



Royal Devon
University Healthcare
NHS Foundation Trust

Welcome to the Royal Devon Annual Members Meeting 2024

2-4pm

Tuesday 1 October 2024



Welcome

Dame Shan Morgan, Chair

Programme

Welcome, introductions and approval of the minutes from the 2023 meeting	Dame Shan Morgan, Chair
Highlights 2023/24	Sam Higginson, Chief Executive Officer
Quality performance	Carolyn Mills, Chief Nursing Officer and Adrian Harris, Chief Medical Officer
Operational performance	John Palmer, Chief Operating Officer
Financial performance	Angela Hibbard, Chief Finance Officer
Auditor's statement	Rees Batley, KPMG
Governors' annual report 2023/24 and look forward 2024/25	Quentin Cox, Lead Governor
Q&A	Dame Shan Morgan, Chair

How are Leagues of Friends supporting our patients?

Video

[https://vimeo.com/1014409812/338ea539b3
?share=copy](https://vimeo.com/1014409812/338ea539b3?share=copy)

Board of Directors

Chairman and non-executive directors



Dame Shan Morgan
Chair



Tony Neal
Vice Chair and Senior Independent Director



Alastair Matthews



Bridie Kent



Martin Marshall



**Prof Tim
McIntyre-Bhatty**



Tim Cooper



David Harland

Executive directors



Sam Higginson
Chief Executive
Officer



Chris Tidman
Deputy Chief
Executive Officer



John Palmer
Chief Operating
Officer



Angela Hibbard
Chief Finance
Officer



Prof Adrian Harris
Chief Medical
Officer



Carolyn Mills
Chief Nursing
Officer



Hannah Foster
Chief People
Officer

Highlights 2023/24

Sam Higginson, Chief Executive Officer

Our strategy, mission and values



Scan me!
Read the full strategy here

BETTER TOGETHER

Our strategy 2022-27



Royal Devon
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NHS Foundation Trust

WHY? Our mission

Working together to help you to stay healthy and to care for you expertly and compassionately when you are not

WHAT? Our **CARE** objectives: To deliver our mission, we are focusing on our four CARE objectives

How? Our values

Our four values set out how we will put our strategy into practice by guiding how we behave

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Collaboration and partnerships

We will work in partnership to improve the health of our communities



A

A great place to work

We will create a culture which retains, develops, supports and attracts people to work as part of a team to deliver patient centred care



R

Recovering for the future

We will deliver an equitable recovery and capacity for further change



E

Excellence and innovation in patient care

We will embrace new technologies and ways of working to deliver the best possible care and to enable people to stay well



Compassion



Integrity



Inclusion



Empowerment

Recovering for the future

- **Continued focus on recovery**
 - reducing waiting times for patients
 - improving financial position so we are a stable organisation
- **Infrastructure**
 - **Opening new facilities** – Cardiac Day Case Unit and emergency department expansion (RD&E), Coronation Suite (NDDH), Buttercup Unit (Nightingale Hospital)
 - **Increasing community capacity** – South Molton Eye Centre and Tiverton Endoscopy Unit
 - **New Hospital Programme** – building of Yeo View admin building and enabling works including staff accommodation

Excellence and innovation in patient care

- **Research:**
 - Launch of £15m Biomedical Research Centre run in partnership with the University of Exeter
 - £3m NIHR HealthTech Research Centre launches with a focus on sustainable innovation
 - One of five national Patient Recruitment Centres, delivering 'late phase' commercial clinical trials
- **Digital:**
 - More than 140k patients signed up to our 'MY CARE' patient portal, delivering immediate test and clinical information to patients, and 'fast pass' appointments that would otherwise be wasted
 - Increasing our use of virtual wards for up to 100 patients
 - Top four in the country for the number of patients on a PIFU (patient-initiated follow up) pathway
- **Expansion of robotic surgery**
 - Two new robots – our first at NDDH and third at RD&E
 - Being used across gastrointestinal surgery at NDDH, ear nose and throat, urology and orthopaedics at RD&E

Collaboration and partnerships

- **Working together across Devon NHS:**
 - Peninsula Acute Sustainability Programme – working with colleagues across the peninsula to protect and transform services for the future
 - One Devon electronic patient record - Devon-wide EPR will allow better connection and collaboration to improve care for patients
 - Mutual support and shared Nightingale facility
- **Royal Devon as a community partners**
 - Active role in establishing Local Care Partnerships to coordinate local services and drive improvements in population health
 - First ever Royal Devon strategy on health inequalities published in March 2024 setting out how we will work with partners to deliver tangible differences to the health outcomes of communities
- **Charity:** The Royal Devon Hospitals Charity officially relaunched in December 2023 under its new name, and supports hospitals and services Trust-wide. We are launching a £1.2m fundraising appeal in October 2024 to equip our new hybrid theatre – the Super Theatre appeal.

A great place to work

- **Supporting the health and wellbeing of colleagues**
 - Team Royal Devon
 - Extraordinary People Awards
 - Positive Working Environment Policy
 - Investing in facilities
 - Developing inclusion networks
- **Enhancing learning and development**
 - Leadership programme
 - 500 apprenticeships across 43 different roles, including supported internships e.g. Project SEARCH
 - Supporting international nurses to convert to UK qualifications with 100% success rate
- **Recruiting new colleagues**
 - Promotion of Royal Devon as employer of choice
 - Targeted recruitment campaigns and search for specialist vacancies
 - Partnership marketing
 - Genuine impact, with improved retention and vacancy rate decreasing from 6.88% to 3.72%
 - We recruited
 - **43** consultants, **16** specialty doctors, **85** Trust doctors, two GPs
 - **144** estates and facilities colleagues
 - **271** healthcare support workers
 - **126** allied health professionals
 - **363** nurses



