Isle of Wight NHS Trust

Annual Report and Accounts

2022/2023

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About this report

The annual report is produced to present information about the services provided by Isle of Wight NHS Trust and to report on its performance each year against the Trust's objectives. This is produced in line with the Trust's commitment to openness and transparency, and good corporate governance.

The annual report is produced in line with the published guidance set out by the Department for Health and Social Care (DHSC) and comprises a performance report, accountability report including the corporate governance and staff and remuneration reports, financial statements and audit report.

For a summary version of this report please contact the communications and engagement team on 01983 822099 ext. 6175 or email iownt.comms@nhs.net

You can also call this number to talk to the team if you need this report in large print, in Braille or in an audio tape format. You can also contact us if English is not your first language, and you would like help in understanding this report in your own language.

Glossary of terms

This glossary is intended to clarify NHS-specific terms used in this document. If you cannot find the definition you are looking for, try here: https://www.england.nhs.uk/participation/resources/involvejargon/

COVID-19

COVID-19 is a disease caused by a strain of coronavirus. 'CO' stands for corona, 'VI' for virus, and 'D' for disease. Formerly, this disease was referred to as '2019 novel coronavirus' or '2019-nCoV'.

CQC – Care Quality Commission

The independent regulator of all health and social care services in England.

DHSC – Department of Health and Social Care

Department of Health and Social Care (DHSC) is a department of the UK government responsible for health and adult social care policy matters in England, along with a few elements of the same matters which are not otherwise devolved to the Scottish Government, Welsh Government or Northern Ireland Executive. It oversees the NHS.

FTE – Full Time Equivalent

A metric for measuring the number of staff equivalent to a person being employed full-time.

HEE – Health Education England

Organisation supporting the delivery of excellent healthcare and health improvement to the patients and public of England by ensuring that the workforce of today and tomorrow has the right numbers, skills, values and behaviours, at the right time and in the right place.

ICB – Integrated Care Board

A statutory NHS organisation responsible for developing a plan for meeting health needs for the population, managing the NHS budget, and arranging for the provision of health services in a geographical area. The Trust is within the Hampshire and Isle of Wight ICB.

ICS – Integrated Care System

A close collaboration with NHS organisations, in partnership with local councils and others, taking collective responsibility for managing resources, delivering NHS standards, and improving the health of the population they serve.

Isle of Wight Health and Care Plan

Produced by the Isle of Wight Integrated Care Board, the Isle of Wight Health and Care Plan supports the Health and Wellbeing Strategy. It is the plan for delivering services to the island population over the next five years.

NHS England (NHSE)

NHS England provides national leadership for the NHS, promoting high quality health and care for all, and supporting NHS organisations to work in partnership to deliver better outcomes for patients and communities at the best possible value to taxpayers, and to continuously improve the NHS.

PbR – Payment by Results

A method of paying for NHS commissioned services.

RIDDOR – Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

A statutory obligation to report deaths, injuries, diseases and ‘dangerous occurrences’ including near misses, which take place at work in connection to work.

RTT – Referral To Treatment

The time it takes between a GP referral and a definitive secondary care treatment being provided.

SBS – Shared Business Services

An NHS organisation partnering with NHS organisations to provide co-designed services and solutions, such as payroll services.

Special measures

Special measures apply when NHS Trusts and Foundation Trusts have serious problems and there are concerns that the existing leadership cannot make the necessary improvements without support.

Strategic partner

The Trust has formed strategic partnerships with mainland trusts to work together to improve services on the island at scale. This can involve joint appointments and some shared services.

Chair and Chief Executive message

We always strive to deliver high quality, compassionate care that makes a positive difference to our island community and we hope that the people working in our teams are proud of what they've achieved over the past 12 months.

The last year has been full of challenges too, with rising demand, growing waiting lists and repeated periods of intense operational pressure. But nevertheless, the incredible people that make up our NHS have risen to the task.

Recognising and celebrating success is an important part of the culture here, as is learning when we do not get things right.

It is with pleasure that we commend this annual report, especially for the many examples of innovation and improvement it contains. Much of what we are able to celebrate comes from having listened to patients, service users, carers and our colleagues. It is part of being a learning organisation that we are open to feedback and take action to improve things.

The next few years in the NHS are likely to be just as challenging, if not more so, than the last. To deliver the best possible services and outcomes for our island community we will need to deal with increased demand, support an ageing population with complex healthcare needs, and manage within constrained budgets.

We cannot do it all on our own and the way we work will need to evolve. We are working very closely with our NHS partners in Hampshire & Isle of Wight to resolve the challenges of delivering sustainable health services for the Isle of Wight population.

On 31 January 2023, Isle of Wight NHS Trust and Portsmouth Hospitals University NHS Trust announced plans to further strengthen their partnership to enable the provision of high quality, safe, and sustainable services to the populations they serve.

South Central Ambulance Service NHS Foundation Trust (SCAS) will remain the strategic partner for the island's Ambulance Service. This partnership has delivered benefits for both Trusts.

A review of community and mental health services across Hampshire & Isle of Wight in 2022 sought to understand how to better meet the demands of the future and how organisations might work better together to meet those demands. This led to agreement that all community and mental health services in Hampshire & Isle of Wight should come together into a single NHS Foundation Trust. A target date of 1 April 2024 has been set for the creation of the new Trust. For community and mental health services this provides a long-term solution to deliver sustainable care for the Isle of Wight population.

The last 12 months have shown just how much we can achieve when we work together and with our partners. We will need to maintain that approach as we strive to deal with the challenges facing the NHS at the same time as making healthcare sustainable for the Isle of Wight.

We want to thank every team member and all our volunteers for the part they have played in providing high quality, compassionate care to the people who rely on us. Our community is at the heart of everything we do, and we continue to work together and with all our partners to provide the very best care.

Melloney Poole
Chair

Penny Emerit
Chief Executive

Performance Report

Performance overview of the Trust and its services

The purpose of the performance overview section of the annual report is to provide background information about the Isle of Wight NHS Trust. It provides information on the Trust's strategy, purpose, values and objectives, the key risks related to the achievement of those objectives and an understanding of how the Trust has performed over the year 2022/23.

About the Trust

Established in April 2012, the Isle of Wight NHS Trust is the only integrated acute, community, mental health, and ambulance healthcare provider in England.

The organisation employs around 3,900 people and provides a full range of healthcare services to the residential community of 143,000 as well as the tourist population which sees the population rise to 220,000 in summer.

Following a Care Quality Commission inspection in July 2021, the quality of care provided by the Trust was rated 'Good' overall.

What the Trust does

The Trust provides acute services from St Mary's Hospital in Newport. It has 266 general and acute beds in the Acute Division (including intensive care and children's ward beds) and accommodates around 27,000 admissions each year (excluding endoscopy and chemotherapy appointments). Services include the emergency department, urgent care service (by referral only), emergency medicine and surgery, planned surgery, intensive care, paediatric services, a special care baby unit (SCBU), and maternity care services. The Trust also provides diagnostic and screening, pathology and pharmaceutical and outpatient services. During 2022/23 there were 978 deliveries[1] and 986 births recorded.

The Community Division has a workforce of circa 450 staff across a broad portfolio of services and professional groups, supporting people of all ages. Community services are delivered across a range of community settings, including in patients' homes, working in partnership with other NHS services, social care, local government and the voluntary sector. Many community services are now provided in Integrated Localities where health and social care services work together in partnership within three geographical areas mapped to three Primary Care Networks. Working in this way provides a more coordinated approach, closer to home for our patients, and with care provided by teams who know and work well together in that neighbourhood. The division also provides a range of outpatient-based services delivered from community sites across the island as well as providing therapy services and an integrated discharge team within the acute hospital

The Mental Health and Learning Disabilities Division provides inpatient and community-based mental healthcare. The Trust has 32 in-patient beds based in Sevenacres, along with access to a number of specialist mainland beds. The in-patient services are delivered alongside a community mental health team supporting a caseload of around 970 patients. The Division also includes specialist child and adolescent mental health services (CAMHS), rehabilitation and reablement services, an early intervention in psychosis team, a single point of access, home treatment team, primary care psychological therapies team, memory service and the dementia outreach service. Community learning disability services are also provided.

The Trust operates an ambulance service that delivers all emergency and non-emergency ambulance transport, NHS111 and patient transport services to the island. The service is also responsible for transporting patients to mainland hospitals when required, and responds to over 30,000 emergency calls and 112,000 calls to 111 each year.

The Trust works in partnership with colleagues across the NHS, and has specific strategic partnerships with Portsmouth Hospitals University NHS Trust for acute services, and Solent NHS

[1] Deliveries are the number of episodes of labour. Births are the number of babies born, e.g. twins.

Trust and Southern Health NHS Foundation Trust for community, mental health and learning disabilities services. It also works with social care, local government and the voluntary sector both on the island and across Hampshire, making sure people have the right care, at the right time and in the right place, so that residents can lead lives as full and independent as possible.

Operating context and challenges

National developments

The NHS has continued to manage waves of COVID-19 infections with some related hospitalisations and staff absences. The Trust has continued with its delivery of the vaccination programme.

Programmes have been put in place with targeted funding to support the recovery of non-COVID-19 services and address growing backlogs of patients waiting for treatment. However, the Trust, much as other organisations have, has experienced unprecedented demand for non-elective care, which has impacted upon its ability to deliver the recovery programme for some periods resulting in further delays to accessing services and growing waiting lists.

The challenges in social care provision and staffing have led to an increase in the numbers of patients remaining in hospital when they are medically fit for discharge. The number of patients in the Trust's care has resulted in the need to open escalation beds and an impact upon the ability to deliver elective work.

The Trust has progressed its strategic partnerships to ensure safe and sustainable services for the population of the island. In February 2023, the Trust announced that the partnership with Portsmouth Hospitals University NHS Trust for acute services would move to the next level of closer working with one Chief Executive covering both organisations from April 2023 and progress in 2023/24 towards one executive team covering both organisations.

The partnership with Solent NHS Trust and Southern Health NHS Foundation Trust for community, mental health and learning disabilities services has also progressed during the year. From 2024/25 these services will be provided by a new organisation covering all of Hampshire and the Isle of Wight.

The Island Health and Care Plan, which supports the benefit of NHS providers working together to address challenges on the island, has progressed during the year with many services being provided at PLACE level.

The Hampshire and Isle of Wight Integrated Care Board has developed further during the past year with the co-ordination of resources and support provided across the system.

Socio-economic challenges

Over a quarter of the resident population (28.7 percent) is aged over 65 years, this is older than the England average of 18.5%. In the coming years, the number of people aged over 65 will increase by to 34.5 percent of the population while the over-85s group will increase by 3.8 percent. While lengthening life expectancy is, of course, something to be celebrated, it is also often true that with increasing age comes increasingly complex health needs.

A number of socio-economic factors on the island give rise to health inequalities and the health of people on the Isle of Wight is varied by comparison with the England average:

- Life expectancy is 6.1 years lower for men and 2.3 years lower for women in the most deprived areas of Isle of Wight than in the least deprived areas.
- The rate for alcohol-specific hospital admissions among those under 18 is significantly worse than the average for England. On average of 20 young people are admitted per year.
- The rate for alcohol-related harm is the sixth largest risk factor for ill health on the Isle of Wight. This represents around 1,000 admissions per year.
- Drug misuse is a significant cause of disability. It is the fourth ranked cause of death in 15-to-49-year-olds on the Isle of Wight.
- Poor diet and physical inactivity are leading risk factors for overweight and obesity and are linked to a number of health risk factors. The proportion of children on the Isle of Wight who are overweight or obese increases from 25.6% in reception to 31.6% by year 6. Almost two thirds of Isle of Wight adults are either overweight or obese.

- The rate for self-harm hospital admissions is worse than the average for England. This represents just under 300 admissions per year
- The rate of statutory homelessness is worse than the England average.

In addition, the island is a much-loved holiday destination, and the island's population swells significantly in the summer months due to an influx of visitors. Typically, 20% more attendances are seen in the emergency department during the holiday period. With the impacts of seasonal winter illnesses, these factors combine to create year-round pressures for Trust services.

The realities above are compounded by the island's geographical separation from the mainland by sea. This impacts on the Trust's ability to deliver clinically sustainable healthcare services in a financially sustainable way when compared to mainland providers.

The geography of the island also presents significant workforce challenges in addition to those already experienced nationally throughout the NHS. This includes shortages in many professions, and like the wider NHS, the Trust has seen many trained staff leaving the NHS prematurely. The ambitious drive to encourage the very best people with the right skills and values to join the Trust continues along with the focus on the health and wellbeing of staff and supporting them to stay in the organisation's employment. The international recruitment programme has been very successful in bringing staff to the island and there is now the highest number of substantive Registered Nurses in the Trust since its establishment in 2012.

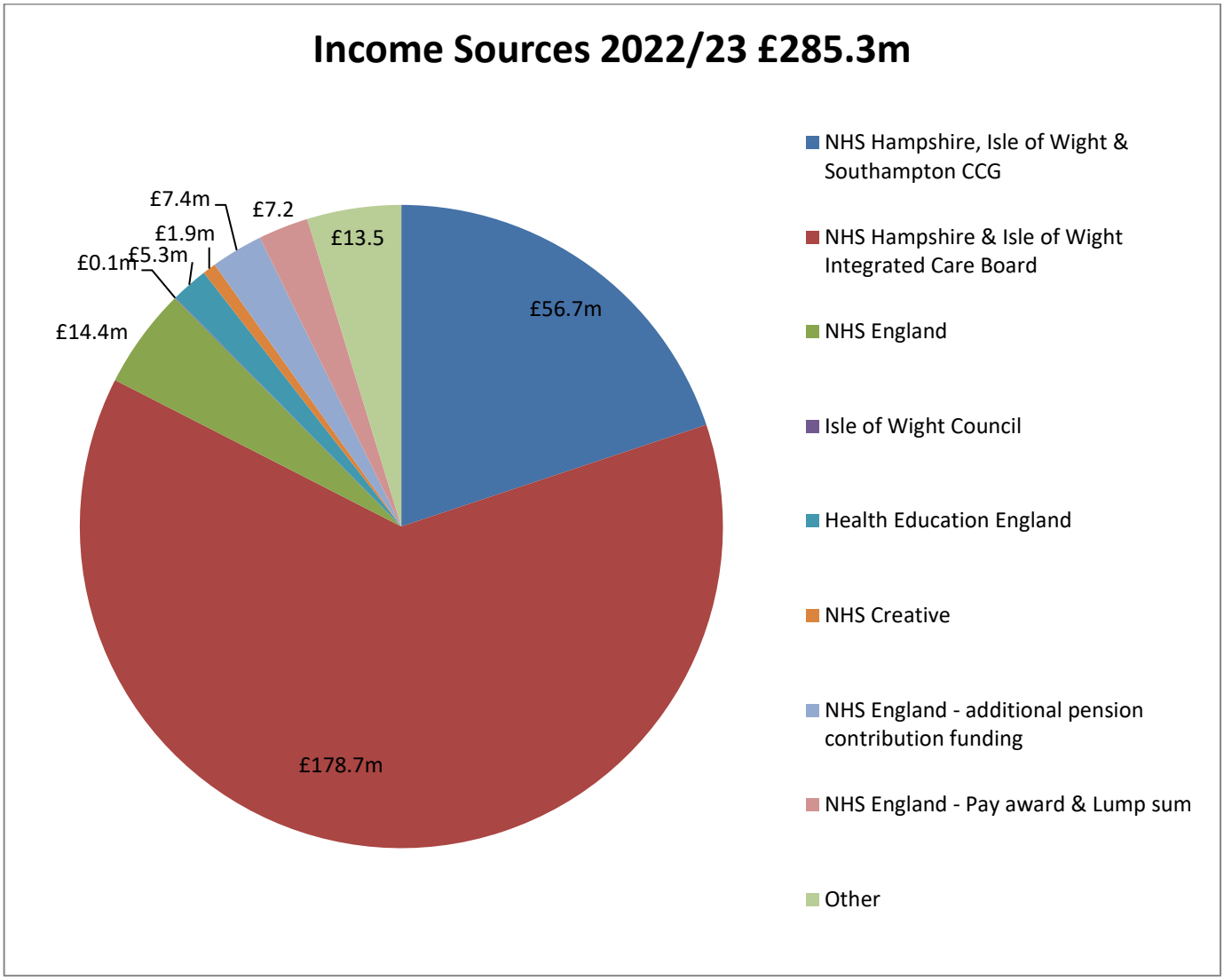
Private healthcare

The Mottistone Suite offers a selection of outpatient services, diagnostic tests and procedures privately. In 2022/23 less private healthcare than usual was provided as Trust services were concentrated on responding to the operational unplanned demand.

Financial challenges

The Trust received income of £285.3m (£285.1m in 2021/22) of which 83% was derived from NHS Hampshire and Isle of Wight ICB.

Income Source	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
NHS Hampshire, Isle of Wight & Southampton CCG	£135.2	£138.2	£140.0	£149.7	£159.4	£247.4	£56.7
NHS Hampshire & Isle of Wight Integrated Care Board	-	-	-	-	-	-	£178.7
NHS England	£12.3	£10.3	£11.3	£12.2	£16.6	£15.6	£14.4
Isle of Wight Council	£6.6	£7.5	£5.7	£3.8	£1.8	£0.6	£0.1
Health Education England	£3.8	£4.1	£4.7	£5.0	£4.4	£5.2	£5.3
NHS Creative	£2.5	£1.9	£1.8	£1.8	£1.5	£1.8	£1.9
NHS England - additional pension contribution funding	£0.0	£0.0	£0.0	£5.7	£6.2	£6.9	£7.4
NHS England - Pay award & Lump sum	-	-	-	-	-	-	£7.2
Other	£10.7	£9.4	£12.2	£10.3	£10.8	£7.7	£13.5
Provider Sustainability / Financial Recovery Funding	£0.0	£0.0	£0.0	£11.4	£0.0	£0.0	£0.0
Reimbursement & Top-Up Funding	£0.0	£0.0	£0.0	£0.0	£61.3	£0.0	£0.0
Total	**£171.1**	**£171.4**	**£175.7**	**£199.9**	**£262.0**	**£285.1**	**£285.3**



As reported in the Annual Accounts the Trust is reporting a deficit £24.8m (£32k surplus in 2021/22), against a deficit plan of £13.1m. The financial pressures remain a challenge and the Trust is planning for a deficit of £24.8m in 2023/24.

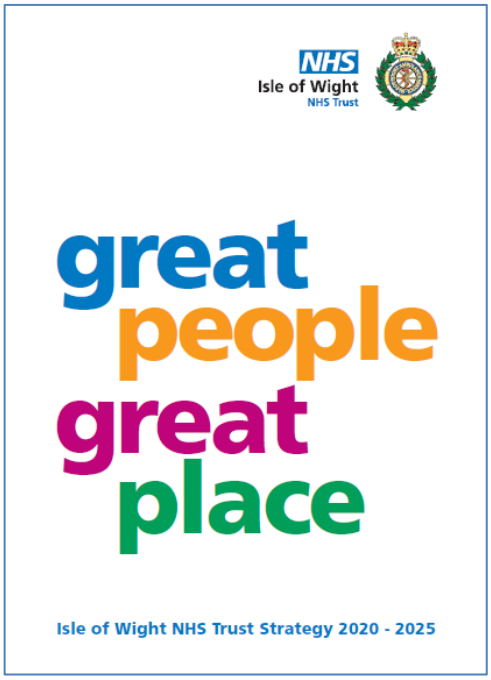
Quality care challenges

The Trust was placed in quality special measures by NHS Improvement in 2017. These quality special measures were lifted when the Trust was allocated into the System Oversight Framework segment 3 in January 2022. This followed a CQC inspection in July 2021, which rated the Trust as 'Good' overall. Operational demand has been high in 2022/23 which has impacted on quality in some areas during the year. The Trust remains in SOF segment 3 at the end of March 2023, and will continue its improvement journey in 2023/24.

Trust strategy

The Trust's vision and strategic objectives set the direction of travel. They enable the Trust to continue to improve services, to meet the needs of the local community and to use resources in the most effective way possible.

In recent years, the Trust's direction of travel has been focused on making the required improvements in its services. This involved the development with partners across the island's health and care system of a three year sustainability plan (the Island Health and Care Plan), which started to deliver in 2019/20. Building on the progress made, in September 2022 the plan was refreshed, outlining the steps needed longer term to ensure the healthcare system is sustainable and can continue to meet the needs of the local population. At the same time the Trust took a decision to refresh its Strategy covering the period to 2025, ensuring that the strategic objectives continue to be relevant for the Trust within the wider health and care environment and changing expectations, The Strategy, Great People, Great Place, has been underpinned by clinical strategies for the four operational divisions, and enabling strategies across communications and engagement, estates, digital and workforce, aligned to a long-term financial plan.



The Trust's vision is to provide high quality, compassionate care that makes a positive difference to the island community.

The mission is to make sure that the community is at the heart of everything the Trust undertakes. The Trust will work with partners to improve and join-up services to help improve the health and wellbeing of people who use its services, its staff, and the island community.

The strategy sets out how the Trust will achieve its vision and mission through working together with partners and with the community to improve health and care services. It recognises that people are living longer and often with a number of long-term conditions. Across the system there is a range of strategies and plans, and the golden thread which brings them all together needs to be strengthened whilst ensuring alignment to national priorities including the Health and Care Act 2022.

To deliver the strategy and the required improvements in services, it is important that clear objectives are set.

The 4Ps: People, Performance, Partnerships and Place are the headings for the objectives the Trust seeks to achieve, and the descriptors of what success will look like for the island community, staff, and the people using the Trust's services.

People – our people make a positive difference every day

We will:

- Make our Trust a great place to work and to be cared for
- Work with our partners and our community to improve services

Through effective engagement and listening to our staff and island community we will improve service provision, improve service quality and user experience, attract and retain staff.

Performance – we share a total commitment to improving what we do

We will:

- Deliver high quality, compassionate care
- Make sure our services are clinically and financially sustainable

Through working with our island and mainland partners we will, improve clinical effectiveness, service quality and financial efficiency. The quality of the services we provide, and well-managed finances go hand in hand.

Partnerships – our partnerships make us stronger

We will:

- Work with our partners and our community to improve services
- Join up health and care services by working more closely at Place and across the System

We cannot face our challenges alone. Effective partnership arrangements will enable us to develop robust service models, attract and retain staff and improve our performance.

Place – investing in building and IT that help our teams make a positive difference to our island community

We will:

- Work more effectively with our partners and make our service models responsive to the needs of our patients

The strategy map below illustrates the alignment of the Trust's six strategic objectives.

The Trust has worked to operationalise the strategy by the implementation of key programmes of work.

Values and behaviours

The Trust's stated Values and Behaviours guide how the Trust approaches its work to deliver the vision and objectives.

The values are described using the acronym CARE:

The Trust has continued to embed these values throughout its services, and they form a key part of communications and performance appraisals with staff.

Partnership and sustainability

A key part of the Trust's strategy is to work with partners and community to improve and sustain services.

The Trust cannot face its challenges alone. Working in partnership has helped it to improve many of its services and make a difference to the local community. The Trust has a history of working closely with island partners in delivering health and social care services for the population. It already has strong relationships with many mainland providers and recognises that by continuing to strengthen its partnership it will deliver high quality, compassionate care and make a positive difference to the community.

Strategic partnerships

During 2022/23 the Trust has continued to work more closely with its key NHS partners. These partnerships have progressed to the point that on 31 January 2023, Isle of Wight NHS Trust and Portsmouth Hospitals University NHS Trust announced plans to further strengthen their partnership to enable the provision of high quality, safe, and sustainable services to the populations they serve.

For community and mental health services a review of these services was undertaken across Hampshire & Isle of Wight in 2022. It sought to understand how to better meet the future needs of the population they serve and how organisations might work better together to meet those demands. This led to agreement that all community and mental health services in Hampshire & Isle of Wight should come together into a single NHS Foundation Trust. A target date of 1 April 2024 has been set for the creation of the new Trust. For community and mental health services this provides a long-term solution to deliver sustainable care for the Isle of Wight population.

The Trust is continuing with its successful partnership with South Central Ambulance Service NHS Foundation Trust (SCAS) who remain the strategic partner for the island's Ambulance Service. This partnership has delivered benefits for both Trusts.

Hampshire and Isle of Wight Integrated Care System (ICS)

In July 2022, the Hampshire and Isle of Wight Integrated Care System was established. The ICS is a partnership of NHS and local government organisations working together to join up health and care services to improve the health and wellbeing of people in the communities they serve.

Local health and care partners have a long history of working together with our population and are united in our vision to enable people in our communities to live healthier, longer lives.

