

**THE ROBERT JONES AND
AGNES HUNT
ORTHOPAEDIC HOSPITAL
NHS FOUNDATION TRUST**

**ANNUAL REPORT AND
ACCOUNTS 2024/25**

The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

**Annual Report and Accounts for the
period of 1 April 2024 to 31 March 2025**

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

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ANNUAL REPORT

2024/25

PERFORMANCE REPORT

Statement from the Chief Executive Officer and Chair

The Robert Jones and Agnes Hunt (RJA) NHS Foundation Trust, we remain committed to providing world-class orthopaedic care, ensuring our patients receive the highest standards of treatment, comfort, and support. Our continued focus on innovation, excellence, and compassionate care has enabled us to make significant strides in both patient outcomes and the overall experience at our Trust.

The following Annual Report provides a detailed account of our performance throughout the 2024/25 financial year. It highlights our key achievements, the progress we have made against our objectives, our governance arrangements, and a focus on the important aspects of quality and finance that support our success. The full performance report across all these areas can be found within this document.

This year has been a milestone year for RJA. Our efforts to reduce waiting times and improve access to care were given a major boost with the official opening of a new theatre, which will play a key role in our ability to meet government targets for elective recovery in the coming months. We are also proud of the progress we've made in delivering high-quality care, having been ranked third nationally for overall patient experience and second for overall care and treatment in the 2023 Care Quality Commission Adult Inpatient Survey. Additionally, we were named one of only nine Trusts in England delivering results "much better than expected," a testament to the hard work and dedication of our staff.

Among the other notable highlights, the launch of our new therapeutic Garden for Alice project has been a significant development. This garden, created to support the emotional and physical wellbeing of paediatric patients, was made possible through generous donations from the RJA Charity, including a £100,000 contribution from the League of Friends. The garden was formally inaugurated with an official turf-cutting ceremony, marking the start of a project that will provide much-needed solace to our younger patients.

Our dedication to excellence in cleanliness and food standards has once again been recognised. We are proud to have achieved the distinction of having the cleanest wards and rooms in the NHS for the fourth consecutive year, and our food was rated the best in the country for the 18th time in the past 19 years, according to the CQC survey. This continues to reinforce our commitment to providing an environment that promotes patient safety and comfort.

The Trust's unwavering support for Armed Forces personnel was also reinforced as we renewed our commitment to the Armed Forces Covenant. This reaffirmation underscores our dedication to veteran care and supporting Armed Forces staff transitioning into NHS roles. We were also honoured to witness Lieutenant Colonel Carl Meyer, Clinical Director of the Veterans' Orthopaedic Service, being appointed an Officer of the Order of the British Empire (OBE) for his exceptional service to the British Army and the veteran community.

The year also saw the continued success of the myrecovery app, which now serves over 10,000 users, helping our patients stay informed and track their recovery progress. Feedback has been overwhelmingly positive, with 79% of users reporting feeling more informed and 84% recommending the app to others.

Further, RJA's commitment to improving end-of-life care was reinforced as we pledged our support to the national Swan Model of Care. This initiative will enhance the experience of patients and families during the end-of-life journey, with a focus on personalised, compassionate care.

Our focus remains on reducing waiting times, improving patient care, and supporting our staff. We are confident that with continued dedication and the right support, we will meet our goals and provide

the high-quality care that RJAH is known for. We are deeply grateful to our staff for their unwavering commitment and to our patients for their trust in us.

As we move forward into another year, we remain committed to achieving even greater things in our mission to be a leading provider of orthopaedic care. Thank you to everyone who has contributed to our success.



Harry Turner
Chair



Stacey Keegan
Chief Executive Officer

Overview of Performance

This section of the report provides an opportunity to highlight some of the considerable work that has been undertaken to enhance the Trust's services and to improve patient care and experience in the last year, centred on our key strategic themes. It also highlights the key risks to the achievement of the Trust's objectives.

The Trust had plenty of reasons to celebrate in 2024/25. Here are just a few of our many achievements from the year:

Highlights of the year

The Trust had plenty of reasons to celebrate in 2024/25. Here are just a few of our many achievements from the year:

- The Trust officially opened a new theatre, marking a significant milestone in efforts to reduce waiting times and improve access to care. This facility will be instrumental in meeting government targets for elective recovery in the coming months.
- RJAHS marked the start of its Garden for Alice project – a new therapeutic garden for paediatric patients – with an official turf-cutting ceremony. The garden, designed to support young patients' emotional and physical wellbeing, has been made possible through a dedicated appeal by the RJAHS Charity, which included a £100,000 donation from the League of Friends and support from local businesses and grant funders.
- In the 2023 Care Quality Commission Adult Inpatient Survey, RJAHS was named one of only nine Trusts in England delivering results "much better than expected" with the hospital ranking third nationally for overall patient experience and second for overall care and treatment.
- The same report highlighted results showing that RJAHS had the cleanest wards and rooms in the NHS for the fourth year in a row. Its food was also rated the best in the country – for the 18th time in the past 19 years.
- RJAHS renewed its commitment to supporting Armed Forces personnel by re-signing the Armed Forces Covenant, reinforcing its dedication to veteran care and employment. The event, held in the Headley Court Veterans' Orthopaedic Centre, highlighted new pledges to be an exemplar in veteran care and support Armed Forces staff transitioning into NHS roles.
- RJAHS has been recognised as an Exemplar Trust for Cleaning by NHS England, highlighting the hospital's outstanding cleanliness standards and commitment to continuous improvement. This accolade reflects the hard work of the multidisciplinary team and will see RJAHS play a key role in shaping future national best practices.
- The myrecovery app, designed to support RJAHS patients throughout their orthopaedic treatment journey, reached 10,000 users. The app delivers tailored information, tracks recovery progress, and supports hospital teams across departments—helping 79% of users feel more informed and 84% recommend it to others.
- The Trust formally pledged its support to the national Swan Model of Care, enhancing end-of-life support for patients and families with personalised and compassionate care. Led by Pip Page-Davies, Oncology Nurse Specialist, the scheme includes Swan boxes on each ward and has been supported by the League of Friends and Medical Illustration Team.
- Lieutenant Colonel Carl Meyer, Clinical Director and founder of RJAHS's Veterans' Orthopaedic Service, was appointed an Officer of the Order of the British Empire (OBE). The honour recognises his outstanding service to the British Army and the veteran community.

Purpose and Activities

The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust (RJAHS) is one of the UK's five Specialist Orthopaedic Centres. It is a leading orthopaedic centre of excellence with a reputation for innovation.

The Trust provides both specialist and routine orthopaedic care to its local catchment area and nationally. It is a specialist centre for the treatment of spinal injuries and disorders and also provides specialist treatment for children with musculoskeletal disorders.

The hospital has nine inpatient wards including a private patient ward; 13 operating theatres, including a day case surgery unit; and full outpatient and diagnostic facilities.

In addition to the above, the Trust works with partner organisations to provide specialist treatment for bone tumours and community-based rheumatology services.

The Trust is based on a single site in Oswestry, close to the border with Wales. The surrounding geographical area includes Shropshire, Wales, Cheshire, and the Midlands. As such, we serve the people of both England and Wales, as well as a wider national catchment. We also host some local services which support the communities in and around Oswestry. We value our links with the local community, who are strong supporters of the hospital. The Trust has contracts with a number of commissioners.

The largest English commissioner in 2024/25 was NHS Shropshire, Telford and Wrekin Integrated Care Board. The Betsi Cadwaladr University Health Board is the largest Welsh Commissioner, followed by Powys Teaching Health Board.

Commissioning for our specialised services is undertaken by NHS England, which is represented locally by the Birmingham and Black Country Local Area Team.

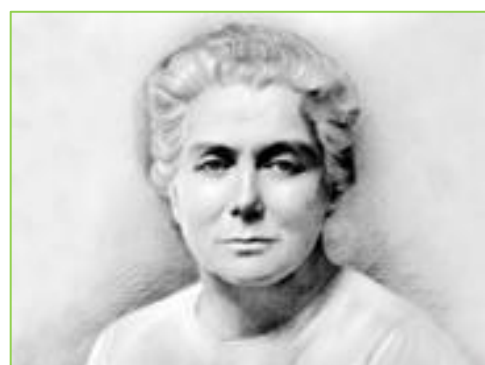
Brief History and Background

The Orthopaedic Hospital has been in existence as an independent hospital since 1900. It was taken into the NHS in 1948 and

achieved NHS Trust status in 1994. In August 2011 the hospital was awarded NHS Foundation Trust status. This means that RJAHS can better shape healthcare services around local needs and priorities and the requirements of commissioners of healthcare.



Sir Robert Jones



Dame Agnes Hunt

The Vision and Goals of the Trust

Our staff want an innovative future for our patients, our colleagues and our communities. We know this because they have told us so in numerous forums. In December 2023, we were delighted to launch our new five-year strategy, which sets out how we will look to begin the journey of delivering that innovative future through to 2028.

[We have created a Strategy section on our Trust website](#), where interested parties can download a copy of the strategy document and also read all about our Strategic Objectives.

A set of strategic objectives were agreed for the period to March 2025. These align with our longer-term strategy (through to 2028).

The measures of success are:



The work to develop both our strategy and our strategic objectives has been done within the context of the wider NHS landscape. We operate within the Shropshire, Telford and Wrekin Integrated Care System and want to be a full and active partner within that system. We have also developed partnerships outside of that system, for example with our peers in the National Orthopaedic Alliance. Collaborative working is at the heart of our strategy as we look to the future, and is reflected strongly in our approach.

Our strategy presents us with an exciting opportunity over the next five years to build on what we already have here at RJAH, and ensure we continue to grow and continue to thrive long into the future.

Principal Risks

The Trust aims to deliver high quality healthcare services; however, it is recognised that there are inherent risks with providing these services.

The Board Assurance Framework (BAF) captures the risks to delivery of the Trust's strategic objectives. The highest scoring risks captured in the BAF towards the end of 2024/5 related to:

- delivery of the financial plan;
- delivering the required levels of productivity, performance and activity; and
- ability to respond to a significant disruptive event.

Each of the BAF strategic risks are aligned to the Trust and system objectives. Each also refers to the relevant risk appetite target score(s). BAF strategic risk reports include consideration of the controls – including the intended impact of the controls and the level of confidence in those controls; current gaps in those controls - and actions required to address them; the overall risk score – and the rationale for that score. Changes in the risk profile during the year included:

- A decrease in the likelihood / overall risk score relating to the sustainability of the workforce. That reflected good progress in recruiting staff and exploring alternative routes into professional roles. There will need to be a continued focus on retention, development and innovative utilisation of staff to maximise the benefits of that progress.
- An increase in the likelihood / overall risk score relating to the delivery of the required levels of productivity, performance and activity. That reflected the impact of the cessation of the orthopaedic insourcing contract from July 2024 on theatre activity and the inability to implement sufficient mitigation to address the shortfall. The result of that was a deterioration in the waiting list position.

The key risk faced by the Trust as it moves into 2025/6 relates to delivery of the activity plan and sustained reduction in waiting lists. Delivery of the financial plan is also dependent on increased activity during 2025/6.

More detail on the BAF, including revision to the BAF to reflect the updated strategic objectives, is included within the Accountability Report.

Overview of Financial Performance

The Trust experienced significant financial challenges during the year due to the cessation of insourcing capacity arrangements causing activity disruption (loss of income) while a new operating model is implemented. Additionally, we experienced an increase in employment provision liabilities and a higher than planned inflationary environment elevating our operating costs above expected levels.

The pressures were mitigated through the efforts of a Financial Improvement Group which led on recovery of activity, flexing of the cost base and implementation of enhanced financial controls. This was underpinned by full delivery of a £5.6m (3.7%) efficiency programme on a recurrent basis.

As a result, the Trust ended the year delivering the planned surplus of £2.9m.

Shropshire, Telford, and Wrekin Integrated Care System continues to be in significant financial distress and is under formal recovery under segment 4 of the NHS Oversight Framework. As a partner in the system the Trust continues to be committed to improving the financial position collaborating with partners and leading key areas of development such as MSK Transformation.

The Trust has invested £11.2m in the capital programme in year, with notable projects including the continued implementation of a new Electronic Patient Record system, finalisation of the new theatre development and installation of solar panels above the staff car park to reduce energy costs and carbon emissions.

Cash balances remain healthy at £19.5m which supports the Trust's Day to day operating expenses and capital investment.

Going concern disclosure

In accordance with the requirements of the Department of Health and Social Care Group Accounting Manual (GAM), the Trust has prepared its accounts on a going concern basis, applying the 'continuing provision of services' approach, reflecting the anticipated continued provision of the Trust's services (rather than necessarily the financial position of the Trust as a legal entity).

The Trust's cash balances are expected to remain sufficient to meet its working capital requirements for 12 months from the date of the approval of the financial statements. The Trust Board monitors financial performance using the monthly performance report. The key risks to the Trust's financial stability are included in the Board Assurance Framework and are monitored at the Finance & Performance Committee and the Audit & Risk Committee.

The directors having taken assurance from this and, having reviewed future plans and financial forecasts for a period of at least one year, have agreed the following statement: "After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts".

Performance Analysis

Delivery of the Strategic Plan

The Trust has set the following objectives in its five year Strategic Plan:

- Deliver high quality clinical services.
- Develop our Armed Forces and Veterans Service as a nationally recognised centre of excellence.
- Integrate the MSK pathway within and across Shropshire, Telford and Wrekin.
- Grow our services and workforce sustainably.
- Innovation, education and research at the heart of what we do.

These objectives cover the five years of the Plan, from 2023 to 2028.

The overarching strategic objectives are underpinned by more detailed objectives for the first two years of the Plan (covering the period 2023 to 2025). Each of these two-year objectives have associated "measures of success". These are supported by detailed key performance indicators that are reported to the Board of Directors and its committees.

Updates on delivery of these measures of success at the end of 2024/25 are included in the following tables:

Deliver high quality clinical services		
How we will do it	Measure	March 2025 update
Ensure the highest standards of care for our patients	• Delivery of Trust's Quality Improvement Priorities • Implementation of Quality accreditation programme • Roll-out of PSIRF (Patient Safety Incident Response Framework) • Nursing & AHP Strategy and Quality strategy signed-off	• The 2024/25 priorities are completed and new Quality Priorities for 2025/26 have been agreed • Quality Accreditation Programme has been established • Patient Safety Incident Response Plan has been revised and approved to commence April 2025 • The Nursing and AHP / Quality Strategy have been approved and quarterly progress reports are delivered.
Empower departments to develop services	• Departmental-led implementation of clinical strategies • Annual Departmental Business Plan in place for each Clinical service Optimise productivity and efficiency within our services • Clinical Strategy signed-off	• Cycle of presentations through Trust Management Group in place • Annual Service level business plan reviewed annually as part of the operational planning round. • The Trust has approved its Clinical Strategy in 2024/25.
Optimise productivity and efficiency within our services	• Delivery of the performance, workforce, productivity and transformation schemes set out as part of the Trust's Operational plan • Deliver Elective Hub efficiency standards	• Progress against performance and productivity metrics impacted by reduced activity due to the cessation of the LLP contract end of June 2024. • New Theatre opened in November 2024. • Key workforce metrics agreed to the end of March 2025 • Vacancy rate 6.42% at the end of November. • Staff turnover reduced to 8.38% at the end of November • Elective Hub accreditation obtained November 2023
Ensure a fair, equal and inclusive culture across the Trust	Delivery of the Trust's Inclusion priorities	• Launched the Trust's EDI Strategy and Action Plan • Launched bimonthly EDI newsletters • Set up of Staff Networks with Chair and Executive Sponsor • Published the WRES/WDES reports and action plans • Published the Gender Pay Group • Successful in receiving NHSE Innovation funding and delivered an all-staff event to improve declaration rates of protected characteristics

Develop our Armed Forces and Veterans Service as a nationally recognised centre of excellence		
How we will do it	Measure	March 2025 update
Increase our workforce capacity to reflect service demand	• Increase our workforce capacity to reflect service demand	• Recruitment plan for expanding the consultant workforce with veteran's affiliation in place. Recruitment commenced in Q4 of 2025/26 and will be continuing into 2025/26.
Develop our rehabilitation facilities	• Develop out rehabilitation facilities	• Scope review completed and business case objectives refined during 23/24 and presented to the Finance and Performance Committee in March 2024. • The Headley Court Veteran Rehabilitation Programme Pilot will be implemented in 2025/26 for an 18 month period. This pilot scheme aims to demonstrate a significant benefit in outcome by the introduction of a series of rehabilitation interventions both prior and following orthopaedic surgery. This Veterans rehabilitation pilot programme will be evaluated throughout the pilot phase to provide evidence for more extensive services to be developed.
Maintain Veterans Accreditation standards	• Maintain Veterans Accreditation standards	• Action plan in place to ensure compliance with the standards, Veterans' awareness training now in place for all staff. Data collection for veterans an area identified for improvement, which is due to be rectified with Apollo roll-out.
Strengthen partnerships with armed forces and veteran friendly organisations	• Strengthen partnerships with armed forces and veteran friendly organisations	• The Trust scoped the opportunity to bid to be a supplier of active military MSK surgical rehabilitation but was not able to meet the requirements of the service specification on this occasion. • The Trust participated in a 6-month data collection pilot to inform pathways and accreditation processes for Veterans rehabilitation going forwards. • The Trust has re-signed the Armed Forces Covenant. The Covenant represents a pledge of support to people who are serving in, or who have served in the Armed Forces.

Integrate MSK pathways across Shropshire, Telford and Wrekin		
How we will do it	Measure	March 2025 update
Lead the MSK Transformation Board and contributing to the delivery of the transformation programme	- Establishing RJAH as the lead provider for MSK services through the development of a provider collaborative agreements - Governance structure in place for the MSK transformation programme - Work collaboratively to standardise pathways and equity of access for STW patients	- For 2025/26, the ICB will be looking to commission, one whole system MSST, Orthopaedic, Rheumatology and Pain Management service which will be commissioned via a lead provider contract held between NHS STW ICB and Robert Jones and Agnes Hunt Orthopaedic Hospital with appropriate sub contractual arrangements in place. We will undertake this in shadow form from the 1st April 2025 with formal arrangements commencing on the 1st April 2026. - Over the last 12 months the Trust has taken an increasingly proactive leadership role in the development of MSK services across STW. The further progress of the MSK programme is now being overseen by the Committee in Common. - Within the system there is now a more robust structure for MSK transformation, with an expanded scope that incorporates the full pathway. - The Trust is leading on and has led on delivering key milestones including go live of MSST, creating a single point of access for MSK services across STW and standardising the triage and interface protocols. - The Trust has also implemented a single point of access for Rheumatology services in 204/25.
Work towards Elective Hub Accreditation	Self-assessment completed against the Elective Hub accreditation criteria	Elective Hub accreditation obtained November 2023 for Adult and Paediatric services.

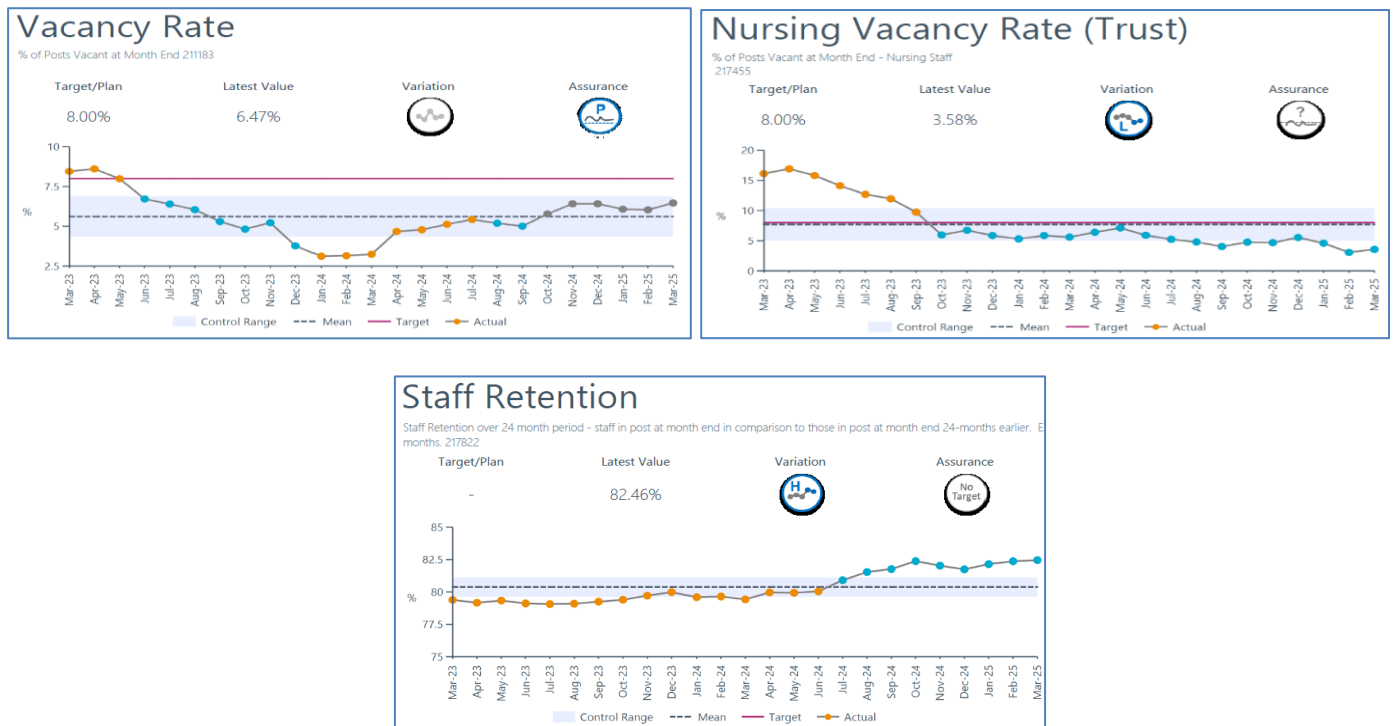
Grow our services and workforce sustainably		
How we will do it	Measure	March 2025 update
Recruit, support, retain and provide an exemplar experience for our staff	Delivery of year 1 objectives contained within the RJAH People Strategy	The Trust has been working on delivery of the associate actions within year clear progress has been made in respect of the five identified objectives and the associated measures with programmes and schemes being introduced and coordinated. Sense of belonging is supported by the introduction of staff networks and embedding just culture within core PS policies. Focus on further years of the People Strategy continues to support the workforce.
Optimise use of estate through capital investment & partnership working	Review opportunities to utilise estates and facilities within our geographical catchment to deliver services locally and in line with our Green plan	- The Trust has been developing its work in collaboration with Powys Health Board to enhance the level of outreach and joint working with key opportunities identified in terms of improving equity of services, delivering services locally in the Powys area. - This has secured investment in 2025/26 into joint posts, RJAH provision of clinical leadership for MSK and expansion of CMATS service to north Powys residents. - The Trust will continue to expand its discussions with stakeholders during 2025/26.
Expanding our reach and specialist expertise to other providers and sectors	Scope the appropriate resources and skills required to strengthen commercial and business expertise within the organisation	- Skills gap identified within the organisation to maximise commercial and business potential. The Trust has met with other NHS providers to review their commercial structure and seek out collaboration opportunities. - Organisational structure changes agreed to strengthen Commercial arm of the organisation through appointment of a Chief Finance & Commercial Officer and approval to recruit to a new commercial post.

Innovation & Research at the heart of what we do		
How we will do it	Measure	March 2025 update
Create the cultural environment to promote continuous Improvement	- NHS Improvement Impact self-assessment to be completed - Roll out continuous improvement training across all staff groups - Establish Digital Education, Research and Innovation Committee	- Improvement Training has been undertaken with staff attending from all staff groups. Training offers vary and are inclusive of but not limited to, all staff Induction includes improvement training, Improvement Champions training, Improvement Advocates, Board of Directors quality improvement training. - The Trust has created an Innovation Club which aims to further encourage innovative ideas for improvement. It is open to all staff and held on alternating dates once per month. - NHS IMPACT self-assessment completed in October 2023 with board members and senior management and clinical staff invited to collaboratively undertake the assessment. The next scheduled self-assessment to take place in May 2025. - DERIC Committee established.
Enhance capability and opportunities for research across all professions	- Increase Nurse and AHP led research - Delivery of in-year objectives contained within the RJAH Research Strategy	- The Trust has co-produced a Nursing & Allied Health Professionals Strategy for the next 5 years, with key objectives centred around enhancing our Innovation, education and research opportunities. - The Trust refreshed its Research strategy in March 2025, with a formal launch to take place at the beginning of 2025/26. This strategy will be overseen by the DERIC Committee.
Optimise the potential of digital technologies to transform care	- Implementation of the EPR programme - Appropriate digital training & awareness programme in place	- Implementation of EPR ongoing. Go live planned for Q1 2025/26. - A training programme has been developed and in place to support all elements for the rollout of the new digital Electronic Patient Record system Apollo.

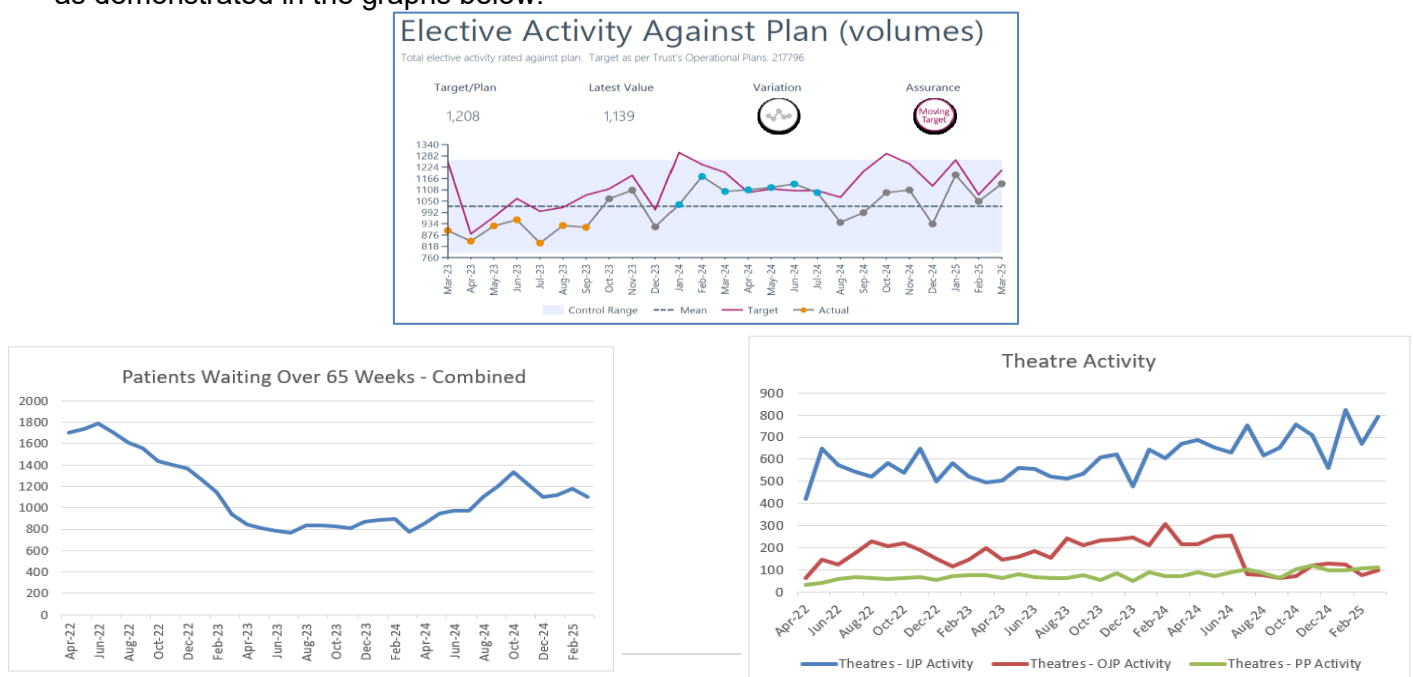
A number of key performance indicators are considered at the Board and its committee meetings each month. Performance measures considered at public meetings of the Board during the year can be viewed on the Trust's website at: [2024 - 2025 Trust Board Meeting Papers - RJAH](#)

A number of key measures discussed throughout the year, showing how performance has changed over time, are also presented below.