Quality Performance 2023/24

Carolyn Mills, Chief Nursing Officer,
Prof Adrian Harris, Chief Medical Officer

Quality Priorities

- The Trust has a statutory duty under the Health Act 2009, and subsequent Health and Social Care Act 2012, to produce an annual Quality Account for the public
- Quality Accounts are intended to increase public accountability (shared with DCC Overview and Scrutiny Committee) to assure the quality of our services, and drive ongoing quality improvement within NHS organisations
- Within the Trust's annual Quality Account, the Trust identifies several **quality priorities** for improvement in the year ahead which intend to support the Trust in achieving its long-term quality goals
- Progress towards achieving our quality priorities are formally monitored on a quarterly basis by the Trust's Patient Safety Committee & Quality Committee (Board Committee)

2023-24 Quality Priorities

- **Safety:** Implementation of the Patient Safety Incident Response Framework (PSIRF) and National Safety Standards for Invasive Procedures (NatSSIPs2) to further share learning & best practice and to support the continued delivery of safer patient care
- **Patient Experience:** Improving the accessibility of our services to patients, carers and visitors
- **Patient Experience:** Improving the experience of complainants and staff through early resolution of complaints; reflecting the core pillars of the new NHS Complaints Standards
- **Workforce:** A focus on improving and further understanding staff retention through a review of the Trust's retention & incentive strategies and improving the quality of leavers data collection (**Governor objective**)
- **Patient Experience/clinical effectiveness:** Improving the quality of support options to patients experiencing mental ill-health whilst receiving care from the Trust's Acute and Community sites (**Governor objective**)

Summary of 2023/24 Quality Priorities

Priorities:	2023/24 summary
1. Staff Retention	
2. Support to Patients Experiencing Mental Ill-Health	
3. Implementation of NatSSIPs 2	
4. Our Quality Culture	
5. Improving Learning from Incidents	
6. Accessible Services	

Grey	Not due to start yet
Red	Not started and behind schedule / not achieved
Amber	Commenced but behind schedule / risk of not achieving
Blue	Commenced and on-plan
Green	Complete

2024/25 Quality Priorities

Five quality priorities have been agreed for the Royal Devon University Healthcare NHS Foundation Trust in 2024/25:

- **Patient Experience:** Building on the 2023-24 foundational work, a focus on further improving patient communication and the accessibility of its health information to all patients, carers and visitors (**Governor objective**)
- **Out of Hospital Care:** Improving the coordination and integration of the Trust's admission avoidance pathways to enhance patient care in the community (**Governor objective**)
- **Patient Safety:** Building on the implementation of PSIRF and NatSSIPs2 in 2023-24:
 - The development and embedding of Patient Safety Partners within the Trust's governance and performance framework for patient safety
 - A focused delivery of the Trust's patient safety improvement plan, centring on the themes of: *Discharge from Hospital, Omission of medication and Care of Deteriorating Patient*
- **Patient Safety/Experience:** Improving the Trust's insight of health inequalities for patient safety, experience, involvement and engagement through the implementation of a range of new dashboards and reports via the Trust's Risk Management System

CQC inspections

- In May 2023, following on from the site inspections undertaken in November 2022, the CQC undertook an announced Well-led Inspection
- The final report released in August 2023 gave the Trust an overall rating of 'Requires Improvement'
- As part of the CQC's national maternity inspection programme across all hospital maternity care, a short notice announced inspection of the Trust's maternity services was carried out in November 2023 (Focused on Safety and Well-led domains)
- The outcome of the maternity inspection was released in March 2024 in which the Trust has remained as 'Requires Improvement'
- Although the maternity Safety domain rating has remained unchanged across both sites; there was a reduction in the Well-led rating in Eastern services
- In response, the Trust has become part of the National NHS England Maternity Safety Support Programme (MSSP), designed to support the sustained improvement of the Trust's maternity services

What our patients say...

Care Quality Commission National NHS Adult Inpatient Survey 2023:

- The Trust performed well with an overall experience score of 8.6 out of 10, and an average score of 78.9%, an increase from 2022's results
- Out of all general and acute combined NHS Trusts, the Trust ranked 2nd in the country, and 1st in the South West

National Cancer Patient Experience Survey 2023:

- The Trust again performed well with 10 of the 59 survey responses above the expected national range and no responses below the expected range
- The Trust ranked as joint 16th out of 131 Trusts nationally, and was 2nd within the Peninsula system

Care Quality Commission National NHS Maternity Services Survey 2023:

- The Trust performed well across all three domains (*Antenatal care, Labour and Birth and Postnatal Care*) with 53 out of 54 questions remaining either the same or better than expected compared to the national Trust average.
- The Trust has remained in line with the national picture across all NHS Trusts but notes further work is required to continue to improve our approach to postnatal care, including further linking in with Public Health Nursing to provide a more seamless service.

Operational Performance 2023/24

John Palmer, Chief Operating Officer

2023/24 in numbers

- We carried out just over **270,000** operations/procedures, and **saw over one million** outpatients
- Our emergency departments, minor injury units and walk in centres saw an average of **528 people per day**
- We provided care to over **50,000 people** in their own homes
- **4,690** babies were delivered by our maternity services

Our performance

- By Q4, we were delivering **15% more patient care than pre COVID**
- Patients waiting over one year **reduced by just under 50%**
- Those waiting longer than 78 weeks **reduced by just over 80% and no patients waited longer than two years**
- Patients starting cancer treatment within two months of a GP referral increased from 61.9% in March 2023 to 69.6% in March 2024. The Trust was **removed from Tier 1** for cancer long waits nationally as a result of this improved performance.
- **ED four hour waiting time performance improved dramatically from 60% in March 2023 to 78% in March 2024**
- Teams responded within **two hours in more than 90% of cases** needing urgent care response in the community

