormack Hole and Jeffrey Needham elected for terms of three years Catherine Bearfield, Dale Hall and Annette Tadman – elected for terms of two years 1 vacancy remained
Southern (Exeter, Teignbridge, Torbay, South Hams and Plymouth)	Gillian Greenfield and Richard Westlake elected for terms of three years 3 vacancies remained
Staff	No candidates 5 vacancies remained

Terms of office commenced at the Annual Members Meeting on 28 September 2022. Governors whose terms of office ended at the Annual Members Meeting were:

Peter Flatters, Monika Herpoldt-Bright, Faye Doris, Olwen Goodall, Des Kumar, Rob Biggar, Hazel Hedicker and Peta Foxall.

A report was presented to the CoG at its 17 August 2022 meeting on the outcome of the election and proposing that a further election be held for the vacant posts. This was agreed by the CoG. Following this, a further two posts were added to the election. This was as a result of Anum Shuja, Staff Governor, resigning as a governor mid-term and due to Anette Tadman, elected uncontested in July 2022, being unable to start her term of office for personal reasons. The CoG was made aware of both of these posts becoming vacant and being added to the election.

The Trust again worked with CIVICA, the election services company, on the second election which was held between September and November 2022, with terms of office to commence on 21 November 2022. The following posts were included:

Constituency	Number of posts	Terms of office included in the election
Eastern (East Devon, Dorset & Somerset and Rest of England)	**1**	1 term of two years
Northern (Mid Devon, North Devon, Torridge, West Devon, Cornwall and the Isles of Scilly)	**2**	1 terms of two years 1 term of one year
Southern (Exeter, Teignbridge, Torbay, South Hams and Plymouth)	**3**	1 terms of three years 2 terms of two years
Staff	**6**	2 terms of three years 2 terms of two years 2 terms of one year
Total	**12**	

The results were as follows:

Constituency	Uncontested Result
Northern (Mid Devon, North Devon, Torridge, West Devon, Cornwall and the Isles of Scilly)	Bob Deed elected for a term of two years* Ryan Balment elected for a term of one year
Southern (Exeter, Teignbridge, Torbay, South Hams and Plymouth)	There were no candidates and therefore the three vacancies remained.

Constituency	Uncontested Result
Eastern (East Devon, Dorset & Somerset and Rest of England)	Maurice Dunster elected for a term of two years. The turnout was 18.9%
Staff	Tom Reynolds and Jayne Westcott elected for terms of three years.** Lydia Balsdon and Catherine Bragg elected for terms of two years. Nicky Stapleton and Cathleen Tomlin elected for terms of one year. The turnout was 9.9%.

*As the election was uncontested, as per the Trust's election rules, the terms of office were determined by the drawing of lots by the Returning Officer. Unfortunately, Mr Balment was subsequently unable to take up his post on 21 November 2022 for personal reasons and a vacancy remained.

**Tom and Jayne both met the 'Employment Condition' laid out in our Constitution, in that their previous primary employment had been with Northern Devon Healthcare Trust. They were therefore treated as if they received one more vote than the highest polling candidate, which meant they received the terms of three years. The next four highest polling candidates were also elected. The 'Employment Condition' was introduced into our Constitution for this first election as the Royal Devon to ensure representation from Northern services' staff on the Council of Governors.

At its meeting on 23 November 2022, the CoG agreed to carry the remaining vacancies in the Northern and Southern public constituencies forward to the routine election in 2023, having given regard to the number of governors in post across all the constituencies.

Summary of attendance of Governors at CoG meetings for 2022/23

P = Public C = Confidential Name of Governor	9 Jun 22		20 Aug 22		22 Sept 22	28 Sep 22	23 Nov 22		2 Mar 23	8 Mar 22	
	P	C	P	C	NED	AMM	P	C	NED	P (stood down)	C
Adcock, Annie	P	P	P	P	P	P	P	P			
Balsdon, Lydia							A	A			
Bearfield, Catherine						P	P	P	P		P
Biggar, Rob	P	P	A	A	A	A					
Bradley, James	P	P	A	P	A	P	P	P			
Bragg, Catherine							A	A	P		P
Bush, Janet	A	A	P	P	P	P	P	P	P		P
Deed, Bob							A	P	A		P
Doris, Faye	A	A	A	P	P	P					
Dunster, Maurice							A	A	A		A
Flatters, Peter	P	P	P	P	A	P					
Foster, Kay	P	P	P	P	P	P	P	P	P		P
Foxall, Peta	P	P	P	P	P	A					
Greenfield, Gill						P	P	P	P		A
Goodall, Olwen	P	P	A	A	A	A					
Hall, Dale						P	P	P	P		P
Hall, Ian	P	P	P	A	P	P	P	P	A		P
Hedicker, Hazel	P	P	P	P	A	P					
Herpoldt-Bright, Monika	P	P	P	P	P	A					
Kempton, George						P	P	P	P		P
Kumar, Desmond	A	A	A	A	A	A					
Leepile, Simon	P	P	A	A	P	P	P	P	P		P
McCormack-Hole, Carol						P	P	P	P		A
Needham, Jeffrey						P	P	A	A		P
Noar, Rachel	P	P	A	A	P	A	P	P	P		A
Penwarden, Heather	A	A	P	P	P	P	P	P	A		P
Reynolds, Tom							P	P	A		P
Shore, Angela	P	P	P	P	P	A	A	A	P		P
Shuja, Anum	P	P	A	A	A						
Stapleton, Nicky							P	P	P		P
Sweeney, Barbara	P	P	P	P	P	P	P	P	P		A
Tomlin, Cathleen							P	P	A		P
Westcott, Jayne							A	A	A		A
Westlake, RichardP						P	P	P	P		P
Wilkins, Hugh	P	P	P	P	P	P	P	P	P		P
Witt, Elizabeth	P	A	A	A	A	P	P	P	P		P
Morgan, Shan - Chair	P	P	P	P	P	P	P	P	P		P

Present - P Apologies - A

Did Not Attend - DNA Not in post -

Voluntary Disclosures

Equality report

The Trust Board of Directors views equity, diversity and inclusion as central to its view of the Trust being an employer of choice, recognising that staff who feel included are happier, deliver better care to patients and bring innovation to the Trust. The Trust chief executive officer leads on the inclusion plans with the support of the chief people officer and the wider People Function.

The Trust recognises the importance of taking a system approach to inclusion and have been working closely with local partners to achieve this, including shared inclusion events and recruitment where appropriate. This has resulted in creating an environment of learning and shared techniques to eliminate discrimination and allow our people to flourish.

Throughout the year significant work has taken place on inclusion whilst ensuring accountability and tracking through governance, as well as listening to soft intelligence provided through various staff networks and groups.

The data shared in the below reports are taken from 31 March 2022, prior to Northern Devon NHS Trust and Royal Devon and Exeter Trust merging on 1 April 2022. For the following section there will be subheadings where data has been reported separately.

Workforce Race Equality (WRES) Report

The Workforce Rae Equality Standard (WRES) was first introduced in 2016 and requires Trusts to compile and submit a standard national report in order to demonstrate its findings and to demonstrate progress against a number of indicators relating to the representation of black and minority ethnic staff.

The WRES is in place to ensure that employees from black and minority ethnic backgrounds have equal access to career opportunities, receive fair treatment in the workplace and aims to highlight any differences between the experience and treatment of white staff and black and minority ethnic staff in the NHS. This is completed with a view to closing any identified gaps through the development and implementation of action plans, focused upon continuous improvement over time.

The Trust publishes a summary of its annual WRES data, which can be found here, but of note is the improvement of the data held that will allow the Trust to have a better understanding of the experiences of our people.

Royal Devon and Exeter NHS Foundation Trust

The total number of staff employed by the RD&E at 31 March 2022 was 9291, of which 873 were recorded as black and minority ethnic representing 9.40% of the total staff population. The black and minority ethnic population within the Trust has increased by 1.10% (from 8.30%) from the previous reporting period ending March 2021. This increase is despite the fact that the number of staff not having a recorded ethnicity on ESR has increased from 2021 data; a total of 6.88% of staff and an increase of 2.23% (compared to the 4.65% in 2021 data)

The data has shown that 22.78% of people who classified themselves as from a black and minority ethnic background were appointed from shortlisting. This represents an increase from 19.69% for the previous year. 20.85% of people who identify as White were appointed into roles. This could indicate that black and minority ethnic staff were more likely to be appointed having been shortlisted for a role than those who identify as White, a reverse of the results from last year. However, it is worth noting that due to the significant difference in numbers between applicants who are white and applicants from a black and minority ethnic it is difficult to make a solid conclusion.

The data shows that 0.63% (n=4) black and minority ethnic staff entered a formal disciplinary process in the past two years. By comparison 0.27% of staff identifying as white and 0.63% of those recorded as ethnicity unknown / null entered formal disciplinary processes. This relative likelihood of black and minority ethnic staff entering the process compared to white staff represents an increase from the previous year and some black and minority ethnic staff may be included in the ethnicity unknown figure although this figure has decreased from the previous year.

	White Staff			Black and Minority Ethnic Staff		
	2019	2020	2021	2019	2020	2021
% of staff who experience harassment, bullying or abuse from patients, relatives or members of the public	26.5%	22.0%	20.4% ↘	33.9%	27.6%	27.5% ↘
% of staff who experience harassment, bullying or abuse from other colleagues	20.0%	21.8%	17.1% ↘	35.6%	27.2%	21.1% ↘

The staff survey data suggests that there has been a reduction in the number of black and minority ethnic staff who have experienced bullying, harassment or abuse in the workplace from either patients, relatives or members of the public, and a statistically significant reduction in those experiencing the above from work colleagues. There has also been a reduction in the number of White staff who have reported experiencing harassment, bullying or abuse from other colleagues; the Trust remains better than the national average on all above metrics.

This data shows that an increased number of staff from white ethnic backgrounds (6.1%) feel that they have personally experienced discrimination at work from their manager or another member of staff. The percentage of black and minority ethnic staff has decreased from last year (15.5%) but remains high.

Data indicates a decrease in the number of black and minority ethnic staff who feel that they receive equal opportunities with regards to career progression (45.7%) however this remain above the national average. This has increased for White staff (62.0%) compared to the previous year's data.

Northern Devon Healthcare NHS Trust

The total number of staff employed by NDHT at 31 March 2022 was 3681, of which 309 were classed as identifying from a black and minority ethnic background and 84 with Ethnicity Unknown/Null.

This shows that 97.72% of staff have stated their ethnicity which is recorded in ESR, a decrease from previous years reporting. Black and minority ethnic staff represents 8.39% of the total staff population an increase of 1.07% from the previous reporting period.

The data has shown that of the 182 people who were shortlisted, who classified themselves as from a black and minority ethnic background, 55 were appointed. This means that 30.22% were taken into employment. 40.59% of people who identify as White were appointed into roles. This shows that black and minority ethnic staff are still less likely to be appointed directly. However, these figures are slightly closer than the previous year, therefore indicating a potential improvement in this area.

The data shows a drop in black and minority ethnic staff being involved in a disciplinary process with the percentage standing at 6.9% of the total, in comparison to 11.4% in the previous report. White staff account for 93.1% of the total involved in a disciplinary process. However, it must be considered that due to the small population of black and minority ethnic staff in the Trust (6.17%) even a small number of staff entering this process will significantly affect the scope of this indicator. The 6.9% in this case amounts to two members of staff.

	White Staff			Black and Minority Ethnic Staff		
	2019	2020	2021	2019	2020	2021
% of staff who experience harassment, bullying or abuse from patients, relatives or members of the public	23.2%	22.2%	25.2% ↗	32.8%	36.9%	34.8% ↘
% of staff who experience harassment, bullying or abuse from other colleagues	20.3%	21.1%	20.9% ↘	34.8%	33.0%	27.9% ↘

This data indicates that there has been a decrease in the number of black and minority ethnic staff who have experienced bullying, harassment or abuse in the workplace from either patients, relatives or members of the public compared to last years data.

Although white staff report a slight decrease in experiencing this from other colleagues they report an increase from members of the public compared to a slight decline for BME staff. Despite the improvement black and minority ethnic staff are significantly more likely that their white colleagues to report experiencing this abuse.

	White Staff			Black and Minority Ethnic Staff		
	2019	2020	2021	2019	2020	2021
% of staff experienced discrimination at work from manager / team leader or other colleagues in last 12 months	4.6%	4.7%	4.3% ↘	20.0%	17.8%	17.3% ↘

Despite a slight reduction from the previous year's report this data shows that a significantly higher proportion of black and minority ethnic staff feel that they have personally experienced discrimination at work from their manager or another member of staff. The gap between black and minority ethnic staff and white staff reporting discrimination from managers or other colleagues remains statistically significant at 13%.