There are four key principles guiding the integrated care system:

1. Improving outcomes in population health and healthcare
2. Tackling inequalities in outcomes, experience and access
3. Enhancing productivity and value for money
4. Supporting social and economic development

The work undertaken across the ICS will be guided by these four principles as it heads towards its vision that - together, we will deliver care that is among the best in the world.

Place based partnerships

Within the ICS there are four place-based partnerships of which the Isle of Wight is one. Integrated teams (including local authority, integrated care board, provider and voluntary partners) come together to understand the needs of their population, agree plans to meet those needs, develop strong partnerships and implement solutions. The Isle of Wight NHS Trust is a key stakeholder in the Island Health and Care Partnership, supporting the development of the Isle of Wight Health and Care Plan and the setting of the island's strategic direction.

Isle of Wight Health and Care Plan

In 2022 the island refreshed its Health and Care Plan for the next 3 years. Research into the health and care needs of the community shows the need to think differently about how services are planned and delivered, especially for older people who may become increasingly frail. Supporting the island's physical health, mental health and wellbeing will require the whole community to be represented, so that health inequalities can be tackled to improve outcomes for local people. Preventing ill-health is a vitally important part of this new approach to health and care on the Isle of Wight. Giving people the tools and support they need to manage their own health and wellbeing will underpin all the work across the island.

Health and Wellbeing Board

The Health and Wellbeing Board is a key forum which takes an overview of the island population's health and wellbeing, making plans to improve it and ensuring delivery of its priorities. The Trust contributed in the development of the Isle of Wight Health and Wellbeing Strategy setting out a commitment for working across partnerships to improve the health of the island population, based on the needs identified in the Joint Strategic Needs Assessment. The Health and Care plan is an enabler for delivery of aspects of the Health and Wellbeing Strategy ensuring the plans to meet the needs of the island population are aligned.

Patients and population

The Trust is a key part of the island community and has continued to run programmes of engagement throughout 2022/23. The Trust has sought to strengthen relationships with local groups, stakeholders, and people who use Trust services. In developing the island's health and care plan 2022-25 the Trust has sought to not only analyse what the data is indicating, but to also engage with staff and local community to listen to and understand the views of the population.

Patient Council

The Patient Council meets on a regular basis to discuss developments and plans that could impact on patients and the wider public. This year the Patient Council provided valuable insight into patients' perspectives and helped address matters identified as important by patients. Members of the Patient Council are involved in shaping strategies and new initiatives within the Trust, and they also provide regular representation to various Trust committees and the Trust Board meeting.

Elected officials and oversight bodies

The Trust keeps regular contact with its local MP on the island and communicates and engages with the MP with regards to service changes and improvements.

Strong relationships with both the Isle of Wight Council Corporate Scrutiny Committee and its Policy and Scrutiny Committee for Health and Social Care have been built. The Trust participates in their public meetings to update on service changes and improvements and answer questions about the organisation and its performance.

These bodies consist of elected local councillors and hold NHS organisations to account for the quality of their services on behalf of their local public.

Healthwatch

Healthwatch England is the independent consumer champion for health and social care in England. They work to ensure the voice of the consumer is heard by the people that commission, deliver and regulate health and care services.

Healthwatch England supports the range of local Healthwatch bodies across the country. The Trust works closely with its local body; Healthwatch Isle of Wight, welcoming their input as 'critical friends'. As part of the ongoing relationship:

- Local liaison representatives from Healthwatch attend Trust regular meetings with patient representatives
- Healthwatch are welcomed to events, such as the Annual General Meeting and meetings of the Trust Board which are held in public
- Regular news items about the Trust are shared for inclusion in their communications
- Engagement with Healthwatch about service changes and response to their reports
- Healthwatch representatives attend key governance meetings, including the Trust Board, the Quality & Performance Committee and the Patient Experience Sub-Committee

Corporate social responsibility

Positive engagement with the local community continues to provide us with a bank of volunteers who can assist us with tasks such as, fundraising, greeting patients and visitors or being a friendly face on the wards.

The Trust has continued to engage with the public through interactive events to help people learn about the various professions in the NHS and to enable people to sign up to the Trust temporary staffing bank, as well as to get further information on substantive positions within the organisation.

Engagement with the public has been through social media tools that are dedicated to careers and recruitment within the Isle of Wight NHS Trust. These pages are regularly updated with details on vacancies, apprenticeships, open days, success stories and work experience opportunities.

Facebook: www.facebook.com/TEAMIOWNHS/

Instagram: @IOWNHS

LinkedIn: https://www.linkedin.com/company/iownhs

Volunteering

The Isle of Wight NHS Trust is grateful to have the support of approximately 140 volunteers who generously offer their time to the Trust to assist patients, visitors, and staff. Volunteers offer a wide variety of support across all divisions (acute, mental health, community, and ambulance) and do incredible things every day to help Trust services.

Whilst a number of volunteers stepped down from volunteering during the COVID-19 pandemic the Trust has supported and welcomed back volunteers as the restrictions start to ease. New volunteers continued to be recruited during the year and the Trust is grateful for the support that they have continued to provide. Links with volunteers are maintained so that they can share their volunteering experiences and offer suggestions.

The Trust will continue to develop roles for volunteers by working with divisions and services to ensure that the time volunteers dedicate to the Trust is effective, efficient, and meaningful.

To ensure that the Trust is leading volunteers alongside national guidelines, it is a member of the National Association of Voluntary Service Managers (NAVSM) and regularly attends quarterly meetings and an annual training seminar.

Strong links and partnerships with Age UK Isle of Wight, Mountbatten, Isle of Wight College, Helpforce and Community Action IW have continued.

Supporting and developing people

The Isle of Wight NHS Trust employs an average of 3,887 (3,620 in 2021/22) staff. As of 31st March 2023, the Trust employed 3,730 (3,361 in 2021/22) substantive staff, with 800 bank workers and additional support from around 140 volunteers.

Recruitment remains a challenge with 265 FTE (7%) vacancies as of 31st March 2023. The majority of these are in the clinical staffing group. Reliance on temporary staffing on a short-term basis remains high across the organisation particularly in Nursing and Support staffing groups.

The Trust has been successful with overseas registered nurse recruitment, deploying 136 FTE during the year.

An active apprenticeship programme continues and provides access to quality learning and to grow and develop the Trust workforce.

Staff turnover decreased to 10.20% as of 31st March 2023 and remains lower than the regional average of 14%.

All staff attend a corporate induction to connect new employees with the Trust vision and values. They also undertake a full programme of training and education, including mandatory training requirements which has achieved a compliance rate of 86% in 2022/23. Much of this training is available to staff online.

The health and wellbeing opportunities provided to staff include Thrive, a regular newsletter of offers to support optimal health and wellbeing. Examples of past offers include yoga, mindfulness sessions, and guidance on where to find areas to relax in during breaks. More recent offers have included coaching skills for improved self-care to prevent burnout and strengthen resiliency. An interim wellbeing response plan was also implemented to immediately support frontline clinical staff, by providing them with access to hot drinks, healthy snacks, and thank you goody-bags during the working day, to ensure staff felt appreciated and supported during unprecedented challenges.

The Trust has a suite of policies, procedures, and services in place to support staff wellbeing and to promote equality and diversity in the workplace. Recent additions include psychological support with deep listening services, and the anticipated introduction of Schwarz Rounds, providing staff with a facilitated process to decompress, manage stress and anxiety, and to learn from difficult times.

Staff engagement has continued to strengthen through staff networks for specific groups of staff including Race Equality, Disability Equality, LGBT+ Equality networks, and Menopause Matters. We have created opportunities for people with a disability to gain paid work experience within the organisation, and for staff network leads to attend skill straining events, promoting the role and value of the networks in developing a healthy, inclusive culture and workplace. Further planned developments include the introduction of a Women's Network and the roll out of the Merseycare Just and Learning Principles will increase equity of opportunity for women in the workforce and further nurture a healthy speak up culture. The organisation aims to build trust, collaboration, and empowered accountability across all staff groups.

Developing and participation in clinical research

Clinical Research is a branch of medical science that determines the safety and effectiveness of medication, diagnostic products, devices, and treatment regimes. These may be used for prevention, treatment, diagnosis, or relieving symptoms of disease.

During 2022/23 there have been challenges across the UK in 're-starting' some existing and new research activity (post urgent COVID-19 research) due to the ongoing pandemic and operational

pressures within NHS Trusts. Isle of Wight NHS Trust in its approach has been measured, consistent and innovative resulting in minimal problems for the 'restart' across the existing portfolio (many studies continued during the pandemic) and a proactive approach to new research, resulting in research activity commencing in some specialities new to research as well as those who consistently undertake research.

Clinical Research activity is supported at the Trust by an annual allocation of funding from the regional Clinical Research Network (CRN), which supports a small core team of staff and associated costs. Additionally, the Trust receives some funds through research grants and research study generated income. This funding enables the employment of the core team, as well as some of the necessary clinician sessions including Research Nurses, management, and associated staff. In addition to this funding is allocated to other NHS services to support clinical research such as Pathology, Radiology, and Pharmacy.

During 2022/23, 205 patients and staff were recruited to participate in Clinical Research studies. Participation in Clinical Research is not only important for patients, but also for staff. Through active participation in research, clinical teams stay up to date with the latest possible treatments and network with other research active centres across the world. They also develop skills such as data management and disease assessment, which have wider benefits for patients and service users. Not only does this improve patient care, but it also provides development opportunities for staff, and makes the Trust a more desirable place to work by supporting recruitment and retention.

During 2022/23 the Clinical Research Team was rebranded. The rebranding was launched at the annual International Clinical Trials event in May 2022. This was an optimum opportunity to promote the service and the research portfolio amongst staff and visitors.

The Trust works with, and sponsors, some of the research undertaken by the David Hide Asthma and Allergy Research Centre (DHAARC), which is a separate registered charity to the Trust, and the majority of their work is funded from grants. The team at the DHAARC are committed to continue with their research studies and are optimistic that 2023/24 will see the return of more robust plans. DHAARC work in collaboration with the University of Southampton, and DHAARC studies are carried out with other universities in the UK, Europe and across the USA. The DHAARC hosts several birth cohorts and undertakes studies in the field of paediatric and adult asthma and allergy research. For further information visit www.davidhideallergyresearch.co.uk.

The Trust's engagement with Clinical Research demonstrates its commitment to offering (when applicable) the latest medical treatments, testing and techniques for its patients/service users. In 2023/24 there is a planned increase in patient participation by opening trials in new areas as well as growing the volume of work in those areas where studies have historically been undertaken. Scoping for new studies aligned to the population and patient demographic will be further enhanced, together with the continued creative and innovative working of the Clinical Research Team.

Managing the estate

The Trust's directly employed Estate Management Team forms part of the Estates and Facilities Services and provides expertise and support across a broad range of topics including Estates Strategy, capital planning and development, property management, operational and statutory maintenance, energy and sustainability, waste management and commercial contract management.

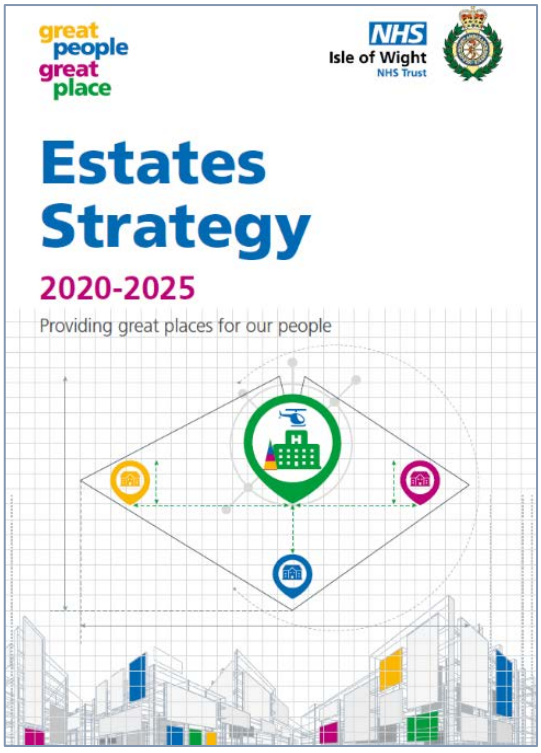
Estates Strategy

The Trust has developed an Estates Strategy and masterplan that provides strategic direction for the development of the estate and supports capital investment planning. The forward strategy underpins and enables the delivery of the Trust's strategies. Specifically, the estates masterplan:

- Aligns the estate to the clinical services strategies
- Enables estate rationalisation and consolidation through improved use of estate
- Utilises the estate in the best condition and disposes of estate in the worst condition, reducing the critical infrastructure risk and backlog maintenance
- Identifies surplus or potentially surplus land for redevelopment/development and unlocks associated opportunities:

    1) Financial: capital and or revenue income streams

    2) Non-financial: future uses that support the forward strategy, for example, key worker housing, extra care, community living etc.



Capital planning and development

The capital development team lead on the delivery of the estate-related projects that are funded via the Trust's annual capital budget and through strategic capital funding. Key highlights in 2022/23 were:

- Investment to reduce critical infrastructure risk and backlog maintenance, including improvements to electrical infrastructure, access controls, CCTV.

- Improvements to Community and Mental Health service hubs in Ryde and Sandown as part of the ‘hub and spoke’ service strategy.
- Upgrade and extension to the Ambulance Station in order to provide improved facilities and address backlog maintenance issues.
- Improvements to the Acute Inpatient Mental Health Unit.
- The Investing in Our Future programme started on site in December 2023 as planned and is on track to complete during the summer of 2024. The programme includes a new Newport Locality Hub for Community and Mental Health services in Newport High Street, an improved Intensive Therapy Unit at St Mary’s Hospital, an improved Emergency Floor at St Mary’s Hospital including the relocation of the Fracture Clinic to the ‘out-patient’ zone of the site and a new 18 bed surgical ward as a part of a wider bed reconfiguration project.

Energy and sustainability

The Trust’s Green Plan sets out a vision and ambition to achieve a net zero carbon position by 2045.

In 2022/23 a decarbonisation study identified opportunities to reduce the carbon footprint. This information will help to develop a road map that takes the Trust from where it is to a net zero carbon position by 2045. The road map will include a number of projects and initiatives and will help to track progress on an annual basis and submit bids against national funding opportunities.

This study identified nine specific projects, requiring an investment of approximately £11.35m, that would deliver a total projected lifetime carbon emissions saving contribution of circa 46,300 tonnes of CO2.

The Trust has submitted a Low Carbon Skills fund bid with the aim of securing £140k towards further development of the decarbonisation plan, including preparation for submission to the next round of The Public Sector Decarbonisation Scheme.

The Trust considers energy usage, the environmental impact, and carbon footprint as part of its day-to-day estate management as well as in strategic planning and new developments. All replacement and new installations include energy efficient systems and fittings, and reductions in energy usage are sought through estate related improvements, consolidation of the estate, and through energy awareness campaigns.

The Trust’s vision is to provide high quality healthcare services in an environmentally sustainable manner. Active steps to improve energy efficiency, lower water consumption, and reduce the impact of the waste generated are being taken.

Waste and recycling

Waste management forms an important part of the Green Plan and journey to a net zero carbon position. A number of waste streams and a number of contracts are in place to help manage waste and dispose of it. In 2022/23 a review of our waste streams and contracts was commenced with a view to streamlining process and procedures and implementing a more sustainable waste management and disposal process. At present recyclable waste is collected separately and waste awareness campaigns are run to ensure the maximum, efficient management of waste. To help drive this forward and to continue to find opportunities to prevent, reduce, and recycle, the vision for waste is set out in the Green Plan.

Key strategic risks and uncertainties

Risks to the achievement of the Trust's strategic objectives are identified by the Executive Team and wider Trust Board and entered on the Trust's Board Assurance Framework. Corporate risks are recorded in the Board Risk Register which identifies risks that could impact on operational delivery across the organisation.

The governance structure within the Trust ensures risk management is embedded across all corporate and operational services. It is the responsibility of the Head of Improvement, Compliance and Risk to maintain a watching brief of all risks across the organisation and ensure that appropriate mechanisms are in place to enable risks to be mitigated and managed as appropriate. Those risks that are considered to be significant are reported to the Trust Board and its committees for assurance, review and oversight to ensure effective management of risks identified is in place.

The Trust Board and its committees review the Board Assurance Framework and receive regular reports on the corporate risks facing the organisation through the Board Risk Register. In addition, an annual audit of risk management including escalation/de-escalation of risk to and from the Board Risk Register and the impact on the Board Assurance Framework is undertaken by the internal auditors. In 2022/23, the internal auditors found that the Trust's risk management arrangements provide reasonable assurance to the Trust Board.

The Trust's key strategic risks include areas relating to the impact of the operational pressures on staff and patients, patient harm, compliance, delivery of quality outcomes and safe care, recruitment, retention of staff, staff wellbeing, finances, and clinical sustainability. The year has seen significant increases in demand and acuity, and many of the risks added and reviewed in the year reflect these factors. Mitigations seek to ensure that the quality of care received by patients is not adversely affected and that the performance of the organisation can be returned to the required standards. Closer working with partners is seeking to enable the Trust to redress its clinical and financial sustainability challenges.

Several of the risk scores at the end of the year have not changed significantly by comparison with their scores at the start of the year, however, in several cases the risk scores have increased and decreased on a monthly basis to reflect the prevailing situation.

Going concern statement 2022/23

The Trust prepares its accounts 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.

The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Hampshire and Isle of Wight Integrated Care System (ICS) and has strategic partnerships in place with Portsmouth Hospitals University NHS Trust for Acute services, Solent NHS Trust for Mental Health and Community services, and with South Central Ambulance Service NHS

Foundation Trust for Ambulance services. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust has returned a deficit of £24.8m against an original plan of £13.1m which reflects the operational pressures experienced during 2022/23. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which maintained liquidity and cash flow during the year. Additional costs due to the pandemic for testing and vaccinations continued to be supported on an actual cost reimbursement. The breakeven duty has not been met over a rolling 3-year period and therefore the auditors are still required to make a referral under S30 of the Local Audit & Accountability Act 2014 to the Secretary of State.

For 2023/24 the income from Commissioners will continue to be largely based on the simplified block payment system but with an element of Payments by Results. The Trust has produced its financial plan for the year based on these assumptions, which have been approved by the Trust Board, with a deficit of £24.8m. The Trust will continue to work on long term financial sustainability to improve the position going forward and is working with the Hampshire and Isle of Wight Integrated Care Board to achieve this.

During 2023/24 preparations are being made for Project Fusion which will see Community and Mental Health and Learning Disabilities services transfer to a new organisation with Southern Health NHS Foundation Trust and Solent NHS Trust from 1 April 2024. Income and expenditure, and assets and liabilities are being analysed to ensure that the correct levels are ascertained for the new organisation so as not to disadvantage the Trust and the other parties. All information provided by the Trust is being ratified by the Chief Executive led Corporate Steering Group, before being shared with Project Fusion partners. The Board is yet to approve what is to be transferred in terms of services and assets, and the mechanism for transfer.

Our going concern assessment is made up to 30 June 2024. This includes the first quarter of the 2024/25 financial year and shows that the Trust is forecasting to have sufficient cash resources to continue to operate during that time. NHS operating and financial guidance is not yet issued for that year, and the Trust has assumed similar arrangements to 2023/24 with commissioned contracts in place to support continued operations.

The Trust has prepared a cash forecast to 30 June 2024, modelled on the above expectations for funding. Due to the planned deficit the cash forecast shows the requirement to access interim revenue support and the Trust is following the NHS England revenue support process. In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

Performance analysis

The performance analysis section of the report looks at the different ways in which the Trust measures and analyses performance across the Trust over the year 2022/23, with a focus on Quality, Operational and Financial Performance.

Quality performance analysis

Detailed information and analysis on the quality and safety elements of the Trust's performance and objectives is contained in the Quality Report for 2022/23. This will be published on 30 June 2023 and will be available on the Trust's website https://www.iow.nhs.uk/Publications/quality-account.htm

At the start of 2022/23, the Trust set three key quality improvement priorities with each one having several objectives and key performance indicators aligned to it. During 2022/23 the Trust continued to devote significant resources to support the recovery programme following the pandemic, whilst seeing significant operational challenges due to increased demand on Trust services during the year.

As a result of these challenges, whilst significant progress was made in a number of areas, the Trust did not fully achieve the outcomes for all the priorities. A decision has been made to carry over one of the priorities in full to 2023/24.

Trust quality priorities for 2022/23 were:

- *Improve the quality and timeliness of risk assessment, risk recording and risk mitigation relating to patients and service users*
- *Improve the quality and timeliness of communication with patients and services users*
- *Improve the quality and timeliness of handovers of care*

The quality improvement priorities for 2023/24 will be:

- Reduce the length of time that patients wait for our services (planned care recovery)
- 95% of discharge summaries to be completed within 24 hours
- Home First – Increase capacity in the community to support patients to remain at home where appropriate to reduce demand on the Emergency Department
- Improve Interdepartmental communication across the Trust and Beyond through the Phase one rollout of system one
- Improve Employee Experience through cultural transformation

Operational performance analysis

Key performance indicators

Challenges faced across the Isle of Wight Healthcare system have continued to affect the achievement of key performance targets during the year. Performance is measured through key performance indicators and these, together with current benchmarked performance, are outlined in the table below. The Trust monitors performance through the Board's assurance committees and in a comprehensive integrated performance report, which is discussed at the Trust Board meetings, held in public.

Performance Analysis

Isle of Wight NHS Trust's performance against a range of targets for the past four years

Area	Metric	Target	2019/20	2020/21	2021/22	2022/23
Unscheduled Care	Emergency care 4 hour standard	95%	75.55%	88.95%	82.73%	76.27%
	Category 1 90th Percentile Response Time	00:15:00	00:20:06	00:17:50	00:18:12	00:19:12
	Category 2 90th Percentile Response Time	00:40:00	00:56:13	00:45:08	00:55:19	00:58:27
	Category 3 90th Percentile Response Time	02:00:00	02:57:11	02:29:44	02:57:31	02:54:44
	Category 4 90th Percentile Response Time	03:00:00	04:31:37	03:01:58	03:31:30	03:39:37
	Stroke: % spending 90%+ time on stroke unit	80%	81.25%	82.05%	88.62%	87.57%
	% of people who have a TIA who are scanned and treated within 24 hrs	60%	100.00%	100.00%	100.00%	100.00%
Planned Care	RTT: % of incomplete pathways waiting > 18 weeks	5%	32.40%	44.20%	34.60%	45.60%
	Reported Waits of more than 6 weeks for a diagnostic test	<100 pa	468	5,810	2,083	6,591
	Symptomatic breast cancer referrals seen <2 weeks***	93%	95.69%	96.53%	94.95%	95.22%
	28 Day Suspected Cancer	75%	65.29%	72.28%	77.45%	68.28%
	Cancer diagnosis to treatment <31 days***	96%	97.23%	97.78%	97.94%	94.64%
	Cancer urgent referral to treatment <62 days***	85%	72.53%	72.34%	77.65%	66.08%
	Cancer patients seen <14 days after urgent GP referral***	93%	94.50%	94.64%	95.53%	94.59%
Patient safety & Quality	HCAI: Clostridium Difficile (C. Diff .) infection rates	7	24	19	32	32
	HCAI: Incidence of MRSA	0	0	1	0	1
	Mixed sex accomodation breaches	0	146	35	21	67
	Summary Hospital-level Mortality Indicator (SHMI)**	-	1.040	1.030	0.950	0.918
Mental Health Services	CPA – Formal Review within 12 months	95%	No longer measured	No longer measured	No longer measured	No longer measured
	CPA – 7 day follow up	95%	95%	95%	94%	92%
	CPA – 3 day follow up	95%			79%	78%
	% of Admissions Gatekept	95%	94%	88%	85%	92%
	% of EIP pathways completed within two weeks	60%	64%	96%	92%	90%
Community	Bed Occupancy - Community Unit	-		50%	84%	94%
	Bed Occupancy - Rehab Beds	-		69%	78%	82%
	UCR 2hr Response Time*****	75%		-	91%	93%
	DNA Rate	-		1.8%	2.6%	2.6%

**Reflects figures published Mar'23

*** Cancer figures for March 2022/23 are pending validation - YTD figure may change slightly

**** Figures from June 21

Acute services

The Trust continued to face significant challenges over the past year in responding to the ongoing pressures of COVID-19, which has significantly increased the size of the elective waiting list. Emergency activity has continued to grow throughout the year with a 14% increase in attendance at the Emergency Department (ED). Despite this increase the Trust has managed to reduce the number of emergency admissions by implementing service redesigns at the front door.

