

**Charity Registration No. 1090329**  
**Company Registration No. 04358614 (England and Wales)**

**THE NHS CONFEDERATION  
TRUSTEES' ANNUAL REPORT  
AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 2022**

# THE NHS CONFEDERATION

## LEGAL AND ADMINISTRATIVE INFORMATION

### FOR THE YEAR ENDED 31 MARCH 2022

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Trustees	Lord Victor Adebawale Sir Andrew Cash Jennifer Ruth Poole Prof Joseph Harrison Michael Bloomfield Nanda Ratnavel Prof Vivienne Harpwood (Burnet) Marie Gabriel Valerie Morton Dr Pramit Patel Ifti Majid Dame Jackie Daniel David Skinner Dr Peta Foxall
Charity number	1090329
Company number	04358614
Registered office	2nd Floor 18 Smith Square London SW1P 3HZ
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
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	Bates Wells (for governance legal advice) 10 Queen Street Place London EC4R 1BE
Investment adviser	Sarasin and Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Senior Executive Staff	Matthew Taylor Chief Executive, NHS Confederation (appointed 7 June 2021)  Danny Mortimer Deputy Chief Executive, NHS Confederation/Chief Executive NHS Employers (Interim Chief Executive NHS Confederation, from 1 October 2020 to 7 June 2021)  Daniel Reynolds Director of Communications  Darren Hughes Director Welsh NHS Confederation  Heather Moorhead Director Northern Ireland Confederation for Health and Social Care  Joan Saddler Director of Partnerships and Equality  John O'Brien Commercial Director  Layla McCay Director of Policy  Louise Patten Chief Executive, NHS Clinical Commissioners

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Marie Pritchard  
Director of People and Governance

Nikki Barraclough  
Director of Finance and IT (from 1 August 2021)

Paul Davies  
Interim Director of Finance and IT (from 2 July  
2020 to 31 July 2021)

Rory Deighton  
Senior Programme Lead, Acute Network

Ruth Rankine  
Director of Primary Care

Sean Duggan Chief Executive, Mental Health  
Network

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The trustees present their report and financial statements for the year ended 31 March 2022.

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2022. The financial statements have been prepared in accordance with the Charities Act 2011, Companies Act 2006, the organisation's articles of association and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### About us

The NHS Confederation is the membership organisation that brings together, supports and speaks for the whole healthcare system in England, Wales and Northern Ireland.

The members we represent employ over 1.5 million staff, care for more than 1 million patients a day and control £150 billion of public expenditure.

We promote collaboration and partnership working as the key to improving population health, delivering high-quality care and reducing health inequalities.

We support our members in three main ways:

- We represent organisations and sectors, to ensure local organisations and systems work in the best interests of service users, citizens and staff.
- We connect the whole healthcare system, to boost system working and develop solutions to shared challenges.
- We support leaders to develop and hone their leadership skills, equipping leaders with tools, ideas and insights and connecting them with a community of leaders.

Our work is underpinned by our values which help us to achieve our vision of a healthier population supported by high-quality health and care services that benefit everyone. We are respectful, inclusive, bold, collaborative and we act with integrity.

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#### Summary overview

The last year has stretched the health and care system to its limit. Throughout the year, the NHS Confederation has supported our members to respond to the pandemic challenge and to plan for the future with important legislative changes on the horizon. We have been a strong voice for our members in public and have advocated for the conditions they need to place the NHS on a more sustainable footing.

Here is a summary of our highlights from the year, with more detailed information set out later in this report.

#### COVID-19

The pandemic has been the single biggest challenge facing our members and we have been one of the most prominent national voices making the case for the issues that have mattered most to them. We have engaged closely with our members to feed back their views on the policy and practical changes required to enable the NHS to respond to the pandemic. And we have worked alongside policymakers in government and the NHS's arm's-length bodies to support the national pandemic effort.

We successfully made the case for the government to enact Plan B of its winter strategy in October 2021, following clear calls from our members who were experiencing worrying increases in coronavirus cases in hospitals and the community. We called for the government to introduce measures, such as mandatory face coverings in crowded and enclosed spaces, without delay, to keep people well and avoid the NHS from becoming overwhelmed over the winter. Our calls were heeded. This was one of several high-profile interventions that saw us make the case for continued public adherence to mask wearing and other measures that would help to restrict infection levels.

We also informed the government's consultation on making COVID-19 and flu vaccinations mandatory for NHS staff, while critiquing the government's subsequent U-turn which posed significant operational challenges for frontline teams.

In July 2021 we launched a campaign calling on the public to continue to behave cautiously in how they go about their daily lives to collectively keep transmission down. The #NotTooMuchToMask campaign achieved wide-ranging media and social media coverage and engagement across multiple channels.

#### Legislative reform

The health and care bill brings the most significant set of NHS legislative reforms in a decade, and we have been at the heart of the debate. We have represented the views of our members across large swathes of the bill and have secured a number of concessions to the draft legislation.

Our main focus has been on securing checks and balances to the government's intention to hand greater powers over the NHS to the Secretary of State for Health and Social Care,

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particularly when it comes to local service reconfigurations. We have worked – both independently and with other health sector organisations – to brief MPs and peers on member views, work constructively with the Department of Health and Social Care and ministers to improve the legislation and apply pressure on them where necessary. We were delighted to secure extra checks and balances on the proposed powers.

We also worked as part of a campaign coalition to strengthen the measures on workforce set out in the bill. Although we were not successful in securing these changes, we will continue to make the case for regularly published projections on workforce numbers, as well as a fully funded and costed workforce plan for the NHS.

#### **Support for integrated care systems**

The Health and Care Act led to the creation of new statutory bodies from 1 July 2022: integrated care systems (ICSs). We have led the case for ICSs becoming statutory bodies and advocated for the conditions that ICSs and their leaders need to succeed.

Highlights include influencing the ICS design framework and other key guidance, while our report in January 2022 set out a compelling vision for the future of integrated care, shaped by the views of ICS leaders.

In February 2022 we commissioned and published a report by former ICS leader Professor Sir Chris Ham, with support from Palantir. The report outlined the changes needed to create the conditions in which ICSs can improve outcomes for patients and the public, and the rules to guide those leading the reform programme.

In our drive to showcase how systems are already working together to achieve improved patient outcomes, hundreds of members, stakeholders and influencers have engaged with our Integration and Innovation in Action series. It brings together good practice examples of system-wide working and innovation through reports and case studies, breakfast briefing webinars and podcasts. Themes explored our member concerns such as provider collaboration, elective recovery, population health and patient voice in systems.

In addition, our new Health on the Line podcast series launched this year, highlighting the experience and insights of both our members and experts. These have included Professor Trish Greenhalgh, Professor Sir Chris Ham, and Ifti Majid, CEO of Derbyshire Healthcare NHS Fountain Trust. Themes we have explored on the podcast include the need for distributive system leadership, tackling elective recovery through a health inequalities lens, reflections and lessons from the COVID-19 pandemic and, most importantly, how pressured leaders practice self-care.

#### **Leadership review**

We have played a prominent role in influencing the review of leadership in health and social care, led by General Sir Gordon Messenger, which was published in May 2022.

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We hosted a series of member engagement sessions with Sir Gordon and Linda Pollard to inform the review. Our key focus was on the importance of system leadership, the need to move away from top-down performance management towards creating a learning and improvement culture, and the importance of having a diverse and representative leadership.

To inform the review, we also commissioned a series of 'long reads' from academics at the University of York and London South Bank University, which sought to combat myths on NHS management. The analysis debunked the myth that the NHS is over-managed and also outlined the positive contribution that managers make to health and financial outcomes.

#### **Equality, diversity and inclusion (EDI)**

COVID-19 has laid bare the stark differences experienced both by people working in the NHS and those receiving health and care services. Inequality is at its root.

We recognise that concerted action and practical support are key to effecting change. That's why we have developed an EDI programme and over the last year we have provided dedicated support to equip and enable healthcare leaders to tackle inequalities. We have been working with healthcare leaders across the country to bring about equitable outcomes for patients and service users, and to move towards workforce equality.

We have provided practical guidance and resources, as well as opportunities to network and influence, including through our three EDI leadership support networks. Our EDI work is centered on three key pillars – equity, leadership and accountability – as detailed in our EDI strategy, which was produced by our member-led EDI Reference Group in August 2021.

Among our key achievements this year has been delivering a programme, funded by NHS England and NHS Improvement, which provided a leadership framework for tackling health inequalities. This involved a series of webinars for chairs and non-executive directors on NHS boards, providing practical actions, tools and insight to help lead stronger NHS action on health inequalities. This was delivered 15 times to groups of integrated care systems and their provider organisations. Phase two, which will comprise four masterclass webinars, is being commissioned for delivery later in 2022.

We also developed a Health Inequalities Resource Hub to provide easy access for all leaders, but particularly non-executive directors, to find tools and materials relating to leadership action on health inequalities.

Our EDI programme has also helped to support diverse recruitment for integrated care boards. Our support was offered to the 42 integrated care systems in February 2022 and provides EDI recruitment expertise across the entire recruitment process. It is supporting the appointment of executive and non-executive integrated care board members, with the objective of achieving greater diversity of thought at board level to meet the needs of local populations.



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This year we also led a high-profile commission that identified ways to increase chair and non-executive director diversity in the NHS. And we supported ICS chairs and non-executive directors to develop the insight and expertise to provide effective leadership and challenge on the health inequalities agenda.

Our diversity and inclusion partners programme, led by NHS Employers, supported 60 member organisations and systems to improve their equality performance, in line with the NHS People Plan.

Our women leaders, BME and LGBTQ+ networks continue to provide invaluable support across the NHS. We led national EDI campaigns to build unity and amplify voices, including Black History Month, Equality, Diversity and Human Rights Week, Pride season, International Women's Day, LGBTQ+ History Month and Disability History Month.

The Health and Care LGBTQ+ Leaders Network conducted a year-long pilot project with its members to implement recommendations that progress LGBTQ+ inclusion in the wake of the pandemic. The results are being analysed and a framework for health and care organisations will be published later in 2022.

Network members also contributed their experience and expertise to the government's conversion therapy consultation. We created a compelling narrative around how conversion therapy affects LGBTQ+ people and submitted evidence to influence the consultation.

Similarly, the network's inclusive leadership survey provided valuable insights into where organisations are doing inclusion well, and where improvement is needed. The findings help all members to improve their inclusivity.

During LGBT History Month in February 2022, the network was active on Twitter promoting local events, showcasing trailblazers who made positive contributions to the health and care of the LGBTQ+ community, and published an opinion piece on activism in the workplace.

The Health and Care Women Leaders Network celebrated International Women's Day on 8 March. At this year's event the network partnered with colleagues to celebrate and highlight work underway to progress gender equality and showcase initiatives that are making a tangible difference for women working in health and care.

On behalf of members, the network responded to the consultation calling for a clear strategy for women's health to be developed and was informed by our reports on the impact of COVID-19 on the female health and care workforce.

