

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 2023**

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LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2023

Trustees	Lord Victor Adebawale Prof Joseph Harrison Michael Bloomfield Nanda Ratnavel Marie Gabriel Valerie Morton Dr Pramit Patel Ifti Majid Dame Jackie Daniel Charles David Skinner Dr Peta Foxall Emma Woollett
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Nikki Barraclough
Director of Finance and IT

Rory Deighton
Director, Acute Network

Ruth Rankine
Director of Primary Care

Sean Duggan
Chief Executive, Mental Health Network

Sarah Walter
Director, ICS Network

Habib Naqvi
Chief Executive, Race and Health Observatory

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The trustees present their report and the audited consolidated financial statements for the year ended 31 March 2023.

The trustees are pleased to present their annual trustees' report (which is also prepared to meet the requirements for a directors' and strategic report) together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2023. 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), published in October 2019.

The directors of the charitable company are its trustees for the purpose of charity law.

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

In a year characterised by political change, economic upheaval and industrial action, we have sought to make the case for the issues that matter most to our members. This includes challenging the government for a fair funding settlement, pressing ministers for a long-term workforce strategy, urging the government and unions to end the industrial dispute and making the case for more autonomy for local leaders.

What follows is a snapshot of our achievements over the year, with further detail provided later in the report.

Legislative reform

We had a demonstrable impact on the Health and Social Care Act, with success on limiting the Secretary of State's powers and ensuring mental health representation on integrated care boards (ICBs). We also influenced policy guidance underpinning the reforms, including on integrated care strategies, as well as high-profile policy reviews such as the Fuller Stocktake, Mental Health Act, wider integration work, and the emerging commissioning framework.

Industrial action

NHS Employers, which is part of the NHS Confederation, carried out extensive work to help prepare members for industrial action across the NHS. Working with legal partners Capsticks, NHS Employers developed comprehensive guidance and resources. With the dispute escalating, we have consistently urged the Prime Minister to negotiate on the substantive issue of pay awards, reiterating the message to trade unions that a national resolution is needed as swiftly as possible.

Cost of living

In response to growing concerns over the cost of living we sounded the alarm over rising energy prices and the impact of fuel poverty, becoming one of the leading national bodies warning of the impact on health and on health and care services.

We were also able to build on the initial private messages as the cost-of-living crisis started to escalate, to deliver an effective intervention on rising energy prices and the impact of fuel poverty on outcomes, services and inequalities. As a result, we were able to capture some very serious and strongly held concerns of system leaders. Numerous health and non-health organisations amplified our message and we saw subsequent action by the government to put in place an energy price cap guarantee, which helps address concerns. Continuing to build on this area, our cost-of-living hub is now live and has been widely lauded. NHS England has added it to its menu of support for integrated care systems (ICSs). The products from the hub continue to gain political traction, with Martyn Day MP namechecking and quoting the NHS Confederation's fuel poverty intervention to the Secretary of State during health and social care questions on 1 November. Our long read on food insecurity contributed to successfully influencing the Treasury to uprate benefits in line with inflation as a protective measure against rising levels of food insecurity.

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Finances

This year we have leveraged our relationships to develop and validate analysis around the financial state of the NHS and the impact of this on its ability to improve population health. For instance, our recent inflation analysis, developed with the support of the Institute for Fiscal Studies (IFS), managed to reverse perceptions of the NHS having a record amount of funding by revealing the NHS has had a real-terms budget cut of £4-9.4 billion this year. In the Autumn Statement, the NHS received an extra £3.3 billion per year in cash for the remaining two years of the Spending Review period. Social care spending will increase by £2.8 billion next year and £4.7 billion the year after. While it is less than both the NHS and social care need, it is far more than was expected and far better than other public services received.

Relationship with NHS England

We have been central to one of the most important changes in the healthcare sector this year: devolution and the evolving relationship between the centre and ICSs. Our report, *Governing the Health and Care System in England*, led by Professor Sir Chris Ham, has been a catalyst for these changes and enabled us to support the development of NHS England's new operating model and regulatory approaches, as well as Patricia Hewitt's review of system accountability and autonomy.

Influencing regulation and oversight

With risk management ranking among healthcare leaders' top concerns this winter, we urged regulators to take the challenging context into account in their regulatory activity. We successfully influenced the Care Quality Commission (CQC), Nursing and Midwifery Council and the General Medical Council to write to NHS leaders to confirm they will do this.

Workforce

With the NHS facing one of the greatest workforce crises in history, we ramped up calls for the government to produce a much-needed plan. After continuous lobbying, the Chancellor committed the government to publishing an independent plan for the NHS in 2023. We will work closely with the government to inform the strategy, to secure assurance that it will be fully funded and that the aim is to move to longer-term workforce funding.

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Commercial partnerships

In 2022 we finally delivered the inaugural NHS ConfedExpo, having cancelled the event in 2020 due to the pandemic. The event was a great success, attracting over 4,500 attendees and delivering 273 sessions in two days with 658 speakers. The event also exceeded its commercial targets, generating a surplus of £650,000 and selling all partnership and exhibition opportunities, with 160 partner organisations.

Planning is well underway for the 2023 event, with the vast majority of commercial partnership and exhibition opportunities already sold. The exhibition space has increased in 2023 by 50 per cent, demonstrating the success of this event.

Outside of NHS ConfedExpo, we continued to build relationships with new commercial partners including Google Health, sold out all opportunities for our ICS and Primary Care Network conferences, built year-long partnerships around our legal frameworks and governance work programmes, and launched the new Innovate Awards with the AHSN Network, delivering a sold-out event in September.

We have now commissioned PwC to support us to develop a new consulting offer, which will help us develop our presence in the improvement space while continuing to diversify our income streams.

Finally, after two difficult years due to the pandemic, our venue Horizon has exceeded income targets by 38 per cent, equating to a reduction in the budgeted deficit from £114,000 to a surplus position one year earlier than planned. This is a major achievement and we are now working to diversify our offering under the Horizon brand. As well as offering event space with virtual and hybrid options, we are now developing an event management service for external partners.

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Key achievements in 2022/23

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

Represented

We had a demonstrable impact on influencing the Health and Care Act 2022: the first major legislation on health and care in a decade. Rooted in engagement with members, we ensured checks and balances on the Secretary of State's powers and secured mental health representation on ICBs. We also influenced the policy guidance underpinning the reforms, including on integrated care strategies.

As the cost-of-living crisis started to escalate, we sounded the alarm over the impact of spiralling energy prices and fuel poverty on health outcomes, services and inequalities. Several organisations across the health sector and beyond amplified our message, resulting in action by the government to implement an energy price cap guarantee.

In response to deep concerns about the effect of inflation on pensions tax and the impact on NHS care, NHS Employers urged the Chancellor to take action on the NHS Pension Scheme. As a result, significant changes to pension rules were announced, in line with our asks.

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 and the NHS Pay Review Body. NHS Employers researched, drafted and submitted written evidence and attended oral evidence sessions supported by senior colleagues from the service.

In response to an NHS Employers letter to the education secretary outlining members' concerns around the removal of BTEC qualifications and its serious impact on supply routes into key professions, the Department for Education agreed to pause the removal in light of the introduction of T Levels.

We have also capitalised on opportunities to influence policy development in the centre. In particular, having identified the capacity constraints in social care as a key driver of pressures for our members, we gathered views and evidence to highlight the impact on the NHS and outcomes. This has resulted in the issue receiving greater national recognition and we anticipate constructive action as the new government comes in.

The Messenger Review was the central opportunity for influencing policy dictating leadership development in the NHS. Many of its recommendations reflected what we highlighted as members' key areas for improvement, including greater structure and consistency in leadership development; improving diversity in senior leadership; emphasis on rewarding collaboration; and more support to leaders who take on challenging roles.

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As the national voice of ICSs, our ICS Network was the first port of call to support Patricia Hewitt's review of system oversight and governance. Our involvement helped secure strong engagement with ICS members and our wider membership, and representation on the review's workstreams.

The network also provided written and verbal evidence to the Health and Social Care Committee, as part of an inquiry into ICSs. It engaged with the Secretary of State regarding his request for system organograms, providing guidance and messaging to members.

We have continued work to support systems on the short-term and long-term challenges of improving population health outcomes and reducing health inequalities. Our Integration and Innovation in Action series provided members with an opportunity to share their good practice as well as a dedicated space for discussion and debate on population health. Next steps are to follow up with members to understand if the approaches can be scaled or adapted to develop a wider playbook, feeding into the population health management (PHM) report we are developing for NHS England.

Formation of the Public Health ICS Forum has created a unique tripartite coalition with Confed, the Local Government Association (LGA) and ADPH, aligned to public health challenges faced by systems.

With primary care under sustained pressure and scrutiny, our Primary Care Network engaged national NHS and political leaders on what primary care needs, contributing to the Health and Social Care Select Committee's key report on the future of general practice and meeting the Labour leadership over proposals to review the general practice model.

Our primary care members are actively involved in the implementation of the Fuller Stocktake recommendations, with six design groups established to support and influence implementation. The design groups bring together members across NHS Confederation networks as well as key experts.

Our Mental Health Network worked with the Mental Health Policy Group to shape the draft mental health bill: a vital piece of legislation for much-needed reform. Network chief executive Sean Duggan OBE provided oral evidence at the joint committee's inquiry into the bill to ensure workforce implications and the funding needed for implementation were considered.

The network also worked closely with NHS England on the NHS Long Term Plan (LTP) refresh and review of performance against LTP trajectories, including highlighting pressures, what members need to meet existing targets and where targets need to be flexed.

Our Acute Network worked closely with members and the NHS Transformation Directorate to influence the digital health and care plan and data strategies, raising key issues for members including the variation in digital maturity, legacy IT systems and the importance of interoperability as the ambition around digitisation grows.

Through our Provider Collaborative Forum, the Acute Network raised members' views on NHS England's provider collaboratives guidance and development of a maturity matrix. Based on extensive engagement with members, we urged NHS England to continue the permissive

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framework and enable leaders to develop their collaboratives based on local need and relationships.

As the national voice of NHS community providers, the Community Network, which we host with NHS Providers, continued to comment on the challenges in discharging patients in a timely way, and the role of community providers in doing so. Prior to the Chancellor's mini Budget, the network called for the return of dedicated discharge funding, a form of which was subsequently announced.

With staff shortages in the community sector starting to bite, the Community Network raised the alarm over the staffing challenges facing community health services and put forward what is needed – nationally and locally – to avert a crisis.

The working conditions of black and minority ethnic (BME) leaders in the NHS were thrown into sharp focus in the BME Leadership Network's report, *Shattered Hopes*. Based on insights from more than 100 leaders, the network called for action to end cultures of discriminatory behaviour, personal support to current and aspiring leaders, and succession planning and talent development schemes.

