

The ROYAL MARSDEN

NHS Foundation Trust

Annual Report and Accounts 2022/23



NHS

Contents

1. Performance report	2
Overview of performance	3
Summary of performance	12
Statement of going concern	24
Performance analysis	25
2. Accountability report	34
Directors' report	34
Membership and Council of Governors report	46
Remuneration report	51
Staff report	59
NHS Foundation Trust Code of Governance	73
NHS System Oversight Framework	73
Statement of Accounting Officer's responsibility	74
Annual Governance Statement	75
3. Annual Accounts for the year ended 31 March 2023	87
Foreword to the Accounts	87
Auditor's Report, including certificate	87
Four primary financial statements	92
Notes to the Accounts	97

1. Performance report

Introduction

The Royal Marsden opened in 1851 as the world’s first hospital dedicated to cancer diagnosis, treatment, research and education. Today it operates as a specialist cancer hospital and National Institute for Health and Care Research (NIHR) Biomedical Research Centre for Cancer, working closely with its principal academic partner, the Institute of Cancer Research (ICR).

Together, The Royal Marsden and the ICR are ranked as one of the top comprehensive cancer centres in the world for the impact of their research, seeing and treating over 60,000 NHS and private patients every year. It is a centre of excellence with an international reputation for ground-breaking research and for pioneering the very latest in cancer treatments and technologies, as well as leading the way in innovative cancer diagnosis and education.

The Royal Marsden operates from three centres, in Chelsea, Sutton and Cavendish Square in central London, and is the founder and host of RM Partners West London Cancer Alliance, which includes St George’s University Hospitals NHS Foundation Trust, Imperial Healthcare NHS Trust, and other trust and integrated care board (ICB) partners across north west and south west London.

Driven by the fundamental principle that patients, entrusting their lives to The Royal Marsden, deserve the very best, The Royal Marsden is committed to delivering excellent research-led cancer care for patients, accelerating early diagnosis, and ensuring treatment and care is personalised for the needs of each individual. During the year, the Trust has commissioned the Oak Cancer Centre, a major new research and ambulatory care centre, and has undertaken a significant digital transformation programme, Connect, in partnership with Great Ormond Street Hospital for Children NHS Foundation Trust. This enhances the ability to care for patients more efficiently, to research and understand their cancers better and so optimise delivery of the best possible treatments. In addition, it allows the Trust to maximise the emerging opportunities to be derived from digital services and the application of artificial intelligence to the data collected.

The Trust’s Five-Year Strategic Plan sets out the core themes and objectives for the period 2018/19 to 2023/24. The key highlights from 2022/23 against these themes are set out on pages 7-11.

The following ‘Overview of performance’ provides a summary of how The Royal Marsden NHS Foundation Trust performed during 2022/23.

Overview of performance

Chairman and Chief Executive joint statement

This year has seen The Royal Marsden reach two major milestones that will immeasurably improve our service to patients, now and for years to come. In March 2023 we launched our new Digital Health Record Connect, powered by Epic, and in June 2023 we officially opened the doors to the Oak Cancer Centre. Both projects are the culmination of years of work behind the scenes by hundreds of members of staff and partners, and we thank everyone who has been involved in making sure both projects were delivered successfully. We look forward to reporting on the huge positive impact for patients and our staff that we will no doubt see during 2023/24 as a result of these initiatives.

There was also change this year in the leadership of the Trust, with Charles Alexander CBE stepping down as Chairman at the expiry of his six-year term of office in November 2022. Charles’s contribution enabled the Trust to go further and faster in improving quality of life and survival for patients locally and globally through his support for treatment, care and research. Under his Chairmanship, The Royal Marsden Cancer Charity has also excelled in its support for the patients and staff of the Trust, supporting the hospital throughout the pandemic and developing the new Oak Cancer Centre. We thank Charles for his unwavering support.

It was with great sadness that we learned of the death of Her Majesty the Queen on 8 September 2022. The Queen became Patron of The Royal Marsden in 1952 and was a wonderful supporter of our work. We were privileged that she honoured both our Chelsea and Sutton hospitals with visits over the years, meeting staff and patients. In 1963, Her Majesty opened our Sutton hospital and met Frida Sandwith, the great-granddaughter of William Marsden, the founder of The Royal Marsden. More recently, the Queen visited the Chelsea hospital in 2001 to open the Markus Rehabilitation Centre. Many of our staff have memories of these occasions and remember them with pride and fondness.

Financial performance and key risks

In a financially challenging year, the Trust delivered a modest surplus, mitigating increased costs relating to the delivery of a new Digital Health Record, and operational pressures relating to the continuing disruptive impact caused by COVID-19. The surplus has enabled continuing investment in estates, medical equipment and IT across the Trust.

As noted above, 2022/23 marked the culmination of the delivery of the core workstreams of the digital transformation programme. On budget and on time, the programme to develop and implement Connect, a new Digital Health Record, has been delivered, in partnership with Great Ormond Street Hospital for Children NHS Foundation Trust. The effort from all staff to achieve this was nothing short of magnificent given the many other challenges faced during this period.

The major risks to the achievement of the Trust’s objectives during the year continued to reflect the broader challenges facing the NHS due to increasing demand on services and requirements to modernise infrastructure, periodic industrial action by a number of staff groups, maintaining our position as a competitive employer and sustaining our specialist workforce in light of the rise in the cost of living. In addition, the Trust is also managing the risks of future changes to delivery of paediatric cancer services and the loss of specialist paediatric cancer research and clinical trials; financial sustainability; and managing the devolution of the specialised commissioning budget. In terms of NHS governance changes, the South West London Integrated Care Board came into being on 1 July 2022 and the Trust is fully involved in contributing to integrated system working at all levels. Full details of these risks and mitigation are on page 22 and outlined in the Annual Governance Statement from page 75.

A visit by our President

In May 2022, our President, His Royal Highness Prince William, Prince of Wales visited our Chelsea hospital. During the visit, His Royal Highness saw some of the latest innovations in cancer treatment and diagnosis, including watching robot-guided microwave ablation with Consultant Interventional Radiologist, Dr Nicos Fotiadis, and seeing first-hand ‘Man Van’, a mobile health clinic which is aiming to speed up the detection of prostate and other urological cancers in men with increased risk. His Royal Highness paid tribute to the late Dame Deborah James, whom he met when he conferred her Damehood, and spoke with a number of staff who had been involved in Deborah’s treatment and care at The Royal Marsden.

Research breakthroughs

Our research leaders continued the delivery of pioneering cancer research this year, with some exciting breakthroughs and trials. The EVEREST-HN trial was launched, which will investigate whether a new referral pathway will speed up diagnosis for patients with suspected head and neck cancer.

In a world first, Royal Marsden researchers have found that artificial intelligence (AI) could help predict the recurrence of lung cancer earlier. The OCTAPUS-AI study, led by Dr Richard Lee, Consultant Physician in Respiratory Medicine, involves the use of machine learning to predict outcomes that would otherwise be undetected.

An innovative trial which aims to determine whether patients with colorectal cancer can be spared unnecessary chemotherapy has now commenced. The TRACC study evaluates the use of circulating tumour DNA to guide chemotherapy treatment decisions after surgery in patients with resected early-stage colorectal cancer. The blood test could prevent unnecessary chemotherapy in these patients.

The American Society of Clinical Oncology (ASCO) conference saw Royal Marsden researchers highlight a series of breakthroughs, including the DARS trial which revealed the benefits of a precision radiotherapy technique pioneered at the hospital for treating head and neck cancer. Professor Mary O’Brien, Consultant Medical Oncologist, presented data from the KEYNOTE-091 trial, which demonstrated the benefits of immunotherapy in terms of survival prospects for early-stage non-small-cell lung cancer patients.

At the 2023 ASCO Genitourinary Cancers Symposium, Professor Nicholas van As presented results from the PACE-A study, which revealed that men with prostate cancer are less likely to experience urinary and sexual side effects two years after treatment with stereotactic body radiotherapy (SBRT) than surgery.

Major service developments

In June 2023, the Oak Cancer Centre was officially opened by our President, His Royal Highness Prince William, Prince of Wales. This state-of-the-art research, diagnostic and treatment facility, generously supported by The Royal Marsden Cancer Charity, is helping to accelerate the development of new treatments and diagnose more cancers at an earlier stage. The number of people who need our help grows every year, and by opening the Oak Cancer Centre we are increasing the capacity of The Royal Marsden to be there for as many people as possible, including maximising the number of clinical trials available to people with complex cancers.

The Royal Marsden’s hospital in Chelsea is an iconic building situated right in the heart of the Kensington and Chelsea borough of which we are proud to be part – as a world-leading cancer centre, as an employer and as a neighbour. We are currently exploring proposals to sensitively add to the capacity of the Chelsea site, respecting the rich heritage and history of our buildings, so that we can secure the hospital’s future in the borough for the long-term (see page 20 for further details).

Children have always been a priority at The Royal Marsden and receive high quality care delivered in a safe, specialist and research active environment on The Royal Marsden’s Sutton site. The Royal Marsden and the ICR, working together, provide the largest clinical trial facility for children in Europe, essential to further improve survival in those rare cancers. Following a review of the service specification for children’s cancer services by NHS England to determine how they should be organised and delivered in the future, a decision was taken that all Principal Treatment Centres (PTCs) for children’s cancer should have an onsite paediatric intensive care unit (PICU). This service model, when implemented, will replace the current specialist network model which incorporates the safe treatment and transfer of patients when required.

As a result of this policy decision, NHS England London was asked to recommend a preferred provider to enable co-location of the region’s PTC with a PICU and this assessment process was completed in January 2023. Both St George’s University Hospitals NHS Foundation Trust and Guy’s and St Thomas’ NHS Foundation Trust were assessed as viable options to go out to public consultation. This consultation will be undertaken during the autumn, with a decision on the preferred provider expected by Spring 2024. The service is not expected to relocate until 2026 at the earliest and the Trust will continue to provide the highest standard of service to children and their families in a leading environment with age-appropriate areas, for as long as the service remains on The Royal Marsden site. Our Board is also committed to ensuring the children’s cancer service only transfers when the agreed provider has the capability and capacity to deliver an upgrade to the current exceptional level of patient care provided at our Sutton site and supported by the ICR’s research establishment.

Digital transformation

Our new Digital Health Record (DHR) was launched on 17 March 2023 – one of the most ambitious change programmes we have undertaken as a Trust. The DHR programme, called Connect, is transforming the way that patients engage with Royal Marsden services and experience their care. The new DHR is run using Epic software and we have partnered with Great Ormond Street Hospital for Children NHS Foundation Trust on Connect, which has given us the opportunity to harness the digital excellence, technologies and learning from their implementation of a new DHR in 2019.

The new DHR provides an accurate, real-time view of patient information and allows us to capture clinical information at the point of care, along with new functionality that enhances patient safety, increases efficiency and improves data quality. The Connect team worked closely with staff and patients to build a system that is user-centred, fit for purpose and future-proofed. As part of Connect, the MyMarsden patient app has also been launched, meaning patients can view different parts of their Royal Marsden healthcare record at the touch of a button, including appointment times, after-appointment summaries, clinical letters, prescribed medication and most test results. We are very grateful to colleagues at Great Ormond Street Hospital for Children NHS Foundation Trust for their support and guidance throughout this process.

Collaboration and partnerships

We have continued to work collaboratively with our key academic partner, the ICR, including agreeing a new five-year research strategy which aims to accelerate progress for cancer patients by harnessing the latest scientific knowledge and technology to drive innovation in treatment. Our strategy to defeat cancer rests on the latest advances in science, and our understanding that cancer evolves within a complex ecosystem of cells, signals and the immune system. The strategy has three pillars:

- *World-class cancer research* – unravelling cancer’s ecosystem, overcoming drug resistance, and advancing diagnosis and treatment.
- *Inspiring tomorrow’s leaders* – empowering our students and early-career scientists and clinicians to become tomorrow’s leaders.
- *Growing our impact for patients* – maximising the chances of our findings reaching patients, strengthening our partnerships and increasing income for our research.

Alongside the ICR we have also continued to collaborate with a number of research partners, to make discoveries that will improve the diagnosis and treatment of cancer. In collaboration with Cambridge Biomedical Research Centre, our researchers have created a comprehensive tool for predicting an individual’s risk of developing prostate cancer, which will help ensure that those men at greatest risk receive the appropriate testing while reducing unnecessary – and potentially invasive – testing for those at very low risk.

Other research collaborations include being part of the Cancer Research UK RadNet network, through which we will establish and lead a new pathology network studying the immune effects of radiotherapy – RadPath. We have also entered into a clinical research partnership with Royal Surrey NHS Foundation Trust. Initial areas of collaboration include studies for head and neck, and upper gastrointestinal cancers, including the investigation of novel techniques for the early diagnosis of oesophageal cancer.

In collaboration with Great Ormond Street Hospital for Children NHS Foundation Trust Biomedical Research Centre, we are working on the SM-PAEDS programme, which involves intensive radiological surveillance of children who relapse with solid tumours so that disease onset can be detected as soon as possible.

During 2023, The Royal Marsden will pioneer a state-of-the-art liquid biopsy testing facility for cancer clinical diagnostics and research, with Guardant Health; the first partnership of its kind in the UK. The Marsden360 liquid biopsy test will enable the cancers of many patients to be detected, diagnosed and analysed faster.

Thank you to all Royal Marsden staff for their outstanding contribution to patients during a time of significant change for the organisation. We look forward to harnessing and building on the benefits that our new Digital Health Record will bring for both staff and patients and are excited by the opportunities brought about by the opening of the Oak Cancer Centre, an exemplary example of the very best of patient environments. Our sincere appreciation to The Royal Marsden Cancer Charity and all its supporters for making this a reality.

Dame Cally Palmer CBE
Chief Executive
30 June 2023

Sir Douglas Flint CBE
Chairman
30 June 2023

Key highlights 2022/23

In summer 2018, The Royal Marsden launched its Five-Year Strategic Plan, which detailed the core themes and objectives for the period 2018/19 to 2023/24. The key highlights from 2022/23 against these themes are set out below:

Research and innovation

- EVEREST-HN study launched, aimed at re-designing the referral pathway for suspected head and neck cancer in the NHS. It will be the largest ever randomised trial for this disease, with over 100,000 patients from 52 centres across the UK who have been referred with suspected head and neck cancer to be recruited.
- Results from the latest phase of the OCTAPUS-AI study have found that artificial intelligence could help identify the risk of cancer returning in non-small-cell lung cancer patients using CT scans.
- The TRAK-ER trial, an innovative trial to detect relapse in breast cancer patients with circulating tumour DNA (ctDNA), opened this year. It will establish a ctDNA surveillance programme for over 1,000 patients with ER-positive breast cancer who are currently receiving hormone therapy to reduce their risk of cancer returning.
- The TRACC trial opened at the Trust and will evaluate the use of ctDNA to guide chemotherapy treatment decisions following surgery for stage II-III colorectal cancer patients, based on blood test results for molecular residual disease.
- The first UK trial to test the benefits of proton beam therapy for certain patients with breast cancer has been launched. The trial will compare proton beam therapy with standard radiotherapy for patients who are at greater risk of long-term heart problems after radiotherapy treatment.
- At the American Society of Clinical Oncology conference, results from the Phase 3 DARS trial revealed the benefits of a precision radiotherapy technique for treating head and neck cancer, and data was presented from the Phase 3 KEYNOTE-091 trial which treated early-stage non-small-cell lung cancer patients with pembrolizumab, a type of immunotherapy, followed by surgery.

- At the ESMO World Congress on GI Cancer, Professor Ian Chau, Consultant Medical Oncologist, gave updates on the international Phase 3 CheckMate 648 trial, showing the benefits of immunotherapy options for patients with advanced oesophageal cancer.
- A team from The Royal Marsden and the ICR have been named winners of the Team Science Award by the American Association of Cancer Research, which recognised their “seminal translational discoveries in breast cancer research that has led to significant improvements in diagnosis and treatment”.

Treatment and care

- A Channel 4 documentary, *Super Surgeons: A Chance at Life*, followed eight Royal Marsden patients with advanced or relapsed cancers who were preparing for innovative surgery. It averaged one million viewers per episode and had the second highest viewing figures on Channel 4 in the 10pm time slot for the year.
- A team at The Royal Marsden, in partnership with Nubian Skin, and funded by The Royal Marsden Cancer Charity, created a new and more inclusive range of lightweight fabric prostheses in various skin tones to improve the care that women of colour receive following mastectomy.
- The National Institute for Health and Care Excellence (NICE) approved a new treatment for breast cancer patients at high risk of recurrence, following a trial led by Professor Stephen Johnston, Consultant Medical Oncologist and Head of the Breast Unit at The Royal Marsden.
- In April 2023, The Royal Marsden began offering a state-of-the-art liquid biopsy testing facility for cancer clinical diagnostics and research, with Guardant Health, the first partnership of its kind in the UK. The Marsden360 liquid biopsy test provides comprehensive solid tumour profiling in advanced cancers, allowing clinicians to personalise treatments more accurately. Initially, the service will be available for private and clinical trial patients being treated at The Royal Marsden, with the aim to have it available on the NHS in due course.

- The Royal Marsden Private Care has launched a new lung health check clinic to help diagnose lung cancer and other respiratory diseases earlier, when treatment is more likely to be successful, and save more lives.
- Olaparib, a precision medicine that was pioneered by The Royal Marsden and the ICR, has been approved by the Medicines and Healthcare Products Regulatory Agency (MHRA) for patients with high-risk early-stage breast cancer.
- NHS England has approved the use of targeted radiotherapy in patients with suitably locally advanced, inoperable, non-metastatic pancreatic carcinoma, following an application co-led by The Royal Marsden.
- Pets As Therapy dogs were introduced at the Trust to provide comfort and companionship to patients and staff. Studies have shown that the presence of animals can improve patients’ wellbeing simply by making the hospital environment happier, more enjoyable and less overwhelming.
- MyMarsden launched as part of the Connect Digital Health Record programme. MyMarsden is a patient app and website through which patients can view different parts of their Royal Marsden healthcare record at the touch of a button, including appointment times, after-appointment summaries, clinical letters, prescribed medication and most test results.
- RM Partners has continued to strengthen its links and reach within both North West London and South West London Integrated Care Boards (ICBs) to work with the local population, primary care and the acute care collaboratives to deliver its objective of diagnosing more cancers at an earlier stage. The RM Partners team is part of the core membership in both ICBs’ Acute Provider Collaboratives and Primary Care Infrastructure.