The BME Leadership Network led a strong programme of activity throughout Black History Month in October 2021, including delivering the inaugural annual lecture series delivered by Professor Dame Donna Kinnair DBE.

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#### **Commercial partnerships**

Despite the challenges that the pandemic created, we had an excellent year in terms of engaging commercial partners. We delivered our first virtual annual conference, attracting 3,666 delegates across two days. Across the year, we delivered 157 events, compared to 118 in 2020/21. Through the year, 28,582 delegates registered to attend our events.

Through the year, we have developed a series of longer-term partnerships with organisations such as ABPI, Novartis, Palantir, Hill Dickinson, NHS Supply Chain, Boehringer Ingelheim and more. We also launched a new associate subscription scheme, to increase our engagement with commercial partners. We now have 144 associate members and subscribers, compared with 35 in 2021/22.

Having had to cancel NHS ConfedExpo, our new joint event with NHS England and NHS Improvement in 2020, we relaunched it in 2021, planning a return to a face-to-face event for 15 and 16 June 2022. By the end of 2021/22, all sponsorship packages and exhibition space for this upcoming event was sold.

Our conference and event venue Horizon Leeds continued to fight back against the impact of the pandemic. We launched a virtual studio offer as well as hosting face-to-face events when allowed. By the end of 2021/22, we had increased income by 200 per cent on 2020/21, and the venue is entering 2022/23 with a wide range of services to support face-to-face, virtual and hybrid events.

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#### Key achievements in 2021/22

Throughout the past 12 months we have represented our members and kept them connected and supported.

##### **Represented**

Through our Acute Network we have contributed to the elective recovery plans, in discussion with government, influencing the planning process and gaining additional funding to support our members. We represented provider voices throughout workforce discussions with national policymakers, including on mandatory vaccinations and securing the inclusion of social workers on the government's shortage occupation list.

Campaigning alongside NHS Providers, our Community Network helped ensure that funding for discharge to assess was extended to the second half of 2021/22, and we continue to push for it to become permanent. The network also put on the national policy agenda the need for a pay uplift for NHS staff working in services commissioned through public health contracts. Alongside NHS Providers, we continue to press for a permanent solution.

Throughout the year, our Mental Health Network has continued to represent its members to help shape and challenge national policy. Its Housing Forum held a summit with key decision-makers to influence transformative change in how housing is integrated into the mental health pathway, and outcomes for patients and service users is improved. A report distilling the recommendations will be released in May 2022.

Network board members met with the Care Quality Commission's chief executive to articulate the sector's concerns around regulation during the pandemic and highlighted the need for flexibility around workforce innovation. The network took a leading role in developing the Mental Health Policy Group's Comprehensive Spending Review submission, articulating the pressures facing mental health and calling for a three-pronged support approach from government. The network also responded to the Mental Health Act Review consultation based on member feedback, securing a commitment to further explore the most complex areas of the legislation such as learning disabilities and autism.

Through our PCN Network and Primary Care Federation Network, we successfully lobbied NHS England and NHS Improvement to secure additional funding for primary care network (PCN) management and leadership capacity, while also influencing them to delay the transfer of the PCN extended access contract to alleviate workload pressures. Our primary care members took part in round tables with the Prime Minister's implementation unit and the Messenger review of leadership and management in the NHS.

Our ICS Network continued to go from strength to strength, developing constructive relationships with the Department of Health and Social Care and NHS England and NHS Improvement, working closely on issues such as system regulation and the integration white paper. The network held regular meetings for ICS chairs with health minister Edward Argar,

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exploring key issues including social care reform and ensuring he took on board members' concerns.

Before its closure on 31 March ahead of integrated care systems becoming statutory in July 2022, NHS Clinical Commissioners ensured the commissioning nurse voice was heard and the importance of executive nurse leadership within systems was recognised, by raising the issue with all ICS leads. NHSCC worked with NHS England, the Local Government Association and ADASS, as well as NHSCC nurse forum members, to produce a Continuing Healthcare report calling for a change in policy. It will be published in spring 2022.

NHS Employers continued its representation of the NHS workforce by gathering views and insights from HR directors and leaders to inform evidence to the Doctors' and Dentists' Review Body, the NHS Pay Review Body, Health Education England's workforce planning call for evidence and the Department of Health and Social Care's consultation on making vaccination a condition of deployment. As co-chair of the Cavendish Coalition, NHS Employers led conversations with the Migration Advisory Committee to make a successful case for the immigration rules to be amended to permit care workers to be recruited from overseas, which was subsequently accepted by the Home Office. And, as part of its work for the NHS Staff Council, NHS Employers worked with colleagues at NHS England and Improvement to communicate changes to the NHS terms and conditions of service around introducing enhanced flexible working options for staff.

On behalf of members and the Health and Care Women Leaders Network, we responded to the government consultation calling for a clear strategy for women's health. Our response was informed by our research on the impact of COVID-19 on the female health and care workforce. Members of our Health and Care LGBTQ+ Leaders Network members contributed their experience and expertise to the government's conversion therapy consultation. We created a compelling narrative of how conversion therapy affects healthcare professionals and submitted evidence to influence the consultation. The network's inclusive leadership survey provided insights into where organisations are doing inclusion well, and where improvement is needed, to help all members improve their inclusivity.

In Wales, following extensive engagement with NHS leaders, the Welsh NHS Confederation responded to 13 Senedd Committee inquiries and Welsh Government consultations. Members' key priorities were also highlighted ahead of the 2021 Senedd election, both in the media and with politicians.

The Northern Ireland NHS Confederation (NICON) continued to represent member view at regular meetings of the HSC Chairs' Forum with Northern Ireland's Minister of Health and departmental colleagues. Ahead of the May 2022 Northern Ireland Assembly Elections, NICON's election briefing comprised four core priorities and eight supporting areas of activity based on member insight, that will require political and public support to achieve the necessary progress. Through a series of press releases on behalf of all 17 chairs of HSC bodies, NICON spoke out on issues such as the impact of the draft Budget on services and the increase in incidences of violence and abuse directed against frontline staff.

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Through our International Office we ensured NHS interests were properly represented with the UK government and the EU to successfully achieve a range of post-Brexit arrangements for the NHS, directly with relevant government departments, and through convening the Brexit Health Alliance and the European Health Stakeholder Group.

We worked with government to establish the principles for free trade agreement negotiations based on priorities, opportunities and threats for the NHS, and responded in depth to Department of Trade consultations on the UK's negotiating approach to trade with India, the Gulf States (GCC) and Israel.

Our European Office also ensured NHS interests were heard at the International Hospital Federation (IHF), European Hospital and Healthcare Federation (HOPE), European Health Management Association (EHMA), and the European Hospital and Healthcare Employers' Association (HOSPEEM) via international health policy working groups, board meetings and conference presentations.

#### **Connected**

Our Acute Network connected leaders to learn from each other and discuss challenges and solutions around provider collaboration. Leaders who are interested in working together at place level were brought together in a peer support forum.

Community Network members helped shape and engage with national policy through webinars with NHS England and NHS Improvement and NHS Digital policy discussions. Regular meetings for chairs of community health service providers gave opportunity to discuss the challenges they face and potential solutions.

Members of the Mental Health Network who work in the area of learning disabilities/autism were given a new space to share good practice, discuss concerns and receive support, with the formation of the Mental Health and Learning Disabilities/Autism System Group. Chairs of NHS mental health trusts met with several NHS England and NHS Improvement leaders to debate how to improve access to and quality of offender healthcare, and MHN began hosting its third cohort of the Aspiring Nurse Directors Programme, holding a series of masterclasses with senior healthcare leaders to prepare members for director positions.

We connected more than 800 primary care professionals through our PCN and Primary Care Federation Networks, bringing together colleagues across a number of national and regional forums including communities of practice, roundtables and peer learning groups, as well as hosting our second national primary care conference. The new Primary Care Hub app was launched, connecting over 1,000 members and providing a safe space to share ideas, learn and understand the wider health and care system.

We provided space for ICS Network members to raise issues and have open conversations with peers and key national decision-makers, speaking out on their behalf when appropriate.

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And the first national ICS Network Conference delivered a unique opportunity for 250 ICS leaders to come together to discuss shared challenges.

NHS Clinical Commissioners led the HR and OD forum taskforce group, enabling NHSEI HR and OD leads to engage with members on issues concerning the transition to ICSs. In preparation for ICSs becoming statutory, NHSCC provided a support offer to members looking for new ICS roles and enabled one-to-one legal advice on finding and applying for future roles.

NHS Employers continued to bring together workforce leaders through national and regional networks, delivering over 200 regional network meetings throughout 2021/22. It contributed to and enabled partnership working with trade unions, in the workforce elements of organisational change arising from the establishment of integrated care boards. NHS Employers also played a key role in connecting NHS colleagues with peers through the Diversity and Inclusion Partners Programme, as well as networks for health and wellbeing, total reward and the newly established education and training network.

Collective membership of our three EDI networks for women leaders, LGBTQ+ leaders and BME leaders increased to over 3,000, enabling members to connect through events, masterclasses, tweet chats and campaigns, and sharing learning through podcasts, blogs, videos and key reports. NHS Employers' diversity and inclusion partners programme supported 60 member organisations and systems to improve their equality performance, empowering their local, regional and staff networks to develop inclusive workplace cultures in line with the NHS People Plan.

The Welsh NHS Confederation has continued to chair the Health and Wellbeing Alliance, which comprises over 70 health and care organisations. Over the past 12 months, the Welsh NHS Confederation hosted 11 online thought leadership events for members and wider stakeholders, attracting over 1,200 attendees in total, and the inaugural Wellbeing for Wales lecture series connected over 500 attendees across eight sessions over four days.

The NICON annual conference, brought together around 700 key stakeholders virtually from across the statutory organisations, VCS and key industry partners in industry to connect and reflect on the progress achieved to date on Northern Ireland's ten-year strategic plan and deliberate the way forward. Member-led discussion sessions kept members well informed on topical issues and upcoming consultations, while weekly member insight briefings kept HSC and associate members informed of updates on the political front with briefings containing details of relevant Assembly and Health Committee proceedings, upcoming consultations and relevant news.

Our European Office delivered eight regular special interest group meetings that provided members with unique peer learning opportunities around approaches to NHS international commercial activity and help them unblock obstacles to achieve their potential, including producing a series of case studies, conference sessions, and a peer learning guide to empower members to establish and develop their international commercial activity.

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Having established NHS Confederation this year as a health sector leader in digital policy at the intersection of the UK and EU, the team used this unique position to bring together key stakeholders in health and digital policy to achieve important progress for the NHS in data protection and data sharing. Members also had opportunities make connections and showcase their work internationally, including by partnering with the International Initiative for Mental Health Leadership to produce case studies on COVID-19-driven innovation in each of the four home nations.