As part of our work with NHS England to create a disability positive NHS, we held a national Disability Summit to improve the confidence and capability of leaders and managers, and influence policymakers in addressing the inequalities and challenges faced by disabled people in the workplace. 89 per cent of delegates either agreed or strongly agreed that the event improved their understanding.

In support of the wellbeing of trans and non-binary people, our Health and Care LGBTQ+ Leaders Network joined calls for a full and effective ban on so-called conversion therapy and submitted evidence to the consultation. The network also commissioned research to help healthcare leaders become more effective allies.

We represented the NHS on the European and international stage to promote NHS innovation; best practice on balancing access to data and protecting patient privacy; and barriers and enablers to cross-border health data sharing. We also played a leading role in the upcoming EU health data sharing legislation and convened a health sector alliance that successfully secured a government U-turn on GDPR legislation.

As part of the EU project on data sharing, the NHS Confederation finalised two official documents commissioned by the European Commission and successfully influenced EU data-sharing legislation and infrastructure developments on mechanisms to support the sharing of health data for the common good. Also following our interventions, the governance arrangements for European data sharing now mirrors the UK domestic health data infrastructure direction and, crucially, supports non-EU member state access.

The ongoing impact of our work to support health on the high street is being seen across the country, with local systems adopting approaches as set out by Confed-led work to offer support, guidance and advice throughout their development. For example, Barnsley Hospitals NHS Trust launched its community diagnostic centre in the Glassworks Shopping Centre and an ICS in the South East secured £250,000 of funding from One Public Estates to explore

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what this might look like locally. The Dorset Health on the High Street partnership with the Arts University Bournemouth, which the Confed supported, has been nominated for an HSJ award and its concept was reflected in the Fuller Review.

Our work, reach and reputation on the relationship between health and economic and social development meant we were invited to lead the development of NHS England's work to define what that might look like for new ICSs around their fourth purpose of helping the NHS to support social and economic development. We were able to ensure that member views and wider partners' ideas were taken into account as per recommendations on the next steps, which we were happy to see reflected in NHS England's decision to fund a select number of ICSs within every region to work on this activity.

Building on this, our report, *Unlocking the NHS's Social and Economic Potential*, was published in December 2022, and is the first national report supporting ICSs to deliver on their fourth purpose. In parallel, we created several resources to complement this publication, including an interactive guide that system leaders and their constituent members can use to initiate and steer local conversations. These resources have been used in many conversations and continue to drive further national and local work to support systems to embed the learning.

We supported the launch of the IPPR Health and Prosperity Commission this year: a two-year major programme of work of which we are founding partners, that will explore the case that a fairer country is a healthier country, and that a healthier country is a more prosperous country. In addition to our chief executive Matthew Taylor being a commissioner and feeding into various working groups and thought leadership, we have launched work with five selected systems that will collaborate to deliver practice-based research on the relationship between health and prosperity in their local areas, developing a deeper understanding and principles on how to strengthen the link.

Our work on supporting the development of the post-pandemic NHS-university relationship continues to evolve, and we are at the heart of challenging leaders to better understand our collective impact. This is continuing to influence relationships and opportunities across the country, particularly in supporting the levelling-up agenda. For example, our head of health economic partnerships has been asked to join a working group led by the leader of Preston Council looking at how to develop a local strategy to respond to the Levelling Up White Paper and has been asked to be a co-investigator on an NIHR-funded research project to develop a model anchor hospital.

In partnership with Carnall Farrar we have built a campaign around research, publishing *From Safety Net to Springboard: Putting Health at the Heart of Economic Growth*, which illustrated the impact of investment in the NHS on economic growth. Representing the first national attempt at evaluating this impact, our research has been cited by a range of leaders, NHS England, think tanks and external partners, including an exclusive with the Financial Times.

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We continue to grow our reputation and reach in this area of work and be invited to participate in national events, including speaking at The King's Fund Time for Action on Poverty conference; co-hosting two National Inclusive and Sustainable Economies (NISE) webinars with the LGA around economic inactivity, mental health need and inclusive and sustainable economic approaches. Internationally, we represented our members at the first joint meeting of the UK-EU Domestic Advisory Groups and Civil Society Forums, set up to advise government on the practical implementation of the agreements between the UK and EU, recommending actions to solve or mitigate problems being experienced by the health sector.

Our international team has also forged links with prominent members of the European Parliament who sit on the joint UK-EU Parliamentary Partnership Assembly, with the intention of leveraging support for the NHS Confederation's asks on the consequences for the NHS of the future UK-EU relationship.

On ensuring the lessons are learned through the COVID-19 inquiry, we achieved impact early on in the process by influencing the terms of reference. The changes we proposed and that were adopted by the inquiry team have made them more representative of the efforts and pressures on the whole system and ensured a focus on communication with the service. Although there is more to do, we have now been asked to take part in the inquiry directly by providing evidence related to the service's preparedness for the pandemic.

Highlights for our policy impact include the delivery of work through our involvement in the Digital ICS programme supporting best practice for systems. Through this work, we have developed our profile in the digital space with ICB leaders and our members looking for board-level digital support.

The significant data and insight we have gathered over the period on where systems are in their journey also gave weight to our influencing work around the centre's plans for a digital NHS. This resulted in the Digital Health and Care Plan, published in summer 2022, reflecting many of our members' priorities in key areas. For instance, enabling data sharing; additional support in procurement of new technology; practical steps to ensure better interoperability of systems; and recognising the importance of the workforce and digital skills in delivering a future vision.

Our role in supporting the development of the upcoming NHS England digital inclusion framework and digital workforce plan is also providing us with opportunity to influence the aims and vision of how digital transformation can be embedded equitably and enable a strong digital workforce at the centre of transformation.

We assisted the Department of Health and Social Care (DHSC) in implementation of the Rare Diseases Action Plan for England by brokering engagement between DHSC and the European Commission's Rare Diseases Partnership, leading to UK participation in preparing the partnership's business case. NHS participation will mean that UK centres of clinical excellence can share expertise with European partners in developing and trialling improved treatments for rare disease patients.

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We are laying the groundwork for future influence in the net zero policy space and have been requested to join the NHS England panel on Healthier Futures Action Fund. The panel, chaired by Dr Nick Watts, reviews applications from NHS organisations who are doing innovative things to improve patient care, reduce inequalities and deliver good value while supporting achieving net zero. This places us at the centre of assessing best practice and being able to advise on funding allocations to be able to implement innovation.

We have also been invited to tender for the NHS England Greener team's proposal on developing and delivering an ICS sustainability leaders group to support the implementation of ICS and trust-level green plans.

We have escalated ICS members' concerns about the lack of financial flexibility impeding their ability to do transformation work and, following discussions with Treasury, this year's NHS England Planning Guidance (2023/24) reflected a more flexible funding for systems to deliver on local priorities and that the focus on productivity sits alongside continued investment. Our involvement in the guidance development meant that our members' views were also reflected in the fact that it was notably shorter with fewer targets, promoted genuine partnership between systems and the centre, and had a greater emphasis on outcomes and less prescription on how to achieve them. The guidance also acknowledged our members' view that prevention and the effective management of long-term conditions are key to improving population health and curbing the ever-increasing demand for healthcare services.

Ahead of the publication of the Welsh government's draft Budget 2023-24, the Welsh NHS Confederation (WNHSC) engaged extensively with members of the Senedd (MSs) and published a report on the priority areas for Welsh government investment. We provided written and oral evidence to the finance committee, commented in the media and published briefings for the Budget debates. The WHNSC received over 20 mentions in the Senedd and in committee reports during the scrutiny process.

The WNHSC strengthened its influence as the media's go-to organisation for system-wide patient flow issues. The team conducted a survey of NHS leaders in Wales to refine and evidence member views on integration and patient flow, making calls to the government to provide sustainable funding for social care to enable recruitment and retention, as well as greater overall investment and career progression opportunities. This led to responses from political parties; further discussions with MSs, including the Minister for Health and Social Services, around the issues raised; being quoted in a Senedd research blog; mentioned in Senedd debates and covered on BBC Wales News.

The role of the Northern Ireland NHS Confederation (NICON) has repositioned in the system to provide leadership space and a new partnership working approach with the Strategic Planning and Performance Group and the Department of Health, with three NICON members sitting on the Improvement and Transformation Advisory Board.

NICON's report, Securing the Health and Wellbeing of our Population 2022-2027, represented collective views of NICON members to inform the public debate on the progress of health and ae in Northern Ireland, in the run up to the May 2023 Assembly election.

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Supported

Across the organisation, we are delivering a step change in the direct support we provide to our members through a number of improvement initiatives. Our ambition is to be the single most important (independent) organisation driving innovation and improvement in the NHS. We already have a number of active work programmes, including a unique leadership development programme for ICS leaders built around peer-to-peer collaboration; a strategic partnership with the Q Community to help embed quality improvement approaches into the NHS; a strategic support offer to equip and enable healthcare leaders to tackle inequalities; a peer support and learning programme for first-time NHS provider trust chief executives; and a leadership development consultancy for primary care, developing system and network leadership capability.

We renewed our commitment to tackling inequality and eliminating racism through the launch of our anti-racism offer for members. We proactively worked with members across the system to support greater understanding and action on deep-rooted issues.

We worked with NHS England and the Nursing and Midwifery Council to produce an anti-racism resource for nurses, midwives and nursing associates. The resource also supports NHS leaders to ensure robust procedures that deliver their NHS commitment to a safe and respectful environment for all.

NHS Employers carried out extensive work (including with DHSC and NHS England) to help prepare members for the growing industrial unrest across the NHS. Working with legal partners Capsticks, comprehensive guidance has been prepared for members in relation to industrial action.

NHS Employers led joint work with Skills for Care and the LGA/ADASS to support integrated workforce thinking across social care and health. A joint document was published in October that has been positively received by members and partners.

Through our partnership with The Prince's Trust, led by NHS Employers, we have supported over 2,800 young people into employment in health and social care, around 1,500 veterans have registered on the Step into Health candidate management system, and we've supported 11,500 international nurses and midwives to be recruited ethically.

In partnership with the Forward Institute, our ICS Network established Connected Leadership, a unique leadership development programme to support ICS chief executives and chairs as they cultivate their leadership styles.

Our Leading Integration Peer Support programme, run jointly with the LGA and NHS Providers, continued to offer peer support at system, place and neighbourhood levels. We developed a range of webinars and case studies to share experiences and the impact the programme has had.

NICON launched and delivered the Chief Executive Leadership Development Programme, with two sessions delivered successfully to date.

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The core team at NICON was bolstered by two new peer support officers, who provide support to the chief executive group, HR directors and directors of performance and people, while developing work programmes and relationships with other groups.

Our Acute Network established action learning sets to support emerging policy and practice around provider collaboration and place-based leadership.

The network also worked with Proud2beOps to support operations leads across the country on issues such as pensions, infection prevention and control and career development.

Our Mental Health Network supported commissioners to improve services for people with learning disabilities by publishing guidance, alongside the Foundation for People with Learning Disabilities and Mencap, following roundtable discussions between people with learning disabilities and commissioners.