The length of time people spend in hospital while waiting for onward care in the community has increased. While there were fewer admissions, this was not enough to offset the increase in time people spent in hospital. The increase in length of stay of people wating for onward care has led to considerable congestion in the hospital, resulting in delays for people waiting for treatment and for beds in the ED.

The number of patients that are fit for discharge but remain in hospital waiting for onward care remains the most significant challenge to the efficient operation of the hospital. This has adversely impacted results against the Emergency Care Standard, RTT waiting times, number of people waiting over 52 weeks. It has also contributed to the increase in the total number of people on the waiting list. The Trust is continuing to work with its health, social and community care partners to improve flow through the hospital.

The Trust acknowledges, and is proud of, the response of staff to these unprecedented challenges. The Trust is fortunate in the loyalty and commitment of such dedicated people focused on ensuring the highest standards of care. Staff are dedicated to developing innovative solutions to ensure safe delivery of services for patients. The Trust is extremely grateful to all staff for their ongoing dedication.

In February 2021, the Trust embarked on a recovery programme to restore elective waiting times to pre-pandemic levels.

The Trust has made significant progress in reducing the length of waiting lists in almost all areas; however, of late this has been tempered by ongoing bed pressures. The Trust has

- Achieved the elimination of 78 week waits by March 2023
- Achieved the elimination of 104 week waits by December 2022
- Undertaken 20,000 elective procedures in 2022/23
- Considerably reduced outpatient waiting times in five specialities, by partnering with our virtual healthcare partner Medefer

The Trust and Medefer won the 2022 HSJ Award for “Best Elective Care Recovery Initiative”. As a result of this initiative, 6,738 patients have been referred, across five specialties, resulting in 41 per cent of patients being managed without attending outpatients. Those requiring hospital attendance generally attend their first consultant appointment having completed most of their diagnostic tests. This improves time to diagnosis and ultimately treatment.

Another significant transformation programme delivered during the year, was the introduction of our community pre-hab service. The programme assesses patients’ fitness for surgery in their own homes, approximately 20 weeks before their surgery. This allows time for underlying health conditions to be managed and ensures that the patient can have their surgery on their allocated date. This has halved the number of patients cancelled on the day of surgery.

In 2022/23, work started on a major reconfiguration programme “Investing in Our Future”. This programme will deliver significant improvements to the St Mary’s site as well as deliver new facilities for our Mental Health Services. When complete (approximately June 2024) the hospital will have an expanded emergency department able to focus on delivery of more same day emergency care services. There will be extensive improvement to the Intensive Care Unit, a new ward and separation of in and outpatient services. The fracture clinic will be relocated and be adjacent to the new outpatient radiology suite.

The partnership with Portsmouth Hospitals University NHS Trust continues to develop and there is now significant opportunity to address some of the underlying issues with sub-scale services. Teams from both organisations are working closely to maximise the benefits of this partnership. This work will lead to seamless pathways that allow residents of the island to transition between both organisations to receive optimal care.

One of the most significant changes delivered by the programme will be the opening of a new community mental health and support service centre in the heart of Newport. This multi-million-pound expansion will improve access for service users, with increased clinical space of eight treatment/talking therapy rooms, two rooms for social and community use, eleven telehubs and a community café. It will support new care pathways, including the use of telemedicine. With the co-

location of community and mental health staff in a single location it will also enable multi-disciplinary team (MDT) working and improved recruitment and retention.

The Trust has ambitious plans to drive forward innovative healthcare models, which will respond to the challenges of an ageing population, while improving cancer performance and supporting the recovery programme. Over the past year the Trust has worked closely with the Wessex Cancer Alliance, implementing a number of pathway improvements including Bowel Cancer FIT10 test, enabling early reassurance to over 30% of patients referred on a two week wait cancer pathway, enhancing access to Urology diagnostics on island through investment in equipment and software thus reducing the need to travel to the mainland.

During 2022/23 the Trust was successful in its proposal to develop a £10m Community Diagnostic Centre Plus (CDC+) on the island. The Centre, due to be opened in 2024/25, will encompass rapid access pathways for cancer patients, one stop clinics, and on-site pathology with rapid turn-around. It will support the elective recovery programme and provide enhanced access to all diagnostic services for GPs and the community. This will ensure patients receive the right test, at the right time, in the right place and provide each patient with advice, treatment and support. In addition to providing considerably enhanced services for the community our CDC+ will alleviate overcrowding in the acute hospital diagnostics services providing for a much-improved environment for inpatients to be treated.

Being on an island with an isolated community presents several unique challenges. The population of the island is dispersed across a wide geographical area. The CDC + will work in partnership with other health and social care providers and deliver outreach services limiting patient travel as much as possible and providing more care closer to home. This will be achieved by the innovative use of telemedicine technologies.

This is a once in a lifetime opportunity to bring a world class diagnostic services to an isolated community for future generations of islanders. The CDC+ will continue to provide improved acute inpatient and emergency care as well as community services at the centre of the island providing outreach support to our remote communities. The CDC+ will enable:

- Rapid diagnostic services
- Virtual rapid diagnostic pathways
- Same day biopsies and results to provide patients an all clear on the day
- Treatment plans for patients requiring on–going care
- Cancer nurse specialist development and support
- One stop breast symptomatic clinics and self-referral screening
- Direct access for head and neck ultrasound through virtual rapid diagnostic pathways
- Earlier detection of heart failure
- Transient ischemic attack diagnostics and access to specialist stroke nurses
- Deep vein thrombosis pathways
- Improved Gynaecological pathways

The Trust is committed to providing equality of access to all residents similar to the service provision on the mainland and will do this through innovative models of healthcare working in partnership with the community, integrated care board, independent sector and through the partnership with Portsmouth Hospitals University NHS Trust.

Community services

In the time since the COVID-19 pandemic, the Community Division has continued to face challenges with demand and capacity and is particularly proud of the way staff continue to work together to support each other and respond to local system pressures.

This year the Division has focused on working with partners to support admission avoidance, improve hospital discharge processes and improve access to care, through the implementation of a

Community Transformation Programme. Successes include the establishment of a new Virtual Ward supporting patients to get the care they need at home safely and conveniently rather than being in hospital. The established Community Rapid Response Team is working closely with ambulance colleagues to successfully achieve compliance with the new national 2-hour response standard. A new pilot scheme has commenced to provide care homes with additional support to avoid hospital admission by integrating the use of telehealth and urgent advice via video conferencing. The Community Health and Day Hub has successfully relocated centrally to the Community Unit on the St Mary's site helping people who need additional support to stay well and live independently. In localities multi-agency teams meetings have been introduced with community partners to help coordinate care for people with complex care needs and joined up care plans have been developed for people who frequently access emergency or crisis services. Locality teams are also progressing a 'population health management project' and developing a proactive care scheme for diabetic patients.

This year has been a fantastic year for celebrating success, across the Division and we have been recognised for several national awards including being shortlisted in the Health Service Journal for Community Provider of the Year.

The Division is beginning to align with Mental Health and Learning Disabilities, creating joint roles and exploring opportunities for improving patient pathways that enable seamless care across both mental and physical health. Good progress has also been made with the estates plan with improvements made to community buildings at Ryde Health and Wellbeing Centre, The Barracks in Sandown and development of the Newport Hub at 62 High Street.

The division has also made good progress with the implementation of SystmOne (electronic patient record) which is increasing staff efficiency, improving reporting, and providing better visibility of information between teams. The Technology Enabled Team has also successfully installed two community pods to enable patients to have remote video consultations and health checks within community settings).

Mental Health and Learning Disability Services

Mental Health services have experienced high demand throughout 2022/23, some of which is due to the impact of the pandemic on people and delays in seeking treatment and access to care.

The Acute Mental Health and Community Mental Health teams have experienced sustained pressures due to high demand, high acuity, and delays in transfer to specialist mainland placements, which combined with staff sickness and vacancies may lead to poorer patient experience than would be expected. Patients are seen based on the highest priority arising from risk assessments and crisis plans.

Improved access to primary care psychological therapies (IAPT) has seen an increase in referrals throughout the year, but the service has managed to improve the access and recovery rates towards the 25% and 50% targets, respectively.

A review of the service model and exploration of opportunities for partnership working have continued during the year the service has continued to benefit from working with its mainland partners.

Ambulance Services

Performance of ambulance response times and call handling is reviewed throughout the month by the service managers and on the day by the operational commanders. The service also undertakes long wait clinical audits to determine if any patients have come to harm. The service undertakes a monthly focussed performance review which is undertaken by the senior leadership team and patient information lead. Actions are documented and followed up at twice weekly senior leadership huddles.

Assurance is sought through the formal governance arrangements which includes the performance committee and ambulance divisional board which are both held monthly.

The Ambulance Service saw an increase in demand during 2022/23. Investment in additional ambulances, crews and call handlers helped the 999 Ambulance and NHS 111 services to respond effectively and be one of the top performing ambulance services in England. The service is seeking to invest in the replacement of the ageing ambulance fleet in 2023/24. The NHS 111 service continues to perform in line with other 111 providers, despite the significant increase in calls received during the pandemic.

The patient transport service saw a continuing trend of increased demand during 2022/23 predominantly due to increases in island and Cross Solent outpatient journeys.

Review of Financial Performance 2022/23

The Trust's financial statements for the year ended 31st March 2023 are shown in full from page 82 of this report onwards.

The Trust is reporting a £24.8m deficit (£32k surplus in 2021/22) due to operational pressures experienced throughout the year for which the drivers were as follows:

- Additional bed capacity across Acute Services (47 additional beds on average over the year).
- Medically optimised bed occupancy (average of 60 beds occupied by medically optimised patients in Quarter 4).
- Above average ED attendances (weekly average of 109% of 2019/20 activity in March 2023).
- Provision of two additional ambulances above baseline funding.
- Unprecedented use of temporary agency staff and payment of staff incentives to secure safe staffing levels.

The Trust's financial performance was also impacted by inflationary pressures from increased energy and fuel costs, general procurement inflation and national pay award in excess of funding received.

It is also recognised that the Trust still has an underlying run-rate deficit of expenditure over income and a structural deficit of circa £30m.

Key points to note in relation to 2021/22 financial performance include:

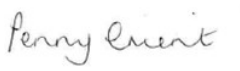
Capital Resource Limit (CRL): The Trust has continued to manage its annual capital programme of investments within its internally generated delegated CRL and with centrally funded public dividend capital. Total capital investment in the Trust was £31.4m in 2022/23 (£12.9m in 2021/22, £20.1m 2020/21) summarised by funding source below:

- Internally generated CRL £8.8m
- Centrally funded public dividend capital £22.6m (includes £8.7m Invest in Our Future, £6m Community Diagnostic Centre and £5m Digital funding)

Cash Balance: The Trust ended the financial year with a closing cash balance of £16.4m as at 31st March 2022 (£33m as at 31st March 2022, £12.3m as at 31st March 2021). The increased cash balance in 2021/22 reflected the pandemic financial framework and this was expected to reduce during 2022/23.

Supplier payments: During 2022/23 the Trust was able to pay 93% of suppliers in terms of volume and 91% in terms of value of invoices within 30 days, against the Better Payment Practice Code target of 95% paid within 30 days.

Performance report signed by the Chief Executive.



Penny Emerit

Chief Executive

22 June 2023

Accountability Report

Corporate Governance Report

The Trust's Board of Directors is responsible for the leadership, management and governance of the organisation, and in particular for:

- Setting and developing the strategic direction.
- Monitoring performance including quality and safety of patient services, financial management and legal compliance.
- Ensuring high standards of performance are maintained.
- Promoting links between the Trust and the local community.

The Trust Board comprises a Chair, five voting Non-Executive Directors and five voting Executive Directors (including, as required by statute, the Chief Executive, the Director of Finance, Medical Director and Director of Nursing, Midwifery and Allied Health Professionals). The voting membership of the Board is supplemented by a number of non-voting Associate Non-Executive Directors and non-voting Executive Directors who bring complementary and additional skills, experience and expertise to the unitary board of directors.

The Trust Board has considered the range of skills and experience it requires to run the organisation. Together the members of the Trust Board bring a wide range of skills and experience, such that the Trust Board achieves balance and completeness at the highest level.

The Isle of Wight NHS Trust Board met bi-monthly. All Board meetings were held in public, with short sessions in private to discuss confidential items. A summary of issues considered is posted on the Trust's website at https://www.iow.nhs.uk/about-us/our-trust-board/trust-board.htm.

The business of the Trust is managed through the Board's assurance committees which meet on a frequency determined by the Trust Board. As at March 2023 the Quality and Performance Committee, Finance and Infrastructure Committee, and People and Organisational Development Committee meet monthly. In addition, the Audit Committee meets six times a year and the Nomination and Remuneration Committee meets as required. The Digital Transformation Committee used to meet monthly and was closed in December 2022. Full details of these committees, their membership and terms of reference are available on the Trust's website https://www.iow.nhs.uk/about-us/our-trust-board/trust-board-committees.htm.

Directors' Report

Trust Board

The Trust Board consists of a Chair (Melloney Poole), five Non-Executive Directors and one Associate Non-Executive Director, the Chief Executive (Darren Cattell to 31 May 2023, Penny Emerit from 1 June 2023) and four further voting executive directors and five non-voting executive directors.

The post of the Director of Governance and Risk is a voting executive director; this post is being held vacant following the departure of Lois Howell in March 2023. As the next step in the Trust's strategic partnership with Portsmouth Hospitals University NHS Trust Penny Emerit became Chief Executive of the Trust on 1 June 2023. Also, she remains the Chief Executive of Portsmouth Hospitals University NHS Trust. Full details of the composition of the Board and biographies of Board members are available on the Trust's website here https://www.iow.nhs.uk/about-us/our-trust-board/trust-board-profiles.htm.

The Trust Board has a duty to operate in a way that is transparent and to comply with best practice in probity. To this end, members of the Trust Board sign up to following among other policies the Nolan Principles of Good Governance, the NHS Standards of Business Conduct, the Fraud, Bribery and Corruption, and the NHS Constitution.

All Board members have annual appraisals and performance development plans. An assessment in line with the fit and proper persons requirement (FPPR) is undertaken each year. No issues or concerns have been raised in connection with these appraisals or FPPR assessments. The Chair and other non-executive directors have all been determined to be independent in both character and judgement.

The Chair, executive directors and non-executive directors have declared any business interests that they have. Each director has declared their relevant interests at public meetings of the Trust Board. The register of interests is available on the Trust's website.

Throughout 2022/23, the Trust Board has continued to undertake a programme of collective and individual development. Board development time has been prioritised to focus on understanding the interacting dynamics of the individuals on the Board, the developing strategic partnerships, and upskilling Board members on issues relating to their duties.

Following the 'Well-led' inspection by the CQC in July 2021, the Trust remains rated as 'Good'.

The Trust Board regularly hears specific stories from or about individual patients or services at the start of its meetings in public. Briefing and development sessions are also run to provide Trust Board members with dedicated time to increase their strategic understanding and develop specific areas of knowledge related to the Trust's services and the environment in which it operates.

The voting members of the Trust Board also act as the corporate trustees for the Isle of Wight NHS Trust's charitable funds, for which a separate report and accounts are published.

More information about the Trust's governance arrangements can be found in the Annual Governance Statement, see page 41.

Audit Committee

The Board Committee structure is set out above and in the Annual Governance Statement. It is confirmed that the Board has established an Audit Committee, comprised of Non-Executive Director members, who are the chairs of the assurance committees. Phil Berrington acts as the Committee Chair.

The Director of Governance and Risk, and Director of Finance, attend each meeting, as well as representatives of the Trust's internal and external auditors, and its Counter Fraud Service. Other Executive Directors may attend Audit Committee meetings as required by the agenda items.

The Non-Executive Director members of the Committee have regular opportunities to meet with the auditors in the absence of the Executive Directors.

Trust Board and committee meeting attendance 2022/23

In 2022/23, the membership and attendance records for meetings was as indicated in the following table (number attended/total meetings held in year eligible to attend as a committee member).

Trust Board members: Attendance 1 April 2022 to 31 March 2023

Member	Post	Trust Board		Quality & Performance Committee		Finance & Infrastructure Committee		People & Organisational Development Committee		Digital Transformation Committee		Audit Committee	
		Poss	No. Tat	Poss	No. Att	Poss	No. Att	Poss	No. Att	Poss	No. Att	Poss	No. Att
Non Executives													
Melloney Poole	Chair	6	6										
Kemi Adenubi	Non-Executive Director (Up to 28 Jan 23)	5	4					7	5	5	5		
Phil Berrington	Non-Executive Director (from 1 Jan 2023) Associate Non-Executive (up to 31 Dec 2022)	6	4			10	10			5	4	6	6
Debbie Beaven	Non-Executive Director	6	6			10	10	7	6			6	6
Inga Kennedy	Non-Executive Director	6	5	11	10			7	7			6	4
Tim Peachey	Non-Executive Director	6	6	11	11					5	4	6	5
Julia Ross	Associate Non-Executive Director (up to 30/11/22)	4	4	11	6					5	4	4	4
Christopher Tibbs	Associate Non-Executive Director	6	6	11	8			7	6				
Sara Weech	Non-Executive Director (from 29 Jan 2023) Associate Non-Executive Director (up to 28 Jan 23)	6	5	11	10			7	4				
Executive Team													
Darren Cattell	Chief Executive	6	3										
Jo Gooch	Director of Finance	6	6			10	9					6	6
Steve Parker	Medical Director	6	6	11	10			7	6				
Lois Howell	Director of Governance & Risk (Up to 10/03/23)	6	6	11	10							6	6
Kirk Millis-Ward	Director of Communications & Engagement	6	5							5	1		
Julie Pennycook	Director of People & Organisational Development	6	5			10	7	7	6				
Joe Smyth	Chief Operating Officer - (Acute & Ambulance) and Director of Estates	6	6	11	9	10	8						
Juliet Pearce	Director of Nursing, Midwifery & AHPs	6	5	11	10			7	7				
Lesley Stevens	Director of Community, Mental Health & Learning Disabilities	6	6	11	8	10	8	7	5				
Nikki Turner	Director of Strategy, Partnerships & Digital	6	6			8	6			5	5		

Customer satisfaction scores

The Trust uses the Friends and Family Test (FFT) to collate customer satisfaction scores. Several surveys capture data related to some protected characteristics.

Whilst it is not possible to provide the satisfaction score by protected characteristics, the Trust is able to provide the number of people responding to the surveys, who have provided information relating to protected characteristics, and hence have provided feedback on Trust services during 2022/23 across all surveys. It should be noted that several respondents preferred not to answer or did not answer the demographic questions.

Gender	
Male	2,719
Female	3,371
Male Transgender	20
Female Transgender	20
Gender Neutral	8
Age range	
Replying on behalf of a child under 16	115
16-24	144
25-34	427
35-44	436
45-54	681
55-64	1,122
65-74	1,456
75-84	1,275
85+	435
Disability	
Mobility difficulty	1,519
Blind or partially sighted	174
Deaf or hearing impaired	468
Communication	75
Learning disability	97
Mental health condition	462
I do not have a disability	2,587
Other	269

Ethnicity	
White British	5,674
White Irish	56
Any other white background	81
Bangladeshi	3
Chinese	5
Indian	13
Pakistani	2
Any other Asian background	16
Black Caribbean	3
Black African	6
Any other black background	7
White and Black Caribbean	7
White and Black African	3
White and Asian	11
Any other mixed background	12
Religion	
Muslim	13
Sikh	10
No religion	1,974
Other	239
Sexuality	
Bisexual	87
Gay man	23
Gay woman / lesbian	25
Heterosexual	3,441
Other	102

Anti-fraud and corruption including the Bribery Act 2010

Under the S.7 Bribery Act 2010 it is a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. The Trust therefore has a duty to ensure that all its business is conducted to the highest possible standards of openness, honesty, and probity.

In 2022/23 the Counter Fraud Service was provided by TIAA, who worked in partnership with the Trust to ensure there were appropriate measures in place to counter fraud, bribery and corruption in accordance with the requirements of the NHS Counter Fraud Authority and the Government Functional Standard 013: Counter Fraud. The aim is to ensure NHS resources are protected against fraud, bribery and corruption, and used for their intended purpose, the delivery of patient care. The Counter Fraud Service will be provided by Fraud and Security Management Service, which is hosted by the Hampshire and Isle of Wight Integrated Care Board, from 2023/24.

The Trust's rating for the 2022/23 Counter Fraud Functional Standard Return was assessed as an overall green rating.

The Counter Fraud Service provides the Trust with qualified Local Counter Fraud Specialists (LCFS). The LCFS's role is to ensure counter fraud measures are embedded at all levels across the organisation in line with the NHS Counter Fraud Authority's Strategy for 2020 to 2023, to raise awareness amongst staff, contractors and patients of fraud risks and potential consequences using a multi-media approach, and to ensure the reporting procedure is clear across the Trust.

The LCFS also undertakes preventative work to ensure opportunities for fraud are minimised by completing fraud risk assessments, undertaking local proactive exercises, following up on Fraud Prevention Notices issued by the NHS Counter Fraud Authority, and to professionally investigate referrals as they arise, in line with the sanction and redress principles of the NHS Counter Fraud Authority (as outlined in the NHS Fraud Manual).

All work undertaken by the Counter Fraud Service is overseen by the Director of Finance, the Director of Governance and Risk, and the Audit Committee.

To support staff the 'Standards of Business Conduct' policy prescribes what is acceptable ethical and legal business conduct for all employees in respect of business conduct, sponsorship, hospitality, and gifts. Provision is also made for the declaration and registration in certain circumstances of interests, and hospitality and gifts received. Every year, senior staff and Board members are required to declare any interests, particularly those that could conflict with the business of the Trust. This serves to demonstrate openness and protect employees from allegations of improper or illegal conduct. Details of the Board declarations are available on the Trust's website https://www.iow.nhs.uk/about-us/our-trust-board/board-declarations-of-interest.htm.

Being open and the Duty of Candour

The Trust fully supports the need to be open and transparent in line with national guidance and the Duty of Candour placed on organisations and staff. The Trust has published its Being Open and Duty of Candour Policy and continues to ensure that staff have the relevant knowledge and are supported to apply the duty.

Modern Slavery and Human Trafficking Act 2015 statement

The Isle of Wight NHS Trust is committed to working towards eradicating modern slavery and human trafficking. It will actively ensure this by an ongoing review of all its strategies and business arrangements. The Trust realises that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse.

As one of the largest employers on the Isle of Wight and an organisation that contracts out many services, the Trust fully supports the government's objectives to eradicate slavery and human trafficking and will work to ensure it does not exist in any part of Trust business including the supply chains. The organisation is committed to social environmental responsibility aligned to its approach

to combatting modern slavery and human trafficking, as part of the overarching safeguarding strategies and business arrangements.

The Isle of Wight NHS Trust's statement on modern slavery can be found on the Trust's website at https://www.iow.nhs.uk/about-us/Equality-and-diversity/equality-and-diversity.htm

Personal data related incidents

As noted in the Annual Governance Statement, the Trust had three incidents regarding data security breaches which met the criteria to be reported to the Information Commissioner's Office during 2022/23 as required by law.

Directors' confirmation concerning audit information

Each individual Trust Director, at the time the Directors' Report is approved, confirms:

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

Annual Governance Statement 2022/23

Statement of Accountable Officer's responsibilities

The scope of responsibility

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the Isle of Wight NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Isle of Wight NHS Trust for the year ended 31st March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Director of Governance and Risk was the executive lead for risk management. This is supported by the Associate Director of Corporate Governance and Head of Improvement, Compliance and Risk.

The governance structure within the Trust enables an embedded risk management approach across all corporate and operational services.

The Board Assurance Framework is a key management tool for the Trust Board and its assurance committees. The Executive Management Team and its members play an important part in ensuring that it is an effective approach to management of the risks to delivery of the Trust's strategic objectives. Each identified risk is allocated to an executive lead who takes responsibility for ensuring that actions required to mitigate risks, address gaps in control and/or improve associated assurance are delivered.

The Board Risk Register is similarly a tool for the management of risks to the achievement of operational objectives. The Board Risk Register is comprised of the most significant divisional level risks and those risks which require management at a corporate/Trust-wide level. As with Board Assurance Framework risks, Board Risk Register risks have an allocated executive level owner, responsible for ensuring that they are effectively described, rated and managed.