END OF YEAR PERFORMANCE

Urgent Emergency Care

4 hour waits **80% (vs 76%)**

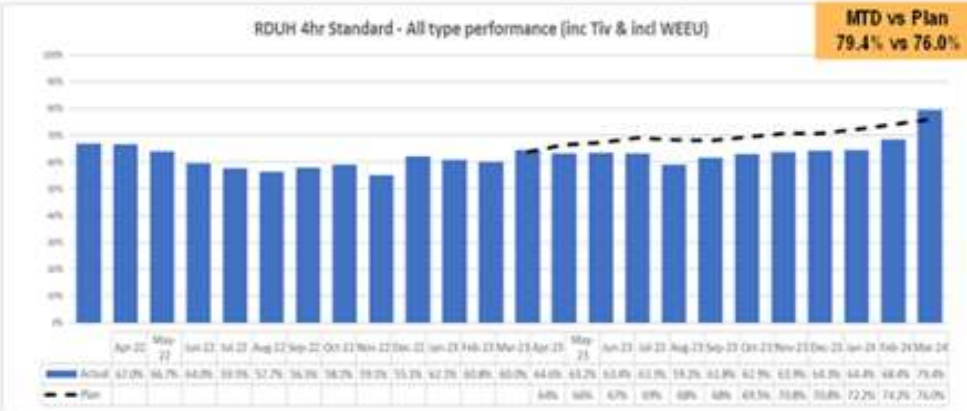
Long Elective Waits

104 week waits **0 (vs 0)**
 78 weeks **131 (vs 150)**
 65 weeks **1097 (vs 1200)**

Cancer

62 days **5% & 151 (vs 6.4% & 198)**
 Faster Diagnosis **78% (vs 75%)**

UEC 4 HOUR PERFORMANCE



LONG ELECTIVE WAITS PERFORMANCE



CANCER WAITS PERFORMANCE

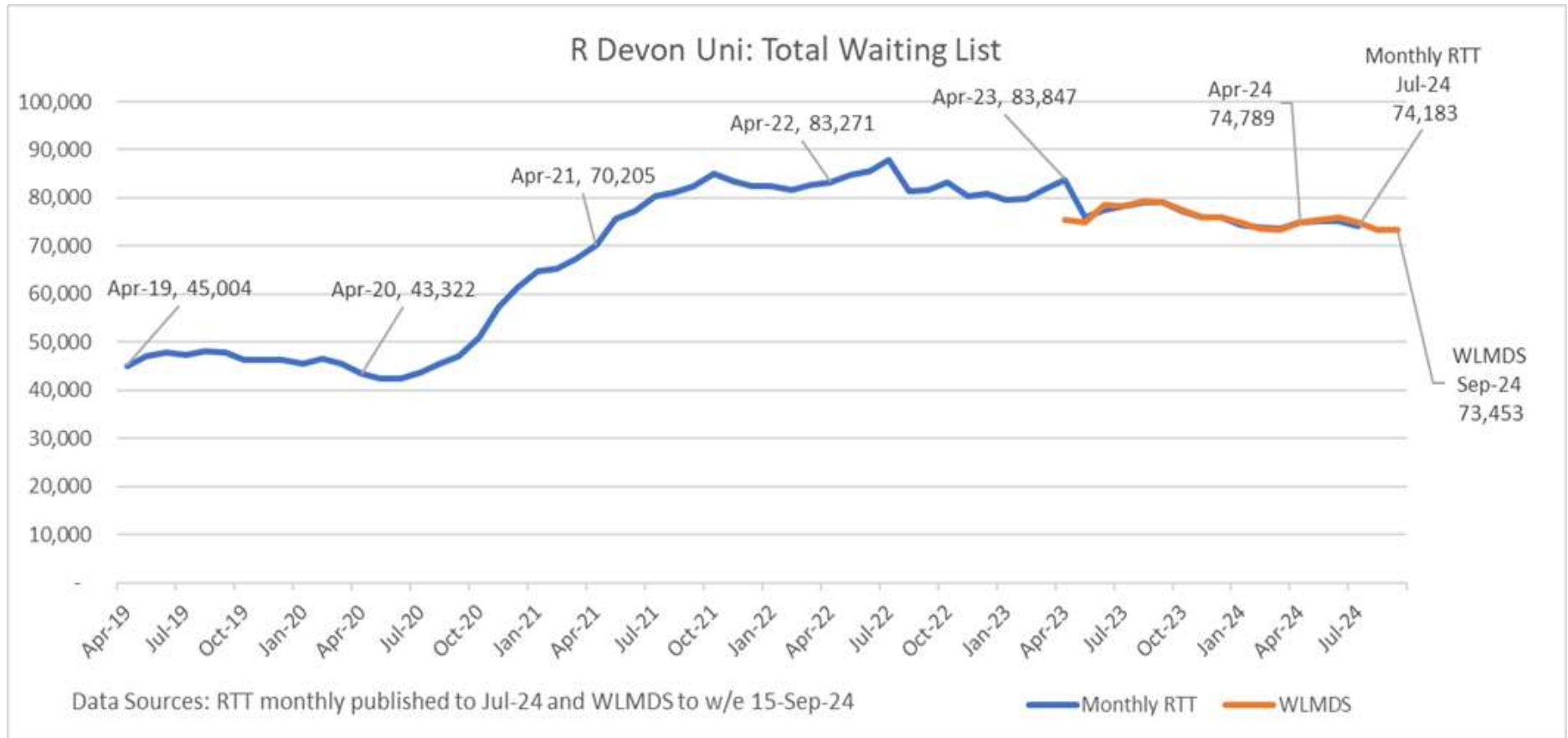
62 DAYS

All TS	Total	
	01/04/2024	25/03/2024
Total cancer waits (all TSs)	3020	3021
Patients waiting > 62 days inc 104+ (All TSs)	151	180
% of 62 days / total	5.0%	6.0%
Patients waiting > 104d + (All TSs)	42	52
% of 104 days / total	1.4%	1.7%