Workforce Disability Equality (WDES) Report

The Workforce Disability Equality Standards (WDES) was first introduced in 2019 and requires Trusts to compile and submit a standardised national report of its findings and to demonstrate performance against a number of indicators relating to workforce disability equality, including a specific indicator to address the low levels of representation for staff with disabilities at Board level. The Trust publishes a summary of its annual WDES data, which can be found here.

The WDES should ensure that employees who have a disability have equal access to career opportunities, receive fair treatment in the workplace and aims to highlight any differences between the experience and treatment of those who identify as having a disability versus those who do not. This is completed with a view to closing any identified gaps through the development and implementation of action plans focused upon continuous improvement over time.

Royal Devon and Exeter NHS Foundation Trust

The total number of staff employed by the RD&E at 31 March 2021 was 9291 of which 335 were recorded as having a disability and 2797 with an unknown status recorded on ESR. The total headcount and number of staff who are recorded as having a disability have both slightly increased from last year.

The proportion of staff who do not have their disability status recorded on ESR has increased from last year by 1.65% and only 69.90% of staff have their disability status recorded on ESR. According to ESR information, staff with a disability represent 3.61% of the total staff population. This is a slight increase from the 3.24% of the total staff population recorded last year. It should be noted that for new starters, the employee's disability status is taken from their NHS jobs application and automatically added to ESR so the percentage of staff with a disability status recorded should increase as new recruits join the organisation.

The data has shown that of the 26% people who were shortlisted and classified themselves as disabled were appointed, a decrease of around 7% from last year. 22% of people who identify as not disabled were appointed into roles. The percentage of shortlisted applicants with a disability was 5.93%, a slight increase from last year.

The data for those involved in the capability process is based on data from a two-year rolling average of the current year and the previous year. This shows 2.5 members of staff who have confirmed their status as having a disability, 11.5 members of staff who have confirmed their status as no disability and a further 11 who are registered as unknown. Given these very small figures it is difficult to analyse these results in a meaningful way.

	Disabled			Non-Disabled		
	2019	2020	2021	2019	2020	2021
% of staff who experience harassment, bullying or abuse from patients, relatives or members of the public	33.2%	27.1%	26.6% ↘	25.2%	21.1%	19.4% ↘
% of staff experiencing harassment, bullying or abuse from manager in the last 12 months	12.0%	16.1%	13.8% ↘	6.9%	9.5%	6.5% ↘
% Percentage of staff experiencing harassment, bullying or abuse from other colleagues in last 12 months	27.9%	24.6%	22.8% ↘	14.8%	14.4%	11.2% ↘

The data above shows a favourable improvement in behaviour towards staff by patients, relatives or members of the public as well as colleagues and managers in the last 12 months.

The previous increase seen in negative behaviour from managers has decreased for both staff with and without a disability, although staff with a disability remain more than twice as likely to experience harassment or bullying from managers or other colleagues than staff without a disability.

It should also be noted that the Trust remains below the national average both for disabled and non-disabled staff experiencing harassment, bullying or abuse.

	Disabled			Non-Disabled		
	2019	2020	2021	2019	2020	2021
% of staff who believe their organisation provides equal opportunity for career progression or promotion	61.6%	54.0%	55.7% ↘	61.3%	60.0%	62.0% ↘

The data shows an improvement of scores for both staff with and without a disability in terms of staff receiving equal opportunities with regards to career progression, this improvement is despite a decrease in the national average for both staff declaring a disability and those who have not.

Northern Devon Healthcare NHS Trust

The total number of staff employed by NDHT at 31 March 2022 was 3681, of which 153 were recorded as having a disability with 246 having an unknown status in ESR. This shows that 93.32% of staff have stated their disability status, which is recorded in ESR. Staff with a disability represent 4.16% of the total staff population. This is at variance to the figures recorded from respondents to the Staff Survey, where the figure recorded from these respondents is 19.2%.

The data has shown that of the 83 people who were shortlisted, who classified themselves as disabled, 29 of these were appointed. This means that 34.94% were taken into employment. 41.49% of people who identify as not disabled were appointed into roles. This shows that people classified as disabled are still less likely to be appointed directly. However, these figures are closer than last year, indicating a potential improvement in this area.

The data for those involved in the capability process shows one member of staff who has confirmed their status as having a disability and 11 members of staff who have confirmed their status as no disability. Given these very small figures it is difficult to make any useful interpretation of the results.

	Disabled			Non-Disabled		
	2019	2020	2021	2019	2020	2021
% of staff who experience harassment, bullying or abuse from patients, relatives or members of the public	32.1%	29.4%	31.6% ↗	22.0%	21.3%	23.8% ↗
% of staff experiencing harassment, bullying or abuse from manager in the last 12 months	15.6%	15.5%	14.5% ↘	8.0%	7.2%	7.3% ↗
% Percentage of staff experiencing harassment, bullying or abuse from other colleagues in last 12 months	25.1%	25.5%	21.9% ↘	14.5%	15.3%	15.7% ↗

The data for staff receiving equal opportunities with regards to career progression shows an increase for both staff with a disability and for staff without a disability with a greater increase for staff declaring a disability.

	Disabled			Non-Disabled		
	2019	2020	2021	2019	2020	2021
% of staff who believe their organisation provides equal opportunity for career progression or promotion	56.9%	53.6%	58.4% ↗	65.1%	62.5%	63.0% ↗

Actions to improve WRES and WDES findings

The Trust has a robust and comprehensive action plan in place to improve the findings from our WRES and WDES data to ensure continuous learning and improvement. These actions include:

- Inclusive leadership training to support leaders in treating everyone equally well, these are being rolled out across an identified leadership group with evaluations taking place
- Inclusive recruitment programme to debias systems and processes with the support of our wider people team. An initial pilot is now being reviewed across our AAC Consultant processes
- Driving your career programme which will start with our minorities ethnic staff groups as they have been identified to face the most barriers, with the programme designed to be rolled out wider following this
- 2023/24 planned programme to better understand the lived experience of disabled staff within the Royal Devon and strengthening of existing and new networks in this area.

Gender pay gap

From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. The Trust publishes a summary of its annual gender pay gap data, which can be found here.

It should be noted that no bonuses are paid within the Trust as part of pay packages; however, for the purposes of the gender pay gap report, Advisory Committee on Clinical Excellence Awards (ACCEA) payments, part of a national scheme are classified as a bonus.

Other than for medical and dental staff (doctors and dentists), some apprentices, non-executive directors and very senior managers (VSMs), all other jobs are evaluated using the national Agenda for Change (AfC) job evaluation scheme. This process evaluates the job and not the post holder and makes no reference to gender or any other personal characteristics of existing or potential job holders. VSM's include executive directors and a small number of other

Royal Devon and Exeter NHS Foundation Trust

Women's hourly rate is:	
22.20% LOWER (mean)	**7.01%** LOWER (median)
Pay quartiles:	
How many men and women are in each quarter of the employer's payroll.	
Top quartile	
32.77% MEN	**67.23%** WOMEN
Upper middle quartile	
17.78% MEN	**82.22%** WOMEN
Lower middle quartile	
20.81% MEN	**79.19%** WOMEN
Lower quartile	
20.47% MEN	**79.53%** WOMEN
Women's bonus pay is:	
44.38% LOWER (mean)	**35.42%** LOWER (median)
Who received bonus pay:	
4.60% OF MEN	**0.53%** OF WOMEN

The table below shows our performance against the most recent official headline pay gap benchmarking, for all employers, from ONS:

	Pay gap based on median average	Pay gap based on mean average
National benchmark	14.9%	13.9%
Human Health Activities	17.0%	20.8%
Hospital Activities	13.3%	21.2%
RD&E	7.0%	22.2%

The pay gap based on the median average is the most reliable and widely used measure of gender pay equality. When the pay gap is measured using the mean average, this allows "outliers" at either end to distort the measure.

The figures above indicate that the RD&E gender pay gap is significantly lower than local and national benchmarks. Since last year, performance against the median average pay has improved, with the mean pay gap very slightly increasing. There have only been slight changes in the composition of representation in the quartiles, more notably with the top and lower middle quartiles.

The Trust performance against the relevant national benchmarks continues to be respectable overall. The headline gender pay gap is smaller than the median national average and also lower than both median and mean averages of industry sectors.

Northern Devon Healthcare NHS Trust

Women's hourly rate is:	
27.70% LOWER (mean)	**22.6%** LOWER (median)
Pay quartiles:	
How many men and women are in each quarter of the employer's payroll.	
Top quartile	
34.7% MEN	**65.3%** WOMEN
Upper middle quartile	
16.1% MEN	**83.9%** WOMEN
Lower middle quartile	
15.2% MEN	**84.8%** WOMEN
Lower quartile	
14.7% MEN	**85.4%** WOMEN
Women's bonus pay is:	
26.5% LOWER (mean)	**33.3%** LOWER (median)
Who received bonus pay:	
4.5% OF MEN	**0.6%** OF WOMEN

The table below shows our performance against the most recent official headline pay gap benchmarking, for all employers, from the Office for National Statistics (ONS):

	Pay gap based on median average	Pay gap based on mean average
National benchmark	14.9%	13.9%
Human Health Activities	17.0%	20.8%
Hospital Activities	13.3%	21.2%
NDHT	22.6%	27.7%

The pay gap based on the median average is the most reliable and widely used measure of gender pay equality. When the pay gap is measured using the mean average, this allows "outliers" at either end to distort the measure. The figures above indicate that the NDHT gender pay gap is significantly higher than local and national benchmarks.

The median gender pay gap has been reduced since last year's reporting with the gap between the Trust and national benchmarking now at 7.7% as opposed to 16.7%.

Comparison with the previous year's data show that our pay gap, using both the mean and median

average indicators, has remained relatively stable. The percentage comparison between males and females receiving bonus pay has shown that there is a decrease in the overall amount of bonuses received by males, and an increase in the overall amount of bonuses received by females, although the percentage and overall payments received by males is still significantly higher than that received by females.

Modern Slavery Act 2015

In accordance with the Modern Slavery Act 2015, the Royal Devon University NHS Foundation Trust fully supports the government's objectives to eradicate modern slavery and human trafficking and makes the following statement regarding the steps it is taking to ensure that modern slavery i.e. slavery and human trafficking, is not taking place in any part of its own business or any of its supply chains.

The Home Office's Statutory Guidance on Modern Slavery (2021) (**https://www.gov.uk/government/publications/modern-slavery-how-to-identify-and-support-victims**)is intended for staff in England and Wales within public authorities who may encounter potential victims of modern slavery and/or who are involved in supporting victims. The Home Office states that these individuals and organisations must have regard to the statutory guidance, with a view to developing a more consistent response to modern slavery victims to ensure they are identified and receive the available and appropriate support.

The process of identification can be very challenging, in particular establishing the means and purpose of activities and differentiating, in terms of the Act, those adults who are subject to poor or illegal work conditions and those who are victims of modern slavery through the use of force, control, deception and threat. Tackling modern slavery and human trafficking requires a collective, co-ordinated and sustained effort from a range of collaborating agencies, both statutory and non-statutory. No single agency or individual can eradicate modern slavery alone and this effective partnership working is essential.

The Trust's position on modern slavery is to:

- Develop an awareness of human trafficking and modern slavery within our Workforce and provide them with information and support to act appropriately to identify, support and refer victims
- Comply with legislation and regulatory requirements
- We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business and, insofar as is possible, to requiring our suppliers to hold a corresponding ethos and make suppliers and service providers aware that we promote the requirements of the legislation.

Slavery and human trafficking statement for financial year 2022/23

During the last financial year the Trust took, and continues to take, the following:

- The Trust is a key partner in in the development of the Devon and Torbay Modern Slavery Adult Victims Referral/Support Pathway Protocol Anti-Slavery Partnership and is a signatory to this document. The Trust has adopted the quick guide to assist and enable staff to act appropriately in support of victims.
- The Trust has a number of controls in place to ensure compliance with employment legislation.
    - We confirm the identities of all new employees and their right to work in the United Kingdom.
    - All staff are appointed subject to references, health checks, immigration checks and identity checks. This ensures that we can be confident, before staff commence their duties, that they have a legal right to work within our Trust.
    - We have a set of values and behaviours that staff are expected to comply with, and all candidates are expected to demonstrate these attributes as part of the selection process.
    - By adopting the national pay, terms and conditions of service, we have the assurance that all staff will be treated fairly and will comply with the latest legislation. This includes the assurance that staff received, at least, the national minimum wage from 1 April 2015.
    - Our equality and diversity, grievance and prevention of harassment and bullying policies additionally give a platform for our employees to raise concerns about poor working practices.
    - Our policies and practices promote and support diversity and inclusion both as an employer and as a service provider; we recognise and acknowledge that diversity and inclusion are key corporate social responsibilities and a Diversity Network for all staff has been in place since 2017.