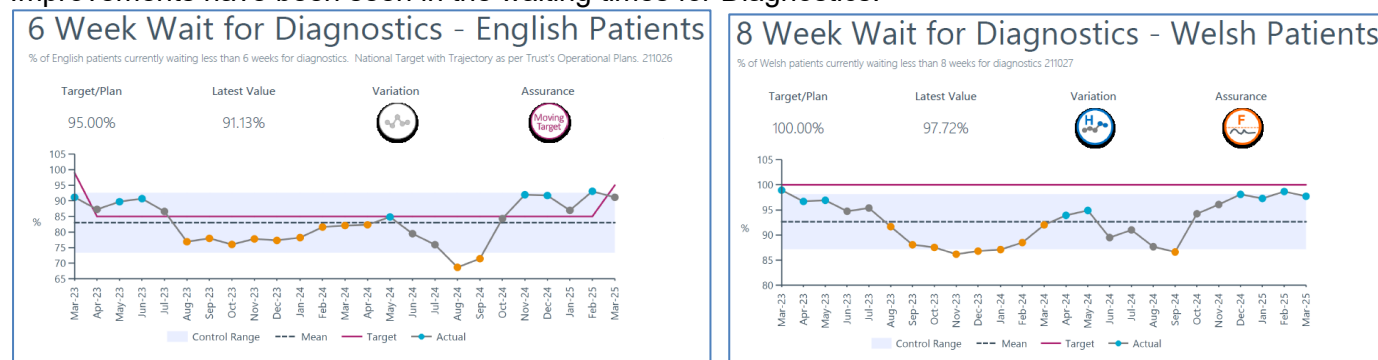
The Trust-wide vacancy rate has been held below the 8% target throughout the year with sustained improvement within the nursing workforce. Staff retention is monitored over a 24-month period with sustained improvement throughout 24/25.



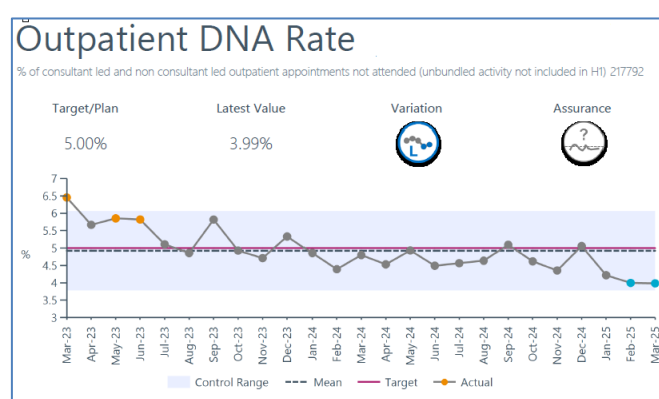
Levels of Elective activity began well in 2024/25 but from July we saw the impact of the cessation of insourcing capacity arrangements on theatre activity. This resulted in an increase to our long waits, as demonstrated in the graphs below:



Improvements have been seen in the waiting times for Diagnostics:



Within Outpatients further improvements have been made on the did DNA (did not attend) rate with lowest reported positions seen for the Trust:



Task force on climate-related financial disclosures (TCFD)

NHS England's NHS foundation trust annual reporting manual has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance, risk management and metrics and targets pillars for 2024/25. These disclosures are included below:

Governance pillar

The Trust Board maintains oversight of climate related issues through the Finance and Planning Committee. The Committee receive updates via Chair's reports from the Trust's Sustainability Delivery Group.

The Trust publishes an Annual Report which quantitatively and qualitatively demonstrates progress that the Trust is making against its Green Plan, as outlined in the "Sustainable Development" section below.

The sustainability agenda is overseen by the Estates and Facilities department. Reporting to the Board, through the Chief Financial Officer, who is the Executive Accountable Officer for Sustainability, the department is led by the Director of Estates and Facilities and delivered by the Head of Estates and Facilities.

The Trust is an active member of the ICS Climate Change Group, who hold the Trust to account for delivering the ICS Climate Change agenda.

Department leads are allocated responsibility to propose and deliver a three-year strategy relating to their area, that aligns to National Net Zero priorities. These drive the Trust's Green Plan, through the Sustainability Delivery Group, which is used as a siphon to disseminate information relating to climate change matters. The Trust is further informed on climate change matters through the Midlands Net Zero Delivery Group.

Governance of risks relating to climate change are overseen by the Sustainability Delivery Group. Leads bring risks to the group for consideration and oversight. The Trust analyses its risks through the Risk Management Group, at an operational level, and through the Trust Performance and Operational Improvement Group, at a strategic level in line with the Trusts governance process.

Risk Management pillar

The Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Climate change related risks are identified and assessed by subject specialists, with the Sustainability Delivery Group holding management oversight. These risk assessments consider the effects of climate change and severe weather, alongside the Trust's obligations under the Climate Change Act and Adaptation Reporting requirements. These risk assessments inform development and review of our Green Plan, and ensure that relevant risks are reviewed through the Trusts established governance structure.

The Trust has not identified any high risks relating to climate change. Advances in future technology are foreseen to support progress towards Net Zero targets. The Trust is monitoring extreme weather-related risks with this being an emerging area. Risks are captured, monitored and reported in line with the Trust's general risk management arrangements (as described in the Accountability Report).

Metrics and target pillar

The Trust invested in a supply chain audit, also utilising individual contractor-based reports to understand its carbon footprint. This gave the Trust specific quantifiable data. In order to benchmark and work towards delivery of 2028-2032 and 2040 targets, the Trust utilises the Green Plan Support Tool, alongside industry specific dashboards, including Waste and Energy, published by NHS England.

Key achievements and progress made against the targets set out in the Trust Green Plan are described in the "Sustainable Development" section below. The Plan was due for renewal in 2024 but the Board agreed that the existing Plan would remain live until anticipated revised guidance was issued. That Guidance was subsequently issued in early 2025. The Plan is currently being reviewed in light of the revised Guidance and will be presented to the Board before the national deadline of Oct 2025.

Sustainable Development

The NHS has committed to achieving Net Zero carbon emissions as part of its Greener NHS initiative, recognising the critical role healthcare must play in mitigating climate change. In alignment with the NHS Net Zero Carbon strategy, two key milestones have been established: to reach Net Zero for the NHS Carbon Footprint by 2040, with an interim reduction of 80% by 2032, and to achieve Net Zero for the NHS Carbon Footprint Plus—accounting for wider supply chain and patient-related emissions—by 2045, with an interim reduction of 80% by 2039.

These ambitious targets require a comprehensive and sustained effort across energy use, transport, procurement, waste management, and clinical practices. As part of this national commitment, the Trust continues to implement strategic initiatives that drive carbon reduction, enhance sustainability, and improve resilience, ensuring that healthcare delivery remains both environmentally responsible and future-proofed.

The Current Trust Position and Future Targets

At the beginning of 2024, recorded data indicated that the Trust produced 5,750 tCO₂e (tonnes of carbon dioxide equivalent) emissions. In line with the national requirement to reduce 80% of 1990 emissions by 2028-2032, the Trust must deliver a reduction of at least 2,522 tCO₂e to achieve its target of 3,288 tCO₂e or less. The majority of the Trust's carbon emissions originate from energy consumption; this therefore represents an area of focus, as work is undertaken to deliver the Trust target.

Green Energy Electrical Energy

From April 2024 the Trust transitioned to procuring the electricity it imports from the National grid to renewable source only, resulting in an estimated carbon reduction of 1,000 tCO₂e.

To enhance energy security, the Trust bid for and secured £1.4 million through a The National Energy Efficiency Fund (NEEF) bid, enabling the successful launch and delivery of a solar PV project in the past year.

Looking ahead, an additional £2.4 million grant has been secured through the Great British Energy scheme to expand the existing on-site solar PV infrastructure. This investment will not only enhance energy security but also generate cost savings that will help mitigate the financial pressures associated with heat decarbonisation, in alignment with the Trust's Heat Decarbonisation Plan.

Decarbonisation of Building Infrastructure

The single biggest contributor to the Trust's carbon footprint is its gas-powered heating network. The Trust has submitted a bid for Salix funding, supported by The Carbon Energy Fund (CEF), which, if successful, will begin the process of electrifying the heating network, resulting in an approximately reduction of 2,400 tCO₂e, delivering the national 2032 goal ahead of schedule.

The Trust continues to explore opportunities to improve insulation, minimize heat loss, and implement programmed equipment downtime to optimize energy efficiency.

Journeys and Transport

The Trust conducts an annual travel survey and leverages insights to collaborate with system partners in promoting active travel.

The Trust's pool vehicle fleet is now 100% electric. Over the next year, plans are in place to transition additional on-site vehicles, such as waste collection trucks, to electric alternatives.

This year, the Trust has installed 24 additional EV charging points, complementing existing provisions for fleet, staff, and visitor use.

Food and Waste Management

The Trust had made significant progress across these focus areas including:

- Achieving a zero waste to landfill
- Meeting the Nationally set 20% incineration, 20% infectious and 60% offensive waste segregation target across clinical waste
- Implemented reusable sharps containers, aligning to the NHS Clinical Waste strategy
- Utilised the Guardians of Grub approach to introduce food waste monitoring

- Eliminated single use hot drink and single use takeaway containers within the Trust restaurant, an initiative that in 2024 was recognised at the NHS England Awards for Waste Management Excellence

Future waste reduction efforts will focus on the elimination of single use items; including clinical consumables such as tourniquets and couch roll. Collaboration with system partners will aim to identify and implement food waste minimisation opportunities, including an Electronic Meal Ordering system.

Wellbeing

The Trust has enhanced green spaces by renovating courtyard gardens and developing the Garden for Alice, promoting the benefits of nature for both patients and staff. These initiatives have been funded through contributions from contractor Social Values commitments and charitable donations.

A flexible working policy has been published, with active support provided to staff in accessing these opportunities.

Medicines

The Trust has utilised NHS England's Nitrous Oxide Waste Reduction Toolkit to identify and action opportunities for reducing nitrous oxide use on-site.

Procurement

The Trust has embedded social value weighting into all contract awards, aligning with the Net Zero Supplier Roadmap to ensure sustainable procurement practices.

The Trust remains committed to delivering on its sustainability targets and will continue to identify and implement strategic initiatives that drive progress toward a net-zero future.

Health Inequalities

Health inequalities are unfair and avoidable differences in health across the population, and between different groups within society. In March 2021, NHS England set out five national priorities for tackling health inequalities.

- Priority 1: Restoring NHS services inclusively.
- Priority 2: Mitigating against digital exclusion.
- Priority 3: Ensuring datasets are complete and timely.
- Priority 4: Accelerating preventative programmes.
- Priority 5: Strengthening leadership and accountability.

Furthermore, a 'Statement on Information on Health Inequalities' has been released by NHS England further to its duty under section 13SA of the National Health Service (NHS) Act 2006 setting out a description of the powers available to relevant NHS bodies to collect, analyse and publish information. This statement was published on 27th November 2023. For the period of 2023/24 and 2024/25 NHS England's views on how relevant NHS bodies should exercise their powers to collect, analyse and publish information on health inequalities include the need to:

- Understand healthcare needs including by adopting population health management approaches, underpinned by working with people and communities.
- Understand health access, experience and outcomes including by collecting, analysing and publishing information on health inequalities set out in the Statement.
- Publish information on health inequalities within or alongside annual reports in an accessible format.
- Use data to inform action including as outlined in the Statement.

The Trust reports Health Inequalities updates against its priorities through its Quality and Safety Committee which is a sub-committee of the Board. The Trust is also continuing to focus on treatment

of its longest waiting patients, as well as working to identify any health inequalities that may be impacting them. Elective Recovery Health Inequalities data is being expanded and will also be reported through our Finance and Performance Committee from month 1 of 2024/25.

The Trust implemented and has had in place a Health Inequalities & Population Health working group. This group has scoped opportunities alongside available intelligence to further understand health access, experience and outcomes. February 2024 saw a refresh of the current working group to define actions and next steps. The areas of focus following this refresh are inclusive of but not limited to; evolving reporting; restoring inclusively; addressing inequalities at attendance; Children and Young People (Was Not Brought); patient feedback; partnership working; and anchor institutions. The Trust is also a member of the STW Population Health Management group chaired by both Shropshire, and Telford & Wrekin Council Directors of Health.

The Trust is taking multiple steps to support addressing health inequalities. Further areas to note complementing the areas of focus are:

- **Disaggregated Health Inequalities data** has been displayed and discussed within the Trust's Health Inequalities & Population Health working group. There is further involvement planned within published 2024/25 RJAH Integrated Performance Reports (IPR). However, it should be noted that English deprivation scoring differs to Welsh deprivation scoring and this will need to be considered when developing reports.
- **There are ongoing data quality assessments.** Ethnicity collection has had its own working group within the Trust to ensure high rates collection to further support assessments. There are internal reports highlighting the services where this has not been captured. Improvements have been seen from when the monitoring began in 2021.
- **Shropshire, Telford & Wrekin (STW) Musculoskeletal (MSK) Board.** During 2023/24 the Trust has taken an increasingly proactive leadership role in the development of MSK services across STW. Within the system there is now a more robust structure for MSK transformation, with an expanded scope that incorporates the full pathway. MSK population health data is in development by the STW Business Intelligence team and is part of the ICB Population Health Management programme of work. Lifestyle and Demographic Risk Factors and Reported Prevalence intelligence available through national Model Health System data is also being further explored with system colleagues through this board. Correlation, triangulation and further understanding of various intelligence will further support in actions to address health inequalities. The group will be reviewing multiple population health data inclusive of but not limited to.
 - Percentage of the STW GP registered population aged 65+ is in the upper quartile when compared nationally. This accounts for 22.8% of the STW population when 2023/24 NHS Digital - Patients Registered at a GP Practice data is observed.
 - Percentage of older people aged 60+ living in income deprived households (IDAOPH) is in the second quartile for the STW population at 12.8% when 2019 English Indices of Deprivation (Ministry of Housing, Communities & Local Government) is observed.
 - Percentage of people with arthritis or ongoing problem with back or joints (all ages) is in the third quartile for the STW population at 19.8%. This data is derived from 2021/22 National Commissioning Data Repository (NCDR) – UKHF, GP Patient Survey, Practice Level Weighted.
- **Digital Exclusion.** To support continued improvements in outcomes for our patients the Trust continues to evolve its digital app (MyRecovery) for patients. The app is a suite of tools designed to support, empower, and inform a patient through their treatment. Patients have a range of methods to engage with the MyRecovery platform. If a patient does not have a smartphone or tablet to access the app, they can access the patient portal via a web browser at home or in clinic without even creating an account. The MyRecovery platform has been developed with equity of access and accessibility in mind. Digital exclusion assessments have been being undertaken with case study results showing there was no difference in age, gender or social deprivation status of

app vs non-app users and no evidence of the app excluding patients based on these demographics .

- **There is Local Authority involvement in internal working groups.** This is recognising health inequalities are driven by a variety of factors. To serve communities well, relevant NHS bodies and partner organisations should work together to understand the collective health and care needs of local people and populations, as well as healthcare access, experience and outcomes. This wider collaboration is enabling actions that support signposting to smoking cessation and weight management support where required as an example. The Trust is equally working with wider system partners to further evolve the system Health Inequalities agenda.

The Trust also continues to progress with business cases that directly or indirectly support with addressing health inequalities. For example, the Trust submission and approval of the 'Theatre and Elective Beds Scheme' through NHS England's Targeted Investment Fund (TIF). The Scheme indirectly supports the PLUS 5 strategy, in particular severe mental illness, by improving access to surgery which will significantly improve patients' quality of life. In addition, the Scheme is addressing the needs of children and young people waiting for paediatric spinal surgery, by the increase in consultant capacity and by enabling succession planning for the workforce for the provision of complex paediatric and adult spinal surgery for our population.

Looking ahead to 2025/26

Looking ahead, the strategic objectives will continue to be based on the Trust's ambition to be the leading centre for high quality, sustainable orthopaedic and related care, achieving excellence in both experience and outcomes for our patients.

The next financial year will also focus on building on the great work of the last three years in delivering against the NHS national standards. It will involve looking at those performance targets that have not been achieved in 2024/25 and what actions need to be taken to achieve these. The Trust will ensure that patient safety and quality standards are maintained and continue to be at the forefront of its business.

Key priorities for the Trust in 2025/26 will be to:

- Reduce waiting times to achieve English and Welsh national standards.
- Maintain performance against the cancer waiting times standard.
- Restore elective services to greater than pre-covid levels.
- Optimise productivity and efficiency within our services.

Conclusion of the Performance Report

I have presented this report in my capacity as the Accounting Officer and confirm that the Trust's auditors have reviewed the Performance Report for consistency with the financial statements.



Stacey Keegan
Chief Executive Officer
24 June 2025

ACCOUNTABILITY REPORT

Directors' Report

Meet the Board

The directors present their annual report together with the audited financial statements for the year 01 April 2024 to 31 March 2025.

As can be seen from the directors' biographies below and from our compliance with the requirements of the Foundation Trust Code of Governance, the Board has an appropriate composition, balance of skills and depth of experience to lead the Trust for the good of patients, staff and the communities it serves. The Chair keeps this balance under review during the annual appraisal of Non-Executive Directors.

Details of the directors who currently hold office are listed below and unless specified have held office for the full financial year. Any directors who held office during the financial year but have since left the Trust are cited later in the report:



Harry Turner
Chair

Between 2008 and 2016 Harry served as a Non-Executive Director and subsequently as the Chair for the Worcestershire Acute NHS Trust before joining the Trust in January 2017. Harry was

appointed Chairman of RJAHS on 01 February 2022.

Harry has also held the role as Chair in other organisations including the Birmingham Hospice group, Dudley and Walsall Mental Health Trust and Dudley Integrated Health and Care NHS Trust.

Harry has also been a Presiding Justice in Worcestershire Courts for more than a decade and previously worked as an Executive Director in the hotel industry for businesses including Travel Inn, Travelodge and Marriott International.



Stacey Keegan
Chief Executive Officer

Stacey joined RJAHS as Chief Nurse and Patient Safety Officer in November 2019. From March - October 2020, Stacey was Interim Chief Executive, before returning to the Chief Nurse and Patient

Safety Officer role. In August 2021, Stacey was appointed the Trust's Interim Chief Executive before being appointed to the substantive position in December 2022.

Stacey is an NHS Trust Partner Member on the Shropshire Telford and Wrekin Integrated Care Board and Board member of the National Orthopaedic Alliance.

A registered and practicing trauma and orthopaedic nurse, she has held various leadership and management roles in a variety of NHS Trusts. Stacey has an MSc in Senior Healthcare Leadership and the NHS Leadership Academy's Elizabeth Garrett Anderson Award.



Sarfraz Nawaz
Non-Executive Director

Sarfraz joined the Board of Directors at RJAHS on 01 October 2021 and chairs the Trust's Finance and Performance Committee. Sarfraz is also the Vice Chair and Senior Independent Director for the Trust.

A qualified Accountant with the Chartered Institute of Public Finance and Accountancy (CIPFA), he is currently the Executive Director of Finance at the National Citizen Service, the arm's length body for young people in England. Sarfraz has also held several financial leadership and Board member roles across the public sector including Local and Central Government.



Martin Newsholme
Non-Executive Director

Martin was appointed as a Non-Executive Director for RJAH on 04 May 2022. A chartered accountant, Martin's career was primarily spent at KPMG where he was an audit partner for 15 years. He

currently has a number of Trustee and Non-executive roles including Warrington Housing Association and Shropshire Doctors Co-operative.



Penny Venables
Non-Executive Director

Penny joined the Board of Directors at RJAH on 19 June 2022 as Non-Executive Director. Having almost 40 years' experience of working health service management, including previous experience at

Executive Director and Chief Executive roles across the NHS, including in other specialist hospitals.

Penny is currently a Consultant at In-Form Solutions. She has provided specialised support and expertise to the health, social care and working in health service management.



Lindsey Webb
Non-Executive Director

Lindsey joined the Board of Directors at RJAH in July 2023 as Non-Executive Director. She is a registered nurse with 40 years' experience of working in the NHS including previous experience in Executive

Director roles, in other specialist orthopaedic hospitals.

Lindsey has also held the position of trustee and vice Chair at Birmingham Hospice for seven years.



Martin Evans
Non-Executive Director

Martin joined RJAH on 06 September 2022 as Associate Non-Executive Director and later appointed as Non-Executive Director in July 2023.

Martin has worked within the public sector for over 30 years having had a career in the Police Service where he served latterly as Assistant Chief Constable of West Mercia Police having responsibility for delivery of 24/7 policing services across the counties of Shropshire, Telford, Worcestershire and Herefordshire. Since this time he has been working as a Non-Executive Director at three NHS Trusts as well as supporting the Home Office and Department for Transport in seeking new ways of making our roads safer and reducing the number of people being killed and seriously injured.

In 2025 Martin was successful in getting on to the NHS Aspiring Chairs programme.

Martin is a people person and is passionate about continuous improvement.



Craig Macbeth,
Chief Finance and Planning Officer

Craig is the longest serving member of the Executive team having joined the Trust in 2008 initially as Deputy Director of Finance before being appointed to Chief Financial Officer in

2017 following a period of acting up.

Craig's portfolio includes Finance, Planning, Contracting, Procurement, Counter Fraud, PMO and Estates and Facilities.

He has been instrumental in guiding the Trust through many challenging periods thus maintaining the Trust's future sustainability.



Ruth Longfellow
Chief Medical Officer

Ruth has been Chief Medical Officer at RJAH since April 2021.

Ruth graduated from the University of Edinburgh with her Bachelor of Medicine and Bachelor of Surgery (MB ChB) degree. She then completed her Fellow of the Royal College of Anaesthetist (FRCA) examination in 2006 and a Diploma in Medical Education at Nottingham University in 2011.

In 2011, she was appointed to RJAH as a Consultant Anaesthetist. In April 2019, she became the Associate Medical Director for the Trust.

Ruth's interests include patient safety and Human Factors, medical education and regional anaesthesia.



Mike Carr
Chief Operating Officer /
Deputy CEO

Mike joined RJAH on 04 July 2022 as Chief Operating Officer. He started his career in healthcare as a Mental Health Support Worker for a charity in Staffordshire, after graduating from Keele University he joined the NHS Graduate Management Training Scheme in 2011. Mike has an MSc in Leadership and Service Improvement from the University of Manchester and in 2021 completed The King's Fund Leadership for Population Health programme which is a specific area of interest for him.

Mike has held a number of senior operational leadership roles which have focused on planned care and more recently community services.

Mike joined RJAH from Sandwell and West Birmingham Hospitals NHS Trust where he was Group Director of Operations. Leading on the integration of health and social care services and developing community services as part of the redesign of acute care.

Mike was appointed Deputy CEO in October 2023.



Paul Kavanagh Fields
Chief Nurse and Patient
Safety Officer

Paul joined RJAH in April 2023. He brings a wealth of leadership experience to the Board of Directors, having previously worked in a number of Board and sub-Board level positions across acute hospital services, public health, local and strategic commissioning, primary care, service improvement and modernisation and education.

Paul was responsible for the roll out of the Bowel Cancer Screening Programme in Northern Ireland and has developed a number of workforce strategies, including job planning for clinical nurse specialists.

More recently Paul has supported the North Wales Covid-19 Response Service at a strategic level, engaging with local authorities, Welsh government and education.

Although not formal members of the Board, the following Directors, appointed to bring particular skills and knowledge, have supported the Board of Directors during the year and have been regular attendees at the Board of Directors' Meetings:



John Pepper
Associate Non-Executive Director

Dr Pepper joined the RJAH Board in July 2022 as Associate Non-Executive Director. He previously worked as a GP in Shropshire, and was also Chair of Shropshire,

Telford and Wrekin Clinical Commissioning Group (CCG).

In his role as Associate Non-Executive Director, Dr Pepper aims to support RJAH during the rapidly evolving challenges and changes within the NHS and maintain a focus on the delivery of high-quality care for patients and staff alike.



Atif Ishaq
Associate Non-Executive Director

Atif joined the RJAH Board as an Associate Non-Executive Director in July 2023.

He is a clinical pharmacist with over two decades of experience working in both primary and secondary care settings. Within secondary care roles, Atif specialised in critical care, surgery and parental nutrition, as well as having worked in large teaching and district general trusts.

Clinician now turned technologist, Atif has spent the last decade in product management and implementing clinical solutions. He is currently working as an Enterprise AI & Advanced Analytics Director for a Global Consumer Goods Company, leading teams in the development of machine learning and AI solutions.

Atif joins the board to support the strategy and governance of the Trust's digital ambitions.



Paul Maubach
Associate Non-Executive Director

Paul joined the Board of Directors in March 2023. Paul has over 30 years prior experience of working in NHS management, the last ten years of which were in Chief Executive

roles, and over his career worked with all aspects of the NHS from primary care through to specialised services.

He is a qualified Accountant with the Chartered Institute of Public Finance and Accountancy (CIPFA) and holds a Masters in Leadership and Organisational Development. He is currently the Director and owner of Maubach Consulting Ltd which provides management consultancy to the health and care sectors and has been working as a senior advisor at the Department of Health and Social Care.

In a previous role, Paul used to organise the funding for the specialised services provided by RJAH and, so he is keen to support the Trust in continuing to develop as a centre of excellence, both locally and nationally



Denise Harnin
Chief People Officer

Denise started at RJAH on 14 July 2022.

She is a highly experienced human resources practitioner, having worked initially in the private sector before joining the NHS in 1988 where she has worked in large acute hospitals across the West Midlands area.

Declarations of Interest of the Board of Directors

The Board regularly reviews its Register of Declared Interests. The register is appended to the agenda of each meeting of the Board and there is a standing agenda item requiring all directors to declare any interests they hold which relates to the business to be discussed.

The Register is available for inspection during normal office hours in the Trust Secretary's office and is also published on the Trust's website.

Independence of Non-Executive Directors

As part of their role as members of the unitary Board, Non-Executive Directors have a particular duty to ensure that the decisions of the Board are subject to constructive challenge and to scrutinise management performance in meeting agreed goals and objectives.

Non-Executive Directors are appointed on the basis that they are "independent in character and judgement and free from any business or other relationship which could materially interfere with the exercise of their judgement". Non-executive directors chair the committees of the Board which are responsible for:

- Monitoring the integrity of financial, clinical, and other information.
- Ensuring that financial and clinical quality controls and systems of risk management are robust.
- Determining appropriate levels of remuneration of executive directors.
- Playing a supporting role in appointing and, where necessary, removing Executive Directors, and in succession planning.

Cost allocation and charging guidance

The Trust has complied with the above guidance issued by HM Treasury.

Modern Slavery Act 2015

In accordance with the Act, the Trust has agreed and published its statement. This can be viewed at:

<https://www.rjah.nhs.uk/about-us/publications/trust-documents/modern-slavery-act-2015/>

Political Donations

The Trust can confirm that no political donations were made in the current or prior year.

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to pay invoices within 30 days of receipt of the goods or receipt of the invoice, whichever is later, with performance being measured in terms of both number and value of invoices.

During 2024/25 the Trust paid 97% of the number of invoices and 98% of the value of invoices within the target. No late payment interest was due.

	2024/25		2023/24	
	Number of invoices	Value in £000s	Number of invoices	Value in £000s
Total invoices paid	45,590	120,427	48,863	111,417
Invoices paid within target	44,183	117,703	43,567	105,908
Percentage paid within target	97%	98%	89%	95%

Governance using the Well-Led Framework

The Board of Directors ensures that the principles set out in the Well-Led Framework not only inform their work but are also embedded across the organisation. The governance structures support delivery of the principles outlined in the framework to ensure they remain effective and support good governance and high quality, sustainable services. In support of this work, the Audit and Risk Committee has received assurance on compliance against the requirements of the revised Code of Governance for NHS Provider Trusts.