The Board Assurance Framework and Board Risk Register are reported to the Board at least three times a year and to each of the Board's assurance committees thereafter for reflection in those committees' work-plans and to enable the committees to contribute to their continual review. The Board and its assurance committees are also required to consider whether there is anything else to add to, or amend on, the Board Assurance Framework and Board Risk Register at the end of every meeting, to ensure that both documents remain 'live' and reflect the issues facing the Trust.

Care groups and divisions are required to maintain their own risk registers, using a risk management tool - Datix. Use of this tool enables central oversight of risk management practice and of the risks affecting different parts of the Trust. As indicated above, divisional and care group risks feed through

into the Board Risk Register and Board Assurance Framework, ensuring that the Board is apprised of the most significant operational and strategic risks affecting the Trust.

Governance principles, as described above, are implemented in each of the divisions, with a Divisional Board having responsibility for the overall management of the division, a Quality Committee for Divisional oversight of clinical performance (mortality, audit data, benchmarking), service level patient feedback, team or ward audits, service level risk registers, complaints, incidents, key performance targets, financial performance and workforce management. Underpinning these meetings are specialty and service meetings to look at clinical performance, service level patient feedback, audits, service level risk registers, complaints, incidents, and lessons learned. Additionally, ward and team meetings are held with the expectation that they will share knowledge and experience; in particular, good practice and lessons learned.

The risk management process is supported by clearly defined roles at all levels of the Trust from operational/corporate staff to Board members. Every staff member is responsible for identifying, escalating, and managing risks within their sphere of competence and operation, supported by their managers, as outlined in the Risk Management Policy.

Managers are required to demonstrate that appropriate control measures are in place and actions are being undertaken to mitigate negative risk and enable positive risk achievement, reporting to their respective lead Executive Director responsible for the aligned portfolio of services.

All staff undertake generic risk management and assessment training as well as an introduction to the electronic risk management system (Datix) as part of their induction. Focused risk management training and support in risk assessment, recording, management and monitoring risk, relevant to their area of responsibility, are provided to all relevant staff. The Trust has a comprehensive programme of risk management, incident, and patient experience training, to complement the guidance tools embedded into the electronic risk management system utilised by the Trust.

There are named key specialists within the Trust who offer further specialist risk management training and guidance to all Trust employees, including in health and safety, back care awareness, patient handling, infection prevention and control, safeguarding adults, safeguarding children and information governance. The Trust's annual training programme reflects this provision. Key elements are recorded within staff mandatory training records, a summary of which is monitored at Divisional Care Boards, the Executive Team and through the People and Organisational Development Committee of the Board.

The risk and control framework

Risk management

Risk management processes are embedded within the Trust with incident reporting openly and actively encouraged to ensure a culture of continuous improvement and learning. The organisation understands that successful risk management requires participation, commitment, and collaboration from all staff. Working dynamically, the Trust has created training options to support staff with identifying, evaluating, and controlling risks effectively. The Trust has found that this approach to managing risks ensures it remains a high priority and offers colleagues the ability to be engaged and confident in managing risks.

The Trust's approach to risk management covers both clinical and non-clinical areas and considers aspects including financial and performance risks, counter fraud activity, reputational and project risks and service reviews.

The approach to risk management is achieved through:

- The creation and maintenance of a risk culture which includes an agreed risk appetite
- The integration of risk management into all strategic and operational activities
- Active management, monitoring and reporting of risk across the Trust

- The fostering of an environment of continuous learning from risks, complaints, and incidents underpinned by open communication and fair scrutiny
- Consistent compliance with relevant standards, targets, and best practice
- The development and maintenance of business continuity plans and recovery plans
- Fraud deterrence

Fraud deterrence is integral to the management of risk across the organisation. Staff are encouraged to report any potential fraud including anonymous reporting if necessary. The Trust is not aware of any specific areas within the organisation that are at risk of material fraud, however the Trust cannot be complacent. Notifications from the Counter Fraud team improve knowledge and awareness of the risk of fraud, and the Trust's Fraud Awareness Champion promotes awareness and an understanding of the threat posed by fraud, bribery and corruption, and offers advice on best practice to counter fraud.

Equality impact assessments are carried out to ensure that the Trust's decisions meet its legal duty under the Equality Act 2010. The Trust also uses assessments in the development of policies and in consideration of cost improvement plans, and Quality Impact Assessments form part of all change programmes.

Risk Management Policy

The Risk Management Policy clearly sets out the expectations and requirements of individuals and corporate meetings regarding the management of risk through the governance structure at each level within the Trust. The Risk Management Policy was designed to include the Risk Management Strategy and outlines the strategic and operational direction of risk management for the Trust, along with relevant guidance.

The key objectives of the Risk Management Policy are to:

I. Embed risk management at all levels of the organisation
II. Create a culture which supports risk management
III. Provide the tools and training to support risk management
IV. Embed the Trust's risk appetite in decision making
V. Measure the impact of implementation

The Risk Management Policy covers:

- **Strategic risks:** risks which could affect the delivery and achievement of the Trust's strategic objectives. Strategic risks are detailed in the Trust's Board Assurance Framework and mapped against the Trust's strategic aims.
- **Operational risks:** risks associated with key business processes at all levels. These risks are considered at specialty and clinical business unit level, with the most significant, and those which can only effectively be managed at corporate level being managed by the executive directors and Trust Board via the Board Risk Register.

The risk scores in the Board Assurance Framework and Board Risk Register are considered against the Trust's risk appetite. The process for Trust Board consideration of risk is outlined above.

All staff have a responsibility for risk management, and this is embedded in the activity of the organisation through effective governance structures. As previously mentioned, all staff are routinely trained and supported with risk management to ensure a contribution to learning from best practice.

There is delegated responsibility for managing risks at every level in the organisation. This is crucial to embedding risk management into the organisation and its culture, with risk management seen as a fundamental part of the way the organisation works.

The Trust is committed to mitigating those risks within its control and preparing contingencies for risks beyond its control. As the organisation seeks to manage risks according to the appetite for those risks, it recognises the need to balance the benefits of measures to reduce risk levels against

their costs.

The Trust's Internal Auditors reviewed the risk management arrangements in the Trust and assessed these against the requirements for NHS trusts. A 'reasonable assurance' opinion was given in 2022/23.

Risks to data security

The Trust has implemented the NHS Information Risk Management Guidelines and established a register of key information assets, allocating each one to an Information Asset Owner who reports to the Senior Information Risk Owner. Information risk management is reviewed and monitored by the Data Governance Group. The Trust has enforced the Information Security Policy to control where personal information is stored, and to protect personal information that is stored on portable storage devices from unauthorised access through the encryption of all portable devices and remote access personal computers. As noted elsewhere in this Annual Governance Statement the Trust had three data security incidents that met the criteria for reporting to the Information Commissioner's Office during 2022/23.

Significant risks

The current top risks within the Trust relate to patient harm, financial and clinical sustainability, and staff recruitment and well-being.

Board Risk Register	
Risk	Risk Overview
Risk ID 2028 - Risk of impaired patient outcomes and harm (including Hospital Acquired Infections) arising from reduced flow through the hospital	*Cause:* 1) Resources in the community, including community care and nursing beds and also packages of care are insufficient to meet demand. 2) As of the 31-3-23 The Goulding's Care Home is closing 20 beds for a period of six months, for refurbishment. 3) Hartford Care are changing their contract for a 48 bedded unit to short term placements from rehab beds as of the 31-3-23. 4) A further 17 beds are also due to close in the community as of the 31-3-23. 5) Delays in forward planning in relation to discharges. *Consequences:* 1) The Acute Trust is unable to discharge all patients at the optimum point in their care journey, this impacts on patient safety, patient experience and clinical effectiveness. 2) There is the potential for patients to be admitted to the Acute hospital unnecessarily, in the event that the appropriate care/nursing bed or package of care is not available in the community. 3) Potential financial consequences due to the costs associated with inappropriate hospital placements. 4) Potential negative impacts on staff including fatigue, and wellbeing etc. 5) Risk to breaching ringfenced elective beds - delaying treatment further. 6) Increased length of stay. 7) ED breaches. 8)Delays in planned treatments and diagnostics. 9) Cancellation of elective procedures - delaying patient treatment.
Risk ID 2031 - Risk of patient harm caused by a long delay to treatment as a result of lack of capacity due to emergency activity	*Cause:* 1) Lack of beds due to delayed discharges resulting in cancellation of all non-urgent elective activity. *Consequence:* 1) Long delays for some patients in terms of accessing treatment.

Risk ID 2033 - Risk to service delivery/patient care as a result of some services running with just one or no dedicated consultant	*Cause:* 1) Inability to recruit substantive Medics due to a national shortage, which is compounded by the island factor *Consequence:* 1) Medical shortfalls across multiple services, impacting on patient safety, experience and clinical effectiveness. 2) Negative impacts on flow due to delays in care, and discharge.
Board Assurance Framework	
Risk	**Risk Overview**
BAF1 - The challenge presented by seasonal demands and lack of capacity in the community may prevent delivery of appropriate care and services to patients	*Cause:* • Significant backlog in service provision during the initial waves of the pandemic • Limited capacity (workforce, diagnostic services, beds) to implement the recovery plan in acute services • Significant increase in the number of medically optimised patients unable to move on to other care • Limited resources in the acute/mental health/community services to adequately respond to the demand • Prolonged response to the increased demand for services and infection control requirements having a detrimental impact on staff mental / physical wellbeing • 52-week waiters increasing • External influences impacting patient flow • Significant and on-going use of escalation beds • System and Trust operating at OPEL 4 • Frequent critical incident mode within the acute hospital *Consequence:* • Poor clinical outcomes and/or unsafe clinical care for patients and/or increased mortality rate as acute response and recovery plans are addressed • Acute care capacity overwhelmed with patient numbers and/or infection control measures required for COVID-19 • Trust services being overwhelmed due to the impact of demand on the pathways of care across the system • Unsafe patient care arising from a surge in patient numbers in acute/mental health/community services • Delays to referrals and/or patients seeking diagnostics and treatments with an associated impact on outcomes • Clinical capacity reduced due to staff incapacity
BAF2 - Sustained pressure on staff wellbeing	*Cause:* • Disengagement from support networks by staff • Staff feel unable to access the resources available • Training/supervision resources do not focus staff to the opportunities on offer • Sustained pressure to respond to unplanned care and elective work • Staff shortages within the safe staffing levels required meaning that additional shifts / hours are worked • Staff fatigue • Increased external pressure such as cost of living *Consequence:* • Negative impact on physical/mental health & wellbeing • Negative impact on staff morale, motivation and productivity • Decreased resilience among staff • Negative impact on improving the Trust Safety Culture • Non-compliance with the legal and regulatory requirements of workplace health and safety • Increased incidence of unplanned absence, and consequent impact on patient care / operational delivery • Increased reliance on temporary staff • Inadequate staff supervision, appraisal, & development
BAF3 - Failure to deliver care in line with constitutional,	*Cause:*

regulatory and contractual obligations, and/or relevant best practice	• Increased non-elective activity and acuity of patients leading to increased LOS and longer waits • Sub-optimal flow across acute, mental health, ambulance and community services • Sub-optimal flow out of Trust care leading to stranded patients and reduction in available beds • Inability to accommodate patients and long waits in ED • Suspension of elective programme • System-wide challenges including social care, NHS 111 • Gaps in staffing in some pathways including social care • Uncertainty of further waves of COVID-19 and / or winter flu • Impact of COVID-19 pandemic, e.g. Suspension of some services and/or change in demand for services *Consequence:* • Poor clinical outcomes / poor clinical experience • Regulatory enforcement action • Loss of commissioner and patient confidence in provision of services • Patients remaining in hospital longer than necessary
BAF16 - Challenges in delivering a Long-Term Financial Plan (LTFP) that achieves financial sustainability	*Cause:* • SOF3 rating and required undertakings • Reduction of £20m income over 2021/22 in 2022/23 • Deliverability of cost improvement programme • Cost reduction in line with income reduction • Inflationary pressures • Unfunded investments made to service improvements • Cost of capital for externally funded capital investments • Increased structural deficit with service improvements • Organisational size & challenge re clinical sustainability *Consequence:* • Reverting back to SOF4 (financial special measures) • Loss of support from ICB partners • Strategic partnerships breaking down due to financial pressures and priorities of each partner • Inability to meet regulatory requirements • Negative impact on patient experience and reputational damage with patients, staff, partners and commissioners • Inability to deliver services, recruit and invest in quality • Lack of cash to meet payment obligations
BAF17 - Challenge in recruiting and retaining sufficient medical staff in some areas of the Trust and System	*Cause:* • National shortage of appropriately trained and skilled clinical staff throughout the NHS in certain specialties • Geographical rural location and sub-scale requirement for provision of services not being attractive to staff • Support required for junior doctors • Poor staff morale • Inability to recruit from overseas due to recognition of qualifications • Poor availability of temporary/rented accommodation • Inability to recruit to some key staff groups *Consequence:* • Inability to comply with regulatory requirements in some services • Inability to deliver high quality clinical services • High use of agency and locum staff with increased costs • Poor patient experience and patient harm • Poor staff experience • Poor staff health and well-being

The well-led framework

The Trust was inspected by the CQC in July 2021. The resulting report rated the Trust as 'good' for well-led. The Trust has addressed the specific issues identified to ensure that it can continue to improve.

Risk to compliance with condition 4 of the NHS provider licence

Whilst NHS trusts are exempt from the requirement to apply for and hold the NHS Provider Licence, they need to comply with conditions equivalent to the licence.

To mitigate the risk of not complying with the NHS provider licence the Trust has established:

- Effective board and committee structures.
- Clear responsibilities for Board committees and for staff who provide reports to the Board and its committees.
- Clear reporting lines and accountabilities throughout the organisation.

The established systems and processes ensure:

- Sufficient capability at Board level to provide effective organisational leadership.
- Timely and effective scrutiny and oversight of the organisation's operations.
- That the Board's planning and decision-making processes comply with health care standards and take timely and appropriate account of performance and quality of care considerations.
- The collection of accurate, comprehensive, timely and up to date information on performance and quality of care.
- Effective financial decision-making, management, and control.
- That the Board receives and takes into account accurate, comprehensive, timely and up to date information on performance and quality of care for decision making.
- That the Trust actively engages on performance and quality of care with patients, staff and other relevant stakeholders and considers views and information from these sources.
- Clear accountability for performance and quality of care throughout the Trust including systems and processes for reporting incidents, and escalating and resolving issues.
- Effective identification of material risks to the delivery of business plans and objectives.
- Compliance with all applicable legal requirements.

Quality Governance Arrangements

The Director of Governance and Risk was the executive lead for quality governance and was responsible for patient experience, and the Director of Nursing, Midwifery and Allied Health Professionals had executive responsibility for patient safety. From March 2023 the Director of Nursing, Midwifery and Allied Health Professionals is executive lead for quality governance, patient experience and patient safety. The Medical Director has executive responsibility for clinical effectiveness.

The Trust Board receives a quality report at each of its meetings, in which good practice, issues of concern and performance against all relevant quality metrics are reported. The Trust Board has established a Quality and Performance Committee to scrutinise the detail of quality governance and provide assurance to the Board. Both the Trust Board and Quality and Performance Committee review specific examples of patient and staff feedback with a view to learning from this and ensuring that appropriate action is taken to safeguard quality, improve the patient, and staff experience. The Quality and Performance Committee also undertakes deep dive reviews of particular aspects of quality.

The Director of Governance and Risk was responsible for the systems and processes required to ensure the Trust can demonstrate compliance with the Care Quality Commission (CQC) Key Lines of Enquiry for Quality and Safety on a continuous basis. This responsibility passed to the Director of Nursing, Midwifery and Allied Health Professionals in March 2023. Any gaps in assurance are identified and escalated in a timely manner. Each Divisional Director is accountable to the Chief

Executive and Trust Board for the delivery of quality governance within their division and for ensuring robust systems and processes are in place to support this.

Workforce strategies and staffing

The Trust approved a People and Organisational Development Strategy in May 2021. This replaces previous strategies and covers six priorities:

- Growing our Future Workforce
- Culture & Leadership Development
- Staff Engagement
- Health & Wellbeing
- Diversity & Inclusion
- Learning, Education & Development

The People and Organisational Development Strategy describes how over the short, medium and long term the Trust will confront its workforce challenges, embrace opportunities, and work to create an environment in which staff can, confidently, realise their potential and give the very best care possible to patients and clients.

Along with other organisations the Trust faces significant workforce challenges with national shortages in most professions, the premature departure from the NHS of trained staff, and limitations on international recruitment. In providing services to an island population, the Trust is faced with some unique circumstances which offer additional challenges and, at the same time, opportunities.

To meet these challenges and seize opportunities, the Trust recognises that it must be ambitious in its efforts to create a reputation and an environment that encourages the very best people with the right skills and values to join and remain with the Trust.

The Trust receives appropriate assurance that staffing systems and levels are safe, sustainable, and effective through reports to the People and Organisational Development Committee and Trust Board. Safe staffing reviews are undertaken at least twice daily in the acute setting on a dynamic basis and reports to People and Organisational Development Committee demonstrate compliance with the requirements of the Developing Workforce Safeguards recommendations. During times of significant operational demand appropriately trained corporate staff are redeployed to support clinical operations. The Trust has continued to develop its wellbeing arrangements to ensure that staff feel cared for and supported.

Risks in relation to staffing are clearly acknowledged by the Trust Board along with the actions necessary to mitigate these staffing level risks. Where appropriate the Trust considers benchmarking data to ensure appropriate and sustainable workforce planning and uses available evidence to identify what good looks like, and to take account of financial restraints, for example, by reducing the use of agency staff where possible within operational requirements.

Quality Impact Assessments are carried out for all planned changes, service developments, and introduction of new models of care such as the use of nursing apprentices.

Care Quality Commission compliance

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

The Trust was placed into System Oversight Framework segment 3 in January 2022. The Trust has been working on actions to address its financial and clinical sustainability in 2022/23.

Registers of interest

The Trust maintains a register of interests, including gifts and hospitality for all staff who have made a declaration. The up-to-date register of interests, including gifts and hospitality, for Trust Board members is published on the Trust's website.

NHS Pension Scheme

As an employer of staff entitled to membership of the NHS Pension Scheme, the Trust has control measures in place to ensure that it complies with all employer obligations contained within the Scheme regulations. 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 the Trust complies with all of its obligations under equality, diversity and human rights legislation.

Carbon reduction delivery plans

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that it complies with its obligations under the Climate Change Act 2008 and the Adaptation Reporting requirements.

Serious incidents relating to Information Governance

During 2022/23 the Trust had no incidents which met the threshold for reporting under NHS Data Incident Security Incident Reporting Tool.

Quality Account

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Quality Account priorities are selected each year in consultation with the Board, clinicians, and other relevant stakeholders. Priorities that will require implementation over several years are carried forward alongside new priorities selected.

From March 2023 the Director of Nursing, Midwifery and Allied Health Professionals is the executive lead in the Trust for the Quality Account. Data is collected throughout the year to provide assurance of progress against priorities and comes from a range of sources both internal and external to the Trust. These include clinical audit, falls risk assessments, performance metrics such as elective waiting times, and national patient and staff surveys. The Quality and Performance Committee received regular reports on progress against the selected priorities for 2022/23 to identify trends and issues of concern along with assurance of the accuracy of the data.

The Trust's Quality Account for 2022/23 will be published on 30 June 2023 and will include the priorities for 2023/24.

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

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive directors and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their audit results report and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, Audit Committee, Quality and Performance Committee, People and Organisational Development Committee, and Finance and Infrastructure Committee.

The following have a role in maintaining and reviewing the effectiveness of the system of internal control:

The **Board** has been actively involved in developing and reviewing the Trust's performance and risk management processes, including receiving and reviewing papers and chair's observations from all committees which report to the Board. The Board reviews key documents including the Board Assurance Framework, Board Risk Register, performance reports and quality reports.

The **Audit Committee** has lead role in reviewing the framework of internal control, particularly regarding internal audit, corporate risk and counter fraud.

The **Quality and Performance Committee** is responsible for overseeing all aspects of quality, including patient safety, patient experience, regulatory standards, clinical risk, and clinical outcomes. It also oversees operational performance to ensure that NHS standards are being met.

The **Digital Transformation Committee** was stood down in December 2022 following development of the Digital Strategic Case for the monies received for investing in our future. Its responsibilities for overseeing the Trust's digital and Information Management and Technology strategy and associated projects and services are now undertaken by the Finance and Infrastructure Committee.

The **Finance and Infrastructure Committee** is responsible for overseeing all aspects of financial performance and use of resources (including digital and estates). It also has some delegated responsibility for approving business cases and contracts.

The **People and Organisational Development Committee** is responsible for overseeing workforce performance and compliance with all regulatory and statutory requirements relating to workforce.

Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives have been reviewed. My review is also informed by:

- Internal audit reports and the Head of Internal Audit's opinion
- External audit
- Minutes and papers to the Trust Board and Committees including monthly activity, quality, finance, and workforce performance reports
- Corporate and clinical division reports to the Executive Team Meeting Plus
- Reports to the Board from the Audit Committee and other assurance committees
- Regular review of the Board Assurance Framework and Board Risk Register at the Trust Board
- CQC confirmation of registration of all regulated activities and outcomes
- CQC inspections
- Reports from the local counter fraud specialist
- Submissions to, and feedback from, NHS England
- Quality and contract review meetings with commissioners
- Board and Executive Director site visits and 'deep dives' into services
- Compliance with the NHS Data Security and Protection Toolkit (DSPT)
- Board self-certification of compliance with NHS Provider Licence conditions GC6 and FT4.

The Trust is now in System Oversight Framework segment 3 and will continue to work on undertakings relating to financial performance given to NHS England.

Head of Internal Audit Opinion 2022/23

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

The overall Head of Internal Audit Opinion for 2022/23 is:

TIAA is satisfied that, for the areas reviewed during the year, Isle Of Wight NHS Trust. has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Isle of Wight NHS Trust from its various sources of assurance.

Internal Audit was able to complete 14 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Trust's objectives.

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Where specific actions were identified the Trust is in the process of implementing the actions to close the gap on the weaknesses identified.

Summary

As part of its role in ensuring effective direction of the Trust, the Board continuously seeks assurances on the detection and management of significant issues. As Accountable Officer, I ensure that Board members are apprised of real or potential significant issues on a 'no-surprises' basis, both at formal Board meetings and as required between meetings. Electronic briefings or conference call updates are circulated to Non-Executive Directors to inform them of any emerging issues in between Board meetings. The Board Assurance Framework is updated to reflect significant issues and the mitigation thereof.

The general duty of the Trust Board and each Director individually, is to act with a view to promoting the success of the Trust so as to maximise the benefits for the members of the corporation as a whole and for the public.

The Trust Board exercises all the powers of the Trust on its behalf, and the Trust Board may delegate powers to an assurance committee of the Board or to one or more executive director(s). This is detailed in the Scheme of Reservation and Delegation.

In accordance with the requirements of NHS England, the Trust produces detailed plans reflecting its service and operational requirements and its financial targets in respect of income and expenditure and capital investments. These plans incorporate the Trust's plans for improving productivity and efficiency to minimise income losses, fund investments and meet the national efficiency targets applied to all NHS providers. The financial and workforce plans are reviewed by the Finance and Infrastructure Committee and People and Organisational Development Committee, respectively, prior to Board approval.

Resource utilisation is monitored by the Board and its committees through detailed reports covering finance, activity, capacity, workforce management and risk. The Board meets bi-monthly and the committees meet monthly. In addition, this has been complemented by Divisional Board meetings where their performance is assessed across a full range of financial and quality indicators and identifies any risks and challenges that need to be addressed. These meetings are held monthly.

As outlined above, the CQC undertook an inspection of the Trust in June 2021 and assessed the Trust as 'Good'. The Trust has continued to meet regularly with the CQC and provided updates in respect of any ongoing areas of concern. The Trust is confident that further improvements are in progress. This interaction with CQC provides me with assurance that our internal controls concerning the quality of care provided by the Trust are effective.

To ensure that the Trust is able to demonstrate the effectiveness of its services, it participates in local and national benchmarking exercises such as the Getting It Right First Time (GIRFT) programme, and the national reference costs collection process. This enables the Trust to compare

itself with peer organisations and allows consideration of best practice and identification of any areas for potential improvement in services.

The Trust is in segment 3 of the System Oversight Framework. The Trust is currently working through a number of undertakings related to this, which include the appointment of Financial Improvement Directors and a Financial Improvement Board, which is led by senior managers, to consider opportunities for improving financial processes and routines and to review key business cases.

During 2022/23 the Trust has continued with its quality improvement processes led by executive directors and senior managers to improve the quality of services provided by the Trust.