- Modern slavery is incorporated within our mandatory safeguarding children and adults training from levels one to three, which applies to all staff and safeguarding policies. Our Trust "Safeguarding Adult Policy", and the Devon Multi-Agency Safeguarding policy, to which our Trust is a partner signatory, also includes modern slavery. Our Trust intranet site includes information and support which sign posts to the modern slavery helpline and website for further information. We also share information via our safeguarding newsletter to raise awareness.
- Our Freedom to Speak: Raising Concerns (Whistleblowing) Policy gives a platform for employees to raise concerns for further investigation, and our Freedom To Speak Up Guardian and Safeguarding teams actively ensure they are accessible to colleagues.

Working with suppliers

- In addition, all other external agencies providing staff to the Trust have been approved through government procurement suppliers (GPS). The Trust will audit and monitor agencies (via GPS) that provide staff once a year to ensure that they are able to provide evidence of identification, qualification and registration.
- Our standard terms and conditions require suppliers to comply with relevant legislation. A large proportion of the goods and services procured are sourced through Government supply frameworks and contracts which also require suppliers to comply with relevant legislation.

Royal Devon University Healthcare NHS Foundation Trust follows best practice guidance and works with multi-agency partnerships to meet the regularity and statutory requirements of the Act and Code of Practice ensuring all reasonable steps are taken to prevent slavery and human trafficking and will continue to support the requirements of the Modern Slavery Act 2015 and any future legislation.

Sustainability report

The Greener NHS campaign is a national programme with statutory targets aimed at achieving Net-Zero (NZ) carbon dioxide (CO2 or CO2 equivalent) emissions from NHS activities. This involves developing and following an ambitious route map to reach NZ by 2040[1].

To support this, the Royal Devon has developed a Green Plan, covering the period 2022-2025. This plan was approved by the Board of Directors in January 2022 and sets out how the Trust plans to go about achieving their long-term sustainability goals and 'Net Zero' targets. The Green Plan is a supporting pillar of the Trust's corporate strategy, being delivered as part of the "Collaboration and Partnerships" objective with the Deputy Chief Executive as Senior Responsible Officer (SRO) and led by the Director of Business, Innovation and Sustainability. The Green Plan acts as a strong foundation to ensure that our environmental ambitions are embedded into everything we do. The plan sets out the objectives, approach, key messages and outputs required to support delivery alongside a timeline and is due to be revised next in 2025.

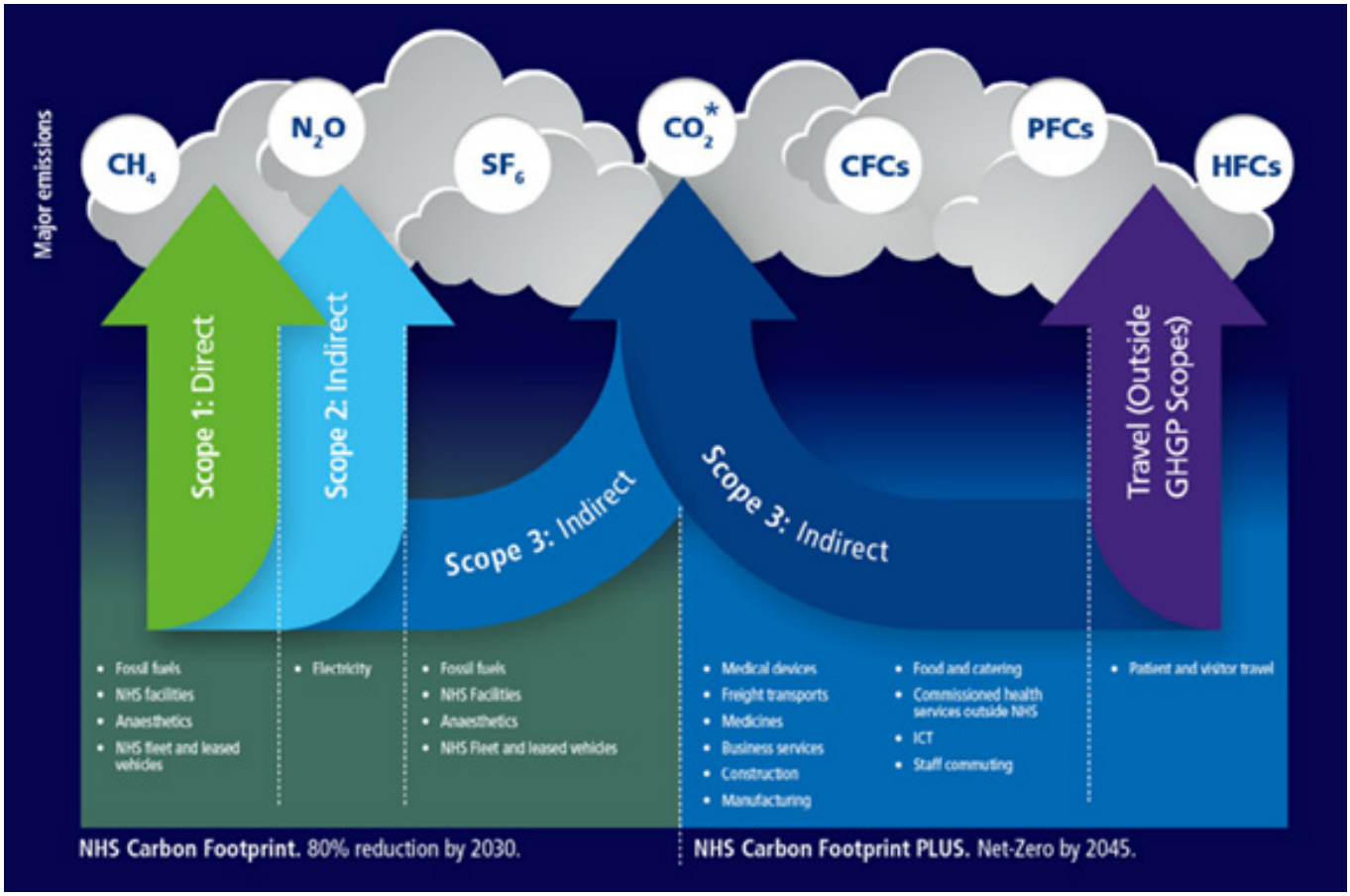
This sustainability section of the annual report details progress against the Green Plan, and at a minimum, includes the mandatory reporting requirements as required by NHSE's Greener NHS team. The scope of this report is to capture performance over the last year of the Trust activities and historic data pre-merger where available.

[1]And by 2045 net zero for the NHS footprint including all emissions influenced but not directly controlled by the service.

Our sustainability targets:

In our Green Plan there are three overarching strategic targets with supporting objectives:

- **Embody sustainable healthcare** - Prioritising sustainability objectives in order to make sustainable healthcare a business as usual activity.
- **Colleague engagement** - Our ability to deliver on this ambitious Green Plan will be dependent upon all parts of the organisation pulling together as one team. The team provide leadership, training, co-ordination and assurance but it is the actions of thousands of staff members that make the plan impactful.
- **Carbon reduction** - The table below shows the elements that make up NHS carbon emissions – the carbon "footprint".



In line with the NHS commitment to become the world's first Net Zero Carbon National Health Service, we are committed to the following carbon targets.

Carbon Footprint:

- Reduced 80% by 2030 (against 1990 baseline)
- Net Zero Carbon by 2040

Carbon Footprint PLUS:

- Net Zero Carbon by 2045

Establish methods to:

- Quantify, measure, monitor and reduce CO2 emissions

The Trust's estimated carbon footprint is 26,439 tonnes CO2 equivalent. Adding personal travel, medicines, medical equipment and supply chain the broader measure of the Trust's NHS Carbon Footprint Plus is 151,711 tonnes of CO2 equivalent. See below.

NHS Carbon Footprint	**26,439**	**tCO_2e**
Building energy	*17,190*	tCO_2e
Waste	*735*	tCO_2e
Water	*302*	tCO_2e
Anaesthetic gases	*2,373*	tCO_2e
Inhalers	*113*	tCO_2e
Business travel and fleet	*5,726*	tCO_2e
Personal travel	**23,090**	**tCO_2e**
Staff commuting	*8,549*	tCO_2e
Patient travel	*9,942*	tCO_2e
Visitor travel	*4,599*	tCO_2e
Medicines, medical equipment and other supply chain	**100,564**	**tCO_2e**
Medicines and chemicals	*34,245*	tCO_2e
Medical equipment	*20,527*	tCO_2e
Non-medical equipment	*11,004*	tCO_2e
Other supply chain	*34,788*	tCO_2e
Commissioned health services outside NHS	**1,618**	**tCO_2e**
NHS Carbon Footprint Plus	**151,711**	**tCO_2e**

Source: NHS England

Applying average targeted reductions on an annual basis to the 2019/20 baseline (the period from which NHS England defined measuring the net zero trajectories in their reports) the Trust would need to deliver a 12,000 tonnes reduction in its Footprint and 111,000 tonnes reduction in its Footprint Plus to achieve an 80% reduction by 2028-32 and 2036-39 respectively. See below.

Place-based initiatives and targets

The Trust has also agreed to work alongside its Exeter based public sector civic partners to accelerate the net zero objective for its Wonford and Heavitree services and aim for net zero by 2030. As a member of Exeter City Futures the city of Exeter has an ambitious plan of action based on four themes: Sustainability, Transportation Energy and Capacity.

Our Net Zero roadmap

The Green Plan establishes a series of work initiatives that are designed to make progress on the three strategic targets and their supporting objectives. These are shown in the roadmap below, which includes Royal Devon's goals and National targets.

[3] https://www.exetercityfutures.com/netzeroexeter/

NHS England has developed several 'key areas of focus that the NHS is required to target, in order to reduce carbon emissions, costs and improve our impact on people and the environment. The updates below explain how we are tackling these areas of focus and are able to report on our progress.

Workforce and system leadership

In order to embed sustainability into 'business as usual', the Trust has been working to set up sustainability workstreams and where possible link them into existing initiatives.

An example of this is how the Sustainability team has supported the Brilliant Ideas initiative; anyone can submit suggestions for improvements to the Brilliant Ideas team and in the first few weeks over 70 ideas were received with many of them having a strong sustainability focus.

Sustainability awareness survey and behaviours at work:

- 38.84% of staff agreed that the Trust actively supports the environment, such as resource efficiency, reducing carbon emissions and reducing waste
- 38.64% of staff said that they always turn off equipment and lights when leaving an empty room
- 51.24% of staff said they always recycle products when they can
- 47.41% of staff said they always reduce paper usage by thinking about if something can be kept digitally

Training

Net Zero NHS training is available on Learn+. Our staff can learn about climate change and how the NHS aims to reduce its carbon footprint. The online training helps to raise awareness about the effects of climate change both on our planet and our hospital and the steps we can take to make healthcare more sustainable.

Travel and transport

Cycling Friendly UK Accreditation NDDH – achieved September 2022

More secure cycle shelters have been installed in the past year, accessible via staff ID badges. A new Travel Permit has opened up the use of these cycle shelters to all staff. An additional 10 bike lockers have been installed at Digby Park and Ride to support staff looking to park and cycle. We also continue to promote the Cycle to Work scheme as well as the utility of our Park and Ride facility. Staff in the Exeter area can also benefit from shared transport options such as Co-Bikes, accessible from both Wonford and Heavitree sites.

Electric vehicle (EV) charging for estate vehicles and visiting clinicians

We are undertaking green fleet reviews ahead of procuring EV fleet where operationally appropriate and subject to funding. In Barnstaple the initial installation of five 7kW single charge points and two 22kW single charge points for our estate Vehicles to use as well as four 22kW single charge points for visiting clinicians has begun to reduce travel related CO2e. In Exeter six charge points are installed for our fleet (four of which are at our warehousing facility) and 10 are planned for staff use at the trusts dedicate park and ride service.

Sustainable models of care

Case study one - Virtual wards

Our Acute Hospital at Home (AHAH) service (referred to nationally as the 'Virtual Ward' programme), is a safe and efficient alternative to receiving care as an inpatient on a hospital ward. The service runs trust-wide and we currently have capacity to support fifty-five patients (planned to increase to 100 by December 2023) across a wide range of specialties.

Patients referred to our AHAH service receive the same care, monitoring and treatment that they would from a hospital bed or from a local community service, but from the comfort of their own home. Our AHAH team, which includes doctors, nurses, pharmacists, therapists and advanced care practitioners, are in touch with patients on a regular basis throughout the day as required.

As part of the development of the AHAH service the Trust is trialling the use of wearable devices. Devices such as watches, connecting through smart phones, are recording real time data on oxygen saturation and heart rate monitoring and transferring this data into the patient's electronic record. Twice daily blood pressure monitoring from our community teams add to this daily data collection. This remote working allows the patient's named consultant to monitor their condition using their own smart technology.