Over the last year, RM Partners has:

- Supported acute providers to continually reduce their backlog of patients waiting over 62 days on an urgent suspicion of cancer referral despite these two week wait referrals being on average 127 per cent above the pre-COVID baseline year (2019/20). The backlog position has improved from 1,400 patients on the backlog pre-COVID to less than 900 as of February 2023.
- Accelerated the delivery of the Vague Symptom Rapid Diagnostic Clinics to cover the whole population in north west and south west London, to enable those with suspected cancer but unclear site of origin access to rapid review and diagnostics – the first clinic went live in March 2021, and achieved population coverage by August 2022, with over 1,500 people assessed in 2022/23.
- Rolled out the National Targeted Lung Health Checks, which significantly increases the likelihood of early diagnosis in lung cancer, thereby dramatically increasing five-year survival. All patients who are eligible have been invited in Sutton, and this year 5,500 health checks have been carried out in this population (up to November 2022). Merton, Wandsworth and Hounslow are now live and accepting referrals.
- Implemented national trials on new approaches to early diagnosis, such as Colon Capsule Endoscopy and Cytosponge, which Epsom and St George’s and Croydon are trialling.
- Undertaken significant data analysis of population health, including the development of a real-time screening dashboard for cervical screening that will be made available to all primary care providers. This dataset indicates where there is the poorest up-take by practice, by population demographic and where communications and interventions should be targeted. The availability of this and other tools in development will be used to drive RM Partners’ population health approach to improving the earlier diagnosis of cancer in 2023/24 and beyond, and is being launched as part of the population health work programme in 2023/24.

Financial sustainability and best value

- The Trust exceeded its targeted surplus in year, focusing on cost control and increasing productivity. Delivery against NHS activity targets secured additional Elective Recovery Funding which contributed to this position and enabled continued investment in estate, medical equipment and digital programmes across the Trust.
- The digital transformation programme delivered a significant milestone in launching the new Digital Health Record (DHR) on 17 March 2023. The programme delivers a modern digital workplace for staff, that streamlines operational processes and improves productivity. Delivery of the DHR with partners at Great Ormond Street Hospital for Children NHS Foundation Trust will bring substantial benefits to both trusts, including reduced hosting costs and shared training and development costs.
- A new shared service for procurement, NWL Procurement Services, launched on 1 September 2022. The Royal Marsden is now part of NWL Procurement Services, which seeks to increase efficiency to deliver more from supply partners and improve the overall service experience for all stakeholders, staff and patients.

Modernising infrastructure

- In June 2023, the Oak Cancer Centre was officially opened by His Royal Highness Prince William, Prince of Wales and brings together around 600 staff under one roof. The state-of-the-art research and treatment facility, funded by The Royal Marsden Cancer Charity, will help the Trust to accelerate the development of new cancer treatments and diagnose more cancers at an earlier stage. With floor-to-ceiling windows, the Oak Cancer Centre has been specifically designed to enhance patient experience in a bright and peaceful environment and provide staff with the best facilities to conduct their life-saving, innovative work.

- Early plans are underway to assess the feasibility of improving and extending the Trust’s Chelsea hospital to ensure that it is well-equipped to continue its life-saving research, diagnostics, treatment and care. The hospital needs to expand its capacity, modernise facilities, and continue to provide state-of-the-art technologies within a building which works better for both patients and staff. The Royal Marsden is therefore proposing to create a new development that will improve every part of a patient’s cancer journey – from diagnosis, through treatment, to living with and beyond cancer.

Workforce

- 2022/23 has been a challenging year for The Royal Marsden workforce, with national labour market shortages exacerbated by cost-of-living pressures experienced by staff living and working in the most expensive part of the country. The Trust introduced free tea and coffee for all staff and launched a discounted ‘meal of the day’ to ensure that everyone has easy access to nutritious and healthy food.
- There has been a continued focus on supporting the health and wellbeing of all staff, with the launch of a comprehensive Employee Assistance Programme which provides advice on facing psychological, financial or other challenges on a 24/7 basis and a range of discounts in major retailers.
- Learning and development continued to be a focus with five leadership programmes provided, including a continuing partnership with Henley Business School, an expanded coaching offer, change management workshops and a varied programme of personal development courses aimed at all staff.
- There has been a continued improvement in some of the Trust’s Workforce Race Equality Standard scores. In particular, the ethnicity and disability profile has increased to 39.8 per cent and 4.42 per cent, respectively. The number of staff pledging support of LGBTQ+ colleagues and patients by wearing the NHS Rainbow Badge continued to grow, and the mean gender pay gap continued to reduce, from 12.35 per cent to 12.15 per cent.

- The Trust achieved both bronze and silver accreditation as a Veteran Friendly Employer, working closely with the armed forces. The Trust is working towards gold accreditation in 2023/24.
- The Reverse Mentoring Programme was launched to increase understanding of the experiences of staff with protected characteristics. Senior members of staff are paired with junior staff members with a protected characteristic who share their lived experiences and influence leaders to create a more inclusive culture and work environment.
- In light of the investment in staff development, the Trust is delighted to have won The Learning Awards 2022 People Development Programme of the Year category.

Quality

- The Royal Marsden is rated by the CQC as ‘outstanding’. The last inspection by the CQC was in September and November 2019, and the report issued in January 2020. Routine inspections were paused during the COVID-19 pandemic and a new ‘Single Assessment Framework’ has been developed which will be implemented in 2023.
- The Royal Marsden participated in the National Cancer Patient Experience Survey and received a 9.2 out of 10 rating for overall patient experience; an increase compared to the previous year when the rating was nine out of 10. The Trust scored higher than the rest of the country in 22 areas and was in line with the country in 35 areas. The Trust was also the best performing hospital within London, achieving 22 positive outlier scores and the highest overall rating in London.
- The Trust took part in the Adult Inpatient Survey and ranked within the top nine trusts nationally and performed ‘much better’ than most trusts in 14 questions out of 47; ‘better’ than most trusts in 21 questions out of 47; and ‘somewhat better’ in two questions. The Trust’s results were ‘about the same’ as most trusts for 10 questions. There were no areas where The Royal Marsden performed worse than most trusts.

- The ISO 9001:2015 radiotherapy and chemotherapy service maintained its accreditation following two inspections in 2022. The assessment managers commented that the quality management system (QMS) has demonstrated that it is largely designed to support the strategic direction and deliver the intended results, that the senior leadership team is fully engaged in delivering on the objectives and that the QMS is integral to all operational practices. There were no outstanding non-conformities for review. There were no new non-conformities arising from the inspection, neither were there any opportunities for improvement identified.
- UKAS successfully reaccredited the Trust for the provision of Histopathology, Microbiology, Immunophenotyping and Blood Sciences services against ISO 15189:2012.
- The annual Patient Led Assessment of the Care Environment (PLACE) inspections took place at the Sutton and Chelsea sites in November 2022. The inspections teams visited most patient environments and scored across six domains: Cleanliness; Food (this is later combined with ‘Organisational Food’ to provide an overall ‘Food’ Score); Privacy, Dignity and Wellbeing; Condition, Appearance and Maintenance; Dementia; and Disability. Initial findings of the assessment showed that there has been an overall decline in 2022 figures when compared to 2019. This may be partially attributed to the greater focus on each domain.
- In November 2022, the diagnostic imaging service was assessed against the new 2021 standards for the Quality Standard for Imaging (QSI). The assessment was a hybrid of virtual and face-to-face interviews across Chelsea, Sutton and Cavendish Square. The department had a very successful outcome, and the service has been recommended for accreditation against the new standards, which will come into effect once the mandatory findings have been appropriately addressed and closed. The Trust is awaiting the final report, but it was acknowledged that across the board the assessors were incredibly impressed with the professionalism, knowledge and personability of all the staff interacted with.

- The annual Emergency Preparedness, Resilience and Response (EPRR) Assurance process provides evidence to NHS England (NHSE) and now also the ICB, that the Trust maintains comprehensive, robust arrangements to respond in the event of an incident or emergency. The standards cover a broad range of EPRR issues to ensure that the Trust has sufficient plans and arrangements in place and can demonstrate resilience to provide continuous, safe standards of patient care. An annual documentation submission and subsequent review by the ICB and NHSE was followed up by a physical inspection during November 2022. In accordance with the requirements laid out in the EPRR 2022 Assurance process, the overall level of compliance is based on the total percentage of amber and red ratings. The Royal Marsden was deemed to be ‘substantially compliant’, with 55 green ratings and one amber rating. The assessment report concluded that the Trust continues to make progress in consolidating this position. The amber rating was in relation to a gap in the number of trained loggists and an action is underway to resolve this.
- The Infection Prevention and Control (IPC) programme of work adheres to the 10 criteria of the Health and Social Care Act (2008). Overall performance for 2022/23 remains stable in year:
 - The Trust reported a number of COVID-19 incidences and outbreaks; this aligned with the national picture. Trust guidance around COVID-19 was continually reviewed in line with the UK Health Security Agency.
 - The Trust aligned with the national picture for Gram negative bacteraemia infections (E.coli, Pseudomonas aeruginosa, Klebsiella species). In 2022/23 the IPC team undertook a retrospective review of all E.coli bacteraemia cases, exploring the causes of the E.coli infections to determine whether cancer diagnosis and/or treatment was a causative factor. The Christie NHS Foundation Trust and The Clatterbridge Cancer Centre NHS Foundation Trust are planning to undertake the same review in 2023/24 to provide inter-centre data.

- The Trust had two MRSA bacteraemia cases in 2022/23. Both cases were unavoidable infections. One patient was found to be colonised with MRSA despite prophylactic decolonisation and the second patients was admitted with the MRSA infection.
- The Trust had 63 attributable cases of Clostridioides difficile infection (CDI). There were no recorded lapses in care.
- Active promotion of antimicrobial stewardship continued throughout 2022/23 through the delivery of education sessions on resistance and daily antibiotic ward rounds.
- Audits for hand hygiene continued to demonstrate good compliance levels throughout the year.

Private Care

- There was strong growth in Private Care in 2022/23, with income being £162.3 million, which is 19 per cent up on 2021/22 and 10 per cent above plan for the year. This performance was a key driver of the modest, positive financial outcome for the Trust for the year.
- There was growth across all sponsor categories with sustained demand from both domestic and international patients.
- The research-led diagnostic and treatment facility in Cavendish Square, now into its second year, delivered £16 million of income, which is up 71 per cent year-on-year and was in line with the budget for year two of the business case.
- Patient experience scores remain strong, particularly in respect to nursing and clinical care, with 98 per cent of patients rating the overall quality of care as either excellent or very good, when benchmarked by HWA against private London hospitals.

A copy of the Trust’s Five-Year Strategic Plan can be accessed on the Trust website: royalmarsden.nhs.uk/about-royal-marsden/quality-and-safety/regulatory-information/five-year-strategic-plan.

Summary of performance

Research and innovation

Head and neck cancer developments

The EVEREST-HN study was launched this year, aimed at re-designing the referral pathway for suspected head and neck cancer in the NHS. The study – which is being supported by the National Institute for Health and Care Research (NIHR) and the International Centre for Recurrent Head and Neck Cancer (IReC) via funding from The Royal Marsden Cancer Charity – will be the largest ever randomised trial for this disease. Over 100,000 patients from 52 centres across the UK who have been referred with suspected head and neck cancer will be recruited and asked to complete an electronic questionnaire about their symptoms.

This data will then be fed into a ‘calculator’ to assess the patient’s individual risk of cancer and will then be shared with hospital cancer specialists. This will ensure clinicians have individualised information much earlier in the patient pathway, to aid decision making about ongoing investigations and management.

The new system will be co-designed with patients, clinicians and several national stakeholder groups, and will include researchers from seven academic centres across the UK.

Researchers hope the trial will eventually speed up diagnosis of head and neck cancer and reduce anxiety for the thousands of people each year who are referred and then found not to have cancer.

The study is being led by Professor Vinidh Paleri, Consultant Head and Neck Surgeon at The Royal Marden.

There were other developments in the field of head and neck cancer this year. The results of an international study led by Royal Marsden researchers found that robotic surgery can improve survival rates and reduce recovery times for some people with recurrent head and neck cancer. The RECUT study looked at 278 head and neck cancer patients who had transoral robotic surgery (TORS) at 16 centres and found that 72 per cent survived for at least two years; an improvement on other current treatments.

In another study, partly led by researchers at The Royal Marsden, a new adaptive radiotherapy technique was found to offer a better treatment option for patients with head and neck cancer. The new technique, known as ATS-Lite, can deliver a more robust treatment plan and requires less time on the MR Linac radiotherapy machine. It delivers radiation with 99.9 per cent accuracy, improves patients’ comfort during treatment and reduces side effects.

Funding secured for diagnostic innovations

The Trust secured two Small Business Research Initiative (SBRI) Healthcare Awards for late-stage innovation projects that advance the earlier and faster detection of cancer. It awarded £1.48 million to support the rollout of liquid biopsies for pancreatic and bile duct cancers. The funding will allow six hospitals in the RM Partners cancer alliance to add the technology, which detects tiny amounts of cancer in the blood, to the diagnostic pathway.

Liquid biopsies were first used for patients with these cancers in 2020 as part of the PREVAIL-ctDNA study, which was funded by The Royal Marsden Cancer Charity.

There was also a £730,000 award for improved genetic screening that allows the Trust to offer whole-body MRI scans to patients with an inherited gene that is associated with a 90 per cent risk of developing cancer by the age of 60. Around 50 patients with Li-Fraumeni syndrome will be recruited from several cancer centres for an annual whole-body MRI.

New brain scans to improve diagnosis

The Trust has begun trialling two innovative imaging tools to improve the detection of cancer for patients with brain tumours and brain lymphomas. The first uses contrast clearance analysis, an MRI method that clearly shows any active cancers in vibrant colours. The second, choline PET, uses a form of choline to give an enhanced image, so clinical teams can provide a more accurate analysis. The Trust is the only centre in the country to be using choline PET scans.

AI used to predict lung cancer recurrence

Results from a study led by researchers from The Royal Marsden in collaboration with the ICR and Imperial College London has found that artificial intelligence (AI) could help identify the risk of cancer returning in non-small-cell lung cancer (NSCLC) patients using CT scans.

The latest phase of the OCTAPUS-AI study used imaging and clinical data from over 900 NSCLC patients from the UK and the Netherlands following curative radiotherapy to develop and test machine learning (ML) algorithms to see how accurately the models could predict recurrence.

The study was supported by the Early Diagnosis and Detection Centre, which aims to accelerate early diagnosis of cancer. The Centre has been established at The Royal Marsden in partnership with the ICR and is supported by funding from The Royal Marsden Cancer Charity and the NIHR.

NSCLC makes up nearly 85 per cent of lung cancer cases and, when caught early, the disease is often curable. However, over a third of NSCLC patients in the UK experience their cancer returning. This technology could lead to improved post-treatment follow-up for NSCLC patients based on their risk of recurrence and, eventually, other tumour types too. This may mean recurrence in high-risk patients is identified earlier, leading to faster interventions and improved outcomes, while low-risk patients could be spared unnecessary follow-up scans and hospital visits.

Trial to detect relapse in breast cancer patients

An innovative trial to detect relapse in breast cancer patients with circulating tumour DNA (ctDNA) opened this year. The TRAK-ER trial, led by researchers at The Royal Marsden and the ICR, will establish a ctDNA surveillance programme for over 1,000 patients with ER-positive breast cancer who are currently receiving hormone therapy to reduce their risk of cancer returning. The trial will be rolled out to 20 UK centres over six months.

The blood tests used in the trial can detect very low levels of ctDNA in a blood sample, to help determine whether any cancer is present in the body. Very low levels of cancer found in the blood is known as molecular relapse, which indicates that the patient will eventually relapse. Therefore, testing a patient’s blood for ctDNA will allow clinicians to diagnose the return of cancer at the very earliest stage. Previous studies have shown that ctDNA blood tests can identify relapse several months or even years before it can be seen on a scan.

Patients recruited to the TRAK-ER trial will have a blood test every three months, for up to three years, to detect their risk of cancer returning. If risk of relapse is indicated, their treatment will be altered to try and prevent relapse from happening.

TRACC study to evaluate blood test to guide chemotherapy treatment decisions

An innovative trial which aims to determine whether patients with colorectal cancer can be spared unnecessary chemotherapy opened at The Royal Marsden this year. The ‘Tracking mutations in cell free DNA to predict Relapse in eArly Colorectal Cancer’ (TRACC) Part C study evaluates the use of ctDNA to guide chemotherapy treatment decisions after surgery in patients with resected early-stage colorectal cancer. The Chief Investigator for the study is Professor David Cunningham, Director of Clinical Research at The Royal Marsden.

The blood test can detect microscopic molecular residual disease by measuring the DNA shed from tumour cells into the bloodstream. If ctDNA is not detected in a blood test following surgery, the patient’s treatment is de-escalated, which can improve patients’ quality of life and lead to cost savings for the NHS.

Results from the TRACC Part B study demonstrated that patients with a negative ctDNA test following surgery are less likely to see their cancer return within two years, compared to those with positive results. These findings enable clinicians to identify patients with a low recurrence risk who may be suitable for chemotherapy de-escalation. These findings are now being investigated in the TRACC Part C study, which uses the Guardant Reveal blood test to detect microscopic molecular residual disease by measuring the DNA shed from tumour cells into the bloodstream.

Immunotherapy shows promise for advanced cancer

Early results from a Phase 1 trial have suggested that a new type of immunotherapy that redirects the body’s ‘natural killer cells’ to tumours could be effective against a range of cancers that can evade current treatments.

The treatment, known as AFM24 has the potential to be safer and less complex than cell therapies such as CAR-T. The trial, led in the UK by Dr Juanita Lopez, Consultant Medical Oncologist, showed that a third of patients responded to the treatment and saw their cancer stop growing.

Proton beam therapy trial for breast cancer

The first UK trial to test the benefits of proton beam therapy for certain patients with breast cancer launched in the UK in January. The trial will compare proton beam therapy – which can target radiotherapy beams more precisely – with standard radiotherapy for patients who are at greater risk of long-term heart problems after radiotherapy treatment. It will help to determine whether proton beam therapy can help to deliver adequate doses of radiotherapy to breast tissue, while minimising off-target radiation delivered to the heart.

The PARABLE trial is being led by researchers at The Royal Marsden, The University of Cambridge and the ICR, and is managed by the Cancer Research UK-funded Clinical Trials and Statistics Unit at the ICR. The trial will enrol 192 people across a planned 22 sites in the UK.

Presenting research findings

For the first time since before the COVID-19 pandemic, the American Society of Clinical Oncology (ASCO) conference was held in person, in Chicago in June. Researchers from The Royal Marsden and the ICR joined other leading experts from around the world to highlight the latest in cancer treatment and care.