Through its governance arrangements, assurance is provided that the Trust complies with the requirements of the sector such as the HM Treasury / Cabinet Office: Corporate Governance Code. There have been no departures from the Code.

The combination of quality improvement processes, the Financial Improvement Board, and the internal and Board assurance meetings have provided governance arrangements for ensuring that resources are used economically, efficiently, and effectively.

The Board's committees have sought and pursued reliable assurance throughout the year. The Finance and Infrastructure Committee provides scrutiny and challenge regarding financial performance and the effective use of resources. The Trust Board has received reports from the Director of Finance, triangulated with reports from the Chair of Finance and Infrastructure Committee. Likewise, the Quality and Performance Committee has reviewed quality arrangements and, following scrutiny and challenge, the Committee Chair has been able to report on quality performance to the Trust Board. The People and Organisational Development Committee provides scrutiny and challenge regarding workforce performance and effective use of resources. The Digital Transformation Committee provided scrutiny and challenge regarding digital performance prior to its work being adsorbed into the Finance and Infrastructure Committee.

The Trust's Audit Committee performs a pivotal role in providing the Trust Board with assurance on the use of resources. Each year the Audit Committee commissions the internal auditors to undertake reviews of key internal risks with a view to gaining assurance that there are sufficient and appropriate processes in place to demonstrate the economic, efficient, and effective use of resources. The external auditors annually review the use of resources as part of the annual audit programme.

In summary, any concerns on the economy, efficiency, and effectiveness of the use of resources are well monitored and addressed.

The Head of Internal Audit's opinion is that the Trust has reasonable and effective risk management, control and governance processes in place in those areas reviewed. Actions plans are in place to address the weaknesses identified.

The Trust's response to the recovery from the pandemic and significant operational pressures arising from increased demand and acuity has affected the Trust's ability to achieve a number of NHS constitutional targets during 2022/23 – this is true for the NHS as a whole. These targets have been factored into plans for services in the coming years.

It is reassuring to note the improvements in governance, structures, performance management and risk management have continued to be embedded during the year. The Trust is on a journey of continuous improvement, which will continue during 2023/24.

Conclusion

No significant internal control issues have been identified in the body of the Annual Governance Statement above. The Trust has been placed at System Oversight Framework segment 3, and the Trust is making progress in addressing the undertakings offered by the organisation to further improve the systems of internal control. Work with mainland partners to identify a financially and

clinically sustainable model of operational delivery for island health services has progressed during the year, with closer alignment arrangements to be developed further in 2023/24.

Penny Emerit

Chief Executive

22 June 2023

Remuneration and Staff Report

Section 421 of the Companies Act 2006 requires the preparation of a Remuneration Report containing an annual report on the remuneration in accordance with the requirements of Part 3 of Schedule 8 of Statutory Instrument 2008 No. 410.

Within the NHS this remuneration report looks at the senior managers of the NHS body. Senior managers are defined as individuals in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments. For the purpose of this report this covers the Trust's Non-Executive Directors and Executive Directors.

Employment summary

The Isle of Wight NHS Trust employs an average of 3,887 (3,620 in 2021/22) staff and at 31st March 2023, the equivalent of 3,730 (3,361 in 2021/22) substantive staff were employed, with 800 bank workers and additional support from around 140 volunteers.

The figures in the tables below have been audited.

Average number of employees (WTE basis)

	Permanent Number	Other Number	2022/23 Total Number	2021/22 Total Number
Medical and dental	281	55	**335**	304
Ambulance staff	132	4	**136**	139
Administration and estates	1,012	35	**1,047**	937
Healthcare assistants and other support staff	717	147	**863**	814
Nursing, midwifery and health visiting staff	912	138	**1,049**	1,000
Nursing, midwifery and health visiting learners	45	-	**45**	29
Scientific, therapeutic and technical staff	340	20	**360**	342
Healthcare science staff	51	1	**52**	55
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**3,488**	**399**	**3,887**	**3,620**
Of which:				
Number of employees (WTE) engaged on capital projects	54	-	**38**	6

Composition by gender

As at 31 March 2023 just under three quarters of the workforce (73.0%) are female. Figures (excluding bank staff) are in the table below.

Staff Grouping	Gender (Headcount)	
	Female	Male
Clinical	1,858	650
Non-Clinical	705	296
Senior Manager & Dirs. (Band 8+)	160	62

Grand Total	**2,723**	**1,007**

Composition by Diversity (as at 31 March 2023)

Diversity	Headcount	%	FTE
BAME	739	17.47%	708
Non-BAME	3,365	79.57%	2,914
Not Declared	125	2.96%	107
Grand Total	**4,229**	**100%**	**3,730**

Composition by Diversity & Gender (as at 31 March 2023)

Diversity	Headcount	%	FTE
Female	3,140	74.25%	2,724
BAME	473	11.18%	452
Non-BAME	2,590	61.24%	2,205
Not Declared	77	1.82%	65
Male	1,089	25.75%	1,008
BAME	266	6.29%	256
Non-BAME	775	18.33%	709
Not Declared	48	1.14%	42
Grand Total	**4,229**	**100%**	**3,730**

Staff sickness absence

For 2022/23 the staff sickness absence data is 5.55%.

Staff turnover

For 2022/23 the monthly rolling turnover for the Trust was 10.20%, which is below the regional average of 14%.

Remuneration policy – Executive Directors, Non-Executive Directors and Very Senior Managers

NHS England determines the remuneration of the Chair and Non-Executive Directors nationally and provides guidelines for senior appointments in NHS Trusts, and the Trust has no reason to believe this position will change in the near future.

Very Senior Managers (VSM) salaries are determined by the Trust's Nomination and Remuneration Committee. The Committee is guided by the national pay review body under the auspices of NHS England in terms of the annual pay award and other related changes in terms and conditions.

Exit packages, payment for loss of office or payments or awards to past senior managers

During 2022/23, the Trust did not pay exit packages or compensation for loss of office to senior managers.

Exit packages

The remuneration of any senior managers on 'Agenda for Change' terms and conditions of employment should be in line with National Agreements, as negotiated by the Staff Council. Any other Executive Directors contract is in accordance with national guidance on executive pay. Where

no guidance is given, a discussion would be held at the Trust Nomination and Remuneration Committee. The membership of this committee is detailed in the Board section of this Annual Report. The Trust has no reason to believe that this position will change in the future.

Salary and pension entitlements of senior managers (audited)

Remuneration Name and Title	2022-23						2021-22					
	(a) Salary (inc Other remuneration) (bands of £5,000) £000	(b) Expense payments (taxable) To nearest £100 £00	(c) Performance Pay & Bonuses (bands of £5,000) £000	(d) Long Term Performance Pay & Bonuses (bands of £5,000) £000	(e) All pension related benefits (bands of £2,500) £000	(f) Total (a to e) (bands of £5,000) £000	(a) Salary (inc Other remuneration) (bands of £5,000) £000	(b) Expense payments (taxable) To nearest £100 £00	(c) Performance Pay & Bonuses (bands of £5,000) £000	(d) Long Term Performance Pay & Bonuses (bands of £5,000) £000	(e) All pension related benefits - Restated (bands of £2,500) £000	(f) Total (a to e) Restated (bands of £5,000) £000
M Poole - Chair (note 3)	30-35	-	-	-	-	30-35	30-35	-	-	-	-	30-35
C Spicer - Non-Executive Director (note 7)	-	-	-	-	-	-	5-10	2	-	-	-	5-10
A Stoneham- Non-Executive Director (note 7)	-	-	-	-	-	-	5-10	-	-	-	-	5-10
S Weech- Associate Non-Executive Director/ Non Executive Director (note 1,3)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
O Adenubi - Non Executive Director (note 3,4)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
P Evans - Non Executive Director (note 7)	-	-	-	-	-	-	5-10	-	-	-	-	5-10
P Berrington - Associate Non Executive Director (note 1,3)	10-15	2	-	-	-	10-15	10-15	2	-	-	-	10-15
T Peachey - Non Executive Director (note 3)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
J Ross - Associate Non Executive Director (note 1,4)	10-15	-	-	-	-	10-15	10-15	-	-	-	-	10-15
M Oldham - Chief Executive (note 9)	200-205	4	-	-	0-2.5	205-210	200-205	70	-	-	0-2.5	210-215
D Cattell - Director of Finance, Estates & IM&T & Deputy Chief Executive (note 7)	-	-	-	-	-	-	115-120	-	-	-	0-2.5	120-125
D Cattell - Chief Executive (note 3,6)	200-205	-	-	-	25-27.5	230-235	60-65	-	-	-	80-82.5	140-145
J Pennycook - Director of People & Organisational Development (note 1,3,5,11)	135-140	-	-	-	32.5-35	170-175	135-140	26	-	-	32.5-35	170-175
A Webster - Director of Nursing, Midwifery, AHPs & Community Service (note 7)	-	-	-	-	-	-	10-15	-	-	-	0-2.5	15-20
N Turner - Director of Strategy, Partnerships and Digital (note 1,3)	140-145	-	-	-	47.5-50	190-195	125-130	-	-	-	35-37.5	160-165
L Stevens - Director of Community, Mental Health & Learning Disabilities (note 1,3)	170-175	3	-	-	0-2.5	175-180	175-180	-	-	-	212.5-215	390-395
J Smyth - Chief Operating Officer (Acute & Ambulance) and Director of Estates (note 1,3)	195-200	-	-	-	45-47.5	245-250	180-185	1	-	-	42.5-45	225-230
S Parker - Medical Director (note 3)	220-225	-	-	-	47.5-50	270-275	215-220	-	-	-	155-157.5	370-375
L Howell - Director of Governance & Risk (note 3,8)	120-125	-	-	-	0-2.5	125-130	135-140	-	-	-	-	135-140
K Millis-Ward - Director of Communications & Engagement (note 1)	95-100	-	-	-	22.5-25	120-125	90-95	-	-	-	22.5-25	115-120
D Beaven - Non Executive Director (note 3)	10-15	-	-	-	-	10-15	0-5	-	-	-	-	0-5
C Tibbs- Associate Non Executive Director (note 1)	10-15	-	-	-	-	10-15	0-5	-	-	-	-	0-5
M Aubrey - Interim Chief Nurse (note 7)	-	-	-	-	-	-	80-85	-	-	-	0-2.5	85-90
J Pearce - Director of Nursing, Midwifery and Allied Health Professions (note 3)	130-135	-	-	-	117-119.5	250-255	55-60	-	-	-	350-352.5	405-410
J Gooch - Director of Finance (note 3,6,10)	120-125	-	-	-	85-87.5	210-215	55-60	-	-	-	0-2.5	55-60
I Kennedy - Non Executive Director (note 1,2)	10-15	-	-	-	-	10-15	-	-	-	-	-	-

Notes to the Salary and Pension entitlements of Senior Managers

(1) All the above senior managers are/were voting members of the Board of Directors except:

L Stevens (throughout 22/23)
N Turner (throughout 22/23)
J Pennycook (throughout 22/23)
S Weech (until 28.01.23)
J Smyth (throughout 22/23)
J Ross (until 30.11.22)
K Millis-Ward (throughout 22/23)
C Tibbs (throughout 22/23)

(2) The following appointments were made in the year:
01.04.22 I Kennedy appointed as Non Executive Director
29.01.23 S Weech became a Non Executive Director

(3) The remaining Directors not shown in note 2 - continued to serve on the Board throughout the year and remain as Directors as at the date of this Annual Report and Accounts.

(4) The following persons were Directors at 1st April 2022 but ceased to serve on the Board during the year:
31.11.22 J Ross resigned as Associate Non Executive Director
28.01.23 O Adenubi resigned as Non Executive Director

(5) The above named executive directors have service contracts with the Trust.

(6) The Chief Executive Officer and Director of Finance are contractually entitled to performance bonuses as part of their remuneration. Neither D Cattell or J Gooch received any bonus in their roles.

(7) These are only included to show comparative figures for 2021/22

(8) L Howell was paid via Portsmouth Hospitals University NHST for April - August 2022 and on IOW NHST payroll September 2022 - March 2023

(9) M Oldham continued to be paid by IOW NHS Trust whilst on secondment to NHS England

(10) J Gooch was paid via Portsmouth Hospitals University NHST

(11) In 2021/22 the role of Director of Human Resources and Organisational Development changed its name to Director of People & Organisational Development - this was omitted from the 2021/22 Renumeration table

Pension benefits

Pension Benefits Name and title	(a) Real increase in pension at age 60 (bands of £2500) £000	(b) Real increase in pension lump sum at age 60 (bands of £2500) £000	(c) Total accrued pension at age 60 at 31 March 2023 (bands of £5000) £000	(d) Lump sum at age 60 related to accrued pension at 31 March 2023 (bands of £5000) £000	(e) Cash Equivalent Transfer Value at 1 April 2023 £000	(f) Real Increase in Cash Equivalent Transfer Value £000	(g) Cash Equivalent Transfer Value at 31 March 2022 £000	(h) Employers Contribution to Stakeholder Pension £000
N Turner - Director of Strategy, Partnerships & Digital	2.5 - 5.0	0.0 - 2.5	40.0 - 45.0	75.0 - 80.0	768	46	683	0
J Pennycook - Director of People & Organisational Development	2.5 - 5.0	0.0 - 2.5	35.0 - 40.0	70.0 - 75.0	778	37	700	0
L Stevens - Director of Community, Mental Health & Learning Disabilities	0.0 - 2.5	0.0 - 2.5	75.0 - 80.0	185.0 - 190.0	1,781	0	1,739	0
J Smyth - Chief Operating Officer (Acute & Ambulance) and Director of Estates	2.5 - 5.0	0.0 - 2.5	55.0 - 60.0	110.0 - 115.0	1,164	52	1,066	0
K Millis-Ward - Director of Communications & Engagement	0.0 - 2.5	0.0 - 2.5	5.0 - 10.0	0.0 - 5.0	75	5	56	0
S Parker - Medical Director	2.5 - 5.0	0.0 - 2.5	40.0 - 45.0	85.0 - 90.0	944	51	843	0
D Cattell - Chief Executive	2.5 - 5.0	0.0 - 2.5	10.0 - 15.0	30.0 -35.0	288	11	244	0
J Pearce - Director of Nursing, Midwifery and Allied Health Professions	5.0 - 7.5	12.5 - 15.0	40.0 - 45.0	95.0 - 100.0	832	113	680	0
J Gooch - Director of Finance	2.5 - 5.0	5.0 - 7.5	60.0 - 65.0	130.0 - 135.0	1,188	110	1,046	0
L Howell - Director of Governance & Risk	0.0 - 2.5	0.0 - 2.5	20.0 - 25.0	25.0 - 30.0	286	0	310	0
OPTED OUT OF PENSION SCHEME								
M Oldham - Chief Executive	0.0 - 2.5	0.0 - 2.5	0.0 - 5.0	0.0 - 5.0	0	0	0	0

There are no entries for Non-Executive Directors in the table because their remuneration is non-pensionable.

Cash Equivalent Transfer Values

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

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, the value of any benefits transferred from another pension scheme or arrangement and uses common market valuation factors for the start and end of the period. A CETV is not provided once a scheme member reaches age 60.

Members who opted out of the Pension Scheme - McCloud Judgement

The October 2020 McCloud remedy consultation has confirmed some members will have NHS 2015 benefits replaced with NHS 1995/2008 section benefits by 2023 under forthcoming legislation, this has not yet been implemented. Further there is additional complexity given the associated option for these members to switch back to NHS 2015 for these benefits at future individual retirement date. The benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgment

Employee benefits 2022/23

Staff costs	Permanent	Other	2022/23 Total	2021/22 Total
	£000	£000	£000	£000
Salaries and wages	159,533	-	**159,533**	139,839
Social security costs	17,573	-	**17,573**	14,201
Apprenticeship levy	784	-	**784**	676
Employer's contributions to NHS pension scheme	24,523	-	**24,523**	22,532
Pension cost - other	45	-	**45**	31
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary staff	-	20,220	**20,220**	19,828
Total gross staff costs	**202,458**	**20,220**	**222,678**	**197,107**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**202,458**	**-**	**-**	**197,107**
Of which				
Costs capitalised as part of assets	2,713	-	**2,713**	312

Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation; the value of any benefits transferred from another pension scheme or arrangement and uses common market valuation factors for the start and end of the period. A CETV is not provided once a scheme member reaches the age of 60.

Fair pay disclosure (audited)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest paid director/member in their organisation against the 25th percentile, median and 75th percentile of the remuneration of the organisation's workforce. Total remuneration of the employee on the 25th percentile, median and 75th percentile is further broken down to show the salary component.

The banded remuneration of the highest paid director/member in the Trust in the financial year 2022/23 was £220k-£225k (2021/22 £215k-£220k). The highest paid director in 2022/23 was the Medical Director and this was also the case 2021/22. The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2022/23	25th Percentile	Median	75th Percentile
Total Remuneration (£)	22,994	28,058	37,633
Salary Component of Total Remuneration (£)	22,994	28,058	37,633
Pay Ratio Information	9.7	7.9	5.9

2021/22	25th Percentile	Median	75th Percentile
Total Remuneration (£)	19,918	24,882	39,027
Salary Component of Total Remuneration (£)	19,918	24,882	39,027
Pay Ratio Information	10.9	8.7	5.5

In 2022/23, seven (2021/22 five) employees received remuneration which was proportionately higher than the highest paid director/member. Remuneration ranged from £20k to £366k (2021/22 £14k to £271k).

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

As can be seen in the above table the relationship has remained consistent over the two years shown.

Gender Pay Gap

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires that from 31 March 2017, any public sector organisation that has 250 or more employees must publish and report specific figures about their gender pay gap. The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. Employers must both publish their gender pay gap data and a written statement on their website and report their data to government online - using the gender pay gap reporting service. The overall pay difference at the Isle of Wight NHS Trust for 2022/23 will be reported in the Gender Pay Gap Report published at https://www.iow.nhs.uk/Publications/gender-pay-gap-report.htm.

Appraisal and performance

The review of the performance of any senior manager on agenda for change terms and conditions of employment would be in accordance with the Trust's appraisal policy. The Trust Board are also appraised. The Chair undertakes the appraisal of the Chief Executive and Non-Executive Directors. The Executive Directors are appraised by the Chief Executive. Any pay award to other directors would take account of national guidance and appraisal outcomes.

Duration of contracts, notice periods and termination payments

Substantive appointments are made on a permanent basis, and temporary arrangements would be on the appropriate period of a fixed-term contract. Senior managers on Agenda for Change terms and conditions of employment (Pay Band 8 and above) are on three months' period of notice. Other director contracts (VSM) are required to give six months' period of notice.

Off-payroll engagements

As part of the Review of Tax Arrangements of Public Sector Employees, published by the Chief Secretary to the Treasury on 23rd May 2012, NHS bodies are required to publish information in their Annual Report regarding off-payroll engagements where payment was more than £245 per day and lasted six months or longer. Between 1st April 2022 and 31st March 2023, the Trust had no 'off-payroll' engagements of this nature.

Consultancy services

The accounts show that the Trust spent £0.8m on consultancy services during 2022/23 compared to £1.8m in 2021/22.

Equality, diversity and human rights

Control measures are in place to ensure that the Trust complies with all of its obligations under equality, diversity and human rights legislation.

Equality, diversity and inclusion are the responsibility of everyone in the Trust. The Equality Act 2010 places a statutory obligation on the Trust to protect the equality, diversity and inclusion of all its staff in respect of nine protected characteristics. The Trust is committed to promoting Inclusion and respecting diversity, by being a fair and supportive employer, and by treating staff with dignity and respect, challenging discrimination in all its forms and ensuring that equality lies at the heart of everything that it does. It is important that staff feel valued, and benefit from what diversity in the workforce brings.

Equality, Diversity and Human Rights are important priorities for the Isle of Wight NHS Trust in its provision of services to the people it serves and as an inclusive employer of choice. The Trust's way of working is articulated best within the People and Organisational Development Strategy, which highlights how the Trust seeks to ensure that staff experience an inclusive workplace.

The Trust is working to a refreshed set of equality objectives in line with the EDS2 framework domains for commissioned or provided services, workforce health and wellbeing, and inclusive leadership. The forthcoming strategy and implementation plan will focus on the following objectives:

- Ensure our patients and service users have safe, accessible services that meet their health needs. Undertake engagement with our patients and service users to ensure we are getting this right and their experiences are positive and inclusive.
- Ensure our staff have access to comprehensive health and wellbeing services, guidance and expertise, supporting their physical, mental and emotional wellbeing needs, enabling them to thrive in life and at work.
- Our staff should be free from abuse, harassment, bullying and physical violence from any source, with robust and timely support mechanisms in place, should adverse events occur.
- For our staff to be proud of the organisation they work for and one they would recommend working in and receive treatment from.
- Our organisation's leadership will be inclusive and routinely demonstrate their understanding of, and commitment to, equality and health inequalities, making equality diversity, and inclusion integral to how we conduct business as usual.

The outcome the Trust aims to achieve is for people at all levels to conduct and plan their business, demonstrating that they have had due regard to their obligations to eliminate unlawful discrimination, promote equal opportunity, and foster good relations within the organisation and beyond.

Inclusive policy development is fundamental to building a well-led architecture for equality and diversity, and this is achieved through the completion of Equality Impact Assessments and engagement with Staff Equality Networks. More specifically, the aim of inclusive policy development is to integrate inclusive practices across the employee journey with regard to attraction, recruitment and selection, career development and access to CPD, and retention. The Trust has embraced the NHS England equality frameworks and responds positively to the Workforce Disability Equality

Standard (WDES), Workforce Race Equality Standard (WRES), Gender Pay Gap and Equality Delivery System (EDS2). Equality, diversity and inclusion performance is monitored by the Trust Board via the People and Organisational Development Committee.

The Trust maintains positive Disability, Race and LGBT+ Staff Equality Networks and members co-design improvement priorities to improve the Trust's response to legal, regulatory and commissioner requirements for equality and diversity. Monitoring performance is essential to ensuring that the organisation is meeting the needs of its staff. Staff Equality Network meetings, investment in Staff Network Chairs' development, and monitoring the results of the annual Staff Survey will help to determine outcomes for staff.

The Trust will continue to report annually on national equality frameworks and this information will enable it to assess performance and develop further plans by understanding the experience of protected groups.

Engagement events and initiatives this year include:

On the 14 April, the Race Equality Staff Network held a Communal Iftar in the canteen, with food kindly donated by a local restaurant. The event was open to all staff regardless of faith and was an opportunity to break the day's fast together. A webinar was held in May to explain the traditions and meaning of Ramadan, which was presented by members of our Race Equality Network. Approximately 50 members of staff attended from across the organisation, Solent NHS Trust, Portsmouth Hospitals University NHS Trust, Southern Health NHS Foundation Trust, and Isle of Wight Council.

As part of the Trust's commitment to improving the experiences of the LGBTQ+ community when accessing services, a webinar for staff was held with Philippa Oakley, a health care professional and LGBTQ+ equality expert, to provide a deeper level of awareness of the issues and complexities that matter to the LGBTQ+ community when it comes to their healthcare needs.

In July, the Trust was honoured to hold a webinar with Paula McGowan OBE, who talked to staff about the tragic case of her son, Oliver, who died whilst in NHS care in 2016. Oliver was autistic and had epilepsy, and the Oliver McGowan Mandatory Training in Autism and Learning Disability has been established in his memory. The Oliver McGowan Mandatory Training in Autism and Learning Disability e-learning module is now required for all staff to undertake, with the classroom-based learning to follow in 2023.

Also in July, the organisation took part in the Island Pride procession, with the Isle Talk psychological support service and the Sexual Health Services team holding a stall within the main events arena.

During October, an Understanding Neurodiversity Awareness session for staff, including Managers was facilitated by lived-experience specialist AIM (Autism Inclusion Matters), an island group. This was followed in March 2023 by a session for neurodivergent staff to explore effective strategies and adjustments to make in the workplace to help them thrive and feel able to be their authentic self.

For Black History Month in October there was an exhibition in the Oliveira Library on the 'Hidden International History of the Island', based on the book authored by James Rayner. The exhibition included a display of books available on race equality, fiction and autobiographical works written by black authors.

In December, to mark World AIDS Day, a stall in St Mary's Hospital with representatives of LGBTQ+ Staff Equality Network and Sexual Health Team, engaged with staff on the importance of pronouns and understanding LGBTQ+ terminology.

In February 2023, 60 members of staff commenced the Introduction to British Sign Language course.

During February and March 2023, 12 members of staff attended development programmes in the Hampshire and Isle of Wight ICS, which specifically focuses on developing the talent and leadership skills of Black, Asian and Minority Ethnic members of staff.