#### **Supported**

Our networks for providers have supported leaders to engage with the Care Quality Commission on their experiences of the inspection process. Through a series of roundtables, our Acute Network supported ambulance trusts and ambulance commissioners with developing guidance on how ambulance services should be commissioned by ICSs.

Along with NHS Providers, we worked with NHS England and NHS Improvement on a webinar and blog series on urgent community response standards to inform providers of community services on upcoming changes, help them to prepare, and share best practice and learning. The Community Network has also helped wider stakeholders to understand what community services are, what they do, and their value as part of the COVID-19 response.

The Mental Health Network published a seminal report on the pandemic's impact on children and young people's mental health, to raise awareness with government and arm's-length bodies of the pressures members were facing and how this is impacting young people. MHN also published a report for policy makers, through the Mental Health Economics Collective, highlighting the systemic challenges facing the mental health sector, and offered solutions and practical cost savings. The Mental Health Network's Digital Forum conducted research into digital competency, producing a practical guide to support people working in mental health to build their digital confidence and skills.

We developed a new enhanced membership offer for primary care to achieve a stronger voice for the sector to work with partners across the health and care system, locally and nationally. And the PCN Network and Primary Care Federation Network showcased the achievements of primary care during the COVID-19 pandemic to support its members by addressing criticism over reduced access and face-to-face appointments.

Through the ICS Network we established forums for communications and engagement leads and finance directors, allowing them to meet, exchange ideas and influence issues such as ICS branding and system finance policy. We also worked jointly with the LGA and NHS Providers to deliver a full ICS peer support programme, including workshops, mentoring and peer reviews on progress.

NHSCC members have had access to national events, roundtables and meetings to help influence policy across health and social care, while being able to regularly discuss and disseminate local and national issues and share solutions through national forums.

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NHS Employers has worked on a wide range of practical support for HR directors and their teams, including implementing the specialist and associate specialist (SAS) doctors' contract; the McCloud remedy to address age discrimination issues attached to NHS Pension Scheme arrangements; corrective action on overtime and other payments made to staff during periods of annual leave; inclusive recruitment; local clinical excellence awards; staff wellbeing and experience; and COVID-19. In addition, NHS Employers worked with NHS England and NHS Improvement on the pensions and reward element of its staff retention campaign, which was a key policy initiative linked to supporting elective recovery.

We led national EDI campaigns to build unity and amplify voices, including Black History Month, EQW, Pride season, International Women's Day, LGBTQ+ History Month and Disability History Month. We also developed a programme of health inequalities improvement seminars for chairs and non-executives on provider boards within ICSs, to support stronger NHS action on health inequalities.

The Welsh NHS Confederation's support for ten director peer groups over the past year has continued, providing enhanced secretarial and policy development support through the NHS Leadership National Programme. We have supported 15 NHS representatives to provide oral evidence to Senedd Committees to ensure the views of NHS leaders were heard and better understood by members of the Senedd.

NICON hosted several engagements with Matthew Taylor and Mike Farrar, to discuss how to achieve a step change in health outcomes in Northern Ireland. This led to an agreed consensus across the membership and a collective agenda amongst chief executives. This work has markedly improved the relationship with our Department, which will in turn facilitate greater opportunities for influence and support. NICON also secured member agreement to fund two new members of staff to support key professional groupings based on the peer support model pioneered by the Welsh NHS Confederation. This will provide support for members, encourage cross-trust communication and improve member intelligence and influence.

Our European Office helped ensure a conducive post-Brexit NHS operating environment through expert analysis alongside member insight to identify issues and potential solutions, and hold the government and regulators to account in a wide range of NHS priority areas. As a formal National Contact Point for Horizon Europe, we provided the NHS with support for participation in the EU's key funding programme for research and innovation, which has a budget of €95.5 billion, and more widely, we worked to ensure the NHS is able to participate post-Brexit.



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#### Plans for 2022/23

Following an extensive survey of our members, we have developed a new work programme for 2022/23 that will build on the learning from the pandemic. This will be centred on five priority areas that members have told us are crucial to the future effectiveness and sustainability of health and care services:

1. **Supporting the workforce** - Achieving a sufficient, valued and fully engaged whole-system workforce that actively promotes equality and diversity and is prepared for future challenges.
2. **Integrating health and care** - Integrating physical health, mental health, and social care services to be able to respond effectively to local needs and opportunities.
3. **Improving population health** - Greater system working and incentives to increase prevention and improve population health outcomes, while reducing health inequalities.
4. **Driving innovation** - Improved capacity, access, personalisation, quality and sustainability achieved by driving innovation throughout the NHS.
5. **Enhancing the NHS's role in economic development** - Enhancing the role of the NHS in inclusive and sustainable economies to transform population wellbeing.

These are our five impact goals as an organisation and where we will aim to deliver maximum benefit to all parts of our membership. Here is how we will achieve this in the coming 12 months:

#### 1. Supporting the workforce

We will continue to advocate for a fully costed and transparent workforce plan, recognising this to be a key issue for members. We will continue to challenge the government on issues including staff burnout, and our Community Network will continue to focus on and advocate for the community health services workforce, highlighting areas where there are persistent challenges for members.

The Mental Health Network will undertake joint work on health and social care workforce integration research with the wider NHS Confederation, to highlight solutions for mental health and learning disability workforce challenges, influence workforce policy and showcase good practice and innovation.

MHN will also will produce suicide post-vention guidance with Samaritans, which will give members the tools to more effectively support staff after a colleague dies by suicide.

Our new Primary Care Network will build on its success since launching, to develop a significant network for primary care leaders that will continue to highlight the significant workforce issues that exist in primary care. We will use the recommendations from the Fuller stocktake on primary care integration and work with our ICS network to support the

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development and implementation of innovative employment models to increase capacity in primary care.

Working closely with NHS Employers, our ICS Network will convene a community and practice group, a continuing healthcare (CHC) / care workforce group and a system people forum, as well as delivering a peer support and leadership support offer with the Local Government Association and NHS Providers to help give ICS leaders the skills and knowledge required to lead their systems successfully.

NHS Employers will continue to deliver the DHSC-commissioned service to support and represent NHS organisations in England. Within this we will lead the national collective relationships with our trade union partners on partnership, contracts and pensions; represent the NHS to government on workforce matters; and provide support to employers in key areas. This support includes dedicated regional employer networks as well as specific policy areas including supply, wellbeing and total reward.

We will place particular priority to the work members will do in response to the financial pressures on staff, improved information about the NHS employment and pensions offer, understanding of the current labour market (in partnership with ReWAGE) and the implementation of the NHS Staff Covenant. NHS Employers' social partnership work will remain focused on the complex recovery of NHS services following underinvestment and the pandemic's profound impact on teams and their services to patients.

The Welsh NHS Confederation is set to work closely with NHS Employers and University of Exeter Business School, to support the research into equality and diversity of NHS boards in Wales and Northern Ireland through engaging with our members and stakeholders in Wales.

Working closely with NHS Wales Employers and Health Education and Improvement Wales, The Welsh NHS Confederation will raise awareness of the key issues and opportunities relating to the health and care workforce, including recruitment, retention, training and staff wellbeing. NHS Wales Employers will continue effectively engage with trade unions, professional bodies and Welsh Government on strategic workforce issues.

NICON will continue to advocate for the prioritisation of workforce planning and ensuring there is adequate funding to secure the future workforce, as outlined in the 2022 election briefing. Working through the HR Directors Forum, workforce issues and solutions will be brought to regular ministerial meetings and included as a theme for the NICON conference in October 2022.

Through our European Office, we will influence key aspects of EU policy and legislation along with UK policies and regulations on matters such as mutual recognition of professional qualifications, to support NHS workforce planning and capacity. We will represent the NHS and connect members with good practice exchange with EU and international organisations like the European Hospital and Healthcare Employers' Association (HOSPEEM) both to support improvements in NHS workforce policy and practice, and to showcase the merits of the NHS internationally to support the NHS's ethical international recruitment ambitions.

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We will also identify and secure access for the NHS workforce to get the most from international professional development opportunities, including within the global health sector.

#### **2. Integrating health and care**

From CQC regulation to the System Oversight Framework, our ICS and acute networks will be working to ensure that acute members' interests are properly represented as the architecture for the NHS shifts.

The Community Network will be focusing on the role of community health services in systems and the learning and best practice they can bring in the delivery of out-of-hospital care and the way they can work with integrated care systems. We will continue to play an important role in connecting acute and community providers with all parts of the system, ensuring community providers are linked up through forums including for provider collaboration and for chairs and non-executives, and connecting members with PCN clinical directors and GP federation leaders.

The Mental Health Network will support the growth of open access to mental health support through blogs, webinars and case studies, which will increase the awareness and understanding of the value of open access support, and showcase innovative work by members.

We will also work to increase the role of population health management and public mental health in integrated care systems, to ensure a strong voice for public mental health within the Office for Health Improvement and Disparities and the wider system, and increase understanding of the benefits of public mental health.

Our Primary Care Network, working with our other networks, will deliver a programme of activity in support of the Fuller stocktake recommendations to support the integration of primary care with integrated care systems, with a focus on their role in neighbourhood and place. We will continue to support members to ensure the voice of primary care is effectively represented at system level and that primary care leaders have the capacity to engage in system-level discussions and decisions.

The ICS Network we will provide core business support to our Provider Collaboration and Place-Based Partnerships work programme, both in the action learning sets and the wider thought leadership forum.

Through our ICS chairs and chief executives forums, we will help to further the integration agenda by spreading best practice, connecting leaders and influencing national policymaking.

Our System Finance Forum and finance leads engagements with senior NHS leaders will help to influence the national financial architecture to help address bureaucratic barriers to integration.

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NHS Employers' System Workforce Leaders Forum will enable integrated care board workforce leaders to work together on shared priorities and the development of integrated workplace planning. Linked to this work, we will continue to strengthen our relationship with Skills for Care to better support our respective members. The Cavendish Coalition of social care and health organisations (which NHS Employers convenes) will continue to work together to understand the workforce agenda across both sectors.

The Welsh NHS Confederation will be working with board secretaries and other relevant executive peer groups, to raise awareness of the governance and regulatory barriers to integrating health and social care. A key stakeholder engagement strategy will be developed to enable effective working and collaboration at a national level on key issues and areas of mutual interest, including population health, social care and local needs. The Welsh NHS Confederation will continue to raise awareness of the pressures on social care system and the impact it has on the NHS. This will be achieved through developing relationships with the Welsh Local Government Association, the Association of Directors of Social Services Cymru and working closely with social care partners through our Health and Wellbeing Alliance.

The Northern Ireland NHS Confederation will support the strategic planning and performance group to deliver the new integrated area-based planning model with a programme of activities, and will run a set of leadership development activities in partnership with HSC Leadership Centre. In support of integrated working across the public sector, NICON will help to create a Northern Ireland civil service pan-public sector leadership development programme.