There were ‘practice-changing’ results from the Phase 3 DARS trial, which revealed the benefits of a precision radiotherapy technique, pioneered at The Royal Marsden for treating head and neck cancer. Dysphagia-optimised intensity-modulated radiotherapy (DO-IMRT) reduces radiation to the muscles that control swallowing and of the 112 patients in the study, 40 per cent of those treated with DO-IMRT reported normal swallowing function after two years, compared with 20 per cent of those treated with standard intensity-modulated radiotherapy.

Professor Ros Eeles, Honorary Consultant in Clinical Oncology and Oncogenetics, presented results from the 90S study, which showed that screening patients for defective genes at GP practices could detect or prevent disease.

Professor Mary O’Brien, Consultant Medical Oncologist, presented data from the Phase 3 KEYNOTE-091 trial, which treated early-stage non-small-cell lung cancer patients with pembrolizumab, a type of immunotherapy, followed by surgery. Compared with placebo, the drug extended disease-free survival in patients by almost a year, regardless of the type of surgery, lymph node involvement, tumour size or type of chemotherapy.

Consultant Medical Oncologist Dr Anna Minchom presented data from a Phase 1 trial investigating the effects of a new drug combination in advanced cancers with mutations in the *KRAS* gene, which is dubbed the ‘Death Star’ because its protein drives one in four cancers and it has a largely impenetrable, drug-resistant surface. The trial, led by Professor Udai Banerji, showed that the treatment benefited patients with a range of *KRAS* mutations.

At the 2023 ASCO Genitourinary Cancers Symposium, Royal Marsden Medical Director, Professor Nicholas van As, presented results from the PACE-A study, which revealed that men with prostate cancer are less likely to experience urinary and sexual side effects two years after treatment with stereotactic body radiotherapy (SBRT) – an advanced type of radiotherapy – than surgery. SBRT delivers high doses of radiation to patients over a much shorter timeframe than traditional radiotherapy, either via the leading-edge CyberKnife machine or a modern linear accelerator.

Royal Marsden experts also joined leading oncologists from around the world at the 2022 European Society for Medical Oncology (ESMO) Congress in Paris in September. Ahead of the congress it was announced that Consultant Medical Oncologist Professor Samra Turajlic had won the 2022 ESMO Translational Research Award for her outstanding work in the field.

Results from the Phase 3 RADICALS-HD study were presented by Professor Chris Parker, Consultant Clinical Oncologist. The study, which enrolled nearly 3,000 patients, found that in men receiving radiotherapy after surgery for prostate cancer, the addition of a two-year course of radiotherapy improved long-term cancer control.

Research was also presented on RP2 – a modified version of the herpes simplex virus – which has shown signs of effectiveness in a third of patients with advanced cancers. The research was led by Professor Kevin Harrington, Consultant Clinical Oncologist, and involved patients with a range of cancers who had exhausted other treatments.

Dr Susana Banerjee, Consultant Medical Oncologist, presented positive results from a study of a three-drug combination for recurrent ovarian cancer. The Phase 2 MEDIOLA study evaluated olaparib, durvalumab and bevacizumab – as well as a dual treatment of olaparib and durvalumab – in patients with non-germline *BCRA*-mutated platinum-sensitive relapsed ovarian cancer. Over a third of patients who received the triple-drug treatment showed no progression in their disease after a year.

At the ESMO World Congress on GI Cancer, Professor Ian Chau, Consultant Medical Oncologist, gave updates on the international Phase 3 CheckMate 648 trial, showing the benefits of immunotherapy options for patients with advanced oesophageal cancer. Research Fellow Dr Avani Athauda discussed a study that analysed samples from more than 1,500 Royal Marsden-led clinical trials in patients who had resected oesophagogastric cancer to determine whether the impact of chemotherapy on lymph nodes affects survival. Research Fellows Dr Elizabeth Cartwright and Dr Susanna Slater presented results from the Phase 2 EMERGE study, which showed that, in combination, the targeted drug domatinostat and the immunotherapy avelumab benefited some patients with advanced oesophagogastric adenocarcinoma.

Parental nutrition study

A new study at The Royal Marsden is examining the information needs of people who are on parenteral nutrition, and their carers. Led by Dr Clare Shaw, Consultant Dietitian, the INPUT study has recruited people with advanced cancer who are receiving, or have previously received, parenteral nutrition – a type of feeding that is given directly into a vein.

INPUT will help identify what information patients and carers need to facilitate shared decision-making around starting and stopping parenteral nutrition, and will help the Trust develop more user-friendly resources.

Research collaboration

The Royal Marsden this year announced that is has joined forces with Royal Surrey NHS Foundation Trust to share research data and recruit patients to clinical studies, ensuring both trusts can maximise the benefits of their research for cancer patients. The partnership will involve The Royal Marsden contributing anonymised digital mammograms and associated radiological and pathological data to Royal Surrey’s OPTMAM breast-imaging database, which will be used for exploratory or specific academic research and training purposes. In addition, both trusts will collaborate on recruitment for research in head and neck and upper gastrointestinal cancers.

The SM-PAEDS programme, in collaboration with Great Ormond Street Hospital for Children (GOSH) NHS Foundation Trust Biomedical Research Centre, involves conducting routine multiomic prospective clinical sequencing of all children who relapse with solid tumours in the UK. For children with known high-risk germline alterations such as TP53, surveillance clinics jointly run by paediatric oncologists and geneticists at GOSH and The Royal Marsden offer intensive radiological surveillance to detect disease onset as early as possible. Patients with TP53 in remission and healthy carriers of TP53 mutations have a very high cancer incidence. In this area of unmet need, introduction of surveillance using serial liquid biopsy is practical and cost-effective. The aim is to implement serial analysis of ctDNA samples, collected in GOSH and The Royal Marsden surveillance and relapse clinics, using a novel ctDNA NGS capture panel and DNA methylation profiling.

Team Science Award for breast cancer research team

This year, a team from The Royal Marsden and the ICR won one of the world’s most prestigious science awards for work that has transformed treatment for patients with breast cancer. The researchers were named winners of the Team Science Award by the American Association of Cancer Research, which recognised their “seminal translational discoveries in breast cancer research that has led to significant improvements in diagnosis and treatment”, such as the discovery of new therapeutic approaches such as PARP inhibitors, the discovery of molecular changes in breast cancer, and leading work that changed international guidelines on the number of radiotherapy doses used.

The bench-to-bedside team is made up of researchers and clinicians at The Royal Marsden Cancer Charity-funded Ralph Lauren Centre for Breast Cancer Research, The Royal Marsden’s Breast Unit, and the ICR’s Clinical Trials and Statistics Unit and Toby Robins Research Centre. The Royal Marsden’s research was supported by The Royal Marsden Cancer Charity and the NIHR BRC.

One year of Cancer Patients’ Voices

This year saw the one-year anniversary of Cancer Patients’ Voices, an online platform that lets patients and the public help shape The Royal Marsden’s cancer research, treatment and care. Since its launch in January 2021, there have been 6,300 visits to the website, 150 patients and members of the public registered, 282 questionnaires completed, 235 ideas shared and 338 documents downloaded.

Treatment and care

Super Surgeons under the spotlight

The Royal Marsden’s skilled surgeons are among the best in the world – and a Channel 4 documentary this year shed light on their life-saving roles. For almost a year, the surgical team had a documentary crew filming them for a three-part series set at the hospital. The series, *Super Surgeons: A Chance at Life*, aired in July 2022 and followed eight Royal Marsden patients with advanced or relapsed cancers who were preparing for innovative surgery. It averaged one million viewers per episode and had the second highest viewing figures in the 10pm time slot on Channel 4 for the year.

The production team at Wonderhood Studios started filming in September 2021. Patients were approached via their clinical teams to ask if they were willing to share their experience and appear on camera. Embedded with the clinical teams, the crew adhered to the hospital’s strict infection control procedures while researching and filming.

The surgeons featured were Mr Andrew Hayes, Professor Vinidh Paleri, Ms Marielle Nobbenhuis, Mr Dirk Strauss and Mr Ricky Bhogal.

New range of prostheses for women of colour

A team at The Royal Marsden – Natalie Johnson, Oncoplastic Surgeon, and Sarah Adomah, Breast Unit Lead Clinical Nurse Specialist, in partnership with Nubian Skin, supported by funding from The Royal Marsden Cancer Charity – has created a new and more inclusive range of lightweight fabric prostheses for women, to improve the care that women of colour receive following mastectomy. This has meant that, for the first time in the UK, prostheses now match a wider range of skin tones.

Some women use these prostheses (also known as ‘softies’) temporarily following their operation, although many choose to use them long-term, as they can be more comfortable than other available options. There are four new options available, in eight different sizes.

NICE approval for new breast cancer treatments

The National Institute for Health and Care Excellence (NICE) this year approved a new treatment for breast cancer patients at high risk of recurrence, following a trial led by Professor Stephen Johnston, Consultant Medical Oncologist and Head of the Breast Unit at The Royal Marsden.

Abemaciclib is a targeted drug used in combination with hormone therapy to treat high-risk HR+ and HER2- breast cancer patients. NICE approval was based on results from the Phase 3 monarchE trial, which involved more than 5,600 patients in 38 countries and was led by Royal Marsden researchers. It found a 32 per cent reduction in the recurrence of breast cancer when abemaciclib was used alongside standard hormone therapy, compared with treatments that used hormone therapy alone.

Olaparib approved for early-stage breast cancer

Olaparib, a precision medicine that was pioneered by The Royal Marsden and the ICR, was approved this year by the Medicines and Healthcare products Regulatory Agency (MHRA) for patients with high-risk early-stage breast cancer.

The Phase 3 OlympiA trial, which involved patients from The Royal Marsden, had shown that adding olaparib to standard treatment for this patient group cut the risk of death by nearly a third after an average follow-up of three and a half years.

Targeted radiotherapy for pancreatic cancer patients

NHS England has approved the use of targeted radiotherapy in patients with pancreatic cancer, following an application co-led by The Royal Marsden. This means that NHS patients with suitably locally advanced, inoperable, non-metastatic pancreatic carcinoma (LANPC) will become eligible for stereotactic ablative body radiotherapy (SABR) as an alternative to conventional chemoradiation.

SABR is a highly targeted form of radiotherapy that delivers multiple radiation beams from different angles around the body at the same time. It is delivered in fewer treatment sessions than conventional radiotherapy.

Risk tool extended to prostate cancer

In collaboration with the NIHR Cambridge Biomedical Research Centre, Royal Marsden researchers have created a comprehensive tool for predicting an individual’s risk of developing prostate cancer which will help ensure that those men at greatest risk receive the appropriate testing while reducing unnecessary – and potentially invasive – testing for those at very low risk. CanRisk-Prostate will be incorporated into the CanRisk web tool, which has recently recorded its one millionth risk prediction. The free tool is already used by healthcare professionals worldwide to help predict the risk of developing breast and ovarian cancers. So far, the data used to develop CanRisk-Prostate has been from men of European ancestry. Next, the team hope to be able to include data from men of other ethnicities as further research is undertaken.

Liquid biopsy testing facility

In April 2023, The Royal Marsden began offering a state-of-the-art liquid biopsy testing facility for cancer clinical diagnostics and research, with Guardant Health, the first partnership of its kind in the UK. The Marsden360 liquid biopsy test provides comprehensive solid tumour profiling in advanced cancers, allowing clinicians to personalise treatments more accurately. From a simple blood sample, liquid biopsies identify the genetic changes in DNA. This innovative technology will ensure the cancers of many patients are detected, diagnosed and analysed faster. Initially, the service will be available for private and clinical trial patients being treated at The Royal Marsden, with the aim to have it available on the NHS in due course.

Lung health check clinic

The Royal Marsden Private Care has launched a new lung health check clinic, which aims to diagnose more cancers at an earlier stage, so patients can be treated much more effectively, or even cured. The new service is led Dr Richard Lee, Consultant Physician in Respiratory Medicine and Champion for Early Diagnosis, who also jointly leads the NHS England National Targeted Lung Health Check programme and helped develop the model for lung health checks. These checks, available in this new service, have been rolled out at 25 pilot NHS sites but are not yet available widely. The service will primarily be run from The Royal Marsden Private Care at Cavendish Square.

Therapy dogs introduced to wards

This year the Trust welcomed five Pets As Therapy (PAT) dogs to the Trust to provide comfort and companionship to patients and staff. PAT is a charity that enlists volunteers to visit healthcare centres across the UK with their pets. Studies have shown that the presence of animals can improve patients’ wellbeing simply by making the hospital environment happier, more enjoyable and less overwhelming.

Buddy, Stanley, Jess, Milly and Charlie, who visit the hospitals, are specially trained and accredited to ensure they have the right temperament for these unfamiliar environments. They’re also fully vaccinated and each situation they encounter is risk assessed with the help of the Trust’s infection prevention and control team. Feedback has been incredibly positive, with both patients and staff enjoying their regular visits.

MyMarsden

The Royal Marsden’s new Digital Health Record programme, Connect, has transformed the way that patients can engage with the Trust’s services and experience their care. It offers a variety of ways for patients to receive information, contribute to care records, interact with clinicians, and contribute to research – all from their own mobile device or personal PC, using a patient portal, MyMarsden.

MyMarsden is a patient app and website through which patients can view different parts of their Royal Marsden healthcare record at the touch of a button, including appointment times, after-appointment summaries, clinical letters, prescribed medication and most test results.

Other benefits of MyMarsden include patients being able to: send messages directly to their healthcare team through Secure Chat; request video appointments; complete pre-visit tasks from home, reducing the time filling out paperwork during appointments; share their digital health record with loved ones (proxy access); and generate a one-time access code to share their record with healthcare providers outside of The Royal Marsden.

‘Man Van’ awarded funding

The ‘Man Van’ outreach programme was awarded more than £500,000 in funding from NHS England to offer more health checks to men in North and South West London during 2023, with The Royal Marsden Cancer Charity also continuing its financial support. This followed the release of data from a pilot study that found that Man Van could improve healthcare access for men and potentially speed up the detection of prostate cancer.

The mobile health clinic, developed by The Royal Marsden, the ICR London and RM Partners, was set up to improve healthcare access for men aged over 45 from groups who are less likely to receive regular health checks, and are at risk of having prostate cancer diagnosed late, when it is more difficult to treat.

Pilot data suggests that the rate of prostate cancer detected through the service and the proportion of cancers needing treatment could be higher than screening the general population. This may mean that this approach is an effective way to increase diagnosis rates. This will be tested through the next phase of the project, in which 4,000 more men will receive health checks.

Modernising infrastructure

The Oak Cancer Centre

In June 2023, the Oak Cancer Centre, funded by The Royal Marsden Cancer Charity, was officially opened by His Royal Highness Prince William, Prince of Wales.

With floor-to-ceiling windows, the Oak Cancer Centre has been specifically designed to enhance patient experience in a bright and peaceful environment and provide staff with the best facilities to conduct their life-saving and innovative work, transforming the lives of cancer patients at The Royal Marsden, across the UK and beyond.

The Oak Cancer Centre includes the Kuok Research Centre which brings together more than 400 researchers – who were previously dispersed across the Sutton site – under the same roof. The space is designed to encourage communication across different tumour specialties so they can share their latest findings and innovations with other research colleagues. Being across different levels will inform this innovative ‘bench to bedside’ drug development process as effects on patients will be closely monitored and treated. This will speed up the translation of pioneering research into breakthroughs in treatment and care, meaning the Oak Cancer Centre truly has the potential to transform the lives of cancer patients.

The new Charles Wolfson Rapid Diagnostic Centre utilises the very latest technology, meaning The Royal Marsden can provide earlier and faster diagnosis for more people, helping to increase the number of cancer patients diagnosed at an early stage, when treatment is more likely to be successful.

The Olayan Day Care Unit has been designed specifically to maximise the comfort of patients receiving chemotherapy and other cancer treatments by creating a bright and peaceful environment with generous space. It includes more treatment chairs and has a pharmacy hub within the unit.

Epsom and St Helier Specialist Emergency Care Hospital and London Cancer Hub

The Government has announced that Epsom and St Helier University Hospitals NHS Trust’s proposed Specialist Emergency Care Hospital (SECH) next to The Royal Marsden’s Sutton site is now able to move forward. An investment of more than £20 billion has been ring-fenced, on top of wider investment in hospital infrastructure, for the New Hospital Programme.

The London Borough of Sutton is also progressing its vision for a London Cancer Hub, a life science focused development on the land adjacent to The Royal Marsden Sutton site. During 2022, in support of this vision, the London Borough of Sutton and the ICR launched the ‘Innovation Gateway’, offering 6,300 sq ft of laboratory and office space on the Sutton site, which has been filled within less than a year by oncology-focused small and medium life science companies.

The project took another step forward in 2023 with Sutton Council approving plans to clear disused hospital buildings from the site to make way for modern, state-of-the-art facilities which will form part of the new world-leading campus for cancer research and treatment. The clearance work started in April and is due to complete in the autumn. The Council also won £14.1 million of Levelling Up funding to double the number of trains running to Belmont in Sutton.

The Trust is supportive of this vision and the benefits it can bring both in terms of attracting potential partners to collaborate with on research and innovation, as well as the anticipated benefits to the amenities and landscaping of the site that could benefit patients and staff. The Royal Marsden will continue to liaise with the London Borough of Sutton as well as other site partners (the ICR, and Epsom and St Helier University Hospitals NHS Trust) as this plan evolves, to support the delivery of the anticipated science and site development benefits.

Chelsea redevelopment

The Royal Marsden is exploring proposals to improve and extend the capacity of its Chelsea hospital. This will primarily be made possible by the generosity of supporters of The Royal Marsden Cancer Charity.

The process is at the very beginning, with feasibility studies being undertaken, development options explored and the broad parameters for what could be delivered at Chelsea being considered.

In June 2022, a competitive procurement process began to bring on board an architect. Following the completion of this process in November 2022, an architectural team has been appointed for this scheme. As lead architect, Stanton Williams brings extensive experience of designing complex buildings in sensitive urban locations and a track record of delivering highly successful and award-winning research and healthcare buildings with challenging briefs. They will work closely with John Cooper Architecture and MJ Medical on the healthcare aspects of the scheme.

In 2023, once this initial design work has progressed, the Trust will consult with the council, local community, key stakeholders, patients and staff to ensure that everyone has the opportunity to provide their feedback on the proposals. This is expected to commence in autumn 2023.

Financial sustainability and best value

New Digital Health Record launched

The Royal Marsden’s new Digital Health Record (DHR) ‘Connect’ was launched on 17 March. Connect provides an accurate, real-time view of patient information and allows the capture of clinical information at the point of care, along with new functionality that will enhance patient safety, increase efficiency and improve data quality.