Workforce Disability Equality Standard

The NHS Workforce Disability Equality Standard (WDES) came into force on 1st April 2019 and is a set of ten specific measures (metrics) that will enable NHS organisations to compare the experiences of disabled and non-disabled staff. The metrics cover areas such as the Board membership, recruitment, bullying and harassment, staff engagement and the voices of disabled staff. The information is used by organisations to develop a local action plan, enabling them to demonstrate progress against the indicators of disability equality. The Trust has an Equality, Diversity and Human Rights Policy with a commitment to comply with the Equality Act 2010 and the public sector equality duty.

The Trust has a commitment to respond positively to the legal, regulatory and commissioner requirements for equality, diversity and inclusion. For example, the Recruitment Selection Policy states that the Trust will guarantee an interview to those candidates that meet the person specification for a vacancy and offer to make reasonable adjustments required for interview, and for successful applicants in the workplace.

A Staff Disability Equality Network was set up in April 2020 to co-design improvement priorities in relation to workplace disability equality and raise awareness of disability equality impacts across the Trust. The NHS Staff Survey 2022 results shows year on year improvement across WDES metrics, and the Staff Networks have been a key driver in this improvement. This has resulted in the Trust being selected by NHS England to participate in a disability equality workforce project in regard to access to a flexible working culture. The outcomes of being involved in this project included:

- Prioritising the drafting of a Reasonable Adjustment Policy.
- Prioritising appointing an Executive Lead Sponsor to the Disability and Long-Term Conditions Staff Equality Network to ensure the voice of the disabled workforce is fed directly to the top level of the organisation.
- Shared findings with the Flexible Working Steering Group.
- Influencing national NHS strategies and conversations on disability in the workforce.
- Awareness of neurodivergent conditions webinar facilitated by lived experience trainers.

The Trust will embark on a Trust-wide diagnostic using the EDS2 framework to inform an Inclusion Strategy and attendant two-year enablement plan to embed exemplar practices across equality, diversity and inclusion.

Executive Lead Sponsors, Chairs and Vice Chairs have now been appointed to all of the staff equality networks. In January 2023, these representatives commenced a 6-month development programme within the Hampshire and IOW ICS. As well as supporting attendees to develop and learn the skills for being an effective Chair, it provides an opportunity to network with fellow network chairs in the region.

The Trust has joined the Sunflower Hidden Disabilities Scheme, to further enhance inclusive culture by ensuring that both staff and service users with a hidden disability can be recognised and supported when declared by using a sunflower lanyard. The training on recognising and understanding the Sunflower is now embedded within our Trust Staff Induction Programme.

Culture and Leadership Development

The People and Organisational Development Strategy aims to inspire people to demonstrate the behaviours recognised as being important in enabling compassion-centred leadership, staff who

flourish in their work and career development, and ultimately outstanding clinical care and patient experience for service users and their families. Skill development has included preparatory training for implementing the Merseycare Restorative Just and Learning Culture model and principles into all formal human resources processes and employee welfare management. The ethos of rehabilitative, compassion-centred appreciative enquiry will further optimise the aim to enable people to be happy, healthy and motivated at work, whilst integrating an appreciative enquiry approach to strengthening learning culture through quality improvement.

The Trust's values continue to be integrated across the employee experience, including in the way people are attracted to join the organisation, how the Trust recruits, how employees are oriented into the Trust, the organisational induction, people leader orientation and core people leader skills, appraisal, and learning and development. Furthermore, a new leadership development strategy reflecting career and succession development pathways for all staff groups is in design. Competencies and behaviours programmes continue to focus on ensuring leaders are equipped with the behaviours, skills and knowledge needed to lead engaged, highly performing teams effectively. This year has seen continued growth of a speak up culture enabling staff and service users to raise concerns with confidence.

All education and development programmes include an element focussed on how people can connect with the Trust's vision and values, responding positively to quality, safety, and operational obligations.

This continued programme of work will build on the commitment to embedding a climate where staff are valued, take responsibility, where it is clear and easy for staff to have their say, feel engaged and co-create improvements, and work in partnership across the health and social care economy as part of a system. This continuous commitment will enable the organisation to continue to build a flourishing workforce, ensuring that all staff are able to describe their role and purpose with clarity, and experience a deep sense of value in their contribution to maintaining a climate in which all can thrive.

Staff Engagement and Experience

The Trust embraces the NHS Constitution's commitment to treating people with dignity, fairness and respect to create a working environment that is supportive, inclusive and offers personal and professional growth. The need to support and develop compassionate and inclusive leadership, to engage and inspire the workforce, to proactively support wellbeing, to adopt innovative approaches to recruitment and retention, and to maintain a focus on culture, remain critical to success. The Trust embraces the NHS People Plan and its leadership and culture transformation is underpinned by the NHS People Promise.

The People and Organisational Development Strategy sets out a vision to make the organisation a great place to work in a culture where people can thrive and provides clear aims and objectives to make this happen. This strategy is a live document and will be central in supporting the organisation's vision, values and objectives.

The NHS Staff Survey is the largest survey of staff opinion in the UK and one of the largest staff surveys in the world. Each year NHS staff are encouraged to '*have a voice that counts*' and to share their views on the range of their experience at work. Results from the survey are used to improve care for patients and working conditions for staff. As an organisation, the Trust utilises these results to direct engagement, to deliver improvements and to inform best practice.

The NHS Staff Survey results have shown positive improvements and the Trust is committed to inspire quality improvement by building a well-led architecture for collective leadership; staff engagement; health and wellbeing; and diversity and inclusion. The Trust is building on its talent and succession planning to secure the future.

A multi-methods approach:

In order to support staff to feel engaged and to "*have a voice that counts*", the Trust introduced the following interventions throughout 2022/23:

- **Staff Recognition Programme**: Continued to improve these staff recognition programmes, inclusive of Employee of the Month, IOW NHS Care Awards, Long Service Awards, Social Shoutouts, Greatix, Chief Executive Awards
- **On site Pay Clinics**: Arranged Pay Clinics on site or via Teams, for staff to talk directly with SBS about pay issues to support a resolution
- **Salary Incentive Schemes:** Staff salary incentive schemes have been introduced to support busy periods
- **Feedback**: Receiving feedback from the community by introducing "Social Shoutouts" and "Feedback Friday"; enabling positive feedback to reach those it was intended for and reinforce the value of Trust people.
- **All Staff Briefings**: The Executive Team has continued to deliver consistent staff briefings to ensure people remain informed.
- **Social Media**: The Trust has continued to use Facebook, Twitter and Instagram to engage with the staff, share key messages and celebrate the successes of ***TeamIOW***
- **Career Clinics:** Quarterly Career Clinics, providing advice and guidance to those individuals who are interested in developing their careers. 1-2-1 career coaching sessions designed to empower individuals to take ownership of their career
- **Improved Wellbeing Offers:** Hosted both Summer and Winter wellbeing events and have taken staff to a national 'Wellfest' event. The Trust now has over 80 Wellbeing Champions supporting the wellbeing across the organisation and has successfully delivered a wellbeing essentials programme to over 200 staff
- **Mental Health First Aiders and TRiM Practitioners:** Increased the training offer for additional Mental Health First Aiders along with an additional 26 TRiM Practitioners supporting staff across all divisions in the Trust
- **Mental Health & Wellbeing Role:** Created a new role in Occupational Health to support staff mental health and wellbeing.

NHS Staff Survey

The 2022 Staff Survey was live during October and November 2022 with 2,139 members of staff taking part. This equates to a 57% response rate and is 8% lower than the 2021 result of 65%.

For the first time, the 2022 staff survey was made available to 'Bank Staff'. 118 members of the bank responded, this equated to a 22% response rate.

The staff engagement scores have seen a slight decline across Acute & Corporate and Community Divisions, Mental Health and Learning Disabilities Division has remained the same. Our Ambulance Service has improved and continues to achieve national best benchmark score when compared nationally.

Staff Engagement Scores					
Division	**2018**	**2019**	**2020**	**2021**	**2022**
Acute & Corporate	6.4	6.7	6.9	6.9	**6.7**
Ambulance	6.1	6.3	6.7	6.3	**6.6**
Community	6.5	6.6	7.2	7.2	**7.1**
Mental Health & Learning Disabilities	6.5	6.7	6.9	7.0	**7.0**

The Staff Engagement Advocacy Scores overall have seen a decline in 2022 across divisions. Ambulance Division has seen improvements in staff recommending the organisation as a place to work and Care of Patients/Service Users is the organisation's top priority. Mental Health and Learning Disabilities (MHLD) Division has also seen a slight increase in recommending the organisation as a place to work.

See below for the staff engagement Advocacy scores

Q. I would recommend my organisation as a place to work					
Division	2018	2019	2020	2021	2022
Acute & Corporate	39.4%	46.7%	57.2%	57.2%	**52.8%**
Ambulance	45.8%	48.3%	59.6%	50.4%	**59.4%**
Community	35.8%	38.4%	62.8%	64.9%	**62.5%**
Mental Health & Learning Disabilities	46.2%	43.0%	55.2%	60.2%	**61.6%**
Q. If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation					
	2018	2019	2020	2021	**2022**
Acute & Corporate	39.7%	43.3%	54.1%	54.2%	**45.6%**
Ambulance	43.4%	35.4%	66.0%	59.3%	**54.0%**
Community	36.8%	35.1%	58.3%	55.0%	**50.9%**
Mental Health & Learning Disabilities	38.4%	37.8%	51.3%	52.9%	**52.5%**
Q. Care of Patients/Service users is my organisations top priority					
	2018	2019	2020	2021	**2022**
Acute & Corporate	61.9%	67.5%	73.0%	74.7%	**68.4%**
Ambulance	60.6%	63.6%	73.5%	66.0%	**69.2%**
Community	54.2%	61.5%	75.1%	79.0%	**72.6%**
Mental Health & Learning Disabilities	58.8%	57.7%	71.5%	76.1%	**74.0%**

NHS Staff Survey 2022 – Performance Summary

Acute	***Ambulance***
3/7 People Promise themes exceed the average benchmark 1. We are recognised and rewarded 2. We work flexibly 3. We are a team **2/7 People Promise themes meet the average benchmark** 1. We are compassionate and inclusive 2. We each have a voice that counts 3. We are safe and healthy 4. We are always learning 2/7 NHS People Promise themes **Staff engagement score 6.7** (Slightly below average) **Morale 5.8** (Exceeds average benchmark)	**6/7 People Promise themes meet the national best benchmark** 1. We are compassionate and inclusive 2. We are recognised and rewarded 3. We each have a voice that counts 4. We are safe and healthy 5. We work flexibly **1/7 People Promise theme exceeds the average benchmark** 1. We are always learning **Staff engagement score 6.6** (Meets national best benchmark) **Morale 5.8** (Meets national best benchmark)
Community	***MHLD***
4/7 People Promise themes exceed the average benchmark 1. We are recognised and rewarded 2. We are always learning 3. We work flexibly 4. We are a team **1/7 People Promise themes meet the average benchmark** 1. We are compassionate and inclusive **2/7 People Promise themes slightly below average benchmark** 2. We each have a voice that counts 3. We are safe and healthy **Staff engagement score 7.1** (Slightly below average) **Morale 6.2** (Exceeds average benchmark)	**1/7 People Promise themes meet the national best benchmark** 1. We are always learning **3/7 People Promise themes exceed the average benchmark** 2. We are safe and healthy 3. We work flexibly **3/7 People Promise themes meet the average benchmark** 1. We are compassionate and inclusive 2. We are recognised and rewarded 3. We are a team **1/7 People Promise themes slightly below average** 4. We each have a voice that counts **Staff engagement score 7.0** (Meets average benchmark) **Morale 6.3** (Exceeds average benchmark)

Integrating cultural quality improvement

The People and Organisational Development Strategy aims underpin the strategic operational imperatives and continue to strengthen organisational knowledge, skills, and expertise to deliver the Trust's vision for excellent patient care and experience.

Recent and further cultural diagnostic analysis continues to inform the design, implementation and curating organisational design, development, and behavioural programmes of work to strengthen the commitment to building and maintaining a great place to work for staff. The development

programmes focus on enabling people to demonstrate compassion-centred, effective behaviours, to role model the climate the Trust wishes to sustain, providing staff with the conditions within which they can be happy, healthy and engaged to deliver their best at work.

The values are at the heart of the employee journey; informing how to attract the very best people to come and work for the Trust; how to recruit, orient, and develop. The forthcoming Culture Transformation programme will continue to prioritise investing in leaders from all professional backgrounds to ensure they are equipped with the interpersonal skills and cultural sensitivities to lead diverse, multi-national, talented staff to deliver excellent patient experience.

Leadership programmes focus on understanding how to build inclusive, speak up climates and release optimal performance potential for all staff to authentically feel valued, respected, skilled to deliver their roles, free to raise concerns and suggest quality improvements, and enabled to get the most out of their achievements in the workplace.

The organisational development journey is centred around inclusive talent management and development, building organisational capability, strengthening resiliency, and deepening the employee experience for all staff. The commitment remains to work in collaborative partnership across the health and social care economy as part of a wider system. The Trust is confident that investing in the capabilities, competencies, and organisational behaviours the staff requires to deliver great care will continue to ensure the Trust offers excellent patient experience for the communities it serves.

Informing and Consulting with Staff

The Trust has a number of formal routes for management and staff side to deal with employee relations issues, namely:

a) The Joint Negotiation and Consultative Committee (JNCC).
b) Meetings with the clinical divisions to respond to pressing local issues and enable their speedy resolution.
c) The Local Negotiating Committee (LNC), which meets bi-monthly and includes medical representatives to discuss the strategic overview of medical workforce, policies, workloads, clinical excellence awards, rotas, recruitment, and junior doctors.

The Trust also actively engages with staff in local meetings via the ‘Your Voice’ engagement events and holds additional meetings to consult, discuss, debate with, and inform staff where changes that affect them directly are planned. How the Trust communicates and engages with people matters enormously and it sets the tone for the whole organisation, playing a vital role in supporting the services provided. Despite the communication challenges presented by the COVID-19 pandemic, the Trust has been able to ensure that staff have the information they need in a timely manner. Some highlights include:

- Dedicated bulletins
- A Staff Facebook Group with more than 2,000 members
- Trust-wide signage and productions of multimedia guidance materials
- Video updates and regular All Staff Briefings
- Proactive media relation and stakeholder engagement

Learning, Education and Development

During 2022/23 the Learning, Education and Development supported the delivery of the NHS People Promise through high quality, people focussed learning and development programmes and interventions.

Excellent Education

Statutory and Mandatory Training During 2022/23 the implementation of a new Learning Management System and E-Learning Platform continued. Changes in mandatory compliance requirements for some staff groups impacted on overall compliance though a steady return to Trust mandatory compliance targets is evident.

Learning and Development Needs Analysis In partnership with Clinical and Corporate Divisions an annual diagnostic of learning and development needs is undertaken to inform an employee led training needs analysis ensuring training is planned and delivered that is both relevant and required for staff clinical and non-clinical competence.

Education Co-ordination and Delivery The Trust supports the delivery of a wide range of internal education programmes and co-ordinates access to a wide range of external education programmes/conferences for continuing professional and personal career development, maintaining its drive to ensure provision to staff of compelling career development pathways.

Internal courses:

- 7,778 staff were supported to successfully complete training courses and record each completion, along with non-attendances and cancellations on the ESR Learning Management system.
- 399 staff attended Corporate Induction, receiving a welcome talk from a member of the Executive team, and 444 staff attended a Clinical Induction programme, providing core mandatory training, clinical skills training needed to perform optimally within their clinical roles.
- 32,875 e-Learning modules have been completed successfully.
- Ensured that staff can increasingly access their mandatory training with further transfer of in person mandatory training to e-learning.

External Courses:

- Almost 700 staff were enabled to attend individual professional courses, both clinical and non-clinical, from external training providers during the financial year 2022/23. Further, 31 group training courses, with external training providers have benefitted clinical and non-clinical staff.

Quality Assurance
Education quality is externally monitored by Health Education England (HEE) through the Education Contract. HEE rolled out a new self-assessment (SA) process during 2022/23 whereby organisations carry out and submit their own quality evaluation against a set of standards. The outcomes are followed up with a quality meeting with HEE.

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Learning and Development Journeys

Careers
71 career coaching sessions and 8 career clinics were provided to existing staff and those looking to join the Trust, at which advice and guidance on career options, the recruitment process, interview advice and guidance, and further development opportunities were set out.

Registered Nurse and Healthcare Support Worker career pathways are now published and have been used within recruitment events, these will help existing staff and new employees identify their pathway and the training available to support them.

The Trust continues to develop relationships with local Department of Work and Pensions colleagues supporting the community, attending careers events, with further plans to deliver bi-monthly career clinics. During 2022/23 13 career engagements events with the local community took place.

A strong network has been formed with the 350+ NHS Careers Programme team, who host visits to schools, colleges, and universities to enlighten students on the variety of roles within the NHS. Initial project work is also underway to scope for a Hub on the Isle of Wight at Christ the King School. 26 interactions with schools and colleges took place during 2022/23.

The successful completion of the first Careers for Young People programme took place during 2022/23 with 12 individuals completing a traineeship and progressing on to an apprenticeship, 11 of which are in Healthcare and one in Administration. This has driven the workstream of devising the Growing Our Future Workstream strategy, which was submitted to the People & Organisational Development Committee in March 2023 for approval to allow the exciting initiative to commence planning and implementation across the Trust, over the course of a 3-year plan.

Apprenticeships
2022/23 has seen the development and approval of new trailblazer clinical and non-clinical apprenticeship qualifications/standards by employer groups. This has provided clear pathways and development opportunities for the existing workforce to upskill and aid the recruitment of new employees to the Trust.

This year has seen 90 new starters/enrolments to a range of apprenticeships providing the support and professional development opportunities for many staff, including our Allied Health Professionals (AHPs), Pharmacy Technicians, Advanced Clinical Practitioners, Project Managers, Senior Leaders, and Installation/Maintenance Electricians.

The NHS Leadership Academy is working with provider partners to offer access to their leadership development programmes as part of apprenticeships, in line with the NHS People Plan. Apprenticeships with leadership development programmes are available in Leadership and Management, HR/Learning and Development, Finance, Digital, Coaching and Mentoring.

2022/23 has continued to see excellent investment into apprenticeship courses. A total of £2,806,704 has been spent since 2017 from the rolling levy of £3,814,346.

Learner Placements
Learner placements include the provision of student placements across all pre-registration fields of Nursing and AHPs, with a particular focus on the highly successful Trust Clinical Apprenticeships.

The Trust has developed a placement model supporting students in final placements to work in their place of employment with a view to supported transition to a becoming a registered professional. Additionally, the Trust has enabled island resident UCAS students to explore employment opportunities in the NHS locally.

The Trust has supported the education of Nursing and Midwifery Council (NMC) Practice Supervisors/Assessors and AHP Practice Educators in providing students with quality clinical placements.

Learning and Development Environments

73 candidates have completed multi-professional preceptorship programmes under the new national guidelines. Provision has been increased to support internationally recruited healthcare professionals and apprentices. Collaborative work across Wessex has meant elements of the programme are being used by partnership trusts. Six of the preceptors in this period of time have progressed to more senior roles within and external to the Trust.

131 internationally recruited nurses have joined the Trust with full retention and zero attrition. 17 bootcamps have taken place with educators.

Healthcare and AHP support worker ongoing records of competence have been written and launched in 2022/23, which is now being introduced to all newly recruited healthcare and AHP support workers from induction.

Professional Nurse Advocates
A dedicated intranet page for the Professional Nurse Advocate (PNA) role and an open advert for the PNA training is available on the intranet. This additional role for existing registered nurses is role modelled and endorsed by senior nurse leaders.

Support for supervisors exists in the form of a clinical resilience based clinical supervisor / PNA forum, to ensure all participants receive supervision themselves and feel supported in this role.

The Trust is on track to recruit three new PNAs every quarter to achieve its training goal which will allow a one PNA to 20 Registered Nurses ratio by December 2025.

A total of 72 ‘Hybrid’ Clinical Supervisors have been trained including two Professional Midwifery Advocates, 8 Professional Nurse Advocates, 26 resilience based supervisors with 4 currently waiting for training places and 38 Clinical Supervisors, who currently deliver between 4 and 50 sessions per month.

The impact of this level of support has been greatly received and all departments are requesting sessions and training for staff.

The impact will also be surveyed in the second quarter of 2023/24, with the expected impact expected to show:

- Improved job satisfaction
- Improved working relationships
- Increased recruitment and retention
- Reduction in sickness/absence
- Improved quality improvement
- Patient and staff advocacy
- Greater workforce resilience

Restorative Clinical Supervision is available to all our people.

Healthcare Support Workers
Healthcare Support Workers have designated resources on the Learning Zone and have a voice via a Healthcare and AHP Support Worker Forum, which exists to support all support workers, allowing them to feedback their experiences and challenges, in a space where they will be listened to, and have their concerns actioned. Support Workers are also able to access regular learning opportunities and events.

A review of both the Clinical induction and the Healthcare Support Worker level1 programmes has been undertaken, all material was updated and reviewed during 2022/23. A 'new to care' induction programme will also be available to book from April 2023.

All new starters are welcome to join the corporate induction session followed by the clinical induction programme which includes hand hygiene, resuscitation, people handling, an introduction to e-learning and essential core corporate knowledge.

The Trust has gained Health Education England funding for Health Care Support Worker development. This funding will be put towards an integrated system wide 'Spring Conference', aimed specifically at support workers planned for April / May 2023.

A Healthcare Support Worker specific prospectus and clearly defined learning/career journey will be ready for publication early in 2023/24.

An education link nurse opportunity was launched in March 2023, giving all staff an opportunity to represent an education link within their departments. Meetings are monthly and facilitated by the Practice Development Facilitators.

Knowledge management and dissemination

The Library and Knowledge Services benchmark their services against the HEE Quality and Improvements Outcomes Framework. During 2022/23 sixteen quality improvement actions were identified and agreed to be implemented. All have been achieved.

Medical Education
Portsmouth and IOW Acute Partnership Medical Education Sub-Group has successfully developed a partnership-wide approach to support clinicians who are progressing through a Certificate of Eligibility for Specialist Registration (CESR). A CESR support programme is designed to provide support to aspiring middle grade clinicians who wish to become future consultants working for one of the two partnership trusts. It enables these doctors a route to achieve Specialist Registration with the GMC, a pre-requisite to becoming a consultant. The programme is a key part of the Partnership's 'grow your own' strategy and pivotal to both trusts' workforce plans.

HEE - Wessex regularly revisit the Trust and provide reports and recommendations following the visit.

Two associate clinical tutors have been appointed to support education in the Trust.

The Trust has supported first and second year Physician Associate students throughout the year and hopes this will be an opportunity to recruit to its workforce.

Following the purchase of Virtual Reality simulation equipment, the simulation faculty and teaching programme has been expanded.

Trade Union (Facility Time Publication Requirements) Regulations 2017

Information on the amount and cost of facility time given to Trade Union representatives as specified within the Trade Union (Facility Time Publication Requirements) Regulations 2017 is shown below:

Table 1: Relevant Union Officials

Number of employees who were relevant union officials 2022/23	Full time equivalent employee number
14	11.79

Table 2: Percentage of time spent on facility time

Percentage of time during 2022/23	Number of employees
0%	1
1% to 50%	9
51% to 99%	2
100%	0

Table 3: Percentage of pay bill spent on facility time

Pay bill	Value
The total cost of facility time	£53,418
Total pay bill	£219,965,000
The percentage of the total pay bill spent on facility time	0.02%

Table 4: Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time	100%

Health, safety and security

The Isle of Wight NHS Trust has an excellent health and safety record and, as a responsible employer, encourages and supports staff to report any incidents as part of a healthy, open, and pro security culture. It has a comprehensive policy covering health, safety, and security, which is available on request.

In 2022/23, 11 reports were submitted to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). This compares with 13 reports in 2021/22.

There were 21 manual handling incidents (such as strains and sprains), compared with 28 in 2021/22.

The Trust continues to take a strong approach towards violence and abuse directed at staff and will take legal action against those who are criminally responsible for their actions. Utilising the joint agreement framework with the Crown Prosecution Service, the Trust ensures a more effective

investigation and prosecution of cases where emergency workers are the victim of a crime, particularly in applying the provisions of the Assaults on Emergency Workers (Offences) Act 2018.

The Isle of Wight NHS knows that some staff on the frontline feel that being assaulted is ‘part of the job’. It is not, and it never should be. The primary focus working with Hampshire and Isle of Wight Police utilising Operation Cavell, is to investigate assaults and hate crime against emergency and frontline workers, but the key is to ensure that any incidents involving staff are reported and investigated.