Our European Office will provide international examples, analysis and other insights to help ensure that policy and innovation around integration is supported by international best practice.

We will represent the NHS and connect members with good practice exchanges on key topics with the International Hospital Federation (IHF), European Hospital and Healthcare Federation (HOPE), European Health Management Association (EHMA), and the European Hospital and Healthcare Employers' Association (HOSPEEM).

### **3. Improving population health**

Working across the NHS Confederation group, we will develop a Confed-wide definition that clearly articulates what population health means.

With COVID-19, A&E pressure, staff burnout and long waiting lists a constant theme for our members, we will challenge the government on the realities of delivering care in the current environment. The Community Network will continue to focus on backlogs of care in the community sector and the impact on patients and their families, particularly where it exacerbates existing health inequalities, and will call for appropriate and well-funded public health infrastructure both locally and nationally.

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The Mental Health Network will publish its report, Mental Health in Ten Years' Time, which will influence policy after the NHS Long Term Plan, showcase good practice and increase understanding of challenges and solutions for mental health and learning disability to a wider audience. The network will also create an MHN Learning Disability Forum and Learning Disability Policy Group, to provide a space for members to share good practice and solutions, and increase the profile of learning disability/autism policy with key decision makers, to help improve services.

Our Primary Care Network will support members to face the challenges of delivering healthcare in the heart of the communities they serve, designing service offers to suit the needs of different groups of patients. Through our communities of practice we will help members to feel equipped to deliver tangible outcomes through sharing and learning from each other.

A series of events is planned to allow members to come together to discuss and debate topics that are important to them and their communities, and that will help them influence national, regional and local policies.

Through our ICS Network we will provide core business support to the NHS Confederation's place-based partnership work programme, both in the smaller group convention and the wider thought leadership forum, where population health management plays a significant role.

Through working closely with members of the Health and Wellbeing Alliance, The Welsh NHS Confederation will continue to call on the Welsh Government to introduce a cross-government plan to tackle health inequalities. Through policy and public affairs work in Wales, including briefings and inquiry responses, we will raise awareness of key messages relating to population health, prevention and reducing health inequalities.

NICON will continue to convene a working group on the introduction of a single waiting list for Northern Ireland in pilot areas to reduce inequalities in waiting times and outcomes across trust boundaries. A chief executive team development programme will be commissioned for system leaders, and health inequalities will be a key focus of the NICON conference agenda.

Our European Office will provide international examples, analysis and other insights to help ensure that policy and innovation around system working, prevention, and population health is supported by international best practice.

#### **4. Driving innovation**

We will be placing a significant focus on provider collaboratives in the coming 12 months, with best practice and action learning sets bringing together leaders from across England to learn from one another and drive improvement. We will be working harder than ever to focus on the innovations and improvements that are sustaining the NHS in a period of sustained and significant pressure

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The work and innovations that community health services deliver will continue to be highlighted, sharing their insights, learning and best practice. With the expansion of virtual wards and the Hospital at Home programme, digital innovation will be particularly highlighted.

The Mental Health Network will deliver Integration and Innovation in Action and Mental Health Awareness Week, producing a new report, a webinar, a podcast and achieve media coverage in collaboration with the wider NHS Confederation group. MHN will continue to be a key member of the Mental Health Economics Collaborative, producing reports and webinars showcasing member innovation and influencing policy makers.

We will use our knowledge and engagement with Primary Care Network members to gather and highlight innovation. We will bring members together with experts to put primary care at the front of new ways of working to improve patient *care* and influence the shape of future health and care developments and policy.

Through its clinical and care profession leadership workstream, the ICS Network will convene the chairs of systems' clinical fora to help ensure clinical leadership is embedded in every level of the system. The network will also convene a medical profession reference group made up of nurses, doctors, allied health professionals and primary care leaders to provide clinical expertise to our work.

We have committed resource over the next 12 months to support our policy programme on digital and innovation, including through a system digital forum, and to our regulation and operating framework, to address challenges and opportunities related to system regulation and the NHSEI operating model.

NHS Employers will continue to highlight and share innovative workforce practice, including an increased focus on evidence practice from other sectors, in partnership with the Centre for Evidence Based Management (CEBMA). We will also support collaborative work within our regional networks on agile working and presenteeism.

Members and stakeholders in Wales will continue to have opportunities to showcase their innovation and share best practice through our events and external affairs work to improve patient outcomes. And through continuing close work with the Comms and Engagement Heads of Profession Peer Group, The Welsh NHS Confederation will raise awareness of innovation throughout the NHS and how services are being transformed to provide person-centred care.

Both of Northern Ireland's universities will partner with NICON to develop the annual conference agenda, and NICON will work with the HSC quality improvement team and other key partners, to showcase best practice at the event and identify opportunities to build on this work.

We will influence EU and WHO policy and legislation to empower NHS innovation in a post-Brexit world, including leading UK participation in the EU Joint Action for the Common European Health Data Space; accessing UK and international levers to advance the UK's digital and research policy; facilitating UK participation in initiatives like the WHO Global

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Network for Rare Diseases; and participating in international policy working groups where available on capacity, access, personalisation, quality and sustainability.

#### **5. Enhancing the NHS's role in economic development**

Community health services are embedded within the communities they serve and we will continue to showcase their role as anchor institutions. We will bring together acute, community and ambulance providers and other leaders across the system who are supporting local economic recovery strategies, and fostering better partnerships with local government, higher education and other sectors.

We will work with Primary Care Anchor Networks to support work to create and sustain a vibrant and healthy community, through increasing the recruitment of local people into primary and community care roles, widening access and offering more developmental, training and educational opportunities. We will support members to think innovatively about working with local communities through learning from each other where it is working well.

Our ICS Network is providing core business support to the NHS Confederation's place-based partnership work programme, both in the smaller group convention and the wider thought leadership forum, which plays a vital role in local economy development and the promotion of prosperous places.

We have committed resource to our work programme on social inclusion and inclusive health, including delivering the fourth purpose of integrated care systems: helping the NHS to support broader social and economic development.

NHS Employers will continue to promote employment in the NHS within local communities. Our partnership with The Prince's Trust will continue throughout the next year and we will relaunch all our resources to support better and more diverse recruitment from the communities served by the NHS, with a particular focus on underserved and marginalised groups.

Working closely with the directors of finance and the Finance Academy, The Welsh NHS Confederation will articulate the key financial challenges that the NHS is facing in the coming years and begin to influence future budget discussions in areas such as capital, infrastructure, revenue, resource framework for transformation and innovation, and digital. Through regularly attendance at the directors of finance peer group meetings, The Welsh NHS Confederation will gather views and understanding of the NHS's role in local economies and raise awareness of the work being undertaken across the NHS in Wales. We will also support NHS chairs and CEOs in Wales to raise awareness of the role that the NHS plays in sustainable economies during discussions around COVID-19 recovery, including the role of the NHS as the biggest employer in Wales.

Working alongside key partners in the health and life science innovation ecosystem, including the Health Innovation and Research Alliance Northern Ireland, NICON will hold a roundtable discussion on the role of the economy in health. The outcomes of this discussion

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will help inform a draft proposal options report setting out how an Academic Health Science Network approach could benefit citizen outcomes in Northern Ireland in the future.

Through our European Office we will empower members to achieve their international commercial ambitions via peer learning, case studies, showcasing members internationally, and by providing a link with Healthcare UK/Department for International Trade. We will influence the UK's negotiating approach to trade with other countries to best reflect NHS interests.



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### Structure, governance and management

The charity is a company limited by guarantee and was incorporated on 23 January 2002. The charity's latest articles of association and byelaws were adopted at a General Meeting of members on 16 June 2021.

The charity has a subsidiary called The NHS Confederation (Services) Company Limited incorporated as a company limited by guarantee (Company Number: 05252407).

#### About us

The NHS Confederation is an independent membership body, and membership is open to any statutory NHS or health and social care service organisation within the UK, and any other health or social care body that is approved by the board of trustees. Our membership is drawn from the full breadth of organisations that oversee, commission, and provide healthcare services in England, Wales, and Northern Ireland, including acute and community trusts, clinical commissioning groups, mental health trusts, independent providers and statutory NHS bodies in Northern Ireland and Wales. We also represent ambulance trusts through the Association of Ambulance Chief Executives.

The NHS Confederation helps its members commission and deliver high-quality, patient-focused care for the public by enabling them to learn from each other, acting as their public voice and the voice of the whole health care system and helping to shape the system in which they operate. We do this by providing strong voices for our members through the different networks and devolved jurisdictions that form the NHS Confederation, including NHS Clinical Commissioners (up to 1 April 2022), the Mental Health Network, the Primary Care Network, the Integrated Care Systems Network, the Welsh NHS Confederation and the Northern Ireland Confederation for Health and Social Care.

All our work is underpinned and driven by our vision of an empowered, healthy population supported by world-class health and care services. We uphold our duty of public benefit by being an outstanding membership organisation that brings together and speaks on behalf of organisations that plan, commission and provide NHS services in England, Northern Ireland and Wales.

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit as outlined here and on page 5.

#### Board of trustees

The charity's existing articles of association allow for a board size of no less than three and no more than 15 trustees.

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Following a change to the NHS Confederation's Articles and Byelaws in June 2021, the board is able to appoint nominated trustees from networks and devolved jurisdictions, and co-opt additional trustees for their skills and experience, provided that the board size does not exceed 15. The trustee nomination and appointment system as set out in the byelaws will take effect from July 2022. The changes in June 2021 also confirmed that the trustees are the only members of the charity ("Company law Members") and any member decision required under company law will be reserved for Company Law Members.

### Recruitment of trustees

During the financial year, as our new Articles and Byelaws came to force, we recruited six new trustees to the board. Two of these were drawn from networks and four were recruited as independent trustees, including Vice Chair, Chair of Finance and Operations, and Senior Independent trustee. These vacancies arose due to previous trustees ending their terms of office. An open recruitment process was followed for all independent trustee recruitment.

### Induction of new trustees

New trustees have induction meetings with the board chair and relevant members of the senior management team. Inductions are tailored as per requirements of the trustees and their prior knowledge or engagement with NHS Confederation prior to appointment. From time to time, lawyers or other advisers are invited to attend board meetings to update trustees on charity governance issues and remind the board of their legal and fiduciary duties.

### Strategic report

#### Trustees

The following trustees, who are also the directors of the charity for the purpose of company law, served during the year and up to the date the financial statements were signed.