Quality Governance

Quality in the NHS encompasses three domains – Patient Safety, Patient Experience and Clinical Effectiveness. The Trust's work in this area embraces several strands of work including complaints, patient outcomes and risk. All these elements are critical in ensuring our patients and their carers receive excellent care, and the Trust continues to meet its core values.

All staff have responsibility for safety and quality. There are, however, designated roles within the Trust who led or are directly involved in these activities under the executive lead of the Chief Nurse and Patient Safety Officer, the Chief Medical Officer, with the Chief Executive Officer being ultimately responsible.

The Trust has in place a robust governance framework to underpin the delivery of enhanced quality and further detail on this framework is contained within the Annual Governance Statement

Quality Governance Framework

The Quality Governance framework has been further assessed and is part of the Quality account declaration. The Trust remains compliant with this framework, and this is supported by internal audit reviews during 2024/25.

The Trust was last inspected by the Care Quality Commission in December 2018. The findings in the five domains of the assessment framework were:

Safe	GOOD
Effective	GOOD
Caring	OUTSTANDING
Responsive	GOOD
Well-led	GOOD

As described in the Board Assurance Structure section of this Report, the Trust has a Quality and Safety Committee which is responsible for ensuring effective clinical governance are in place and high standards of care are provided.

Quality Outcomes

The Trust contributes to the National Registries to collect outcomes data. Currently these include:

- British Spine Registry
- National Ligament Registry
- UK Hand Registry
- Foot and Ankle Registry (BOFAS)
- British Hip Registry (NAHR)
- National Joint Registry

The Trust also collects large volumes of Patient Reported Outcome Measures (PROMs) for total hip and knee procedures to submit to the national PROMS programme. The programme led by NHS England mainly focuses on those specific procedures.

Over the past couple of years work has taken place to expand our outcomes collection throughout the organisation and ensure that these measures are collected and analysed across all procedures

and treatment taking place in the trust. Electronic data collection has allowed us to further expand to all teams within the organisation and any services that patients may require along the pathway. Regular data collection is now evolving for all teams and services that are listed below. We continue to work with other areas to ensure the work supports outcomes monitoring for all areas.

- Hip & Knee Arthroplasty
- Upper Limb
- Knee & Sports Injuries
- Foot and Ankle
- Spinal Disorders
- Physiotherapy
- Anaesthetics

Outcomes data is being used regularly in the organisation to monitor patients pain scores and quality of life while on the waiting list and following surgery/treatment. Data collected will support identifying areas of improvement for patient care and services. Patients signed up to the electronic data collection platform are able to monitor their own scores and can submit pains scores daily. The uptake of electronic data collection from patients is continuing to improve. Out of the four teams that are onboarded onto myrecovery Upper Limb, Knee & Sports Injuries, Foot and Ankle and Hip & Knee Arthroplasty the below table displays the overall uptake.

	Financial Year	
	2023/24	2024/25
Patients Invited	9887	9575
Patient Registered	4268	5421
Registered %	43%	57%

As the PROMs data now starts to filter in to monitor health gains post operatively, regular reports on this data are currently in development and will be singed of in the next financial year. This data will be presented in the 2025/26 trust reporting.

Shared Decision Making

CollaboRATE is a questionnaire used to measure and support the evidence that shared decision making is taking place in the trust. Patients are asked three questions after their initial outpatient appointment has taken place about whether they have understood their health issues; how much effort was made to listen and how included patients felt when working through their options. The total score can range from 27 to 0, higher the score represents the more shared decision making took place. The table below displays the total amount completed and average score, split by the financial year the initial outpatient appointment took place.

	Financial Year	
	2023/24	2024/25
Total Completed	787	366
Average Score	21.187	23.882

The overall average is displaying as a positive score and that a good level of shared decision making is taking place with our patients overall. Further work is taking place to increase patient uptake.

Patient Care Activities

We are aligned to the requirements of national strategy in that quality is at the core of all we do. Our aim is to continue delivering outstanding patient care to every patient every day. We pride ourselves in the standards we achieve and in the feedback from our patients on the quality of our services.

We aim to safeguard our patients, both adults and children, at all times. This is achieved through clear policies and procedures that protect and support patients and their families during their stay and beyond. This also means working in partnership with other agencies to get the right outcome for our patients.

For quality to flourish we need to recognise the need to change and to improve where systems and processes are hindering our staff to deliver high quality care to patients every day. We need to set a clear vision so staff and patients understand what our aims and goals in delivering that high quality service look like and how they can contribute to enhancing our services.

There needs to be clear lines of responsibility for safety and quality from board to ward/departments with each person including those using our services understanding their roles and responsibilities in ensuring improvements are made. Even the smallest change can make a difference to the patient, carer or staff experience.

The quality of the services we provide to patients is routinely reviewed by the Integrated Care System (ICS) through contract meetings that consider performance on Trust wide quality issues. Through the introduction of the Patient Safety Incident Response Framework (PSIRF), oversight arrangements have been changed to reflect the principles of PSIRF, and these provide the ICS with the opportunity for any areas of concern to be discussed and reviewed.

Quality risks are identified from the Trust's risk management processes and are monitored, managed and mitigated at local, delivery unit and corporate levels. Each risk is clearly defined and includes clear action plans to control and mitigate the risk.

The corporate risk register and Board Assurance Framework are reviewed quarterly by the Board and identify the key quality risks for the organisation with clear mitigations and action plans.

Performance Against Key Health Care Targets

The Trust publishes information on its performance against a number of key measures within integrated performance reports that are considered by the Board of Directors and its sub-committees. Information on the quality of services provided by the Trust is also presented in the [Annual Quality Account](#). This document is published on the Trust's website.

Quality Strategy

RJAH Quality Strategy is set to be delivered across 2024 to 2027 and is underpinned by the national NHS Patient Safety Strategy and its 3 strategic aims:

- Insight Improve our understanding of the quality and safety by drawing insight from multiple sources of patient safety and outcome information.
- Involvement: People have the skills and opportunities to improve the quality of care provided throughout the services we offer.
- Improvement: Improvement programmes enable effective and sustainable change in the most important areas.

Our Quality Strategy sets out six objectives that embeds the Trust's appetite for continuous improvement and change to ensure that we maintain our excellent standards for quality.



As well as our Quality Strategy the Trust has continued to work towards achievement of the commitments identified in our Patient Experience Strategy, to provide the best experience of care at each phase of the patient pathways and interaction with our staff to put patient experience at the heart of everything we do.

Our commitments are:

1. We will work in partnership with our patients and actively involve them in decisions about their care.
2. We will communicate to our patients in a manner that is accessible and appropriate to their own individual needs whilst listening to our patients about their priority of care and what matters most to them.
3. We will involve our patients and services users and the public generally in decisions regarding the way we deliver services and any future developments.
4. We will engage with our patients to facilitate patients to manage their own health conditions and get the best out of their wellbeing.
5. We will further develop the role of volunteers to ensure we maximise their input to enhance patient experience.

Listening to Patients and Carers

Collecting Patient experience data is an important part of monitoring the quality of care provided at the RJAH and helps promote an open learning culture by identifying and sharing examples of good complaints practice and learning that was identified through patient feedback.

The table below shows overall patient feedback in 2024/25 compared to 2023/24:

Feedback	2023/24	2024/25	Difference between 2023/4 and 2024/5	% Change
Complaints	98	144	+46	47%
Local Resolution	44	51	+7	16%
PALS concerns	424	618	+194	46%
PALS enquiries	4483	5413	+930	21%
Compliments	13189	13207	+18	0%
FFT result	98%	98%	-	-

The increase in complaints received relates to the increased waiting list size. As well as work done to increase activity and reduce waiting lists, work is being done to more effectively communicate with patients awaiting treatment.

Key Highlights

CQC Action Plan

During December 2018, the CQC carried out an inspection of the Trust and the outcome of this inspection was published in February 2019. This showed the Trust to be 'Good' overall with 'Outstanding' achieved for caring. The breakdown of ratings is shown in the table below:

Ratings for The Robert Jones and Agnes Hunt Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Medical care (including older people's care)	Good ↑ Feb 2019	Good ↑ Feb 2019	Outstanding ↑ Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019
Surgery	Good ↑ Feb 2019	Good ↔ Feb 2019	Good ↔ Feb 2019	Good ↔ Feb 2019	Good ↔ Feb 2019	Good ↔ Feb 2019
Critical care	Requires improvement ↔ Feb 2019	Requires improvement ↔ Feb 2019	Good ↔ Feb 2019	Good ↑ Feb 2019	Requires improvement ↓ Feb 2019	Requires improvement ↔ Feb 2019
Services for children and young people	Good ↑ Feb 2019	Good ↑ Feb 2019	Outstanding ↑ Feb 2019	Good ↔ Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019
Outpatients	Good Feb 2019	N/A	Good Feb 2019	Good Feb 2019	Good Feb 2019	Good Feb 2019
Diagnostic imaging	Good Feb 2019	N/A	Good Feb 2019	Good Feb 2019	Good Feb 2019	Good Feb 2019
Overall*	Good ↑ Feb 2019	Good ↑ Feb 2019	Outstanding ↑ Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019	Good ↑ Feb 2019

In response to the inspection report the Trust put in place a robust action plan to address the areas for improvement highlighted by the CQC. Completion of this action plan was monitored via the Quality and Safety Committee with all actions except one completed. The ongoing action relates to the Trust's system for robust implementation of the accessible information standard. The Trust updated its Accessible Information Standard and Communication Policy in November 2023 and further improvements are to be delivered via the Trust's electronic patient record programme.

During 2023/4, the Trust established a group to monitor compliance against the CQC's Quality Standards. This Group continued to meet during 2024/5. It is chaired by the Chief Nurse and has members from key teams / departments from across the Trust. The approach focusses on the eight

quality statements and promotes and assesses the Trust's compliance with each component of those standards.

Patient Feedback

The Patient Experience and Engagement Strategy 2021-2024 outlines the Trust's commitments to provide patients, carers, their relatives with world class care.

We know that a positive experience during a care episode promotes a positive clinical outcome. If a patient feels listened to and involved in their care they will respond better to medical, nursing and therapy interventions and be better able to manage their own journey of care.

During 2024/25 the Trust has been working towards achievement of the commitments to provide the best experience of care at each phase of the patient pathways and interaction with our staff to put patient experience at the heart of everything we do.

Our commitments are:

1. We will work in partnership with our patients and actively involve them in decisions about their care.

2. We will communicate to our patients in a manner that is accessible and appropriate to their own individual needs whilst listening to our patients about their priority of care and what matters most to them.

3. We will involve our patients and services users and the public generally in decisions regarding the way we deliver services and any future developments.

4. We will engage with our patients to facilitate patients to manage their own health conditions and get the best out of their wellbeing.

5. We will further develop the role of volunteers to ensure we maximise their input to enhance patient experience

There is an intention to revise the Patient Experience Strategy in 2025.

The Trust uses patient feedback as a key measure of monitoring the quality of care, this an important "health check" for the services we provide as well as promoting a strong culture of listening to patients to help improve services.

The Trust offers many opportunities for patients and carers to give their feedback including Trust email, social media, local and national patient feedback surveys, Friends and Family Test (FFT) survey, patient stories, patient forums, Trust Governor forums, and comments received directly. All feedback is shared with the clinical areas and is responded to by the Communications Team or the Patient Advice and Liaison Service (PALS) Team.

In addition, the Trust has robust processes in place which enables patients to raise their concerns formally via the Complaints process and informally via the Patient Advice and Liaison Service (PALS).

These concerns are all investigated in line with the Trust's complaints policy and action plans put in place, where applicable, to ensure learning and improvement.

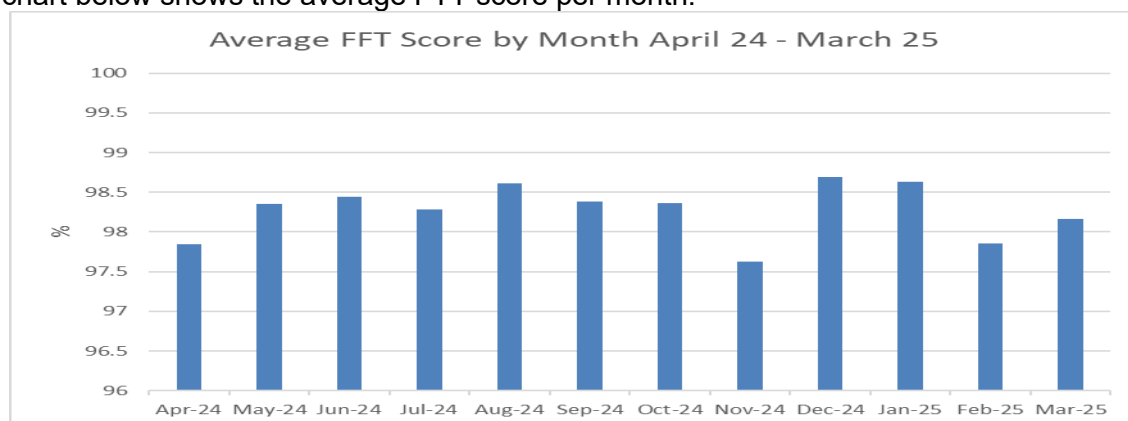
Friends and Family Question

The NHS Friends and Family Test (FFT) “Overall, how was your experience of our service” was created to help Trusts understand whether patients are happy with the service provided, or to provide suggestions on any improvements needed. It's a quick and simple way for patients to give their views after receiving NHS care or treatment.

The results from FFT provides insights into how we can improve or celebrate the positive patient feedback received with the staff delivering the services.

FFT data is collected in real time using the IQVIA patient feedback system and patients are sent a text to invite them to complete a FFT survey electronically (after discharge or clinic appointment). For 2024/25, 25,035 patients completed a FFT survey and 98.27% of patients (inpatients and outpatients) said they would rate their experience as good or very good.

The chart below shows the average FFT score per month:



The Trust is committed to improving the percentage of patients who would rate their experience as good or very good.

Staff are sent an email alert in real time as soon as a low FFT score is received, and comments are immediately uploaded into IQVIA for staff to respond to within department. The FFT results are shared in Unit, department and Speciality level Governance Quality reports with trends of low scores monitored on a monthly basis.

The results for the Trust over the last five years are as follows based on the average percentage of FFT score (inpatients and outpatients):

	2020/21	2021/22	2022/23	2023/24	2024/25
National Average	94%	94%	94%	94%	94%*
Highest Score	100%	100%	100%	100%	100%*
Lowest Score	65%	64%	73%	75%	69%*
The Robert Jones and Agnes Hunt	98%	98%	98%	98%	98%

*data only available nationally up to Jan 25

Engagement mechanisms / collaborative arrangements

Stakeholder relationships have continued to be positive during 2023/24.

The Trust has been a member of Shropshire, Telford and Wrekin Integrated Care Board (STW ICB) since 1 July 2022. The Trust Chief Executive is a member of the ICB Board and members of the Trust Board have played an active role supporting system-wide initiatives, including:

- Leading the MSK transformation workstream, as strategic lead for musculo-skeletal (MSK) services.
- The Trust's Deputy Chief Executive acting as 'waiting well' lead under the system's health inequalities workstream.
- The Chief Executive acting as the lead executive for workforce, and Trust NEDs chairing the system People Committee.

The Chief Executive met with her peers within the system, and within other specialist providers, on a regular basis. Officers of the Trust also met with their peers in other organisations to progress work / share ideas as required.

The Chair, Chief Executive and others have met with colleagues from the ICB, NHSE and the Care Quality Commission throughout the year.

The Trust continued to work closely with colleagues in NHS Wales to deliver services to Welsh patients.

Representatives of Healthwatch attend the Trust's Patient Experience Meetings and the patient engagement group where they share intelligence with the Trust. If Healthwatch have any concerns they wish to raise outside those fora, they can contact the Chief Nurse and Patient Safety Officer directly. At system level, Healthwatch representatives attend monthly communications and engagement meetings and meetings of the system quality group, where they provide feedback to the Trust and system partners.

The Council of Governors monitored progress against its Public Membership Development and Engagement Strategy during the year. The aim of the strategy is to grow the Trust's public membership and ensure that FT members are engaged both directly and through their elected public governors, in the development of the Trust's services. FT public membership grew from a total of 5,479 public members in April 2024 to 5,629 public members in March 2025.

The Trust Chair plays a key role in chairing meetings of the Council of Governors, ensures their effectiveness in all aspects of their role and agenda. Key responsibilities include:

- Ensuring the provision of accurate, timely and clear information to Directors and Governors
- Facilitating the effective contribution of Non-Executive Directors, Executive Directors and Governors and ensuring constructive relations between them

Non-Executive Directors attend meetings of the Council of Governors, to report on the work of the Board committees. Governors are also invited to observe meetings of the Board committees and regularly do so.

The Annual Meeting of the Foundation Trust took place on 26 September 2024. Items considered included:

- Chair's welcome and introduction;
- A presentation on "Building Strong Foundations: My Research Journey Toward Advancing Bone Health";
- Chief Executive's review of 2023/4 and forward look to 2024/5
- Highlights of the 2023/4 Quality Accounts;
- Highlights of the 2023/4 Annual Report and Accounts;
- A presentation from the external auditor; and
- Chair's report from the Council of Governors.

Section 43 (2A) NHS Act 2006 Statements Regarding Income Disclosures

The Trust has fulfilled its principal purpose as its total income from the provision of goods and services for the purposes of the health service in England has been greater than its total income for the provision of goods and services for any other purposes.

Private practice complements the NHS services provided by the Trust and makes up a very small amount of our overall activity. Private patients only use facilities when they are not required for the NHS and this generates extra income which is used to enhance services and, in turn, benefits NHS patients every year.

Statement as to disclosure to auditors

For each individual director who was a director at the time this report was approved:

- So far as the director is aware there is no relevant audit information of which the Trust's auditor is unaware; and
- The director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

A director is regarded as having taken all these steps that they ought reasonably to have taken as a director in order to do the things mentioned above and:

- Made such enquiries of his/her fellow directors and of the Trust's auditors for that purpose; and
- Taken such steps (if any) for that purpose, as are required by his/her duty as a director of the Trust to exercise reasonable care, skill, and diligence.



Stacey Keegan
Chief Executive Officer
24 June 2025

Remuneration Report

This report contains the annual statement from the Chair of the Remuneration Committee and includes details regarding senior managers' remuneration in accordance with:

- Sections 420 to 422 of the Companies Act 2006 as they apply to foundation trusts.
- Regulation 11 and Parts 3 and 5 of Schedule 87 of Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410).
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor; and
- Elements of the Code of Governance for NHS Provider Trusts.

The Trust considers that disclosures in this report and the staff report meet the requirements of the NHS Act 2006 on the work of the Trust's Remuneration Committee.

Annual Statement on Remuneration by the Chairman of the Nomination and Remuneration Committee (Trust Chair, Mr Harry Turner)

The membership of the Nomination and Remuneration Committee during the year was:

- Harry Turner, Chair
- Sarfraz Nawaz, Non-Executive Director
- Martin Newsholme, Non-Executive Director
- Penny Venables, Non-Executive Director
- Lindsey Webb, Non-Executive Director
- Martin Evans, Non-Executive Director

In addition, the Chief Executive Officer and Chief People Officer have been in attendance as requested by the Committee along with Associate Non-Executive Directors.

The Nomination and Remuneration Committee met once during the year and considered the Approval of the VSM pay award for 2024/25.

Name	Meetings attended	Attendance percentage
Total 2024/25	1	
Harry Turner, Chairman	01 / 01	100%
Sarfraz Nawaz, Non-Executive Director	01 / 01	100%
Martin Evans, Non-Executive Director	01 / 01	100%
Martin Newsholme, Non-Executive Director	01 / 01	100%
Penny Venables, Non-Executive Director	00 / 01	0%
Lindsey Webb, Non-Executive Director	00 / 01	0%

Senior Managers' Remuneration Policy

The remuneration of the Chief Executive Officer and Executive Directors directly accountable to the Chief Executive Officer is determined by the Remuneration Committee. Details of the membership of this Committee and attendance at its meetings are set out above and in the Foundation Trust Governance section of the report.

The Executive Directors' Remuneration framework, which was not subject to formal consultation, is agreed by the Committee and determines remuneration of the Chief Executive Officer and Executives directly accountable to the Chief Executive Officer. This Framework was last reviewed and updated at the Remuneration Committee in June 2022.

National Context

The Committee will take into consideration any guidance given from the Department of Health and Social Care regarding public sector pay including the inflation uplifts.

Pay Comparators

Salaries are benchmarked against the NHS Chief Executives and Directors Salary Surveys and NHS Improvement Pay Comparators. Further in November 2020 a review of the Chief Executive and Director's salaries was undertaken by the Midlands Commissioning Support Unit, this review also considered those receiving salaries in excess of £150k.

Ranges for each post are agreed based on this information.

Performance-Related Pay and Assessment Process

The Executive Directors Remuneration Framework states that Directors may earn a maximum of 3% Performance-Related Pay annually.

Directors will be set annual objectives which address the following areas:

- Performance Objectives and Targets including; corporate risks and supporting strategies;
- Leadership;
- Trust Values, Statutory Training & Standards of Business Conduct;
- Equality, Diversity and Inclusion; and
- Personal Development.

The Framework states that performance-related pay will not be consolidated and is not therefore pensionable.

In practice, performance-related pay has not been implemented.

The Directors all hold permanent contracts, which include a six months' notice period.

None of the Directors' contracts include any provision for compensation for early termination of employment.

The full Council of Governors determined the remuneration for Non-Executive Directors in 2011 and review remuneration levels periodically via the Council of Governors Remuneration Committee.

Future Policy

The Trust's future policy is as outlined in the table below:

Item	Salary/Fees	Taxable Benefits	Annual Performance Related Bonus	Long Term Related Bonus	Pension Related Benefits
Support for the short- and long-term objectives of the Foundation Trust	Ensure the recruitment and retention of directors of sufficient calibre to deliver the Trust's objectives	All payments made relate to car lease or car allowance for staff with significant travel requirements for their role	As per the Performance Related Pay and Assessment Process section above	None paid	Ensure the recruitment and retention of directors of sufficient caliber to deliver the Trust's objectives
How the component operates	Paid in even twelfths	Paid in even twelfths	As per the Performance Related Pay and Assessment Process section above	None paid	Employee and employer contributions

Item	Salary/Fees	Taxable Benefits	Annual Performance Related Bonus	Long Term Related Bonus	Pension Related Benefits
Maximum payment	As set out in Senior Managers' Remuneration Table	As set out in Senior Managers' Remuneration Table	As per the Performance Related Pay and Assessment Process section above	None paid	As set out in Senior Managers' Remuneration Table
Framework used to assess performance	Trust appraisal system	Not applicable	As per the Performance Related Pay and Assessment Process section above	None paid	Not applicable
Performance measures	Tailored to individual posts	Not applicable	As per the Performance Related Pay and Assessment Process section above	None paid	Not applicable
Amount paid for minimum level of performance and any further level of performance	Salaries are agreed on appointment and set out in the contract of employment	Not applicable	As per the Performance Related Pay and Assessment Process section above	None paid	Not applicable
Explanation of whether there are any provisions for recovery of sums paid to directors or provisions for withholding payments	Any overpayments may be recovered	Any overpayments may be recovered	Any overpayments may be recovered	None paid	Any overpayments may be recovered

Non-Executive Directors are appointed on fixed terms contracts, normally three or four years in length. Non-Executive Directors are not employees of the Trust and therefore there is no entitlement to access the Pension Scheme as a result of this engagement. The fee payable to Non-executive Directors is set out in the tables on the next pages. They do not receive any other payments from the Trust.

Any changes to the future policy will be discussed by the Remuneration Committee taking account of national arrangements.

Service Contract Obligations

There are no obligations on the Trust which could give rise to, or impact on, remuneration payments or payments for loss of office but which are not disclosed elsewhere in the remuneration report.

Policy on Payment for Loss of Office

Notice periods for all Executive Directors are contractually set at six months. Any payments for loss of office will be made in accordance with NHS Terms and Conditions of Service and HM Treasury guidance 'Managing Public Money' where appropriate.

Statement of Consideration of Employment Conditions

Employment terms and conditions for Very Senior Managers mirrors those set out in Agenda for Change. The remuneration policy takes account of national pay comparators provided by NHSE and the scale of any inflationary pay award.

Service Contracts

For each senior manager who has served during the year, the date of their service contract, the unexpired term and details of the notice period are set out below:

Officer	Start date	End date of current term	Notice period
Turner, H Chair	01 February 2022	31 January 2028	N/A
Nawaz, S Non-Executive Director	01 February 2022*	31 January 2028	N/A
Newsholme, M Non-Executive Director	04 May 2022	03 May 2028	N/A
Evans, M Non-Executive Director	10 July 2023*	09 July 2026	N/A
Venables, P Non-Executive Director	19 June 2022	18 June 2028	N/A
Webb L, Non-Executive Director	01 July 2023	30 June 2026	N/A
Maubach, P Associate Non-Executive Director	30 March 2023	29 March 2026	N/A
Ishaq, A Associate Non-Executive Director	01 July 2023	30 June 2026	N/A
Pepper, J Associate Non-Executive Director	01 July 2022	30 June 2025	N/A
Keegan, S Chief Executive Officer	19 December 2022	N/A (as a permanent employee)	6 months
Macbeth, C Chief Finance and Planning Officer	01 April 2017	N/A (as a permanent employee)	Retired from the role as of 30 April 2025
Longfellow, R Chief Medical Officer	01 April 2021	N/A (as a permanent employee)	6 months
Carr, M Chief Operating Officer	04 July 2022	N/A (as a permanent employee)	6 months
Kavanagh-Fields, P Chief Nurse and Patient Safety Officer	01 April 2023	N/A (as a permanent employee)	6 months
Harnin, D Chief People and Culture Officer **	14 July 2022	N/A (as a permanent employee)	N/A (as a permanent employee)

*In current Non-Executive Director role. SN and ME were Associate Non-Executive Director prior to this appointment.

**Chief People and Culture Office is not a substantive staff member.

Disclosures Required by Health and Social Care Act

The following information is required by section 156 (1) of the Health and Social Care Act 2012, which amended paragraph 26 of Schedule 7 to the NHS Act 2006

Senior Managers' Remuneration (*subject to audit*)

For the purposes of this report 'senior managers' are defined as 'those persons in senior positions having authority or responsibility for directing the major activity of the Trust. The Trust's Chief Executive has agreed the definition.

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

Senior Managers Remuneration 2024/25					
Name and Job Title	Salary & fees (bands of £5,000) £'000	Taxable benefits (to nearest £100) Note 1 £	Sub total of remuneration paid by the Trust (bands of £5,000) £'000	All pension- related benefits (bands of £2,500) Note 2 £'000	Total (bands of £5,000) £'000
Harry Turner Chair	45 - 50		45 - 50		45 - 50
Martin Evans Non Executive Director	15 - 20		15 - 20		15 - 20
Safraz Nawaz Non Executive Director	20 - 25		20 - 25		20 - 25
Martin Newsholme Non Executive Director	10 - 15		10 - 15		10 - 15
Penny Venables Non Executive Director	10 - 15		10 - 15		10 - 15
Lindsey Webb Non Executive Director	10 - 15		10 - 15		10 - 15
Stacey Keegan Chief Executive	160 - 165	4,600	165 - 170	25 - 27.5	190 - 195
Craig Macbeth Chief Finance Officer	120 - 125	4,600	125 - 130	15 - 17.5	140 - 145
Ruth Longfellow Chief Medical Officer	215 - 220	400	215 - 220	135 - 137.5	355 - 360
Paul Kavanagh-Fields Chief Nurse	125 - 130	100	125 - 130	0	115 - 120
Mike Carr Chief Operating Officer	130 - 135	0	130 - 135	25 - 27.5	155 - 160

Notes

1. Taxable benefits relate to a car allowance or lease car benefit.
2. Pension related benefits are based on the HMRC approved calculation and assume a pension will be drawn for 20 years from retirement. This excludes employee contributions.
3. The Chief Medical Officer's salary includes payments relating to clinical duties.