The Trust partnered with Great Ormond Street Hospital for Children NHS Foundation Trust (GOSH) who implemented a similar system in 2019. The partnership with GOSH has been beneficial to both trusts and has included the opportunity to harness the digital excellence, technologies and learning that GOSH achieved through its own DHR implementation. The partnership involves joint hosting of the DHR platform, which brings substantial benefits to both trusts, including reduced hosting costs, and shared training and development costs.

Procurement transition to North West London (NWL) ICB

A new shared service for procurement, NWL Procurement Services, launched on 1 September 2022. The Royal Marsden, alongside eight NHS partner organisations across north west London, is now part of NWL Procurement Services, the establishment of which enables the Trust to adopt a unified approach to identifying shared practice with colleagues across north west London, increase efficiency to deliver more from supply partners, and improve the overall service experience for all stakeholders, staff and patients.

Risk and quality improvement

The delivery of a high-quality, patient-centred service requires the continuous identification, assessment and management of events or activities that could compromise the safety of patients, staff and visitors.

The Royal Marsden continues to score well within the NHS Staff Survey for its safety culture, which this year is represented by the NHS People Promise ‘We are safe and healthy’, where the Trust scored higher than the London and national average. The national survey for 2022 shows that the Trust scored well compared with trusts in London and nationally, in particular in relation to ‘We are compassionate and inclusive’. The Trust scored higher than the London and national average for seven of the People Promises and themes.

The systematic, integrated and proactive identification, analysis and control of risks is a key organisational responsibility. A culture of ownership and responsibility for risk management and patient safety is fostered throughout the organisation, and all managers and clinicians undertake risk management as one of their fundamental duties and mandatory training. This is achieved through an environment of openness and trust: where mistakes, adverse incidents and near misses are identified quickly and dealt with in a positive and responsive way. A dedicated team of risk advisers support the submission of timely and accurate information to assess risk throughout the organisation. The Trust supports a culture of fairness, openness and continuous learning by treating staff fairly, so they are not deterred from reporting incidents out of fear of blame.

During 2022/23, the Trust continued to invest in quality and safety, including implementing the national NHS Safety Strategy, which sets a new framework to build on the organisation’s strong learning culture. The Trust has worked on implementing a cloud version of the incident reporting system (Datix IQ), which will facilitate reporting to the new Learn From Patient Safety Events (LFPSE) Service (previously called the patient safety incident management system [PSIMS]). The LFPSE replaces the National Reporting and Learning System (NRLS) national incident reporting portal. Due to ongoing development, the launch

of LFPSE has been delayed but organisations are expected to transition by September 2023. The Trust will coordinate the launch of Datix IQ and the transition to reporting to the LFPSE. The Trust will also use claims, complaints and mortality modules on Datix for enhanced and linked case management. The Trust has also employed two Patient Safety Partners, a dedicated safety role that patients/lay people can play in supporting and contributing to a healthcare organisation’s governance and management processes for patient safety.

The Royal Marsden has strengthened the management pathways for onsite deaths by appointing Trust-level Medical Examiners. A third examiner was appointed in March 2023 to support statutory requirements from April 2023. The Medical Examiners help to ensure death certificates are provided to families in a timely manner, support conversations with bereaved families and support medical staff in their duties to complete death certificates.

Several staff have adopted the role of Patient Safety Specialists as part of their existing roles and act as the lead patient safety experts, working full time on patient safety. They provide leadership, visibility and expert support to the patient safety work at the Trust. They support the development of a patient safety culture and safe systems, and work to ensure that systems thinking, human factors understanding and just culture principles are embedded.

The Royal Marsden continues to innovate and be a pioneer in risk and quality, is committed to learning when mistakes are made, and recognises that there is no endpoint when it comes to safety.

The Trust has implemented a Quality Improvement Den, a Royal Marsden Cancer Charity-funded initiative that provides financial support for any new Quality Improvement Projects (QIPs). QIPs help promote QI and to make a difference to hospital services/ departments and patient experience overall. The QI Den offers funding support of up to £5,000 per project and applications can be submitted to the Clinical Audit Committee for review and approval monthly.

Key risks and issues 2022/23

The Royal Marsden’s Board Assurance Framework (BAF) details the principal risks to the achievement of the Trust’s strategic objectives. In 2022/23, the BAF was reviewed by the Trust Board and sub-committees on a quarterly basis, as well as a thorough review carried out by internal auditors KPMG. The Board also reviewed its Risk Appetite Statement in October 2022 and agreed that the risk tolerance levels are acceptable.

Risk Appetite Statement

The Trust seeks to employ a risk framework to reduce risk as far as possible and to within agreed tolerances. This Risk Appetite Statement sets out the amount of risk the Trust is willing to accept, tolerate or justify when delivering its healthcare, education, training and research.

It is recognised that delivering healthcare carries inherent risks that can never result in an absence of risk. The Trust will not accept risk that materially impacts on patient safety, the viability of the Trust (through the capacity and capability for the work), the health and safety of its built environment or its responsibility to safeguard public funds; but has a higher appetite to take risks in pursuit of other strategic objectives.

The Board reviews its risk appetite at least annually, to ensure that the risk tolerance levels are acceptable and to ensure that the Board and staff consistently undertake Trust activity. The risk appetite is also reviewed if there are actual or proposed significant changes to the local healthcare environment.

Risk appetites have been divided into the following areas, based on the current classification of strategic objectives:

- Research and innovation
- Treatment and care
- Modernising infrastructure
- Financial sustainability and best value.

The risk appetite is made up of a statement about the Board’s view of risks in the above areas and its appetite to take those risks and then linked to a risk tolerance based on a scale identified by the Good Governance Institute.

Board Assurance Framework

The purpose of the BAF is to present the Trust’s risk assurance framework in the context of the Trust’s strategic objectives, as set out in the Five-Year Strategic Plan 2018/19–2023/24. The principal risks for the Trust during the year are outlined in the summary of the BAF opposite. Detailed operational risks can be found in the Risk Register, which is presented to the Quality, Assurance and Risk Committee.

As at 31 March 2023, the following areas were identified and monitored in the Board Assurance Framework:

Strategic objective	Strategic risk	Initial risk score	Residual risk score	Risk tolerance
Research and innovation Maintaining all BRC themes while managing a significant reduction in BRC funding for research infrastructure from April 2023.	Failure to respond and innovate in areas of national and global priority presents a risk to The Royal Marsden’s strategy of global leadership in cancer research. Inability to grow and diversify the Trust’s research and development income streams to deliver on its research strategy.	20	15	Moderate (11–15)
Research and innovation Loss of specialist paediatric cancer research and clinical trials with the relocation of the service to another provider. This is currently an integrated service and research model on the Trust’s Sutton site which cannot be easily replicated.	Risk of loss of national and global leadership of paediatric research and reduced access to novel treatments for paediatric patients.	20	15	Low (6–10)
Treatment and care Maintaining The Royal Marsden’s position as a competitive employer and sustaining its specialist workforce in light of the rise in the cost of living and increasing pressure of industrial action.	Workforce risk	20	20	Low (6–10)
Treatment and care Ensuring The Royal Marsden can maintain its service for children and young people safely until it transfers to an alternative provider to achieve co-location with a paediatric intensive care unit (PICU) in line with the NHS England decision.	Significant risk of a decision being made which cannot be implemented. Service is currently safe, high quality and in modern, purpose-built facilities which will need to be replicated by the provider chosen to manage this service in the medium term.	20	15	Low (6–10)
Modernising infrastructure Ensuring implementation of the Digital Health Record with minimal service disruption and maximum gain for patients and staff.	Financial risk; cyber-security risk; workforce risk; reputational risk	16	12	Moderate (11–15)
Modernising infrastructure Ensuring the Oak Cancer Centre is commissioned successfully for research teams from January 2023 and patients from June 2023.	Failure to deliver on the objectives of the OCC business case to achieve the Trust’s ambitions for research and service delivery on the Sutton site.	12	9	Moderate (11–15)
Modernising infrastructure Modernising the Chelsea estate, supported by an investment strategy jointly developed with The Royal Marsden Cancer Charity.	Failure to provide the right estate infrastructure to support the Trust’s long-term ambitions for the Chelsea site.	15	10	Moderate (11–15)
Financial sustainability and best value Delivery of the Private Care Strategy.	Financial risk. Lack of private care capacity impacts ability to meet revenue targets and service expectations.	12	9	Moderate (11–15)
Financial sustainability and best value Delivery of financial plan.	Failure to maintain financial sustainability.	20	15	Low (6–10)
Financial sustainability and best value Managing the devolution of the specialised commissioning budget without adverse consequences for specialist cancer services provided by The Royal Marsden.	Failure to maintain financial sustainability.	20	15	Low (6–10)

Further information, including the controls in place to mitigate the risks, is documented in the Annual Governance Statement from page 75.

Key opportunities

In March 2020, the Trust’s Executive Board approved a strategy aimed at maximising the financial return and strategic benefit from commercial opportunities and interactions that were complementary to the Trust’s Five-Year Strategic Plan.

Over the last three years there has been significant progress made in realising the identified opportunities and putting in place the processes that will make the improvements sustainable. As in prior years, a key area of focus has been The Royal Marsden genomics service, which provides extensive genomic testing using cutting-edge technology, resulting in accurate profiling of solid tumours and haematological malignancies, directing novel treatment strategies, personalised to the patient. This year the department has been working with commercial partners on two key developments.

First, the set up and validation of a new state-of-the-art liquid biopsy testing facility for cancer diagnostics based on innovative technology provided by Guardant Health, with whom the Trust has signed a partnership agreement. This technology will speed up the turnaround time for testing liquid biopsies in a clinical diagnostic setting, ensuring the cancers of many patients are detected, diagnosed and analysed for genetic changes faster. Using advanced technology will also significantly increase the hospital’s capacity and scope for research using liquid biopsies. The service will be housed in The Royal Marsden’s NIHR Centre for Molecular Pathology, which is funded by the NIHR BRC at The Royal Marsden and the ICR, London, and The Royal Marsden Cancer Charity.

Liquid biopsies are minimally invasive tests that can detect tiny amounts of circulating tumour DNA (ctDNA) shed by the cancer into the blood. They can provide information about solid tumours, including their tissue origin and genetic profile, allowing clinicians to personalise treatments more accurately. ctDNA has the potential to transform cancer care for patients from earlier diagnosis to prognosis and better management of treatments, thereby improving patient outcomes.

Second, the service is partnering with Automata, a company that specialises in robotic use in clinical laboratories to significantly increase the capacity and productivity of the laboratory within the existing physical estate. This will initially focus on enabling the laboratory to introduce testing in the inherited cancer field to support targeted screening programmes. Once established, the service will look to utilise this capability to expand the capacity of existing non-inherited testing in support of the continued growth in clinical care and research and development genomic activity. The service will also partner with Automata to support other centres that wish to adopt similar technology into their workflows.

Alongside this, the Trust has sought to develop relationships with commercial partners in areas where a combination of its expertise and the existing know-how and technology of the commercial partner can be combined for patient benefit. While many of the collaborations are related to early-stage research and currently confidential, one high-profile example that had a positive patient impact in year was the collaboration between The Royal Marsden and Nubian Skin (see page 16).

Statement of going concern

After making enquiries, the directors have a reasonable expectation that the services provided by The Royal Marsden NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury’s Financial Reporting Manual.

Approval of the Performance Report:

C Palmer

Dame Cally Palmer CBE
Chief Executive
30 June 2023

Performance analysis

Financial summary for the year ended 31 March 2023

The Royal Marsden has a track record of performing well financially. The financial performance of the Trust was greatly impacted by the COVID-19 pandemic, with a reduction in commercial income, increased costs and additional pressures on the workforce. While these pressures were managed and mitigated where possible, the current economic climate has provided a continued challenge. Additionally, the changing NHS contracting regime, moving away from payment by results to minimum contractual financial thresholds, has had a significant impact on trusts such as The Royal Marsden due to their geographical breadth of patients. Despite these challenges, the Trust delivered a moderate surplus (pre-impairment and adjustments relating to charitable donations) of £7.2 million in 2022/23.

The Trust continues to maintain a strong balance sheet and cash position. At 31 March 2023, the Trust held cash deposits of £165.1 million. The Trust generated £19.9 million from operational activities. The Trust invested £51.0 million in capital expenditure and made a Public Dividend Capital dividend to the Department of Health and Social Care of £4.8 million, which represented an actual dividend rate of 3.5 per cent.

Efficiency

In a challenging economic environment, the Trust has delivered 94 per cent of the efficiency programme for 2022/23. This programme of efficiency has delivered improvements in order to meet NHS tariff reductions, to support the local health economy and to deliver the Trust’s surplus for the year. Where schemes were not delivered in year, they have been targeted for delivery in 2023/24.

Financing and investment

The Trust has continued to invest in estate and infrastructure, spending £51.0 million on buildings, equipment and IT. There was £26.1 million funded through charitable donations and £0.3 million from Public Dividend Capital. The remainder of the capital programme was funded through operating surpluses, retained depreciation and free cash.

As part of the South West London Integrated Care System, the Trust contributed to the development of joint revenue and capital resource plans to support the objectives of the local health system of which it is a part. An active participant in the South West London Finance Committee and Recovery and Sustainability Board, the Trust ensured delivery over and above plan to support the wider system and meet NHS England’s targets.

Governance

NHS England rates trusts from 1 (lowest risk) to 4 (highest risk) against an NHS Oversight Framework. The Royal Marsden has been rated as 1 all year and is therefore meeting its governance arrangements covering compliance with the terms of its licence and meeting NHS standards and targets for performance.

Quality Board Statement

The Trust Board has declared that it is satisfied with its quality oversight arrangements and will continue to keep them in place for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

Please see ‘Quality, Assurance and Risk Committee’ on page 40 for details on quality governance.

Please see the Annual Governance Statement from page 75 for information on data quality and governance.

Please see page 21 for details of delivery against quality improvement priorities.

Anti-fraud

The Trust has an anti-fraud officer in place who proactively reviews the Trust’s anti-fraud arrangements and follows up on any incidents reported. There are also whistle-blowing and Freedom to Speak Up procedures in place and available to all staff; all matters raised are dealt with in confidence.

Cyber security

Cyber security is the activity required to protect an organisation’s computers, networks, software and data from unintended or unauthorised access, change or destruction via the internet or other communications systems or technologies. Effective cyber security relies on people and management processes as well as technical controls. The Trust Board recognises that the risk of cyber-attacks is on the rise and therefore the Board continues to closely monitor this risk via the Trust Risk Register and Board Assurance Framework. The Audit and Finance Committee receives regular reports on cyber security and oversees the implementation of the Trust’s action plan, which has seen ongoing investment in the ability to prevent, detect and recover from cyber-attacks and intrusion.

Main events affecting the Trust

The Trust continued to be affected by the lasting impact of the COVID-19 pandemic and the challenges this brought in maintaining treatment and care for patients.

The Royal Marsden launched its new Digital Health Record (DHR), Connect, in March 2023, one of the most ambitious change programmes the Trust has undertaken. Connect provides an accurate, real-time view of patient information, enabling clinical information to be accessible at the point of care.

On 1 July 2022, The Royal Marsden formally became part of South West London Integrated Care System. Integrated Care Systems (ICSs) are partnerships that bring together NHS organisations, local authorities and others to take collective responsibility for planning services, improving health and reducing inequalities across geographical areas. Following the passage of the 2022 Health and Care Act, ICSs were formalised as legal entities with statutory powers and responsibilities. ICSs work to Integrated Care Boards (ICBs) whose role is to allocate the NHS budget and commission services for the local population, taking over the functions previously held by clinical commissioning groups (CCGs) and some of the direct commissioning functions of NHS England. The ICB is directly accountable to NHS England for NHS spend and performance within the system.

ICBs have also taken on some commissioning responsibilities from NHS England, including the commissioning of primary care and some specialised services, giving local systems a greater say in how budgets for these services are spent in their area and to better understand population needs, determine key priorities and design, plan and resource services to meet those needs.

Key performance indicators

The Royal Marsden has a performance monitoring framework which ensures that performance is regularly reviewed both at organisational and department level. At the most senior level, the Board of Directors and Council of Governors receive the quarterly scorecard which contains approximately 75 Red/Amber/Green rated key performance indicators.

This report provides assurance to the Board of Directors regarding Trust performance and of any mitigating actions required to remedy underperformance. Red, Amber and Green thresholds are set based on national standards and local strategic objectives, and are signed off by the departmental directors, the Chief Operating Officer, and the Director of Performance and Information.

More granular and focused data is reviewed regularly within the individual Clinical Business Units and departments as part of daily operational management, and this allows the Trust to maintain strong performance.

Cancer backlog

The number of patients remaining on an urgent GP cancer pathway for treatment or diagnosis for more than 62 days increased steadily throughout 2022/23. This is due to a sustained rise in cancer and suspected cancer referrals since the pandemic. Approximately 50 per cent of the Trust’s backlog consists of patients who have spent a considerable amount of time at another trust along their cancer pathway. The Royal Marsden is working with RM Partners and partner trusts to ensure this can be reduced to previous levels during 2023/24.

Risk profile

See ‘Key risks and issues’ on page 22 and the Annual Governance Statement from page 75.

Environmental matters

The Royal Marsden launched its Green Plan in 2021, setting out its three-year strategy towards net zero. The Trust has already made significant progress in the nine key areas identified for action and started to implement some of the initiatives necessary to achieve the NHS’s ambition of becoming the world’s first net zero national health service by 2040.

Key achievements in 2022/23

- Workforce and system leadership
 - Supported our sustainability group, Green Matters, with environmental awareness campaigns.
 - Embedded sustainability into our corporate staff inductions.
- Sustainable models of care
 - Published nutritional information in the Trust’s patient information library to encourage healthy lifestyles.
 - Introduced virtual patient consultations to reduce transport miles.
- Digital transformation
 - Moved to digital appointments via the introduction of the Digital Health Record, to reduce transport.
 - Increased digitisation of services across the Trust to reduce paper and waste.
- Travel and transport
 - Installed additional electric vehicle charging points for staff to encourage switch to electric vehicles.
 - Signed up to Human Forest, an electric bike hire scheme to encourage greener modes of transport.
- Estates and facilities
 - Switched to buying 100 per cent renewable electricity to reduce the Trust’s carbon footprint.
 - Signed up to an external furniture re-use scheme to reduce waste.

- Medicines
 - Developed a multidisciplinary project team to address nitrous oxide waste.
 - Set up quarterly committee reviews to minimise waste of medical gases.
- Supply chain and procurement
 - Removed single-use plastic items from catering outlets.
 - Ensured suppliers comply with NHS requirements aimed at driving carbon reduction.
- Food and nutrition
 - Increased vegan and vegetarian choices in the Trust’s restaurants.
 - Exceeded government guidelines in catering and food contracts through external accreditation.
- Climate adaptation
 - Developed risk registers for extreme weather conditions.
 - Developed a Climate Change Adaptation Plan.