Lord Victor Adebawale, Chair

Sir Andrew Cash, Vice Chair

Dr Graham Jackson (resigned 1 December 2021)

Jennifer Ruth Poole

Prof Joseph Harrison

Mark Spencer (resigned 28 June 2021)

Michael Bloomfield

Nanda Ratnavel

Paul Jenkins (resigned 7 March 2022)

Prem Singh, Senior Independent Trustee (resigned 25 March 2022)

Prof. Vivienne Harpwood (Burnet)

Dame Gill Morgan (appointed 15 July 2021, resigned 22 February 2022)

Valerie Morton (appointed 15 July 2021)

Marie Gabriel (appointed 15 July 2021)

Dr Pramit Patel (appointed 14 October 2021)

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Dame Jackie Daniel (appointed 24 March 2022)

Ifti Majid (appointed 24 March 2022)

Charles David Skinner (appointed 24 March 2022)

Dr Peta Foxall, Senior Independent Trustee (appointed 24 March 2022)

#### Attendance of trustees at NHS Confederation board meetings

The board of trustees formally met on 20 May 2021, 15 July 2021, 14 October 2021, 9 December 2021, and 24 March 2022. The attendance record from formal board meetings is as shown below.

Name	Attendance
Lord Victor Adebawale, Chair	5/5
Sir Andrew Cash, Vice Chair	4/5
Dr Graham Jackson	1/3
Jennifer Ruth Poole	4/5
Prof Joseph Harrison	4/5
Mark Spencer	0/1
Michael Bloomfield	3/5
Nanda Ratnavel	4/5
Paul Jenkins	2/4
Prem Singh, Senior Independent Trustee	2/5
Prof. Vivienne Harwood	5/5
Dame Gill Morgan	3/3
Valerie Morton	4/4
Marie Gabriel	3/4
Dr Pramit Patel	3/3
Dame Jackie Daniel	n/a
Ifti Majid	n/a
Charles David Skinner	n/a
Dr Peta Foxall, Senior Independent Trustee	n/a

#### Scheme of delegation

A scheme of delegation lays out trustees' responsibilities, and those delegated to the board's subcommittees, senior management, and staff. This, together with a full set of operational policies and procedures, determines the conduct of senior management and other employees.

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#### Committees of the board

The board had three sub-committees in 2021/22: the audit and risk committee (known until December 2021 as the audit committee), the remuneration committee, and the finance and operations committee.

The audit and risk committee is comprised of three trustees and two independent members and is responsible for advising the board on the charity's annual accounts, including compliance with statutory and other legal requirements, the oversight of risk and the associated control structure, and for managing the relationship with internal and external auditors.

#### Audit and risk committee attendance record

Nanda Ratnavel, Chair of Audit and Risk Committee	4/4
Paul Jenkins, Trustee Committee Member (resigned 7 March 2022)	1/4
Michael Bloomfield, Trustee Committee Member	4/4
Mark Stevenson, Independent Committee Member	4/4
Liz May, Independent Committee Member	2/4
Peta Foxall, Trustee Committee Member (appointed May 2022)	n/a

The remuneration committee is comprised of at least four trustees. It is responsible for determining the executive pay framework and agreeing specific recommendations relating to executive pay; determining the policy for and scope of the annual cost-of-living or performance-related award for all NHS Confederation staff, and ensuring that application of this remuneration policy is equitable, fair and transparent; ensuring that contractual terms on termination and any payments made are fair to the individual and the organisation and that failure is not rewarded; and reviewing remuneration trends across the organisation.

#### Remuneration committee attendance record

Valerie Morton, Chair of Remuneration Committee (from 6 July 2021)	3/3
Dr Graham Jackson, Trustee Committee Member (resigned 1 December 2021)	1/2
Prof Joseph Harrison, Trustee Committee Member	2/3
Marie Gabriel, Trustee Committee Member (from 9 December 2021)	1/1

The finance and operations committee is comprised of at least three members, the majority of which are trustees. Its remit is to give the board a closer and clearer understanding of the charity's core financial and operational processes, while ensuring the regular review of its financial performance, delivery of infrastructure projects, and adequacy of insurance cover. The committee also advise the board on the charity's investment strategy. To ensure that the work of the finance sub-committees is aligned, the chair of the audit and risk committee is also be a member of the finance and operations committee.

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#### Finance and operations committee attendance record

Prem Singh, Chair of finance and operations committee (resigned 25 March 2022)	4/4
Nanda Ratnavel, Trustee committee member/Chair of audit and risk committee	3/4
Suneet Kumar, independent committee member	4/4
David Skinner, Chair of finance and operations committee (appointed 25 March 2022)	N/a

#### Network and country boards

In accordance with the existing articles of association, scheme of delegation, the board delegates specific powers to the boards of the networks and countries, which entitles them to manage their own affairs subject to the reasonable requirement of the trustees.

#### Pensions and remuneration package

The organisation operates three pension schemes.

The organisation operates a Scottish Widows salary exchange defined contribution pension scheme. The organisation contributes 6 per cent with staff contributing a minimum of 3 per cent. For a small number of staff who were in the scheme prior to auto enrolment in 2012 the organisation contributes 9 per cent with staff contributing a minimum of 6 per cent. There are also a range of other benefits available to all employees including flexible working; non-contributory life assurance cover; season ticket loans; childcare vouchers and a cycle-to-work scheme (via a salary sacrifice scheme).

The NHS Confederation (through a direction body agreement) maintains access to the NHS Pension Scheme (for a maximum of five years) and the Civil Service Pension Schemes for staff who are recruited from these sectors (or are employed on protected terms) and already contribute to these defined benefit schemes. The organisation contributes 14.38 per cent to the NHS Pension Scheme and 20.9 per cent to 24.5 per cent to the Civil Service Scheme. 39 staff are on the NHS Pension Scheme and 6 are in the Civil Service Scheme.

#### Chief executive and director pay

The remuneration committee is responsible for setting the pay for the chief executive and directors. A framework based on the Korn Ferry job evaluation methodology is used to determine the range of director and chief executive pay and total remuneration is agreed by the remuneration committee.

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#### **Related parties**

Dr Graham Jackson's (a trustee to December 2021) GP partnership, Whitehill Surgery, was recompensed for his time spent working for NHS Clinical Commissioners to allow them to backfill his time away from practice business and direct patient care. Dr Jackson was also paid directly for consultancy services for up to 90 days per year. This was established in accordance with the organisation's Trustee Remuneration Policy where the board of trustees, excluding the trustee in question, must satisfy themselves that the payment is justified and compliant with Charity Commission regulations.

Dr Pramit Patel's (a trustee) GP Partnership, Greystone House Surgery, was recompensed for his time working for the PCN Network to allow them to backfill his time away from practice business and direct patient care, in accordance with the trustee remuneration policy

Marie Gabriel, a trustee, is remunerated through monthly payments for her term as chair of the Race and Health Observatory, again in accordance with the Trustee Remuneration Policy.

The NHS Confederation is the sole controller of the trading subsidiary The NHS Confederation (Services) Company Limited, registered company number 05252407. The company exists to provide a range of non-charitable activities on behalf of the NHS Confederation, including:

- organising and delivering the NHS Confederation annual conference and exhibition
- a range of other conferences and events
- delivering sponsorship and exhibition services for the NHS Confederation and third parties
- entering into joint ventures or similar.

The directors of the subsidiary company are Jennifer Ruth Poole (chair of the subsidiary board and charity trustee), Matthew Taylor (subsidiary board director, and CEO of the charity appointed 8 July 2021), John O'Brien (subsidiary board director and commercial director of the charity) and Nikki Barraclough (subsidiary board director and Director of Finance & IT at the Charity). On 24 March 2022, Zoe Bedford was appointed as a non-executive director of the subsidiary. Daniel Mortimer (subsidiary board director) resigned on 8 July 2021 and Jonathan Morris (non-executive director) resigned on 27 September 2021.

The NHS Confederation has no financial or controlling interest in any other organisation.

Certain costs incurred by the charity are recharged to the subsidiary reflecting an estimation of their usage. The methodology for this recharge is agreed by both parties as part of the budget setting process each year.

#### **Trustee remuneration**

In accordance with the articles of association and consent from the Charity Commission, the NHS Confederation chair/ interim chair is remunerated at £50,000 per annum for eight to ten days per month. The senior independent trustee is responsible for liaising with the other trustees to set the annual objectives for the chair and for reviewing performance annually.

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As detailed above in related parties, an agreement was in place with Dr Graham Jackson's practice, Whitehill Surgery, (until his resignation) to provide recompense for his time spent as chair of NHS Clinical Commissioners; and a similar agreement is in place with Dr Pramit Patel's practice, Greystone House Surgery, to provide recompense for his time spent as chair of the PCN Network.

Dr Jackson was paid directly for his consultancy work with the PCN and ICS Networks. Dr Jackson's contract ended during the financial year.

No other trustees received remuneration for their services.

Trustees incurred the following travel, accommodation and subsistence expenses while on NHS Confederation business in 2021/22:

Sir Andrew Cash: £177.33

Valerie Morton: £67.05

Dr Peta Foxall (appointed March 2022): £62.55

#### **Governance review and Charity Governance Code**

Trustees conducted a governance review that concluded in June 2021 with the adoption of new Articles and Byelaws. Trustees are committed to conducting a board effectiveness review later in 2022/23.

The NHS Confederation also undertook an internal audit of its governance practices in autumn 2021 and as a result, in March 2022, trustees formally adopted the Charity Governance Code.

#### **Risk management and board assurance**

The trustees of the NHS Confederation are aware of their responsibilities relating to risk management under the requirements of the Statement of Recommended Practice for Accounting and reporting by Charities (SORP).

The trustees are responsible for considering the strategic risks, which are documented on a risk register that evaluates the residual risk (post-mitigating action) against the risk appetite set by the trustees. The register also contains the board assurance framework, outlining three lines of 'defence' in providing assurance. Trustees revisit and set the risk appetite annually.

The register and the mitigating actions are reviewed at every meeting of the audit and risk committee to ensure the actions are having the desired impact and that the risk is therefore at an acceptable level. The chief executive attends these meetings to report on corporate risks. At an operational level, operational risks are considered within departments and mitigated against. Trustees have set a clear Risk Policy, revised in March 2022, which is underpinned by risk management practices across the organisation.

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The risk register outlines 13 strategic risks, with the principal risks being summarised as:

Risk	Mitigation and assurance
Loss of, or significant reduction in, major contracts	Effective relationship and contract management Implementation of commercial and income strategy to develop new income streams Formal contract management meetings Governance and reporting on programmes Regular financial forecasting Governance level oversight of all key income activity
Loss of, or significant reduction in, membership	Effective relationship management and member engagement Membership insights and effective renewal management Member engagement Effective CRM to support relationship management and insights Commercial and income strategy Membership audit planned for Autumn 2022
The impact of COVID-19 and the ability to deliver the ConfedExpo and Horizon event function	Content panel, clear targets for sponsorship and exhibition Contingency for returning to virtual events Horizon has developed COVID-19-secure events and virtual studio offer Effective marketing plans and relationship management Regular budget reforecasting and monitoring financial performance

#### Data protection

The NHS Confederation is fully committed to meeting requirements of the Data Protection Act 2018 and the UK General Data Protection Regulation 2021. Mandatory data protection training for staff and trustees is delivered through an e-learning module and compliance reports on data breaches and subject access requests are provided to the audit committee at each of its meetings.