We expect these services to develop further to include cardiology (ECGs) and respiratory (spirometers) and to also incorporate digital weighing scales. These technologies support people living with frailty, heart failure and are likely to be suitable for people receiving home based IV antibiotics as an outpatient service (OPAT: outpatient parenteral antimicrobial therapy service).

By freeing up hospital beds and creating more capacity in this way, our HAH service positively impacts on both healthcare service and environmental sustainability and improves the flow of patients, easing pressures on our emergency departments and helping to reduce waiting times for both planned and emergency care.

Case study two - Outpatient redesign

The NHS's elective recovery strategy included targets to reduce outpatient follow-ups by 25% and move 5% of outpatient attendances to patient-initiated follow-up (PIFU) pathways by March 2023.

PIFU are a pathway redesign to routine follow-up pathways, putting patients and clinicians together to understand short, medium and long-term conditions. They rework the routine pathways to change from routine time-based appointments to a focus on patients who are experiencing symptoms of the condition they have. This has gone live in 20 specialties across the Trust and now provides patients with the opportunity to take their health into their own hands.

There is some promising evidence that PIFU

results in fewer overall outpatient appointments compared to fixed appointment schedules, leading to a reduction in wasted (and low value-added) activity, avoided energy use and reduced carbon miles for patents.

Case study three - Greener emergency department

The Royal Devon Eastern services emergency department (ED) is a national pilot site for the Royal College of Emergency Medicine Greener ED programme. The department has undertaken many of the initiatives required to reach Gold standard under the framework.

This includes reduced paper, increased digitisation of services and information, reduced cannulisation, reduced use of Entonox (saving around 1000 litres of nitrous oxide per week), dry powder inhalers replacing some metered dose inhalers, introduction of social prescribing and an increased modal shift for staff travel.

In addition to the Greener ED initiative the department was selected by the DHSC to run a three-month national trial of reusable facemasks. This trial was successfully completed during the year and we are the first healthcare team to have successfully trialled this Type IIR mask. In the four months of the trial we achieved 8927 washes the equivalent annually of avoiding incineration of over 25,000 single use facemasks.

Estates and facilities

There are four steps outlined in the NHS Estates approach to buildings decarbonisation and the Trust has made progression in each step:

- Step one – make every kWh count
- Step two – Prepare for electricity-led heating
- Step three – Switch to non-fossil fuel heating
- Step four – Increase on-site renewables

Over the last decade the Trust has invested nearly £14m on utilities efficiency projects. This has resulted in marked improvements in efficiency, however our activity has increased while energy costs have soared. Usage patterns have changed in response to COVID-19 precautions.

Current highlights for 2022/23 include:

- Over the last eight years, installed over 16,000 LED lights, which last year delivered energy savings of 4,283,185KWh, worth £1.2m. This is enough electricity to power 1,477 homes
- In 2022/23 £30,000 has been spent on identifying and fixing leaks across the estate, which combined with efficiencies in the Linen Decontamination Unit have saved 14,000m3 of hot and cold water, worth £100,000 and reduced emissions by 116t/CO2. Acting on findings of an annual inspection of heating pipe insulation resulted in savings worth £8,700 and 22t/CO2
- During 2022, several feasibility studies were carried out identifying options for improving building fabric at Wonford Hospital Sterilisation and Decontamination Unit (HSDU), Gladstone House and the wider Heavitree Hospital site which would reduce emissions by 187t/CO2 per year
- Feasibility studies also identified options for changing the buildings from gas fuelled heating to electric air-source heat pumps, which would result in lowering carbon emissions by 1,187t/CO2. This is because UK grid electricity is around 50% low carbon and planned to be 95% low carbon by 2030
- In Northern services two sites have had their oil boilers replaced with air-source heat pumps, saving 5t/CO2 per year.
- The Trust has a total of 746kw PV installed across RD&E Wonford, RD&E Heavitree, North Devon District Hospital and Mardon Neurological Rehabilitation Centre, this generates enough energy to run 216 homes and last year saved 121t/CO2
- All electricity that the Trust purchases from the National Grid is zero carbon with 100% (ND) certified renewable.

Energy

The Trust operates three fossil fuelled combined heat and power (CHP) engines, generating 15.8 million kWhs of electricity each year. This is enough to run 5,400 homes, equivalent to 10% of all Exeter's households. The CHPs increase the amount of natural gas being used on site, but reduce the amount of grid electricity being purchased and over their life will result in a net reduction in CO2 emissions.

With the removal of the two oil boilers last year, oil is no longer in use as a primary fuel on any trust site although it is used as a back-up fuel for providing

heat and power at critical sites. To ensure that these are working effectively they require regular testing, resulting in a small residual use.

The table below shows Trust performance against the base year. The majority of building CO2 emission reduction has been driven by demand reduction projects and the decarbonisation of the National Grid.

		2013 (base year)	2022-23
Scope 1	Gas	8,322	15,804
	Oil	997	63
Scope 2	Electricity	11,958	2,295
	Total	**21,277**	**21**

Scopes as defined by Greenhouse Gas Reporting Protocol.

Waste

For three months during the year Northern services conducted a reusable sharps container trial. These Stericycle Bio Systems reusable sharps containers were installed in three areas.

Staff have reported no issues with use of the different containers. The bins are emptied and decontaminated after each use, with these sharps now having an expected life of 600 uses rather than being single-use and incinerated.

So far 374 single use containers have not been required and saved from incineration. Also, 722kgs of single use plastic has not been required resulting in a saving of 2114 Kgs of carbon.

Biodiversity

As well as carbon, energy and water related improvements, the Trust has used its Biodiversity and Outdoor Wellbeing Action Plan (BOWAP) to inform planting options in the Wonford Bereavement garden design.

In order to enhance biodiversity: 360m2 of land has been planted with wildflowers, 3,500m2 of grass areas across the estate has been designated as "no-mow" and through Spring 2023 a further 1,000m2 of "no-mow" areas will be added. In collaboration with Devon County Council, a further 2,100m2 of verge around RD&E Wonford is managed with a reduced mowing regime that allows a more diverse range of species to flourish. At NDDH we have 3500m2 designated as no mow. 18,000m2 is planted with trees and left wild underneath the canopy and has habitat piles created with fallen/felled branches. 60m2 of wild flower meadow was planted last year.

Medicines

Desflurane

The Trust no longer uses Desflurane, the most pollutant of all the anaesthetic gases, across any of its sites. Other anaesthetic volatile agents - the halogenated hydrocarbons- have seen their harmful impact reduced due to an increase in the use of total intravenous anaesthesia (TIVA).

Nitrous Oxide

Within the Eastern services, nitrous oxide is no longer used in non-maternity anaesthesia. This has allowed work to begin on the permanent decommissioning of the nitrous oxide cylinder manifold and its associated pipeline in Exeter. Northern services are reducing the use of nitrous oxide by switching to cylinder use only and have similarly started the work required to decommission the cylinder manifold.

Entonox

Both Trust emergency departments have moved away from Entonox and are now using Penthrox except in paediatrics. Other departments are also moving over to Penthrox where clinically appropriate e.g. fracture clinic. In maternity where Penthrox is contraindicated a business case to consider capture technology is underway.

Supply chain and procurement

With 60% of NHS emissions coming from procurement related activities, new rules are in place requiring all NHS Trust's to have a minimum of 10% weighting applied to social value criteria in procurement exercises. Proposals for the practical use of this criteria are being incorporated into procurement policies.

Adaptation

Even with collective efforts to reduce future harmful emissions, the effects of past activity is predicted to make further climatic changes inevitable. We therefore need to plan our services in order to adapt to these events.

The latest science (UK climate predictions 2018) suggest we can expect wetter, warmer winters and hotter, drier summers with an increased frequency of extremes.

By 2061:

- Summers will likely be drier by 16-42%, and hotter by 3.6°C-5°C
- Hot spells of over 30°C for more than 2 days are likely to occur around 4 times a year
- Winters will likely be wetter by 16-42%
- The intensity of rainfall over the year will likely be increased by 7.5%, significantly increasing the likelihood of flash floods

Key predictions: UKCP18

The Trust has begun work on developing its adaption plan which will identify health challenges arising from the emergence of key risks such as:

- Coastal flooding,
- Risk to health from high temperatures
- Shortages in water supply for domestic purposes, agriculture and industry
- Risks to natural capital including biodiversity
- Risks to domestic and international food production
- New and emerging pests and diseases

The identification of mitigating factors for these risks will lead to adaption plans for our services, our buildings, emergency planning and liaison with local partners.

Future priorities

The plan for 2023/24 concentrates our efforts across five key areas:

1. Supporting culture change
2. Process driven change
3. Policy driven change
4. Operationalising the plan
5. Carbon measurement

We will support a maturing green culture through our engagement and communications work, including the development of a Green Champions network. Working alongside the Brilliant Ideas initiative we will fast track attractive projects.

National policy changes over the coming few years have the potential to lay the foundations for significant decarbonisation of the Trusts footprint. We will work through the adoption of Cabinet Office PPN notices to establish the methodologies required for incorporating Carbon Reduction Plans (CRP's) into our supply-chain.

The Green Plan will now develop into an operational programme of work and this will lead to more detailed planning in critical areas such as heat decarbonisation, medical gas capture systems and electric fleet vehicles. We will also work to significantly improve our carbon measurement processes and the management of carbon reporting, including the development of a carbon reporting data-library.

ROYAL DEVON UNIVERSITY HEALTHCARE NHS FOUNDATION TRUST

ANNUAL ACCOUNTS

YEAR ENDED 31 MARCH 2023

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Statement of the Chief Executive's responsibilities as the Accounting Officer of the Royal Devon University Healthcare NHS Foundation Trust

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

NHS England has given Accounts Directions which require the Royal Devon University Healthcare NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Devon University Healthcare NHS Foundation Trust and of its income and expenditure, 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 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 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Signed: 

Chris Tidman - Deputy Chief Executive

Date: 28 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ROYAL DEVON UNIVERSITY HEALTHCARE NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Royal Devon University Healthcare NHS Foundation Trust ("the Trust") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management, the Audit Committee and internal audit and inspection of policy documentation as to the Trust's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Trust's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reading the Trust's accounting policies.

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

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

We also identified a fraud risk related to expenditure recognition in response to the opportunity to alter the year end position, particularly through the accruals process.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account pairings with revenue and borrowings and post close journals.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Inspecting cash payments and purchase invoices in the period around 31 March 2023 to identify and verify expenditure had been recognised in the correct accounting period.
- Evaluating a sample of accruals posted as at 31 March 2023 and verifying accruals posted as appropriate and accurately recorded.

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

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

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

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

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

Whilst the Trust is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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

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

Other information in the Annual Report

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

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

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

Annual Governance Statement

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

Remuneration and Staff Reports

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

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 2, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to either cease the services provided by the Trust or dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

As explained more fully in the statement set out on page [X], the Accounting Officer is responsible for ensuring that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have planned our work and undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice to report to you if any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006. We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Royal Devon University Healthcare NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Jonathan Brown

for and on behalf of KPMG LLP

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

30 June 2023

FOREWORD TO THE ACCOUNTS

These accounts, for the year ended 31 March 2023, have been prepared by Royal Devon University Healthcare NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

On the 1st April 2022, the Royal Devon and Exeter NHS Foundation Trust acquired the assets and business of the Northern Devon Healthcare NHS Trust forming the Royal Devon University Healthcare NHS Foundation Trust through merger by acquisition. These accounts reflect the combined organisation of the Royal Devon University Healthcare NHS Foundation Trust but prior year figures are for the Royal Devon and Exeter NHS Foundation Trust only.

Signed:

Chris Tidman - Deputy Chief Executive

Date: 28 June 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23 £000	2021/22 £000
Income from activities	3	**906,391**	594,203
Other operating income	4	**120,800**	102,734
Operating income		**1,027,191**	696,937
Operating expenses	5	**(1,041,168)**	(691,784)
Operating (deficit) / surplus		**(13,977)**	5,153
Finance costs			
Finance income	10	**1,549**	32
Finance expense	11	**(2,880)**	(2,601)
PDC dividends payable		**(10,760)**	(6,945)
Net finance costs		**(12,091)**	(9,514)
Other gains	12	**3**	14
Gains arising from transfers by absorption	31	**113,033**	-
Surplus / (deficit) for the year		**86,968**	(4,347)
Other comprehensive income			
Revaluation gains and impairment on property, plant and equipment	16.3	**18,441**	1,054
Total comprehensive surplus / (deficit) for the year		**105,409**	(3,293)

The above surplus of £86,968k includes accounting entries that are classed by NHS England (NHSE) as technical accounting adjustments, rather than being operational transactions. The Trust's adjusted operational deficit, as monitored by NHSE, was £16,734k. Note 32 to the Accounts provides a reconciliation between the surplus reported on the Statement of Comprehensive Income and the operational deficit that the Trust reports to NHSE.