Our Chief Executive has overall responsibility for the implementation of the Green Plan; it is monitored quarterly at Environment Steering Group meetings and reviewed annually at Audit and Finance Committee meetings.

Green Matters

This year, in collaboration with the Trust’s academic partner, the ICR, The Royal Marsden’s sustainability group, Green Matters, hosted two environmental events. The first was ‘Earth Week’, a four-day series of green events culminating with Earth Day on 22 April 2022. The programme included online presentations from internal and external speakers, plus a series of interactive workshops. Staff were encouraged to ‘Make an environmental pledge’ and the group is now actively working on how The Royal Marsden can incorporate some of these pledges in alignment with the Green Plan. In September 2022, the group held its second green event, joining forces with the catering team which hosted a vegan BBQ to engage staff and raise awareness of planet-friendly diets.

Other initiatives throughout the year included: the introduction of a furniture re-use and small repair scheme to reduce waste and tap into the circular economy; a Bring Your Own (BYO) reusable container scheme to reduce the use of single-use items (incentivised by financial discounts for users); and signing up to an electric bike hire scheme to encourage staff to use greener modes of transport.

The group continues to grow its membership and is currently developing a network of ‘green champions’ to embed sustainability as mainstream into the Trust’s operations.

Energy, water and sustainability report

The Royal Marsden is aiming to deliver efficient and sustainable healthcare by implementing changes which help to reduce energy consumption, cost and carbon emissions. The Trust has aligned its carbon reduction targets with the Greener NHS 2040 and 2045 targets. The Trust is committed to reducing its adverse impact on the environment by becoming a more sustainable, future-focused organisation which is driven by government and NHS sustainability and carbon reduction targets.

In the second year of the Green Plan implementation, Estates and Capital Projects completed actions such as delivering energy efficiency measures, new built environment initiatives and the onsite generation combined heat and power system.

The Trust continued its commitment to delivering a 100 per cent renewable electricity tariff. It also expanded its onsite electrical vehicle charging points to 12, and upgraded its infrastructure on building services controls, which improves the monitoring and targeting of green plan initiatives.

Performance report and analysis

The Trust’s direct carbon emissions (electricity and gas) were equivalent to 6,985 tonnes of CO₂ in 2022/23. Carbon emissions reduced by seven per cent (563 TCO₂) compared with the previous year. The Trust has over-achieved on the carbon reduction target originally set in 2010 and is now focused on achieving the new carbon target set out in the Green Plan.

The Trust consumed 8,419,024 kWh of electricity and 52,556,111 kWh of gas in 2022/23. Electricity consumption has reduced by 29 per cent, however gas usage increased by 26 per cent this year in comparison to 2021/22. The main reasons for the increased gas consumption are new site heating load in the Oak Cancer Centre and the gas-powered newly installed combined heat and power (CHP) system at the Chelsea site. The onsite electricity generation of the CHP has reduced the Chelsea site’s reliance on the imported grid electricity.

In terms of energy costs, the spending has increased significantly and is almost double that of the previous year. The main driver is the unit cost for gas and electricity, which has increased on average by 100 per cent and 110 per cent, respectively. The partial utilities load of the new Oak Cancer Centre is another reason for the increased cost.

Water consumption and cost

Water consumption and costs have increased by 28 per cent and 15 per cent, respectively, this year compared with the previous year. The main factors for the increase are the new Oak Cancer Centre water usage, post-COVID increased staff site attendance and escalated unit costs.

Energy-efficient measures implemented and future planning

The Trust is committed to reducing the impact of its infrastructure on the environment; therefore, it also has a responsibility to ensure sustainable projects are executed. Energy conservation measures completed:

- Efficient LED (light-emitting diode) lighting and daylight/occupancy sensors to increase efficiency while reducing consumption and carbon emissions.
- Selective Catalytic Reduction (SCR) filtration on the CHP at the Chelsea site installed, which has significantly reduced air pollution.
- Replaced water tanks, improved water systems and repaired leaks.
- Installed eight electrical vehicles charging points for staff, visitors and the Trust’s vehicles. Plans are in place to install four more charging points for staff.
- Installed a low-carbon, onsite CHP system at the Chelsea site.
- Inefficient steam system replaced by an efficient heating system.
- Installed solar panels (120kW generation capacity) at the Sutton site.
- Upgraded a number of ventilation and old inefficient air conditioning/chiller systems to improve power efficiency.

Energy conservation measures implemented in 2022/23:

Site	Technology	kWh savings type	kWh savings	£ savings / year	Carbon saving (TCO ₂ /Annum)
Chelsea	CHP	Electricity		£600,641.00	420
	Air conditioning upgrades	Electricity	109,145.40	£19,646.17	25
	LED lighting	Electricity	57,357.66	£10,324.38	13
Sutton	Solar PV	Electricity	93,765.60	£16,877.81	22
	LED lighting	Electricity	129,238.36	£23,262.90	30
Total			389,507.02	£670,752.26	511

This year’s energy conservation measures resulted in significant reduction in cost and consumption, as per the table above. The projected annual carbon emissions are for 511 TCO₂. The next phase of energy reduction measures includes solar panel installations and improving efficiency of the ventilation systems by replacing fan and motors to more energy efficient technologies.

Tackling health inequalities

The Trust believes in providing equity in its services, in treating people fairly with respect and dignity, and in valuing diversity, both as a health services provider and as an employer.

Using guidance from NHS England, we will continue to address health inequalities in order to fulfil our obligations as a public sector body.

Tackling health inequalities is a priority for the South West London Integrated Care Board (ICB), which The Royal Marsden is part of, and the Trust is working with partners across the system to tackle health inequalities and the wider determinants of health.

Health inequalities is a key element of the ICB’s Joint Forward Plan, which has five focus areas for ensuring health inequalities in south west London are eliminated and that everyone has equal access to the same quality of physical and mental healthcare: developing a shared vision and strategic delivery plan, aligning with local strategies and the Mayor of London’s health inequalities strategy; developing the area’s health and care anchor institutions and delivering actions to create opportunities to support those impacted by the cost-of-living crisis; increasing equality, diversity and inclusion of the workforce, supported by an anti-racism framework; and strengthening and enabling the role of communities through utilising co-production approaches with people with lived experience.

The Trust has established an Equality, Diversity and Inclusion Patient and Public Contributors Group to address inclusion, equality, diversity and equity in membership and patient and public involvement in clinical services and research across The Royal Marsden and the ICR, in order to improve patient experience and research outcomes. The aims of the group are to support reducing inequalities and exclusion in patient and public involvement and engagement by providing opportunities to those not reached yet/seldom heard to be involved and engaged; to develop a more diverse and inclusive body of patient and public representatives to support all the Trust does; and by doing so, diverse voices will be increased, leading to better research outcomes, care and patient experience.

Shared decision-making and person-centred care can improve outcomes and increase health literacy, which in turn can reduce health inequalities. The Trust has signed up to the national specialist CQUIN regarding Shared Decision Making in 2022/23 and 2023/24. The Trust has implemented the CollaborRATE national tool in a series of pathways (senior adult oncology programme, triggers service, testicular personalised stratified follow up, and enhanced pre-assessment) and this will be implemented in three other pathways in 2023/24, along with a focus on training and patient information.

The Royal Marsden aims to create an accessible and inclusive service for patients and the Trust is committed to listening, understanding and acting on feedback received by all patients and interested parties, regardless of their protected characteristics. The Trust collects feedback in a number of ways and is currently working on including the opportunity for patients to share demographic information about themselves. This will help the Trust foster an inclusive culture and improve the experience of all staff and patients.

Included in the patient portal part of the Trust’s new Digital Health Record is the facility to allow patients to express religious, spiritual and cultural beliefs and requests.

Equality of service delivery

The Royal Marsden is committed to providing services to patients that meet their individual needs and recognises that some patients may be disadvantaged in accessing care and treatment. The following examples illustrate how The Royal Marsden, as a public sector body, places due regard on meeting its obligations under the Public Sector Equality Duty, as part of the Equality Act 2010:

Website accessibility

The Royal Marsden has partnered with ReciteMe, who provide web accessibility software that helps makes the Trust’s website easier to access. This includes a screen reader, reading support tools such as magnifier, ruler and dictionary, translation into 100 different languages, and website styling, such as changing the colour scheme, and text style, size, colour and spacing.

AccessAble

Since 2017, AccessAble has provided the Trust with comprehensive accessibility information about the hospital sites, to ensure that disabled people, people with additional needs and their families can plan for visits to the hospital with ease. Arrangements have been made for AccessAble to visit the new Oak Cancer Centre and provide accessibility information.

Translation, interpretation and patient information

The Royal Marsden Macmillan Hotline provides patients with help and support in relation to their treatment 24 hours a day, seven days a week by telephone. The Royal Marsden recognises how important it is for its patients and their carers to have fast access to information to manage side effects and any complications of treatment. Where patients need advice in another language, including British Sign Language, the hotline nurse arranges for a three-way conference call with the interpreting and translation provider.

The Royal Marsden’s online patient information library was launched in April 2021. The website is a searchable library of over 500 Royal Marsden patient information resources, including leaflets, booklets, flyers and videos. Information is also available in over 100 languages. The easy to navigate, highly accessible website allows patients, families and carers to search and browse for information, and then read, download, print or share information that is relevant to them. A working group was established with patient and carer representatives to support the project and ensure their experiences and ideas were incorporated into the design and development.

DA Languages is the Trust’s translation and interpreting provider and can also provide patients with written or spoken translational services.

Patient support

The Trust provides breast prostheses and lymphoedema sleeves in a variety of different skin colour shades and supports patients if they need specific help to source wigs that meet their personal needs, including different hair types. This year, a more inclusive range of prostheses (also known as ‘softies’) for women following mastectomy was launched. There are four new options available, in eight different sizes (see page 16 for more information).

Patient pathways have been developed with Chelsea and Westminster NHS Foundation Trust to improve the experience and care of obstetric patients with cancer, to ensure best possible treatment and outcomes for mothers and their babies.

The Trust has also developed a Patient Experience Commitment (2020-24), with help from patients, carers, members of the public and staff. The patient experience refers to how the process of receiving care feels for patients, relatives and carers.

Chaplaincy support

The Chaplaincy team provides spiritual and religious care for patients and their families and staff from all faith backgrounds, including a significant proportion of people with no religion. The team is made up of representatives of the Church of England, the Roman Catholic Church, Free Church and the Muslim Faith. There are also a number of pastoral volunteers from a variety of traditions serving the hospital communities in Chelsea and Sutton. Representatives of other faith traditions are also available on request through the Chaplain’s office. At both sites, multi-faith facilities are available for patients, visitors and staff to use. During significant festivals, guidance is provided to staff to help them meet the needs of patients from these religious groups. The Trust makes sure that patients are able to eat food that meets their religious and cultural needs, by providing Kosher, Halal, vegetarian and vegan food, and adapting menus to meet specific preferences. Chaplains also support patients and their partners who wish to get married or become civil partners while in the Trust’s care, supporting civil ceremonies either at the bedside or in one of the chapels.

Dementia

The Trust’s commitment to people living with dementia or Alzheimer’s sets out standards to ensure that patients living with dementia or Alzheimer’s have their specific needs identified, and reasonable adjustments are made to enable appropriate services to be delivered which is reflected in the patient pathway and policy to support the person and their family through their care and treatment journey.

A staff network of Dementia Champions across services works closely with the person living with dementia or Alzheimer’s and their family members, to ensure appropriate support is provided, utilising resources such as the ‘This is Me’ hospital passports, the dementia activity resource and providing Easy Read information. The overall aim is to ensure people living with dementia or Alzheimer’s experience care that is safe, caring, effective, responsive to their needs, collaborative and well led.

Learning disabilities and autism

The Trust’s commitment to delivering the highest standard of care to patients with a learning disability is reflected in the patient pathway and policy which provides guidance to staff to ensure that patients with a learning disability or autism have their specific needs identified, and reasonable adjustments are made to enable appropriate services to be delivered.

The overall aim is to ensure people with a learning disability or autism experience care that is safe, caring, effective, responsive to their needs, collaborative and well led. The Trust has a staff network of learning disability buddies to highlight developments and resources to colleagues and who work with the person with the learning disability or autism and their family members to provide appropriate support.

Safeguarding vulnerable children and adults at risk

The Royal Marsden’s integrated safeguarding team continues to provide advice and expertise to staff when safeguarding concerns are raised. The integrated safeguarding team continues to provide training for all staff, and the mandatory training compliance for safeguarding has been maintained. Mental Capacity Act and Deprivation of Liberty Safeguards training continues across the Trust, including sessions with a focus on 16- and 17-year-olds, with follow up case-based discussions.

Patient and public involvement and engagement (PPIE)

The Trust is committed to having an effective structure for patient and public involvement and engagement (PPIE) at all levels within the organisation. Together with the PPIE Policy and the Patient Experience Commitment (2020-24) being in place for three years, the PPIE Expenses and Rewards Policy – introduced last year – has been implemented with BACS payments and voucher rewards being offered during the last year, which may influence involvement and engagement of under-represented and seldom-heard groups.

The digital patient and public involvement and engagement platform Cancer Patients’ Voice (patients-voice.cancerbrc.org) has continued to involve and engage those affected by cancer, involving people more geographically spread.

The Trust has set up an Equality, Diversity and Inclusion (EDI) Patients and Public Contributors group, co-chaired by the Trust’s first PPIE EDI champion to facilitate more diverse voices in everything the Trust does. The Trust’s Parents Group and Teenage and Young Adults Forum continue representing the voices of parents and young people. This forms part of the Trust’s aim to reach and include under-represented and seldom heard groups, such as those affected by less common cancers, demographic groups that have not historically had strong representation and more spread geographically. Other highlights include running two workshops to raise awareness of inclusion in public and patient involvement and engagement activities; and the Man Van project was also promoted to encourage men from Black Afro Caribbean and other under-represented communities to be tested for prostate cancer.

Social, community, anti-bribery and human rights issues

The Trust’s Business Conduct Policy is reviewed annually and approved by two sub-committees. In 2022/23, the policy was reviewed by the Finance and Performance Committee and the Executive Board. The policy makes reference to the fact that under the Bribery Act 2010 it is an offence for an employee to accept any inducement or reward for doing, or refraining from doing, anything in his/her official capacity or corruptly showing favour or disfavour in the handling of contracts. The same policy also outlines the Trust’s arrangements for dealing with breaches of its provisions, including the possibility of taking legal action to investigate and prosecute in cases where fraud, bribery and corruption has been established.

Approval of the Performance Report:

Dame Cally Palmer CBE
Chief Executive
30 June 2023

2. Accountability report

Directors’ report

The Trust is led by the Board of Directors which has overall responsibility for the performance and management of the Trust. This responsibility includes setting the overall strategy for the organisation and monitoring progress, while ensuring resources are efficiently and economically used to meet the needs of its patients and the public. In order to carry out their duties and responsibilities, Board members convene at Board meetings. The Trust Board of Directors comprises Executive Directors and Non-Executive Directors (NEDs), including the Chairman.

The Executive Directors are paid employees of the Trust. They are responsible for managing the organisation on a day-to-day basis and in their capacity as members of the Board they are also responsible for the leadership of the Trust. This managerial role distinguishes the Executive Directors from the NEDs, who do not have a managerial role. The Trust has a Scheme of Delegation which sets out the delegated authority to the Executive Team.

The NEDs are responsible for supporting and constructively challenging the Executive Directors in their decision-making, as well as assisting them with the formation of the Trust’s strategy. While Executive Directors are employees of the Trust under a permanent contract of employment, NEDs are appointed for a term of three years and can only be re-appointed subject to approval from the Council of Governors. The Board of Directors also approves the Annual Report and Accounts prior to its submission to Parliament. The Annual Report and Accounts is prepared by the Directors of the Trust, who confirm that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for patients, regulators and other stakeholders to assess the Trust’s performance, business model and strategy.

Please see a summary of the Board of Directors on the following pages. The table on page 43 shows details of their attendance at meetings of the Board and its committees during 2022/23. Please note that the Board Register of Interests is available on the Trust website (royalmarsden.nhs.uk/about-royal-marsden/how-we-run-ourselves), or a copy can be requested from the Corporate Governance Office.

Chairman and Non-Executive Directors

Mr Charles Alexander CBE
Chairman
(until 30 November 2022)

Charles Alexander was appointed as Chairman in December 2016. His private sector career spanned 25 years at Rothschild, and 10 at General Electric. His Board experience includes directorships of quoted companies in London, New York, Paris, Luxembourg, Istanbul and Santiago, as well as in the third sector. He was a Non-Executive Director of the Department of Culture, Media and Sport (until April 2021), and chairs The Countess of Munster Musical Trust as well as the musical charity Opera Rara. In July 2021, he was appointed Chair of VIVID Homes, one of the leading Housing Associations in southern England. He was awarded Commander of the Order of the British Empire (CBE) in the New Year Honours List 2022 for his commitment to public service across Health, Culture, and the Arts. Charles Alexander stepped down from both Chairman of The Royal Marsden NHS Foundation Trust, at the expiry of his six-year term in office, and as Chairman of The Royal Marsden Cancer Charity.

Membership of committees
Remuneration Committee; Quality, Assurance and Risk Committee; Nominations Committee

Sir Douglas Flint CBE
Chairman
(from 1 December 2022)

Sir Douglas was appointed Chair of The Royal Marsden NHS Foundation Trust and The Royal Marsden Cancer Charity on 1 December 2022. He has extensive experience of Board leadership gained in over 25 years’ service on public company boards. In other current roles, Sir Douglas is chairman of abrdn plc, one of Europe’s leading investment and wealth management companies and IP Group plc which invests in early-stage hard science with the potential to evolve into world-changing businesses. He is a member of a number of advisory boards and trade associations through which he keeps abreast of industry, regulatory and international affairs. Previously, Sir Douglas served as Group Chairman of HSBC

Holdings plc from 2010 to 2017. For 15 years prior to this he was HSBC’s group finance director, joining from KPMG where he was a partner. From 2005 to 2011 he also served as a Non-Executive Director of bp plc. Sir Douglas was awarded a CBE in 2006 and a knighthood in 2018, both in recognition of his service to the finance industry. In June 2022, Sir Douglas was awarded an honorary degree by the University of Glasgow, his alma mater, in recognition of his services to the business community.