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### Finance review

#### Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the review of the three-year plan (which moves from a breakeven budget in year one (2022/23), to surpluses in years two (2023/24) and three (2024/25)), forecast data, and a 12-month forward-looking cash flow. Our membership income remains robust, the new membership offer in England was successfully launched April 2021 and new paying membership schemes for primary care and ICSs launched April 2022. Contract income is stable and commercial income opportunities are budgeted to increase as our conference and event activity increases. The organisation has a strong cash balance and holds healthy reserves.

#### Income and expenditure

Income for the year increased by £2.6 million to £17.6 million (2021: £15.0 million) due to increased income across all key income streams (membership, contracts and grants, and commercial income).

Expenditure for the year was £16.6 million (2021: £15.2 million). The increase is due to delivering more events, and costs increasing for membership offer and contract delivery. The operating surplus for the year was £1.1 million (2021: £0.7 million) which includes the investment gains.

#### Reserves policy

The target for free reserves continues to be based on the closure costs for the organisation, the calculation of which is reviewed annually by trustees. The target range for reserves is £4.9 million to £6.3 million. At 31 March 2022, the total funds balance stood at £9.4 million (2021: £8.3 million), with the amount of free reserves (those not represented by fixed assets) standing at £9.0 million (2021: £7.7 million). This is higher than the range stated in our reserves policy. The reserves balance has increased over recent years due to better than budgeted financial results. The 2022/23 delivery plan includes spending of £0.3 million from reserves on new projects. This high reserves balance needs to be viewed in light of the upcoming financial risk of potential loss of contract income linked to a large contract with an end date of March 2023. It is likely some reserves will be needed to facilitate a smooth change process in the event that funding is reduced. Further consideration will be given as to how best to use the available reserves balance in future years to bring it more in line with policy. Management are working on developing proposals, which will be presented to trustees in 22/23, to designate funds from reserves for high-impact projects.

#### Investment policy

The trustees determine that the objective of holding the investment portfolio is to secure a balance between income and long-term capital growth, achieving total returns in real terms over a five-to-seven-year timeframe. The portfolio is currently managed by Sarasin & Partners LLP, a firm of investment managers, and the funds have been invested in the Sarasin Endowment Fund and the Sarasin Income and Reserves Fund. The Finance and Operations Committee continues to review the investment policy and objectives and the performance of the investment portfolio.

# THE NHS CONFEDERATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

### FOR THE YEAR ENDED 31 MARCH 2022

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As a charity that is closely associated with the NHS and health generally, careful consideration is given to ethical factors in the choice of investments. Where it is felt that an investment conflicts with the charity's objective of promoting better healthcare, no investment will be made: e.g. tobacco companies. Similarly, investments will not be made in any companies involved in controversial industries such as armaments, gambling, alcohol, or pornography.. Discretion may be exercised where the core business of a company is consistent with our ethical position e.g. a supermarket selling a wide range of products, including tobacco. The investment fund manager will be tasked with providing regular updates to the finance and operations committee on its compliance with the agreed ethical guidelines.

The investment portfolio achieved growth of £0.1 million for 2021/22 in a very volatile market. The investments also generated £143,444 of investment income. At the end of this financial year, the investment portfolio was valued at £5.23 million (2021: £5.16 million). It is likely that surplus cash will be invested into the portfolio in the 2022/23 financial year.

The trustees recognise and accept the risks involved in making investments in order to generate capital growth to protect the funds against inflation, as well as providing a modest income.

### **Qualifying third party indemnity provisions**

The charitable company has made qualifying third-party indemnity provisions for the benefit of its trustees during the year. These provisions remain in force at the reporting date.

### **Auditor**

In accordance with the existing articles of association, a resolution proposing that BHP LLP be appointed as auditor of the company was put to a general meeting of members on 28 July 2022, following a robust tender process. RSM UK Audit LLP remain the auditors for this 2021/22 financial year, with BHP LLP taking over from August 2022.

### **Statement of disclosure to auditor**

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each trustee has taken all the necessary steps to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

The trustees' report is prepared under the Charities Act 2011, which also contains all information required in a Directors' Report by the Companies Act 2006 and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the board of trustees on 28<sup>th</sup> July 2022 and signed on their behalf by:

Signed: Victor Adebawale  
Victor Adebawale (Jul 28, 2022 16:52 GMT+1)

Name: Victor Adebawale  
Trustee

# **THE NHS CONFEDERATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees, who are also directors of The NHS Confederation for the purpose of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE NHS CONFEDERATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION

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### Opinion

We have audited the financial statements of The NHS Confederation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure account, Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

# THE NHS CONFEDERATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION

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### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

# THE NHS CONFEDERATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION

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### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## THE NHS CONFEDERATION

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the parent charitable company's governing document and employment tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

Enquiries were made of management and Trustees, and minutes of Trustees meetings were reviewed, in relation to laws and regulations where non-compliance could have an indirect impact on the financial statements.

The group audit engagement team identified the risk of management override of controls and income recognition in respect of completeness and cut off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed regarding the risk of management override of controls included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed regarding the risk of incorrect revenue recognition included ensuring that the group's accounting policies were correctly applied, challenging key judgments and estimates and agreeing income to third party documentation to ensure the revenue was recorded in the correct period.

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

# THE NHS CONFEDERATION

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION

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### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Lucy Robson*

Lucy Robson (Jul 29, 2022 12:45 GMT+1)

LUCY ROBSON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Central Square

5<sup>th</sup> Floor

29 Wellington Street

Leeds

LS1 4DL

Date: Jul 29, 2022



# THE NHS CONFEDERATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b><u>Income from:</u></b>					
Charitable activities	3	15,552,256	193,230	15,745,486	14,296,809
Other trading activities	4	1,240,465	–	1,240,465	473,233
Investments		143,444	–	143,444	173,049
Exceptional income	8	500,000	–	500,000	–
Other income		12,288	–	12,288	102,685
<b>Total income</b>		<b>17,448,453</b>	<b>193,230</b>	<b>17,641,683</b>	<b>15,045,776</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	5	15,203,735	193,230	15,396,965	14,179,773
Other trading activities	7	1,180,553	–	1,180,553	1,031,765
<b>Total expenditure</b>		<b>16,384,288</b>	<b>193,230</b>	<b>16,577,518</b>	<b>15,211,538</b>
Net gains on investments		66,525	–	66,525	911,770
<b>Net income</b>		<b>1,130,690</b>	<b>–</b>	<b>1,130,690</b>	<b>746,008</b>
<b>Net movement in funds</b>		<b>1,130,690</b>	<b>–</b>	<b>1,130,690</b>	<b>746,008</b>
Total funds brought forward		8,312,020	–	8,312,020	7,566,012
<b>Total funds carried forward</b>		<b>9,442,710</b>	<b>–</b>	<b>9,442,710</b>	<b>8,312,020</b>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE NHS CONFEDERATION

Company Registration No. 04358614

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible fixed assets	12		82,288		97,438
Tangible fixed assets	13		313,576		480,135
Investments	14		5,227,337		5,160,812
			<u>5,623,201</u>		<u>5,738,385</u>
<b>Current assets</b>					
Debtors	15	6,449,244		3,599,490	
Cash at bank		<u>8,047,312</u>		<u>5,298,836</u>	
		14,496,556		8,898,326	
<b>Creditors: amounts falling due within one year</b>	16	(10,677,047)		(6,324,690)	
Net current assets			<u>3,819,509</u>		<u>2,573,635</u>
<b>Total assets less current liabilities</b>			<u>9,442,710</u>		<u>8,312,020</u>
<b>Income funds</b>					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		395,864		577,572	
General unrestricted funds		9,046,846		7,734,448	
<b>Total funds</b>	19		<u>9,442,710</u>		<u>8,312,020</u>

The notes on pages 45-69 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 28 July 2022 and are signed on their behalf.

Signed: Victor Adebawale  
Victor.Adebawale@Jul 28, 2022 16:52 GMT+1

Name: Victor Adebawale

Trustee

# THE NHS CONFEDERATION

Company Registration No. 04358614

## CHARITY BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible fixed assets	12		82,288		97,438
Tangible fixed assets	13		313,576		480,135
Investments	14		5,227,337		5,160,812
			5,623,201		5,738,385
<b>Current assets</b>					
Debtors	15	5,866,455		3,564,484	
Cash at bank		6,673,312		4,930,318	
		12,539,767		8,494,802	
<b>Creditors: amounts falling due within one year</b>	16	(9,626,816)		(5,923,549)	
Net current assets			2,912,951		2,571,253
<b>Total assets less current liabilities</b>			8,536,152		8,309,638
<b>Income funds</b>					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		395,864		577,572	
General unrestricted funds		8,140,288		7,732,066	
<b>Total funds</b>	19		8,536,152		8,309,638

The charitable company's gross income for the year was £15,916,073 (2021 - £14,573,121) and result for the year was a net increase in funds of £226,514 (2021 – net increase of £1,218,030)

The notes on pages 45-69 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 28 July 2022 and are signed on their behalf.

Signed: Victor Adebawale  
Victor Adebawale (Jul 28, 2022 16:52 GMT+1)

Name: Victor Adebawale

Trustee

# THE NHS CONFEDERATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21	2,608,412		2,531,159	
<b>Net cash inflow from operating activities</b>		2,608,412		2,531,159	
<b>Cash flows from investing activities</b>					
Purchase of intangible fixed assets		(3,380)		(97,438)	
Proceeds from sale of investments		—		1,300,000	
Interest received		143,444		173,049	
<b>Net cash generated from investing activities</b>		140,064		1,375,611	
<b>Net increase in cash and cash equivalents</b>		2,748,476		3,906,770	
<b>Cash and cash equivalents at beginning of year</b>		5,298,836		1,392,066	
<b>Cash and cash equivalents at end of year</b>		<u>8,047,312</u>		<u>5,298,836</u>	

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 1. Accounting policies

#### Charity information

The NHS Confederation is a private company limited by guarantee incorporated in England and Wales. The registered office is 2nd Floor, 18 Smith Square, London, England, SW1P 3HZ. The principal activities of the group are noted on page 5.

#### Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

#### Parent statement of financial activities

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities as it prepares group accounts and the charitable company's individual balance sheet shows its gross income and result for the year.

#### Reduced disclosures

The charitable company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charitable company, which are intended to give a true and fair view of the assets, liabilities, financial position, and movement in group funds. The charitable company has therefore taken advantage of exemptions from the following disclosure requirements for charitable company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of the NHS Confederation and its subsidiary The NHS Confederation (Services) Company Limited (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### Accounting policies (Continued)

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### Going concern

The group had a net increase in funds during the year of £1,130,690 (2021: net increase of £746,008). At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the review of the three-year plan, forecast data and a 12-month, forward-looking cash flow. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

### Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income is measured at the fair value of the consideration received or receivable, net of discounts and value added tax.