The 2022/23 surplus includes £113,033k of gains from the transfer by absorption following the merger by acquisition with the Northern Devon Healthcare Trust (NDHT). The figure represents the value of NDHT net assets transferred as part of the merger on the 1st of April 2022. The 2021/22 comparative values state only the Royal Devon and Exeter NHS Foundation Trust's financial statements and have not been adjusted to include the NDHT comparatives.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	15	**58,621**	37,255
Property, plant and equipment	16	**421,298**	299,231
Right of Use Assets	17	**54,580**	-
Investment in joint venture	18	**5**	5
Trade and other receivables	20	**3,075**	1,954
Total non-current assets		**537,579**	338,445
Current assets			
Inventories	19	**15,624**	10,231
Trade and other receivables	20	**60,185**	36,958
Cash and cash equivalents	24	**46,033**	68,575
Total current assets		**121,842**	115,764
Current liabilities			
Trade and other payables	21	**(103,323)**	(74,058)
Borrowings	22	**(16,676)**	(6,277)
Provisions	23	**(295)**	(191)
Other liabilities	21	**(17,892)**	(14,083)
Total current liabilities		**(138,186)**	(94,609)
Total assets less current liabilities		**521,235**	359,600
Non-current liabilities			
Borrowings	22	**(102,694)**	(63,038)
Provisions	23	**(1,276)**	(919)
Other liabilities	21	**-**	(1,877)
Total non-current liabilities		**(103,970)**	(65,834)
Total assets employed		**417,265**	293,766
Financed by taxpayers' equity			
Public dividend capital		**361,604**	231,681
Revaluation reserve		**52,384**	40,342
Income and expenditure reserve		**3,277**	21,743
Total taxpayers' equity		**417,265**	293,766

The notes on pages 13 to 40 form part of these accounts.

The Annual Accounts on pages 9 to 40 were approved by the Board of Directors on x June 2023 and signed on its behalf by :

Chris Tidman - Deputy Chief Executive

Date: 28 June 2023

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	**Total**
	£000	£000	£000	**£000**
Taxpayers' equity at 1 April 2021	193,805	40,342	25,036	**259,183**
Deficit for the year	-	-	(4,347)	**(4,347)**
Revaluations - land and buildings	-	1,054	-	**1,054**
Other reserve movements	-	(1,054)	1,054	**-**
Public dividend capital received	37,876	-	-	**37,876**
Taxpayers' equity at 31 March and 1 April 2022	231,681	40,342	21,743	**293,766**
Surplus for the year	-	-	86,968	**86,968**
Transfers by absorption: transfers between reserves	111,833	9,557	(121,390)	**-**
Transfers between reserves	-	(14,078)	14,078	**-**
Impairments	-	(671)	-	**(671)**
Revaluations - land and buildings	-	19,112	-	**19,112**
Other reserve movements	-	(1,878)	1,878	**-**
Public dividend capital received	18,090	-	-	**18,090**
Taxpayers' equity at 31 March 2023	**361,604**	**52,384**	**3,277**	**417,265**

Public dividend capital ("PDC")
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. It also includes additional PDC issued 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 a public dividend capital dividend. PDC has no fixed capital repayment period.

Revaluation reserve
The reserve reflects movements in the value of purchased property, plant and equipment and intangible assets as set out in the accounting policies.

Income and expenditure reserve
The reserve is the cumulative surplus / (deficit) made by the Trust since its inception. The reserve cannot be released to the Statement of Comprehensive Income.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/23	2021/22
		£000	£000
Cash flows from operating activities			
Operating (deficit) / surplus		**(13,977)**	5,153
Non-cash income and expense			
Depreciation and amortisation		**38,080**	20,956
Impairments		**10,439**	9,776
Increase in trade and other receivables		**(13,816)**	(12,223)
(Increase) / decrease in inventories		**(2,349)**	570
Increase in trade and other payables		**12,102**	360
Increase in other liabilities		**325**	4,992
Increase / (decrease) in provisions		**405**	(875)
Income recognised in respect of capital donations		**(1,954)**	(173)
Net cash generated from operations		**29,255**	28,536
Cash flows from investing activities			
Interest received		**1,549**	32
Purchase of intangible assets		**(14,489)**	(1,096)
Purchase of property, plant and equipment		**(53,622)**	(51,042)
Sale of property, plant and equipment		**3**	2,333
Receipt of cash donations to purchase capital assets		**1,663**	173
Net cash used in investing activities		**(64,896)**	(49,600)
Cash flows from financing activities			
PDC received		**18,090**	37,876
Loans received		**854**	1,617
Loans repaid		**(5,876)**	(4,850)
Capital element of finance lease liability payments		**(6,685)**	(172)
Interest paid		**(2,453)**	(2,047)
PDC dividend paid		**(11,176)**	(6,328)
Net cash used in financing activities		**(7,246)**	26,096
(Decrease) / increase in cash and cash equivalents		**(42,887)**	5,032
Cash and cash equivalents at 1 April		**68,575**	63,543
Received from transfer by absorption		**20,345**	-
Cash and cash equivalents at 31 March	24	**46,033**	68,575

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.

Accounting convention

The 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 liabilities at their value to the business by reference to their fair value.

Going concern

International Accounting Standard 1 (IAS 1) requires the Board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector. The Directors have a reasonable expectation that the Trust will continue to provide its services in the future. Therefore, these accounts have been prepared on a going concern basis.

In preparing the financial statements, the Board of Directors have considered the Trust's overall financial position. The Trust has produced a financial plan for 2023/24 and has prepared a cashflow forecast to the end of June 2024. From the financial modelling undertaken the Trust is expecting to have sufficient cash to cover its requirements for this period.

It is noted that the cash regime within the NHS for new financial revenue support will be in the form of non-repayable Public Dividend Capital, rather than interest bearing loans. Therefore, should the Trust be in need of cash support it will not be in the form of repayable debt.

Based on the factors outlined above, the Board of Directors has a reasonable expectation that the Trust will have access to adequate resources to continue to deliver the full range of mandatory services for the 12 months from the date of approval of the financial statements and fulfil any liabilities as they fall due.

1.1 Income recognition

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

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.1 Income recognition (continued)

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15.

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 are termed 'aligned payment and incentive' contracts.

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 Devon Health system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality and 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.

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract, less the fair value of the asset.

1.2 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees.

Pension costs

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

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Expenditure on other goods and services

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

1.4 Intangible assets

Recognition

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

Intangible assets are capitalised when they are capable of being used in the Trust's activities for more than one year and have a cost of 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 where it meets the requirements set out in IAS 38.

Measurement and revaluation

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.

The fair value of intangible assets is determined where necessary by a valuation undertaken by a professionally qualified independent valuer. Valuations are carried out primarily on the basis of depreciated replacement cost, where the asset is a non-cash generating asset. The frequency of the revaluation is dependent on the change in the fair value of the intangible asset. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment (see note 1.5).

Amortisation and impairment

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

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Software

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

Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful lives.

Asset category	Useful life (years)
Software licences	3 - 15

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Intangible assets (continued)

Research and development

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

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

Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred.

Where possible the Trust will disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

Other property, plant and equipment assets acquired for use in research and development are amortised over the life of the associated project.

1.5 Property, plant and equipment

Recognition

Property, plant and equipment are capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably and;
- has an individual cost of at least £5,000; or
- the items form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up costs of a new building or on refurbishment, may also be "grouped" for capitalisation purposes.

Measurement and revaluation

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. All assets are measured subsequently at fair value.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

Measurement and revaluation (continued)

Property assets

The fair value of land and buildings is determined by valuations carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property based upon providing a modern equivalent asset. Existing use value is used for non-specialised operational property. For non-operational properties, including surplus land, the valuations are carried out at open market value. The frequency of revaluation is dependent upon changes in the fair value of property assets however, in line with NHS England's view, the frequency of property asset revaluations will be at least every five years. Note 16.3 provides details of the most recent valuation which was undertaken.

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.

Assets under construction are valued at cost and may subsequently be revalued by professional valuers when brought into use or when factors indicate that the value of the asset differs materially from its carrying value.

Non-property assets

For non-property assets the depreciated historical cost basis has been adopted as a proxy fair value.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Subsequent expenditure

Expenditure incurred after items of property, plant and equipment have been brought into operation, such as repairs and maintenance, is normally charged to the Statement of Comprehensive Income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of an item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives are determined on a case by case basis. The typical lives for the following assets are:

Asset category	Useful life (years)
Buildings excluding dwellings	6 - 59
Dwellings	20 - 23
Plant and machinery	4 - 20
Transport equipment	5 - 20
Information technology	3 - 15
Furniture & fittings	5 - 10

Freehold land is considered to have an infinite life and is not depreciated.

The excess depreciation on revalued assets over the historical cost is gradually released from the revaluation reserve to the income and expenditure reserve over the life of the asset. On disposal of the asset any remaining revaluation reserve balance is fully released to the income and expenditure reserve.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Property, plant and equipment (continued)

Impairment

The carrying values of property, plant and equipment assets are reviewed for impairment when events or changes in circumstances indicate their carrying value may not be recoverable.

Decreases in asset values that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount which is 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.

Increases in asset values arising from revaluation are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, such reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have been if the original impairment had never been recognised.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income.

1.6 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.

1.7 Inventories and work in progress

Inventories and work in progress are valued at the lower of cost and net realisable value. Cost is determined using a first in, first out

Work in progress comprises goods in intermediate stages of production.

Provision is made where necessary for obsolete, slow moving and defective

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.

1.8 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of where 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 required to settle the obligation. The Trust uses HM Treasury's pension rate of 1.70% (2021/22 minus 1.30%), in real terms, as the discount rate for early retirement and injury benefit provisions.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Provisions (continued)

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution, 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 23, but this value 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.

1.9 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.10 Contingent liabilities

The Trust has contingent liabilities in respect of NHS Resolution legal claims arising in the normal course of activities. Where the transfer of economic liabilities in respect of legal claims is possible the Trust discloses the estimated value as a contingent liability in note 26.

1.11 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 29, to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.12 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 regulation. By their nature they are items that ideally should not arise. They are therefore subject to specific control procedures compared with the generality of payments. They are divided into different categories, which govern the way the individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

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

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.13 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed.

Accounting judgement - Modern Equivalent Asset valuation

The majority of the Trust's estate is considered to be specialised assets as there is no open market for an acute hospital. The modern equivalent asset valuation is based on the assumption that any modern equivalent replacement hospital would be built on an alternative site within the Exeter. Specialised land and buildings relating to the Northern locations continue to be valued using their site's current locations.

Accounting judgement - Intangible Asset valuation

The intangible asset relating to the Northern Health Record System has been valued on a depreciated replacement cost basis – the Trust adopted the same methodology as was applied to the intangible asset of Eastern Services, which was previously undertaken by an external valuer. This methodology takes into account the learning curve of the Trust as it developed its extended elements of the asset and current market prices, with the assumption that any replacement software would provide the same required functionality.

Revisions to accounting estimates are recognised in the period in which the estimate is revised.

1.14 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.

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 include 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. Irrecoverable VAT on lease payments is expensed as it falls due.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.14 Leases (continued)

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.

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.

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.

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

1.15 Public dividend capital

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

A charge, reflecting the forecast cost of capital utilised by the Trust, is paid over as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and the average daily cash held with the Government Banking Service. Average relevant net assets are calculated as a simple means of opening and closing relevant net assets in the pre-audit version of the accounts after adjusting for the average daily cash held within the Government Banking Service. The dividend charge would not be revised should any adjustments to net assets occur as a result of any changes between the draft and audited accounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.16 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

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

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as 'loans and receivables'. Financial liabilities are classified as 'other financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the statement of financial position date, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (CONTINUED)

1.16 Financial instruments and financial liabilities (continued)

Impairment of financial assets

At the statement of financial position date, the Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision that is determined specifically on individual assets.

1.17 Corporation tax

The Trust is a Health Service Body within the meaning of s519A of the Income and Corporation Tax Act 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for HM Treasury to dis-apply the exemption in relation to specified activities of an NHS foundation trust (s519A (3) to (8) of the Income and Corporation Taxes Act 1988). Accordingly, the FT is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. Until the exemption is dis-applied then the FT has no corporation tax liability.

1.18 Consolidation of NHS charitable funds

The Trust is the Corporate Trustee of the Royal Devon University Healthcare NHS Foundation Trust Charity. The Charity has not been consolidated within these annual accounts as the value of the Charity is low and consolidation into the Trust's accounts would have no material effect. Further information relating to transactions between the Trust and the Charity is disclosed in note 27.