Membership of committees
Remuneration Committee; Quality, Assurance and Risk Committee; Nominations Committee

Mr Mark Aedy
Non-Executive Director, Senior
Independent Director and Chair of the
Remuneration Committee
(until 31 December 2022)

Mark Aedy joined The Royal Marsden as a Non-Executive Director in April 2016. He has 40 years’ experience in the financial services sector, building and managing investment banking franchises in the UK and internationally. At present, he is Managing Director and Head of EMEA and Asia Investment Banking at Moelis & Company, a global independent investment bank, and is on its management committee. Prior to Moelis & Company, he worked at Bank of America Merrill Lynch serving on the Global Corporate and Investment Banking Executive Committee and at Merrill Lynch, where he was Head of Investment Banking, EMEA. He is a Trustee of The HALO Trust, a Non-Executive Director of British Land PLC and a Visiting Fellow at Oxford University.

Mark finished his extended term on 31 December 2022. He was replaced as Senior Independent Director by William Jackson from 1 January 2023 and as Non-Executive Director by Dr Elizabeth Adekunle from 29 March 2023.

Membership of committees
Remuneration Committee; Audit and Finance Committee

Mr Christopher Clark
Non-Executive Director

Chris Clark is a Non-Executive Director of the Aviva Insurance Limited (AIL) Board and Chairman of Aviva’s UKD digital legal entity. He is an adviser to a number of private equity houses specialising in marketing services and also consults in Banking and FinTech. In his corporate career, Chris worked for HSBC between 2001 and 2017, and was Global Head of Marketing between 2010 and 2017, reporting to the Group CEO. He was a member of the HSBC Group Management Board and Group Risk Management Committee. Prior to HSBC, Chris spent his career in the advertising and marketing services business, with time at Saatchi and Saatchi and a four-year period in New York.

Membership of committees
Audit and Finance Committee

Professor Martin Elliott
Non-Executive Director

Professor Elliott is Provost of Gresham College London following a career as a paediatric cardiothoracic surgeon, spent largely at Great Ormond Street Hospital for Children, where he held several clinical leadership positions including Co-Medical Director from 2010 to 2015, specialising in quality and safety, digital technology and clinical outcomes. He is Emeritus Professor of Cardiothoracic Surgery at University College London and is Fellow and Emeritus Professor of Physic at Gresham College. He is also a Non-Executive Director of Children’s Health Ireland in Dublin. As an established clinical leader, educator and researcher, he brings a strong understanding of the particular challenges and opportunities facing specialist trusts.

Membership of committees
Quality, Assurance and Risk Committee

Mr Ian Farmer
Non-Executive Director and Chair
of the Audit and Finance Committee
(until 30 June 2022)

Ian Farmer joined The Royal Marsden as a Non-Executive Director and Chair of the Audit and Finance Committee on 1 April 2014. Ian is a Chartered Accountant, Non-Executive Chairman of South Harz Potash Ltd and former Chief Executive Officer of Lonmin Plc. Ian finished his second term in June 2022.

Membership of committees
Remuneration Committee; Audit and Finance Committee

Mrs Jane Bentall
Non-Executive Director and Chair
of the Audit and Finance Committee
(from 1 July 2022)

Jane Bentall is a Chartered Accountant, beginning her career with KPMG before joining The Rank Group. She then joined Bourne Leisure in 2000, where she rose to be the Group Finance Director as well as Managing Director of their Haven Holidays division. Jane left Bourne Leisure at the beginning of 2022 after the completion of a ~£3 billion sale of the business to Blackstone, for whom she remains as a consultant. Jane is also a Non-Executive Director of Safestore plc, the FTSE 250 self-storage company, and is a Non-Executive Director and Chair of RemCo for Oakman Inns. She is also a member of Pilotlight and recently joined Resident Hotels, the eponymous Hotel Operating Platform, as Chair, overseeing the group as it moves into its next phase of growth. Jane started as an Associate Non-Executive Director at The Royal Marsden from 1 May 2022 to ensure a smooth transition to take over from Ian Farmer, who stepped down from the Board on 30 June 2022. Jane officially became Non-Executive Director and Chair of the Audit and Finance Committee on 1 July 2022.

Membership of committees
Remuneration Committee; Audit and Finance Committee

Mr William Jackson
Non-Executive Director,
Senior Independent Director
(from 1 January 2023)

William Jackson is the Chairman of Bridgepoint Group plc. Bridgepoint is one of the world’s leading private market investors providing capital for growth companies across Europe, the US and Asia. William is also a Non-Executive Director of the Berkeley Group plc, the FTSE 100 property company, President of the Board of Dorna Sports, the international sports management company which runs the MotoGP World Motorcycling Championship, and Chairman of the Board of Governors of Wellington College.

Membership of committees
Remuneration Committee

Ms Heather Lawrence OBE
Non-Executive Director and Chair of the
Quality, Assurance and Risk Committee

Heather Lawrence is an accomplished former chief executive with a track record of service quality improvement. She joined The Royal Marsden as a Non-Executive Director in July 2017. Heather has been a Chief Executive since the formation of NHS trusts in the early 1990s. Her last chief executive position was at Chelsea and Westminster NHS Foundation Trust from 2000 to 2012, where she chaired the setting up of the NWL Innovation and Education in Health Care Network and the NWL Learning and Education Board. She also chaired NHS Employers Agenda for change pay negotiations and negotiated the non-career grade doctors contract in the early 2000. Since 2012, she has held a number of non-executive positions including as a Non-Executive Chair of the London Ambulance Service, Trustee of NHS Providers and of the British Renal Society as well as Chair of the National Neuro Rehabilitation Consultancy. She is a nurse, teacher and HR professional by background, with an impressive track record of success in both her executive and non-executive roles. She brings her patient-focused clinical expertise to the role of the Non-Executive Director.

Membership of committees
Quality, Assurance and Risk Committee;
Audit and Finance Committee

Professor Kristian Helin
Non-Executive Director

Professor Kristian Helin joined The Royal Marsden in August 2021. He is the Chief Executive of the ICR. He is a world-leading cancer researcher with prior leadership experience from the Memorial Sloan Kettering Cancer Center in the US, the University of Copenhagen, Denmark, and the European Institute of Oncology in Milan, Italy. He is a pioneer in understanding how changes to the way the DNA code is read and translated into proteins (so called epigenetic control) can lead to cancer. He is also the founder of two biotech companies. Honours include several prizes in recognition of his outstanding contributions to cancer research.

Dr Elizabeth Adekunle
Non-Executive Director
(from 29 March 2023)

Liz Adekunle has over 20 years’ experience in ministry and was Archdeacon of Hackney until August 2021. She is currently Chaplain to His Majesty the King and holds several academic and Board level roles. Liz is on the STRIDE Metropolitan Police Board, the Met’s strategy for inclusion, diversity and engagement, and is a member of the National Police Chief’s Council. She chaired the Monuments and Plaques Committee at St Paul’s Cathedral following the response to the global network Black Lives Matter.

Executive Directors

Dame Cally Palmer CBE
Chief Executive

Cally Palmer is Chief Executive of The Royal Marsden and has held a dual role as National Cancer Director for NHS England since 2015. Cally is also a Trustee of the ICR and The Royal Marsden Cancer Charity in her capacity as Chief Executive of The Royal Marsden. She holds an MSc in Management from the London Business School, which she gained with distinction in 1995, and is a member of the Institute of Health Services Management. She was awarded a CBE in 2008 for her contribution to the NHS and a DBE in 2020 for her contribution to cancer medicine.

Membership of committees
Quality, Assurance and Risk Committee; Member of the Board of Trustees of The Institute of Cancer Research

Mr Karl Munslow Ong
Chief Operating Officer

Karl Munslow Ong joined The Royal Marsden in November 2018 as Chief Operating Officer. Before taking on the role, Karl was the Deputy Chief Executive at Chelsea and Westminster NHS Foundation Trust, having joined as their Chief Operating Officer in March 2015, also working with The Royal Marsden through the Fulham Road Collaborative, Sphere and RM Partners. Karl started his career as a management consultant for PricewaterhouseCoopers, before moving to work at a strategic health authority. He was previously Chief Operating Officer at Hillingdon Hospital and has extensive operational management experience across a number of other acute trusts in London.

Membership of committees
Quality, Assurance and Risk Committee

Ms Mairead Griffin
Chief Nurse

Mairead Griffin joined the Trust in July 2021 from Guy’s and St Thomas’ NHS Foundation Trust where she was Group Director of Nursing for Cancer and Surgery. An experienced cancer clinician by background, Mairead has held a series of senior clinical leadership roles, including Deputy Chief Nurse and Director of Nursing for Cancer. She has developed strong system leadership skills including developing the personalised care agenda. She is passionate about providing high-quality cancer care with patient care and staff experience as her main priorities. Mairead is the Caldicott Guardian, the Trust’s Executive Lead for Infection, Prevention and Control, and Executive Lead for adults and children’s safeguarding.

Membership of committees
Quality, Assurance and Risk Committee

Mr Marcus Thorman
Chief Financial Officer

Marcus Thorman joined The Royal Marsden as Chief Financial Officer in January 2015 from Imperial College Healthcare NHS Trust. Since joining the NHS through the graduate financial management training scheme, he has worked in several provider trusts including mental health and community, acute, teaching and specialist. Marcus has been Finance Director in three different NHS organisations. Within The Royal Marsden, he is responsible for Finance, Digital, Estates and Procurement, as well as leading the delivery of the key strategic estates schemes within the Trust.

Membership of committees
Quality, Assurance and Risk Committee

Professor Nicholas van As
MBBCH MRCP FRCR MD (res)
Consultant Clinical Oncologist and
Medical Director of The Royal Marsden and
Professor of The Institute of Cancer Research

Professor Nicholas van As was appointed Medical Director in January 2016. He has been a Consultant Clinical Oncologist in the Urology Unit at The Royal Marsden since 2008 and is the hospital’s Clinical Lead for stereotactic body radiotherapy (SBRT) and CyberKnife. Nicholas is also a Professor of The Institute of Cancer Research and a trustee for The Royal Marsden Cancer Charity. Professor van As was previously Chair of the UK SBRT Consortium and was previously the national clinical lead for NHS England’s Commissioning through Evaluation Programme for SBRT. His main research interests are in stereotactic and image-guided radiotherapy, risk prediction in early prostate cancer, and functional MRI, and he has published numerous papers on these subjects and delivered presentations at international meetings. He is the Chief Investigator for the PACE trial – an international, randomised controlled trial comparing SBRT to image-guided radiotherapy (IGRT) and surgery for treating prostate cancer.

Membership of committees
Quality, Assurance and Risk Committee

Committees of the Board

The Audit and Finance Committee

The Audit and Finance Committee is a formally constituted committee of the Board and is chaired by Non-Executive Director Jane Bentall. The membership of the committee consists of three Non-Executive Directors. Representatives from the Trust’s internal auditors and anti-fraud specialists KPMG LLP and external auditors Deloitte LLP, as well as the Chief Financial Officer and Chief Nurse, also attend the Audit and Finance Committee. Senior management are invited to attend meetings when necessary.

The Audit and Finance Committee met four times in the year in order to discharge its responsibilities. The committee also met once in the year with the Quality, Assurance and Risk Committee. The committee considered a number of significant issues such as cyber security, the digital transformation programme, counter fraud, pursuing excellence in patient administration, and major capital programmes including the Oak Cancer Centre, the Connect Digital Health Record, Specialist Emergency Care Hospital, Cavendish Square and the Chelsea Cancer Centre build.

A key purpose of this committee is to assure itself that relevant risks, particularly financial risks, are appropriately identified and managed through a robust system of internal control established within the Trust.

At each meeting, the committee reviews the financial position of the Trust, the efficiency programme, the capital plan, and the working capital and cash position, as well as key assumptions within those. Areas of risk and significant financial impact are also presented to the committee for review, including the annual planning process and the financial plan for recommendation for Board approval.

During the year, the committee received papers from the Trust’s internal auditors KPMG LLP reporting on the findings of the 2022/23 Internal Audit Plan. This plan is prepared with Trust senior management and is approved by the Audit and Finance Committee. The reports in 2022/23 covered a number of areas such as private patients, core financial systems (improving NHS financial sustainability), digital strategy, discharge, data quality, safeguarding, risk management and pursuing excellence in patient administration. Recommendations are fed back to management then monitored. Progress is reported to future Audit and Finance Committee meetings. The Head of Internal Audit Opinion confirmed significant assurance with minor improvements on the overall adequacy and effectiveness of the Foundation Trust’s framework of governance, risk management and control.

The Trust’s external auditors, Deloitte LLP, presented their findings from external audits of the Trust’s Annual Report and Accounts. The significant risks discussed with the audit committee were the capitalisation of expenditure, management override of controls and valuation of properties. The external audit process includes an ongoing assessment of internal and external factors affecting the Trust, including reviewing the Trust’s performance compared with other NHS trusts. In addition, Deloitte LLP also provides regular progress reports on sector developments to the Audit and Finance Committee.

Since being appointed as the Trust’s external auditors, Deloitte LLP has been re-appointed four times by the Council of Governors. The most recent re-appointment was approved at the Council of Governors meeting on 13 December 2021, for a further two-year period commencing April 2022. The re-appointment would also align with the appointment of the new Audit and Finance Committee Chair.

The current fees for 2022/23 are £240,000 for the audit of the Trust’s Financial Statement and Annual Report procedures in respect of the Whole of Government Accounts, including the Value for Money audit requirement. The Council of Governors agreed that they were content with the quality of work and the cost, especially when considered in the current audit environment.

Quality, Assurance and Risk Committee

The Quality, Assurance and Risk Committee (QAR), chaired by Ms Heather Lawrence OBE, Non-Executive Director, supports the Trust Board in developing an integrated approach to clinical governance by ensuring robust systems are in place to monitor achievements against objectives. The committee focuses on all non-financial risks such as COVID-19, patient safety, emergency planning, compliance with national and international regulation, health and safety, research and clinical integrated governance. Each quarter, the members of the QAR meet staff from various divisions to gain a better understanding of key issues and priorities in that particular field. The QAR also reviews patient experience through monitoring the monthly and annual Quality Report, as well as carefully reviewing complaints and claims. The committee also oversees the Trust’s clinical governance and risk management arrangements by reviewing clinical audit findings, serious incident reports, and health and safety reports, while ensuring that action plans are implemented and monitored in a timely manner. In addition, the QAR reviews the Trust’s Board Assurance Framework, Risk Register, Quality Report and Integrated Governance Monitoring Report at each meeting.

Joint sub-committee meeting

Every year a joint sub-committee meeting between the Quality, Assurance and Risk Committee and the Audit and Finance Committee is held. The purpose of this meeting is to discuss overarching items such as risk management, digital transformation programme, Freedom to Speak Up, Chelsea site development, workforce update in relation to the pay deal and the impact of industrial action, national cancer patient experience survey 2021, safeguarding annual report and commercial partnerships. Each separate committee also discussed their respective standing agenda items to give each committee assurance that the full spectrum of identified risks received comprehensive coverage.

Remuneration Committee

The Remuneration Committee was chaired by Mr Mark Aedy, Non-Executive Director and Senior Independent Director until the end of his term of office in December 2022. Sir Douglas Flint CBE took over the Chair from January 2023. The committee is responsible for reviewing and making decisions on the remuneration for all members of the leadership team and designated senior managers. When carrying this out, the committee takes into account comparative market data and ensures that salaries are competitive but represent value for money.

The membership of the committee is made up of nominated NEDs and met twice in 2022/23. It reviews the terms of reference to agree a pay framework for the Trust’s leadership team and advises on any major restructuring of the management arrangements at the Trust. Disclosure of the remuneration paid to Board Directors is provided in the Trust’s accounts.

Nominations Committee

The Nominations Committee leads on the search and selection process for the Non-Executive Directors, as well as re-appointment requests. Its main objective is to make a recommendation to the Council of Governors regarding such matters and ensure appropriate and timely succession planning arrangements for Non-Executive Directors.

Membership comprises of the Chairman and four Governors representing the patient/carer, public and staff constituencies. Attendance may vary according to the business of the meeting, for example the Chairman will not be present when the re-appointment of the Chairman is under consideration; the Senior Independent Director will Chair.

For all new NED appointments, the Nominations Committee agrees the recruitment process, oversees shortlisting, participates in interviews and makes a recommendation for appointment to the Council of Governors. To assist the Nomination Committee with its search and selection of Non-Executive Director candidates, the Committee appoints an external search consultancy and uses external advertising. It will advise on the remuneration, time commitment and skill set required. This advice is based on a review of the balance of the Board in terms of its composition, as well as upcoming business matters and strategic plans.

A term of office for Non-Executive Director is three years unless the director resigns or is removed by the Council of Governors during that period. The removal of a Non-Executive Director requires the approval of three quarters of the members of the Council of Governors. In accordance with corporate governance standards, details for disqualification from holding office of a director can be found in the Trust’s Constitution. Directors and Governors are also required to declare their interests on an annual basis, as well as confirm that they meet the ‘fit and proper person’s condition’, as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

During 2022/23, the Council of Governors, following recommendations from the Nominations Committee, approved three new Non-Executive Director appointments to the Board of Directors. On 1 April 2022, Jane Bentall was appointed and joined the Board as an Associate Non-Executive Director on 1 May 2022 to ensure a smooth transition and handover from Ian Farmer, who stepped down from the Board on 30 June 2022. Jane Bentall officially started the role as Non-Executive Director and Chair of the Audit and Finance Committee on 1 July 2022. The Council of Governors approved the appointment of Sir Douglas Flint CBE as the new Chairman of the Trust on 16 June 2022. Sir Douglas became Chair Designate on 1 September 2022 to 29 November 2022 and took up the role of Chair from 1 December 2022. Sir Douglas was also appointed as Chair of The Royal Marsden Cancer Charity. The final appointment for 2022/23 was Elizabeth Adekunle, which the Council of Governors approved on 14 December 2022 and her term of office as Non-Executive Director started on 29 March 2023. The Council of Governors also approved: the appointment of William Jackson as Senior Independent Director from 1 January 2023, following the end of Mark Aedy’s term of office; and the extension of the term of office of Heather Lawrence for four months from 30 June 2023 to 31 October 2023 – this was to ensure that there is alignment in the recruitment process for the appointment of two clinical NEDs due to take place in 2023/24.

Performance evaluation of the Trust Board of Directors, its committees and directors, and disclosures relating to NHS England’s well led framework

The Trust Board is satisfied that it has the sufficient skills, knowledge and experience to fulfil its statutory duties and meet the business needs of the Trust.

The annual appraisal of the Chairman was led by the Senior Independent Director, with input from the Council of Governors, Board members and with support from the company secretary. The Chairman undertook in turn the annual appraisals of the NEDs and the Chief Executive. The Chief Executive undertakes an annual appraisal of each Executive Director to ensure objectives are achieved and a high standard of performance and effectiveness is maintained.