More than 300 participants joined our Mental Health Network's webinar on improving early intervention support for children and young people who identify as LGBTQ+. Delegates delved into the learnings from the Queer Futures 2 research project, including how to effectively use the tools created by the research team.

The network hosted a webinar on personality disorders and comorbidities to platform the lived experience of service users. This session was part of the award-winning Tale of Three Cities initiative, which aimed to shift the dial on personality disorder stigma.

Together with NHS Providers, we delivered the week-long #CelebratingCommunityServices social media campaign in December to highlight the breadth of community services, their importance to people's lives and how they contribute to the smooth running of the health and care system.

The Community Network engaged with NHS England over national data for the sector and commented on the publication of urgent community response (UCR) data in national performance statistics. It also published opinion pieces and case studies spotlighting the benefits to the system of UCR services.

The Primary Care Network launched its leadership development programme for primary care network leaders in the south east, commissioned by NHS England's South East region, working in partnership with London South Bank University. Primary care network managers continue to meet monthly to share, learn and support. Working with the ICS Network, the Primary Care Network established two new forums – the ICB Directors of Primary Care Forum and the ICB GP Partners Forum – bringing together colleagues to drive strong primary care voice and oversight within ICBs.

Our BME Leadership Network launched a leadership mentoring programme for its members, following a successful pilot scheme. The programme supports recommendations from the network's Shattered Hopes report and will help black and minority ethnic leaders to navigate their own leadership journey and challenges, and support others to do the same.

The WNHSC's support for ten executive director peer groups continued, providing enhanced secretarial and policy development support through the NHS Wales Leadership Programme.

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There has been a strengthened focus on sharing knowledge and expertise across peer groups to increase understanding of whole-system priorities, creating the impetus to explore shared challenges and develop collective solutions. As part of this, the WNHSC held a peer group forum event with over 120 attendees, where members discussed and developed initiatives to transform NHS services.

Following extensive engagement with NHS leaders, the Welsh NHS Confederation has responded to over ten Senedd Committee inquiries and Welsh government consultations. The team also supported over 30 NHS representatives to provide oral evidence to Senedd Committee evidence sessions to ensure NHS leaders' views were heard. This has led to over 100 mentions in the Senedd on a range of subject areas including dentistry, mental health inequalities and pressures on health and social care. The Welsh NHS Confederation recently commissioned a perception audit of members of the Senedd, receiving very positive feedback about our work and how we have influenced debates and scrutiny of government.

Connected

In June 2022 we brought together more than 6,000 people from health, care and beyond for NHS ConfedExpo. Delivered with NHS England, the event provided a unique space to share, learn and reconnect following the pandemic. The BME Leadership Network brought members together at two in-person events during NHS ConfedExpo in June and Black History Month in October, where we were proud to host John Barnes MBE and broadcaster Dr Adam Rutherford, respectively, to share their insights and spark quality discussion.

Primary care members met with sector leaders and senior leaders from NHS England and other key stakeholders at a House of Lords reception launching the Primary Care Network, while more than 250 primary care network managers attended the Primary Care Network's forum for this group of leaders, providing a safe space to help one another navigate this new role and system working.

Forty-eight organisations from across health and care joined our 2022/23 Diversity in Health and Care Partners Programme starting in September 2022. The year-long programme includes face-to-face interactive modules, specialist virtual masterclasses, access to leading industry experts, good practice, guidance and resources.

NHS Employers programme networks on education and training, The Prince's Trust, health and wellbeing, staff experience, staff engagement, reward and recognition, international recruitment and safer recruitment have continued to grow in membership. They provide a space for members to link up with others in similar roles to share learning and evidence about what has worked elsewhere and to inspire trusts to launch new initiatives.

The ICS Network brought together 160 ICS leaders and partners at its annual conference and member dinners to connect with local authority leaders; ministers; NHS England colleagues; and partners from the voluntary, community and social enterprise sector. It convened members as part of its Spotlight series on topics including metrics of integration, children and young people's services and medicines optimisation.

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Working with the ICS Network, NHS Employers established a systems and integration programme to strengthen the connections around system workforce issues. This programme provides a space where system stakeholders and workforce leaders come together to champion and support the 'one workforce' vision, which enables joined-up local services centred around people and communities to improve health outcomes, enhance productivity and support social and economic development.

We launched our LGBTQ+ Network Conversations, creating protected spaces for LGBTQ+ people to come together to discuss pressing issues. The first two online events focused on authentic leadership and the Workforce Sexual Orientation Monitoring Standard.

The Community Network facilitated conversations between community provider chairs, chief executives and Dr Amanda Doyle, NHS England's director of primary and community care, to shape her understanding of, and national priorities for, the community sector. The network also met with minister Helen Whately MP to discuss national priorities for the community sector.

The ICS Network supported integrated care partnership (ICP) chairs to develop their ICP strategies and facilitated connections with ICB chairs to ensure a joined-up approach. The network supported non-executive directors (NEDs) of ICBs and provider organisations, offering help and support on governance. It further developed relationships with the Health Devolution Commission, the Health Foundation and The King's Fund, and developed a strategic alliance with NHS Providers and the LGA to support systems.

The network also provided more support to chief executives, chairs and their executive teams by establishing new forums, including forums on provider collaboration and virtual care, and a forum for ICS chief nurses, run with the Queen's Nursing Institute. The forums encourage peer learning and support, information sharing and opportunities to influence guidance.

Since ICSs became statutory bodies in July 2022, our Acute Network has held regular roundtables with acute leaders so they can share their thoughts on system working. The network also convened a stakeholder reference group across our membership to support NHS England with the development of the urgent and emergency care strategy.

With the aim of sharing the latest thinking, insights and best practice, NHS Employers has successfully delivered a range of conferences throughout the year on workforce supply, staff experience, the Armed Forces and our tenth organisational development conference in partnership with NHS England. Over 90 per cent of delegates rated the conferences as good or excellent.

NHS Employers' ever-popular Strategic Workforce Forum took place on 10 and 11 October, bringing together around 100 senior workforce leaders. The theme was leading change and gave delegates the opportunity to hear about national workforce policy priorities, integrated workforce planning, inclusivity and team effectiveness.

Our Mental Health Network ran a series of programmes and regular meetings to connect members to each other and different parts of the system, including weekly meetings for mental

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health trust chairs, a mental health, learning disability and autism systems group, a learning disabilities forum and monthly meetings of the Independent Sector Mental Health Group.

It also hosted a meeting between mental health trust chairs and senior CQC leaders, including chief executive Ian Trenholm, for an open and honest discussion around quality improvement and how the CQC can support trusts on their improvement journeys.

The Community Network held a session for community providers on implementing the Fuller Stocktake with Dr Clare Fuller and NHS England's director of personalised care, James Sanderson. The network also hosted a roundtable with members to inform the CQC's evolving approach to regulation.

Close to 140 members attended the Health and Care Women Leaders Network's sixth annual conference in November. The face-to-face event highlighted work to progress gender equality, with a focus on women's safety, women's health, inclusive leadership, allyship and supporting creative disruptors.

The Welsh NHS Confederation Health and Wellbeing Alliance has gone from strength to strength, re-branding and developing shared policy positions to garner greater political influence by working in partnership across 80 health and care organisations in Wales. The report, *Mind The Gap? What's Stopping Change*, developed in partnership with the Royal College of Physicians, featured calls for a cross-government plan to tackle inequalities. A follow-up report, *Everything Affects Health*, detailed how organisations across Wales are working to break down these barriers. Both reports were endorsed by over 50 organisations and led to further engagement with Welsh government officials and opposition parties, who supported our calls in the Senedd.

The first WNHSC Annual Conference and Exhibition since February 2020 brought together over 300 delegates from across health, social care and beyond, with a sold-out exhibition and positive feedback on the breadth of topics covered. The Wellbeing for Wales webinar programme continues to promote thought leadership from across sector boundaries, attracting over 1,000 delegates throughout the year.

NICON held its biggest conference to date, with 750 people attending and 150 online.

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Plans for 2023/24

Supporting the workforce

- **Workforce strategy:** Following our successful lobbying for a long-term plan to be published, we continue to press for it to be fully funded. If there is a need for prioritisation we will press for investment in mental health, learning disabilities and new community models including primary care. It is anticipated there will be a stronger focus on apprenticeships and will support our members through capitalising on the opportunities this creates, particularly in relation to widening participation. We will also influence future iterations of the plan, which we believe should be refreshed every two years built on systems' plans and priorities.
- **Integrated workforce thinking:** We will continue to strengthen the partnership with Skills for Care and the LGA through monthly meetings and sharing ideas on how best to support the three workforces collectively across the system. We will do this by sharing good practice and by developing further resources to help people understand how they can collectively grow, retain and develop their own workforce.
- **Workforce capacity and productivity:** Through research scoped and launched this year to support arguments for investment in workforce, we will look at impacts on productivity; the ability to hit key targets; and pay and capacity in other sectors. These findings will influence the upcoming long-term workforce strategy.
- **Workforce equality and inclusion:** Led by the equality, diversity and inclusion (EDI) team and NHS Employers, we will work closely with the centre on the development and implementation of the upcoming Workforce Equality and Inclusion Plan, ensuring members' views are represented.
- **Nursing pay spine:** NHS Employers will work with DHSC and Agenda for Change unions to consider whether a separate pay spine for nursing might be established. This work will need to take account of the changing responsibilities of nursing staff as well as the design and implementation issues, including scope and legal aspects of any such separate pay spine. We will engage with employers to discuss the considerable implications of this pay-spine work, as well as the range of legal, financial and operational factors and risks that will need to be reviewed.
- **NHS Pension Scheme:** NHS Employers will continue to influence changes in the NHS Pension Scheme to allow for greater flexibilities for all NHS employees. We want to ensure that membership of the NHS Pension Scheme is attractive, affordable and

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accessible for all staff and the scheme remains a valued part of the reward offer, to support recruitment and retention across the NHS.

- **System engagement:** Through the ICB NED workforce leads and the chief people officer (CPO) forum, we will create the opportunity for peers to collaborate strategically, share intellectual capital and connect to support delivery of the 'one workforce vision' and influence national policy impacting on the workforce.
- **NHS Wales workforce:** 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 to effectively engage with trade unions, professional bodies and the Welsh government on strategic workforce issues on behalf of NHS Wales Employers.
- **International work:** We will represent NHS staff and employers' interests in the new UK-EU relationship, including contributing specialist expertise on professional regulation (recognition of international qualifications) and employment legislation arising from proposed government changes to retained EU law (REUL); and raising issues of concern to the health and social care workforce in the government's domestic advisory group. Through our membership of HOSPEEM we will continue inputting into upcoming EU-wide occupational health and safety or other UK-relevant policy initiatives.
- **Mental health nursing – attitudes and access in 2023:** We will continue work to highlight the challenge the mental health sector faces in access to mental health nursing careers. We will be publishing an updated long read of the joint NHS Employers, Mental Health Network and Nuffield Trust report into attitude and access to mental health nursing, first published in 2020. This refreshed report will explore the current enablers and barriers, with the aim of ensuring the mental health nursing workforce is effectively included in the long-term workforce strategy.
- **Mental health workforce planning for the future:** We will work to identify the current challenges faced by the mental health workforce and what is needed to achieve the vision of mental health services set out in our visionary report, No Wrong Door.
- **Learning disabilities briefing:** We will work with the Learning Disabilities Forum to identify the challenges facing the learning disabilities workforce and support its future development. This will include a briefing that highlights the challenges in the learning disability workforce, with a focus on learning disability nurses and psychiatrists.
- **Messenger Review:** We will continue our work as part of the Review Implementation Office to put into practice the recommendations of the review of NHS leadership.