Senior Managers Remuneration 2023/24					
Name and Job Title	Salary & fees (bands of £5,000) £'000	Taxable benefits (to nearest £100) Note 1 £	Sub total of remuneration paid by the Trust (bands of £5,000) £'000	All pension- related benefits (bands of £2,500) Note 2 £'000	Total (bands of £5,000) £'000
Harry Turner Chair	45 - 50		45 - 50		45 - 50
Chris Beacock Non Executive Director (to Jul 23)	0 - 5		0 - 5		0 - 5
Martin Evans Non Executive Director (from Jul 23)	5 - 10		5 - 10		5 - 10
Paul Kingston Non Executive Director (to Jun 23)	0 - 5		0 - 5		0 - 5
Safraz Nawaz Non Executive Director	10 - 15		10 - 15		10 - 15
Martin Newsholme Non Executive Director	10 - 15		10 - 15		10 - 15
Penny Venables Non Executive Director	10 - 15		10 - 15		10 - 15
Lindsey Webb Non Executive Director (from Jul 23)	5 - 10		5 - 10		5 - 10
Stacey Keegan Chief Executive	150 - 155	4,600	155 - 160	120 - 122.5	275 - 280
Craig Macbeth Chief Finance Officer	115 - 120	4,600	120 - 125	0	120 - 125
Ruth Longfellow Chief Medical Officer	205 - 210	0	205 - 210	7.5 - 10	210 - 215
Paul Kavanagh-Fields Chief Nurse	120 - 125	0	120 - 125	0	120 - 125
Mike Carr Chief Operating Officer	120 - 125	0	120 - 125	100 - 102.5	225 - 230

Notes

1. Taxable benefits relate to a car allowance.
2. Pension related benefits are based on the HMRC approved calculation and assume a pension will be drawn for 20 years from retirement. This excludes employee contributions.
3. Some managers are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values are not disclosed in this table but are substituted with a zero.
4. The Chief Medical Officer's salary includes payments relating to clinical duties.

Governor and Director Expenses

The following table provides details of expenses claimed by either Directors or Governors during the reporting period and provides comparative data for the previous year. Most expenses relate to travel.

Name	Role	2024/25	2023/24
Directors			
Harry Turner	Chair	£3,356	£4,794
Chris Beacock	Non Executive Director		£236
Martin Evans	Non Executive Director	£1,166	£686
Mohammed Ishaq	Associate Non Executive Director	£1,869	£1,193
Paul Maubach	Associate Non Executive Director	£607	£1,332
Sarfraz Nawaz	Non Executive Director	£1,738	£1,372
Martin Newsholme	Non Executive Director	£1,752	£933
John Pepper	Associate Non Executive Director	£1,283	£1,119
Penny Venables	Non Executive Director	£1,376	£2,023
Lindsey Webb	Non Executive Director	£2,497	£2,403
Stacey Keegan	Chief Executive	£1,898	£1,277
Craig Macbeth	Chief Finance and Planning Officer	£93	£211
Mike Carr	Chief Operating Officer	£35	£6,934
Governors			
Sheila Hughes	Governor	£172	£82
Katrina Morphet	Governor	£58	£629
Total		£17,900	£25,224

Pension Entitlement *(subject to audit)*

The CETV in the table below is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The disclosures include accrued benefits derived from the member's purchase of added years of service and any "transferred-in" service.

Senior Managers Pension Entitlement 2024/25							
Name and Job Title	Real increase in pension at pension age (bands of £2,500) £'000	Real increase in pension lump sum at pension age (bands of £2,500) £'000	Total accrued pension at pension age at 31 March 2025 (bands of £5,000) £'000	Lump sum at pension age related to accrued pension at 31 March 2025 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2025 £'000	Cash Equivalent Transfer Value at 31 March 2024 £'000	Real increase in Cash Equivalent Transfer Value £'000
Stacey Keegan Chief Executive	2 - 2.5	0	50 - 55	125 - 130	1092	981	45
Craig Macbeth Chief Finance Officer	0 - 2.5	0	50 - 55	130 - 135	1204	1092	38
Ruth Longfellow Chief Medical Officer	7.5 - 10	10 - 12.5	70 - 75	180 - 185	1532	1283	163
Paul Kavanagh-Fields Chief Nurse	0 - 2.5	0	30 - 35	75 - 80	658	636	0
Mike Carr Chief Operating Officer	0 - 2.5	N/A	25 - 30	N/A	363	315	27

Information provided by the NHS Pensions Agency

Senior Managers Pension Entitlement 2023/24							
Name and Job Title	Real increase in pension at pension age (bands of £2,500) £'000	Real increase in pension lump sum at pension age (bands of £2,500) £'000	Total accrued pension at pension age at 31 March 2024 (bands of £5,000) £'000	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2024 £'000	Cash Equivalent Transfer Value at 31 March 2023 £'000	Real increase in Cash Equivalent Transfer Value £'000
Stacey Keegan Chief Executive	5 - 7.5	40 - 42.5	45 - 50	120 - 125	981	617	302
Craig Macbeth Chief Finance Officer	0	25 - 27.5	45 - 50	125 - 130	1092	871	134
Ruth Longfellow Chief Medical Officer	0	40 - 42.5	55 - 60	160 - 165	1283	909	282
Paul Kavanagh-Fields Chief Nurse	0	0	30 - 35	80 - 85	636	590	0
Mike Carr Chief Operating Officer	5 - 7.5	0	25 - 30	0	315	155	144

Information provided by the NHS Pensions Agency

Some managers were affected by the Public Service Pensions Remedy - membership between Apr 2015 and Mar 2022 was moved back into the 1995/2008 scheme in Oct 2023. Negative values are not disclosed but are shown as zero.

Fair Pay Disclosure *(subject to audit)*

NHS Foundation Trusts are required to disclose the relationship between the remuneration of the highest paid director and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The remuneration figures include salary, non-consolidated performance related pay and benefits in kind, but not employer pension contributions and the cash equivalent transfer value of pensions.

The banded remuneration of the highest paid director in 2024/25 was £217,500 (2023/24 was £207,500). This is a change between years of 4.8%.

For employees of the Trust as a whole, the range of remuneration in 2024/25 was from £22,500 to £292,500 (2023/24 was from £22,500 to £257,500).

The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years was 5.7% (3.3% for 2023/24).

21 employees received remuneration in excess of the highest paid director in 2024/25 (17 in 2023/24).

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

The calculation is based on annualised full-time equivalent pay and benefits of all staff at the reporting period end date.

2024/25	25th percentile	Median	75th percentile
Total pay & benefits (excluding pension benefits)	25,870	32,647	48,407
Pay & benefits (excluding pension) : pay ratio for highest paid director	8.4	6.7	4.5

2023/24	25th percentile	Median	75th percentile
Total pay & benefits (excluding pension benefits)	24,456	31,053	45,597
Pay & benefits (excluding pension) : pay ratio for highest paid director	8.5	6.7	4.6

Payments for Loss of Office

There were no payments for loss of office recorded in 2024/25.

Payments to Past Senior Managers

No payments have been made to past senior managers during in 2024/25.

Staff Report

Staff Costs (subject to audit)

Staff costs are shown in the table below. Costs have increased mainly due to pay awards and an increase in the employer's pension contribution rate.

	2024/25			2023/24
	Permanent £'000	Other £'000	Total £'000	Total £'000
Salaries & wages	79,908	705	80,613	70,500
Social security costs	7,899	-	7,899	7,317
Apprenticeship levy	372	-	372	349
Employer's contributions to NHS pensions	15,284	-	15,284	11,768
Pension cost - other	0	20	20	25
Termination benefits	8	-	8	0
Temporary staff		2,310	2,310	5,813
Total gross staff costs	103,471	3,035	106,506	95,772
Recoveries in respect of seconded staff	-430	-	-430	-794
Total staff costs	103,041	3,035	106,076	94,978
<i>Of which:</i>				
<i>Costs capitalised as part of assets</i>	<i>1,220</i>	<i>25</i>	<i>1,245</i>	<i>1,129</i>

Average number of employees (subject to audit)

The average number of employees on a whole-time equivalent basis (WTE) is shown in the table below, analysed over professional groupings.

	2024/25			2023/24
	Permanent Number	Other Number	Total Number	Total Number
Medical & dental	161	9	170	152
Administration & estates	584	22	606	578
Healthcare assistants & other support staff	293	25	318	311
Nursing, midwifery & health visiting staff	314	33	347	331
Scientific, therapeutic & technical staff	208	12	220	203
Healthcare science staff	13	1	14	13
Total average numbers	1,573	102	1,675	1,588
<i>Of which, numbers engaged on capital projects:</i>	<i>20</i>	<i>1</i>	<i>21</i>	<i>29</i>

Exit packages (subject to audit)

All exit packages agreed in 2024/25 and 2023/24 are shown in the table below.

Exit package cost band	2024/25			2023/24		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000		2	0			0
Total number	0	2	0	0	0	0
Total cost		£8,000	£8,000			£0

Analysis of the non-compulsory payments:

	2024/25		2023/24	
	Number of agreements	Value of agreements	Number of agreements	Value of agreements
Exit package cost band				
Contractual payments in lieu of notice	2	£8,000		
Total number of exit packages	2	£8,000	0	£0

Trade Union Facility

Through our Recognition Agreement, we recognise a number of Trade Unions and Professional Associations for the purpose of collective bargaining on behalf of all employees who are directly employed by the Trust, whether full time or part time, permanent or temporary.

The members of each of these organisations elect representatives who work with us to represent their members. They can be carrying out union duties, which means that under legislation, employers are obliged to pay elected representatives to carry it out. They can also be carrying out union activities – which means that employers are not legislatively obliged to provide paid time to elected representatives.

The overarching term ‘facility time’ covers both union duties and activities.

Where facility time is paid, payment is made at the amount the representative would otherwise have received had they been at work. Where union duties are in addition to the normal contracted hours of the individual accredited representative, payment is made at single time, or the equivalent time off given – no overtime pay is applicable.

It is our statutory duty to publish this information for the previous financial year by the end of July each year and our publications can be found via the following link: [Trust Documents - RJAH](#)

Staff gender distribution

A breakdown of the number of persons who were directors of the Trust, senior managers, and other employees at 31 March 2025 is shown below:

	Female	Male
Executive Directors	3	3
Non-executive Directors (including Chair and Associate NEDs))	2	7
Other senior managers	14	9
Other employees	1565	485
Total	1584	504

Staff Sickness Absence

The sickness absence figures in the table below are provided to the Trust, calculated from statistics published by NHS Digital. They are for calendar years, due to timing difficulties with financial year data. The Department of Health and Social Care considers the figures to be a reasonable proxy for the financial year.

2024/25			2023/24		
Average FTE 2024	FTE Days Lost 2024	Average Sick Days per FTE 2024	Average FTE 2023	FTE Days Lost 2023	Average Sick Days per FTE 2023
1,572	19,007	12.1	1,485	16,051	10.8

Note: FTE = Full Time Equivalent

Staff Equality and Diversity

The age, ethnic breakdown, staff gender distribution and number of staff with recorded disabilities is shown below:

The Trust employed 2088 staff on 31st March 2025 (including Bank Staff).

The demographic profiles of our staff are shown below:

Age Range	Headcount	% Headcount
19 and below	12	1%
20 - 29 Years	296	13%
30 - 39 Years	476	23%
40 - 49 Years	465	22%
50 - 59 Years	544	26%
60 and above	295	15%
Total	2088	

Gender	Headcount	% Headcount
Female	1584	76%
Male	504	24%
Total	2088	

Part Time/Full Time	Full Time	Part Time	% of Gender Full Time	Total
Female	586	998	37%	1584
Male	364	140	72%	504
Total	950	1138	45%	

Ethnicity	Headcount	% Headcount
Any Other Ethnic Group	23	1.1%
Asian or Asian British	123	6.0%
Black or Black British	45	2.2%
Chinese	4	0.2%
Mixed - Any mixed background	23	1.1%
Not stated	45	2.2%
White - British	1724	83.5%
White - Other	101	4.9%
Total	2088	

As described in the Equality, Diversity and Human Rights section of the Annual Governance Statement, the Trust publishes information on the gender pay gap.

Staff Turnover

Staff turnover continues to be monitored by the Board via reporting to the People and Culture Committee.

The Trust reported an average monthly voluntary turnover rate of 8.51% in 2024/25, with 8.81% reported in March 25. This is above the target of 7.86%, but remains a sustained improvement. A target in line with the workforce plan submission has been agreed for 2025/26 at 9.98%.

Actions to support retention such as wellbeing support to staff, with focused and timely management interventions as well as promotion of available support systems continues to be a focus for to reduce sickness absence with the rate reported for 2024/25 at 5.38%.

Focused activity remains in place to recruit to vacancies, although vacancy rate has increased from 4.68% in April 24 to 6.47% in March 25, it is worth noting the budgeted establishment has grown by 49.89 WTE, with staff in post only growing by 17.28 WTE.

The people plan objectives in line with year 2 RJA People plan priorities such as the inclusion strategy, have contributed to the sense of belonging. Development of staff remains a Trust priority as well as promotion of the Trust's study leave policy to support career development within our workforce. The Trust remain committed to work-life balance and promotes the utilisation of both flexible and agile working.

Supporting Staff with Disabilities

The Trust's policies ensure full and fair consideration is given to all job applications from people with a disability and ensures adaptations and support are available to facilitate the continued employment and training of staff with a disability. All job adverts contain a welcoming statement, and an additional document is provided to all candidates on the Equality, Diversity and Inclusion support, including the Disability Staff Network Group

Recruitment data is collected and analysed to ensure applicants to the Trust are free from any form of discrimination. Candidates who declare themselves as having a disability and who meet the essential requirements of the job description and person specification are guaranteed an interview by the Trust.

The EDI team have a regular monthly slot on the Trust's Induction programme for all new starters, which details the support open to all staff with disabilities and their allies

In the event that a staff member becomes disabled while employed by the Trust, the Trust's policies ensure support, reasonable adjustments to the role or alternative roles are offered to enable staff to remain in employment.

We have continued to support our Staff Network Group, which ensures the staff have a voice on ideas and innovation on improvements in the workplace, and we are in the final stages of developing a portable Staff Health passport. The Trust were also able to support the network group with guest speakers with lived experiences around invisible disabilities.

Health and Safety

The Chief Finance and Planning Officer retained Board-level responsibility for health and safety. The Trust employed a health and safety team comprising of a manager and an advisor to comply with the requirement to appoint a competent person under section 7(1) of the Management of Health and Safety Regulations 1999.

In addition to general health and safety management, the team also undertook the roles of Medical Devices Safety Officer, Central Alerting System Liaison Officer, Emergency Preparedness, Resilience and Response Lead, Premises Assurance Model Compliance Lead, and Violence Prevention & Reduction Lead. The team also provided health and safety, security management, and medical devices management support to Shropshire Community Health NHS Trust via a service level agreement.

The Trust's health and safety performance was reported to, and monitored by, the Health and Safety Meeting which escalated any issues of concern to the Quality and Safety Committee via a Chair report. The Health and Safety Meeting met bi-monthly, chaired by the Director of Estates and Facilities, and included health and safety representatives from staff side unions in compliance with the Safety Representatives and Safety Committees Regulations, 1977.

Incidents involving specified injuries, occupational disease, or resulting in a member of staff taking more than seven days off work as a result of a work-related accident, were also reported to the Health and Safety Executive (HSE) under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). During 2024-25 there were six incidents reported to the HSE under the requirements of the RIDDOR regulations. No regulatory action or sanction was received in respect of the reported incidents.

RIDDOR Description	2024-25	2023-24	2022-23
Occupational Disease	0	4	0
Slips, Trips and Falls	1	2	2
Lifting and handling injuries	5	1	5

Staff Engagement

ImproveWell App, a digital solutions platform, has been introduced to early adopters/pilot areas within the Trusts. The App provides real time engagement and feedback on areas for development and improvement, which means we are not waiting for responses on an annual basis from the National Staff Survey. Staff have been able to engage through surveys about improvements in their wards or departments, with thirteen improvements submitted so far.

As noted elsewhere in this report, the Trust encourages a culture of openness. As well as a Freedom to Speak Up (FTSU) Guardian, we have an Executive and Non-Executive lead for FTSU as well as a number of Freedom to Speak Up Champions across the Trust. There is a dedicated FTSU section on the staff intranet and posters around the site providing information and contact details. We have self-assessed against the National Freedom to Speak Up Guardian Reflection and Planning tool, which has helped us develop key actions. We have recently implemented a QR code that staff can scan and use to report any issues, which is completely anonymous and will help us understand any themes or areas that need further support.

There is an active programme of staff briefing and engagement sessions, by newsletter, other publications, and meetings (both virtual and face to face).

Countering fraud and corruption

The Trust has in place a Local Counter Fraud Specialist team who oversee any investigations of potential fraud. On an annual basis the Trust assesses the effectiveness of its counter fraud service, and this is reported to the Audit and Risk Committee. Both Lead and Support Local Counter Fraud Specialists at the Trust have access to the fraud case management system, CLUE, which will assist them in the investigation and reporting of allegations.

The Trust has in place security and counter fraud policies to ensure compliance with NHS Counter Fraud Authority guidance. The Trust has an established Counter Fraud Protocol which outlines the role of the Local Counter Fraud Specialist and the cross over and interaction with the Trust's Local Security Management Specialist.

In line with national guidance, the Trust maintains a Managing Conflicts of Interest Policy in order to provide a clear outline of the Trust's position on issues where there is the potential for conflict to arise such as through the acceptance of gifts and hospitality. The policy also outlines the requirements on senior staff, consultants, and approvers on the Trust's procurement system with regard to the declaration of interests.

Staff Survey Results

NHS staff survey

The NHS staff survey is conducted annually. From 2021/22 the survey questions align to the seven elements of the NHS 'People Promise', retaining two previous themes of engagement and morale.

All indicators are based on a score out of 10 for specific questions with the indicator score being the average of those.

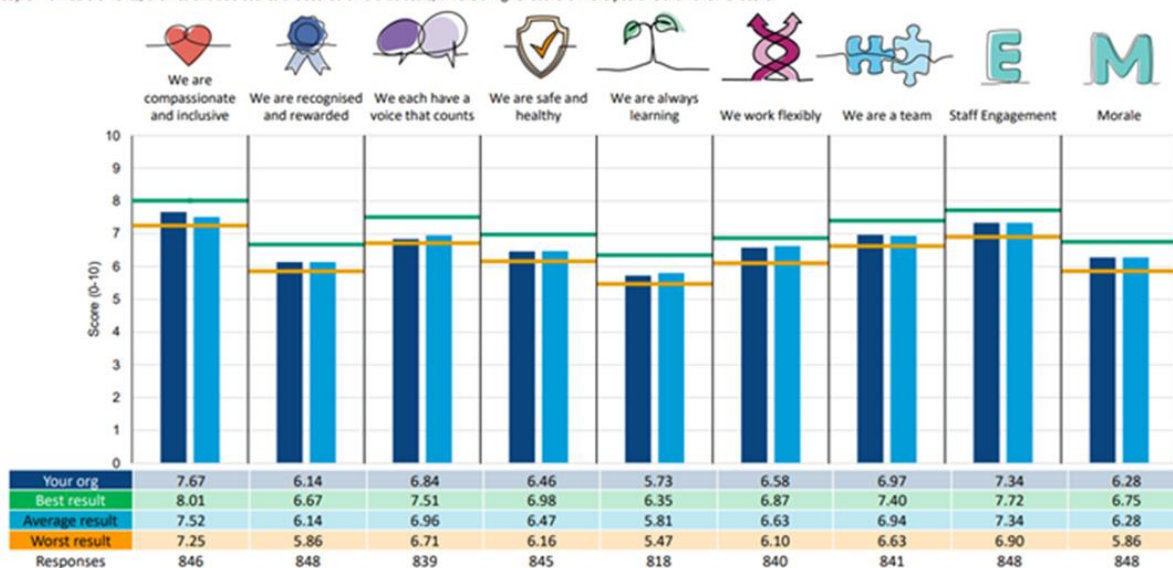
The response rate to the 2024 survey among trust staff was 47% (from 52% in 2023).

Scores for each indicator together with that of the survey benchmarking group are presented below:

Indicators (‘People Promise’ elements and themes)	2024/25		2023/24		2022/23	
	Trust score	Benchmarking group score	Trust score	Benchmarking group score	Trust score	Benchmarking group score
People Promise:						
We are compassionate and inclusive	7.67	7.52	7.68	7.51	7.5	7.5
We are recognised and rewarded	6.14	6.14	6.24	6.12	5.9	6.0
We each have a voice that counts	6.84	6.96	6.87	6.92	6.7	7.0
We are safe and healthy	6.46	6.47	6.49	6.41	6.1	6.3
We are always learning	5.73	5.81	5.66	5.71	5.4	5.7
We work flexibly	6.58	6.63	6.43	6.47	6.1	6.4
We are a team	6.97	6.94	7.04	6.95	6.8	6.9
Staff engagement	7.34	7.34	7.37	7.35	7.1	7.2
Morale	6.28	6.28	6.33	6.25	5.89	6.07

People Promise elements and themes: Overview

People Promise elements, themes and sub-scores are scored on a 0-10 scale, where a higher score is more positive than a lower score.



Future priorities and targets

The Trust will try and improve the response rate for the 2025 survey, and the response rates by People promise element, with continued engagement and promotion of the survey.

All RJAH colleagues were invited to participate in the National NHS Staff Survey between September and November 2024. The survey results are reported in a benchmark format, with our organisation benchmarked against 12 other Acute Specialist Trusts. 47% of our people participated in the 2024 survey, a slight decline of 56 questionnaires compared to last year. Our response rate was lower than the median response rate in our benchmark group of 57%.

We are proud that our staff still recommend the Trust as a place to work, with a response rate of 74% (2023 data – 75.63% a slight decrease) and recommend treatment to a friend or relative: 92% (94.02% in 2023), one of the best scores in the country

We have recognised that there are other areas that need further focus and attention, such as the response rate on 'we are always learning', raising concerns and WRES/WDES response rates and experiences on the grounds of protected characteristics. We have set up a bi-monthly Staff Survey Focus group where we can review areas of good practice and areas that need greater support and improvement for the workforce.

For the 2024 survey, questions were aligned to the People Promise (which sets out in the words of NHS staff, the things that would most improve their working experience).

Expenditure on consultancy - Off-payroll arrangements

Please note that the previous year's figures for the final question "**Number of individuals that have been deemed board members, and/or senior officials with significant financial responsibility during the financial year. NB includes both off-payroll and on-payroll engagements**" has been updated to include On-Payroll as the previous reports only included Off Payroll.

Off- payroll engagements as at 31 March 2025, for more than £245 per day and lasting more than six months	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Number of existing engagements as at 31 March 2025	12	21	28	12	2	13	13
Of which							
have existed for less than one year at the time of reporting	9	13	15	9	1	8	7
have existed for between one and two years at the time of reporting	3	3	12	2	1	2	4
have existed for between two and three years at the time of reporting	0	5	0	1	0	1	2
have existed for between three and four years at the time of reporting	0	0	1	0	0	2	0
have existed for four or more years at the time of reporting	0	0	0	0	0	0	0
Assurance has been sought and received from all of the individuals above that they have made appropriate arrangements for the payment of their tax liabilities							
New Off- payroll engagements or those that reached six months duration between 1 April and 31 March 2025, for more than £245 per day and lasting more than six months	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
New Off- payroll engagements or those that reached six months duration between 1 April and 31 March 2025, for more than £245 per day and lasting more than six months	9	13	15	9	1	8	7
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to Income tax and National Insurance obligations	9	13	16	9	1	8	5
Number of whom assurance has been requested	9	14	16	9	1	8	0
Of which							
Assurance has been received	9	14	16	9	1	8	
Assurance has not been received	0	0	0	-	-	-	-
have been terminated as a result of assurance not being received	0	0	0	-	-	-	-
Off- payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April and 31 March 2025	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Off- payroll engagements of board members, and/or senior officials with significant financial responsibility during the financial year	0	0	0	0	0	0	-
Number of individuals that have been deemed board members, and/or senior officials with significant financial responsibility during the financial year. NB includes both off-payroll and on-payroll engagements	11	13	12	14	12	14	12



Stacey Keegan
Chief Executive Officer
24 June 2025

NHS Foundation Trust Code of Governance Disclosures

Statement of compliance with the NHS Foundation Trust Code of Governance

The Robert Jones and Agnes Hunt Orthopaedic NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in October 2022, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust is a public benefit corporation established under Section 35 of the National Health Service Act 2006. The Board attaches great importance to ensuring that the Trust operates to high ethical and compliance standards. In addition, it seeks to observe the principles set out in the NHS Foundation Trust Code of Governance.

The Board is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained. The Board accounts for the performance of the hospital and consults on its future strategy with its members through the Council of Governors.

The Council of Governors' role is to influence the strategic direction of the Trust, to take into account the needs and views of the members, local community and key stakeholders, to hold the Board to account for its performance, to develop a representative, diverse and well-involved membership and to make a noticeable improvement to the patient experience. It also has to undertake other statutory and formal duties, including the appointment of the Chairman and Non-Executive Directors of the Trust and appointment of the external auditors.

In the event of a dispute between the Board and the Council a disputes procedure is described in the Constitution.

In accordance with its Licence, the Trust has in place mechanisms in its Constitution to ensure that no person who is an unfit person may become or continue as a governor, except with the approval in writing of NHS England.

The Board has established governance policies that reflect the principles of the NHS Foundation Trust Code of Governance. These are outlined within this Report and key elements are listed below:

The Directors' Report includes:

- Details of the chair, the deputy chair, the chief executive, the senior independent director

The Meet the Board and Meet the Trust's Council of Governors sections include:

- A brief biography of the board of directors, including their terms of appointment (if applicable).
- Details of the chair's other significant commitments which were disclosed to the council of governors before appointment.
- Details of the Trust's membership and Council of Governors, their appointments, attendance records and constituencies represented.
- Information on arrangements to ensure effective communication between the Council of Governors and the Board of Directors (particularly the non-executive directors)
- Information on how the public can contact the Board and the Governors.
- The Annual Governance Statement includes:
 - A summary of the Trust's governance structure, including the maintenance of a schedule of matters reserved for the board of directors which includes a clear statement detailing the roles and responsibilities of the council of governors, the Board, and the Trust's Directors.
 - The required statements on how directors have prepared the annual report and accounts, and that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.
 - The respective roles of the Board's committees, including the Audit and Risk Committee

- A summary of the Trust's approach to quality governance.
- A summary of the Trust's arrangements for the maintenance of an internal audit and an external audit function
- A section on the review of the effectiveness of its system of internal controls
- Information on the Trust's arrangements for maintaining an internal audit and an external audit function.
- Information on the annual reviews of committee effectiveness.
- Information on the maintenance and availability of the required registers of interests.
- Information on the Trust's arrangements for making appointments to the Board and for assessing directors' performance.

The Trust has undertaken a self-assessment against the requirements of the revised Code and the results were reported to the Audit and Risk Committee.

Accepted areas of non-compliance or partial compliance

Where the Trust is either partially, or non-compliant, with the requirements of the Code it is required to explain that variance. There are three areas where the Trust is partially compliant and has no plans to comply. The variance and explanation can be summarised as:

- Section C, 4.1, self-assessment reference 52 – The Trust complies with the requirements of the Fit and Proper Person Test (FPPT) framework but does not apply the FPPT to Governors. In accordance with the NHSE Guidance issued in 2023, the FPPT will be applied to the Board of Directors. The Governor nomination process involves a declaration covering key elements of the FPPT but Governors are not subject to annual FPPT tests.
- Section E, 2.7, ref.84 - The Trust has a Remuneration Committee that determines the remuneration of Executive Directors but the remit of the committee does not routinely extend to “*the first layer of management below board level*” though it does extend to a small number of staff at that level who are remunerated outside the NHS agenda for change structure. The Trust does not believe that it is appropriate, or necessary, for this organisation to apply this to all managers reporting to Board members.
- Section C, 4.12, ref.60 - The Trust's Executive Director Remuneration Committee / Board do not have a role in considering individual contractual discussions around matters such as executive directors “*serving their full notice period and/or material reductions in their time commitment.*” The Trust does not believe that is appropriate for this organisation and any such contractual discussions should take place between the individual and the Chief Executive (taking appropriate professional advice).