During the year:

- There were 189 physical assaults on staff (178 in 2021/22), which included nine assaults that were criminal acts and dealt with by the police. Clinically challenging behaviours are a major contributor of assaults, for example patients with a diagnosis of dementia. High levels of acuity and significant numbers of patients who are medically optimised for discharge but unable to leave the hospital have meant that assaults of this kind have increased during 2022/23.

  The Trust is working with clinical teams to ensure they have enhanced skills in supporting patients who may be confused or distressed, and, as a result, become violent or aggressive. This work includes a new training programme being introduced in 2023/24.

- There were 313 (336 in 2021/22) reports of verbal abuse. Owing to conflict resolution training and a very visible Health & Safety and Security team, staff are more likely to report these incidents as there are more support mechanisms in place to safely manage these situations.
- A member of security was called 683 times (224 in 2021/22) to assist the wards with situations such as violence and aggression, verbal altercations causing alarm and distress, missing patients and Anti-Social Behaviour. The security team has received more training and support throughout 2022/23 to further strengthen its ability to report incidents and support staff to manage situations.

Independent Auditor's Report

The Role of the Auditor

External auditors have two broad objectives:

- To review and report on the Trust's annual accounts and statement on governance.
- To review whether the Trust has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.

Auditors are required to comply with the Code of Audit Practice (published by the Audit Commission) and International Standards on Auditing (United Kingdom and Ireland) (ISAs (UK&I).

The appointed auditor will audit the Trust's annual accounts and give an opinion stating whether the accounts give a true and fair view of the organisation's affairs at the end of the financial year.

Auditors will also consider the Annual Report and make a statement, in their audit opinion, if its contents are inconsistent with their knowledge of the organisation. In addition to their opinion on the accounts, auditors are also required to issue:

- A report to those charged with governance (in most cases the Audit Committee) incorporating the report required under ISA (UK&I) 260 and setting out the main matters arising from the audit of the annual accounts.
- An audit results report summarising the key issues arising from audit work throughout the year.

Auditors also have special reporting powers and can issue a public interest report or make a referral to the Secretary of State.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ISLE OF WIGHT NHS TRUST

Opinion

We have audited the financial statements of Isle of Wight NHS Trust for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 38, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards as interpreted and adapted by the 2022/23 HM Treasury's Financial Reporting Manual (the 2022/23 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2022 to 2023 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England.

In our opinion the financial statements:

- give a true and fair view of the financial position of Isle of Wight NHS Trust as at 31 March 2023 and of the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022 to 2023; and
- have been prepared properly in accordance with the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01 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 directors' 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 Trust's ability to continue as a going concern for a period of 12 months to 30 June 2024 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

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 directors are 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 this 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 there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- other information published together with the audited financial statements is consistent with the financial statements; and
- the parts of the Remuneration Report and Staff Report identified as subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022 to 2023.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

- in our opinion the governance statement does not comply with NHS England's guidance; or
- we issue a report in the public interest under section 24 and schedule 7 of the Local Audit and Accountability Act 2014 (as amended); or
- we make a written recommendation to the Trust under section 24 and schedule 7 of the Local Audit and Accountability Act 2014 (as amended); or
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in these respects.

In respect of the following, we have matters to report by exception:

Referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014

We referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

At 31 March 2023, Isle of Wight NHS Trust has reported a deficit against its incoming resources for the financial year of £24.811 million in its draft accounts, but has failed to meet the break-even duty over a rolling 3-year period, with a cumulative deficit at 31 March 2023 of £112.086 million.

Under Paragraph 2 (1) of Schedule 5 of the 2006 Act, an NHS Trust shall ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to its revenue account.

Responsibilities of the Directors and Accountable Officer

As explained more fully in the 'Statement of directors' responsibilities in respect of the accounts', the directors are 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 directors determine 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 directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to cease operations of the Trust, or have no realistic alternative but to do so.

As explained in the 'Statement of the chief executive's responsibilities as the accountable officer of the trust', as the accountable officer of Isle of Wight NHS Trust, the chief executive is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State and for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibility 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are the National Health Service Act 2006, the Health and Social Care Act 2012 and the Health and Care Act 2022, as well as relevant employment laws of the United Kingdom. In addition, the Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.

- We understood how Isle of Wight NHS Trust is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, internal audit and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the Trust's board minutes, through enquiry of employees to verify Trust policies, and through the inspection of and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue) and management override of controls to be our fraud risks.

- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we tested the Trust's manual year end receivable and payable accruals, challenged assumptions and corroborated the recorded transactions to appropriate evidence. We tested year-end cut-off arrangements by selecting samples of income and expenditure from either side of the 31 March 2023 balance sheet date, and reviewing to supporting evidence to ensure these were recorded in the appropriate financial year.

- To address the presumed fraud risk of management override of controls, we implemented a journal entry testing strategy, assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions. This included testing specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in January 2023, as to whether the Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under section 21(2A)(c)of the Local Audit and Accountability Act 2014 (as amended) to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice does not require us to refer to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resource if we are satisfied that proper arrangements are in place.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

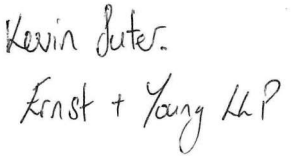
Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2023. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

Use of our report

This report is made solely to the Board of Directors of Isle of Wight NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors, for our audit work, for this report, or for the opinions we have formed.



Kevin Suter (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Southampton
29 June 2023

Annual Accounts 2022/23

Isle of Wight NHS Trust

Annual accounts for the year ended 31 March 2023

Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	3	265,769	266,977
Other operating income	4	19,089	18,085
Operating expenses	7, 9	(306,551)	(282,023)
Operating surplus/(deficit) from continuing operations		**(21,693)**	**3,039**
Finance income	11	463	8
Finance expenses	12	(56)	(18)
PDC dividends payable		(3,794)	(3,556)
Net finance costs		**(3,387)**	**(3,566)**
Other gains / (losses)	13	(1)	9
Surplus / (deficit) for the year from continuing operations		**(25,081)**	**(518)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		**(25,081)**	**(518)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	-	(10)
Revaluations	15	5,755	5,795
Other reserve movements		1	-
Total comprehensive income / (expense) for the period		**(19,325)**	**5,267**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(25,081)	(518)
Remove net impairments not scoring to the Departmental expenditure limit		246	20
Remove I&E impact of capital grants and donations		531	190
Remove net impact of inventories received from DHSC group bodies for COVID response		(507)	340
Adjusted financial performance surplus / (deficit)		**(24,811)**	**32**

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	14	11,258	7,805
Property, plant and equipment	15	149,723	124,312
Right of use assets	18	5,725	
Receivables	20	440	428
Total non-current assets		**167,146**	**132,545**
Current assets			
Inventories	19	3,775	3,411
Receivables	20	15,687	12,240
Cash and cash equivalents	22	16,451	32,955
Total current assets		**35,913**	**48,606**
Current liabilities			
Trade and other payables	23	(51,261)	(38,688)
Borrowings	25	(1,360)	(72)
Provisions	27	(122)	(178)
Other liabilities	24	(5,950)	(5,730)
Total current liabilities		**(58,693)**	**(44,668)**
Total assets less current liabilities		**144,366**	**136,483**
Non-current liabilities			
Borrowings	25	(4,365)	-
Provisions	27	(832)	(993)
Total non-current liabilities		**(5,197)**	**(993)**
Total assets employed		**139,169**	**135,490**
Financed by			
Public dividend capital		142,980	120,383
Revaluation reserve		39,244	33,504
Income and expenditure reserve		(43,055)	(18,397)
Total taxpayers' equity		**139,169**	**135,490**

The notes on the following pages form part of these accounts.

Name Penny Emerit
Position Chief Executive
Date 26 June 2023

Signed 

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**120,383**	**33,504**	**-**	**-**	**-**	**(18,397)**	**135,490**
Implementation of IFRS 16 on 1 April 2022	**-**	**-**	**-**	**-**	**-**	**407**	**407**
Surplus/(deficit) for the year	-	-	-	-	-	(25,081)	**(25,081)**
Other transfers between reserves	-	(15)	-	-	-	15	**-**
Revaluations	-	5,755	-	-	-	-	**5,755**
Public dividend capital received	22,597	-	-	-	-	-	**22,597**
Other reserve movements	-	-	-	-	-	1	**1**
Taxpayers' and others' equity at 31 March 2023	**142,980**	**39,244**	**-**	**-**	**-**	**(43,055)**	**139,169**

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**114,214**	**27,767**	**-**	**-**	**-**	**(17,927)**	**124,054**
Prior period adjustment	-	-	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2021 - restated	**114,214**	**27,767**	**-**	**-**	**-**	**(17,927)**	**124,054**
Surplus/(deficit) for the year	-	-	-	-	-	(518)	**(518)**
Impairments	-	(10)	-	-	-	-	**(10)**
Revaluations	-	5,795	-	-	-	-	**5,795**
Public dividend capital received	6,169	-	-	-	-	-	**6,169**
Taxpayers' and others' equity at 31 March 2022	**120,383**	**33,504**	**-**	**-**	**-**	**(18,397)**	**135,490**

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 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.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger reserve
This legacy reserve reflects balances formed on previous mergers of NHS bodies.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(21,693)	3,039
Non-cash income and expense:			
Depreciation and amortisation	7	9,896	7,819
Net impairments	8	246	79
Income recognised in respect of capital donations	4	(68)	(17)
(Increase) / decrease in receivables and other assets		(3,370)	(617)
(Increase) / decrease in inventories		(364)	(85)
Increase / (decrease) in payables and other liabilities		7,994	12,538
Increase / (decrease) in provisions		(217)	309
Net cash flows from / (used in) operating activities		**(7,576)**	**23,065**
Cash flows from investing activities			
Interest received		463	8
Purchase of intangible assets		(6,189)	(2,302)
Purchase of PPE and investment property		(20,120)	(11,548)
Sales of PPE and investment property		7	9
Receipt of cash donations to purchase assets		68	17
Net cash flows from / (used in) investing activities		**(25,771)**	**(13,816)**
Cash flows from financing activities			
Public dividend capital received		22,597	6,169
Capital element of lease liability repayments		(1,528)	(120)
Other interest		-	(14)
Interest element of lease liability repayments		(44)	(4)
PDC dividend (paid) / refunded		(4,171)	(4,325)
Cash flows from (used in) other financing activities		(11)	-
Net cash flows from / (used in) financing activities		**16,843**	**1,706**
Increase / (decrease) in cash and cash equivalents		**(16,504)**	**10,955**
Cash and cash equivalents at 1 April - brought forward		**32,955**	**22,000**
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		**32,955**	**22,000**
Cash and cash equivalents transferred under absorption accounting	33	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	22	**16,451**	**32,955**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

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

The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Hampshire and Isle of Wight Integrated Care System (ICS) and has strategic partnerships in place with Portsmouth Hospitals University NHS Trust for Acute services, Solent NHS Trust and Southern Health NHS Foundation Trust for Mental Health and Community services, and with South Central Ambulance Service NHS Foundation Trust for Ambulance services. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust has returned a deficit of £24.8m against a original plan of £13.1m which reflects the operational pressures experienced during 2022/23. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which maintained liquidity and cash flow during the year. Additional costs due to the pandemic for testing and vaccinations continued to be supported on an actual cost reimbursement. The breakeven duty has not been met over a rolling 3 year period and therefore the auditors are still required to make a referral under S30 of the Local Audit & Accountability Act 2014 to the Secretary of State.

For 2023/24 the income from Commissioners will continue to be largely based on the simplified block payment system but with an element of Payments by Results. The Trust has produced its financial plan for the year based on these assumptions, which have been approved by the Trust Board, with a deficit of £24.8m. The Trust will continue to work on long term financial sustainability to improve the position going forward and is working with the Hampshire and Isle of Wight Integrated Care Board to achieve this.

During 2023/24 preparations are being made for Project Fusion which will see Community and Mental Health and Learning Disabilities services transfer to a new organisation with Southern Health NHS Foundation Trust and Solent NHS Trust from 1st April 2024. Income and expenditure, and assets and liabilities are being analysed to ensure that the correct levels are ascertained for the new organisation so as not to disadvantage the Trust and the other parties. All information provided by the Trust is being ratified by the Chief Executive led Corporate Steering Group, before being shared with Project Fusion partners. The Board is yet to approve what is to be transferred in terms of services and assets, and the mechanism for transfer.

Our going concern assessment is made up to 30 June 2024. This includes the first quarter of the 2024/25 financial year and shows that the Trust is forecasting to have sufficient cash resources to continue to operate during that time. NHS operating and financial guidance is not yet issued for that year, and the Trust has assumed similar arrangements to 2023/24 with commissioned contracts in place to support continued operations.

The Trust has prepared a cash forecast to 30 June 2024, modelled on the above expectations for funding. Due to the planned deficit the cash forecast shows the requirement to access interim revenue support and the Trust is following the NHS England revenue support process. In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

Note 1.3 Interests in other entities

The Isle of Wight NHS Trust Charitable Funds Accounts, for which the Isle of Wight NHS Trust is a Corporate Trustee, are not material and are therefore not consolidated.

Note 1.4 Revenue from contracts with customers

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

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

Revenue from NHS contracts

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

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.
The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

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

Apprenticeship service income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. 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

NHS Pension Scheme

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

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

The Trust also makes contributions to an occupational pension scheme set up in accordance with the Automatic Enrolment (Miscellaneous Amendments) Regulations 2012. The scheme is a defined contribution scheme, for which the Trust accounts for its employer contributions within 'other pension costs' in these financial statements.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are ‘machinery of government changes’ and treated as continuing operations.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
• 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, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own 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

Valuation

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

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

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:
• Land and non-specialised buildings – existing use value
• Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity.

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

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their ‘fair value less costs to sell’. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the trust by the Department of Health and Social Care during 2020/21 as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	59
Dwellings	-	-
Plant & machinery	4	25
Transport equipment	5	15
Information technology	3	14
Furniture & fittings	2	17

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value 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.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Information technology	1	20

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets 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 are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently 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 and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

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.

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

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Derecognition

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.

Note 1.14 Leases

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

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

The Trust as a lessee

Recognition and initial measurement

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. 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 a lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

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

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

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

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 30.2 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.

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 31 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 Public dividend capital

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

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

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

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

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

Note 1.18 Value added tax

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

Note 1.19 Climate change levy

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

Note 1.20 Foreign exchange

The functional and presentational currency of the trust is sterling.

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

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

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

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

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

Note 1.21 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. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM* .

Note 1.22 Losses and special payments

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

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.

Note 1.23 Early adoption of standards, amendments and interpretations

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

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, as interpreted and adapted by the FREM to be effective from 1 April 2025: early adoption is not permitted.

Other standards, amendments and interpretations

IFRS 14 Regulatory Deferral Accounts - Not UK endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC bodies.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:
Inventories – In general the value of all inventories is determined by annual stock take as at 31st March or as close to that date as is reasonably practical. Inventories are valued at the lower of cost and net realisable value using the first-in first-out formula (except pharmacy stocks which are at weighted average cost).

Income Accruals – Where possible these are based on actual activity and price. Where it is not possible to quantify actual activity, accruals are estimated based on historical data available for the specific activity taking into account cyclical patterns where this is considered relevant.

Impairment of and Reversals of Financial Assets – All non-NHS receivables are assessed on an expected credit loss basis as required by IFRS 9. All debts relating to the Compensation Recovery Unit will be provided for at 24.86% as per the Group Accounting Manual guidance.

Expenditure Accruals – Where possible these are based on actual activity and price applicable. Where it is not possible to quantify actual activity, accruals are estimated based on historical data available for the specific activity taking into account cyclical patterns where this is considered relevant.

Employee Benefits – Accrual for untaken annual leave is based on number of days carried forward and calculated at the mid-point on the scale. Overtime and travel costs for March have been estimated based on the average of the preceding months.

IFRS16 Accounting for Leases - The Trust has adopted this new accounting policy from 1st April 2022 and has used it's judgement to estimate the asset values and lease liabilities shown in the Financial Statements.

Note 1.26 Sources of estimation uncertainty

Other than the valuation of land and building, there are no key assumptions for 2021/22 concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Although the assumptions behind the valuations of land and building has been developed by a senior member of the Trust's estates team and the Valuation Office Agency, there is inherent uncertainty in the assumptions, which could give rise to a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 2 Operating Segments

The Board receives regular reports of the financial performance and financial position of the Trust, and as an integrated Trust the key financial information for decision making is based on the entity as a whole. It is therefore considered that the Trust has just one reportable segment, a healthcare segment. There are no other segments that constitute 10% or more of the Trust's operations. The Trust receives income from a number of healthcare commissioners, and the respective income levels are disclosed in note 3 to these accounts.

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

Note 3.1 Income from patient care activities (by nature)	2022/23 £000	2021/22 £000
Acute services		
Income from commissioners under API contracts*	143,212	93,796
High cost drugs income from commissioners (excluding pass-through costs)	11,732	6,492
Other NHS clinical income	25,655	104,366
Mental health services		
Income from commissioners under API contracts*	28,491	24,411
Services delivered under a mental health collaborative	-	-
Ambulance services		
A & E income	13,201	6,668
Patient transport services income	1,397	882
Other income	-	-
Community services		
Income from commissioners under API contracts*	21,536	17,206
Income from other sources (e.g. local authorities)	-	-
All services		
Private patient income	1,080	1,115
Elective recovery fund	4,526	4,835
Agenda for change pay offer central funding***	7,187	-
Additional pension contribution central funding**	7,446	6,875
Other clinical income	306	331
Total income from activities	**265,769**	**266,977**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

***In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	**£000**
NHS England	27,525	20,015
Clinical commissioning groups	56,196	245,516
Integrated care boards	180,662	
Department of Health and Social Care	-	-
Other NHS providers	-	-
NHS other	-	-
Local authorities	-	-
Non-NHS: private patients	1,080	1,115
Non-NHS: overseas patients (chargeable to patient)	50	18
Injury cost recovery scheme	256	313
Non NHS: other	-	-
Total income from activities	**265,769**	**266,977**
Of which:		
Related to continuing operations	265,769	266,977
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2022/23	2021/22
	£000	£000
Income recognised this year	50	18
Cash payments received in-year	34	5
Amounts added to provision for impairment of receivables	13	6
Amounts written off in-year	-	-

Note 4 Other operating income	2022/23	2021/22
	£000	£000
Research and development	711	735
Education and training	5,818	5,565
Non-patient care services to other bodies	6,188	4,887
Reimbursement and top up funding	690	2,197
Income in respect of employee benefits accounted on a gross basis	688	581
Receipt of capital grants and donations and peppercorn leases	68	17
Charitable and other contributions to expenditure	551	1,116
Support from the Department of Health and Social Care for mergers	-	-
Revenue from finance leases (variable lease receipts)	-	-
Revenue from operating leases	479	453
Amortisation of PFI deferred income / credits	-	-
Other income	3,896	2,534
Total other operating income	**19,089**	**18,085**
Of which:		
Related to continuing operations	19,089	18,085
Related to discontinued operations	-	-

Material items included within Other Income include NHS Creative and other Income Generation £2,171k, , Catering £371k, Estates Recharges £365k, Car Parking £283k, Printroom £225k, Occupational Health Commercial £44k, Pharmacy Sales £17k and Ferry Ticket Sales £11k

The need to differentiate between Contract and Non-Contract income is not mandatory therefore we have not disclosed contract and non-contract income separately as in previous years

Note 5 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2022/23	2021/22
	£000	£000
Income	1,910	1,780
Full cost	(2,011)	(1,808)
Surplus / (deficit)	**(101)**	**(28)**

Note 6 Operating leases - Isle of Wight NHS Trust as lessor

This note discloses income generated in operating lease agreements where Isle of Wight NHS Trust is the lessor.

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

Leases comprise of rental of the Renal and Audiology Units by Portsmouth Hospitals NHS Trust and other smaller value leases of Land and Buildings.

Note 6.1 Operating lease income

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	479	453
Variable lease receipts / contingent rents	-	-
Other		-
Total in-year operating lease income	**479**	**453**

Note 6.2 Future lease receipts

	31 March 2023
	£000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	464
- later than one year and not later than two years	420
- later than two years and not later than three years	186
- later than three years and not later than four years	179
- later than four years and not later than five years	172
- later than five years	142
Total	**1,563**

	31 March 2022
	£000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	398
- later than one year and not later than five years;	563
- later than five years.	-
Total	**961**

Note 7 Operating expenses

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,437	2,403
Purchase of healthcare from non-NHS and non-DHSC bodies	-	-
Purchase of social care	-	-
Staff and executive directors costs	219,965	196,795
Remuneration of non-executive directors	138	136
Supplies and services - clinical (excluding drugs costs)	17,769	20,010
Supplies and services - general	2,485	2,802
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	18,493	17,276
Inventories written down	38	14
Consultancy costs	809	1,808
Establishment	4,827	4,811
Premises	12,731	11,667
Transport (including patient travel)	3,534	2,922
Depreciation on property, plant and equipment and right of use assets	8,029	6,393
Amortisation on intangible assets	1,867	1,426
Net impairments	246	79
Movement in credit loss allowance: contract receivables / contract assets	68	113
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	-	-
Fees payable to the external auditor		
audit services- statutory audit	127	108
other auditor remuneration (external auditor only)	-	-
Internal audit costs	66	62
Clinical negligence	5,763	5,291
Legal fees	375	690
Insurance	23	125
Research and development	-	-
Education and training	1,205	906
Expenditure on short term leases (current year only)	278	
Expenditure on low value leases (current year only)	-	
Variable lease payments not included in the liability (current year only)	-	
Rentals under operating leases (comparative only)		1,038
Early retirements	-	-
Redundancy	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	348	524
Hospitality	155	38
Losses, ex gratia & special payments	-	-
Grossing up consortium arrangements	-	-
Other services, eg external payroll	173	184
Other	4,602	4,402
Total	**306,551**	**282,023**
Of which:		
Related to continuing operations	306,551	282,023
Related to discontinued operations	-	-

Material items of Other Expenditure include External Contractors, Clinical and Non-Clinical Audits, Services from Local Authority, Patient Expenses, Staff Consultancy and Support and Interpreting Services

Note 7.1 Other auditor remuneration

	2022/23	2021/22
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**-**

Note 7.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2021/22: £2 million).

Note 8 Impairment of assets

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	59
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price*	246	20
Other	-	-
Total net impairments charged to operating surplus / deficit	**246**	**79**
Impairments charged to the revaluation reserve	-	10
Total net impairments	**246**	**89**

*The Impairment relates to the downward movement in two Trust properties where significant investment did not affect the valuation.