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- **Mental health work:** We will be increasing the profile and understanding of pressures and showcasing solutions to some of the challenges that mental health leaders face, developing policy recommendations as well as practical support informed by member views.
- **Connected Leadership programme:** Crucial to the success of ICSs and their leaders is that they foster a culture and practice of collaboration, requiring energy, empathy and resilience. The leadership programme will continue into 2023/24, supporting leaders with the practical tools and space to develop this.
- **Diverse board recruitment:** We will work to tackle the lack of diversity on NHS boards to improve the diversity of thought that drives better access, experience and outcomes. This includes offering member support for diverse recruitment, and development of a best practice recruitment guide to inform national work and implementation of one of the key Messenger Review recommendations.
- **Inclusive employment and career equity models:** We will be developing and testing two models with the aim of scaling them as a support offer to members. The inclusive employment model covers recruitment, onboarding and the development journey to ensure that this experience is consistent. The career equity model enables using the skills and talents of a locally derived workforce for career progression, addressing the issue of why Workforce Race Equality Standard (WRES) data fails to match population diversity beyond senior band levels (7/8a).
- **Race equality programme:** Having developed an internal NHS Confederation anti-racism strategy and education programme, we will help networks to develop their support offers for members, including developing their strategy, implementing best practice, and peer learning.
- **DHSC-commissioned work:** 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 such as supply, wellbeing and reward.

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Integrating health and care

- **State of ICSs:** We will develop a definitive and comprehensive assessment of ICS maturity one year on from their establishment. This will be based on a substantial survey of members, supplemented by roundtables with wider stakeholders and analysis of performance data, as well as drawing on LGA's parallel survey for local authority partners. We will use the findings to develop evidence-based policy recommendations for the centre and for systems themselves, in terms of what is working well and what we can learn one year on.
- **ICS profiling:** We will create a comprehensive dashboard of ICS development based on publicly available quantitative data to describe performance, context, governance, population health and workforce, as well as qualitative data based on member conversations and insights on the maturity of the system.
- **Championing integration:** We will continue our work to champion and maintain commitment to the integration agenda via development and sharing of best practice case studies aligned to key policy development areas, including through the Mental Health Network best practice library.
- **Integrated neighbourhood teams:** We will work across networks to support the influence and impact of primary care at neighbourhood, place and system level, playing an ever-increasing partnership role in the design and delivery of personalised, integrated care. This will include supporting providers on local structures to improve neighbourhood, place and system working and sharing learning on how to deliver integrated neighbourhood teams, as described by the Fuller Stocktake.
- **Mental health:** To help ensure that there is the same focus on innovation in mental health systems and services, we are developing a library of good practice across all parts of the mental health, learning disabilities and autism pathways and services. This will include a focus on integration and innovation, international examples and amplifying good practice from members.
- **Provider collaboration:** We will continue to build on the Provider Collaboration Forum's peer learning methodology and learning space. The focus will be on supporting members to engage and explore topics aligned to their development, particularly in building relationships with other parts of the system and with a policy focus on ensuring a permissive approach to their development. We are looking to work on areas such as the emerging primary care collaboratives and supporting their voice in the system, clinical leadership to drive change, workforce and engagement, the interface between provider collaborations and place, and highlighting the power of provider collaboratives in system working.
- **Place-based leadership:** In 2023/24, we will continue with our peer-led, solution-focused, improvement approach to support those working in place-based partnerships. We will target our support towards those in place leadership roles, offering networking,

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influencing and development opportunities through peer learning sets, webinars and key publications. Critical policy focuses of the work will include developing the key role of primary care in place-based working, establishing a new narrative with the community, and developing the flow of influence from system to place, place to neighbourhood, and back again.

- **Integration white paper:** We will work to influence and support the development and implementation of the integration white paper, with an update expected in Q1. We plan to ensure that members' views are represented in the planned development of local integration frameworks and S75 reforms, and that this aligns with recommendations stemming from the Hewitt review.
- **ICS governance:** We will support ICSs and influence the centre on their behalf as they continue to develop their governance structures into their second year of existence and navigate the addition of new commissioning responsibilities and consolidation of their system-level funding and structures. This includes continued work to support development of the role of system NEDs. We will also influence guidance on ICS governance so it is aligned with our members' interests.
- **System commissioning development:** Working with directors of primary care, we will support primary care, mental health and system commissioning development through showcasing commissioning and contracting within (and with) primary care that has been made simpler, is outcome focused, and has enable integrated working, ensuring this is aligned with Hewitt review recommendations.
- **Pharmacy, ophthalmology and dentistry (POD) commissioning:** We will build on our work this year to learn from the delegation of primary POD commissioning functions to early adopter systems. We are planning specific work on dentistry to represent ICS member concerns to senior decision makers in NHS England and government. We will put forward clear recommendations on how ICSs should be supported through robust national support in areas such as workforce and funding, and will offer support to ICSs including through sharing of best practice.
- **System accountability and oversight:** We will work with the CQC to influence and support the assessment of systems, ensuring this is aligned with the findings of the Hewitt review and our members' desire for a lean, light and agile regulatory culture. We will be supporting the evolution and implementation of NHS England's new operating framework, working with Chris Ham and NHS England's chief delivery officer to design and facilitate engagement primarily through a working group with members across the organisation. We will ensure the principles of the operating framework as well as the Hewitt review are embedded in other policy developments and guidance, in particular an update to NHS England's oversight framework.
- **Advancing transformation in Wales:** The Welsh NHS Confederation, along with the executive director peer groups, will identify and facilitate opportunities for collective action to enable transformation, cohesion and innovation to advance at pace. Raising awareness of the pressures on the social care system and the impact on the NHS will

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continue at every opportunity. This will be achieved through developing further 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.

- **International regulatory environment:** We will be monitoring and influencing through our membership of and influence on international organisations to reduce regulatory barriers and align with NHS interests. Domestically, we will continue to input to negotiations on UK trade deals, and use our position on the Domestic Advisory Group to flag potential issues arising from regulatory divergence from the EU.
- **Hewitt review:** In the year ahead our work will focus on building on the support provided to Patricia Hewitt's review of ICSs' accountability and governance to ensure recommendations are implemented and are representative of our members' views.
- **Planning guidance 2024/25:** We will continue our annual ongoing work to monitor specific targets and objectives set out in the planning guidance and continue to develop our key metrics dashboard. The work will culminate in engagement with NHS England ahead of the publication of the annual planning guidance and a member on-the-day briefing.

Improving population health

- **Leveraging health inequalities (HI) funding for impact:** We will influence the most effective and impactful use of HI funding in systems. This work will begin through research looking at the potential impact of a move from ringfenced to recurrent HI funding, including best practice examples of how the money is leveraged for impact. Work through the year will focus on spotlighting levers and enablers, opportunities to improve transparency (as aligned to emerging Hewitt recommendations) and influencing future funding.
- **Equality in Mental Health Act detentions:** We have launched a joint priority between the Mental Health Network, EDI networks and the Race and Health Observatory, in response to joint committee recommendations on the draft mental health bill to strengthen action to address rising numbers detained under current legislation and tackle failures on racial inequalities. In the coming year, through this joint priority we will take action on Mental Health Act detentions by developing recommendations and supporting system leadership action to address disproportionate mental health detention of BME people, especially black men. The Mental Health Network will also be supporting the Mental Health Act Quality Improvement programme.
- **Tackling health inequalities in Wales:** By maintaining positive relationships 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

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through briefings and inquiry responses, we will raise awareness of key messages relating to population health, prevention and reducing health inequalities.

- **Mental health bill:** We will be working with Mental Health Policy Group colleagues to ensure that we are championing our members' concerns and priorities as the mental health bill passes through parliament. This will include ensuring sufficient additional resource is secured for implementing the changes.
- **National framework development:** There will be joint work between policy, EDI networks and the ICS Network to ensure systems have the national framework to create health and reduce inequalities, by advocating for a cross-government 'health in all policies' approach and influencing policy on the causes of ill health. This will be supported through ongoing engagement with the HI and EDI reference groups.
- **'What good looks like' in tackling HI for systems:** We will codesign resources, webinars, roundtables, thought sessions, blogs and member case studies, shared via a new resource hub. This will include development of a new five-step model methodology being tested to tackle inequality.
- **Reducing inequalities for people diagnosed with borderline personality disorder:** The Mental Health Network, in partnership with people with lived experience, will coordinate activities to focus on and reduce the inequalities faced by people diagnosed with borderline personality disorder. This will include a metro mayors roundtable and webinar during Borderline Personality Awareness Month in May.
- **Public Health and ICS Forum:** We will work to amplify the voice of public health in systems and nationally via partnerships with the LGA and the Association of Directors of Public Health. This will focus on campaigns for adequate public health funding, workforce and data to support well-targeted initiatives aimed at the areas that require the most investment and support.
- **Population health management:** We will be building on work with industry partners to review different approaches to PHM. We will support NHS England's work on PHM implementation, exploring technical approaches including the development of a maturity matrix, and the potential to join up work with the LGA to ensure considerations around joint model design and data access are incorporated.
- **Integrated care strategies for population health:** We will review ICSs' strategies to benchmark different planned approaches to PHM and, based on this, will share best practice around developing and implementing more targeted approaches. We will incorporate recommendations from the Hewitt review into this work to take into account a new split of accountability between ICS's and the centre.
- **Major conditions strategy development:** We will be influencing the upcoming strategy to take a population health and life-course approach that reaches wider than clinical healthcare. Our work will ensure members' views are represented and we influence the new strategy to align with recommendations stemming from the Hewitt review for a cross-government health promotion strategy, ongoing work on prevention,

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wider mental health priorities and links into innovation opportunities, as presented through the Life Sciences Missions launched in 2021.