The Trust Board evaluates its performance annually; an internal review of the Trust’s compliance with the NHS England well led framework took place in the summer 2022. The review was carried out using NHS England’s well led framework around the eight key lines of enquiry. The results were presented to the Board in September 2022 and included an action plan which the Board approved. Details of the internal control systems in place to manage and mitigate risks in addition to the Trust’s quality governance structure can be found in the Annual Governance Statement from page 75.

The Trust Board committees, the Audit and Finance Committee, and the Quality, Assurance and Risk Committee also undertook a similar evaluation exercise, in addition to reviewing their terms of reference, to ensure these remain fit for purpose. The Council of Governors also carries out the same process.

The Board regularly reviews the Trust’s Key Performance Indicators, Quality Report, Financial Performance Report, Risk Register and Board Assurance Framework.

Declaration of interest and declaration of related party interest

On appointment, Board members were individually required to declare all their interests and their related party interests and these were renewed annually. During the year, none of the Board members, or applicable parties related to them, had undertaken any material transactions with the Trust.

The Directors’ Register of Interests, which is updated annually, can be found on the Trust’s website at: royalmarsden.nhs.uk/about-royal-marsden/how-we-run-ourselves

Attendance at meetings of the Board of Directors and its committees in 2022/23

Directors’ attendance

Board/committee	BoD	AFC	QAR	Joint QAR & AFC
Chair	Charles Alexander CBE / Sir Douglas Flint CBE	Ian Farmer / Jane Bentall**	Heather Lawrence OBE	Co-chaired by committee chairs
Charles Alexander CBE	2/2		2/4	
Sir Douglas Flint CBE*	6/6			
Mark Aedy	6/6	1/2		1/1
Christopher Clark	8/8	4/4		1/1
Professor Martin Elliott	8/8		3/4	0/1
Ian Farmer	1/1	2/2		
Jane Bentall**	8/8	3/3		1/1
William Jackson	7/8			
Heather Lawrence OBE	8/8	4/4	4/4	1/1
Elizabeth Adekunle	1/1			
Kristian Helin	6/8			
Dame Cally Palmer CBE	8/8		2/4	1/1
Karl Munslow Ong	8/8		3/4	1/1
Mairead Griffin	8/8	3/4	4/4	1/1
Marcus Thorman	8/8	4/4	4/4	1/1
Professor Nicholas van As	8/8		4/4	0/1

Board/committee	COG*		RC	NC
Chair	Charles Alexander CBE / Sir Douglas Flint CBE		Mark Aedy / Sir Douglas Flint CBE	Charles Alexander CBE / Sir Douglas Flint CBE
	Public	Private		
Charles Alexander CBE	3/3	2/2	2/2	
Sir Douglas Flint CBE*	3/3	2/2	2/2	3/3
Mark Aedy	1/4	1/1	3/3	1/1
Christopher Clark	1/4			
Professor Martin Elliott	2/4			
Ian Farmer			1/1	
Jane Bentall**	4/4		3/3	
William Jackson	0/4		1/1	
Heather Lawrence OBE	3/4			
Elizabeth Adekunle				
Kristian Helin	0/4			
Dame Cally Palmer CBE	2/4		4/4	1/1
Karl Munslow Ong	4/4			
Mairead Griffin	3/4			
Marcus Thorman	4/4			
Professor Nicholas van As	3/4			

BoD, Board of Directors; AFC, Audit and Finance Committee; QAR, Quality, Assurance and Risk Committee; CoG, Council of Governors; RC, Remuneration Committee; NC, Nominations Committee. Non-Executive Directors and Executive Directors are invited to attend the Council of Governors on an optional and voluntary basis.

*Chairman Designate from 1 September 2022. Officially appointed Chairman 1 December 2022.

**Associate NED from 1 May 2022 and Chair of AFC from 1 July 2022.

Income disclosures

The Trust’s principal activity is the provision of healthcare services to patients. The income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes. The Trust has met this requirement, with 66 per cent of its income deriving from the NHS. In reaching this assessment, the Trust has considered whether an exchange of goods and services has occurred, and whether income relates to activities required under the Health and Social Care Act 2012.

In 2022/23, the overall income was £598.0 million (£562.9 million in 2021/22).

The Trust receives the majority of its patient care income from NHS England and CCGs. Patient referrals are centred on the Trust’s sites in Chelsea, Sutton and Kingston, but extend from this local base to cover all of England and beyond, particularly for referrals for rare cancers.

NHS patient income is supplemented by income to provide infrastructure and support for research and development activity and from private patient income.

The Trust’s overall operating expenditure was £578.1 million (£513.5 million in 2021/22); an increase of £64.6 million. The increase is primarily due to staff and drugs costs increasing for inflation and additional activity.

The Trust hosts RM Partners West London Cancer Alliance. The income and 2022/23 expenditure for this is included within the Trust’s accounts.

Business review

The Trust’s activities are reviewed in the Chairman and Chief Executive’s joint statement on page 3. In addition to this, other information relevant to the Trust’s activities is set out in the other sections of this document. Quality governance is addressed in the Annual Governance Statement from page 75.

Political and charitable donations

The Royal Marsden has not made any political donations this year or in previous years. During 2022/23, the Trust made a donation of £9.0 million (2021/22: nil) to The Royal Marsden Cancer Charity, with RM Medicines Limited, the Trust’s wholly owned subsidiary, making a gift aid donation of £200,000 (2021/22: £293,000) to The Royal Marsden Cancer Charity.

Public sector payment policy

The Trust aims to pay its non-NHS trade creditors in accordance with the Confederation of British Industry (CBI) prompt payment code and government accounting rules. The target is to pay non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later), unless other payment terms have been agreed with the supplier. The Trust also aims to pay local community suppliers within 10 days.

Auditors

The Group’s appointed external auditors are Deloitte LLP. The auditors provide audit services comprising carrying out the statutory audit of the Trust’s Annual Accounts and the use of resources work, as mandated by NHS England and the National Audit Office. The cost of this service in 2022/23 was £240,000, including the Value for Money audit requirement (2021/22: £140,000). The total audit fees for the wholly owned subsidiary, RM Medicines Limited are £40,000 (2021/22: £22,500), and are included in the overall cost. All audit fees are presented net of VAT. Details on the fees for the external audit of the group and Trust are shown in the expenditure notes.

Cost allocation and charging requirements

The Trust has complied with the cost allocation and charging requirement set out in HM Treasury and Office of Public Sector Information Guidance.

Accounting for pension and other retirement benefits

The accounting policies for pensions and other retirement benefits are set out in note 21 to the Annual Accounts.

Invoice Payment Performance

The Trust adopts a Better Payment Practice Code where it aims to pay 95 per cent of invoices within the agreed terms, unless there is a dispute. In 2022/23, there were 68,890 (2021/22: 69,192) invoices due to be paid within a 30-day period, of which 56,910 (2021/22: 58,757) were paid within target.

Of those that were not paid within target, interest of £0 (2021/22: £0) was paid during the year.

	2022/23		2021/22	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
NHS Payables				
Total bills paid in the year	1,883	28,165	2,111	26,359
Total bills paid within target	1,177	16,700	1,467	19,189
Percentage of bills paid within target	63%	59%	69%	73%
Non-NHS Payables				
Total bills paid in the year	67,007	322,057	67,081	310,910
Total bills paid within target	55,733	285,951	57,290	272,876
Percentage of bills paid within target	83%	89%	85%	88%

Membership and Council of Governors report

Membership of the Trust

As a Foundation Trust, The Royal Marsden has members which are made up of its patients and carers, public and staff.

Patient and carer membership

The patient constituency is subdivided into the following geographical areas:

- Kensington and Chelsea
- Sutton and Merton
- Elsewhere in London
- Elsewhere in England.

Anyone living in these areas who has been a patient at the Trust within the last five years can become a member of the relevant patient sub-constituency. There is also a carer sub-constituency, which is open to individuals who care for current patients of the hospital or who have cared for a former patient of the hospital within the last five years.

Public membership

The public constituency comprises of individuals who live within the following three geographical areas:

- Royal Borough of Kensington and Chelsea
- London Boroughs of Sutton and Merton
- Elsewhere in England.

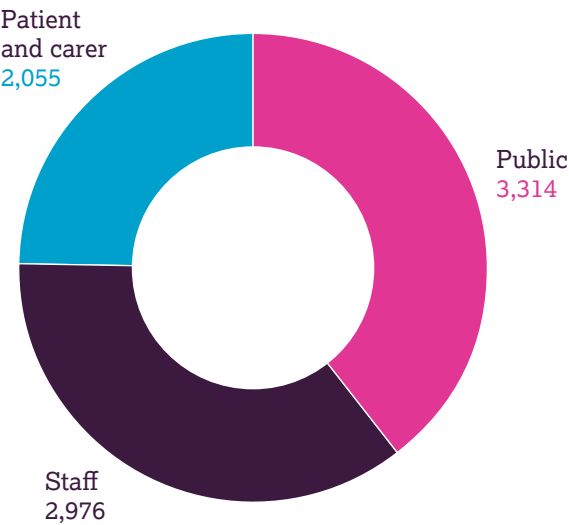
Staff membership

The staff constituency comprises individuals who are employed by the Trust, hold an honorary contract with the Trust, or hold an honorary contract with the Trust and its academic partner, the ICR. The constituency is divided into four staff groups:

- Corporate and support services
- Clinical professionals
- Doctors
- Nurses.

Membership overview

As of 31 March 2023, the Trust had 8,345 members, comprising:



It is important to recognise the challenges the Trust faces as a specialist cancer centre with a local and national catchment area, both in recruiting members and the need to do monthly data cleanses to ensure the membership database remains up-to-date and accurate.

Membership recruitment and engagement

The Trust has a Membership and Communications Group, which is a working group of the Council of Governors and is tasked with the responsibility of reviewing and implementing membership recruitment and engagement activities. In early 2023, the Group agreed that the new Membership Strategy for 2023-26 will be reviewed once the Trust Strategy is completed to ensure it is aligned.

Some of the member recruitment activities and initiatives undertaken for 2022/23:

- A welcome letter sent from the Chief Executive and Medical Director to new patients at the point of registration, inviting them to become a member.
- Promoting membership to Royal Marsden volunteers.
- Reaching out to universities to promote membership through their online learning platforms.

The Trust has two levels of membership to differentiate the level of involvement a member wishes to have and to help manage resources more efficiently. Member engagement activities undertaken over 2022/23 include:

- All members received a quarterly electronic copy of RM magazine, which provides up-to-date information on the latest developments and research activities of the hospital, the Council of Governors and Board of Directors. A hard copy can be requested by members. The magazine also has a wide circulation to patients, friends and family members of patients, across both hospital sites.
- Members’ bulletin, which includes key updates, news and details of involvement and engagement opportunities, for example, invitation to express an interest in becoming a Patient Safety Partner.
- The Annual General Meeting held in September 2022 took place in person and online. The meeting was an opportunity for members to hear and ask questions about the Trust’s performance, achievements and finances and included presentations on ‘Super Surgeons: Innovation in Cancer Surgery’ and ‘Connect Digital Health Record Programme’.

Becoming a member

Anyone aged 16 years or over and who lives in England can become a member of The Royal Marsden NHS Foundation Trust.

There are several ways in which a person can sign up to become a member: by completing an online form on the Trust website: royalmarsden.nhs.uk/getting-involved/foundation-trust-membership; picking up an application form from the main reception at Sutton and Chelsea; or requesting an application form to be sent in the post.

All membership enquiries are directed to the Corporate Governance team using the following details:

Post
Corporate Governance
The Royal Marsden NHS Foundation Trust
Fulham Road
London SW3 6JJ

Email
trust.foundation@rmh.nhs.uk or contact a Governor at governors@rmh.nhs.uk

Telephone
020 7808 2844

Members of the public can also contact the Corporate Governance team to request a copy of the Register of Governors’ and Board of Directors’ Interests, or visit the Trust website, where this information is published.

Council of Governors

The Council of Governors collectively is the body that represents the Trust’s patients/ carers, public, staff and stakeholders. It consists of elected members and appointed individuals. Its stakeholders are entitled to appoint representatives to sit on the Council: these are the Institute of Cancer Research, Cancer Research UK and local authorities for Royal Borough of Kensington and Chelsea, and London Boroughs of Sutton and Merton.

The Council of Governors has a number of statutory and regulatory responsibilities which are reflected in the Trust’s Constitution. These include, but are not limited to, the appointment or removal of Non-Executive Directors, the appointment or removal of the Trust’s external auditor, and receiving the Trust’s Annual Report and Accounts, as well as the auditor’s report on this publication. The Health and Social Care Act 2012 introduced the following two legal duties: to hold Non-Executive Directors to account for their performance of the Board; and to represent the interests of the members of the Trust and public in their role. Governors are able to canvass the opinion of the members through the Council of Governors meetings and working groups. Members are free to raise any concerns or submit any questions to their Governor and are reminded of this throughout the year in Trust communications.

The Trust keeps the Council of Governors fully informed on all aspects of the Trust’s performance, quality and strategy through its formal council meetings. During 2022/23, Governors received training and development sessions on the following key topics: ‘NHS Finance’, ‘Key Performance Indicators – An Overview’ and ‘Quality & Patient Safety’. In addition to these, Governors were invited to attend an external conference aimed at giving governors the opportunity to increase their understanding of the key national issues currently faced by the health and social care service and explore the governor role in integrated working. A collective evaluation of the performance of the Council of Governors was carried out in 2022/23 and the results were used to form an internal action plan.

On appointment, all new Governors are invited to have one-to-one sessions with the Chairman and the Company Secretary to discuss the role in further detail and any individual development needs to support them.

Composition of the Council of Governors

As previously noted, the Trust has various constituencies for its members (patients/carers, public and staff). Once an individual becomes a member of The Royal Marsden NHS Foundation Trust, they have the option to vote and stand to become a Governor of the Trust to represent members on the Council of Governors.

Members vote for their Governors and therefore Governors represent those members under their constituency. The table opposite illustrates this. As of 31 March 2023, there were 21 seats on the Council of Governors, comprising 17 elected Governors (patient and carer, public and staff governors) and four appointed stakeholder Governors. The table shows details of the Governors, their terms of office and attendance at meetings of the Council of Governors and the Annual General Meeting in 2022/23.

Governors’ terms of office and attendance at meetings 2022/23

Governor	Constituency/organisation	Term of office	End of current term	Attendance at Council of Governors	
				Public	Private
Patient and Carer Governors					
Maggie Harkness	Kensington and Chelsea & Sutton and Merton	3rd	May 2022	0/0	2/2
Philippa Leslie*	Kensington and Chelsea & Sutton and Merton	2nd	May 2025	4/4	3/5
Tom Brown	Kensington and Chelsea & Sutton and Merton	2nd	May 2025	3/4	4/5
Prof Stuart Walker	Kensington and Chelsea & Sutton and Merton	1st	May 2025	4/4	3/3
Dee Loughran	Elsewhere in London	1st	August 2023	4/4	3/5
Melanie Crossley	Elsewhere in London	1st	May 2025	4/4	2/3
Dr Penka Nikolova	Elsewhere in London	1st	May 2025	3/4	3/3
Dr David Aggett	Elsewhere in England	1st	May 2024	2/4	3/5
Dr Nigel Platt	Elsewhere in England	1st	May 2022	0/0	2/2
Dale Sheppard-Floyd	Carer	1st	May 2022	0/0	2/2
Tim Nolan	Carer	2nd	May 2025	4/4	4/5
Louann Heale	Carer	1st	May 2025	3/4	2/3
Public Governors					
Debra Hoe	Kensington and Chelsea	1st	July 2023	4/4	5/5
Shirley Chapman	Sutton and Merton	2nd	May 2025	3/4	3/5
Dr Banan Osman	Elsewhere in England	1st	May 2024	4/4	2/5
Dr Tom Moon	Elsewhere in England	1st	May 2022	0/0	0/2
Antony Elliott	Elsewhere in England	1st	May 2025	4/4	2/3
Staff Governors					
Hardev Sagoo	Corporate and support services	3rd	May 2023	4/4	3/5
Fiona Rolls	Clinical professionals	2nd	May 2025	4/4	3/5
Dr Jayne Wood	Doctor	2nd	August 2025	3/4	4/5
Jane Kimaru	Nurse	1st	May 2025	2/4	3/5
Nominated Governors					
Gordon Stewart	The Institute of Cancer Research	1st	January 2024	1/4	2/5
Cllr Janet Evans	Local Authority: Borough of Kensington & Chelsea	1st	August 2023	2/4	3/5
Cllr David Bartolucci	Local Authority: London Borough Sutton & Merton	2nd	October 2024	1/4	2/5
Anne Croudass	Cancer Research UK (Charity)	3rd	May 2024	4/4	2/5

*Philippa Leslie was appointed as Lead Governor in May 2021. The Lead Governor acts as a two-way conduit between NHS England and the Council of Governors in specific circumstances where it may not be appropriate to communicate through the normal channels. The main circumstances where NHS England will contact a Lead Governor is if there are concerns as to Board leadership or if the appointment of a Chairman or other Board member may not have complied with the Trust’s Constitution or may be inappropriate.

Election to the Council of Governors

All Governors hold terms of office for a period of three years and are eligible for re-election/ re-appointment for a maximum of nine years. During 2022/23, elections were held for 12 Governor seats and the table below illustrates the constituencies with respective candidates standing. Civica Election Services manages the provision of the elections for the Trust in accordance with the Model Rules for Elections.

Constituency	No. candidates
Patient: Carer (2 to elect)	4
Patient: Kensington & Chelsea and Sutton & Merton (3 to elect)	3
Patient: Elsewhere in London (1 to elect)	6
Patient: Elsewhere in England (1 to elect)	7
Public: Elsewhere in England (1 to elect)	6
Public: Sutton & Merton (1 to elect)	3
Staff: Clinical professional (1 to elect)	2
Staff: Nurse (1 to elect)	6
Staff: Doctor (1 to elect)	1

Governors’ expenses

The Trust’s expenses policy ensures that Governors are appropriately reimbursed for reasonable expenses incurred in the course of carrying out their duties. For the year ending 31 March 2023, the total amount claimed by Governors was nil.

Working together: Council of Governors and the Board of Directors

It is important that the Council of Governors and Board of Directors work together for the benefit of patients and the local community. There are several ways in which this is achieved. The Chairman of the Board of Directors is also the Chair of the Council of Governors. Prior to each Council of Governors meeting, the Chair meets with the Lead Governor.