Note 9 Employee benefits

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	159,533	139,839
Social security costs	17,573	14,201
Apprenticeship levy	784	676
Employer's contributions to NHS pensions	24,523	22,532
Pension cost - other	45	31
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	-	-
Temporary staff (including agency)	20,220	19,828
Total gross staff costs	**222,678**	**197,107**
Recoveries in respect of seconded staff	-	-
Total staff costs	**222,678**	**197,107**
Of which		
Costs capitalised as part of assets	2,713	312

Note 9.1 Retirements due to ill-health

During 2022/23 there were 4 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £160k (£42k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	463	8
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	**463**	**8**

Note 12 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	-	-
Interest on other loans	-	-
Interest on overdrafts	-	-
Interest on lease obligations	44	4
Interest on late payment of commercial debt	-	2
Main finance costs on PFI and LIFT schemes obligations	-	-
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	**44**	**6**
Unwinding of discount on provisions	-	-
Other finance costs	12	12
Total finance costs	**56**	**18**

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2022/23	2021/22
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	2
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	-	9
Losses on disposal of assets	(1)	-
Total gains / (losses) on disposal of assets	**(1)**	**9**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Gains/(losses) on remeasurement of finance lease receivables (lessor)	-	-
Gains/(losses) on termination of finance leases (lessor)	-	-
Other gains / (losses)	-	-
Total other gains / (losses)	**(1)**	**9**

Note 14 Intangible assets - 2022/23

	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**16,391**	**866**	**17,257**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	**-**
Transfers by absorption	-	-	**-**
Additions	4,693	535	**5,228**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	92	-	**92**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	(147)	-	**(147)**
Valuation / gross cost at 31 March 2023	**21,029**	**1,401**	**22,430**
Amortisation at 1 April 2022 - brought forward	**9,452**	**-**	**9,452**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	**-**
Transfers by absorption	-	-	**-**
Provided during the year	1,867	-	**1,867**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	-	-	**-**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	(147)	-	**(147)**
Amortisation at 31 March 2023	**11,172**	**-**	**11,172**
Net book value at 31 March 2023	**9,857**	**1,401**	**11,258**
Net book value at 1 April 2022	**6,939**	**866**	**7,805**

Note 14.1 Intangible assets - 2021/22

	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021 - as previously stated	**13,969**	**454**	**14,423**
Prior period adjustments	-	-	**-**
Valuation / gross cost at 1 April 2021 - restated	**13,969**	**454**	**14,423**
Transfers by absorption	-	-	**-**
Additions	2,422	412	**2,834**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	-	-	**-**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	-	-	**-**
Valuation / gross cost at 31 March 2022	**16,391**	**866**	**17,257**
Amortisation at 1 April 2021 - as previously stated	**8,026**	**-**	**8,026**
Prior period adjustments	-	-	**-**
Amortisation at 1 April 2021 - restated	**8,026**	**-**	**8,026**
Transfers by absorption	-	-	**-**
Provided during the year	1,426	-	**1,426**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	-	-	**-**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	-	-	**-**
Amortisation at 31 March 2022	**9,452**	**-**	**9,452**
Net book value at 31 March 2022	**6,939**	**866**	**7,805**
Net book value at 1 April 2021	**5,943**	**454**	**6,397**

Note 15 Property, plant and equipment - 2022/23

	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 2022 - brought forward	**8,257**	**97,250**	**-**	**6,931**	**23,861**	**2,190**	**9,966**	**1,870**	**150,325**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(778)	-	-	-	**(778)**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	-	-	16,548	5,517	15	4,015	73	**26,168**
Impairments	-	(246)	-	-	-	-	-	-	**(246)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	30	(3,428)	-	-	-	-	-	-	**(3,398)**
Reclassifications	-	5,892	-	(6,585)	601	-	-	-	**(92)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(123)	(28)	-	(25)	**(176)**
Valuation/gross cost at 31 March 2023	**8,287**	**99,468**	**-**	**16,894**	**29,078**	**2,177**	**13,981**	**1,918**	**171,803**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**5,779**	**-**	**-**	**12,296**	**1,775**	**5,417**	**746**	**26,013**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use assets	-	-	-	-	(713)	-	-	-	**(713)**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	3,404	-	-	1,461	117	963	156	**6,101**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(9,153)	-	-	-	-	-	-	**(9,153)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(122)	(28)	-	(18)	**(168)**
Accumulated depreciation at 31 March 2023	**-**	**30**	**-**	**-**	**12,922**	**1,864**	**6,380**	**884**	**22,080**
Net book value at 31 March 2023	**8,287**	**99,438**	**-**	**16,894**	**16,156**	**313**	**7,601**	**1,034**	**149,723**
Net book value at 1 April 2022	**8,257**	**91,471**	**-**	**6,931**	**11,565**	**415**	**4,549**	**1,124**	**124,312**

Note 15.1 Property, plant and equipment - 2021/22

	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 2021 - as previously stated	**7,310**	**93,770**	**-**	**2,479**	**21,961**	**2,022**	**8,639**	**1,870**	**138,051**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2021 - restated	**7,310**	**93,770**	**-**	**2,479**	**21,961**	**2,022**	**8,639**	**1,870**	**138,051**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	2,093	-	4,511	1,901	202	1,327	-	**10,034**
Impairments	(10)	(79)	-	-	-	-	-	-	**(89)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	170	2,194	-	-	-	-	-	-	**2,364**
Reclassifications	787	(728)	-	(59)	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(1)	(34)	-	-	**(35)**
Valuation/gross cost at 31 March 2022	**8,257**	**97,250**	**-**	**6,931**	**23,861**	**2,190**	**9,966**	**1,870**	**150,325**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**5,653**	**-**	**-**	**10,832**	**1,720**	**4,291**	**590**	**23,086**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2021 - restated	**-**	**5,653**	**-**	**-**	**10,832**	**1,720**	**4,291**	**590**	**23,086**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	3,557	-	-	1,465	89	1,126	156	**6,393**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(3,431)	-	-	-	-	-	-	**(3,431)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(1)	(34)	-	-	**(35)**
Accumulated depreciation at 31 March 2022	**-**	**5,779**	**-**	**-**	**12,296**	**1,775**	**5,417**	**746**	**26,013**
Net book value at 31 March 2022	**8,257**	**91,471**	**-**	**6,931**	**11,565**	**415**	**4,549**	**1,124**	**124,312**
Net book value at 1 April 2021	**7,310**	**88,117**	**-**	**2,479**	**11,129**	**302**	**4,348**	**1,280**	**114,965**

Note 15.2 Property, plant and equipment financing - 31 March 2023

	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
Owned - purchased	8,287	98,961	-	16,894	14,854	313	7,601	1,034	**147,944**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	477	-	-	1,302	-	-	-	**1,779**
Total net book value at 31 March 2023	**8,287**	**99,438**	**-**	**16,894**	**16,156**	**313**	**7,601**	**1,034**	**149,723**

Note 15.3 Property, plant and equipment financing - 31 March 2022

	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
Owned - purchased	8,257	91,041	-	6,931	10,067	415	4,549	1,086	**122,346**
Finance leased	-	-	-	-	65	-	-	-	**65**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - donated/granted	-	430	-	-	1,433	-	-	38	**1,901**
Total net book value at 31 March 2022	**8,257**	**91,471**	**-**	**6,931**	**11,565**	**415**	**4,549**	**1,124**	**124,312**

Note 15.4 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	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
Subject to an operating lease	-	300	-	-	-	-	-	-	**300**
Not subject to an operating lease	8,287	99,138	-	16,894	16,156	313	7,601	1,034	**149,423**
Total net book value at 31 March 2023	**8,287**	**99,438**	**-**	**16,894**	**16,156**	**313**	**7,601**	**1,034**	**149,723**

Note 16 Donations of property, plant and equipment

Donations towards equipment to the value of £30k have been provided by Friends of St.Marys Hospital.

Note 17 Revaluations of property, plant and equipment

All land and buildings have been restated to modern equivalent asset value based on a formal valuation carried out in March 2023, by the District Valuer from the Revenue and Customs Government Department.
The valuations have been carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and Social Care and HM Treasury.
The Trust's plant and equipment assets continue to be carried at depreciated historical cost as a proxy for fair value. Property, plant and equipment is depreciated at rates calculated to write them down to estimated residual values on a straight-line basis over their estimated useful lives as set out in Note 1.9.

Note 18 Leases - Isle of Wight NHS Trust as a lessee

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

The Trust leases various properties, medical equipment, vehicles including Ambulances, and has two managed equipment service contracts containing leases.

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

Note 18.1 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Intangible assets £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	778	-	-	-	-	**778**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	4,645	1,789	1,030	105	-	-	**7,569**	1,837
Transfers by absorption	-	-	-	-	-	-	**-**	-
Additions	-	19	-	-	-	-	**19**	-
Remeasurements of the lease liability	-	-	-	-	-	-	**-**	-
Movements in provisions for restoration / removal costs	-	-	-	-	-	-	**-**	-
Impairments	-	-	-	-	-	-	**-**	-
Reversal of impairments	-	-	-	-	-	-	**-**	-
Revaluations	-	-	-	-	-	-	**-**	-
Reclassifications	-	-	-	-	-	-	**-**	-
Disposals / derecognition	-	-	-	-	-	-	**-**	-
Valuation/gross cost at 31 March 2023	**4,645**	**2,586**	**1,030**	**105**	**-**	**-**	**8,366**	**1,837**
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	-	713	-	-	-	-	**713**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-	-	-	**-**	-
Transfers by absorption	-	-	-	-	-	-	**-**	-
Provided during the year	1,221	416	263	28	-	-	**1,928**	185
Impairments	-	-	-	-	-	-	**-**	-
Reversal of impairments	-	-	-	-	-	-	**-**	-
Revaluations	-	-	-	-	-	-	**-**	-
Reclassifications	-	-	-	-	-	-	**-**	-
Disposals / derecognition	-	-	-	-	-	-	**-**	-
Accumulated depreciation at 31 March 2023	**1,221**	**1,129**	**263**	**28**	**-**	**-**	**2,641**	**185**
Net book value at 31 March 2023	**3,424**	**1,457**	**767**	**77**	**-**	**-**	**5,725**	**1,652**
Net book value of right of use assets leased from other NHS providers								-
Net book value of right of use assets leased from other DHSC group bodies								1,652

Note 18.2 Revaluations of right of use assets

The Trust has not revalued any Right of Use Assets during the year.

Note 18.3 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 25.

	2022/23
	£000
Carrying value at 31 March 2022	**72**
IFRS 16 implementation - adjustments for existing operating leases	7,162
Transfers by absorption	-
Lease additions	19
Lease liability remeasurements	-
Interest charge arising in year	44
Early terminations	-
Lease payments (cash outflows)	(1,572)
Other changes	-
Carrying value at 31 March 2023	**5,725**

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 7. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets in £21k and is included within revenue from operating leases in note 4.

Note 18.4 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023	31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	1,402	313
- later than one year and not later than five years;	3,583	859
- later than five years.	868	596
Total gross future lease payments	**5,853**	**1,768**
Finance charges allocated to future periods	(128)	(55)
Net lease liabilities at 31 March 2023	**5,725**	**1,713**
Of which:		
Leased from other NHS providers		-
Leased from other DHSC group bodies		1,713

Note 18.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

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

	31 March 2022
	£000
Undiscounted future lease payments payable in:	
- not later than one year;	72
- later than one year and not later than five years;	-
- later than five years.	-
Total gross future lease payments	**72**
Finance charges allocated to future periods	-
Net finance lease liabilities at 31 March 2022	**72**
of which payable:	
- not later than one year;	72
- later than one year and not later than five years;	-
- later than five years.	-
Total of future minimum sublease payments to be received at the reporting date	-

Note 18.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

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

	2021/22
	£000
Operating lease expense	
Minimum lease payments	1,038
Contingent rents	-
Less sublease payments received	-
Total	**1,038**

	31 March 2022
	£000
Future minimum lease payments due:	
- not later than one year;	1,545
- later than one year and not later than five years;	4,245
- later than five years.	942
Total	**6,732**
Future minimum sublease payments to be received	-

Note 18.7 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 14.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	**6,732**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**6,567**
Less:	
Commitments for short term leases	(48)
Commitments for leases of low value assets	-
Commitments for leases that had not commenced as at 31 March 2022	-
Irrecoverable VAT previously included in IAS 17 commitment	(770)
Services included in IAS 17 commitment not included in the IFRS 16 liability	-
Other adjustments:	
Differences in the assessment of the lease term	-
Public sector leases without full documentation previously excluded from operating lease commitments	28
Variable lease payments based on an index or rate	-
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	1,385
Amounts payable under residual value guarantees	-
Termination penalties not previously included in commitment	-
Finance lease liabilities under IAS 17 as at 31 March 2022	72
Other adjustments	-
Total lease liabilities under IFRS 16 as at 1 April 2022	**7,234**

Note 19 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	1,479	1,443
Work In progress	-	-
Consumables	2,256	1,923
Energy	40	45
Other	-	-
Total inventories	**3,775**	**3,411**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £23,423k (2021/22: £23,234k). Write-down of inventories recognised as expenses for the year were £38k (2021/22: £14k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £551k of items purchased by DHSC (2021/22: £1,116k).

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 20 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	10,879	8,260
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(278)	(214)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	2,008	1,130
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
PDC dividend receivable	89	-
VAT receivable	2,074	1,455
Corporation and other taxes receivable	-	-
Other receivables	915	1,609
Total current receivables	**15,687**	**12,240**
Non-current		
Contract receivables	-	-
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	-	-
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
Operating lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	440	428
Total non-current receivables	**440**	**428**
Of which receivable from NHS and DHSC group bodies:		
Current	9,429	7,311
Non-current	234	216

Note 20.1 Allowances for credit losses

	2022/23		2021/22	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**214**	**-**	**525**	**-**
Prior period adjustments			-	-
Allowances as at 1 April - restated	**214**	**-**	**525**	**-**
Transfers by absorption	-	-	-	-
New allowances arising	82	-	106	-
Changes in existing allowances	24	-	14	-
Reversals of allowances	(38)	-	(7)	-
Utilisation of allowances (write offs)	(4)	-	(424)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2023	**278**	**-**	**214**	**-**

Note 21 Non-current assets held for sale and assets in disposal groups

	2022/23	2021/22
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**-**
Prior period adjustment		**-**
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**-**	**-**
At start of period for new FTs	**-**	**-**
Transfers by absorption	-	-
Assets classified as available for sale in the year	-	-
Assets sold in year	-	-
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than sale	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**

Note 22 Cash and cash equivalents movements

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.

	2022/23	2021/22
	£000	£000
At 1 April	**32,955**	**22,000**
Prior period adjustments		-
At 1 April (restated)	**32,955**	**22,000**
Transfers by absorption	-	-
Net change in year	(16,504)	10,955
At 31 March	**16,451**	**32,955**
Broken down into:		
Cash at commercial banks and in hand	22	23
Cash with the Government Banking Service	16,429	32,932
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**16,451**	**32,955**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**16,451**	**32,955**

Note 22.1 Third party assets held by the trust

Isle of Wight NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2023	31 March 2022
	£000	£000
Bank balances	-	-
Monies on deposit	-	-
Total third party assets	**-**	**-**

Note 23 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	9,237	5,395
Capital payables	10,234	5,147
Accruals	25,002	21,442
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
Social security costs	2,135	2,009
VAT payables	-	-
Other taxes payable	2,113	1,817
PDC dividend payable	-	288
Pension contributions payable	2,540	2,280
Other payables	-	310
Total current trade and other payables	**51,261**	**38,688**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	3,379	4,191
Non-current	-	-

Note 23.1 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2023 £000	31 March 2023 Number	31 March 2022 £000	31 March 2022 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-

Note 24 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	5,950	5,730
Deferred grants	-	-
Deferred PFI credits / income	-	-
Other deferred income	-	-
Total other current liabilities	**5,950**	**5,730**
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Deferred PFI credits / income	-	-
Other deferred income	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	**-**	**-**

Note 25 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	-	-
Other loans	-	-
Lease liabilities*	1,360	72
Obligations under PFI, LIFT or other service concession contracts	-	-
Total current borrowings	**1,360**	**72**
Non-current		
Loans from DHSC	-	-
Other loans	-	-
Lease liabilities*	4,365	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total non-current borrowings	**4,365**	**-**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.

Note 25.1 Reconciliation of liabilities arising from financing activities - 2022/23

	Loans from DHSC	Other loans	Lease Liability	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**-**	**-**	**72**	**-**	**72**
Cash movements:					
Financing cash flows - payments and receipts of principal	-	-	(1,528)	-	**(1,528)**
Financing cash flows - payments of interest	-	-	(44)	-	**(44)**
Non-cash movements:					
Impact of implementing IFRS 16 on 1 April 2022	-	-	7,162	-	**7,162**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	19	-	**19**
Lease liability remeasurements	-	-	-	-	**-**
Application of effective interest rate	-	-	44	-	**44**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2023	**-**	**-**	**5,725**	**-**	**5,725**

Note 25.2 Reconciliation of liabilities arising from financing activities - 2021/22

	Loans from DHSC	Other loans	Lease Liability	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2021	**-**	**-**	**192**	**-**	**192**
Prior period adjustment	-	-	-	-	**-**
Carrying value at 1 April 2021 - restated	**-**	**-**	**192**	**-**	**192**
Cash movements:					
Financing cash flows - payments and receipts of principal	-	-	(120)	-	**(120)**
Financing cash flows - payments of interest	-	-	(4)	-	**(4)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	-	-	4	-	**4**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2022	**-**	**-**	**72**	**-**	**72**

Note 26 Other financial liabilities

	31 March 2023	31 March 2022
	£000	£000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total current other financial liabilities	**-**	**-**
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total non-current other financial liabilities	**-**	**-**

Note 27 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2022	**-**	**-**	**62**	**-**	**-**	**-**	**1,109**	**1,171**
IFRS 16 implementation - adjustments for onerous lease provisions	-	-	-	-	-	-	-	**-**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Change in the discount rate	-	-	-	-	-	-	-	**-**
Arising during the year	-	-	13	-	-	-	254	**267**
Utilised during the year	-	-	(11)	-	-	-	-	**(11)**
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	**-**
Reversed unused	-	-	(13)	-	-	-	(460)	**(473)**
Unwinding of discount	-	-	-	-	-	-	-	**-**
At 31 March 2023	**-**	**-**	**51**	**-**	**-**	**-**	**903**	**954**
Expected timing of cash flows:								
- not later than one year;	-	-	20	-	-	-	102	**122**
- later than one year and not later than five years;	-	-	31	-	-	-	534	**565**
- later than five years.	-	-	-	-	-	-	267	**267**
Total	**-**	**-**	**51**	**-**	**-**	**-**	**903**	**954**

Other provisions include figures for Industrial Tribunal cases (£228k), provision for various property dilapidations (£398k), Clinicians Pension Compensation Scheme (£236k)

Note 27.1 Clinical negligence liabilities

At 31 March 2023, £45,176k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Isle of Wight NHS Trust (31 March 2022: £64,867k).

Note 28 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	-	-
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**-**	**-**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**-**	**-**
Net value of contingent assets	**-**	**-**

Note 29 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	1,818	2,892
Intangible assets	109	397
Total	**1,927**	**3,289**

Note 30 Financial instruments

Note 30.1 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 Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's auditors.

Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are incurred under contracts with Integrated Care Boards and NHS England, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Market risk
Because the Trust contracts mainly with other NHS bodies the risk that fair value of future cash flows of a financial instrument will fluctuate due to market risk (currency risk, interest rate risk and other market risk) is minimal.

Foreign Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Note 30.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	11,956	-	-	**11,956**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	16,451	-	-	**16,451**
Total at 31 March 2023	**28,407**	**-**	**-**	**28,407**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	10,083	-	-	**10,083**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	32,955	-	-	**32,955**
Total at 31 March 2022	**43,038**	**-**	**-**	**43,038**

Note 30.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	**-**
Obligations under leases	5,725	-	**5,725**
Obligations under PFI, LIFT and other service concession contracts	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	47,011	-	**47,011**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2023	**52,736**	**-**	**52,736**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	**-**
Obligations under leases	72	-	**72**
Obligations under PFI, LIFT and other service concession contracts	-	-	**-**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	34,574	-	**34,574**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2022	**34,646**	**-**	**34,646**

Note 30.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2023 £000	31 March 2022 £000
In one year or less	48,413	34,646
In more than one year but not more than five years	3,583	-
In more than five years	868	-
Total	**52,864**	**34,646**

Note 30.5 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value.

Note 31 Losses and special payments

	2022/23		2021/22	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	3	-	1	-
Fruitless payments and constructive losses	-	-	-	-
Bad debts and claims abandoned	17	4	46	425
Stores losses and damage to property	12	25	13	7
Total losses	**32**	**29**	**60**	**432**
Special payments				
Compensation under court order or legally binding arbitration award	3	16	2	15
Extra-contractual payments	-	-	-	-
Ex-gratia payments	13	8	12	542
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**16**	**24**	**14**	**557**
Total losses and special payments	**48**	**53**	**74**	**989**

Compensation payments received

Note 32 Related parties

The Isle of Wight NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Department of Health and Social Care Ministers, Isle of Wight NHS Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Isle of Wight NHS Trust.

The Trusts Chair fulfils the same role for Portsmouth Hospitals University NHS Trust
A Non-Executive Director fulfills the same role for University Hospital Southampton NHS Foundation Trust
Two Non-Executive Director fulfills the same role for Portsmouth Hospitals University NHS Trust
A Non-Executive Director fulfills the same role for Salisbury NHS Trust Foundation Trust
The Director of Quality Governance who left the Trust in March 2023 was on secondment from Portsmouth Hospitals University Trust, and the Director of Finance has been on secondment from Portsmouth Hospitals University Trust since December 2021.

The Department of Health and Social Care is regarded as a related party. During the year the Isle of Wight NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entries are :

	2022/23		2021/22	
	Expenditure	Revenue	Expenditure	Revenue
	£'000's	£'000's	£'000's	£'000's
*NHS Hampshire, Isle of Wight and Southampton CCG	64	56,714	51	247,360
*NHS Hampshire & Isle of Wight ICB	109	178,741	-	-
NHS England	553	21,833	181	15,958
Health Education England	138	5,340	33	5,217
University Hospital Southampton NHS Foundation Trust	1,341	830	1,123	959
Portsmouth Hospitals NHS Trust	11,330	440	10,566	343
NHS Resolution (formerly NHS Litigation Authority)	5,764	0	5,291	0
South Central Ambulance Service NHS Foundation Trust	324	1,198	309	147
Southern Health NHS Foundation Trust	83	34	0	57
Solent NHS Trust	285	118	493	102

*NHS Hampshire, Isle of Wight and Southampton CCG became the NHS Hampshire & Isle of Wight ICB on 1st July

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with HM Revenue and Customs, NHS Pensions Agency and the Isle of Wight Council.

The Trust has also received revenue and capital payments from the NHS Trust's charitable funds currently registered with the Charity Commission under number 1049606 in the name of Isle of Wight NHS Trust Charitable Funds. The Corporate Trustee of the charitable funds is Isle of Wight NHS Trust. The Trust makes purchases on behalf of the Charity in accordance with Standing Financial Instructions and procurement procedures for which the Charity reimburses the Trust on a monthly basis.

Note 33 Events after the reporting date

There have been no events after the reporting date.

Note 34 Better Payment Practice code

Non-NHS Payables	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Total non-NHS trade invoices paid in the year	30,585	100,039	29,124	82,140
Total non-NHS trade invoices paid within target	28,259	91,279	27,682	78,905
Percentage of non-NHS trade invoices paid within target	92.4%	91.2%	95.0%	96.1%
NHS Payables				
Total NHS trade invoices paid in the year	5,597	16,362	4,695	15,541
Total NHS trade invoices paid within target	5,468	14,886	4,612	14,905
Percentage of NHS trade invoices paid within target	97.7%	91.0%	98.2%	95.9%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 35 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2022/23 £000	2021/22 £000
Cash flow financing	37,573	(4,906)
Leases taken out in year (finance leases in prior year)	-	-
Other capital receipts	-	-
External financing requirement	**37,573**	**(4,906)**
External financing limit (EFL)	37,573	(4,906)
Under / (over) spend against EFL	**(0)**	**-**

Note 36 Capital Resource Limit

	2022/23 £000	2021/22 £000
Gross capital expenditure	31,415	12,868
Less: Disposals	(8)	-
Less: Donated and granted capital additions	(68)	(17)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**31,339**	**12,851**
Capital Resource Limit	31,339	14,404
Under / (over) spend against CRL	**(0)**	**1,553**

Note 37 Breakeven duty financial performance

	2022/23 £000
Adjusted financial performance surplus / (deficit) (control total basis)	(24,811)
Remove impairments scoring to Departmental Expenditure Limit	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	**(24,811)**

Note 38 Breakeven duty rolling assessment

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Breakeven duty in-year financial performance		-	-	-	543	1,613	15	(8,358)
Breakeven duty cumulative position	-	-	-	-	543	2,156	2,171	(6,187)
Operating income		-	-	-	168,757	171,867	174,386	170,276
Cumulative breakeven position as a percentage of operating income		0.0%	0.0%	0.0%	0.3%	1.3%	1.2%	(3.6%)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Breakeven duty in-year financial performance	(10,960)	(22,664)	(30,102)	(17,724)	271	91	(24,811)
Breakeven duty cumulative position	(17,147)	(39,811)	(69,913)	(87,637)	(87,366)	(87,275)	(112,086)
Operating income	171,110	171,395	175,680	199,872	261,966	285,062	284,858
Cumulative breakeven position as a percentage of operating income	(10.0%)	(23.2%)	(39.8%)	(43.8%)	(33.4%)	(30.6%)	(39.3%)

The Trust exited Financial Special Measures in January 2022 but continues to work closely with NHS England for support in achieving longer term financial sustainability.

Contact us

You can find out more information about the Isle of Wight NHS Trust, including details of how to get involved at: www.iow.nhs.uk

Chief Executive

If you have a comment for the Chief Executive, contact:

Penny Emerit, Chief Executive
Email: penny.emerit1@nhs.net

If you require a copy of this document in an alternative format such as large print or a coloured background or in other languages, please contact Board Governance Team on 01983 822099 Ext: 5732 or email iownt.governance-admin-team@nhs.net

Patient Advice and Liaison Service (PALS)

If you require information, support or advice about our services, contact PALS at: iownt.PALS@nhs.net