- **Influencing new prevention policy and inquiry:** Our central policy priority in the coming year is to make the case for greater investment in prevention and the adoption of a 'health in all policies' approach across government to create healthy communities and manage demand on the service. We will work to ensure members' views are represented in the development of the NHS England plan around secondary prevention, including testing ICS views on key issues, enablers and barriers. We will input into the scoping of the Health and Social Care Committee inquiry into prevention, to shift narrative wider than secondary prevention to influence and reduce the demand on the system and tackle inequality.
- **Link between cost of living and health:** We will be supporting systems to act on wider determinants evidence, influence strategies and joint forward plans; and influence activity from NHS England and the Office for Health Improvement and Disparities (OHID). We will build support for ICPs in this space, sharing good practice and positive stories.
- **Integrated care strategy implementation:** Our policy team and ICS Network will work together to build on ICS strategies and support the development of joint forward plans, drawing on the relevant evidence around the wider determinants of health. We will influence NHS England and OHID around the level of scrutiny and information available to inform the plans.

Driving innovation

- **ICS digital boards leadership:** We will continue to jointly run an NHS England-funded programme with NHS Providers to build ICB board understanding of the potential and implications of the digital agenda at system level, including the NHSX What Good Looks Like framework, and increase their confidence and capability to harness the opportunities it provides. Having completed the discovery phase in 2022/23, we will move to the delivery of 42 bespoke board sessions for ICBs, cross-ICS peer learning sessions and the ongoing curation and sharing of insight.
- **Digital inclusion:** We will support systems to explore the opportunities and challenges of digital inclusion as set out in the Digital Health and Care Plan's commitment to digitally and inclusively transform the NHS. We are working with NHS England to ensure our members' views are represented in the development of a national digital inclusion framework for systems. Alongside this, we will develop a Confed research report based on member engagement on what good looks like in terms of digitally inclusive systems.
- **Digital leaders forum:** We will continue to work with the recently established digital leaders forum to gather insights, best practice and inform our policy work, as well as to provide improvement and challenge for members and a space for digital leaders to

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access peer-to-peer learning. The initial policy focus will be on the digital recommendations flowing from the Hewitt review, in addition to exploring the demand management optimisation opportunities stemming from digital hubs. We will also explore opportunities to partner with commercial sponsors on topical sessions and products, including on technical areas that will grow members' expertise around areas such as cybersecurity, virtual care, data sharing, leadership and change.

- **Digital mental health:** We will investigate and set out an outline of digital mental health services within systems and providers, alongside policy recommendations for the centre on supporting systems to improve digital transformation in mental health. We will explore the potential to develop this into a direct member offer, providing practical advice to improve digital care.
- **Technology in enabling out-of-hospital care:** We will be undertaking research sponsored by Google Health into people's perspectives of using wearable technology and how it can play a role in supporting their health. A joint report on this will be presented at NHS ConfedExpo 2023. We are then planning to engage members to explore how the research insights can inform their planning and delivery of services to provide care in the most appropriate setting and explore how wearable tech can support admission avoidance and keep people well in their communities.
- **Digital workforce planning and capability gap:** We will engage members and feed their views directly into the development of the upcoming digital workforce plan. We will then look in more detail at how digital and virtual care teams (clinical and operational) currently look, versus what they are being asked to deliver, to identify what will allow them to maximise the impact of new technology. We will examine the impact of workforce shortages on digital care and look to champion where progress has been made. Based on the gap between what the teams have and what they need, we will develop recommendations to the centre.
- **Articulating system pressure:** We will track key performance metrics as set for recovery, in guidance, or in the uptake of guidance. We will also be supporting implementation of the national elective recovery plan, tracking progress against targets and highlighting issues / new innovation.
- **Virtual care:** We will build on substantial engagement with systems over the past year to understand where they are on their journey to implement virtual wards and meet the national ambition to increase capacity to 40-50 'beds' per 100,000 population by December 2023. We will draw out the lessons from members' experience in a report, highlighting key enablers and barriers to progress, and use findings to inform ongoing influencing of the centre on target setting or support required for the systems furthest behind to make up ground.
- **Mental health and housing:** We will work to understand and amplify good practice innovation and models in mental health and housing, with the priority to ensure effective and efficient pathways and high-quality services in the community.

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- **Scaling innovation:** We will examine the barriers to scaling innovation in the NHS by working with a focused group of members and industry partners to look at solutions to the key issues. To support the evidence base around this we will work with the Office of Life Sciences on a deep dive of a number of key innovations in healthcare to examine what works and why when scaling innovation.
- **Sharing innovations in Wales:** Members and stakeholders in Wales will continue to have opportunities to showcase innovation and share best practice through our events and external affairs work to improve patient outcomes and efficiencies. 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.
- **Partnering with industry:** We will continue our masterclass series with ABPI, exploring ways the NHS and industry partners can work together to improve health outcomes. Sessions will continue to bring together chief innovation officers and directors of strategy and transformation (plus other aligned roles) to provide peer-to-peer support, and to help the Confed support national influencing, engagement and practical implementation with the aim of ensuring innovation is not seen as 'another add-on burden'.
- **Partnering with Academic Health Science Networks:** We are agreeing the scope of the partnership next year, building on the successful joint Innovate Awards this year to celebrate excellence in health and care innovation.
- **EU Horizon project (Transforming Health and Care Systems):** The NHS Confederation will represent the UK on an EU-wide research project that aims to support the development of frameworks for transferring and implementing innovation in health and care; the creation of toolkits for policymakers to help them understand innovations; the development of the innovation ecosystem and knowledge sharing; and designing, advertising and assessing funding calls for the NHS.
- **International work:** We will continue to ensure NHS interests are met in the UK-EU relationship; that the World Health Organization policy and legislation benefit the NHS, that NHS interests are met in international trade deals; and workforce good practice is exchanged with EU and international organisations.
- **Understanding Patient Data (UPD):** The NHS Confederation will take over the running of the UPD organisation from the Wellcome Trust from April 2023. In 2023/24, UPD will build on existing work by commissioning research on the best words for the NHS to use to talk about topical health data developments, creating explainers on the wide range of policies, strategies and guidance in the health data space, and will continue to feed into UK-wide health data developments and engagement activities.
- **Digital and data capability in primary care:** We will work to support the development of business intelligence capability in primary care to deliver better service and

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workforce planning through sharing of best practice in data/digital solutions and exploring the potential for automation to improve service delivery in primary care.

- **ICS green strategies:** Building on this year's analysis of plans to better understand the focus of ambitions and how they vary between regions, we will continue to support the delivery of green strategies and sharing best practice through partnership working with key partners, including the Health Foundation and Yorkshire and Humber AHSN.
- **Cleaner air:** We have partnered with Boehringer Ingelheim to further develop its cleaner air framework to reduce health inequalities in local populations. In the coming year we will bring together ICS sustainability leads to look at how air pollution is affecting population health, impacts on health inequalities and what is being done to address this. Through this work we aim to gain a better understanding of the impacts of air pollution on population health and how the framework can be adapted by other ICSs.
- **COVID-19 Inquiry:** We will continue our work with partners to document lessons learned from the COVID-19 pandemic and influence the inquiry narrative to represent members' interests. We will share key developments with members and provide support wherever possible. We will develop and submit evidence and witness statements to the inquiry as and when requested.

Enhancing the NHS's role in economic development

- **Health Anchor Strategy:** We will continue to lead the public discourse on understanding the links between the health sector and the economy, articulating the value of the NHS as an anchor in both national policy and local practice. This builds on work with employers and ICB workforce leads to develop what being an anchor involves in practice, from a workforce and employment perspective.
- **Developing the fourth purpose of ICSs:** Following on from our fourth purpose report, we are continuing to develop our offer to support ICSs to implement recommendations and base plans around our fourth purpose toolkit and maturity matrix. Through these efforts, we aim to develop our consultative offer and work directly with systems to illustrate how social and economic development can be advanced locally as well as how they can track their respective progress.
- **Learning capture:** We will work with ICPs and partners to develop what good looks like in behavioural and cultural elements of delivering the potential wider economic and social impact of systems. This will be achieved through work funded via an NHS England contract, jointly delivered with National Voices and the National Association for Voluntary and Community Action, and will culminate in a report identifying what institutions and relationships constitute local health economies.
- **Connecting the system to funding opportunities:** We plan to serve as the go-to NHS expert source for information on place-based funding, by providing a broad,

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comprehensive and up-to-date outline of funding available, as well as applicable information such as eligibility, timing and deadlines, previous use cases, and bespoke application advice. We will provide summaries of emerging funding and funding awards as they are released, such as the Levelling Up funding. We will also link our members to opportunities for EU funding opportunities via our international work and the Horizon Europe project on transforming health and care.

- **Health and prosperity:** We will continue our partnership work with the Institute for Public Policy Research on its commission to lead a flagship intervention that looks at understanding health economies. We are working directly with a group of ICSs to develop understanding of the mechanism for how the NHS delivers economic value.
- **NHS Wales and local economies:** Through regularly attending the Directors of Finance Peer Group meetings and working closely with Welsh government officials and NHS Confederation colleagues, the Welsh NHS Confederation will gather views and understanding of the NHS's role in local economies and raise awareness of this work 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, and supporting the delivery of the foundational economy programme in Wales and the wider NHS Confederation work.
- **Health as an investible proposition:** Building on research to make the case for investment in the NHS as an economic driver in 2022/23, we are now working in partnership with Carnall Farrar to look more closely at where that investment is best targeted. The work aims to make the case for health as key economic player, with viable investment opportunities that have impact beyond the boundaries of the NHS.
- **Health on the high street:** The Health Economic Partnership (HEP) team is now partnering with Legal and General (L&G) to offer ICSs a support package for those systems keen to explore health on the high street in a range of L&G-owned developments to bring healthcare offerings into the community, at the same time as developing our high streets.
- **Unlocking education and training partners:** The HEP team continues to explore the critical relationship between universities and the NHS and their collective role in contributing to their local society and economy.
- **Devolution Working Group:** With the LGA, we plan to establish a time-limited joint Health and Devolution Working Group, which will go live in Q1 of 2023/24. The aim is to understand the priorities, opportunities and challenges for leaders in local government devolution areas and ICSs in bringing health in. The group will convene ICS, ICP and local government leaders as well as a range of leaders from other sectors. It will identify and discuss the challenges and opportunities of aligning local government and health devolution and identify emerging good practice.

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- **Inclusive recruitment:** NHS Employers-led work will continue with The Prince's Trust team to support employers to recruit more young people, enabling them to understand the benefits of recruiting in this way for individuals, organisations and the local community.
- **Step into Health:** NHS Employers-led work will continue with 135 NHS organisations and Armed Forces employment charities to identify and reduce barriers to employment for members of the Armed Forces community, providing advice, guidance and best practice while highlighting the benefits of the NHS as an employer.
- **International recruitment:** NHS Employers will continue to support delivery of responsible and equitable international recruitment by providing employers with best practice support. This will include managing approximately 600 organisations on the Ethical Recruiters List and delivering a pilot for the Talent Beyond Boundaries programme to recruit 40 refugee nurses from Lebanon and Jordan directly to trusts.
- **Making the case:** To bolster the rationale and support for members making the case for tackling inequality as leaders in the NHS, the EDI team will develop evidence to prove the underlying business case of action on this front and the benefits that investment in this space brings to productivity, efficiency and better targeting of NHS resources.
- **NHS interests in trade deals:** Continued work to ensure that NHS interests are represented in the development of new trade deals, advising on the pitfalls and opportunities as trade negotiations proceed.
- **Generating income:** We will support the export of NHS services through brokering of relationships and supporting commercial leads in the UK to develop their service offers.
- **Exporting the NHS:** We will work with the Department for Trade and Business to conduct novel research and resources that support NHS organisations to export internationally.
- **Global health:** We will increase support for NHS organisations working internationally on a non-commercial basis through the convening of the NHS Global Health Forum. The forum provides networking for global health leads with a space to plan and conduct research, and a unified voice for the NHS on the topic of global health partnerships.