1.19 Interests in other entities

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.

1.20 Transfers of functions to / from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised as a transfer by absorption within the Statement of Comprehensive Income, 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. Adjustments to align the acquired assets / liabilities to the foundation trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

NOTES TO THE ACCOUNTS

2. Segmental analysis

The Chief Operating Decision Maker, who is responsible for the allocation of resources and the assessment of the performance of operating segments has been identified as the Trust's Board of Directors.

Throughout the financial year the Trust's Board of Directors received a monthly integrated performance report, that provided information against key standards and targets. The reports included financial performance information which has assisted the Board of Directors with their financial decisions. The monthly information provided to the Board of Directors has been similar to the primary statements within these accounts.

The Board of Directors have received financial information relating to operating segments in the form of analysis of variances against budget. The analysis focusses on variances to budget and does not provide details of total income and expenditure by operating segment. As this analysis is not in a suitable format to be reconciled to the Trust's income and expenditure per the Statement of Comprehensive Income, the information has not been included within these Accounts.

3. Income from activities

	2022/23	2021/22
	£000	£000
Income from commissioners under API contracts*	**621,175**	417,432
High cost drugs and devices income from commissioners	**103,824**	71,901
Other NHS clinical income	**2,991**	1,692
Private patient income	**2,455**	950
Agenda for Change pay award central funding**	**21,728**	-
Other clinical income	**159**	-
Elective Recovery Fund	**24,627**	25,171
Community services income from CCGs and NHS England and Devon County Council	**104,303**	59,940
Additional pension contribution central funding***	**25,129**	17,117
	906,391	594,203

*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 documents.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

**'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.

3.1 Income from activities - by source

	2022/23	2021/22
	£000	£000
NHS England	**227,079**	152,822
Clinical commissioning groups	**154,558**	438,738
Integrated care boards	**511,040**	-
NHS trusts and foundation trusts	**691**	949
Local authorities	**9,106**	1
Department of Health and Social Care	**20**	-
Non-NHS - private patients	**1,847**	667
Non-NHS - overseas patients (non-reciprocal)	**718**	283
NHS injury scheme	**1,006**	538
Non-NHS - other	**326**	205
	906,391	594,203

NHS Injury Scheme income is subject to a provision for doubtful debts of 24.86% (2021/22 - 23.76%) to reflect expected rates of collection based upon historical experience.

NOTES TO THE ACCOUNTS

3.2 Income from overseas visitors

	2022/23 £000	2021/22 £000
Income recognised this year	**718**	283

4. Other operating income

	2022/23 £000	2021/22 £000
Research and development	**24,298**	23,945
Education and training	**26,699**	17,260
Charitable and other contributions to expenditure and for the purchase of capital assets	**2,329**	173
Non-patient care services to other bodies	**33,379**	31,877
Staff recharges	**8,397**	4,930
Reimbursement and top up funding *	**4,499**	11,989
Support from the Department of Health and Social Care for mergers	**-**	750
Rental revenue from operating leases	**6**	5
Consumables (inventory) donated from DHSC group bodies for COVID response	**1,167**	1,077
Car Parking income	**1,937**	754
Catering	**2,530**	1,930
Staff accommodation rental	**997**	544
Non-clinical services recharged to other bodies	**4,704**	1,039
Crèche services	**868**	1,216
Other income**	**8,990**	5,245
	120,800	102,734

* Reimbursement and top up funding includes the reimbursement of COVID-19 costs such as testing and vaccinations.

**Other income includes pharmacy sales, staff contribution to employee benefit schemes, National Clinical Excellence Awards income as well as Community and Cancer Services funding.

5. Operating expenses

	2022/23 £000	2021/22 £000
Services from NHS and DHSC bodies	**4,935**	3,513
Services from non-NHS and non-DHSC bodies	**16,114**	8,378
Employee expenses - executive directors (see note 5.1)	**1,643**	765
Employee expenses - executive directors recharged to NDHT (included in income)	**-**	766
Employee expenses - non-executive directors (see note 5.1)	**177**	130
Employee expenses - non-executive directors recharged to NDHT (included in income)	**-**	25
Employee expenses - staff	**628,880**	400,189
Drug costs	**108,189**	75,669
Supplies and services - clinical (excluding drug costs)	**86,939**	62,555
Supplies and services - general	**17,010**	6,384
Establishment	**16,616**	11,051
Research and development - not included in employee expenses	**17,011**	17,527
Research and development - included in employee expenses (see note 6.1)	**6,613**	5,710
Education and training - not included in employee expenses	**2,435**	1,553
Education and training - included in employee expenses (see note 6.1)	**19,423**	15,707
Transport	**5,249**	3,122
Premises	**26,674**	18,033
Increase in bad debt provision	**247**	28
Depreciation on property, plant and equipment and right of use assets	**29,965**	14,967
Amortisation of intangible assets	**8,115**	5,989
Impairments - buildings	**5,118**	9,776
Impairments - intangibles	**5,321**	-
Audit fees - statutory audit	**135**	95
Internal audit fees	**278**	266
Clinical negligence - amounts payable to NHS Resolution (premium)	**22,407**	14,853
Losses, ex gratia and special payments - staff costs	**-**	42
Losses, ex gratia and special payments - non staff costs	**514**	241
Consultancy	**828**	714
Lease expenditure - short term leases	**2,018**	-
Other	**8,314**	13,736
	1,041,168	691,784

"Other expenditure" above includes finance lease irrecoverable VAT expenditure, patient travel, car parking, security, insurance and legal fees. 2021/22 "Other expenditure" also included all operating leases expenditure prior to implementation of IFRS16.

The total employer's pension contributions are disclosed in note 6.1.

NOTES TO THE ACCOUNTS

5.1 Directors' remuneration and other benefits

	2022/23 £000	2021/22 £000
Aggregate directors' remuneration	**1,740**	1,593
Employer's contribution to pension scheme	**80**	93
Total	**1,820**	1,686

In the year ended 31 March 2023 five directors accrued benefits under defined benefit pension schemes (2021/22 - five).

5.2 Auditor's remuneration

The audit fee was £135k in 2022/23 (2021/22 - £95k), this includes £7k for the audit of the Trust's charity.

5.3 Auditor's liability

The Board of Governors has appointed KPMG LLP as external auditors. The engagement letter signed on the 3rd June 2020 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed 125% of the annual fee in the aggregate in respect of all services (2021/22 - 125% of the annual fee).

6. Staff costs and numbers

6.1 Staff costs

	2022/23 £000	2021/22 £000
Salaries and wages	**484,240**	324,630
Social security costs	**52,861**	30,430
Apprenticeship levy	**2,461**	1,601
Employer contributions to NHSPA	**82,811**	56,447
Termination benefits	**67**	67
Temporary staff - external bank	**15,933**	-
Agency and contract staff	**25,271**	10,610
	663,644	423,785
Costs capitalised as part of assets	**6,740**	315
	656,904	423,470
Analysed into operating expenses (see note 5):		
Employee expenses staff	**630,523**	396,264
Employee expenses executive directors	**-**	5,321
Employee expenses - executive directors recharged to NDHT (included in income)	**-**	135
Research and development	**6,613**	5,710
Education and training	**19,423**	15,707
Redundancy	**67**	67
Internal Audit staff costs	**278**	266
	656,904	423,470

6.2 Average number of persons employed including directors

	Permanent employees Number	Other employees Number	**2022/23 Total Number**	2021/22 Total Number
Medical and dental	1,341	29	**1,370**	948
Ambulance staff	13	-	**13**	2
Administration and estates	1,893	144	**2,037**	1,559
Healthcare assistants and other support staff	3,634	371	**4,005**	2,788
Nursing, midwifery and health visiting staff	2,983	241	**3,224**	2,211
Scientific, therapeutic, technical and healthcare science staff	1,461	26	**1,487**	1,013
Other	11	-	**11**	13
Total	**11,336**	**811**	**12,147**	8,534

NOTES TO THE ACCOUNTS

6.3 Staff exit packages

Exit package cost	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Less than £10,000	**17**	**63**	24	75
£10,000 to £25,000	**3**	**44**	1	13
£25,001 to £50,000	**2**	**67**	1	29
£50,001 to £100,000	**-**	**-**	1	57
Total number	**22**	**174**	27	174

Exit packages relate to staff redundancies and payments in lieu of notice and include employer's NIC.

7. Pensions

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

Additionally, the Trust offers a defined contribution workplace pension scheme NEST (the National Employment Savings Scheme). £335k employer NEST contributions were recognised as an expense in 2022/23 (2021/22 - £230k).

8. Retirements due to ill-health

During 2022/23 there were eight (2021/22 - eleven) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £832k (2021/22 - £933k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

NOTES TO THE ACCOUNTS

9. The late payment of commercial debts (Interest) Act 1998

In 2022/23 the Trust incurred £nil (2021/22 - less than £1k) arising from claims made under this legislation. The total liability accruing as a result of late payments is £nil (2021/22 £nil).

10. Finance income

	2022/23 £000	2021/22 £000
Interest on cash and cash equivalents	**1,549**	32

11. Finance expense

	2022/23 £000	2021/22 £000
Loans from the Independent Trust Financing Facility	**342**	407
Other loans	**1,951**	2,124
Finance leases	**591**	74
Unwinding of discount on provisions	**(4)**	(4)
Total	**2,880**	2,601

12. Other gains / (losses)

	2022/23 £000	**2021/22 £000**
Gains on disposal of assets	**3**	15
Losses on disposal of assets	**-**	(1)
Total	**3**	14

13. Better Payment Practice Code

	2022/23 Number	**2022/23 Value £000**	2021/22 Number	2021/22 Value £000
Total non-NHS trade invoices paid in the year	**212,405**	**492,838**	143,559	353,591
Total non-NHS trade invoices paid within target	**194,897**	**455,455**	132,031	327,232
Percentage of non-NHS trade invoices paid within target	**91.8%**	**92.4%**	92.0%	92.5%
Total NHS trade invoices paid in the year	**4,051**	**142,141**	3,232	41,512
Total NHS trade invoices paid within target	**3,510**	**136,474**	2,790	36,268
Percentage of NHS trade invoices paid within target	**86.6%**	**96.0%**	86.3%	87.4%

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

14. Losses and special payments

	2022/23 Number	**2022/23 Value £000**	2021/22 Number	2021/22 Value £000
Losses:				
Cash losses	**19**	**287**	6	4
Bad debts and claims abandoned	**78**	**129**	42	27
Stores losses, including damage to buildings	**5**	**234**	2	98
Total losses	**102**	**650**	50	129
Special payments - Ex-gratia	**86**	**285**	69	155
Total losses and special payments	**188**	**935**	119	284

NOTES TO THE ACCOUNTS

15. Intangible assets

15.1 Intangible assets at 31 March 2022

	IT In-house and 3rd party software £'000	Software licences £'000	Total £000
Fair value at 1 April 2021	42,694	2,616	45,310
Additions - purchased	1,011	85	1,096
Transferred into use - from property, plant and equipment (note 16.2)	13	-	13
Fair value at 31 March 2022	**43,718**	**2,701**	**46,419**
Accumulated amortisation at 1 April 2021	1,238	1,937	3,175
Provided during the year	5,853	136	5,989
Accumulated amortisation at 31 March 2022	**7,091**	**2,073**	**9,164**
Net book value			
Purchased at 31 March 2022	36,627	628	37,255
Total at 31 March 2022	**36,627**	**628**	**37,255**

15.2 Intangible assets at 31 March 2023

	IT In-house and 3rd party software and AUC £'000	Software licences £'000	Total £'000
Fair value at 1 April 2022	43,718	2,701	46,419
Transfers by absorption	14,846	12,763	27,609
Additions - purchased	9,594	5,026	14,620
Reclassifications and transferred into use - from property, plant and equipment (note 16.1)	(23,590)	23,527	(63)
Impairments - to operating expenditure	-	(5,321)	(5,321)
Disposals	-	(416)	(416)
Fair value at 31 March 2023	**44,568**	**38,280**	**82,848**
Accumulated amortisation at 1 April 2022	7,091	2,073	9,164
Transfers by absorption	59	7,305	7,364
Provided during the year	5,961	2,154	8,115
Disposals/derecognition	-	(416)	(416)
Accumulated amortisation at 31 March 2023	**13,111**	**11,116**	**24,227**
Net book value			
Purchased at 31 March 2023	31,457	27,164	58,621
Total at 31 March 2023	**31,457**	**27,164**	**58,621**

The Trust has implemented a new Health Record System for the Northern location, similar to the system that had already been implemented within the Eastern locations. The intangible asset relating to the Northern Health Record System has been valued on a depreciated replacement cost basis – the Trust adopted the same methodology as was applied to the intangible asset of Eastern Services, which was previously undertaken by an external valuer. This methodology takes into account the learning curve of the Trust as it developed its extended elements of the asset and current market prices, with the assumption that any replacement software would provide the same required functionality, this has resulted with an impairment charge of £5,321k.