### Membership subscriptions

Income is all recognised in the first month of the financial year in which it relates to. Our membership period runs in line with our financial year, April to March.

### Contract income

Income is recognised based on delivery under the terms of the contract. Where contracts span more than one year, revenue is recognised based on costs incurred or using a percentage of work delivered, whichever method is deemed more appropriate.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Accounting policies (Continued)

##### Events, sponsorship, exhibition, and delegate income

Income is recognised at the date of the event.

##### Grant income

Grant income is recognised when the charity has entitlement to the funds and is recorded in accordance with the grant terms.

##### Deferred income

Income invoiced in advance is accounted for as deferred income in the Balance Sheet and released to the Statement of Financial Activities in the year in which it relates. Deferred income will also arise when work is incomplete at the year end and the customer agrees for this work to be completed in the following year.

##### Government grants

Government grants have been received in the year relating to the Government Coronavirus Job Retention Scheme ('Furlough'). These are recognised in "Other Income" within Income & Expenditure in the same period as the related expenditure.

##### Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure and the amount can be measured or estimated reliably.

All expenditure is accounted for on an accrual basis and is classified under headings that aggregate all costs related to each category of expenses shown in the Statement of Financial Activities.

Expenditure on charitable activities comprises those costs incurred influencing on behalf of our members, representing NHS organisations on workforce issues, and bringing those organisations and members together to share learning. It includes both costs that can be allocated directly to those activities and those costs of an indirect nature to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, IT, human resources, office accommodation, and governance costs which support the charity programmes and activities. They are allocated based on direct costs of each activity as a percentage of total direct costs.

Expenditure is shown net of VAT but includes any irrecoverable VAT, which is charged against the category of expenses for which it was incurred.

Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is constructive obligation to make a payment. Where grants are awarded with conditions attached, these must be met before the liability is recognised.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### Accounting policies (Continued)

#### Intangible fixed assets

Intangible fixed assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

System development	20% straight line
--------------------	-------------------

Intangible assets are derecognised from the balance sheet on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising from the derecognition of an intangible asset is recognised in net income/(expenditure) for the year.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Individual assets with a value of less than £2,000 are not capitalised but charged to expenditure in the year of purchase.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Furniture, fixtures, and fittings	40% straight line or over the term of the lease
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Computer and other equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### Fixed asset investments

Fixed asset investments are initially measured at transaction price and are subsequently measured at fair value (market value) at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year.

#### Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### Cash and cash equivalents

Cash and cash equivalents comprise funds held in current and instant access deposit bank accounts.



# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### Accounting policies (Continued)

#### Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include trade debtors, other debtors, accrued income, amounts due from fellow group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure).

#### Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Accounting policies (Continued)

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

##### **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### Accounting policies (Continued)

#### Multi-employer plans

The charity participates in two multi-employer pension schemes for its employees, as outlined in note 19. For both schemes there is insufficient information to use defined benefit accounting, they are therefore treated as defined contribution schemes for accounting purposes and the contributions recognised in the period to which they relate.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income and expenditure account on a straight line basis over the term of the relevant lease.

#### Agency arrangements

The charity acts as an agent for the NI Public Sector Chairs forum. Related receipts and subsequent payments are excluded from the Statement of Financial Activities to the extent that the charity does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included in creditors.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### **2. Critical accounting estimates and judgements**

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Revenue recognition**

Revenue received during the year for contracts is recognised based on the contract price (net of VAT) and on agreement with the customer that the services have been provided in line with the specification. Where contracts are part completed at the year-end date, revenue is recognised by measuring costs incurred to date and with reference to progress against contract deliverables. In this instance, deferred income arises on agreement with the customer that work may be delivered in the following year.

#### **Key sources of estimation uncertainty**

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### **Impairment of debtors**

The charitable company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the trustees consider factors including the ageing profile of the debtor. See note 15 for the net carrying amount of the debtors.

#### **Useful economic lives of intangible and tangible assets**

The annual amortisation charge for intangible assets and the annual depreciation charge for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. See notes 12 and 13 for the carrying amount of the intangible and tangible fixed assets and note 1 for the useful economic lives for each class of assets.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 3. Income from charitable activities

	2022 £	2021 £
Membership subscriptions	3,220,555	2,811,806
Contract delivery	11,614,371	10,967,139
Grant income	193,230	139,943
Conference centre income	307,779	76,812
Training and other income	409,551	301,109
	<u>15,745,486</u>	<u>14,296,809</u>

Grant income of £193,230 (2021: £139,943) is classed as restricted income in this financial year. All other income from charitable activities is classed as unrestricted income in both years.

### 4. Income from other trading activities

	2022 £	2021 £
Publications income	11,163	3,496
Audio visual income	–	1,569
Membership subscriptions	61,413	41,258
Events and partnerships	1,167,889	387,911
Contract delivery	–	39,000
	<u>1,240,465</u>	<u>473,233</u>

All income from trading activities is classed as unrestricted income in both years.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 5. Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2022 £	Total 2021 £
Membership subscriptions	2,497,317	518,017	3,015,334	3,680,807
Events and partnerships	43,882	9,102	52,984	185,786
Contract delivery	9,545,550	1,980,029	11,525,579	9,698,546
Grants	193,230	–	193,230	139,943
Conference centre	418,532	86,816	505,348	359,502
Training and other activity	86,539	17,951	104,490	–
Digital expenditure	–	–	–	115,189
	<u>12,785,050</u>	<u>2,611,915</u>	<u>15,396,965</u>	<u>14,179,773</u>

Expenditure of £193,230 (2021: £139,943) is classed as restricted in the year. All other expenditure on charitable activities is classed as unrestricted expenditure in both years.

### 6. Support costs

	2022 £	2021 £
Management	489,336	798,969
Governance costs	213,076	87,068
Finance	327,100	262,090
Information technology	345,629	480,065
Human resources	410,969	399,882
Accommodation	825,805	852,004
	<u>2,611,915</u>	<u>2,880,078</u>

Support costs are allocated based on direct costs of each activity as a percentage of total direct costs.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 7. Expenditure on other trading activities

	2022 £	2021 £
Membership subscriptions	749	–
Publications expenditure	3,312	1,062
Audio visual expenditure	78	615
Events and partnerships	1,008,701	867,579
Other administrative expenses	167,713	162,509
	<u>1,180,553</u>	<u>1,031,765</u>

All expenditure on trading activities is classed as unrestricted expenditure in both years.

#### 8. Exceptional items

An amount of £500,000 has been disclosed on the face of the Statement of Financial Activities, relating to the sale of a company in which the NHS Confederation (Services) Company Limited held a financial interest.

#### 9. Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after recognising		
Fees payable to the company's auditor and its associates in respect of both audit and non-audit services are as follows:		
- Audit	52,017	50,024
- Other non-audit services	10,596	2,629
Depreciation of owned tangible fixed assets	166,558	201,976
Amortisation of intangible fixed assets	18,530	–
Operating lease charges	570,244	555,478
Government grant income	<u>12,288</u>	<u>95,495</u>

The Government grant income above for both years relates to money claimed through the Coronavirus Job Retention Scheme.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 10. Trustees

During the year, The NHS Confederation chair Victor Adebowale was remunerated £50,000 (2021: £46,591) in accordance with the articles of association and the permission granted by the Charity Commission. Graham Jackson received remuneration of £45,953 (2021: £63,763) for consultancy services provided to the charity, which is separate from their activities as a trustee (resigned 1 December 2021). Marie Gabriel, a trustee, was remunerated £20,000 (2021: £13,696) for their work as chair of the Race and Health Observatory.

Expenses incurred on behalf of the charitable company and reimbursed to three trustees during the year amounted to £307 (2021: £nil), relating to travel.

No pension contributions were made on behalf of any of the trustees.

#### 11. Employees

##### Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	210	210

##### Employment costs

	2022 £	2021 £
Wages and salaries	9,481,469	9,174,230
Social security costs	991,338	990,568
Pension costs	798,375	786,213
	<u>11,271,182</u>	<u>10,951,011</u>

Wages and salaries includes seconded and agency staff of £304,726 (2021 - £157,167).

During the year, termination payments were paid to 2 employees (2021: nil employees) totalling to £120,000 (2021: £nil).



**THE NHS CONFEDERATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**11. Employees (Continued)**

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
£170,000-£179,999	–	1
£160,000-£169,999	2	–
£150,000-£159,999	–	–
£140,000-£149,999	–	1
£130,000-£139,999	2	1
£120,000-£129,999	2	2
£110,000-£119,999	1	3
£100,000-£109,999	2	1
£90,000-£99,999	3	1
£80,000-£89,999	4	4
£70,000-£79,999	6	7
£60,000-£69,999	16	18

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 12. Intangible fixed assets

#### Group and charity

	<b>System Development £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2021	97,438	97,438
Additions	3,380	3,380
Disposals	—	—
At 31 March 2022	<u>100,818</u>	<u>100,818</u>
<b>Amortisation</b>		
At 1 April 2021	—	—
Amortisation charged in year	<u>18,530</u>	<u>18,530</u>
At 31 March 2022	<u>18,530</u>	<u>18,530</u>
<b>Carrying amount</b>		
At 31 March 2022	<u>82,288</u>	<u>82,288</u>
At 31 March 2021	<u>97,438</u>	<u>97,438</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 13. Tangible fixed assets

#### Group and charity

	Furniture, fixtures and fittings £	Computer and other equipment £	Total £
<b>Cost</b>			
At 1 April 2021	743,530	45,281	788,811
Additions	–	–	–
Disposals	–	(31,244)	(31,244)
At 31 March 2022	<u>743,530</u>	<u>14,037</u>	<u>757,567</u>
<b>Depreciation</b>			
At 1 April 2021	266,310	42,367	308,677
Depreciation charged in year	163,644	2,914	166,558
Eliminated on disposal	–	(31,244)	(31,244)
At 31 March 2022	<u>429,954</u>	<u>14,037</u>	<u>443,991</u>
<b>Carrying amount</b>			
At 31 March 2022	<u>313,576</u>	<u>–</u>	<u>313,576</u>
At 31 March 2021	<u>477,220</u>	<u>2,915</u>	<u>480,135</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 14. Investments

Group and charity	Listed investments £	
<b>Cost or valuation</b>		
At 1 April 2021		5,160,812
Valuation changes		66,525
At 31 March 2022		<u>5,227,337</u>
<b>Carrying amount</b>		
At 31 March 2022		<u>5,227,337</u>
At 1 April 2021		<u>5,160,812</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments at fair value comprise:		
Fixed income	641,832	1,096,408
Equities	3,395,591	3,242,951
Property	262,804	101,336
Alternative investments	674,851	412,958
Liquid assets	252,259	307,159
	<u>5,227,337</u>	<u>5,160,812</u>

### Fixed asset investments revalued

At 31 March 2022, the historical cost of investments was £3,200,000 (2021 - £3,200,000) with net gains of £2,027,337 (2021 - £1,960,812).