Securing a sustainably funded health and social care system

- **Capital campaign:** To bolster our campaign to close the funding gap, we will undertake research to articulate a target capital investment level that would deliver the improvement needed for members to deliver the quality and quantity of elective and non-elective care required. This will be central to our influencing work in the run up to the election as manifestos are developed.

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- **Mental Health Economic Collaborative:** We will continue to use our collaborative commissioning partnership to delivery reports on market forces and their impact on mental health services and the economic and social impact of investment of underinvestment in mental health. Evidence from the findings will form part of our case to influence more sustainable funding.
- **Commissioning primary care:** We are planning work to shift the currently perceived 'child-parent' relationship faced by primary care by showcasing the 'art of the possible' and providing space for systems and national organisations to test thinking with local primary care leaders. We also plan to work with ICBs to support primary care commissioning and contracting capability, and work with NHS England to support engagement on 2024/25 primary care contracts.
- **Member input through the finance forum and reference group:** This year we anticipate ongoing energy cost issues, as well as the immediate problem of how to pay for the forthcoming NHS pay deal, so we will use our member fora to rapidly understand and respond to these issues.
- **Influencing the systems payments scheme:** We will work closely with NHS England to represent members' views, influence and support implementation of the new ICS payment pricing scheme to support system objectives, including reducing the backlog, as well as potential 2024/25 amendments.
- **Social outcomes commissioning:** We are partnering with Big Society Capital to look at how an outcomes partnership approach could provide an alternative funding model for investment in longer-term prevention-based services and benefit ICSs' local needs. We will work with interested ICSs to gain access to the advice and support to develop this option, and produce a report and manual for this as a funding route for systems.
- **Delivering productivity:** To bolster our case that the NHS will require sufficient investment to deliver greater productivity and efficiency improvements, we will launch research with the Health Foundation this year to quantify what is required and the return on investment. The aim is to set out an evidenced view of an 'acceptable ask' of the NHS in terms of efficiencies and what investment is required to deliver it. It will also inform our messaging in the run up to the election as manifestos are developed.
- **A roadmap to a sustainable health and care system:** In the absence of a clear central vision of what it will take to put the NHS on a sustainable financial footing, we plan to develop our own vision for a positive future and what it will take to get there, including setting out the required capital funding, economic rational of the 'system mission,' business case for investment and wider asks for a political audience. This is planned as a report and will inform election messaging.
- **Influencing budget discussions in Wales:** Working closely with the CEOs, directors of finance and the NHS Wales Finance Academy, the Welsh NHS Confederation will articulate the key financial challenges that the NHS is facing in the coming years and

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influence budget discussions in areas such as capital, infrastructure, revenue, resource framework for transformation and innovation, and digital.

- **Best practice:** This year we will continue our successful engagement programme, working with the centre to influence future plans. In addition to continually developing our influencing strategy based on member insight, we plan to support members to develop their practice with a productivity tool based on learning from the system.

Wider cross-organisation planned initiatives and considerations

- **NHS ConfedExpo:** A significant amount of work will go into developing and delivering sessions at this year's NHS ConfedExpo conference. This represents work that continues throughout the year and significantly contributes to both delivering and celebrating the work we do, alongside many partners, towards our goals.
- **Reputation campaign:** 2023/24 will be a critical year for shaping the political landscape and priorities, with the anticipation of a general election and manifestos and plans being developed. We want to position the NHS as a central priority for the next government, so we plan to deliver a project, led by comms but aligned to policy, to better understand public perceptions and craft our messaging, and how we present our policy recommendations to best effect. The work will be broader than the immediate political battles, aiming over the medium term to combat unhelpful and false narratives around the service, building on work like our explainer series launched this year.
- **International comparisons:** We will continue this year to support wider policy and influencing objectives with international comparisons across key measures and making connections directly with international counterparts.
- **NHS Confederation consulting offer:** We are working in early 2023/24 on a consulting offer, with an aim to commercialise areas of strength and expertise for the NHS Confederation. The size and scale of the work will depend on the findings of the initial scoping phase of work but could impact the focus of time and energy over the next year. This can also support our wider aim of reorienting our focus towards supporting improvement in the NHS.

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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. 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, integrated care systems, 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 healthcare 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 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 took 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, we recruited three new trustees to the board. These three new trustees were drawn from networks and arose due to previous trustees ending their terms of office.

Induction of new trustees

New trustees have induction meetings with the board chair, the CEO, 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 (resigned 28 July 2022)

Jennifer Ruth Poole (resigned 28 July 2022)

Prof Joseph Harrison

Michael Bloomfield

Nanda Ratnavel

Prof. Vivienne Harpwood (Burnet) (resigned 28 July 2022)

Valerie Morton

Marie Gabriel

Dr Pramit Patel

Dame Jackie Daniel

Ifti Majid

Charles David Skinner

Dr Peta Foxall, Senior Independent Trustee

Adam Doyle (appointed 29 July 2022 and resigned 30 March 2023)

Emma Woollett (appointed 1 November 2022)

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Attendance of trustees at NHS Confederation board meetings

The board of trustees formally met on 26 May 2022, 28 July 2022, 29 September 2022, 8 December 2022, and 30 March 2023. The attendance record from formal board meetings is as shown below.

Name	Attendance
Lord Victor Adebowale, Chair	5/5
Sir Andrew Cash, Vice Chair	1/2
Jennifer Ruth Poole	2/2
Prof Joseph Harrison	2/5
Michael Bloomfield	3/5
Nanda Ratnavel	4/5
Prof. Vivienne Harpwood	2/2
Valerie Morton	5/5
Marie Gabriel	5/5
Dr Pramit Patel	3/5
Dame Jackie Daniel	2/5
Ifti Majid	3/5
Charles David Skinner	5/5
Dr Peta Foxall, Senior Independent Trustee	5/5
Emma Woollett	1/2
Adam Doyle	2/3

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.

Committees of the board

The board had three sub-committees in 2022/23: the audit and risk 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.

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Audit and risk committee attendance record

Nanda Ratnavel, Chair of Audit and Risk Committee	4/4
Michael Bloomfield, Trustee Committee Member	3/4
Mark Stevenson, Independent Committee Member	3/4
Liz May, Independent Committee Member	3/4
Peta Foxall, Trustee Committee Member (appointed May 2022)	2/4

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	6/6
Prof Joseph Harrison, Trustee Committee Member	5/6
Marie Gabriel, Trustee Committee Member	5/6
Peta Foxall, Trustee Committee Member (from May 2022)	5/5

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 and delivery of infrastructure projects. 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 a member of the finance and operations committee.

Finance and operations committee attendance record

Nanda Ratnavel, Trustee Committee Member/Chair of Audit & Risk Committee	4/4
Suneet Kumar, Independent Committee Member	3/4
Charles David Skinner, Chair of Finance and Operations Committee	4/4

Network and country boards

In accordance with the existing articles of association and 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.

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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 26.6 per cent to 30.3 per cent to the Civil Service Scheme. We currently have 47 staff who are on the NHS Pension Scheme and 5 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.

Related parties

Dr Pramit Patel's (a trustee) GP partnership, Greystone House Surgery, was recompensed for his time working as chair of the Primary Care Network (up to June 2022) to allow them to backfill his time away from practice business and direct patient care. 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.

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

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The directors of the subsidiary company are Charles David Skinner (chair of the subsidiary board and charity trustee), Matthew Taylor (subsidiary board director and CEO of the charity), John O'Brien (subsidiary board director and commercial director of the charity), Nikki Barraclough (subsidiary board director and director of finance and IT at the charity), and Zoe Bedford (non-executive director of the subsidiary). 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.

As detailed above in related parties, an agreement was in place with Dr Pramit Patel's practice, Greystone House Surgery, to provide recompense for his time spent as chair of the PCN Network (up to June 2022). Marie Gabriel, another trustee, is remunerated for her term as chair of the Race and Health Observatory.

No other trustees received remuneration for their services.

In 2022/23 the total expenses incurred by ten of our trustees in relation to travel, accommodation, and subsistence costs while on NHS Confederation business was £3,133 (2022: £307).

Governance review and Charity Governance Code

Trustees conducted a governance review that concluded in June 2021 with the adoption of new Articles and Byelaws. In March 2022 trustees formally adopted the Charity Governance Code and have commissioned a board performance review to commence March 2023.

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.

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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.

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 internal audit was delivered in last quarter of 2022/23 and provided a positive report.
The threat of industrial action on the ability to deliver NHS ConfedExpo	Content panel, clear targets for sponsorship and exhibition are on track Contingency for returning to virtual events 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 staff are encouraged to attend one of the quarterly run virtual training sessions via Teams. 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 12-month forward-looking cash flow, and the annual review of the three-year plan. The most recent version of the three-year plan estimated a breakeven position for each year, however for 23/24 financial year, the trustees approved a deficit budget which included several high impact one off projects funded from reserves.

Our membership income remains robust, contract income is stable and commercial income opportunities are budgeted to increase as our conference and event activity increases. The organisation holds healthy level of reserves.

Income and expenditure

Income for the year increased by £5.0 million to £22.6 million (2022: £17.6 million) due to increased income across all key income streams (membership, contracts and grants, and commercial income). The Charity does not carry out significant fundraising activities.

Expenditure for the year was £22.1 million (2022: £16.6 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 £0.1 million (2022: £1.1 million) which includes the investment loss.

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 £7.0 million to £8.6 million. At 31 March 2023, the total funds balance stood at £9.5 million (2022: £9.4 million), with the amount of free reserves (those not represented by fixed assets) standing at £9.3 million (2022: £9.0 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 2023/24 budget includes spending of £0.6 million from reserves on high impact one-off 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 which ended March 2023. It is likely some reserves will be needed to facilitate a smooth change process in the event that funding is reduced. The reserves target range currently includes this contract risk provision, so this target range will reduce when it is reviewed September 2023. At this point, further consideration will be given as to how best to use any remaining reserves balance to bring it more in line with policy.

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 and

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Partners LLP, a firm of investment managers, and the funds were moved during the year into the Sarasin Climate Active fund. The finance and operations committee continues to review the investment policy and objectives and performance of the investment portfolio.