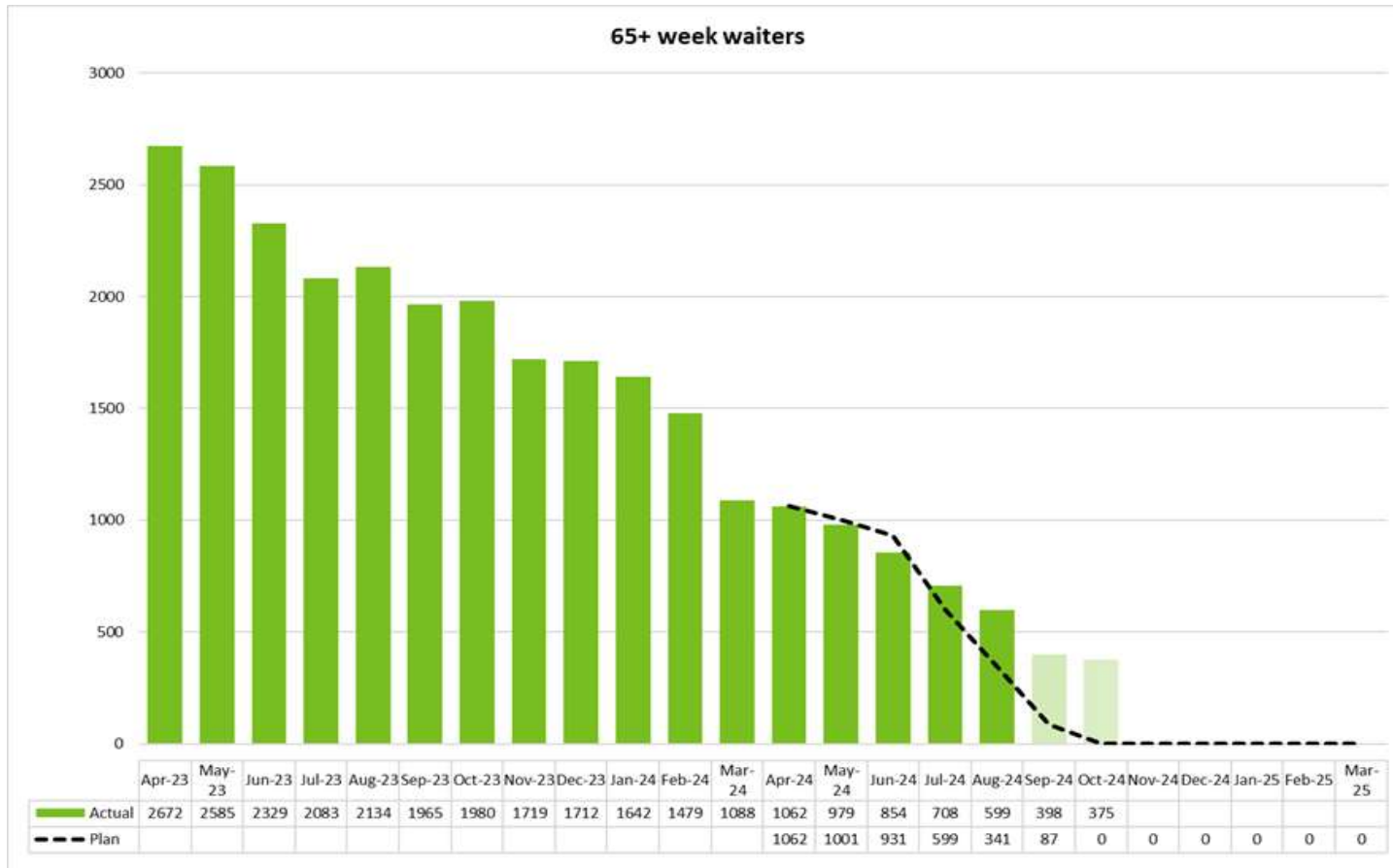
FASTER DIAGNOSIS STANDARD

Month	28 day FDS March 24 Target - 75%	Trejectory
July (submitted)	75.84%	70.90%
August (submitted)	72.02%	71.60%
September (submitted)	71.55%	71.15%
October (submitted)	67.98%	72.10%
November (submitted)	71.04%	72.90%
December (submitted)	77.12%	72.10%
January (submitted)	73.41%	74.3%
February (unsubmitted / incomplete)	78.01%	74.6%
March (unsubmitted - 95% data complete)	77.98%	75.00%

Total Elective Waiting List

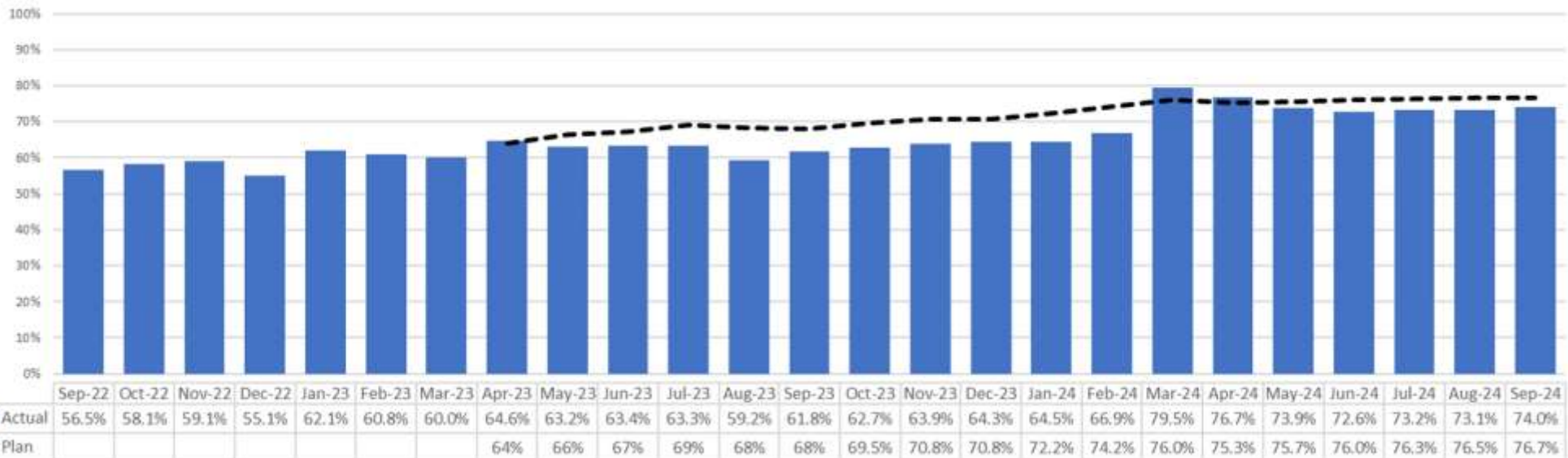


65 weeks waiting



4 hour Emergency Department Performance

RDUH 4hr Standard - All type performance (incl Tiverton)