There is one area of the Code where the Trust is partially compliant, as it complies with the spirit of the requirement but not the exact process described in the Code:

- Section C, 2.2 ,ref. 45 – “*The nominations committee(s) should regularly review the structure, size and composition of the board of directors and recommend changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge, experience and diversity on the board of directors and, in the light of this evaluation, describe the role and capabilities required for appointment of both executive and non-executive directors, including the chair.*”

Existing Board members' skills / experience / performance are reviewed annually. This informs a review of the overall balance / diversity of the Board each time a vacancy becomes available. Consideration is also given to the skills / experience required to deliver the Trust's strategic objectives, when those objectives are reviewed. Where gaps have been identified but no vacancies existed, the Trust has appointed Associate Non-Executive Directors to supplement the skills / experience on the Board.

Meet the Trust's Council of Governors

The Council of Governors consists of nine Public Governors, three Stakeholder Governors and three Staff Governors. The Trust's Governor can be contacted via the following email address: rjah.governors@nhs.net



Victoria Sugden
Lead Governor – Public Governor –
Shropshire



Colin Chapman
Public Governor - Shropshire

vacancy
Public Governor - Shropshire



Neil Turner
Public Governor – Cheshire and Merseyside



Tony Wright
Public Governor - West Midlands



Russell Luckock
Public Governor - Rest of England
& Wales



Jan Greasley
Public Governor – North Wales



Sheila Hughes
Public Governor – North Wales

vacancy
Public Governor - Powys



Simon Jones
Stakeholder Governor – Shropshire Council



Karina Wright
Stakeholder Governor – Keele
University



Peter David
Stakeholder Governor – RJAHS
Voluntary Services



Allen Edwards
Staff Governor



Nicki Bellinger
Staff Governor



Kate Betts
Staff Governor

Council of Governors Terms of Office and Elections

Type of Governor	Constituency	Date of current appointment / election	Date term in office ends / ended
Stakeholder Governors (Appointed)			
Simon Jones	Shropshire Council	06 Oct 24	05 Oct 27
Karina Wright	Keele University	01 Jan 24	30 Dec 26
Peter David	Voluntary Services Committee	20 Jun 24	29 Jun 27
Staff Governors (Elected)			
Allen Edwards	Staff	30 Jun 24	29 Jun 25
Kate Betts	Staff	05 Aug 22	04 Aug 25
Nicki Bellinger	Staff	01 Nov 24	31 Oct 27
Public Governors (Elected)			
Colin Chapman	Shropshire	30 Jun 24	29 Jun 26
Victoria Sugden	Shropshire	30 Jun 24	29 Jun 27
Vacancy	Shropshire	N/A	N/A
Sheila Hughes	North Wales	05 Aug 22	04 Aug 25
Jan Greasley	North Wales	01 Nov 24	31 Oct 27
Tony Wright	West Midlands	01 Nov 24	31 Oct 27
Russell Luckock	Rest of England and Wales	01 Nov 24	31 Oct 27
Vacancy	Powys	N/A	N/A
Neil Turner	Cheshire and Merseyside	30 Jun 24	29 Jun 27

Council of Governor Meetings

During 2024/25 the Trust held 7 meetings of the Council of Governors (including Extra-Ordinary meetings). The Trust recognises the importance of these meetings in ensuring that the members of the Board of Directors, and in particular the Non-Executive Directors, develop an understanding of the views of the Governors and its members. Governors have been engaged in the development and review of the Trust's forward plan, including its objectives, priorities, and strategy. These views have been communicated to the board of directors.

The Trust Chair is also the chair of the Council of Governors so attends all meetings of the Council. The Chief Executive Officer and Trust Secretary are invited to attend meetings of the Council. Non-Executive Directors are invited to attend all regular meetings of the Council (of which there were four in 2024/5) and Executive Directors and other staff may attend by invitation to support particular agenda items.

Name	Meetings attended	Attendance percentage
Total 2024/25	7*	
Harry Turner, Chairman	04 / 05	80%
Sarfraz Nawaz, Non-Executive Director	05 / 06	83%
Martin Evans, Non-Executive Director	02 / 04	50%
Martin Newsholme, Non-Executive Director	04 / 04	100%
Penny Venables, Non-Executive Director	02 / 04	50%
Lindsey Webb, Non-Executive Director	03 / 04	75%
John Pepper, Associate Non-Executive Director	02 / 04	50%
Atif Ishaq, Associate Non-Executive Director	01 / 04	25%
Paul Maubach, Associate Non-Executive Director	02 / 04	50%
Stacey Keegan, Chief Executive Officer	05 / 05	100%
Trust Secretary Representation	07 / 07	100%

* NEDs were not invited to attend any extra-ordinary meetings that considered NED appointments. Collectively, NEDs were invited to four of the seven meetings.

To ensure that the Board, and in particular the Non-Executive directors, develop an understanding of the views of governors and members, Board members attend meetings of the Council of Governors. Governors are also invited to attend meetings of the Board and its committees.

A survey of governors' opinions is also undertaken annually, and the lead governor has regular meetings with the Chair and the Trust Secretary to support effective communication between the membership, governors, and Board of Directors.

Membership

The Trust reviews its membership at each regular meeting of the Council of Governors. This review looks at the number of members and analyses the demographic information to ensure that, as far as possible, the membership remains representative of the community the Trust serves. The table below provides a breakdown of the membership by constituency for the financial year 2024/25. In addition, there were 1,372 staff members at the end of March 2025.

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Cheshire & Merseyside	397	396	395	395	396	399	402	402	401	401	401	401
North Wales	899	901	902	905	906	908	909	910	911	909	910	909
Powys	554	556	556	558	559	563	563	565	567	567	570	570
Shropshire	2,734	2,751	2,763	2,763	2,777	2,787	2,794	2,799	2,803	2,814	2,820	2,821
West Midlands	563	564	563	564	565	565	569	569	570	570	571	572
Rest of England & Wales	301	302	301	302	301	300	304	306	308	311	312	312
Out of Trust Area	40	40	40	40	40	40	40	41	42	38	39	39
Total	5,488	5,510	5,520	5,527	5,544	5,562	5,581	5,592	5,602	5,610	5,623	5,624

The Trust set a target to achieve a year-on-year increase in membership. In April 2024, overall membership stood at 6803. On 1 April 2025, overall membership stood at 7001. As such, there was a 2.9% increase over 2024/25.

NHS Oversight Framework

NHS England's *NHS Oversight Framework* provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'. Current segmentation information for the Trust is published on the NHS England and NHS improvement website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

According to the framework:

- A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements.
- By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:
 - objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
 - additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.
- An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

The wider Shropshire, Telford and Wrekin (STW) system is in a challenged position and both the ICB and the largest provider in the system – Shrewsbury and Telford Hospital NHS Trust (SaTH) - are currently rated at segment 4 and are part of a Recovery Support Programme (RSP).

On 3 April 2024, NHSE set out its intention to align exit criteria for all organisations within the STW system with the ICB and SaTH RSP exit criteria (the exit date for which is March 2026). These criteria relate to:

- Finance;
- Workforce;
- Urgent and Emergency Care;
- Governance; and
- Leadership.

The RJAH contributions to the associated action plans are reported to the Trust Board and the relevant sub-committees.

At the time of writing, the most recent segmentation rating available relates to Quarter 3 of 2024/5:

- The system remained in segment 4; and
- The Trust remained in segment 3.

Statement of the Chief Executive's Responsibilities as the Accounting Officer of The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

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

NHS England has given Accounts Directions which require [name] 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 [name] NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

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

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

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

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



Stacey Keegan
Chief Executive Officer
24 June 2025

Annual Governance Statement 2024/25

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of [insert name of provider] 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 RJAHS NHS Foundation Trust for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust considers that risk management is everyone's business, ranging from staff taking individual responsibility for the safety of themselves, their colleagues, or patients to Executive Director responsibility for strategic risks or the Non-Executive responsibilities for robust challenge of effective risk management and assurance of adequate control.

MIAA undertook a review of the Trust's Risk Management Core Controls in the final quarter of 2024/5 and concluded that:

"Overall, there was a good system of internal control in relation to the risk management process. There is an in-date Risk Management Policy that has been agreed and ratified by the Trust Board. The policy adequately details all the aspects in relation to management and control of risk.

The Risk Management Policy explains the roles and responsibilities of the Board committees and individual executives in relation to risk management. Training arrangements are detailed within the policy.

It was noted that a revised risk appetite statement has recently been approved by the Board in January 2024 and the policy and training have been updated accordingly."

All staff have a duty to manage risk but the following senior managers and Executive Directors have particular responsibilities for risk management:

Chief Executive Officer

- Accounting Officer
- Maintain a sound system of internal control.
- Prudent and economic administration of the organisation
- Strategic leadership for the Trust's Information Management and Technology infrastructure and services

Chief Finance and Planning Officer

- Advise Board on Financial Strategy and Management
- Ensure sound financial management, including compliance with SFIs.
- Ensure that external financial reporting complies with the relevant standards.
- Ensure that there are systems in place to meet the Trust's operational targets and objectives.

- Ensure sound financial management of the Capital Programme
- Health and Safety management and compliance with statutory requirements

Chief Nurse and Patient Safety Officer

- Board lead for Quality and Safety (in conjunction with the Chief Medical Officer)
- Sound Clinical Governance
- Professional Leadership of Nursing Staff and Allied Health Professionals
- Patient and Public involvement
- DIPC (Director of Infection Prevention and Control)
- Safeguarding
- Oversight of risk management process
- Accountable Officer for controlled drugs

Chief Medical Officer

- Responsible Officer including the appraisal, revalidation, and performance management of medical staff.
- Professional Leadership of Medical Staff
- Ensure that medical staff have the requisite skills to provide high quality medical care.
- Lead on clinical governance, accountability, and quality (in conjunction with the Chief Nurse and Patient Safety Officer)
- Lead for the Clinical Services Strategy (in conjunction with the Managing Director of Strategy and Planning)
- Leading the Trust's relationships with General Practitioners and Medical Schools
- Lead medical input into litigation and claims management.
- Ensure that sound governance arrangements are in place for research.
- Caldicott Guardian / Information Governance

Chief People Officer

- Effective matching of workforce to activity
- Leading and facilitating continuous professional development
- Develop the leadership capacity and capability.
- Ensuring the development and implementation of the Organisational Development Strategy
- Equality, diversity, and inclusion
- Ensuring the Trust has adequate oversight of its performance.
- Fostering a culture that values continuing professional development and strives for excellence in service delivery and patient experience.

Chief Operating Officer and Deputy CEO

- Ensuring the delivery of operational activity in accordance with agreements between the Trust and its stakeholders and national targets.
- Provide executive leadership to the units for service delivery.
- Board level accountability for the delivery for operational performance standards and targets and achievement against local and national standards.
- Board level accountability for the delivery and management of partnerships and service/business development.
- Developing and implementing operational policies to achieve the Trust's strategic direction.
- Meet agreed targets and objectives, and deliver within defined costs, timescales and resources.
- EPRR Executive Lead.
- Design and ensure the effective operation of the Trust's process of continuous improvement.
- Ensuring the Trust has adequate oversight of its performance.
- Strategic leadership for the Trust's service improvement framework and agenda.
- SRO for MSK Transformation
- Deputy Chief Executive Officer

Trust Secretary

- Provide central support and advice to the Board regarding the establishment of an effective system of internal control.
- Develop and maintain the Trust's Board Assurance Framework
- Interim Data Protection Officer (DPO)

Clinical Chairs / Managing Directors / Assistant Chief Nurses

- Manage risks at a local level and developing an environment where staff are encouraged to identify and report risk issues proactively.
- Maintain a risk register and presenting key risks to the Risk Management Group a monthly basis.
- Ensure that their staff report immediately any near-miss incidents, adverse incidents, and serious incidents, using the Trust's incident reporting procedure.
- Provide appropriate feedback regarding specific incidents reported and implement recommendations following investigations to reduce the likelihood of recurrence.
- Efficient delivery of operational and clinical support services
- Implementation of national policy on waiting list targets
- Ensure that there are systems in place to meet the Trust's operational targets and objectives.

Director of Digital

- As Senior Information Risk Owner (SIRO) ensuring that risks to data security are recognised and managed.
- Lead for Cyber Security

Risk awareness is promoted throughout the organisation with all staff expected to have an understanding of the Trust's incident reporting procedure and knowledge of the process for escalating risks. There is a comprehensive programme of risk management training for staff.

The Risk and Control Framework

Risk Management Policy

The Trust's Risk Management Policy sets out the framework and systems for implementation of risk management and governance in the Trust. The policy clearly defines how risks are identified, reviewed, managed and, where appropriate, escalated. Further, it sets out individual and committee roles and responsibilities and defines the levels of authority for the management of identified levels of risk. It also describes the Trust's interpretation and definition of 'acceptable risk' via its risk appetite statement.

The Good Governance Institute (GGI) supported the Trust to develop a revised risk management policy during 2022/23. This policy, supported by a programme of risk management training, was implemented during 2023/4.

The Trust uses an online risk management database to escalate risks up and down through the organisation in accordance with the matrix outlined in the Risk Management Policy.

The policy includes the following key elements:

- It describes what is meant by 'risk management'.
- It identifies the roles and responsibilities of all staff within the Trust.
- It clearly describes the roles and responsibilities of the key accountable officers.
- The training requirements for staff

It sets out the process of risk management as follows:

- i. Risk identification
- ii. Risk evaluation
- iii. Risk recording
- iv. Risk treatment and escalation

Risk Appetite

The Board-agreed risk appetite statement is:

Risk category	Risk appetite	Risk tolerance - target	Rationale
Quality	Cautious	6	The trust exists to provide optimal clinical care and treatment. Therefore, we take a cautious approach – we prefer to avoid risks which would adversely affect the quality of services but recognise that it is rarely possible to develop new services or change pathways without some degree of risk. We will pursue innovation in order to make improvements but when making significant decisions about clinical services, we will carefully assess any associated risks to patient safety, patient experience and clinical effectiveness, and put in place control measures to mitigate them. We continuously monitor the impact on quality, using both statistical data and feedback from patients and carers.
Finance	Open	9	We are an ambitious organisation which plans for the future. Many of our initiatives and innovations will generate additional income and efficiencies in the longer term but require financial investment to get started. We also recognise that the cheapest option is not always the most effective. We are therefore open to financial risk. This is dependent on financial forecasting which allows us to quantify the level of risk, and applying robust budgetary controls as set out in our standing financial instructions and scheme of delegation.
Workforce	Seek	12	We aim to provide a supportive workplace in which employees can thrive and which people choose as a great place to work. For these reasons, and to fulfil our ambitions of growing and transforming our services, we will pursue new ways of working. We seek risk in that we recognise that the prospect of change can be disruptive and unsettling but are willing to accept this risk where there are longer term gains, including improved recruitment and retention, and widening the skills and capabilities of staff.
Regulatory	Open	9	It is important for us to remain in good standing with regulatory bodies because this provides assurance over the quality of our services and reinforces public confidence in our trust. However, we recognise that regulators will closely scrutinise and challenge significant changes and innovations to our services. We are open to this risk in cases where we are confident that we are acting in the interests of patients and can demonstrate that our actions are consistent with relevant legislation and professional standards.
Reputational	Open	9	We are an outward-looking organisation which works in partnership with healthcare, educational and charitable organisations in Shropshire and further afield. Patient and community involvement is very important to us. We believe that stakeholders of all kinds recognise our commitment to maintaining good working relationships with them. We are, however, open to reputational risk in that we are prepared to take decisions which may attract scrutiny or opposition when we can clearly demonstrate that they will achieve better outcomes for patients.

Oversight of operational risk management

The Risk Management Group, chaired by the Chief Nurse, oversees the effectiveness of the operational management of risk and reviews the risk profile of the Trust, as well as individual risks rated at 15 or above. These risks are then considered by committees of the Board (and the Board itself) to provide visibility and enable appropriate scrutiny. The Audit and Risk Committee oversees the effectiveness of the governance framework and controls.

Other sources of information / assurance

In addition, there are other sources of assurance gained throughout the year, including:

Internal assurances

- Strategic and business planning
- Adverse incident analysis
- Complaints
- Claims
- Analysis of compliance with statutory duties and guidance
- Intelligence from internal health and safety, fire or security inspections

- Internal Audit

External assurances

- Safety alerts or hazard warnings
- External body recommendations
- New legislation
- External inspections or assessments
- External Audit
- Regulatory reviews

Risk assessment and review

The Trust uses a risk assessment matrix to ensure a consistent approach is taken to assessing the potential consequences and likelihood of risks and that appropriate action is taken to address each risk. This process of assessment is conducted via the online risk management system referenced previously. Consistent application of this approach is supported by advice from the clinical governance team; a risk management training programme; peer challenge at review (at unit level); and Trust-wide review at the Risk Management Group.

The Trust is committed to ensuring that any potential risks are mitigated to the lowest possible level and where possible negated altogether and uses both internal and external expertise, as required, to decide on the most appropriate treatment of identified risks.

Governance Framework of the Organisation

The Trust has continued to develop its governance structures over the last 12 months in line with internal and external audit recommendations. The structures in place are aimed at delivering an integrated governance agenda. Integrated governance is the combination of systems, processes, and behaviours which the Trust uses to lead, direct and control its functions in order to achieve its organisational objectives.

The Board Assurance Framework

The Board Assurance Framework (BAF) captures the risks to delivery of the Trust's strategic objectives. The BAF was refreshed for 2024/5 to reflect the Trust's updated strategic objectives and revised risk appetite statement.

The BAF identifies a number of high-level BAF themes, each of which has a strategic risk associated with it. Each strategic risk sets out the contributory factors that are relevant to that theme / strategic risk and outlines the mitigations that should reduce the risk and threats that could potentially increase the risk.

Each BAF theme / strategic risk is aligned to:

- The Trust's strategic objectives;
- The system's strategic objectives; and
- The Trust's stated risk appetite (as far as possible).

Each of the risks captured in the BAF are overseen by one of the Board's assurance committees. More information on the committees in operation during the year is included in the Board Assurance structure section.

The BAF themes, strategic risks and oversight committees at the close of 2024/5 are outlined in the table below:

Themes / Lead "Committee"	Strategic Risk / Risk score
1. Continued focus on excellence in quality and safety. Quality and Safety Committee	• If the Trust does not have robust policies, procedures and practices in place to promote the quality and safety of services • Then there is a risk that insufficient organisational focus is placed on the quality and safety of services • Resulting in increased incidence of avoidable harm, reduction in patient satisfaction and failure to deliver excellent standards of care Consequence 5 x Likelihood 2 = 10
Rationale for the score, as reported in March 2025: The Trust has robust arrangements in place but must continue to be vigilant and ensure policies and procedures are adhered to, and safety remains the primary consideration when any developments / innovations are considered. Plan to reduce the risk: The Trust is able to reduce the likelihood of this risk through: 1. Having a culture that emphasises the primary importance of patient safety; and 2. Implementing appropriate policies, procedures and working practices that ensure quality and safety.	
2. Creating a sustainable workforce. People and Culture Committee	• If the Trust does not attract and retain staff with the appropriate skills and values, embrace equality, diversity and inclusion, and be regarded as an employer of choice • Then it will be unable to deliver planned activity and/or promote an inclusive, supportive culture for staff • Resulting in reduced patient satisfaction; an inability to address inequality of service provision; reputational damage, adversely affecting efforts to retain/recruit staff Consequence 5 x Likelihood 2 = 10
Rationale for the score, as reported in March 2025: The Trust has made good progress in recruiting staff, exploring all options and alternative routes into professional roles. There will need to be a continued focus on retention, development and innovative utilisation of staff to maximise the benefits of that progress. This will include better supporting people throughout their careers, boosting the flexibilities we offer our staff and improving the culture and leadership to support this approach. Plan to reduce the risk: The Trust is unable to affect the national shortage in certain specialties or the wider financial pressures on the NHS. It can however reduce the likelihood of this risk through having effective plans and processes in place to: 1. Support the development and wellbeing of the workforce; 2. Attract and retain the required workforce; 3. Make best use of its workforce	
3. Delivering the financial plan. Finance and Performance Committee	• If the Trust is unable to deliver its financial plan • Then it will lead to regulatory intervention and impact on future investment • Resulting in the Trust being unable to deliver its objectives, which will have an adverse impact on patient care / patient experience etc Consequence 4 x Likelihood 5 = 20
Rationale for the score, as reported in March 2025: There has been an unprecedented level of risk to the finance plan this year driven by loss of insource capacity, HCSW backpay liability and excess inflation. These areas alone have impacted financial performance by £6.4m. A Financial Improvement Group has overseen the delivery of a number of mitigations including adoption of NHSE Improvement and Intervention actions, flexing capacity to align to reduced activity levels, and over delivery of the efficiency programme on a non-recurrent basis. Despite these efforts we expect to out-turn at £1.9m surplus which will be £1m short of plan.	

Themes / Lead "Committee"	Strategic Risk / Risk score
Plan to reduce the risk: The financial settlement for the system and the operation of NHS payment regimes are beyond the control of the Trust. The Trust has the ability to reduce the likelihood of this risk through accurate planning, the delivery of efficiencies and potential income growth (though there are resource and regulatory constraints on its ability to achieve those).	
4. Delivering the required levels of productivity, performance and activity. Finance and Performance Committee	• If the Trust does not have sufficient capacity to deliver the activity plan within agreed resourcing levels • Then it will be unable to address waiting list targets and will face a shortfall in income / fail to deliver the financial plan • Resulting in increased waiting times; an adverse impact on patient experience, potentially resulting in patient harm; increased scrutiny from system partners / regulators (leading to burdensome reporting requirements and/or enforcement action which reduce capacity and place constraints on the Trust's ability to act independently in pursuit of its objectives). Consequence 4 x Likelihood 5 = 20
Rationale for the score, as reported in March 2025: The score reflects the cessation of the Oswestry Orthopaedics (OO) LLP contract from 1 July 2024 and the current levels of mitigation planned and implemented. The initial score reflects the position if the situation was unchanged from 2023/4. The revised scoring recognises the ongoing shortfall in activity and non-delivery of planned mitigations, the resulting deterioration in waiting list position and associated increase in external scrutiny. There has been an improved position, including a significant increase in theatre activity in January. Plan to reduce the risk: The Trust has limited ability to affect the wider demand for services. It can however reduce the likelihood of this risk through: 1. Ensuring its plans are as accurate as possible; 2. Ensuring its activity is delivered as efficiently as possible; 3. Developing / maintaining the necessary infrastructure / workforce to deliver the activity. 4. Revising the Trust operational model to reflect reduced reliance on OJP ("out of job plan" activity). This target relates to the end of the 2023-28 strategic plan period	
5. Delivering innovation, growth and achieving systemic improvements. Digital, Education, Research, Innovation and Commercialisation Committee	• If the Trust does not have the required infrastructure / capacity / expertise to support innovation / growth; or governance processes / funding regimes place constraints on the Trust's ability to act • Then it will not be able to identify / pursue opportunities to innovate, develop commercial opportunities and deliver systemic improvements • Resulting in a failure to maximise opportunities to improve staff experience, clinical outcomes, patient satisfaction and increase income (which could be reinvested in services). Consequence 4 x Likelihood 3 = 12
Rationale for the score, as reported in March 2025: Work is required to develop the required infrastructure / capacity / expertise to deliver this strategic theme. Failure to deliver it will result in missed opportunities but will have limited impact on the Trust's ability to deliver its current, core service. Plan to reduce the risk: This risk is within the control of the Trust to mitigate. There will however be capacity / financial constraints affecting the Trust's ability to pursue these goals.	

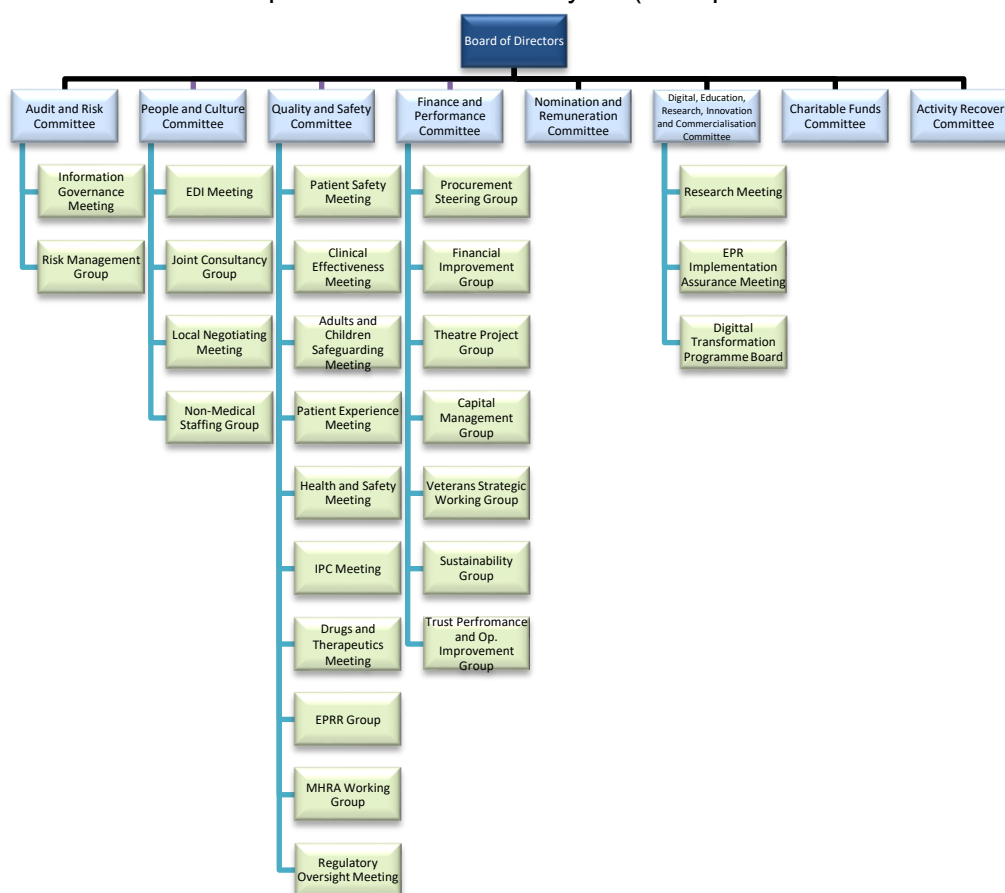
Themes / Lead "Committee"	Strategic Risk / Risk score
6. Responding to opportunities and challenges in the wider health and care system. Board of Directors	• If the Trust does not strengthen its joint-working arrangements with partners governance processes / funding regimes place constraints on the Trust's ability to implement such arrangements • Then it will not maximise opportunities to address health inequalities; improve outcomes / services for patients; support national and system priorities; enhance staff experience; or deliver efficiencies • Resulting in lost opportunities to contribute to the delivery of national and local objectives; potential loss of accreditation status; and potential failure to achieve NHS oversight framework targets (leading to burdensome reporting requirements and/or enforcement action / constraints on the Trust's ability to act independently in pursuit of its objectives). Consequence 4 x Likelihood 3 = 12
Rationale for the score, as reported in March 2025: This risk is partly within the control of the Trust to mitigate. It is however dependent on the cooperation of partners and may be affected by capacity / financial constraints (on the Trust itself, or on partner organisations). Plan to reduce the risk: The Trust is developing relationships within and beyond STW. As noted above, progress is dependent on the cooperation of partners and may be affected by capacity / financial constraints (on the Trust itself, or on partner organisations).	
7. Responding to a significant disruptive event. Quality and Safety Committee / Digital, Education, Research, Innovation and Commercialisation Committee	• If the Trust does not have adequate plans in place to respond to a significant disruptive event beyond the control of the Trust, such as a pandemic, or cyber-attack • Then it will be unable to provide an adequate response to the immediate need and/or maintain other key services due to unavailability of the required resources / staff • Resulting in potential patient harm, increased waiting times etc Consequence 4 x Likelihood 4 = 16
Rationale for the score, as reported in March 2025: The described risk relates to a lack of adequate plans to respond to potentially disruptive external events. The Trust cannot reduce the likelihood of those external events taking place. It can however reduce the likelihood that such events, should they occur, would result in significant disruption. Technically, having adequate plans in place would reduce the "likelihood" of the risk. As the aim of the plans is to mitigate the impact of potentially disruptive events, it is easier to understand the controls as affecting the "consequence" of the risk. To reflect national messaging on the likelihood of a cyber-attack, and the potential consequences, the Board agreed (on 05/06/24) that the risk score should be increased. Plan to reduce the risk: The Trust is not able to influence external events that could have a significant impact on the Trust. The Trust does however have the ability to reduce the impact such events have on the Trust's ability to operate, whether through protective measures (particularly in relation to IT threats), or through robust plans and procedures to react to such events.	