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. For example, 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. For example, 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 loss of £0.4 million for 2022/23 in a very volatile market. We invested £1.5 million of surplus cash into the investment portfolio during the year. The investments generated £193,068 of investment income. At the end of this financial year, the investment portfolio was valued at £6.36 million (2022: £5.23 million).

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. BHP LLP have indicated their willingness to stand for reappointment.

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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 27th July 2023 and signed on their behalf by:


Signed:

Name: Victor Adebawale
Trustee

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2023

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 2023, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the 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 Financial Reporting Standard 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 parent charitable company's affairs as at 31 March 2023, 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 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 and 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2023

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 FOR THE YEAR ENDED 31 MARCH 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent 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 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 responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management and trustees, and from our knowledge and experience of this organisation;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, the Companies Act 2006, data protection, health and safety legislation and employment law;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and trustees;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit of the group and parent charitable company.

THE NHS CONFEDERATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2023

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected variances;
- tested journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at: 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

FOR THE YEAR ENDED 31 MARCH 2023

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.

BHP LLP

BHP LLP (Aug 25, 2023 09:18 GMT+1)

Laura Masheder (Senior statutory auditor)
for and on behalf of

BHP LLP

Statutory Auditor
Chartered Accountants
First Floor
Mayesbrook House
Lawnswood Business Park
Leeds
LS16 6QY

Date: Aug 25, 2023

THE NHS CONFEDERATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Charitable activities	3	18,930,907	207,173	19,138,080	15,745,486
Other trading activities	4	3,124,615	–	3,124,615	1,240,465
Investments	6	321,419	–	321,419	143,444
Exceptional income	5	–	–	–	500,000
Other income		–	–	–	12,288
Total income		22,376,941	207,173	22,584,114	17,641,683
Expenditure on:					
Charitable activities	7	19,514,073	207,173	19,721,246	15,396,965
Raising funds	9	2,391,690	–	2,391,690	1,180,553
Total expenditure		21,905,763	207,173	22,112,936	16,577,518
Net income before other recognised gains/(losses)		471,178	–	471,178	1,064,165
Net (losses)/gains on investments	15	(373,114)	–	(373,114)	66,525
Net income		98,064	–	98,064	1,130,690
Net movement in funds		98,064	–	98,064	1,130,690
Total funds brought forward		9,442,710	–	9,442,710	8,312,020
Total funds carried forward		9,540,774	–	9,540,774	9,442,710

The consolidated 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.

All income and expenditure derive from continuing activities.

The notes on pages 55-81 form part of these accounts.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in the financial statements.

THE NHS CONFEDERATION

Company Registration No. 04358614

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible fixed assets	13		62,124		82,288
Tangible fixed assets	14		167,244		313,576
Investments	15		6,358,929		5,227,337
			<u>6,588,297</u>		<u>5,623,201</u>
Current assets					
Debtors	16	6,667,597		6,449,244	
Cash at bank		<u>7,296,169</u>		<u>8,047,312</u>	
		13,963,766		14,496,556	
Creditors: amounts falling due within one year	17	(10,863,600)		(10,537,378)	
Net current assets			<u>3,100,166</u>		<u>3,959,178</u>
Total assets less current liabilities			<u>9,688,463</u>		<u>9,582,379</u>
Provisions for liabilities	18		(147,689)		(139,669)
Total net assets			<u>9,540,774</u>		<u>9,442,710</u>
Income funds					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		229,368		395,864	
General unrestricted funds		9,311,406		9,046,846	
Total funds	21		<u>9,540,774</u>		<u>9,442,710</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The notes on pages 55-81 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 27th July 2023 and are signed on their behalf.

Signed: 

Name: Victor Adebawale

Trustee

THE NHS CONFEDERATION

Company Registration No. 04358614

CHARITY BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible fixed assets	13		62,124		82,288
Tangible fixed assets	14		167,244		313,576
Investments	15		6,358,929		5,227,337
			<u>6,588,297</u>		<u>5,623,201</u>
Current assets					
Debtors	16	5,578,505		5,866,455	
Cash at bank		<u>5,708,627</u>		<u>6,673,312</u>	
		11,287,132		12,539,767	
Creditors: amounts falling due within one year	17	(9,579,737)		(9,487,147)	
Net current assets			<u>1,707,395</u>		<u>3,052,620</u>
Total assets less current liabilities			<u>8,295,692</u>		<u>8,675,821</u>
Provisions for liabilities	18		(147,689)		(139,669)
Total net assets			<u>8,148,003</u>		<u>8,536,152</u>
Income funds					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		229,368		395,864	
General unrestricted funds		7,918,635		8,140,288	
Total funds	21		<u>8,148,003</u>		<u>8,536,152</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and preparation of financial statements.

The charitable company's gross income for the year was £19,987,478 (2022 - £15,916,073) and result for the year was a net decrease in funds of £388,149 (2022 – net increase of £226,514).

The notes on pages 55-81 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 27th July 2023 and are signed on their behalf.

Signed: 

Name: Victor Adebawale

Trustee

THE NHS CONFEDERATION

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	22		445,205		2,608,412
Net cash inflow from operating activities			445,205		2,608,412
Cash flows from investing activities					
Purchase of intangible fixed assets		–		(3,380)	
Purchase of tangible fixed assets		(13,061)		–	
Purchase of investments		(6,703,173)		–	
Sale of investments		5,198,467			
Dividends and interest received		321,419		143,444	
Net cash generated from investing activities			(1,196,348)		140,064
Net increase in cash and cash equivalents			(751,143)		2,748,476
Cash and cash equivalents at beginning of year			8,047,312		5,298,836
Cash and cash equivalents at end of year			<u>7,296,169</u>		<u>8,047,312</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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' – exemption from presenting a statement of cash flow and related notes and disclosures for the charitable company.

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 2023

Accounting policies (Continued)

All financial statements are made up to 31 March 2023. 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 £ 98,064 (2022: net increase of £1,130,690) 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 note 22.

Income

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.

Investment income

Income is recognised when the right to receive payment is established.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 various projects (see note 10 for more detail). These are recognised in “Income from charitable activities” within income and expenditure in the same period as the related expenditure.

Expenditure

Liabilities are recognised as expenditure 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 2023

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 per cent 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 per cent straight line or over the term of the lease
Computer and other equipment	33 per cent straight line

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 2023

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 2023

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.

Provision for liabilities

An amount is recognised on the face of the balance sheet for the cost of dilapidations relating to our office space and conference centre. This is worked out based on estimated cost per square footage and the total square footage. The provision is reviewed at each reporting date and adjusted to reflect the current best estimate of the settlement amount. Any adjustments to this provision is recognised in net income/(expenditure) for the year.

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 2023

Accounting policies (Continued)

Multi-employer plans

The charity participates in two multi-employer pension schemes for its employees, as outlined in note 20. 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.

Operating 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.

Custodian arrangements

The charity acts as custodian for the NI Public Sector Chairs forum and also as custodian for the Developing Medical Excellence in Education conference (event date December 2023). 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 other creditors.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 16 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 13 and 14 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 2023

3. Income from charitable activities

	2023 £	2022 £
Membership subscriptions	4,521,688	3,220,555
Contract delivery	13,168,454	11,614,371
Grant income	207,173	193,230
Conference centre income	649,880	307,779
Training and other income	590,885	409,551
	<u>19,138,080</u>	<u>15,745,486</u>

Grant income of £207,173 (2022: £193,230) 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

	2023 £	2022 £
Publications and AV	8,125	11,163
Membership subscriptions	121,396	61,413
Events and partnerships	2,956,148	1,167,889
Sub-let of surplus office space	19,025	—
Other trading income	19,921	—
	<u>3,124,615</u>	<u>1,240,465</u>

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

5. Exceptional income

For the prior year 2022, 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.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Investment income

	2023 £	2022 £
Income from listed investments	193,068	143,444
Bank interest receivable	128,351	—
	<u>321,419</u>	<u>143,444</u>

All investment income is classed as unrestricted in both years.

7. Expenditure on charitable activities

2023

	Direct costs £	Support costs £	Total 2023 £	Total 2022 £
Membership subscriptions	4,692,117	913,956	5,606,073	3,015,334
Events and partnerships	1,085	211	1,296	52,984
Contract delivery	11,116,847	2,165,400	13,282,247	11,525,579
Grants	207,173	—	207,173	193,230
Conference centre	293,442	57,158	350,600	505,348
Training and other activity	229,210	44,647	273,857	104,490
	<u>16,539,874</u>	<u>3,181,372</u>	<u>19,721,246</u>	<u>15,396,965</u>

2022

	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 £207,173 (2022: £193,230) is classed as restricted in the year. All other expenditure on charitable activities is classed as unrestricted expenditure in both years.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Support costs

	2023 £	2022 £
Management	295,235	489,336
Governance costs	321,904	213,076
Finance	456,418	327,100
Information technology	755,757	345,629
Human resources	468,632	410,969
Accommodation	883,426	825,805
	<u>3,181,372</u>	<u>2,611,915</u>

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

9. Expenditure on raising funds

	2023 £	2022 £
Membership subscriptions	15,012	749
Publications and AV	813	3,390
Events and partnerships	2,064,175	1,008,701
Other administrative expenses	311,690	167,713
	<u>2,391,690</u>	<u>1,180,553</u>

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

10. Net movement in funds

	2023 £	2022 £
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	41,107	52,017
- Other non-audit services (tax advisory services)	1,784	10,596
Depreciation of owned tangible fixed assets	159,393	166,558
Amortisation of intangible fixed assets	20,164	18,530
Operating lease charges	558,172	570,244
Government grant income	<u>63,583</u>	<u>12,288</u>

The government grant income above for 2023 is made up of £29,249 from Sitra, the Finnish Innovation Fund, for the project Joint Action Towards the European Health Data Space, which develops European principles for the secondary use of health data. The other £34,334 comprises grants from Leeds City Council towards the running of our conference centre room hire, being COVID-19 recovery grants and Digital Growth grant.

For 2022, the value 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 2023

11. Trustees

During the year, the NHS Confederation chair Victor Adebawale was remunerated £50,000 (2022: £50,000) in accordance with the articles of association and the permission granted by the Charity Commission. Greystone House Surgery was paid £1,850 (2022: £5,850) for backfill for the time of one of their partners, Pramit Patel, a trustee, for their work as chair of the Primary Care Network, up until June 2022. Marie Gabriel, a trustee, was remunerated £20,000 (2022: £20,000) for their work as chair of the Race and Health Observatory.

Expenses incurred on behalf of the charitable company and reimbursed to ten trustees (2022: three trustees) or paid directly to third parties during the year amounted to £3,133 (2022: £307), relating to travel, accommodation and subsistence costs.

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

12. Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	245	210

Employment costs

	2023 £	2022 £
Wages and salaries	11,341,043	9,481,469
Social security costs	1,270,764	991,338
Pension costs	926,247	798,375
	<u>13,538,054</u>	<u>11,271,182</u>

In addition, total expenditure includes seconded and agency staff of £354,451 (2022: £304,726).