16. Property, plant and equipment

16.1 Property, plant and equipment at the statement of financial position date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2022	9,870	226,921	2,380	28,788	85,547	1,797	21,899	99	377,301
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	-	-	-	-	(2,045)	-	-	-	(2,045)
Transfers by absorption	6,630	67,269	524	10,241	20,843	12	3,999	936	110,454
Additions - purchased	-	6,969	-	17,400	8,788	453	2,885	373	36,868
Additions - donated	-	108	-	791	1,033	22	-	-	1,954
Impairments and reversals of impairments - to operating expenses	1,417	(6,688)	6	-	-	-	-	-	(5,265)
Impairments and reversals of impairments - to revaluation reserve	(20)	(651)	-	-	-	-	-	-	(671)
Revaluation	585	(9,515)	466	-	-	-	-	-	(8,464)
Disposals	-	-	-	-	(3,467)	-	(349)	(76)	(3,892)
Reclassifications - net total transferred to Intangible assets (note 15.2)	-	4,257	-	(19,786)	4,938	-	10,654	-	63
Cost or valuation at 31 March 2023	**18,482**	**288,670**	**3,376**	**37,434**	**115,637**	**2,284**	**39,088**	**1,332**	**506,303**
Accumulated depreciation at 1 April 2022	-	13,926	250	-	49,078	1,372	13,397	47	78,070
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	-	-	-	-	(204)	-	-	-	(204)
Transfers by absorption	-	2,484	68	-	10,961	12	1,581	446	15,552
Provided during the year	-	10,991	193	-	7,502	109	4,283	124	23,202
Impairments and reversals of impairments - to operating expenses	-	(147)	-	-	-	-	-	-	(147)
Revaluations	-	(27,065)	(511)	-	-	-	-	-	(27,576)
Eliminated on disposals	-	-	-	-	(3,467)	-	(349)	(76)	(3,892)
Accumulated depreciation at 31 March 2023	**-**	**189**	**-**	**-**	**63,870**	**1,493**	**18,912**	**541**	**85,005**
Purchased at 31 March 2023	18,482	280,860	3,376	36,643	46,125	770	20,151	747	407,154
Donated at 31 March 2023	-	7,621	-	791	5,642	21	25	44	14,144
Total at 31 March 2023	**18,482**	**288,481**	**3,376**	**37,434**	**51,767**	**791**	**20,176**	**791**	**421,298**

The Trust's land, buildings and dwellings were revalued as at 31 March 2023. The valuation was undertaken by Gerald Eve, in accordance with International Financial Reporting Standards and also complies with HM Treasury's requirements to value land and buildings on the basis of utilising modern equivalent buildings that would give the same service potential as is provided by the actual estate that the Trust owns, note 16.3 provides further details.

16. Property, plant and equipment (continued)

16.2 Property, plant and equipment at the statement of financial position date comprise the following elements:

	Freehold land	Freehold buildings excluding dwellings	Freehold dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2021	9,914	206,973	2,380	16,413	78,267	1,684	18,012	45	333,688
Additions - purchased	-	11,153	-	33,610	6,947	57	2,792	45	54,604
Additions - donated	-	-	-	-	173	-	-	-	173
Reclassifications - net total transferred to Intangible assets (note 15.1)	611	19,191	-	(21,235)	260	56	1,095	9	(13)
Impairment	-	(9,776)	-	-	-	-	-	-	(9,776)
Revaluation	-	1,054	-	-	-	-	-	-	1,054
Transfer to / from assets held for sale	(655)	(1,674)	-	-	-	-	-	-	(2,329)
Disposals	-	-	-	-	(100)	-	-	-	(100)
Cost or valuation at 31 March 2022	**9,870**	**226,921**	**2,380**	**28,788**	**85,547**	**1,797**	**21,899**	**99**	**377,301**
Accumulated depreciation at 1 April 2021	-	6,314	125	-	44,292	1,270	11,168	45	63,214
Provided during the year	-	7,626	125	-	4,883	102	2,229	2	14,967
Transfers to / from assets held for sale	-	(14)	-	-	-	-	-	-	(14)
Eliminated on disposals	-	-	-	-	(97)	-	-	-	(97)
Accumulated depreciation at 31 March 2022	**-**	**13,926**	**250**	**-**	**49,078**	**1,372**	**13,397**	**47**	**78,070**
Purchased at 31 March 2022	9,870	209,025	2,130	28,788	34,597	425	8,473	52	293,360
Donated at 31 March 2022	-	3,970	-	-	1,872	-	29	-	5,871
Total at 31 March 2022	**9,870**	**212,995**	**2,130**	**28,788**	**36,469**	**425**	**8,502**	**52**	**299,231**

At the statement of financial position date there was one asset held under a finance lease, at a value of £1.8m (2020/21 £2.0m). There were no assets held under hire purchase contracts or private finance initiative (PFI).

During 2021-22 the Trust re-purposed the Exeter Nightingale Hospital to provide greater theatre and diagnostics capacity to the wider Devon healthcare system. This re-purpose of the building was supported by NHSEI, with the Trust receiving PDC Capital funding to meet the costs of the reconfiguration. The Trust's specialised buildings are valued using the depreciated replacement cost method, based upon providing a modern equivalent asset (MEA). A fundamental principle of MEA valuations is that a hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for the existing operations. An impairment charge of £9.8m arose as the cost to retro-fit a building is higher than it would be to construct a new building. An impairment valuation was undertaken by Gerald Eve, who are professionally qualified valuers, and was in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual, International Financial Reporting Standards and it also complies with HM Treasury's requirements to value land and buildings on the basis of utilising modern equivalent buildings that would give the same service potential as is provided by the actual estate that the Trust owns.

NOTES TO THE ACCOUNTS

16. Property, plant and equipment (continued)

16.3 Revaluation of land, buildings and dwellings

With the exception of the Exeter Nightingale Hospital, the Eastern land and buildings were last valued in March 2020 and the Northern Assets in March 2021.

The Trust's freehold and leasehold property was valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the depreciated replacement cost (DRC) method, with other in-use properties reported on an existing use value basis.

The Trust's specialised buildings and associated land are valued using the DRC method, based upon providing a modern equivalent asset (MEA). A fundamental principle of MEA valuations is that a hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for the existing operations. The valuation of the majority of the Trust's specialised land and buildings within the Eastern location are based upon the Trust hypothetically being located on a suitable alternative site away from the Exeter city centre, where the cost of the land would be significantly lower, but where the Trust would still be able to re-provide its services. Specialised land and buildings relating to the Northern locations continue to be valued using their site's current locations which in general are already towards or on the outer edges of their respective towns where the costs are already low.

In 2022/23 the net valuation of the Trust's land and buildings increased by £13,323k, with an increase in the revaluation reserve of £18,441k that is partially offset with an impairment charge of £5,118k.

17. Leases - Royal Devon University Healthcare NHS Foundation Trust as a lessee

The Trust holds property and equipment leases.

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.

17.1 Right of use assets at the statement of financial position date comprise the following elements:

	Property (land and buildings)	Plant & machinery	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	2,045	-	**2,045**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	51,370	4,846	127	**56,343**	29,519
Transfers by absorption	-	-	-	**-**	-
Additions	764	2,017	68	**2,849**	343
Remeasurements of the lease liability	310	-	-	**310**	-
Valuation / gross cost at 31 March 2023	52,444	8,908	195	**61,547**	29,862
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	204	-	**204**	-
Provided during the year	5,296	1,388	79	**6,763**	3,069
Accumulated depreciation at 31 March 2023	5,296	1,592	79	**6,967**	3,069
Net book value at 31 March 2023	**47,148**	**7,316**	**116**	**54,580**	26,793

17.2 Revaluations of right of use assets

There were no revaluations of right of use assets in 2022/23.

17.3 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 22.

	2022/23 £000
Carrying value at 31 March 2022	**1,873**
IFRS 16 implementation - adjustments for existing operating leases	**58,172**
Lease additions	**2,849**
Lease liability remeasurements	**310**
Interest charge arising in year	**591**
Lease payments (cash outflows)	**(7,275)**
Carrying value at 31 March 2023	**56,520**

Expenditure on short term leases is recognised in operating expenditure disclosed in Note 5.

NOTES TO THE ACCOUNTS

17. Leases (continued)

17.4 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	8,896	4,059
- later than one year and not later than five years;	26,105	12,989
- later than five years.	24,939	11,004
Total gross future lease payments	**59,940**	28,052
Finance charges allocated to future periods	(3,420)	(1,135)
Net lease liabilities at 31 March 2023	**56,520**	26,917
Of which:		
Leased from other NHS providers		-
Leased from other DHSC group bodies		26,917

17.5 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.

	31 March 2022 £000
Undiscounted future lease payments payable in:	
- not later than one year;	178
- later than one year and not later than five years;	785
- later than five years.	910
Total gross future lease payments	1,873
Finance charges allocated to future periods	-
Net finance lease liabilities at 31 March 2022	1,873
of which payable:	
- not later than one year;	178
- later than one year and not later than five years;	785
- later than five years.	910
	1,873

17.6 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.

	2021/22 £000
Operating lease expense	
Minimum lease payments	8,155

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	6,971
- later than one year and not later than five years;	24,403
- later than five years.	34,671
Total	66,045

NOTES TO THE ACCOUNTS

17. Leases (continued)

17.7 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.

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%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**70,370**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**60,413**
Less:	
Commitments for short term leases	**(427)**
Commitments for leases of low value assets	**(166)**
Irrecoverable VAT previously included in IAS 17 commitment	**(234)**
Other adjustments:	
Rent decreases reflected in the lease liability, not previously reflected in the IAS 17 commitment	**(1,414)**
Finance lease liabilities under IAS 17 as at 31 March 2022	**1,873**
Total lease liabilities under IFRS 16 as at 1 April 2022	**60,045**

18. Investments in associates and joint ventures

	31 March 2023 £000	31 March 2022 £000
Carrying value at 1 April	**5**	5
Carrying value at 31 March	**5**	5

In 2016/17 the Trust acquired a 20% shareholding in a new company Dextco Limited. Dextco Limited is a joint venture between the Trust and a number of local public sector bodies with the aim of developing energy projects in Exeter.

19. Inventories

19.1 Inventories held at year end

	31 March 2023 £000	31 March 2022 £000
Drugs	**4,953**	1,938
Consumables	**9,824**	7,770
Energy	**399**	238
Inventories carried at fair value less costs to sell	**448**	285
Total inventories	**15,624**	10,231

19.2 Inventories recognised in expenses

	2022/23 £000	2021/22 £000
Inventories recognised in expenses	**131,151**	92,644
Write-down of inventories recognised in expenses	**234**	98
Total inventories recognised in expenses	**131,385**	92,742

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £1,167k of items purchased by DHSC (2021/22 £1,077k).

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.

NOTES TO THE ACCOUNTS

20. Trade and other receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	**49,181**	31,438
Capital receivables	**291**	-
Prepayments	**7,788**	4,984
Allowance for impaired contract receivables / assets	**(796)**	(656)
Other receivables	**469**	287
PDC dividend receivable	**52**	-
VAT receivable	**3,200**	905
Total current trade and other receivables	**60,185**	36,958
Non-current		
Contract receivables	**2,276**	1,364
Allowance for impaired contract receivables / assets	**(228)**	-
Other receivables	**1,027**	590
Total non-current trade and other receivables	**3,075**	**1,954**
Total trade and other receivables	**63,260**	38,912

Provision for impairment of receivables	31 March 2023 £000	31 March 2022 £000
At 1 April	**656**	628
Transfer by absorption	**269**	-
Increase / (decrease) in provision	**238**	(96)
Amounts utilised, reversed and changes in calculations	**(139)**	124
At 31 March	**1,024**	656

The provision for impairment of receivables relates to specific receivables over 3 months old.

21.1 Trade and other payables

Current	31 March 2023 £000	31 March 2022 £000
Trade payables	**13,514**	7,797
Trade payables - capital	**6,615**	15,584
Other taxes payable	**12,403**	8,286
PDC dividend payable	**-**	306
Other payables	**8,389**	5,666
Accruals	**62,402**	36,419
	103,323	74,058
Current other liabilities		
Other deferred income	**17,892**	14,083

21.2 Non current other liabilities

	31 March 2023 £000	31 March 2022 £000
Other deferred income	**-**	1,877

22. Borrowings

Current	31 March 2023 £000	31 March 2022 £000
Loans from Foundation Trust Financing Facility	**1,270**	1,271
Other Loans	**6,510**	4,828
Lease liabilities*	**8,896**	178
	16,676	6,277
Non-current		
Loans from Foundation Trust Financing Facility	**4,968**	6,238
Other Loans	**50,102**	55,105
Lease liabilities*	**47,624**	1,695
	102,694	63,038
Total borrowings	**119,370**	69,315

* 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 17.