The BAF risk “heatmap” at March 2025 displays these risk scores, and movement during the year:

		Consequence				
		(1) Insignificant	(2) Minor	(3) Moderate	(4) Major	(5) Catastrophic
Likelihood	(5) Almost certain				BAF 04 (16) (productivity/perf.) BAF 03 (20) (financial plan delivery)	
	(4) Likely				BAF 07 (16) (disruptive event)	
	(3) Occasionally / Possible				BAF 05 (12) (innovation and growth) BAF 06 (12) (system working)	
	(2) Unlikely					BAF 02 (10) (sustainable workforce) BAF 01 (10) (quality and safety)
	(1) Rare					

Board Assurance Structure

The Board of Directors leads on integrated governance and delegates key duties and functions to its committees whilst retaining certain decision-making powers on strategy and aspects of financial management. The diagram below sets out the committee structure during 2024/25. The elements in the dotted boxes were not in place at the end of the year (as explained in the footnotes):



Key:

Dark Blue – Board of Directors

Light Blue – Assurance Committees

Green – Operational Meetings/Groups

The roles and responsibilities of the Board Committees are described more fully below. Each committee undertakes a self-assessment each year and reports this to the Board. During the year, the integrated performance report and the committee oversight dashboards, were reviewed and updated to ensure the Board committees received the information they required in order to perform their functions.

Board members must comply with the requirements of the Fit and Proper Persons Test (FPPT) framework and checks are undertaken annually to ensure this remains the case.

Board of Directors

The Board meets regularly to discuss an agenda based on four key elements:

- Strategy and Policy
- Performance and Governance
- Quality and Safety
- People and Workforce

The Board is responsible for setting the organisation's strategy and for ensuring that the Trust meets its statutory duties and effectively manages risk. The Board gains assurance through the Board Assurance Framework. The Board holds prime responsibility for corporate governance and the development of systems and processes for internal control, including risk management, the Board Assurance Framework and compliance with Care Quality Commission (CQC) regulations. The Board Assurance Framework is tabled for discussion at each of the assurance Committees meetings for consideration and approval. The Committees have the opportunity to reflect on the risks aligned to their remit and recommend any amendments to the Audit and Risk Committee before presentation to the Board of Directors on a quarterly basis.

The Board maintains responsibility for setting and approving work plans and monitoring the delivery of planned objectives. The Board of Directors regularly receives reports from its committees on the business covered, risks identified, and action taken as well as regular performance related reports.

The Board is responsible for ensuring the financial viability through the establishment of effective financial stewardship.

Membership of the Board comprises the Trust Chairman, Chief Executive, Non-Executives and Executive Directors with attendance from non-voting Directors and the Trust Secretary.

Audit and Risk Committee

The Audit and Risk Committee is accountable to the Board. It is chaired by a Non-Executive Director and membership consists solely of Non-Executive Directors with Board Executives invited to attend.

It is responsible for ensuring there is an effective system of risk management and internal control across the Trust. The operational management of risk continues to be aligned with the Audit and Risk Committee to streamline oversight and assurance of the processes and systems. The Committee has since been named the Audit and Risk Committee. The Committee provides an oversight of the activities of internal audit, external audit, the local counter fraud service, and the assurance on internal control, including compliance with the law and regulations governing the Trust's activities.

The Committee's responsibilities included the following:

- Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisations (clinical and non-clinical) that supports the achievement the organisation's objective.
- Ensuring that there is an effective internal audit function that meets the Public Sector Internal Audit Standards 2017 and provide appropriate independent assurance to the Committee, Chief Executive Officer, and the Board of Directors

- Reviewing and monitoring the external audits' independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the External Auditor and consider the implications and management's responses to their work
- Satisfying itself that the organisation has adequate arrangements in place for counter fraud, bribery and corruption that meet NHSCFA's standards and shall review the outcome of work in these areas.
- Monitoring the integrity of the financial statements of the origination and any formal announcements relating to its financial performance
- Ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided.
- Reviewing, as appropriate, reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
- Reviewing the annual report and before submission to the Board, focusing particularly on:
 - The wording in the annual governance statement and other disclosures relevant to the relevant to the terms of reference of the Committee
 - Changes in, and compliance with, accounting policies, practices, and estimation techniques
 - Unadjusted misstatements in financial statements
 - Significant judgments in preparation of the financial statement
 - Significant adjustment resulting from the audit
 - Letters of representation
 - Explanation for significant variances

Quality and Safety Committee

The Quality and Safety Committee is accountable to the Board. It is chaired by a Non-Executive Director and is attended by a further two Non-Executive Directors and members of the Executive Team.

The purpose of the Quality and Safety Committee is to assist the Board obtaining assurance that high standards of care are provided and any risks to quality identified and robustly addressed at an early stage. The Committee will work with the Audit and Risk Committee to ensure that there are adequate and appropriate quality governance structures, processes, and controls in place throughout the Trust to:

- Promote safety and excellence in patient care
- Identify, prioritise, and manage risk arising from clinical care
- Ensure efficient and effective use of resources through evidence based clinical practice

Key responsibilities of the Committee are to:

- Promote excellence in patient care in all aspects of quality and safety and monitor and review the "Quality Improvement Strategy"
- Ensure the Trust is meeting core standards and is compliant with national guidelines to include (but not be limited to) prevention and control of infection and effective and efficient use of resources through evidence based clinical practice
- Consider NHSI Quality Governance Framework in the delivery of its key responsibilities
- Receive an agreed level of clinical data and trend analysis from clinical forums and working groups, which provides adequate clinical matrix to inform and analyse the clinical services provided at the Trust
- Ensure that the Committee has adequate information on which to advise and assure the Board on standards of care provision
- Receiving assurance / escalation reports from formal meetings of the Trust working on areas within the Committee's remit
- Review the draft Quality Accounts before submission to the Trust Board
- Approve such policies as the Board has not reserved to itself and as required by the Trust's Policy Control Policy
- In relation to Clinical outcomes:
 - Monitoring the effectiveness of the Trust's arrangements for the systematic monitoring of mortality and other patient outcomes

- Receiving and commenting on action plans and progress reports proposed by management in response to monitoring data on patient outcomes
- In relation to Incident reporting and investigation
 - Monitoring the effectiveness of the Trust's systems for reporting and investigating Serious Incidents (SIs), near misses and other incidents
 - Reviewing the outcomes of investigations, ensuring that the information is presented in sufficient detail to enable systemic failings in patient care to be identified; receiving and commenting on action plans and progress reports proposed by management in response to SIs, near misses and other incidents
- In relation to Patient Experience:
 - Monitoring the effectiveness of the Trust's systems for complaints handling and reviewing complaints for trends and themes.
 - Monitoring the effectiveness of the Trusts systems for advocacy and the encouragement of feedback from patients and relatives
- Review CQUIN requirements
- In relation to Patient Information Governance:
 - Monitoring the arrangements to ensure the security of personally identifiable data.

The Committee also oversees Board Assurance Framework and Corporate Risks relevant to its remit on behalf of the Board.

Finance and Performance Committee

The Finance and Performance Committee is accountable to the Board. It is chaired by a Non-Executive Director and attended by a further 2 Non-Executive Director and members of the Executive Team.

The purpose and key responsibilities of the Committee, according to the TOR, are outlined below: The Finance and Performance Committee supports and advises the Board on all aspects of the Trust's Annual and Long-Term Financial Plans and recommends adoption of the plans to the Board of Directors.

- To consider and approve the key planning and financial assumptions to be used in the five-year strategy and annual operational plan
- Oversight of strategic issues related to income e.g., changes to tariff, commissioning intentions, tendering for new services, risks from competition and market share
- To consider recommendations of investment and disinvestment of Trust sub-specialty / service reviews ensuring strategic steer in keeping with the Trust strategy and objectives
- Capital planning oversight, ensuring forward planning, regular review and recommendations including acquisitions and disposal of assets, in line with the Trust strategy and objectives
- To consider, evaluate and if appropriate recommend for Board approval commercial developments and partnerships opportunities in keeping with the Trust strategy and objectives
- To consider and recommend Board approval of material business cases as defined by the Trust SFI's (currently investments above c£250k)
- Consider post project evaluation reports on significant capital investments. This will include all schemes over £250k and other schemes which are considered to represent a significant risk to the Trust
- To consider and recommend Board approval of the Trust's Digital Strategy
- Oversight of the Trust's digital risks
- Receive regular reports on financial performance including the overall financial performance against plan and associated risk rating, performance of Capital programme and the performance of activity against contract
- To evaluate progress and recommend further actions from the review of in year financial, CIP, activity, RTT and productivity performance information, including SLR review
- Review the Trust's investment register of cash investment as required
- To evaluate progress of service transformation and investment plans, ensuring establishment of models of best practice in line with the Trust strategy
- Promoting sustainability and receiving sustainability KPIs

- To receive routine Chair Assurance Reports from designated working groups which report into the Committee.
- Receive relevant internal audit reports
- To provide oversight in respect of all aspects of business planning, partnerships, and development
- To provide oversight to the Trust annual plan and its subsequent delivery
- To oversee the delivery of the Trust's digital strategy
- To receive deep dives for scrutiny and further assurance into key performance areas. At the time of the meeting, the Committee will decide which deep dive will be presented at the following meeting.
- The Committee shall approve such policies and strategies as the Board has not reserved to itself and as required by the Trust's Policy Control Policy
- Review progress made in delivering key enabling strategies such as (but not limited to) Estates, Procurement, and Digital Services raising any significant risks regarding their delivery to the Board.

The Committee also oversees Board Assurance Framework and Corporate Risks relevant to its remit on behalf of the Board.

People and Culture Committee

The People and Culture Committee is accountable to the Board. It is chaired by a Non-Executive Director and is attended by further 2 Non-Executive Directors and members of the Executive Team.

The purpose of the People and Culture Committee is to assist the Board in obtaining assurance that the Trust's workforce strategies and policies are aligned with the Trust's strategic aims and support a patient-focused, performance culture where staff engagement, development and innovation are supported. The Committee will work with the Audit and Risk Committee to ensure that there are adequate and appropriate governance structures, processes, and controls in place throughout the Trust to:

- Promote excellence in staff health and wellbeing
- Identify, prioritise, and manage risks relating to staff
- Ensure efficient and effective use of resources

The role of the Committee includes:

- Ensuring the Trust is meeting its statutory and regulatory requirements in relation to workforce management
- Overseeing the development and implementation of the People Plan and any related workforce plans
- Monitoring and developing the Trust's plans for talent management, succession planning, staff engagement, performance, reward and recognition strategies and policies
- Receiving an agreed level of workforce data and trend analysis to inform and analyse workforce issues
- Ensuring that the Committee has adequate information on which to advise and assure the Board on 'Caring for Staff'
- Receiving assurance / escalation reports from formal meetings of the Trust working on areas within the Committee's remit
- Ratifying such policies as the Board has not reserved to itself and as required by the Trust's Policy Approval Framework
- Reviewing progress made in delivering key enabling workforce strategies, raising any significant risks regarding their delivery to the Board
- Assuring and advising the Board on any issues of significance relating to the Committee's remit

The Committee also oversees Board Assurance Framework and Corporate Risks relevant to its remit on behalf of the Board.

Digital, Education, Research, Innovation and Commercialisation Committee

This Committee is accountable to the Board and is chaired by a Non-Executive Director and attended by a further two Non-Executive Director and members of the Executive Team. The role of the Committee is to:

- Consider the development of the Trust's strategies in relation to:
 - Digital and data;
 - Education;
 - Research, and Innovation;
 - Opportunities for commercialising activity.
- Consider the underpinning governance arrangements to support delivery of those strategies and monitor the associated delivery plans.
- Receive Chair's Assurance reports from relevant meetings that support delivery of its agenda.
- Review and ratify the Trust's digital, research, innovation, education, training and business development policies.
- Review compliance with policies relevant to the remit of the Committee.
- Monitor progress in delivering relevant internal audit report recommendations.
- Oversee arrangements for managing Board Assurance Framework and other high-level risks related to the remit of the Committee.

The Committee also oversees Board Assurance Framework and Corporate Risks relevant to its remit on behalf of the Board.

Activity Recovery Committee

The Committee was first established in November 2024 following the increased scrutiny on the Trust's performance in relation to its longest waiting patients. The purpose of the Activity Recovery Committee is to assist the Board in obtaining assurance on the delivery of the operational plan and that any risks to delivery are identified and robustly addressed. The Committee did this by:

- Monitoring the delivery of the Trust's operational plan and the effectiveness of plans to recover performance, particularly in relation to long waiting patients.
- Overseeing the implementation of the delivery model improvement plan covering short, medium and longer-term plans to improve productivity and increase activity, providing appropriate assurances to the Board and escalating any areas of concern.
- Reviewing the governance arrangements in place to drive delivery of the operational plan and recover performance.
- Receive Assurance Reports from groups that support the work of the Committee
- Consider "deep dives" for scrutiny and further assurance into key performance areas.

Non-Executive Directors Remuneration and Appointment Committee

The Committee is responsible for appointing Non-Executive Directors, including the Chair, to the Board of Directors. It shall ensure there is a formal, rigorous, and transparent procedure for the appointment of new Directors and that Directors are 'fit and proper' to meet the requirements of the general conditions of the Trust's provider licence.

The Committee will also periodically be satisfied that plans are in place for orderly succession for appointments to Non-Executive positions, so as to maintain an appropriate balance of skills and experience on the board.

The Committee will recommend to the Council of Governors remuneration and terms of service policy for Non-Executive Directors, taking into account the views of the chair (except in respect of his own remuneration and terms of service) and the chief executive and any external advisers.

The Committee will agree the process and receive and evaluate reports about the performance of individual Non-Executive Directors and consider this evaluation output when reviewing remuneration levels.

Executive Directors' Remuneration and Appointments Committee

The Committee is responsible for identifying and appointing candidates to fill Executive Director positions on the board.

When appointing the Chief Executive, the Committee shall perform the role described in Schedule 7, 17(3) of the National Health Service Act 2006 (the Act). When appointing other Executive Directors, the committee performs the role described in Schedule 7, 17(4) of the Act.

The Committee shall ensure there is a formal, rigorous, and transparent procedure for the appointment of new Directors and that Directors are 'fit and proper' to meet the requirements of the general conditions of the Trust's provider licence.

Council of Governors

The Trust's governors are elected representatives of the local communities the Trust serves and together they form the Council of Governors which is an integral part of the Trust's governance framework. They are not responsible for the operational management of the Trust but rather are responsible for challenging and holding to account the Board of Directors.

They plan an active role in the development of the Trust and its activities and are included in the initiatives and collaborative committees run throughout the year. The statutory powers and duties of the Council of Governors include:

- To appoint, remove and decide upon the terms of office of the Chair and Non-Executive Directors of the Trust
- To determine the remuneration of the Chair and Non-Executive Directors
- To appoint or remove the Trust's auditor
- To approve or not approve the appointment of the Trust's Chief Executive
- To receive the annual report and accounts and auditor's report at a general meeting
- To hold the Non-Executive Directors to account for the performance of the Board
- To represent the interests of members and the public
- To approve or not approve increases to non-NHS income of more than 5% of total income.
- To approve or not approve acquisitions, mergers, separations, and dissolutions.
- To jointly approve changes to the Trust's constitution with the Board
- To express a view on the Board's plans for the Trust in advance of the Trust's submission to NHS England
- To consider a report from the Board each year on the use of income from the provision of goods and services from sources other than the NHS in England

The Trust has a duty to ensure that governors are equipped with the skills to perform this role. Governors are supported and encouraged to attend NHS providers training for Foundation Trust Governors. Governors have instigated a "buddying" arrangement to support more recent appointees and the induction programme has been strengthened to ensure Governors have a consistent, structured introduction to their role and to the organisation. Governors are also encouraged, and supported, to engage in national training and development programmes. To help develop their knowledge of the work of the Trust, Governors receive regular presentations / updates at meetings of the Council of Governors and are invited to attend meetings of the Board and its committees.

The Board works closely with the Council of Governors. The Trust's Chairman is also the Chair of the Council of Governors and is supported at each meeting by other members of the Board. The Chairman works closely with the nominated Lead Governors. Governors meet prior to each meeting of the Council to agree items to be discussed and review key issues.

Attendance at Board and regular Board committee meetings

Attendance at the Trust's Board of Directors and Board level committees is monitored on a monthly basis and the table below outlines the attendance for the year. In the event that attendance fell below expected levels this would be addressed on an individual basis. When Executive Directors were absent, deputies attended to represent the portfolio. All Board and Committee meetings were quorate throughout 2024/25.

	Board of Directors – Private Meeting	Board of Directors – Public Meeting	Audit and Risk	Quality and Safety	Finance and Performance	Activity Recovery Committee	People and Culture	Digital, Education, Research, Innovation and Commercialisation
Meetings held in 2024/25	12 (+1 EXO)	6	5	12	12 (+1 EXO)	9	12	10
Harry Turner, Chair	09 / 09 100%	05 / 05 100%						
Martin Evans, Non-Executive Director	11 / 13 85%	04 / 06 67%	01 / 01 100%			01 / 01 100%	09 / 12 75%	09 / 10 90%
Sarfraz Nawaz, Non-Executive Director	12 / 13 92%	05 / 06 83%	03 / 04 60%		10 / 10 100%		08 / 09 89%	
Martin Newsholme, Non-Executive Director	12 / 13 92%	06 / 06 100%	05 / 05 100%	11 / 12 92%	11 / 13 84%			
Penny Venables, Non-Executive Director	10 / 13 77%	04 / 06 67%		10 / 12 83%		09 / 09 100%		07 / 08 87%
Lindsey Webb, Non-Executive Director	12 / 13 92%	05 / 06 83%	05 / 05 100%	11/12 92%	10 / 13 76%	07 / 09 78%		
John Pepper, Associate Non-Executive Director	11 / 13 85%	05 / 06 83%		12 / 12 100%		01 / 01 100%	10 / 12 83%	09 / 10 90%
Atif Ishaq, Associate Non-Executive Director	11 / 13 85%	06 / 06 100%					10 / 12 83%	09 / 10 90%
Paul Maubach, Associate Non-Executive Director	11 / 13 85%	05 / 06 83%	02 / 04 50%		11 / 13 84%	04 / 09 45%	11 / 12 92%	
Stacey Keegan, Chief Executive Officer	12 / 13 92%	05 / 06 83%		05 / 12 * 41%	12 / 13 92%	08 / 09 * 89%	03 / 12 * 25%	
Craig Macbeth, Chief Finance and Planning Officer	13 / 13 100%	06 / 06 100%			12 / 13 92%	08 / 09 89%	11 / 12 92%	
Ruth Longfellow, Chief Medical Officer	13 / 13 100%	06 / 06 100%		10 / 12 83%		03 / 05 60%		09 / 10 90%
Paul Kavanagh Fields, Chief Nurse and Patient Safety Officer	09 / 11 88%	05 / 05 100%		06 / 10 60%		02 / 05 40%	05 / 10 50%	03 / 08 38%
Denise Harnin, Chief People Officer	12 / 13 92%	06 / 06 100%					11 / 12 92%	05 / 10 50%
Mike Carr, Chief Operating Officer	13 / 13 100%	06 / 06 100%		11 / 12 92%	11 / 13 84%	07 / 09 78%	09 / 12 75%	06 / 10 60%

Footnote: grey box = not required to attend the meeting / * = open invitation to the meeting

Internal Audit

The Trust's internal auditors are Mersey Internal Audit Agency (MIAA). MIAA met mandatory NHS Internal Audit Standards and provided appropriate independent assurance to the Audit and Risk Committee, Chief Executive and Board. The Board of Directors approved the appointment of Mersey Internal Audit as the Trusts internal audit and counter fraud provider for 3 years from the 1st of April 2022 with an option to extend for a further year. The internal auditor primarily provides an independent and objective opinion to the Board on the degree to which risk management, control and governance processes support the achievement of the Trust's objectives.

External Audit

The Trust's external auditors are Deloitte LLP. The Council of Governors approved the appointment of Deloitte in 2012/13. External audit is an essential element of corporate governance, contributing to the stewardship and process of accountability for use of resources. The scope of audits is extended to cover not just financial statements but the arrangements to secure value for money. The Trust's external auditors report into the Audit and Risk Committee. A new external auditor (KPMG) has been appointed for 2025/26.

Quality Governance

The Board is responsible for ensuring that the Trust has sound Quality Governance arrangements in place. It is supported in this by the Quality and Safety Committee which reviews evidence from a number of sources including, specialist committees, clinical audit reports and patient stories. It receives reports and review in full all Patient Safety Incident Investigation reports or patient safety reviews and any actions taken in response to them.

The Trust continues to deliver on its Quality Strategy with objectives to be delivered across 2024 to 2027. Progress against the key objectives identified within the strategy is monitored through the Trusts Quality and Safet Committee with regular updates provided to the Board.

Staff are required to report all untoward incidents through a formal system, and these are reviewed by the Clinical Governance Team who are responsible for ensuring that all learning is shared, and actions agreed and implemented as per the Trust's Incident Management policy and the Trusts Patient Safety Incident Response Policy.

The Trust reviews all the complaints it receives, and the results of this review are reported to the Quality and Safety Committee and the Board.

The Trust promotes a culture of openness. The Trust has an "Openness / Whistleblowing" Policy as well as a "Freedom to Speak Up" Policy. Arrangements for "speaking up" are included in the staff induction training programme for all staff and the Trust has a Freedom to Speak Up (FTSU) Guardian, Executive and Non-Executive leads for FTSU, as well as a number of Freedom to Speak Up Champions across the Trust. There is a dedicated FTSU section on the staff intranet and posters around the site providing information and contact details.

A rigorous process is in place for doctors' appraisals, supported by the production of a comprehensive data set for each doctor. In addition, the Trust is compliant with the doctor's revalidation programme.

The Trust was subject to a planned inspection by the CQC in December 2018 following which it received an overall rating of 'Good' with findings of 'Good' for well led and 'Outstanding' for caring. Notwithstanding the significantly improved ratings, the Trust devised an action plan to address the CQC recommendations and observations. Completion of this action plan has been overseen by the Quality and Safety Committee, with quarterly updates to the Board of Directors. The sole outstanding action relates to the introduction of an integrated electronic patient record. Work on the development and implementation of that system has continued during 2023/24. In 2023-24 the Trust established a new CQC engagement group. The purpose of this group is to review the new quality statements from the CQC that form part of their new approach to undertaking CQC

inspections. A CQC dashboard is now in development, understanding how as a trust we demonstrate compliance with the new quality statements.

Use of the Care Quality Commission (CQC)'s Well-Led Framework

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission and its current registration is without conditions (meaning there are no issues of concern affecting its ability to operate which the Trust must address in order to comply with its license to operate).

Managing Conflicts of Interest

In accordance with NHSE guidance on managing conflicts of interest, and as reflected in the Trust's policy on Managing Conflicts of Interest, the Trust publishes:

- A register of gifts and hospitality; and
- A register of interest for staff deemed to be in decision-making roles – this includes Board members, other senior members of staff and those with access to payment systems.

These are available on the Trust's website.

The Trust has a dedicated "Managing Conflicts of Interest" section on its intranet. This includes the Managing Conflicts of Interest Policy, associated return paperwork, and a series of guidance documents (including Q&As and role-specific guidance notes).

The Trust's policy was updated during the year to provide clearer guidance to staff on dealings with the pharmaceutical industry.

The declaration return paperwork was also amended to:

- Clarify the need to discuss interests and agree any required actions to mitigate conflicts of interest with line managers
- Clarify the process for declaring the receipt of gifts, hospitality, sponsorship and fees.

NHS Pension Scheme

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.

Equality, Diversity and Human Rights

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. More information on the Trust's work to address health inequalities and promote equality and inclusion is included within the Performance Report. More information on the Trust's approach to equality and diversity, including its Equality and Diversity Annual Report can be accessed at: <https://www.rjah.nhs.uk/about-us/equality-and-diversity/>

We have co-produced with our Staff Network groups, the Workforce Race Equality Standard and Workforce Disability Equality Standard, reports and action plans which are available on the Trust website:

<https://www.rjah.nhs.uk/about-us/publications/trust-documents/equality-diversity-and-inclusion-documents/>

The Gender Pay Gap has also been published:

<https://www.rjah.nhs.uk/media/syvbezdz/gender-pay-gap-report-2024.pdf>

For 2025 the Trust will all also be producing a Pay Gap report covering ethnicity.

Our EDS2 (Equality Delivery System) scoring of domains 2 and 3 events took place in 2024, which provided feedback from key stakeholders on wellbeing and leadership. The Report is available on the website: <https://www.rjah.nhs.uk/media/145fhmhi/eds2-202324-scorings.pdf>

The Trust continues to make significant advances in our work on Equality, Diversity and Inclusion, including the publication of a quarterly EDI newsletter available to all staff. We regularly celebrate calendar events, and have held Global Majority listening events on two occasions, to hear feedback from our staff. Our Staff Networks are established with a Chair and Executive sponsor, and meetings take place monthly, or quarterly, encouraging lived experience conversations and welcoming allies to the groups. The network groups have contributed to the improvement and updated Trans Equality Policy and Menopause Policy

Emergency Preparedness and Civil Contingency

The Trust is identified under the Civil Contingencies Act (CCA) 2004 as a 'category one' responder. This means it has a legal duty to develop robust business continuity management arrangements which will help to maintain its critical functions if there is a major emergency or disruption. This could include, for example, an infectious disease outbreak, severe weather, fuel shortages, industrial action, loss of accommodation, loss of critical information, loss of communication technology (ICT) and supply chain failure.

In order to do this, the Trust has approved a Corporate Business Continuity Plan and Emergency Planning, Resilience and Response Policy to outline procedures and response plans to be implemented in the event of a service disruption affecting the ability of the Trust to deliver its normal service obligations.

Workforce Strategies and Safeguards

The Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place which assure the Board that staffing processes are safe, sustainable and effective. This assurance is obtained in a number of ways:

- The development and implementation of a People Plan
- Regular reporting on safe staffing and junior doctor working to the Quality and Safety Committee, People and Culture Committee and Board of Directors
- Staff survey results
- Internal audit
- Board Assurance Framework

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

The Trust sets targets for improvements of economy, efficiency and effectiveness in its Operational Plan. Target improvements are set alongside ICS partners and cascaded internally through Unit Managing Directors and Corporate Service Leads, performance is monitored as part of the Board performance report and the system of unit/service performance reviews. These programmes are also approved by the Chief Medical Officer and Chief Nursing Officer to ensure that they have no adverse effect on quality. The Trust's efficiency process has been benchmarked against national data sets including model hospital and corporate services while utilising GIRFT best practice principles. The Trust operated a Financial Improvement Group (FIG) during the year. The purpose of FIG was to provide additional oversight, scrutiny and challenge to the development and delivery of the Trust's financial plan. It did so by pro-actively reviewing actions required to deliver financial improvement and agreeing any additional controls or mitigations required to ensure the Trust delivered its financial plan and activity trajectory.

During 2024/25 the Trust tracked its financial performance, including the economic, efficient and effective use of resources via the Finance and Performance Committee and the Board receives regular updates on the Trust's financial performance along with a chair's report from the Finance and Performance Committee. There was a full programme of internal audit reviews during the

year, the results of which are outlined in the Review of Effectiveness section of this report. This resulted in an overall “Substantial Assurance” Opinion.