During the year, termination payments were paid to one employee (2022: two employees) totalling to £6,550 (2022: £120,000).

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. Employees (Continued)

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

	2023 Number	2022 Number
£190,000-£199,999	1	—
£180,000-£189,999	—	—
£170,000-£179,999	1	—
£160,000-£169,999	—	2
£150,000-£159,999	—	—
£140,000-£149,999	2	—
£130,000-£139,999	2	2
£120,000-£129,999	—	2
£110,000-£119,999	2	1
£100,000-£109,999	4	2
£90,000-£99,999	3	3
£80,000-£89,999	6	4
£70,000-£79,999	13	6
£60,000-£69,999	18	16

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. Intangible fixed assets

Group and charity

	System Development £	Total £
Cost		
At 1 April 2022	100,818	100,818
Additions	—	—
Disposals	—	—
At 31 March 2023	<u>100,818</u>	<u>100,818</u>
Amortisation		
At 1 April 2022	18,530	18,530
Amortisation charged in year	<u>20,164</u>	<u>20,164</u>
At 31 March 2023	<u>38,694</u>	<u>38,694</u>
Carrying amount		
At 31 March 2023	<u>62,124</u>	<u>62,124</u>
At 31 March 2022	<u>82,288</u>	<u>82,288</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14. Tangible fixed assets

Group and charity

	Furniture, fixtures and fittings £	Computer and other equipment £	Total £
Cost			
At 1 April 2022	743,530	14,037	757,567
Additions	13,061	–	13,061
Disposals	–	–	–
At 31 March 2023	<u>756,591</u>	<u>14,037</u>	<u>770,628</u>
Depreciation			
At 1 April 2022	429,954	14,037	443,991
Depreciation charged in year	159,393	–	159,393
Eliminated on disposal	–	–	–
At 31 March 2023	<u>589,347</u>	<u>14,037</u>	<u>603,384</u>
Carrying amount			
At 31 March 2023	<u>167,244</u>	<u>–</u>	<u>167,244</u>
At 31 March 2022	<u>313,576</u>	<u>–</u>	<u>313,576</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Investments

Group and charity	Listed investments £	
Cost or valuation		
At 1 April 2022		5,227,337
Purchases in year		6,703,173
Disposals in year		(5,198,467)
Valuation changes		(373,114)
At 31 March 2023		<u>6,358,929</u>
Carrying amount		
At 31 March 2023		<u>6,358,929</u>
At 1 April 2022		<u>5,227,337</u>
	2023	2022
	£	£
Investments at fair value comprise:		
Fixed income	963,891	641,832
Equities	4,235,726	3,395,591
Property	264,125	262,804
Alternative investments	779,171	674,851
Liquid assets	116,016	252,259
	<u>6,358,929</u>	<u>5,227,337</u>

Fixed asset investments revalued

At 31 March 2023, the historical cost of investments was £6,202,257 (2022: £3,200,000) with net gains of £156,672 (2022: £2,027,337).

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 charity is the single corporate member of The NHS Confederation (Services) Limited, a company limited by guarantee. The results and net assets of this company are disclosed in note 26 of these financial statements.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	5,606,736	5,853,718	5,070,796	5,247,918
Amounts due from fellow group undertakings	—	—	188,575	384,809
Other debtors	2,709	4,136	2,709	4,136
Prepayments and accrued income	984,634	483,282	309,444	221,289
	<u>6,594,079</u>	<u>6,341,136</u>	<u>5,571,524</u>	<u>5,858,152</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	73,518	108,108	6,981	8,303
	<u>73,518</u>	<u>108,108</u>	<u>6,981</u>	<u>8,303</u>
Total debtors	<u>6,667,597</u>	<u>6,449,244</u>	<u>5,578,505</u>	<u>5,866,455</u>

17. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	750,907	586,237	739,392	393,696
Other taxation and social security	556,362	1,085,673	556,362	1,085,673
Other creditors and accruals	1,255,662	860,826	1,148,339	855,594
Deferred income (note 19)	8,300,669	8,004,642	7,135,644	7,152,184
	<u>10,863,600</u>	<u>10,537,378</u>	<u>9,579,737</u>	<u>9,487,147</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

18. Provisions for liabilities

	Conference Centre	Leeds Office	London Office	Cardiff Office	Total
Opening provision as at 1 April 2022	97,880	10,000	10,000	21,789	139,669
Movement in year	(37,980)	20,000	26,000	–	8,020
Closing provision as at 31 March 2023	<u>59,900</u>	<u>30,000</u>	<u>36,000</u>	<u>21,789</u>	<u>147,689</u>

The dilapidation provision relates to the expected cost payable on vacating our office spaces and conference centre. All leases have a break clause falling in the 2024/25 financial year. Provisions have not been discounted as the impact would be immaterial to the financial statements.

19. 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 2022	8,004,642	7,152,184
Amount released to Statement of Financial Activities	(8,872,632)	(7,936,810)
Amount deferred in year	9,168,659	7,920,270
At 31 March 2023	<u>8,300,669</u>	<u>7,135,644</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20. 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. Both of these schemes are unfunded schemes backed by the exchequer; accordingly these schemes are accounted for as defined contribution schemes in accordance with FRS 102.

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 £140,518 (2022: £112,635) were payable to the schemes at 31 March 2023 and are included within other creditors and accruals.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21. Unrestricted funds

Group	Movement in funds				
	Balance at 1 April 2022 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	Balance at 31 March 2023 £
Funds represented by fixed assets	395,864	(166,495)	–	–	229,369
General unrestricted funds	9,046,846	–	637,671	(373,114)	9,311,403
	<u>9,442,710</u>	<u>(166,495)</u>	<u>637,671</u>	<u>(373,114)</u>	<u>9,540,772</u>

	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>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21. Unrestricted funds (Continued)

Charity

Movement in funds

	Balance at 1 April 2022 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	Balance at 31 March 2023 £
Funds represented by fixed assets	395,864	(166,495)	–	–	229,369
General unrestricted funds	8,140,288	–	151,460	(373,114)	7,918,634
	<u>8,536,152</u>	<u>(166,495)</u>	<u>151,460</u>	<u>(373,114)</u>	<u>8,148,003</u>

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>

22. Restricted funds

Income of £207,173 relating to restricted funds was received during the year ended 31 March 2023 but had all been spent by the year-end date, meaning balance on restricted funds at this date was £nil (2022: £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 2023

23. Cash generated from operations

	2023 £	2022 £
Surplus for the year	98,064	1,130,691
Adjustments for:		
Investment income recognised in statement of financial activities	(321,419)	(143,444)
Fair value gains/(losses) on investments	373,114	(66,525)
Depreciation of tangible fixed assets	159,393	166,558
Amortisation of intangible fixed assets	20,164	18,530
Movements in working capital		
(Increase)/decrease in debtors	(218,353)	(2,780,286)
Increase in creditors	334,242	4,282,888
Cash generated from operations	445,205	2,608,412

24. 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:

	2023 £	2022 £
Within one year	540,222	532,830
Between one and five years	456,619	606,311
	996,841	1,139,141

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

25. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, being the senior executive team listed on pages 3 and 4, is as follows:

	2023 £	2022 £
Aggregate compensation	2,144,402	1,877,922

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.

2023		Charity Income £	Charity Expense £	Subsidiary Income £	Charity Debtor £	Subsidiary Debtor £
Related Party	Description of Relationship					
Alliance for Better Care	Trustee is Chair	9,090	–	–	4,590	–
Derbyshire Healthcare NHS FT	Trustee is CEO	10,950	–	1,075	10,950	1,290
Eli Lilly and Company Ltd	Spouse of Director is Key Account Manager	–	–	30,000	–	–
Milton Keynes University Hospital NHS FT	Trustee is CEO	9,450	–	–	9,450	–
Newcastle Upon Tyne Hospital NHS FT	Trustee is CEO	20,400	–	-3,605	–	–
NHS Charities Together	Deputy CEO is Trustee of	–	–	2,650	–	–
NHS North East London ICB	Trustee is Chair	44,600	–	–	–	–
NHS Surrey Heartlands CCG	Trustee is PCN Leader	38,500	–	–	–	–
NHS Sussex ICB	Trustee is CEO	39,700	–	200	39,700	240
Northern Ireland Ambulance Service	Trustee is CEO	8,372	–	4,165	–	–
Office for Life Sciences	Spouse of Director is Director	16,172	–	–	19,406	–
Powys Teaching Health Board	Trustee (resigned Jul 22) is Chair	35,670	–	1,000	35,670	–
Priory Healthcare	Spouse of Trustee is MD	13,528	–	–	13,528	–
Royal Devon University Healthcare NHS FT	Trustee is Governor	14,920	–	325	14,150	516
Swansea Bay University Health Board	Trustee is Chair	65,420	–	1,000	65,420	–
ZPB Associates	Trustee is Director & CEO	–	–	950	–	1,140
Greystone House Surgery	Trustee is Partner	–	7,800	–	–	–
Nuffield Health	Trustee is Board Member	–	20,196	–	–	–
Responsible Leadership Foundation Limite	Spouse of CEO is Senior Director	–	97,430	750	–	–

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

25. Related party transactions (Continued)

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

In 2023, NHS Confederation (Services) Company Limited, gift aided profits of £559,347 (2022: £nil) up to the parent company.

There are no other related party transactions to disclose.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

26. 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:

	2023 £	2022 £
Turnover	3,156,240	1,232,125
Cost of sales	(1,836,737)	(660,236)
Gross profit/(loss)	1,319,503	571,889
Administrative expenses	(273,943)	(167,713)
Other operating income	—	—
Other exceptional operating income		500,000
Profit/(loss) before taxation	1,045,560	904,176
Tax	—	—
Profit/(loss) for the financial year	1,045,560	904,176
The assets and liabilities of the subsidiary were:		
Current assets	2,865,209	2,341,598
Current liabilities	(1,472,438)	(1,435,040)
Total net assets	1,392,771	906,558
Aggregate capital and reserves	1,392,771	906,558

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

27. Custodian arrangements

The charity acts as custodian for the NI Public Sectors Chairs forum. In the financial year ended 31 March 2023, the charity received £41,003 (2022: £28,785) and disbursed £42,705 (2022: £26,571) in its role as custodian. An amount of £34,428 (2022: £35,731) is included in other creditors relating to unrestricted funds held as custodian at 31 March 2023.

The trading subsidiary, The NHS Confederation (Services) Company Limited, has agreed to act as custodian for the Developing Excellence in Medical Education conference, due to be held in December 2023. The subsidiary will hold all funds and administer payments on behalf of the organisers of the event (no payments have yet been made). An amount of £80,251 (2022: £nil) is included in other creditors relating to unrestricted funds held as custodian as at 31 March 2023.

28. Post balance sheet events

The contract with NHS England & Improvement, which ended 31st March 2023, is currently being renegotiated.