Valuations are based on bid price at the close of business on the valuation date. Investments are included at their fair value as at the year-end date.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 15. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	5,853,718	3,181,277	5,247,918	3,053,040
Amounts due from fellow group undertakings	–	–	384,809	332,738
Other debtors	4,136	–	4,136	–
Prepayments and accrued income	483,282	318,409	221,289	178,706
	<u>6,341,136</u>	<u>3,499,686</u>	<u>5,858,152</u>	<u>3,564,484</u>
<b>Amounts falling due after more than one year:</b>				
Prepayments and accrued income	108,108	99,804	8,303	–
	<u>108,108</u>	<u>99,804</u>	<u>8,303</u>	<u>–</u>
<b>Total debtors</b>	<u>6,449,244</u>	<u>3,599,490</u>	<u>5,866,455</u>	<u>3,564,484</u>

### 16. Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	586,237	142,871	393,696	135,191
Other taxation and social security	1,085,673	1,325,005	1,085,673	1,325,005
Other creditors and accruals	1,000,495	1,059,339	995,263	1,059,033
Deferred income	8,004,642	3,797,475	7,152,184	3,404,320
	<u>10,677,047</u>	<u>6,324,690</u>	<u>9,626,816</u>	<u>5,923,549</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 17. Deferred income

Deferred income comprises both income invoiced in advance and instances where work is incomplete at the year end and the customer agrees for this work to be completed in the following year.

	Group £	Charity £
At 1 April 2021	3,797,475	3,404,320
Amount released to Statement of Financial Activities	(5,821,460)	(3,586,987)
Amount deferred in year	10,028,627	7,334,851
At 31 March 2022	<u>8,004,642</u>	<u>7,152,184</u>

### 18. Retirement benefits

The organisation contributes to a number of pension schemes.

The NHS Confederation is able to maintain access to the NHS Pension Scheme (for a maximum of five years) and the Civil Service Pension Scheme for staff who are recruited from these sectors and already contribute to these schemes.

The Federated Flexiplan No.1 was a defined benefit pension scheme previously operated. This plan is closed to new members and to future accrual of benefits.

The organisation makes a contribution of either 6 per cent or 9 per cent (staff contributing 3 per cent or 6 per cent) to a defined contribution pension scheme (Scottish Widows) for all employees unless they opt out.

Contributions amounting to £112,635 (2021 - £150,382) were payable to the schemes at 31 March 2022 and are included within other creditors and accruals.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 19. Unrestricted funds

#### Group

#### Movement in funds

	Balance at 1 April 2021 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and losses £	Balance at 31 March 2022 £
Funds represented by fixed assets	577,572	(181,708)	–	–	395,864
General unrestricted funds	7,734,448	–	1,245,873	66,525	9,046,846
	<u>8,312,020</u>	<u>(181,708)</u>	<u>1,245,873</u>	<u>66,525</u>	<u>9,442,710</u>

#### Movement in funds

	Balance at 1 April 2020 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and losses £	Balance at 31 March 2021 £
Funds represented by fixed assets	682,110	(104,538)	–	–	577,572
General unrestricted funds	6,883,902	–	(61,224)	911,770	7,734,448
	<u>7,566,012</u>	<u>(104,538)</u>	<u>(61,224)</u>	<u>911,770</u>	<u>8,312,020</u>

**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**19. Unrestricted funds (continued)**

Charity	Movement in funds				
	Balance at 1 April 2021 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and losses £	Balance at 31 March 2022 £
Funds represented by fixed assets	577,572	(181,708)	–	–	395,864
General unrestricted funds	7,732,066	–	341,697	66,525	8,140,288
	<u>8,309,638</u>	<u>(181,708)</u>	<u>341,697</u>	<u>66,525</u>	<u>8,536,152</u>

	Movement in funds				
	Balance at 1 April 2020 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and losses £	Balance at 31 March 2021 £
Funds represented by fixed assets	682,110	(104,538)	–	–	577,572
General unrestricted funds	6,409,498	–	410,798	911,770	7,732,066
	<u>7,091,608</u>	<u>(104,538)</u>	<u>410,798</u>	<u>911,770</u>	<u>8,309,638</u>

**20. Restricted funds**

Income relating to restricted funds was received during the year ended 31 March 2022 but had all been spent by the year-end date, meaning balance on restricted funds at this date was nil. Restricted funds related to grants received for a specific purpose, being the enablement of young people into jobs in the NHS (The Prince's Trust) and funding for the EU Joint Action project (Wellcome Trust)



# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 21. Cash generated from operations

	2022 £	2021 £
Surplus for the year	1,130,691	746,008
Adjustments for:		
Investment income recognised in statement of financial activities	(143,444)	(173,049)
Fair value gains on investments	(66,525)	(911,770)
Depreciation of tangible fixed assets	166,558	201,975
Amortisation of intangible fixed assets	18,530	–
Movements in working capital		
(Increase)/decrease in debtors	(2,780,286)	2,519,938
Increase in creditors	4,282,888	148,057
Cash generated from operations	2,608,412	2,531,159

### 22. Operating leases

At the reporting end date, the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	532,830	577,307
Between one and five years	606,311	1,128,443
	1,139,141	1,705,750

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 23. Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, being the CEO and the directors of the various business units, is as follows:

	2022 £	2021 £
Aggregate compensation	1,691,236	1,604,427

During the year, the group had the following related party transactions due to a trustee or co-opted committee member (or close relation of) being on the board or an employee of another organisation.

2022		Charity Income	Charity Expense	Subsidiary Income	Charity Debtor	Subsidiary Debtor	Charity Creditor
Related Party	Description of Relationship	£	£	£	£	£	£
Allocate Software Limited	Trustee is Senior Advisor	–	–	23,500	–	–	–
Derbyshire Community Health Services FT	Trustee is Chair	8,000	–	–	–	–	–
Derbyshire Healthcare NHS FT	Trustee is CEO	10,726	–	184	–	–	–
Milton Keynes Hospital NHS FT	Trustee is CEO	9,200	–	–	–	–	–
Newcastle Upon Tyne Hospitals NHS FT	Trustee is CEO	19,500	–	11,200	–	–	–
Newton Europe Ltd	Trustee is Senior Advisor	–	–	36,300	–	–	–
NHS Surrey Heartlands CCG	Trustee is PCN Leader	220,100	–	–	–	–	–
Northern Ireland Ambulance Service	Trustee is CEO	5,008	–	1,087	–	–	–
NHS Charities Together	Trustee is Trustee of	–	–	250	–	–	–
Norfolk and Suffolk NHS Foundation Trust	Trustee is Chair	12,210	–	–	–	–	–
Royal Devon University Healthcare NHS FT	Trustee is Governor	8,600	–	–	–	–	–
Nuffield Health	Chair is Non-Exec Director	7,368	–	–	–	–	–
Powys Teaching Health Board	Trustee is Chair	35,670	–	500	–	–	–
Priory Healthcare	Spouse of Trustee is MD	8,528	–	–	–	–	–
Responsible Leadership Foundation Limite	Spouse of CEO is Senior Director	–	8,000	–	–	–	–
Rotherham Doncaster & South Humber MHNHS	Spouse of Trustee is CEO	10,824	–	–	–	–	–
Tavistock & Portman NHS Foundation Trust	Trustee is CEO	9,368	–	–	–	–	–
Welsh Health Specialised Services Commit	Trustee is Chair	–	–	500	–	–	–
Yorkshire & Humber AHSN	Trustee is Non-Exec Director	56,230	–	–	–	–	–
Whitehill Surgery	Trustee is Partner	–	25,950	–	–	–	–
Greystone House Surgery	Trustee is Partner	–	5,850	–	–	–	5,850

**THE NHS CONFEDERATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

**23. Related party transactions (continued)**

2021		Charity		Subsidiary	Charity	
Related Party	Description of Relationship	<i>Income</i>	<i>Expense</i>	<i>Income</i>	<i>Debtor</i>	
		£	£	£	£	£
Nuffield Health	Chair is Non-Exec Director	9,261	-	-	-	6,970
Unique Health Solutions Ltd	Chair is Director	-	6,276	-	-	-
Powys Teaching Health Board	Trustee is Chair	35,050	-	-	-	39,660
Tavistock and Portman NHS Foundation Trust	Trustee is Chief Executive	9,010	-	-	-	9,010
Derbyshire Community Health Services NHS Trust	Trustee is Chair	6,944	-	75	-	-
Rotherham, Doncaster & South Humber NHS FT	Spouse of Trustee is Chief Executive	9,940	-	-	-	9,940
Milton Keynes Hospital NHS Trust	Trustee is Chief Executive	7,543	-	-	-	7,543
NI Ambulance Service	Trustee is Chief Executive	4,539	-	-	-	4,539
Calderdale and Huddersfield NHS Foundation Trust	Trustee is Chief Executive	8,927	-	-	-	8,927
University of Sheffield	Trustee is Professor (Visiting Chair)	-	9,750	-	-	-
Cardiff University	Trustee is Emiratias Professor	-	16,947	-	-	-
Whitehill Surgery Aylesbury	Trustee is a partner of the surgery	-	16,650	-	-	-
Allocate Software	Trustee is Senior Advisor	-	-	1,500	-	-

There are no other related party transactions to disclose.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 24. Results and net assets of the subsidiary

The wholly owned trading subsidiary, The NHS Confederation (Services) Company Limited (company number 05252407) is incorporated in England and Wales and has a registered office address of 2nd Floor, 18 Smith Square, London, SW1P 3HZ. The subsidiary provides a range of non-charitable activities on behalf of The NHS Confederation.

The summary financial performance of the subsidiary alone is:

	2022 £	2021 £
Turnover	1,232,125	473,235
Cost of sales	(660,236)	(618,044)
Gross profit/(loss)	571,889	(144,809)
Administrative expenses	(167,713)	(162,509)
Other operating income	–	7,189
Other exceptional operating income	500,000	–
Profit/(loss) before taxation	904,176	(300,129)
Tax	–	–
Profit/(loss) for the financial year	904,176	(300,129)

The assets and liabilities of the subsidiary were:

Current assets	2,341,598	736,261
Current liabilities	(1,435,040)	(733,879)
Total net assets	906,558	2,382
Aggregate capital and reserves	906,558	2,382

# **THE NHS CONFEDERATION**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

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### **25. Agency agreement**

The charity acts as an agent for the NI Public Sectors Chairs forum. In the financial year ended 31 March 2022, the charity received £28,785 (2021 - £23,085) and disbursed £26,571 (2021 - £25,491) in its role as agent. An amount of £35,731 (2021 - £33,517) is included in other creditors relating to unrestricted funds held as agent at 31 March 2022.










# Trustees Annual Report and Accounts 21-22 - The NHS Confederation

Final Audit Report

2022-07-29

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## "Trustees Annual Report and Accounts 21-22 - The NHS Confed eration" History

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