Information Governance

The NHS Information Governance Framework sets the processes and procedures by which the NHS handles information about patients and employees, in particular personal identifiable information. The NHS Information Governance Framework is supported by a data security and protection toolkit and the annual submission process provides assurances to the Trust, other organisations and to individuals that personal information is dealt with legally, securely, efficiently and effectively.

The Trust has an established information governance management framework and continues to develop information governance processes and procedures in line with the information governance toolkit. The Trust’s Information Governance status is the subject of ongoing review by the Information Governance Meeting which is responsible for reviewing policy and monitoring compliance with Department of Health Guidelines. This process is overseen by the Audit and Risk Committee which also has a role in ensuring that all serious data governance risks or incidents are brought to the attention of the appropriate Board Committee. The Trust has in place the Chief Medical Officer as the Caldicott Guardian, and the Director of Digital as the Senior Information Risk Owner (SIRO). Further, the Trust Secretary is the Interim Data Protection Officer.

The Trust reported two data protection incidents to the Information Commissioner’s Office (both in May 2024). Following review of the information submitted, the Information Commissioner deemed that no further action was required.

[Data Security and Protection Standards for health and care](#) sets out the National Data Guardian’s (NDG) data security standards. These standards are covered by the Data Security and Protection Toolkit (DSPT). NHS Trusts are required to undertake a self-assessment against the requirements of the Toolkit, and demonstrate that they are either compliant with, or working towards compliance with, the NDG standards.

This year’s toolkit will have seen a major format change to encompass the Cyber Assessment Framework (CAF) requirements. The DSPT will set a minimum achievement level for a range of defined outcomes, and produce a “CAF profile”. For many outcomes a level of ‘Partially Achieved’ is proportionate, and in some cases ‘Not Achieved’ may be appropriate (for example – some CAF outcomes represent capabilities only normally held by organisations with very high cyber security maturity and resources). The Trust continues to assess its compliance with the new framework and this is reviewed via the Information Governance Meeting.

The 2024/5 outcome has not yet been determined as the final submission is not required until 30 June 2025.

The Trust’s final DSPT rating in 2023/4 was **STANDARDS MET**.

During 2024/25 the Trust identified and reported no serious IG breaches.

Data Quality and Governance

Trust Board and each of its Committees reviews quality performance at each meeting and a data quality rating for each KPI is included within the summary sections of the Integrated Performance Report (IPR).

The indicator score is based on audits undertaken by the Data Quality Team and are further validated as part of the audit assurance programme.

- Blue No improvement required to comply with the dimensions of data quality
- Green Satisfactory – minor issues only
- Amber Requires improvement
- Red Significant improvement required

The Trust continues to format its Integrated Performance Report on the NHSE 'Making Data Count' principles by utilising SPC charts and icons. The variation icon is used to show whether the latest month is of a concerning or improving nature by using SPC rules, and the assurance icon shows whether we can reliably hit the target or not.

Developments made in 2024/25 to implement a matrix that provides an 'at a glance' view of the exceptions reported within the Integrated Performance Report for each committee.

Throughout 2024/25 the major focus for Data Quality has been the support provided to implementation of the new EPR system (Apollo). This includes:

- Validation and testing of migrated data from current EPR to new EPR
- Support to Apollo and Operational Teams with configuration of new system
- Dashboards built in readiness for Go Live to monitor data quality throughout implementation period

Review of Effectiveness

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

The Trust gains assurance on the maintenance of an effective system of internal control in a number of ways:

- The maintenance of a Board governance pack detailing the key governance structures and their inter-relationships.
- Regular internal and external review of risk management and governance arrangements, as described throughout this report.
- A programme of Internal Audit reviews, the findings of which are included below:

Review	Rating / Finding
Core / mandated assurances:	
Assurance Framework	Assurance statement: • Structure - The organisation's AF is structured to meet the NHS requirements. • Processes - Process in place to update the AF were robust. • Risk Appetite - The organisation considers risk appetite regularly and work is ongoing to integrate this into the AF and wider risk management arrangements. • Engagement - The AF is visibly used by the organisation. • Quality & Alignment - The AF clearly reflects the risks discussed by the Board.
Risk Management Core Controls	Objectives reviewed and RAG ratings: • Governance and Leadership - Green • Roles and Responsibilities - Green • Staff awareness and training - Green • Processes: Risk management strategy and policies - Green • Monitoring and Feedback - Green • Risk Reporting - Green
Key Financial Controls	Opinion: High Assurance
Data Security Toolkit – veracity of self-assessment	Opinion: Substantial Assurance
Data Security Toolkit – national data guardian standards	Opinion: Moderate Assurance
Risk-based assurances	
Patient Safety Incident Response Framework (PSIRF)	Opinion: Substantial Assurance
Conflicts of interest / gifts and hospitality	Opinion: Substantial Assurance
Arrangements for Regulatory Compliance	Opinion: Substantial Assurance
Cost Improvement Plans	Opinion: Substantial Assurance
Research Governance	Opinion: Moderate Assurance

Progress against the management actions agreed in response to the recommendations of internal audit reviews is monitored by the Audit and Risk Committee.

The Trust's Head of Internal Audit provides an annual opinion on the assurance framework. For 2024/5, this can be summarised as follows:

“Substantial Assurance, can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.”

The Trust has in place a robust governance structure with clear responsibilities delegated to Board Committees and Executive Directors. There is a process in place to assess the effectiveness of the Board Committees and this is reported to the Board for assurance.

During 2024/25 all the Executive Directors have completed appraisals which have included reflections on the discharging of their duties as Directors. The Chair has also conducted appraisals with Non-Executive Directors and uses these appraisals to consider the overall mix of skill and experience on the Board. As described in the Directors' Report, Associate Non-Executive Members have been appointed to bring particular skills and knowledge and inform the work of the Board.

During the year, the Trust implemented arrangements to deliver the updated Fit and Proper Person Test Framework (FPPT), the NHS Leadership Competency Framework (LCF) and the Chair's Appraisal Framework (CAF).

Conclusion

I can confirm that no significant internal control issues have been identified. My review confirms that The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

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



Stacey Keegan
Chief Executive Officer
24 June 2025

Independent Auditors Report 2024/25

Independent auditor's report to the board of governors and board of directors of The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust

Report on the audit of the financial statements Opinion

In our opinion the financial statements of The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust (the 'Foundation trust') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and the Foundation trust's affairs as at 31 March 2025 and of the Group's and Foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the Group and Foundation trust income statements;
- the Group and Foundation trust statements of comprehensive income;
- the Group and Foundation trust statements of financial position;
- the Group and Foundation trust statements of changes in taxpayers' equity;
- the Group and Foundation trust statements of cash flows; and
- the related notes 1 to 38.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

The going concern basis of accounting for the Group and the Foundation trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Group's and the Foundation 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 dissolve the Foundation trust without the transfer of the Foundation trust's services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group and Foundation trust and its control environment, and reviewed the Group's and Foundation trust's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the National Health Service and public sector.

We obtained an understanding of the legal and regulatory framework that the Group and Foundation trust operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and Foundation trust's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- the completeness and timing of recognition of accruals and related expenditure is subject to potential management bias: we tested a sample of post year-end payments and invoices to test whether items representing liabilities at 31 March 2025 had been appropriately recognised.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006 in all material respects; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the Foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of this matter.

Respective responsibilities of the accounting officer and auditor relating to the Foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the Foundation 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 Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the Foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or

any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation trust, or a director or officer of the Foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

As at the date of this audit report, we have not yet completed our work in respect of the Trust's consolidation returns for the year ended 31 March 2025 and have not received confirmation from the National Audit Office that the audit of the NHS Group consolidation is complete.

In accordance with Auditor Guidance Note 07, we are therefore unable to certify that we have completed our audit of The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust for the year ended 31 March 2025 in accordance with the requirements of the National Health Service Act 2006 and the National Audit Office Code of Audit Practice. We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Kelly deGersigny,
For and on behalf of Deloitte LLP Appointed Auditor
London, United Kingdom 27 June 2025

Annual Accounts 2024/25



**The Robert Jones and Agnes Hunt
Orthopaedic Hospital**
NHS Foundation Trust

Annual Accounts

for the year ended 31 March 2025



The Robert Jones and Agnes Hunt Orthopaedic Hospital

NHS Foundation Trust

Foreword to the Accounts

These accounts, for the year ended 31 March 2025, have been prepared by the Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust Group, comprising the Foundation Trust and the related hospital charity. They have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Signed	
Name	Stacey Keegan
Job title	Chief Executive & Accounting Officer
Date	23 June 2025

Consolidated Statement of Comprehensive Income

	Note	Group		Foundation Trust	
		2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Operating income from patient care activities	3	157,823	137,320	157,823	137,320
Other operating income	4	9,478	9,997	9,138	9,395
Operating expenses	8	(168,216)	(148,729)	(167,706)	(148,423)
Operating deficit		(915)	(1,412)	(745)	(1,708)
Finance income	12	1,095	1,492	1,025	1,430
Finance expenses	13	(63)	(86)	(63)	(86)
PDC dividends payable		(2,659)	(2,211)	(2,659)	(2,211)
Net finance costs		(1,627)	(805)	(1,697)	(867)
Other net losses	14	(17)	(9)	(17)	(9)
Deficit for the year		(2,559)	(2,226)	(2,459)	(2,584)
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Revaluations	18	878	2,737	878	2,737
Total other comprehensive income for the period		878	2,737	878	2,737
Total comprehensive income / (expense) for the period		(1,681)	511	(1,581)	153

All income and expenditure is derived from continuing operations and there are no minority interests in the Group.

Statement of Financial Position

	Note	Group		Trust	
		31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Non-current assets					
Intangible assets	15	14,885	10,933	14,885	10,933
Property, plant and equipment	16	96,707	98,867	96,707	98,867
Right of use assets	19	913	1,281	913	1,281
Receivables	22	1,004	1,065	1,004	1,065
Total non-current assets		113,509	112,146	113,509	112,146
Current assets					
Inventories	21	1,631	1,441	1,631	1,441
Receivables	22	8,618	5,888	8,549	5,799
Cash and cash equivalents	25	20,868	23,119	19,519	21,743
Total current assets		31,117	30,448	29,699	28,983
Current liabilities					
Trade and other payables	27	(18,448)	(19,320)	(18,390)	(19,315)
Borrowings	29	(850)	(2,059)	(850)	(2,059)
Provisions	30	(2,816)	(778)	(2,816)	(778)
Other liabilities	28	(751)	(814)	(751)	(814)
Total current liabilities		(22,865)	(22,971)	(22,807)	(22,966)
Total assets less current liabilities		121,761	119,623	120,401	118,163
Non-current liabilities					
Borrowings	29	(291)	(906)	(291)	(906)
Provisions	30	(755)	(789)	(755)	(789)
Total non-current liabilities		(1,046)	(1,695)	(1,046)	(1,695)
Total assets employed		120,715	117,928	119,355	116,468
Financed by					
Public dividend capital		57,117	52,649	57,117	52,649
Revaluation reserve		31,743	30,865	31,743	30,865
Income and expenditure reserve		30,495	32,954	30,495	32,954
Charitable fund reserves	20	1,360	1,460	-	-
Total taxpayers' equity		120,715	117,928	119,355	116,468

The notes on pages 99 to 140 form part of these accounts.

The financial statements on pages 94 to 98 were approved by the Board and signed on its behalf by:

Signed



Name

Stacey Keegan

Position

Chief Executive & Accounting Officer

Date

23 June 2025

Statement of Changes in Equity - Group

For year ended 31 March 2025

	Group				
	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2024 - brought forward	52,649	30,865	32,954	1,460	117,928
Surplus/(deficit) for the year	-	-	(2,684)	125	(2,559)
Revaluations	-	878	-	-	878
Public dividend capital received	4,468	-	-	-	4,468
Other reserve movements	-	-	225	(225)	-
Taxpayers' and others' equity at 31 March 2025	57,117	31,743	30,495	1,360	120,715

For year ended 31 March 2024

	Group				
	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2023 - brought forward	45,888	28,128	35,538	1,102	110,656
Surplus/(deficit) for the year	-	-	(2,653)	427	(2,226)
Revaluations	-	2,737	-	-	2,737
Public dividend capital received	6,761	-	-	-	6,761
Other reserve movements	-	-	69	(69)	-
Taxpayers' and others' equity at 31 March 2024	52,649	30,865	32,954	1,460	117,928

Statement of Changes in Equity - Trust

For year ended 31 March 2025

	Foundation Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2024 - brought forward	52,649	30,865	32,954	116,468
Deficit for the year	-	-	(2,459)	(2,459)
Revaluations	-	878	-	878
Public dividend capital received	4,468	-	-	4,468
Taxpayers' and others' equity at 31 March 2025	57,117	31,743	30,495	119,355

For year ended 31 March 2024

	Foundation Trust			
	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	45,888	28,128	35,538	109,554
Deficit for the year	-	-	(2,584)	(2,584)
Revaluations	-	2,737	-	2,737
Public dividend capital received	6,761	-	-	6,761
Taxpayers' and others' equity at 31 March 2024	52,649	30,865	32,954	116,468

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

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

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in Note 20.

Statement of Cash Flows

	Note	Group		Foundation Trust	
		2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Cash flows from operating activities					
Operating deficit		(915)	(1,412)	(745)	(1,708)
Non-cash income and expense:					
Depreciation and amortisation	8.1	5,855	5,407	5,855	5,407
Impairment of assets	9	4,778	-	4,778	-
Income respect of capital donations and grants	4	(214)	(80)	(228)	(99)
(Increase) / decrease in receivables and other assets		(2,659)	1,882	(2,643)	1,939
(Increase) / decrease in inventories		(190)	(134)	(190)	(134)
Increase / (decrease) in payables and other liabilities		1,062	(3,190)	1,062	(2,341)
Increase / (decrease) in provisions		2,004	(30)	2,004	(849)
Movements in charitable fund working capital		89	(112)	-	(30)
Net cash flows from operating activities		9,810	2,331	9,893	2,185
Cash flows from investing activities					
Interest received		1,057	1,432	1,057	1,432
Purchase of intangible assets		(5,954)	(3,813)	(5,954)	(3,813)
Purchase of property, plant & equipment		(7,043)	(6,205)	(7,043)	(6,205)
Sales of property, plant & equipment		4	25	4	25
Receipt of cash donations to purchase assets		214	80	228	99
Net cash flows from charitable fund investing activities		70	62	-	-
Net cash flows used in investing activities		(11,652)	(8,419)	(11,708)	(8,462)
Cash flows from financing activities					
Public dividend capital received		4,468	6,761	4,468	6,761
Movement on loans from DHSC		(1,180)	(1,176)	(1,180)	(1,176)
Movement on other loans		(277)	(277)	(277)	(277)
Capital element of lease liability repayments		(617)	(588)	(617)	(588)
Interest on loans		(17)	(39)	(17)	(39)
Other interest		(3)	-	(3)	-
Interest paid on lease liability repayments		(46)	(49)	(46)	(49)
PDC dividend paid		(2,737)	(2,096)	(2,737)	(2,096)
Net cash flows from / (used in) financing activities		(409)	2,536	(409)	2,536
Decrease in cash and cash equivalents		(2,251)	(3,552)	(2,224)	(3,741)
Cash and cash equivalents at 1 April - brought forward		23,119	26,671	21,743	25,484
Cash and cash equivalents at 31 March	25	20,868	23,119	19,519	21,743

Notes to the Accounts

Note 1 : Accounting Policies

1.0 **Accounting Policies**

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health & 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 2024/25, issued by the Department of Health & Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected.

The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 **Going Concern**

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

1.2 **Accounting Convention**

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

1.3 **Consolidation**

Subsidiaries

Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate Group financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

Robert Jones & Agnes Hunt Orthopaedic Hospital Charity

The Trust is the corporate Trustee to the Robert Jones & Agnes Hunt Orthopaedic Hospital Charity, which is registered with the Charity Commission under registration number 1058878. The Trust has assessed its relationship to the charity and determined it to be a subsidiary because the Trust is exposed to, or has the rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charity, and has the ability to affect those returns and other benefits through its power over the fund.

Note 1 : Accounting Policies (continued)

The charity's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the Trust's accounting policies; and
- Eliminate intra-group transactions, balances, gains and losses.

Details of the charity's key accounting policies and potential variances to IFRS treatment:

- Incoming resources – legacy income – under the SORP the charity recognises revenue when its receipt is probable which is in line with IAS 18.
- Resources expended or provided for – grants made or accrued for. Under the SORP the charity accrues for expenditure when a past event has triggered a requirement to pay, in line with the requirements of IAS 37.

The Trust accounts for no other subsidiaries or any associates, joint ventures or joint operations.

1.4 **Income**

Revenue from contracts with customers

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

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

In the adoption of IFRS 15 a number of practical expedients offered in the Standard were employed. These are as follows:

- As per paragraph 121 of the Standard the Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of 1 year or less.
- The Trust does not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The GAM mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS). The NHSPS sets out rules to establish the amount payable to Trusts for NHS-funded secondary healthcare.

Note 1 : Accounting Policies (continued)

Aligned payment and incentive (API) contracts form the main payment mechanism under the NHSPS. API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

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

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such, CQUIN and BPT payments are not considered distinct performance obligations in their own right. BPT forms part of the transaction price for performance obligations under the overall contract with the commissioner and is accounted for as variable consideration under IFRS 15. Payment for BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed. CQUIN has been paused in 2024/25. The fixed element of API contracts includes the 1.25% CQUIN payment but the Trust's income is not at risk as this is no longer a variable consideration.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. Trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners.

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1 : Accounting Policies (continued)

Grants and donations

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

Apprenticeship service income

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

1.5 Employee Benefits

Short-term employee benefits

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

Pension costs

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 the Secretary of State for Health and Social Care in England and Wales. The schemes are not designed in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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

1.6 Other Expenses

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

Note 1 : Accounting Policies (continued)

1.7 **Property, Plant & Equipment**

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and either
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

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

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

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

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

Note 1 : Accounting Policies (continued)

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the service being provided. Assets held at DRC can be valued on an alternative site basis where this would meet the location requirements. The Trust has elected to use an optimised approach for a modern equivalent asset valuation at its current site, accounted for as a single integrated asset for the purpose of revaluation.

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

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

1.8 **Intangible Assets**

Recognition

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

Software which is integral to the operation of hardware, for example 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, for example application software, is capitalised as an intangible asset where it meets recognition criteria.

Expenditure on research is not capitalised. It is recognised as an operating expense in the period in which it is incurred.

Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Note 1 : Accounting Policies (continued)

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date, and where they do not meet the definitions of investment properties or assets held for sale.

Where applicable, revaluation gains, losses and impairments are treated in the same manner as for property, plant and equipment.

1.9 **Depreciation & Amortisation**

Freehold land (as it is considered to have an infinite life), assets under construction/development, and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

1.10 **Impairments**

At each financial year end, the Trust checks whether there is any indication that any of its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is an indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

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

- The impairment charged to operating expenses; and
- The balance in the revaluation reserve attributable to that asset before the impairment.

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

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

1.11 **Non-Current Assets Held for Sale**

Non-current assets intended for disposal are re-classified as Held for Sale once all of the following criteria in IFRS 5 are met:

Note 1 : Accounting Policies (continued)

- The sale must be highly probable;
- The asset is available for immediate sale in its present condition.

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

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as Held for Sale. Instead, it is retained as an operational asset and its useful life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.12 **Donated & Grant Funded Assets**

Donated and grant funded non-current 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 purchased assets.

1.13 **Inventories**

Inventories are valued at the lower of cost and net realisable value using the First In First Out (FIFO) method.

Inventory stocks are valued at current prices as, due to the high turnover of stocks, this is considered by the Trust to be a reasonable approximation to fair value using the FIFO method.

The Trust does not consider it appropriate to account for inventory stocks where the total value of a particular stock is less than £10k, so their transactions are accounted for in revenue.

Between 2020/21 and 2023/24 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 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. Distribution of inventories by DHSC ceased in March 2024.

1.14 **Cash & Cash Equivalents**

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

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

Note 1 : Accounting Policies (continued)

1.15 **Financial Assets & Financial Liabilities**

Recognition

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

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

Classification and measurement

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

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

Financial assets and financial liabilities are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition. All the Trust's financial assets and liabilities are measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

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

Note 1 : Accounting Policies (continued)

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses.

Receivables are assessed and expected credit losses determined, so a provision for impairment can be made, based on the following criteria:

- A provision for impairment for outstanding Injury Cost Recovery (ICR) notifications of 24.45% as notified by the Compensation Recovery Unit. This has been reviewed and judged as a reasonable estimate against local claim withdrawal history.
- Receivables relating to invoices raised by the Trust to Welsh, Scottish and Northern Irish NHS bodies are discussed with these bodies and specific provisions made where required.
- All other receivables relating to invoices raised by the Trust are reviewed and specific provisions made where applicable with the remainder provided for on the basis of customer type and local receipting history.

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

De-recognition

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

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

1.16 Leases

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

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

The Trust as lessee

Initial recognition and measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

Note 1 : Accounting Policies (continued)

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 4.72% applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

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.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1 : Accounting Policies (continued)

1.17 **Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates. The Trust has not applied these discount rates because either settlement is expected within one year and/or the impact of discounting is not material.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to them, and in return they settle all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 30 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

1.18 **Contingencies**

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust; or
- a present obligation that arises from past events that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Note 1 : Accounting Policies (continued)

1.19 **Public Dividend Capital (PDC) & PDC Dividend**

Public dividend capital (PDC) is a type of public sector equity finance, which represents the Department of Health & Social Care's investment in the Trust. It was originally based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that, being issued under statutory authority rather than under contract, PDC is not a financial instrument within the meaning of IAS 32.

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

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health & Social Care as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>

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

1.20 **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.

1.21 **Corporation Tax**

The Trust has determined that it has no corporation tax liability as its income generation activities are all ancillary to its core health objectives and not in competition with the private sector.

1.22 **Foreign Currencies**

The functional and presentational currency of the Trust is pounds sterling, and figures are presented in thousands of pounds unless expressly stated otherwise.

A transaction which is denominated in a foreign currency is translated into sterling at the spot exchange rate on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the spot exchange rate on 31 March.

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

1.23 **Third Party Assets**

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. If there are any at 31 March, they are disclosed in Note 26 to the accounts.

Note 1 : Accounting Policies (continued)

1.24 **Losses & Special Payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

1.25 **Gifts**

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

1.26 **Early adoption of standards, amendments & interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2024/25.

1.27 **Standards, amendments & interpretations in issue but not yet effective or adopted**

The DHSC GAM does not require the following IFRS Standards to be applied in 2024/25:

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 has been adopted by the FReM from 1 April 2025. Adoption of the Standard for NHS bodies will therefore be in 2025/26. The Standard revises the accounting for insurance contracts for the issuers of insurance. Application of this standard from 2025/26 is not expected to have a material impact on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

Changes to non-investment asset valuation – Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:

Note 1 : Accounting Policies (continued)

- Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.
- Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity

These changes are not expected to have a material impact on these financial statements.

Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:

- A man mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years.
- Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury.

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £83.3m as at 31 March 2025. These assets are not valued on an alternative site basis.

1.28 **Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1. **Charitable funds** – determining whether charitable funds are a subsidiary of the Trust, and whether they are material, to determine whether or not to consolidate. The conclusion is that they are consolidated (see Note 1.3).

Key sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

1. **Property valuations** – as detailed in Note 18, Avison Young provided the Trust with a desk-top valuation as at 31 March 2025 of land and building assets (estimated fair value and remaining useful life), based on depreciated replacement value, using the modern equivalent asset method of valuation. The valuation, which is based on estimates, led to an increase in the carrying value of the Trust's land and buildings of £0.9m. In addition the new Theatre building was inspected and revalued following completion of the building works, resulting in an impairment of £4.8m. Any significant variations on Avison Young's estimates for valuations or asset lives would have an effect on the financial position of the Trust.

Note 1 : Accounting Policies (continued)

2. **Provisions** – management uses their judgement to decide when to make provisions for probable obligations of uncertain timing or amount as a result of past events. These are based on estimates of future costs using information available at the time the financial statements are prepared. Provisions are detailed in Note 30.

Note 2 : Operating Segments

The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust Group consists of the Foundation Trust and the related NHS charity. The segmental analysis based on the Group entities is shown below.

	Group	
	2024/25	2023/24
	£000	£000
Foundation Trust income attributable to the Group	166,961	146,715
Charity income attributable to the Group	340	602
Total RJAH Group operating income	167,301	147,317
Foundation Trust deficit attributable to the Group	(2,459)	(2,584)
Charity surplus / (deficit) attributable to the Group	(100)	358
Total RJAH Group operating deficit	(2,559)	(2,226)
Foundation Trust net assets attributable to the Group	119,355	116,468
Charity net assets attributable to the Group	1,360	1,460
Total RJAH net assets	120,715	117,928

No material income attributable to the Group was received by the charity from any single source during 2024/25 or 2023/24.

The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust is a specialist hospital with only one business element of healthcare. Reports to the Board (the Chief Operating Decision Maker as defined by IFRS 8 Operating Segments) are on this basis.

Therefore no further analysis is required for the Foundation Trust.

Note 3 : Operating Income From Patient Care Activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Commissioner requested services are defined within the Foundation Trust's provider licence and are services that commissioners believe would need to be protected in the event of provider failure. All the acute services income in the table below is derived from commissioner requested services.

No income for healthcare is received by the charity, so the income below relates solely to the Foundation Trust.

Note 3.1 : Income from patient care activities (by nature)

	Group & Foundation Trust	
	2024/25	2023/24
	£000	£000
Acute services		
Income from commissioners under API contracts - variable element* (note 1)	72,797	61,702
Income from commissioners under API contracts - fixed element* (note 1)	55,388	56,530
High cost drugs income from commissioners	5,667	3,232
Other NHS clinical income	7,165	4,379
All services		
Private patient income	9,930	7,345
National pay award central funding (note 2)	130	88
Additional pension contribution central funding (note 3)	6,034	3,566
Other clinical income	712	478
Total income from activities	157,823	137,320

Note 1 - Aligned payment and incentive (API) contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.

<https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/>

Note 2 - Additional funding was made available directly to providers by NHS England in 2024/25 and 2023/24 for implementing the backdated element of pay awards where government offers were finalised after the end of the financial year. NHS Payment Scheme prices and API contracts are updated for the weighted uplift in in-year pay costs when awards are finalised.

Note 3 - Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.3% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (2024/25: 23.7%, 2023/24: 20.6%) and related NHS England funding (2024/25: 9.4%, 2023/24: 6.3%) have been recognised in these accounts.

Note 3.2 : Income from patient care activities (by source)

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Income from patient care activities received from:		
NHS England	27,003	31,581
Integrated care boards	93,003	70,903
Other NHS providers	497	192
Non-NHS: private patients	9,930	7,345
Injury cost recovery scheme (note 1)	159	275
Non NHS: other (note 2)	27,231	27,024
Total income from activities	157,823	137,320

Note 1 - injury costs recovery scheme income is subject to a provision for impairment of receivables of 24.45% to reflect expected rates of collection.

Note 2 - the majority of the non-NHS other income is from Welsh NHS bodies for patients referred by Welsh GPs, not necessarily living in Wales, and with a Welsh postcode (2024/25: £27,074k and 2023/24: £26,980k).

Note 3 - there was no income from overseas visitors in either 2024/25 or 2023/24.

Note 4 : Other Operating Income

	Group		Foundation Trust	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Contract income				
Research and development	807	797	807	797
Education & training (excl. notional apprenticeship levy income)	2,008	2,357	2,008	2,357
Sale of goods & services	977	832	977	832
Catering	393	386	393	386
Car parking	269	270	269	270
Other contract income (note 1)	3,661	3,987	3,661	3,987
Non-contract income				
Education & training - notional apprenticeship fund income	301	250	301	250
Receipt of capital grants and donations	214	80	228	99
Charitable and other contributions to expenditure	19	59	230	109
Consumables donated from DHSC for Covid response	-	58	-	58
Revenue from operating leases	264	250	264	250
Charitable fund incoming resources	565	671	-	-
Total other operating income	9,478	9,997	9,138	9,395

Note 1 - other contract income includes contributions to services and sponsorship income. In addition, £1,117k funding for the EPR implementation was received (2023/24: £759k).