Patient care performance

Patient care performance target	End of 2023/24 position	End of 2024/25 goal	Where we need to be now to reach our 2025 goal	Current position (end of August 2024)
Patients waiting +78 weeks	128	Zero	Zero	36
Waiting +65 weeks	1088	Zero	341	599
Waiting +52 weeks	3803	1,704	3325	2955
Cancer 62 days	69.6%	72.4%	72.6%	77.3%
ED all types (% patients seen in 4hrs)	77.99%	79.7%	76.5%	73.2%
No criteria to reside (% of occupied beds)	14.4%	9.6%	13.8%	11.8%
Patients waiting less than 6 weeks for diagnostics	68.5%	78.8%	-	59.9%

On target

Off target

Financial Performance 2023/24

Angela Hibbard, Chief Finance Officer



Finance performance

Financial performance target	End of 2023/24 position	End of 2024/25 goal	Where we need to be now to reach our 2025 goal	Current position (end of August 2024)
Reducing our deficit	£27m	£9.8m	£14.2m	£14.6m

Savings	End of 2023/24 position	End of 2024/25 goal	Where we need to be now to reach our 2025 goal	Current position (end of August 2024)
Income (e.g. recording our activity correctly)	£26.7	£25.5m	£5.2m	£5.7m
Pay savings (e.g. reducing agency spend)	£24.2m	£16.3m	£5.2m	£5.5m
Non-pay savings (e.g. reducing our spend on products and drugs)	£26.4m	£21.8m	£5.4m	£4.3m

On target

Off target

Looking ahead 2024/25

Sam Higginson, Chief Executive Officer

Our strategy, mission and values



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Our strategy 2022-27

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Empowerment

Challenges and opportunities

- **National context**
 - Darzi review and new Government
- **Collaboration across Devon**
 - electronic patient record and service sustainability
- **A great place to work ambition**
 - addressing workforce shortages through recruitment and retention, and developing our staff facilities and benefits
- **Recovering for the future**
 - Continued focus on innovation and making best use of resources and estates to reduce waiting times
 - Modernising estate through New Hospital Programme
 - Financial recovery to achieve sustainability
- **Excellence and innovation**
 - Increasing clinical trials and research opportunities
 - Developing Epic and use of technology
 - CQC rating – move to Good



Auditor's Annual Report 2023/24

Royal Devon University Healthcare NHS Foundation Trust

26 June 2024

Contents

KEY CONTACTS

Rees Batley

Partner

Rees.Batley@kpmg.co.uk

Edward Mills

Manager

Edward.Mills@kpmg.co.uk

Chirag Arora

Assistant Manager

Chirag.Arora@kpmg.co.uk

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b) Governance	
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This report is addressed to Royal Devon University Healthcare NHS Foundation Trust (the Trust). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.



01 Executive Summary

Executive Summary

Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of Royal Devon University Healthcare NHS Foundation Trust (‘the Trust’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



Accounts - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).



Annual report - We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.



Value for money - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust’s use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



Other reporting - We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities:

Accounts	<p>We issued an unqualified opinion on the Trust’s accounts on 26 June 2024. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust.</p> <p>We have provided further details of the key risks we identified and our response on page 7.</p>
Annual report	<p>We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Trust.</p> <p>We confirmed that the Governance Statement had been prepared in line with the Department of Health and Social Care requirements.</p>
Value for money	<p>We are required to report if we identify any matters that indicate the Trust does not have sufficient arrangements to achieve value for money.</p> <p>We have nothing to report in this regard.</p>
Other reporting	<p>We did not consider it necessary to issue any other reports in the public interest.</p>

02 Audit of the Financial Statement s

Audit of the financial statements

KPMG provides an independent opinion on whether the Trust's financial statements:

- Give a true and fair view of the state of the Trust's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with the accounting policies directed by NHS England with the consent of the Secretary of State in February 2024 as being relevant to NHS Foundation Trusts and included in the Department of Health and Social Care Group Accounting Manual 2023/24; and
- Have been prepared in accordance with the requirements of the National Health Service Act 2006 (as amended).

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Audit opinion on the financial statements

We have issued an unqualified opinion on the Trust's financial statements on 26 June 2024.

The full opinion is included in the Trust's Annual Report and Accounts for 2023/24 which can be obtained from the Trust's website.

Further information on our audit of the financial statements is set out overleaf.

Audit of the financial statements

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Procedures undertaken	Findings
<p><i>Fraudulent expenditure recognition</i></p> <p>Auditing standards suggest for public sector entities a rebuttable assumption that there is a risk expenditure is recognised inappropriately. We recognised this risk over manual accruals and non-pay expenditure.</p>	<p>We have performed the following procedures in order to respond to the significant risk identified:</p> <ul style="list-style-type: none"> • We evaluated the design and implementation of controls for developing manual expenditure accruals at the end of the year to verify that they have been completely and accurately recorded; • We inspected a sample of transactions relating to expenditure (invoices and bank transactions), in the period after 31 March 2024, to determine whether expenditure has been recognised in the correct accounting period; • We selected a sample of year end accruals and inspected evidence of the actual amount paid after year end (or investigated those unpaid) in order to assess whether the accruals have been accurately recorded. • We inspected journals posted as part of the year end close procedures that decrease the level of expenditure recorded in order to critically assess whether there was an appropriate basis for posting the journal and the value can be agreed to supporting evidence; and • We performed a year on year comparison of a sample of the largest accruals in the prior year and current year and challenged management where the movement is not in line with our understanding of the entity. 	<p>We did not identify any material misstatements relating to this risk.</p>
<p><i>Management override of controls</i></p> <p>We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment.</p>	<p>Our audit methodology incorporates the risk of management override as a default significant risk. We carried out the follow procedures:</p> <ul style="list-style-type: none"> • Assessed accounting estimates for bias by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicated a possible bias. • In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. • Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates. • Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the component’s normal course of business, or are otherwise unusual. • We analysed all journals through the year using data and analytics and focused our testing on those with a higher risk, such as journals impacting expenditure recognition posted during the final close down. 	<p>We did not identify any material misstatements relating to this risk.</p>

03 Value for Money

Royal Devon University Healthcare NHS FT

Value for Money

Introduction

We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Trust for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Trust ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Trust.

Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	11-12	13-14	15
Identified risks of significant weakness?	■ Yes	■ No	■ No
Actual significant weakness identified?	■ No	■ No	■ No
2022-23 Findings	No significant weakness identified	No significant weakness identified	No significant weakness identified
Direction of travel	↔	↔	↔

Value for Money

NATIONAL CONTEXT

Financial performance

The 2023-24 financial year saw a significant increase in the level of financial pressures facing the NHS sector. This followed the end of Covid-19 related financing arrangements. The sector has faced cost pressures from a range of factors, most significantly the impacts of inflation felt during the year and the costs of industrial action.

At the end of January 2024 NHS England forecast that the NHS would record an overspend of £1.1bn against its agreed budgets. This came after additional funding had been made available earlier in the year to support with the costs of industrial action.

Operational performance

In January 2023 the Government announced five pledges for 2023, including reducing NHS waiting lists and the time people wait for procedures. Waiting lists had grown significantly during the Covid-19 pandemic as elective activity was postponed in order to prioritise the treatment of Covid patients and ensure safe working.

According to the Health Foundation the NHS waiting list had grown from 6.2 million patients at the beginning of 2022 to 7.2 million in January 2023. There had also been a significant increase in the number of patients with long waits. At the end of 2023 there remained 355,000 patients that had been waiting over a year for treatment. Income arrangements for the acute sector were revised in year to reimburse providers for elective activity based on the actual number of patients treated.

System working

The Health and Care Act 2022 formally established integrated care systems (ICSs), 42 partnerships within local geographies to promote closer working between the organisations responsible for healthcare delivery. Integrated Care Boards were formed on 1 July 2022, taking over commissioning responsibility from Clinical Commissioning Groups.

In their first full year of operation ICSs have continued to work to develop and embed governance arrangements both within the ICBs themselves and as systems.

LOCAL CONTEXT

The Trust delivers a range of emergency, specialist and general medical services through North Devon District Hospital and the Royal Devon and Exeter Hospital (Wonford and Heavitree), along with a variety of community-based care, serving a population of over 615,000 with over 15,000 staff. The Trust is a member of the NHS Devon Integrated Care System ('ICS', 'One Devon').

Financial performance

The Trust has reported an underlying deficit position for several years, with a current year adjusted deficit of £26.8 million, which is an improvement of the reforecast position. The Trust initially planned to deliver a £27.9m deficit, however formally reforecast this position to a £39.3 million deficit in month 9 as risks within the plan crystallised.

The Trust was able to improve the position in year through implementing a series of measures, including identifying additional non-recurrent cost savings and through the receipt of additional funding of £13.1 million from NHS England. These measures led to the delivery of £77.3 million of cost savings. Despite the improvement to the forecast position, delivery of the financial position remains a key challenge for the Trust, with additional PDC revenue support also received during the period to ensure sufficient cash levels were available to operate in the short term.

System working

The Devon system as a whole is recognised to have a challenging financial position, with the overall system deficit of £46.9 million at the year end. The Trust and the Devon system sit within System Oversight Framework segment 4, which requires mandated central intensive support to improve the financial position.

The 2024/25 Trust and ICS plan was approved by the Board on 24 April 2024, with the overall ICS forecasting a deficit of £85.4 million. This was subsequently updated in line with the NHS England planning requirements and was resubmitted on 12 June 2024 with a ICS deficit of £80.0 million. The plans include challenging cost improvement target of 5% for the system, which is greater than the CIP delivered in the current year.

Financial Sustainability

How the Trust plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Trust ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Trust plans to bridge its funding gaps and identifies achievable savings;
- How the Trust plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Trust ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Trust identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

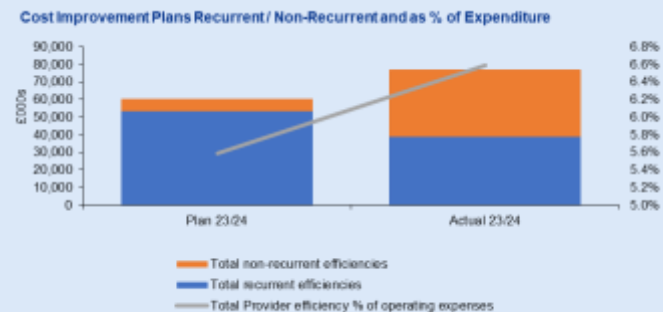
Summary of arrangements

We have not identified any **significant weaknesses** in the Trust's arrangements in relation to financial sustainability.

Delivery against 23-24 financial plan

The original Trust financial plans for 2023/24 was a £27.9 million deficit budget, which formed part of a wider ICS £45 million deficit budget. The budgets were prepared based on appropriate local and national planning assumptions and were approved at both a Trust and ICS level prior to submission. However, during the period, risks within the budget crystallised and the Trust identified a deficit at month 4, with a run rate that would lead to a larger deficit by the year end without action being taken. The Trust responded to this position by issuing a Trust-wide notice regarding the financial position and need to identify savings, as well as establishing the Financial Recovery Board, chaired by the Chief Executive and involving executives taking ownership of the relevant workstreams to drive those improvements. Through these mitigating actions, and the receipt of additional funding of £13.1 million, the Trust was able to manage the previous run rate and achieved a £26.8 million deficit. This final outturn position was ahead of the reforecast Trust position of a £39.3 million deficit, submitted in month 9.