NOTES TO THE ACCOUNTS

22. Borrowings (continued)

Foundation Trust Financing Facility

Two loans are repayable to the Secretary of State for Health and Social Care. The first loan of £17m was entered into in the year ended 31 March 2006. It is repayable over a 20 year period, ending 30 March 2026, by equal quarterly instalments and the interest rate of the loan is fixed at 4.55% per annum. The second loan of £10m was entered into in the year ended 31 March 2007, and is repayable over a 25 year period, ending 30 March 2032, by equal quarterly instalments and the interest rate of the loan is fixed at 5.05% per annum.

Other loans

Loans of £21m were received from both Hitachi Capital and Siemens Bank in the year ended 31 March 2019. The loans are repayable over a 12 year period ending September 2030, in equal quarterly instalments that commenced in December 2020.

A loan of £18.3m has been received from a supplier (received between 2018/19 and 2022/23). The loan is repayable over an 11 year period ending March 2029.

A loan of £6.2m has been received from Salix (received in 2019/20 and 2021/22). The loan is repayable over a 7 year period ending October 2027.

	Loans from DHSC £000	**Other loans £000**	**Finance leases £000**	**Total £000**
Carrying value at 1 April 2022	7,509	59,933	1,873	69,315
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,270)	(3,752)	(6,685)	(11,707)
Financing cash flows - payments of interest	(343)	(1,520)	(590)	(2,453)
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	-	-	58,172	58,172
Additions	-	-	2,849	2,849
Lease liability remeasurements	-	-	310	310
Application of effective interest rate	342	1,951	591	2,884
Carrying value at 31 March 2023	**6,238**	**56,612**	**56,520**	**119,370**

23. Provisions

	Early retirements £000	Legal claims £000	Injury benefits £000	Other £000	**Total £000**
At 1 April 2022	35	166	316	593	**1,110**
Transfers by absorption	-	60	-	-	**60**
Change in discount rate	-	-	-	(908)	**(908)**
Arising during the year	(2)	126	(58)	1,340	**1,406**
Utilised during the year	(5)	(42)	(17)	(14)	**(78)**
Reversed unused	-	(36)	-	-	**(36)**
Unwinding of discount	-	-	(4)	21	**17**
At 31 March 2023	**28**	**274**	**237**	**1,032**	**1,571**

Expected timing of cash flows:	**31 March 2023 £000**	31 March 2022 £000
In one year or less	**295**	191
Between one and five years	**119**	93
Over five years	**1,157**	826
	1,571	1,110

Legal claims relate to employee and public liability claims.

Contingent liabilities relating to legal claims are shown in note 26.

NHS Resolution is carrying provisions as at 31 March 2023 in relation to Existing Liabilities Scheme and in relation to Clinical Negligence Scheme on behalf of the Trust of £418.8m (2021/22 - £325.2m).

Other provisions relate to the estimated clinicians' pension tax. An equal amount due from NHSE is included in Receivables.

NOTES TO THE ACCOUNTS

24. Cash and cash equivalents

	31 March 2023	31 March 2022
	£000	£000
At 1 April 2022	**68,575**	63,543
Transfer by absorption	**20,345**	-
Net change in the year	**(42,887)**	5,032
At 31 March 2023	**46,033**	68,575
Broken down into:		
Cash at commercial banks and in hand	**36**	24
Cash with Government Banking Service	**45,997**	68,551
Cash and cash equivalents as in SoFP and Cash Flow Statement	**46,033**	68,575

Cash and cash equivalents represents cash in hand and deposits with any financial institution with a short term maturity period of three months or less from the date of the acquisition of the investment.

25. Capital commitments

Commitments under capital expenditure contracts, which relate to property, plant and equipment, at the statement of financial position date were £3,274k (2021/22 - £7,044k).

26. Contingent liabilities

	31 March 2023	31 March 2022
	£000	£000
Contingent NHS Resolution legal claims	**-**	-

27. Related party transactions

The Trust is a public benefit corporation established under the NHS Act 2006. The Department of Health has the power to control the Trust and therefore can be considered to be the Trust's parent. The Trust's Accounts are included within the NHS Foundation Trust Consolidated Accounts, which are included within the Whole of Government Accounts. The Department of Health is accountable to the Secretary of State for Health. The Trust's ultimate parent is therefore HM Government.

The Trust is under the common control of the Board of Directors.

Directors' remuneration and other benefits are disclosed within the operating expenditure, note 5.1.

The Royal Devon Univerity Healthcare NHS Foundation Trust is the Corporate Trustee of the Royal Devon University Healthcare NHS Foundation Trust General Charity ("Charity"), registered charity number 1061384, registered office Newcourt House, Newcourt Road, Exeter, EX2 7JU. The Charity's objective is for any charitable purpose and purposes relating to the National Health Service wholly or mainly for the Royal Devon University Healthcare NHS Foundation Trust. The Trust has received during the year £346k (2021/22 - £58k) revenue income, £Nil grant income (2021/22 £Nil) and £1,068k (2021/22 - £173k) capital contributions from the Charity. At 31 March 2023 the Trust was due £167k (2021/22 - £45k) from the Charity. The Charity's most recent audited accounts were for the year ended 31 March 2022 and the Charity held aggregated reserves of £3,736k.

During the year the Royal Devon University Healthcare NHS Foundation Trust has had a significant number of material transactions with the Department of Health and Social Care ("DHSC"), and with other entities for which the DHSC is regarded as the parent of those entities. Income from activity - by source (note 3.1) and the operating expense (note 5) provides details of revenue transactions with those entities. Below are considered to be the significant material transactions.

	Income	**Expenditure**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
2022/23				
Department of Health and Social Care (excludes PDC dividend)	**21,140**	**-**	**1,260**	**-**
Health Education England	**32,274**	**-**	**1,640**	**-**
NHS England (Includes Regional offices / Commissioning hubs)	**213,650**	**44**	**29,041**	**592**
NHS Devon ICB	**494,771**	**216**	**4,219**	**80**
NHS Devon CCG	**148,912**	**88**	**-**	**-**
NHS Cornwall and the Isles of Scilly ICB	**9,495**	**-**	**20**	**-**
NHS Kernow CCG	**3,092**	**-**	**-**	**-**
NHS Somerset ICB	**4,727**	**-**	**7**	**-**
NHS Somerset CCG	**1,549**	**-**	**-**	**-**
Devon Partnership NHS Trust	**6,060**	**2,157**	**528**	**455**
2021/22				
Department of Health and Social Care (excludes PDC dividend)	22,492	-	667	-
Health Education England	20,589	-	761	-
NHS England (Includes Regional offices / Commissioning hubs)	148,963	67	3,850	-
NHS Devon CCG	429,812	1,004	16,944	100
NHS Somerset CCG	5,318	-	-	-
Northern Devon Healthcare NHS Trust	7,663	1,889	203	350

NOTES TO THE ACCOUNTS

28. Financial instruments

A financial instrument is a contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity. IFRS 7, Financial Instruments: Disclosures, requires 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 financial assets and liabilities of the Trust are generated by day to day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Credit risk

Credit risk arises when the Trust is exposed to the risk that a party is unable to meet its obligation to the Trust in respect of financial assets due.

Financial assets mainly comprise monies due from Integrated Care Boards (ICBs) and NHS England for services rendered by the Trust in fulfilment of service agreements, and cash balances held on deposit. It is considered that financial assets due from these organisations pose a low credit risk as these entities are funded by HM Government.

A significant proportion of the Trust's cash balances are held on deposit with the Government Banking Service, and as such the credit risk on these balances is considered to be negligible.

Liquidity risk

Liquidity risk arises if the Trust is unable to meet its obligations arising from financial liabilities. The Trust's financial liabilities mainly arise from net operating costs, which are mainly incurred under legally binding annual service agreements with ICBs and NHS England, and liabilities incurred through expenditure on capital projects. Other liquidity risks are loans repayable to the FTFF and commercial loan providers.

The majority of the Trust’s income is earned from NHS commissioners in the form of fixed monthly payments to fund an agreed level of activity. Such fixed payments allow the Trust to accurately forecast cash inflows. The preparation and review of cash flow forecasts together with the controls in place governing the authorisation of expenditure ensure that the Trust maintains sufficient funds to meet obligations as they fall due.

Market risk

Market risk arises when the Trust is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

The Trust receives income denominated in sterling. The Trust, on occasion, does enter into agreements to make payments in non-sterling denominated currencies. Non-sterling payments are principally short term liabilities and for non-significant amounts. Given this, the Trust does not consider that it is exposed to any material currency risk and therefore has elected not to hedge its exposure.

Interest rate risk

The Trust does not enter into contracts where cash flows are determined by the use of a variable interest rate.

Other price risk

The Trust enters into legally binding contracts with both its customers and suppliers that stipulate the price to be paid. As such it does not consider itself exposed to material other price risk.

NOTES TO THE ACCOUNTS

28. Financial instruments (continued)

28.1 Carrying value of financial assets

	Held at amortised cost £000
Trade and other receivables excluding non financial assets	33,023
Cash and cash equivalents at bank and in hand	68,575
Total at 31 March 2022	101,598

	Held at amortised cost £000
Trade and other receivables excluding non financial assets	**52,220**
Cash and cash equivalents at bank and in hand	**46,033**
Total at 31 March 2023	**98,253**

28.2 Carrying value of financial liabilities

	Held at amortised cost £000
Loans from the Department of Health and Social Care	7,509
Other borrowings	59,933
Obligations under finance leases	1,873
Trade and other payables excluding non financial liabilities	65,466
Total at 31 March 2022	134,781

	Held at amortised cost £000
Loans from the Department of Health and Social Care	**6,238**
Other borrowings	**56,612**
Obligations under finance leases	**56,520**
Trade and other payables excluding non financial liabilities	**90,920**
Total at 31 March 2023	**210,290**

28.3 Fair value

For all of the financial assets and liabilities at 31 March 2023 and 31 March 2022 the fair value is equal to book value.

29. Third party assets

The Trust held £Nil cash at bank and in hand at 31 March 2023 (2021/22 - £Nil) relating to monies held on behalf of patients.

30. Standards, amendments and interpretations in issue but not yet effective or adopted and early adoption of standard

The accounts have been prepared in accordance with the 2022/23 Department of Health and Social Care Group Accounting Manual (GAM) issued by Department of Health. The accounting policies contained in that manual follow International Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. IFRS 17 Insurance Contracts which is to be applied for accounting periods beginning on or after 1 January 2021 have not yet been adopted by the Financial Reporting Manual (FReM). The standard is expected to be adopted from April 2025.

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

NOTES TO THE ACCOUNTS

31. Transfer by absorption

On the 1 April 2022, the Royal Devon and Exeter NHS Foundation Trust acquired the assets and business of the Northern Devon Healthcare NHS Trust forming the Royal Devon University Healthcare NHS Foundation Trust through merger by acquisition, approved by the Secretary of State for Health and Social Care.

The transfer has been accounted for as 'transfer by absorption' in line with the instructions set out in the Group Accounting Manual. The assets and liabilities transferred have been recognised in the accounts using the net book value as at the date of transfer. A net gain of £113,033k corresponding to the net assets transferred has been recognised within the Statement of Comprehensive Income.

Analysis of balances transferred from the Northern Devon Healthcare Trust is shown below:

	2022/23
	£000
Non-current assets	115,918
Current assets	32,937
Current liabilities	(35,771)
Non-current liabilities	(51)
Net assets	**113,033**

32. Reconciliation between surplus recorded on the Statement of Comprehensive Income (SOCI) and the adjusted financial performance reported to NHS England

The Trust's adjusted operational deficit, as monitored by NHS England (NHSE), was £16,734k. The surplus reported on the Statement of Comprehensive Income (SOCI) was £86,968k and this includes accounting entries that are classed by NHSE as technical accounting adjustments, rather than being operational transactions. The below provides a reconciliation between the adjusted operational deficit and the surplus recorded on the SOCI.

	2022/23	2021/22
	£000	£000
Surplus / (deficit) for the year (SOCI)	**86,968**	**(4,347)**
Add back impairments - buildings (note 5)	5,118	9,776
Add back impairments - intangibles (note 5)	5,321	-
Adjust (gains) on transfers by absorption (note 31)	(113,033)	-
(Deficit) / surplus before impairments and transfers	**(15,626)**	**5,429**
Remove capital donations / grants - SOCI impact (net value included in note 4 and note 5)	(1,133)	336
Remove net impact of DHSC centrally procured inventories (net value included in note 4 and note 5)	25	420
Adjusted financial performance (deficit) / surplus	**(16,734)**	**6,185**