Note 5 : Additional Information on Contract Revenue Recognised In The Period

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end (i.e. release of deferred income)	621	1,399

Note 6 : Fees & Charges

There are no fees or charges where individually the full costs exceed £1m.

Note 7 : Operating Leases - Trust as a Lessor

This note discloses income generated in operating lease agreements where the Trust is the lessor.

The Trust rents out a small proportion of the hospital buildings to partner organisations which complement the service it provides.

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Lease receipts recognised as income in year:		
Minimum lease receipts	264	250
Total in-year operating lease income	264	250
	31 March 2025 £000	31 March 2024 £000
Future minimum lease receipts due in:		
- not later than one year	267	251
- later than one year and not later than two years	227	213
- later than two years and not later than three years	194	212
- later than three years and not later than four years	65	182
- later than four years and not later than five years	49	59
- later than five years	91	127
Total	893	1,044

Note 8 : Operating Expenses

Note 8.1 : Analysis of operating expenses

	Group	
	2024/25 £000	2023/24 £000
Purchase of healthcare from non-NHS/non-DHSC bodies (<i>note 1</i>)	1,225	-
Staff and executive directors costs	103,925	93,080
Remuneration of non-executive directors	172	162
Supplies and services - clinical (excluding drugs costs)	25,834	22,550
Supplies and services - general	1,947	2,258
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	9,826	9,691
Inventories written down	196	164
Consultancy costs	316	435
Establishment	1,739	2,086
Premises	6,521	6,765
Transport (including patient travel)	415	349
Depreciation on property, plant and equipment	5,552	5,084
Amortisation on intangible assets	303	323
Net impairments (<i>note 2</i>)	4,778	-
Movement in credit loss allowance: contract receivables	34	(192)
Increase/(decrease) in other provisions	(57)	85
Statutory audit fees payable to the external auditor	174	127
Internal audit costs	86	67
Clinical negligence	1,728	2,137
Legal fees	(268)	232
Insurance	160	144
Research and development	930	779
Education and training	698	811
Lease expenditure - short term leases	57	50
Lease expenditure - low value leases	86	97
Lease expenditure - irrecoverable VAT	128	122
Car parking & security	117	123
Losses, ex gratia & special payments	12	2
Other support services (<i>note 3</i>)	731	637
Other NHS charitable fund resources expended	503	301
Other	348	260
Total	168,216	148,729

Note 1 - purchase of healthcare from non-NHS/non-DHSC bodies relates to the purchase of additional clinical capacity from the Independent Sector and insourcing providers, to support a reduction in long wait patients.

Note 2 - impairments relates to the downward revaluation of the new Theatre building following completion of the building works.

Note 3 - other support services includes payroll, procurement, recruitment and occupational health.

Note 4 - operating expenses figures relating to the charity are the "Other NHS charitable fund resources expended" line above and £7k (2023/24: £5k) of the "Audit services - statutory audit" line.

Note 8.2 : Other auditor remuneration

There was no other auditor remuneration paid to the external auditor in either 2024/25 or 2023/24 other than the statutory audit fee.

The limitation on auditor's liability for external audit work, in accordance with their engagement letter, is £1m.

Note 9 : Impairment of Assets

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Net impairments charged to operating deficit resulting from:		
Changes in market price	4,778	-
Total net impairments charged to operating deficit	4,778	-
Impairments charged to the revaluation reserve	-	-
Total net impairments	4,778	-

The impairment relates to the downward revaluation of the new theatre complex following completion of the building works. The Trust valuers have stated that the actual build costs of £11.3m are broadly in line with the current valuation of the building when considered in isolation. However, as the Trust site is valued on a Modern Equivalent Asset (MEA) basis, this accounts for the building on an optimum plan basis, which factors in improved economies of scale and optimum site layout of the utilised environment. The valuation for accounting purposes therefore results in a material impairment to the fair value of the asset.

Note 10 : Employee Benefits

Note 10.1 : Staff costs

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Salaries and wages	80,613	70,500
Social security costs	7,899	7,317
Apprenticeship levy	372	349
Employer's contributions to NHS pensions	15,284	11,768
Pension cost - other	20	25
Termination benefits	8	-
Temporary staff (including agency)	2,310	5,813
Total gross staff costs	106,506	95,772
Recoveries in respect of seconded staff	(430)	(794)
Total staff costs	106,076	94,978
Of which		
Costs capitalised as part of assets	1,245	1,129

Note 10.2 : Retirements due to ill-health

During 2024/25 there was 1 early retirement from the Trust agreed on the grounds of ill-health (none in the year ended 31 March 2024). The estimated additional pension liabilities of these ill-health retirements is £25k (0k in 2023/24).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 11 : Pension Costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the schemes valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

The Group also makes contributions to the National Employment Savings Trust (NEST) pension scheme. This is a defined contribution scheme that was created as part of the government's workplace pensions reforms under the Pensions Act 2008.

Note 12 : Finance Income

Finance income represents interest received on assets and investments in the period.

	Group & Foundation Trust	
	2024/25	2023/24
	£000	£000
Interest on bank accounts	1,025	1,430
NHS charitable fund investment income	70	62
Total finance income	1,095	1,492

Note 1 - finance income has reduced due to interest rates falling from August 2024.

Note 13 : Finance Expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	Group & Foundation Trust	
	2024/25	2023/24
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	14	37
Interest on lease obligations	46	49
Total interest expense	60	86
Other finance costs	3	-
Total finance costs	63	86

There was no interest payable in 2024/25 or 2023/24 under the Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015.

Note 14 : Other Gains / Losses

	Group & Foundation Trust	
	2024/25	2023/24
	£000	£000
Gains on disposal of assets	1	25
Losses on disposal of assets	(18)	(34)
Net losses on disposal of assets	(17)	(9)

Note 15 : Intangible Assets

All intangible assets are held by the Foundation Trust.

Note 15.1 : Intangible assets - 2024/25

	Group & Foundation Trust		
	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	4,637	10,037	14,674
Additions	300	3,955	4,255
Valuation / gross cost at 31 March 2025	4,937	13,992	18,929
Amortisation at 1 April 2024 - brought forward	3,741	-	3,741
Provided during the year	303	-	303
Amortisation at 31 March 2025	4,044	-	4,044
Net book value at 31 March 2025	893	13,992	14,885
Net book value at 1 April 2024	896	10,037	10,933

Note 1 - minimum and maximum useful economic lives of the software licences are 2 years and 9 years respectively. Useful economic lives reflect the total life of an asset, not the remaining life.

Note 2 - the majority of the assets under construction value (£13,867k) relates to the Trust-wide implementation of a new Electronic Patient Record system, to be completed in 2025/26.

Note 15.2 : Intangible assets - 2023/24

	Group & Foundation Trust		
	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	4,548	4,494	9,042
Additions	89	5,543	5,632
Valuation / gross cost at 31 March 2024	4,637	10,037	14,674
Amortisation at 1 April 2023 - brought forward	3,418	-	3,418
Provided during the year	323	-	323
Amortisation at 31 March 2024	3,741	-	3,741
Net book value at 31 March 2024	896	10,037	10,933
Net book value at 1 April 2023	1,130	4,494	5,624

Note 16 : Property, Plant & Equipment

All property, plant and equipment is held by the Foundation Trust.

Note 16.1 : Property, plant & equipment - 2024/25

	Group & Foundation Trust								
	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2024 - brought forward	1,893	76,206	236	9,350	18,046	36	3,739	447	109,953
Additions	-	4,537	-	-	1,406	-	726	23	6,692
Impairments (note 1)	-	(4,778)	-	-	-	-	-	-	(4,778)
Revaluations (note 2)	-	(2,224)	7	-	-	-	-	-	(2,217)
Reclassifications	-	9,350	-	(9,350)	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(855)	-	-	-	(855)
Valuation/gross cost at 31 March 2025	1,893	83,091	243	-	18,597	36	4,465	470	108,795
Accumulated depreciation at 1 April 2024 - brought forward	-	306	-	-	8,312	5	2,130	333	11,086
Provided during the year	-	2,786	12	-	1,590	4	504	35	4,931
Revaluations (note 2)	-	(3,083)	(12)	-	-	-	-	-	(3,095)
Disposals / derecognition	-	-	-	-	(834)	-	-	-	(834)
Accumulated depreciation at 31 March 2025	-	9	-	-	9,068	9	2,634	368	12,088
Net book value at 31 March 2025	1,893	83,082	243	-	9,529	27	1,831	102	96,707
Net book value at 1 April 2024	1,893	75,900	236	9,350	9,734	31	1,609	114	98,867

Note 1 - the impairment relates to the downward revaluation of the new Theatre building following completion of the building works.

Note 2 - the revaluation is as a result of a desk-top revaluation of land and buildings by Avison Young.

Note 16.2 : Property, plant & equipment - 2023/24

	Group & Foundation Trust								
		Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land £000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - as previously stated	1,893	74,924	229	6,211	16,494	36	2,990	447	103,224
Additions	-	740	-	3,270	2,180	-	749	-	6,939
Revaluations (<i>note 1</i>)	-	436	7	-	-	-	-	-	443
Reclassifications	-	106	-	(131)	25	-	-	-	-
Disposals / derecognition	-	-	-	-	(653)	-	-	-	(653)
Valuation/gross cost at 31 March 2024	1,893	76,206	236	9,350	18,046	36	3,739	447	109,953
Accumulated depreciation at 1 April 2023 - as previously stated	-	-	-	-	7,424	2	1,795	300	9,521
Provided during the year	-	2,587	13	-	1,507	3	335	33	4,478
Revaluations (<i>note 1</i>)	-	(2,281)	(13)	-	-	-	-	-	(2,294)
Disposals / derecognition	-	-	-	-	(619)	-	-	-	(619)
Accumulated depreciation at 31 March 2024	-	306	-	-	8,312	5	2,130	333	11,086
Net book value at 31 March 2024	1,893	75,900	236	9,350	9,734	31	1,609	114	98,867
Net book value at 1 April 2023	1,893	74,924	229	6,211	9,070	34	1,195	147	93,703

Note 1 - the revaluation is as a result of a desk-top revaluation of land and buildings by Avison Young.

Note 16.3 : Property, plant & equipment financing - 2024/25

	Group & Foundation Trust								
	Land	Buildings excl. dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	1,893	62,975	243	-	8,912	-	1,736	33	75,792
Owned - donated/granted	-	20,107	-	-	617	27	95	69	20,915
NBV total at 31 March 2025	1,893	83,082	243	-	9,529	27	1,831	102	96,707

Note 16.4 : Property, plant & equipment financing - 2023/24

	Group & Foundation Trust								
		Buildings excl.		Assets under	Plant &	Transport	Information	Furniture	
	Land	dwellings	Dwellings	construction	machinery	equipment	technology	& fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	1,893	56,055	236	9,350	9,207	-	1,510	23	78,274
Owned - donated/granted	-	19,845	-	-	527	31	99	91	20,593
NBV total at 31 March 2024	1,893	75,900	236	9,350	9,734	31	1,609	114	98,867

Note 16.5 : Economic lives of property, plant & equipment

The minimum and maximum useful economic lives of each class of asset are given in the table below. Useful economic lives reflect the total life of an asset, not the remaining life.

	Group & Foundation Trust	
	Min Life Years	Max Life Years
Land	N/A	N/A
Buildings excluding dwellings	5	70
Dwellings	11	48
Plant & machinery	3	31
Transport equipment	10	10
Information technology	3	10
Furniture & fittings	5	35

Note 17 : Donations of Property, Plant & Equipment

Cash donations were received by the Foundation Trust to purchase medical and other equipment. All cash received was utilised for this purpose. Donations were received from:

- The League of Friends - £46k
- The Orthopaedic Institute - £28k
- The University of Birmingham - £19k
- The RJAH charity - £14k

Note 18 : Revaluations of Property, Plant & Equipment

For 2024/25, a desk-top revaluation of land and buildings was undertaken by Avison Young with an effective date of 31 March 2025. This resulted in an overall increase in value of £878k.

The valuations were undertaken in accordance with International Financial Reporting Standards (IFRS) as interpreted and applied by the NHS, and the requirements of the RICS Valuation Professional Standards.

The valuations are carried out on a Modern Equivalent Asset (MEA) basis, using an optimised approach to land and building constitution.

In addition the new Theatre building was inspected and revalued following completion of the building works. This resulted in an impairment of £4,778k due to the MEA approach to valuation.

Note 19 : Leases - Trust as a Lessee

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

The Trust has one significant lease for an operating theatre modular building (Menzies Day Case Unit). Other smaller leases relate to medical equipment (including a CT scanner and theatre equipment), I/T equipment and pool vehicles.

Note 19.1 : Right of use assets - 2024/25

	Group & Foundation Trust			
	Property (land and buildings)	Plant & machinery	Transport equipment	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	1,911	495	56	2,462
Additions	-	194	-	194
Remeasurements of the lease liability	59	-	-	59
Disposals / derecognition	(9)	(16)	(4)	(29)
Valuation/gross cost at 31 March 2025	1,961	673	52	2,686
Accumulated depreciation at 1 April 2024 - brought forward	824	326	31	1,181
Provided during the year	447	158	16	621
Disposals / derecognition	(9)	(16)	(4)	(29)
Accumulated depreciation at 31 March 2025	1,262	468	43	1,773
Net book value at 31 March 2025	699	205	9	913
Net book value at 1 April 2024	1,087	169	25	1,281

No leases were with DHSC group bodies.

Note 19.2 : Right of use assets - 2023/24

	Group & Foundation Trust			
	Property (land and buildings)	Plant & machinery	Transport equipment	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	1,845	495	56	2,396
Remeasurements of the lease liability	66	-	-	66
Valuation/gross cost at 31 March 2024	1,911	495	56	2,462
Accumulated depreciation at 1 April 2023 - brought forward	400	163	12	575
Provided during the year	424	163	19	606
Accumulated depreciation at 31 March 2024	824	326	31	1,181
Net book value at 31 March 2024	1,087	169	25	1,281
Net book value at 1 April 2023	1,445	332	44	1,821

No leases were with DHSC group bodies.

Note 19.3 : 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 29.

	Group & Foundation Trust	
	2024/25 £000	2023/24 £000
Carrying value at 1 April	1,089	1,611
Lease additions	194	-
Lease liability remeasurements	59	66
Interest charge arising in year	46	49
Lease payments (cash outflows)	(663)	(637)
Carrying value at 31 March	725	1,089

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 8. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 19.4 : Maturity analysis of future lease payments

	Group & Foundation Trust	
	31 March 2025	31 March 2024
Undiscounted future lease payments payable in:		
- not later than one year	601	632
- later than one year and not later than five years	164	507
Total gross future lease payments	765	1,139
Finance charges allocated to future periods	(40)	(50)
Net lease liabilities at 31 March 2025	725	1,089

Note 19.5 : Exposure to future cash outflows not included in lease liabilities

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Commitments for leases not yet commenced to which the Trust is contractually committed	-	18

Note 20 : Analysis of Charitable Fund Reserves

The Robert Jones and Agnes Hunt Orthopaedic Hospital Charity accounts are consolidated within these accounts. The charity is fully controlled by the Foundation Trust as its corporate trustee, and is therefore consolidated in full into the Group.

The charitable fund reserves can be made up of 2 types of funds:

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Currently there are only unrestricted funds held by the charity. Balances are:

	Group	
	31 March 2025 £000	31 March 2024 £000
Unrestricted income funds	1,360	1,460
	1,360	1,460

Note 21 : Inventories

All inventories are finished goods.

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Drugs	252	182
Consumables	1,315	1,187
Energy	64	72
Total inventories	1,631	1,441

Inventories recognised in expenses for the year were £15,762k (2023/24: £13,604k). Write-down of inventories recognised as expenses for the year were £196k (2023/24: £164k).

In response to the Covid-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £58k of items purchased by DHSC. Distribution of inventory by the Department ceased in March 2024.

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

Note 22 : Receivables

Note 22.1 : Analysis of receivables

	Group		Foundation Trust	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Current				
Contract receivables (note 1)	7,540	4,902	7,540	4,902
Allowance for impaired contract receivables	(518)	(451)	(518)	(451)
Prepayments	1,122	981	1,122	981
Interest receivable	89	121	89	121
PDC dividend receivable	98	20	98	20
VAT receivable	173	154	173	154
Other receivables	38	49	45	72
NHS charitable funds receivables	76	112	-	-
Total current receivables	8,618	5,888	8,549	5,799
Non-current				
Contract receivables	700	897	700	897
Allowance for impaired contract receivables	(171)	(207)	(171)	(207)
Prepayments	198	98	198	98
Other receivables	277	277	277	277
Total non-current receivables	1,004	1,065	1,004	1,065
Of which receivables from NHS and DHSC group bodies:				
Current	4,499	1,955		
Non-current	277	277		

Note 1 - the large increase in contract receivables is due to contract overperformance and year end agreements with commissioners.

Note 22.2 : Allowances for credit losses

All credit losses relate to contract receivables.

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Allowances as at 1 April - brought forward	658	851
New allowances arising	34	10
Changes in existing allowances	10	(142)
Reversals of allowances	(10)	(60)
Utilisation of allowances (write offs)	(3)	(1)
Allowances as at 31 Mar 2025	689	658

Note 23 : Finance Leases - Trust as a Lessor

There were no finance leases in either 2024/25 or 2023/24.

Note 24 : Non-Current Assets Held for Sale

There were no non-current assets held for sale in either 2024/25 or 2023/24.

Note 25 : Cash & Cash Equivalents

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Foundation Trust	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
At 1 April	23,119	26,671	21,743	25,484
Net change in year	(2,251)	(3,552)	(2,224)	(3,741)
At 31 March	20,868	23,119	19,519	21,743
Broken down into:				
Cash at commercial banks and in hand	7	2	7	2
Cash with the Government Banking Service	20,861	23,117	19,512	21,741
Total cash and cash equivalents	20,868	23,119	19,519	21,743

Note 26 : Third Party Assets Held by the Trust

There were no third party assets held in either 2024/25 or 2023/24.

Note 27 : Trade & Other Payables

	Group		Foundation Trust	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Current				
Trade payables	1,843	2,644	1,843	2,644
Capital payables (note 1)	1,952	4,002	1,952	4,002
Other accruals (note 2)	8,477	6,983	8,477	6,983
Social security costs	972	1,015	972	1,015
Other taxes payable	1,098	1,135	1,098	1,135
Pension contributions payable	1,292	1,167	1,292	1,167
Other payables	2,756	2,369	2,756	2,369
NHS charitable funds: trade and other payables	58	5	-	-
Total current trade and other payables	18,448	19,320	18,390	19,315

Of which payables from NHS and DHSC group bodies:

Current	4,810	1,572
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Note 1 - the large decrease in capital payables is mainly due to the Theatres and Electronic Patient Record (EPR) schemes where work was completed but not yet invoiced at the end of the previous year.

Note 2 - the large increase in accruals is due to contract underperformance and year end agreements with commissioners.

Note 28 : Other Liabilities

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Current		
Deferred income: contract liabilities	695	805
Deferred grants	56	9
Total other current liabilities	751	814

The majority of these liabilities relate to research funding, fees received from private patients in advance of treatment, and funding for staffing where the posts cover more than one year.

Note 29 : Borrowings

Note 29.1 : Analysis of borrowings

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Current		
Loans from DHSC (note 1)	-	1,183
Other loans (note 2)	277	277
Lease liabilities	573	599
Total current borrowings	850	2,059
Non-current		
Other loans (note 2)	139	416
Lease liabilities	152	490
Total non-current borrowings	291	906

Note 1 - the DHSC loan was a £10m capital investment loan taken out in August 2015 to finance the building of the Theatre and Tumour Unit. It was repayable over 10 years, with the final payment made in February 2025.

Note 2 - Salix is a government-funded organisation which provides interest-free loans to the public sector to improve energy efficiency. The principal is repaid over 5 years at 6 monthly intervals until September 2026.

Note 29.2 : Reconciliation of liabilities from financing activities

2024/25	Group & Foundation Trust			
	Loans from DHSC	Other loans	Lease liabilities	Total
	£000	£000	£000	£000
Carrying value at 1 April 2024	1,183	693	1,089	2,965
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,180)	(277)	(617)	(2,074)
Financing cash flows - payments of interest	(17)	-	(46)	(63)
Non-cash movements:				
Additions	-	-	194	194
Lease liability remeasurements	-	-	59	59
Application of effective interest rate	14	-	46	60
Carrying value at 31 March 2025	-	416	725	1,141

2023/24	Group & Foundation Trust			
	Loans from DHSC	Other loans	Lease liabilities	Total
	£000	£000	£000	£000
Carrying value at 1 April 2023	2,361	970	1,611	4,942
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,176)	(277)	(588)	(2,041)
Financing cash flows - payments of interest	(39)	-	(49)	(88)
Non-cash movements:				
Lease liability remeasurements	-	-	66	66
Application of effective interest rate	37	-	49	86
Carrying value at 31 March 2024	1,183	693	1,089	2,965

Note 30 : Provisions for Liabilities & Charges

	Group & Foundation Trust					
	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Back-pay liability £000	Other £000	Total £000
At 1 April 2024	54	398	83	-	1,032	1,567
Change in the discount rate	-	-	-	-	(3)	(3)
Arising during the year	20	-	16	2,544	149	2,729
Utilised during the year	(32)	(25)	(24)	-	(13)	(94)
Reversed unused	-	-	(15)	-	(627)	(642)
Unwinding of discount	-	-	-	-	14	14
At 31 March 2025	42	373	60	2,544	552	3,571
Expected timing of cash flows:						
- not later than one year;	32	25	60	2,544	155	2,816
- later than one year and not later than five years;	10	100	-	-	156	266
- later than five years.	-	248	-	-	241	489
Total	42	373	60	2,544	552	3,571

The pensions relate to NHS pensions payable to staff given early retirement prior to 1995, and an injury benefit for a previous employee of the Trust. These are administered and invoiced for by the NHS Business Services Agency Pensions Division with total liability estimated based on life expectancy.

The legal claims relate to employer's and public liability claims handled by NHS Resolution. Liability is limited to the scheme excess.

The employment liability for back-pay is subject to agreement of scope and duration.

"Other" relates to clinician pension tax reimbursement, employment tribunals and the dismantling charges for the day case unit at the end of the lease.

At 31 March 2025, £11,943k was included in the provisions of NHS Resolution in respect of clinical negligence liabilities of the Trust (31 March 2024: £7,837k).

Note 31 : Contingent Assets & Liabilities

There were no contingent assets in 2024/25 or 2023/24.

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Value of contingent liabilities		
NHS Resolution legal claims	(16)	(13)
Total value of contingent liabilities	(16)	(13)

Note 32 : Contractual Capital Commitments

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Property, plant and equipment (note 1)	148	4,578
Intangible assets (note 1)	17	889
Total	165	5,467

Note 1 - The large commitments at 31st March 2024 were in relation to the new theatre building works and the electronic patient record (EPR) implementation.

Note 33 : Other Financial Commitments

The Group is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group & Foundation Trust	
	31 March 2025 £000	31 March 2024 £000
Not later than 1 year	1,231	652
After 1 year and not later than 5 years	1,786	849
Total	3,017	1,501

Potential future cash outflows in relation to leases not included in lease liabilities are disclosed in note 19.5.

Note 34 : Financial Instruments

Note 34.1 : Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with commissioners and the way those commissioners are financed, the Group is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Foundation Trust's investment policy limits the investment of surplus funds to institutions with a low risk rating. The charity's investment policy is consistent with that of the Foundation Trust. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

The Group's treasury management operations are carried out by the finance department. For the Foundation Trust, this is within parameters defined formally within its Standing Financial Instructions and policies agreed by the board of directors. For the charity, this is within parameters defined formally within the charity's governing document and the Charitable Funds Committee terms of reference. Treasury activity is subject to review by the Group's internal auditors.

Currency risk

The Group is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. There are no overseas operations. The Group therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Foundation Trust holds a Salix loan which is interest free. The Foundation Trust therefore has no exposure to interest rate fluctuations. The charity has no borrowings.

Credit risk

As the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2025 are in receivables from customers, as disclosed in the receivables note. The charity does not hold material receivables balances. With its income coming from voluntary donations and legacies, the charity is also considered to have a low exposure to risk.

Liquidity risk

The Group's operating costs are incurred under contracts with commissioning organisations, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from resources voted annually by parliament, internally generated surpluses, donations, and through borrowing via the National Loans Fund. The Group is not, therefore, exposed to significant liquidity risks.

Note 34.2 Carrying values of financial assets

All at amortised cost under IFRS 9	Group		Foundation Trust	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Trade and other receivables (excl. non financial assets)	7,955	5,588	7,962	5,611
Cash and cash equivalents	19,519	21,743	19,519	21,743
Consolidated NHS Charitable fund financial assets	1,418	1,488	-	-
Total	28,892	28,819	27,481	27,354

Carrying value (book value) of these financial assets is assumed to be a reasonable approximation of fair value.

Note 34.3 Carrying values of financial liabilities

All at amortised cost under IFRS 9	Group		Foundation Trust	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
Loans from the Department of Health and Social Care	-	1,183	-	1,183
Obligations under leases	725	1,089	725	1,089
Other borrowings	416	693	416	693
Trade and other payables (excl. non financial liabilities)	15,018	16,475	15,018	16,475
Provisions under contract	120	120	120	120
Consolidated NHS charitable fund financial liabilities	58	5	-	-
Total	16,337	19,565	16,279	19,560

Carrying value (book value) of these financial liabilities is assumed to be a reasonable approximation of fair value.

Note 34.4 : Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This may differ to the amounts recognised in the Statement of Financial Position which are discounted to present value.

	Group		Foundation Trust	
	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000
In one year or less	15,954	18,586	15,896	18,581
In more than one year but not more than five years	423	1,043	423	1,043
Total	16,377	19,629	16,319	19,624

Note 35 : Losses & Special Payments

	Group & Foundation Trust			
	2024/25		2023/24	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	1	-	-	-
Bad debts and claims abandoned	56	3	60	1
Stores losses and damage to property	4	205	2	161
Total losses	61	208	62	162
Special payments				
Ex-gratia payments	73	27	103	12
Total special payments	73	27	103	12
Total losses and special payments	134	235	165	174

Losses and special payments are accounted for on an accruals basis, excluding provisions for future losses.

Note 36 : Related Parties

During the year no Department of Health & Social Care ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Group.

The Department of Health is regarded as a related party. During the year the Group has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The most significant are:

- Cheshire & Merseyside ICB
- Herefordshire & Worcestershire ICB
- NHS England
- Shrewsbury & Telford Hospitals NHS Trust
- Shropshire, Telford & Wrekin ICB
- Staffordshire & Stoke on Trent ICB

The Group has had a number of material transactions with UK devolved governments. These transactions have been for the provision of healthcare, mainly with Welsh NHS bodies which are funded by the Welsh Assembly.

- Betsi Cadwaladr University LHB
- Powys LHB

The Group has also had a number of material transactions with other government departments and other central and local government bodies. Most of these have been with Shropshire Council in respect of non-domestic rates.

Note 37 : Events After the Reporting Date

There were no events after the reporting date.

Note 38 : Adjusted Financial Performance

The table below shows the Foundation Trust's adjusted financial performance.

	Foundation Trust	
	2024/25 £000	2023/24 £000
Retained deficit for the year	(2,459)	(2,584)
Remove net impairments	4,778	-
Remove I&E impact of capital grants and donations	566	688
Remove net impact of DHSC centrally procured inventories	31	29
Adjusted financial performance surplus / (deficit)	2,916	(1,867)

The adjusted financial performance of £2,916k surplus in 2024/25 was in line with the Trust's financial plan to generate a surplus of £2.9m. This is the measurement used by NHS England to monitor financial delivery.