To support the delivery of the financial position, the Trust planned delivery of £60.3 million through Cost Improvement Programmes (CIPs), with £53.4 million as recurrent savings and £6.9 million non-recurrent savings. The Trust achieved CIPs of £17.0 million, in excess of the planned target, although a higher proportion was delivered through non-recurrent savings. The Trust has delivered significant CIPs in recent years, but this has largely been through non-recurrent savings, which is demonstrated in the graph below. Whilst the delivery of CIPs remain a continued challenge, the governance processes established at the Trust have ensured a continued focus in this area. A reliance on non-recurrent savings creates additional pressure for future periods and hence the Trust should prioritise recurrent savings where possible.



Financial Sustainability

Capital Spend

As part of the 2023/24 plan, the Trust identified £73.1 million of capital spend, related to a variety of on-going projects and required estates maintenance, the largest being £10.5 million allocated to increasing capacity in the Endoscopy department. The delivery of plans are monitored through the Board. The Trust recorded capital spend of £76.5 million, exceeding the plan by £3.4 million. This is primarily due to £2.9 million on the New Hospitals Programme which was not initially in the budget.

Planning process for 2024-25

The Trust has worked with ICS partner organisations to develop plans for 2024/25 in line with the national guidance. The Trust has a three year plan to break-even, which includes a significant but tapering savings plan out to 27/28. This will be achieved initially through continuing to operate the Financial Recovery Board and Delivering Best Value Board led by the executive teams. The Trust plans to only invest in existing services in the coming financial year, with the only significant additional outlay being £1 million for maternity improvements. There are also longer term initiatives for ICS partnership, particularly in backend service functions, which may build additional efficiencies into the wider system.

Prior to submission, management obtained approval from the Trust Board for the initial plan within the private session on 24 April 2024 and the public session held on 26 May 2024, with minutes evidencing sufficient challenge and scrutiny on all relevant aspects of the plan. The Trust and ICS plans were submitted on 2 May 2024 with the Trust submitting a £9.8 million deficit plan and the wider ICS reporting an £85 million deficit. This plan included £63.6 million in its Savings Plan. The Board subsequently reviewed and approved the updated plan for the NHSE resubmission on 11 June 2024 with a revised £80 million deficit shared between providers.

The Trust has outlined in its paper on the Medium Term Financial Plan different scenarios should the Trust not achieve savings to the degree anticipated.

Key financial and performance metrics:	2023-24	2022-23
Planned deficit (adjusted financial performance)	£28.0 million	£18.3 million
Actual deficit (adjusted financial performance)	£26.8 million	£16.7 million
Actual CIP as a % of spend	6.6% (planned 5.6%)	1.7% (planned 3.5%)
Actual CIP as a % of delivery		
- Recurrent	50.1% (planned 88.5%)	34.3% (planned 48.4%)
- Non-recurrent	49.9% (planned 11.5%)	65.7% (planned 51.6%)
Year-end cash position	£23.6 million*	£46 million

*Trust has received emergency PDC revenue funding due to its cash position in year.

Governance

How the Trust ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Trust monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Trust approaches and carries out its annual budget setting process;
- how the Trust ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Trust ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour

Summary of arrangements

We have not identified any **significant weaknesses** in the Trust's arrangements in relation to governance.

Risk Management Process

The Trust has defined processes in place to monitor and assess risk, with key documents including the Board Assurance Framework (BAF) to manage strategic risks, which is reviewed quarterly by the the Board of Directors with the Governance Committee reviewing the Corporate Risk Register bi-annually, which contains key operational risks. The Trust utilise 5x5 scoring matrix to score operational risks, with key risk relating to Financial Sustainability, high use of agency workforce and high volumes of patients with no reason to reside, reported first to the Audit Committee and then subsequently to Board.

Financial Recovery Governance

In response to financial sustainability challenges and as part of the actions to move the Trust and ICS from System Operating Framework 4, mandated intensive support, the Trust has established enhanced financial governance process. This included the Delivering Best Value ('DBV') programme, aiming to align operational and financial recovery together under a singular delivery framework and governance structure. This has identified and delivered progress against challenging CIP targets. The aims are aligned with the SOF4 exit criteria and links in with the oversight of the System Implementation Assurance Group, to ensure the Trust and the system plans are complementary. This includes individual programme leads identifying risks which can be reported through to the DBV Board.

Since the additional liquidity issues at the Trust were made apparent, the Finance and Operational Committee has established a further Cash Steering Group to provide further oversight of cash and liquidity. A further Financial Recovery Board has been established and is chaired by the CEO, which includes workstreams within income, pay, non-pay and drugs. The interaction between these two governance levels can be seen as effective when considering the overachievement of the reported efficiencies for the year by £17.0 million.

These Groups / Boards provide another level of oversight and report to the Trust Delivery Group and Finance Operations Committee as appropriate and support the Financial Recovery Plan, implemented in year. This temporary Board is intended to assist driving the short term financial recovery and not to replace the DBV programme and will remain in place at least to the end of the 2024/25 financial year, where the expectation is that the existing workstreams will be rolled into operational business as usual and therefore reported through the existing governance structures, which are currently being refreshed.

Governance

	2024	2023
Control deficiencies reported in the Annual Governance Statement	None	None
Head of Internal Audit Opinion	Reasonable assurance	Significant assurance
Oversight Framework segmentation	RDUH – Segment 4 (Mandated Intensive Support) Devon – Segment 4 (Mandated Intensive Support)	RDUH – Segment 4 (Mandated Intensive Support) Devon – Segment 4 (Mandated Intensive Support)
Care Quality Commission rating	Requires Improvement	Good

Improving economy, efficiency and effectiveness

How the Trust uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Trust evaluates the services it provides to assess performance and identify areas for improvement;
- how the Trust ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Trust commissions or procures services, how it assesses whether it is realising the expected benefits.

Summary of arrangements

We have not identified any **significant weaknesses** in the Trust's arrangements in relation to economy, efficiency and effectiveness.

Partnership Working

As a member of 'One Devon', members of the Board and leadership team are integrated within the governance of the system. Planning is performed at a ICS level as well as considering the individual entities that makeup the system, with the aim of achieving financial sustainability at a system level rather than a traditional focus on individual control totals. Working in the system, the interaction between providers and other stakeholders is essential to ensure appropriate operational and clinical flow across the system and longer term objectives. As such the System Recovery Board has been set up, which includes representatives from all Devon stakeholders to drive the integrated financial, operational and performance improvement agenda as a combined grouping, reporting to NHS Devon and the System Implementation Assurance Group.

Overall, the ICS reported a 2023/24 deficit of £46.9 million. Given the financial position of the ICS, there is pressure across the system for all parties to contribute to improve the position.

There is evidence of increased plans within the system for joint working, with ideas for regional digitalisation of HR, regional procurement and even some corporate shared services being progressed in system-wide governance workstreams, although the benefit of these will not be realised in the short term.

Given the increased focus on deficits at a system level, increased joint working is essential and will need to continue to be a priority, especially with RDUH's path to breakeven.

Maternity CQC Inspection

The Trust received a CQC inspection of the maternity services in November 2023 with the final report issued in May 2024 providing an overall 'Requires Improvement' rating. The report rating resulted in the overall Trust rating moving from 'Good' in the previous year, to 'Requires Improvement' and highlighted a series of actions to be undertaken. In response to the report, the Trust have developed a comprehensive action plan to address the points raised by the CQC. The action plan is overseen by Carolyn Mills as the Executive Lead, and is reported at each meeting of the Safety and Risk Committee, Trust Quality Committee and Board Governance Committee, with a summary also provided to Board. The latest update to the action plan noted that of the eleven identified actions, all were on track or complete.

In addition to the action plan, the Trust has also allocated £1 million in the 2024/25 financial plan to fully adopt all recommendations, including governance changes such as disaggregating women's and children's services and improving the triage process over the phone.



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Document Classification: KPMG Public



Royal Devon
University Healthcare
NHS Foundation Trust

Council of Governors' Update

Quentin Cox

Elected Public Governor –
Northern
and Lead Governor



Council of Governors' update

- Role of the Council of Governors
- Looking back on 2023/24
- The year ahead

Make up of the Council of Governors

31 in total comprising

- 22 elected Public Governors
- 7 elected Staff Governors
- 2 Appointed Governors (Devon County Council and the University of Exeter)

The public Governors are across 3 constituencies:

- Eastern – 5 Governors (East Devon, Dorset, Somerset and the Rest of England)
- Northern – 9 Governors (Mid, North, West Devon and Cornwall)
- Southern – 8 Governors (Exeter and South Devon)

Role of the Council of Governors

- Voice of our communities
- Holding the Non-Executive Directors (NEDs) to account for the performance of the Board of Directors

Role of the Council of Governors

- Appointment of NEDs and the Chair
- Approval of significant transactions
- Appointing the External Auditor and receiving Annual Accounts and Annual Report
- Identifying CoG quality priorities

Looking back on 2023/24

What Governors achieved in 2023/24

Video -

<https://vimeo.com/947377837/60be7e7f4a?share=copy>

Key Highlights

- Appointment and Re-Appointments of NEDs
- Approving the Appointment of the new Chief Executive
- Participating in Patient-Led Assessments of the Care Environment (PLACE)
- Selected two Quality priorities: staff retention and support and services available to mental health patients attending/admitted to RDUH
- Member engagement events in Barnstaple and Tiverton
- Sat on the judging panel for Extraordinary People Awards
- Contributed to the new Patient Communications Policy
- Undertaking work through Task and Finish Groups

Meeting regularly to fulfil our duties

- Formal CoG business meetings
- Development days including with the Board
- Attending Board meetings in public
- Task and Finish groups
- Public and Member Engagement Group
- Attending the Patient Experience Committee
- Observing the Audit Committee
- Supporting Member events
- Supporting Prospective Governor events

Farewells

- Kay Foster and Maurice Dunster in our Eastern constituency
- Dale Hall in our Northern constituency
- Emily Partridge in our staff constituency

Welcomes

- **In the Northern constituency:** Avril Stone and Catherine Bearfield have been re-elected, and we welcome new governors Eugene Clarke, Lucy Beazley and Mark Wooding
- **In our Eastern constituency:** new governors Fred Caygill, Peter Evans and Sarah Hughes
- **In our Southern constituency:** new Governor Tim Pavelle
- **In our staff constituency:** Clare Stevens has been re-elected, and Will Aspinall and Nicola Mitchell have both been newly appointed

2024/25 Looking forward

- New Lead and Deputy Lead Governor – Quentin Cox and Sue Matthews
- Outcomes of task and finish groups leading to new ways of working
- Members' engagement across the patch
- NED re-appointments, including the Chair
- Receiving updates on the Governor Quality Priorities

New for 2024/25

- Receiving updates on the Governor Quality Priorities
2024/25
 1. Out of Hospital Care
 2. A focus on communication with patients who are inpatients
- Accompanying NEDs on site visits
- Sitting as observers on Board Committees:
 - Charity Committee
 - Digital Committee
 - Finance and Operational Committee
 - Quality Committee (previously known as the Governance Committee)
 - People Committee (previously known as the People, Workforce Planning and Wellbeing Committee)
 - Our Future Hospitals Programme Board

New for 2024/25

- NED recruitment
 - New NED from the University of Exeter
 - New Associate NED

Questions and close

Why does the hospital trust show little consideration to the patient's circumstances (particularly regarding location and transport) when issuing appointments to attend the hospital?

Asked by George in Crediton

Why is the Trust supporting the road closures that have been implemented by Exeter and Devon Councils?

Other points raised relate to a stressful experience getting to A&E due to challenges with parking and difficulty reaching the entrance, and staff finding it difficult to find parking spaces.

Asked by Janie in Exeter

NHS

Royal Devon
University Healthcare
NHS Foundation Trust

BETTER

TOGETHER