The Executive Directors and Non-Executive Directors regularly attend the Council of Governors meetings to gain an understanding of the views of Governors and members of the Trust. An annual membership report is also presented to the Board of Directors.

Governors are invited to attend public Board of Directors meetings where they can observe first-hand the Board in business and, in particular, the performance of Non-Executive Directors.

The Council of Governors also receives an annual report regarding the work of the Board sub-committees, the Audit and Finance Committee, and the Quality, Assurance and Risk Committee. This report is presented by the Chairs of the committees (who are also Non-Executive Directors) and highlights the committees’ main business and risks for the year.

In situations where any conflict arises between the Board of Directors and the Council of Governors, the Trust’s internal dispute resolution procedure shall be adhered to, which notes that the decision of the Chairman shall be final. In circumstances where the Chairman feels unable to decide owing to a conflict of interest, the Chairman will initiate an independent review to investigate and make recommendations. Normally this will be achieved by inviting the Senior Independent Director to conduct the review, which will be agreed by both the Board of Directors and the Council of Governors.

Remuneration report

The Royal Marsden NHS Foundation Trust’s remuneration report describes how the Trust applies the principles of good corporate governance in relation to Directors’ remuneration.

The remuneration report comprises:

- Annual statement on remuneration
- Very senior managers’ pay principles
- Annual report on remuneration.

Annual statement on remuneration

In the financial year 2022/23, the Remuneration Committee considered the pay award for Executive Directors and the Leadership Team. The committee approved a three per cent increase effective from April 2022. The committee also reviewed the remuneration arrangements of specific Executive Director and Leadership Team posts that were due a three-year review, in line with the pay principles for very senior managers. In addition, the Committee reviewed its Terms of Reference and reintroduced its Pension Recycling Policy for senior clinical staff in order to maintain clinical capacity.

Mark Aedy
Chair of the Remuneration Committee and Senior Independent Director (until December 2022)

Sir Douglas Flint CBE
Chair of the Remuneration Committee (from January 2023)

Senior managers’ remuneration policy

The Royal Marsden is committed to the overarching principles of value for money and high performance. The Trust must attract and retain a high calibre senior management team and workforce in order to ensure it maintains its excellent standards of clinical outcomes and patient care, functions efficiently and is well positioned to deliver the business strategy.

The Remuneration Committee agreed a set of pay principles in 2015/16, which were reviewed in 2017/18, and these remain unchanged. These were reviewed alongside the Terms of Reference for the Remuneration Committee, which were updated in May 2022.

The principles provide the framework for decision-making by the Remuneration Committee. Regarding equality and diversity, one of the principles relates to fairness, i.e. ‘the Trust’s pay system for the Leadership Team will be reviewed at regular periods to ensure that its delivery is equitable, avoids discrimination, takes proper account of pay relativities across the Trust and complies with legislative requirements, e.g. gender pay reporting’. There was a further decrease in the mean gender pay gap from 12.35 per cent in 2022 to 12.15 per cent in 2023. Further information on the gender pay gap can be found here: royalmarsden.nhs.uk/about-royal-marsden/equality-and-diversity/gender-pay-gap-reporting.

As a Foundation Trust, the Remuneration Committee has the freedom to determine the appropriate remuneration level for very senior managers. In reaching its decisions, the committee considers the responsibilities and requirements of the role, time in the role, marketability of the individual, internal relativities, benchmarking data from within the NHS or relevant sector, the external economic environment, NHS guidance and the performance of the Trust. Where the salary of an Executive Director is above £150,000, and for all Leadership Team members, the committee takes into consideration all these factors to satisfy itself that the remuneration is reasonable and appropriate in line with national guidance.

The committee reviews the salaries of the Executive Directors and the Leadership Team annually when considering the cost of living pay increase. There is no automatic entitlement to an increase. The remuneration arrangements for Executive Directors and the Leadership Team are externally benchmarked every three years.

Components of remuneration for Executive Directors

The table below describes the component elements of the remuneration package for Executive Directors.

Component	Applicable	Description
Annual salary (inclusive of London weighting and on call)	Executive Directors (except Medical Director whose base salary is determined by NHS consultant terms and conditions)	Agreed on appointment and reviewed in line with the pay principles determined by the Remuneration Committee.
NHS Pension	Executive Directors	Contributions are made by the employee and the employer in accordance with the national scheme. Individuals have the right to opt out of the NHS Pension Scheme.
Clinical Excellence Awards	Medical Director	Recognises and rewards consultants who make an exceptional contribution. This scheme is part of the national terms and conditions for consultants.
Management Allowance	Medical Director	Allowance is determined by the Remuneration Committee in recognition of increased responsibilities associated with the Medical Director role.
Medical on call	Medical Director	This is part of national terms and conditions for consultants.
Pension contribution alternative award	Executive Directors	This is paid to Directors who have opted out of the NHS Pension Scheme and is agreed by the Remuneration Committee.

The Trust’s Five-Year Strategic Plan and annual business planning process inform the objectives of the Executive Directors. Their performance is monitored throughout the year and assessed formally through an annual appraisal. The three-year salary reviews undertaken by the Remuneration Committee take into consideration the contribution by individuals in supporting the short- and long-term strategic objectives of the Trust. No performance-related pay bonuses or other incentive payments are currently paid to Executive Directors separate to the annual salary. No benefits in kind or non-cash elements of remuneration were made during the financial year.

Executive Directors notice periods and payments for loss of office
(Information subject to audit)

Executive Directors are appointed on permanent contracts subject to notice of 12 weeks, except for the Chief Executive who is on six months’ notice. All directors benefit from NHS terms and conditions relating to any severance payments for reasons of redundancy (Schedule 16 of Agenda for Change). There is no contractual entitlement to a severance payment in any other circumstances. No compensation for early termination was paid during the financial year. No early terminations are expected, and no provisions are required accordingly.

Non-Executive Directors remuneration

Remuneration and allowances for the Chairman and NEDs are determined by the Trust’s Nomination Committee, membership of which is made up of elected Governors. The payments are comparable to those made by other foundation trusts. There was no change to remuneration arrangements in 2022/23. The Chairman and NEDs receive no benefits or entitlements other than fees and are not entitled to any termination payments. The Trust does not make any contribution to the pension arrangements of NEDs. Details of their remuneration and expenses are set out further in this section.

Component	Applicable to	Description
Annual remuneration	All Non-Executive Directors	Agreed on appointment and reviewed periodically by the Nominations Committee
Additional responsibility allowance	Chairs of substantial subcommittees of the Board	The Non-Executive Directors who have additional responsibility for leading a substantial subcommittee of the Board receive a higher level of remuneration to recognise the additional time and leadership required for these roles.

Annual report on remuneration

Service contracts

The service contract dates as an Executive Director are shown below:

Name	Title	Service contract date
Dame Cally Palmer CBE	Chief Executive	June 1998
Karl Munslow Ong	Chief Operating Officer	November 2018
Marcus Thorman	Chief Financial Officer	January 2015
Mairead Griffin	Chief Nurse	July 2021
Professor Nicholas van As	Medical Director	January 2016

The terms of office for Non-Executive Directors are shown below:

Senior manager	Title	Start	Term	End of current term
Charles Alexander CBE	Chairman	1 December 2016	2nd	30 November 2022
Sir Douglas Flint CBE	Chairman	1 December 2022	1st	30 November 2025
Ian Farmer	Non-Executive Director	1 April 2014	3rd	30 June 2022
Jane Bentall	Non-Executive Director	1 July 2022	1st	30 June 2025
Kristian Helin	Non-Executive Director (ex-officio non-independent)	August 2021	1st	August 2024
Mark Aedy	Senior Independent Director	18 April 2016	2nd	31 December 2022
Elizabeth Adekunle	Non-Executive Director	29 March 2023	1st	28 March 2026
Heather Lawrence OBE	Non-Executive Director	1 July 2017	3rd	31 October 2023
Professor Martin Elliott	Non-Executive Director	1 November 2017	2nd	31 October 2023
Christopher Clark	Non-Executive Director	1 September 2018	2nd	31 August 2024
William Jackson	Non-Executive Director Senior Independent Director (from 1 January 2023)	1 September 2018	2nd	31 August 2024

The terms of office for NEDs at the Trust are managed in accordance with the NHS Code of Governance. The Trust’s Constitution mandates that the removal of the Chairman or another NED requires the approval of three-quarters of the members of the Council of Governors.

Remuneration Committee

The Remuneration Committee is a sub-committee of the Board and is chaired by the Senior Independent Director (Mark Aedy, Non-Executive Director, until December 2022), with core membership comprising of the Chairman (Charles Alexander CBE, until November 2022) and the Chair of the Audit and Finance Committee (Ian Farmer, until June 2022). Since January 2023, the Remuneration Committee comprises the Chair, Sir Douglas Flint CBE, AFC Chair Jane Bentall, and William Jackson, Senior Independent Director.

The option to attend Remuneration Committee meetings is made available to other NEDs where appropriate. The Chief Executive attends meetings in an advisory capacity and the Director of Workforce attends as and when required by the committee. External benchmarking data is sought from pay specialists such Hays Recruitment and NHS Providers to inform discussions about the three-year salary reviews. Four meetings were held during the financial year. See table on page 43 for attendance at the Remuneration Committee.

Disclosures required by the Health and Social Care Act

Salary and pension entitlements of senior managers

A. Remuneration (Information subject to audit)

Name	Title	Salary and fees	Taxable benefits	Annual performance-related bonus	Long-term performance-related bonus	Pension-related benefits	Total
		(bands of £5,000)	Total to nearest £100	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
		£000	£	£000	£000	£000	£000
2022/23							
Mr C Alexander	Chairman	30-35	–	–	–	–	30-35
Sir D Flint	Chairman	25-30	–	–	–	–	25-30
Mr I Farmer	Non-Executive Director	5-10	–	–	–	–	5-10
Ms J Bentall	Non-Executive Director	15-20	–	–	–	–	15-20
Mr M Aedy	Non-Executive Director	10-15	–	–	–	–	10-15
Prof M Elliot	Non-Executive Director	15-20	–	–	–	–	15-20
Ms H Lawrence OBE	Non-Executive Director	20-25	–	–	–	–	20-25
Mr C Clark	Non-Executive Director	15-20	–	–	–	–	15-20
Mr W Jackson	Non-Executive Director	15-20	–	–	–	–	15-20
Dame C Palmer CBE	Chief Executive	295-300	–	–	–	35-37.5	330-335
Mr M Thorman	Chief Finance Officer	210-215	–	–	–	65-67.5	285-290
Prof N van As	Medical Director	210-215	–	–	–	147.5-150	360-365
Mr K Munslow Ong	Chief Operating Officer	195-200	–	–	–	45-47.5	245-250
Ms M Griffin*	Chief Nurse	140-145	–	–	–	0-2.5	140-145
2021/22							
Mr C Alexander	Chairman	50-55	–	–	–	–	50-55
Mr I Farmer	Non-Executive Director	20-25	–	–	–	–	20-25
Prof P Workman	Non-Executive Director	–	–	–	–	–	–
Mr M Aedy	Non-Executive Director	15-20	–	–	–	–	15-20
Prof M Elliot	Non-Executive Director	15-20	–	–	–	–	15-20
Ms H Lawrence OBE	Non-Executive Director	20-25	–	–	–	–	20-25
Mr C Clark	Non-Executive Director	15-20	–	–	–	–	15-20
Mr W Jackson	Non-Executive Director	15-20	–	–	–	–	15-20
Dame C Palmer CBE**	Chief Executive	270-275	–	–	–	30-32.5	305-310
Mr M Thorman	Chief Finance Officer	210-215	–	–	–	22.5-25	235-240
Prof N van As	Medical Director	200-205	–	–	–	2.5-5	205-210
Mr K Munslow Ong	Chief Operating Officer	185-190	–	–	–	–	185-190
Mr A Dimech	Acting Chief Nures	35-40	–	–	–	12.5-15	50-55
Ms M Griffin	Chief Nurse	100-105	–	–	–	287.5-290	385-390

*The pension related benefit for Ms M Griffin comprises of cash payments made in lieu of retirement benefits within the range of £12.5k-£15k and benefits accruing under the NHS Pensions Scheme as a result of re-opting into the scheme. The sum of both amounts is a negative value and is therefore expressed as zero in accordance with paragraph 8(3) of the Regulations. **The pension related benefit for Dame C Palmer CBE has been represented in 2021/22 to from £nil to £30k-£32.5k to reflect the cash payments made in lieu of retirement benefits.

The Trust is required to disclose the element of directors’ remuneration that relates to their clinical role. Clinical earnings for Professor Nicholas van As were £160-165,000 (2021/22: £150-£155,000).

B. Pension benefit *(Information subject to audit)*

Name	Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2023 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023	Employer's contribution to stakeholder pension
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2022/23									
Dame C Palmer CBE	Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr M Thorman	Chief Financial Officer	2.5-5	0-2.5	70-75	130-135	1,120	59	1,240	n/a
Prof N van As	Medical Director	7.5-10	5-7.5	75-80	70-75	985	119	1,164	n/a
Ms M Griffin	Chief Nurse	0-2.5	0-2.5	60-65	180-185	1,379	0	1,414	n/a
Mr K Munslow Ong	Chief Operating Officer	0-2.5	0-2.5	40-45	75-80	538	36	592	n/a
2022/23									
Dame C Palmer CBE	Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr M Thorman	Chief Financial Officer	2.5-5	0	65-70	125-130	1,014	25	1,120	n/a
Prof N van As	Medical Director	0-2.5	0	65-70	60-65	901	10	985	n/a
Ms M Griffin	Chief Nurse	7.5-10	27.5-30	60-65	180-185	1,012	214	1,379	n/a
Mr A Dimech	Acting Chief Nurse	0-2.5	0-2.5	25-30	40-45	359	7	398	n/a
Mr K Munslow Ong	Chief Operating Officer	0-2.5	0	35-40	75-80	509	0	538	n/a

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

The benefits and related cash equivalent transfer value (CETV) reported in the table above do not allow for a potential future adjustment arising from the McCloud judgement retrospective remedy.

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

Following the government’s announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, the NHS Pension Scheme has revised its method to calculate the CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology.

Expenses

In 2021/22, there were 13 Board Directors, including five Executive Directors, and 23 Governors. The aggregate amount of expenses paid to Directors and Governors was:

£786.00 To Executive Directors	£0.00 To Non-Executive Directors	£0.00 To Governors
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Fair Pay Disclosures *(Information subject to audit)*

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

The Trust is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation’s workforce. Details of the total number of employees can be found in the annual report.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £295,000-£300,000 (*restated 2021/22, £270,000-£275000). This is a change between years of 9%. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £15,000 to £307,238 (**restated 2021/22: £15,000 to £310,935). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is seven per cent. One employee received remuneration in excess of the highest-paid director in the organisation (**restated 2021/22: four employees). The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation’s workforce.

	25th percentile	Median	75th percentile
Salary component of pay	£39,521 (2021/22: £36,226)	£49,875 (2021/22: £47,154)	£67,229 (2021/22: £61,861)
Total pay and benefits excluding pension benefits	£39,521 (2021/22: £36,226)	£49,875 (2021/22: £47,154)	£67,229 (2021/22: £61,861)
Pay and benefits excluding pension: pay ratio for highest paid director	7.5 (Restated 2021/22: 7.5) (Original 2021/22: 8.5)	6.0 (Restated 2021/22: 5.8) (Original 2021/22: 6.5)	4.4 (Restated 2021/22: 4.4) (Original 2021/22: 5.0)

*The remuneration of the highest-paid director figure for 2021/22 was previously reported as the mid-point of the banded remuneration. This has been represented as the banded remuneration in accordance with the Annual Reporting Manual requirements. The banded remuneration has been revised from £305,000-£310,000 (midpoint of £307,500) to £270,000-£275,000 to remove the impact of cash payments made in lieu of retirement benefits. This amount is now reflected in the pension-related benefits. Median and pay ratios have been restated as a result of this change.

**The range of remuneration amounts for 2021/22 have been revised from £15,000 to £305,305 to £15,000 to £310,935 as this recognises remuneration for employees previously omitted in error. As a result of this change, four employees received remuneration in excess of the highest-paid director. This was previously reported as nil.

The Trust does not operate a performance-related pay or benefit scheme.

Approval of the Remuneration Report:

Dame Cally Palmer CBE
Chief Executive
30 June 2023

Staff report

Analysis of staff costs and numbers *(Information subject to audit)*

	Permanently employed	Temporary and contract staff	2022/23 total	2021/22 total
	£000	£000	£000	£000
Salaries and wages	226,329	15,150	241,479	212,238
Social security costs	24,338	1,281	25,619	22,291
Employer contributions to NHS Pensions Agency and NEST	37,207	864	38,071	35,790
Agency staff	–	8,727	8,727	3,112
	287,874	26,022	313,896	273,431

This information shown is in relation to the Trust. The Group staff numbers are shown in the Accounts in note 5.

Average whole time equivalent (WTE) employed during the year has been calculated on the basis of staff WTE from April 2022 to March 2023.

	Permanently employed number	Temporary and contract staff number	2022/23 total number	2021/22 total number
Medical and dental staff	507	26	533	508
Administration and estates	1,470	137	1,607	1,437
Healthcare assistants and other support staff	359	68	427	502
Nursing, midwifery and health visiting staff	1,048	128	1,176	1,138
Nursing, midwifery and health visiting learners	11	0	11	10
Scientific, therapeutic and technical staff	525	28	553	504
Healthcare science	262	6	268	302
	4,182	393	4,575	4,401

(The table below is not subject to audit)

The above table shows the average WTE trust employed is 4,182 (FTE) permanent and fixed term staff. This FTE value equates to a headcount of 4,575 average staff members. The Trust engaged on average an additional 87 WTE as agency and 306 WTE bank workers. As at March 2023, the breakdown of the permanent and fixed term workforce headcount by gender is as follows:

	Female	Male	Total
Employee	3,477	1,166	4,643
Executive Director	2	3	5
Leadership Team	9	8	17
Total	3,488	1,177	4,665

Sickness absence rate

Details of sickness rates can be found at: digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Gender pay gap

Please see page 51 for information on the gender pay gap for the Trust.

The Royal Marsden People Plan 2022/23

In 2022/23, the workforce experienced the aftermath of the impact of the COVID-19 pandemic and the Trust’s focus moved to investing in the recovery of the workforce. This was reflected in the Trust’s People Plan themes. However, the biggest pressure came from the impact of rising inflation, the effect of the cost-of-living pay award and consequences for the recruitment and retention of staff, exacerbating the effect of Brexit and the pandemic. Workforce retention is the Trust’s top priority.

Themes for 2022/23

The four pillars of the Trust’s People Plan are:

- **Workforce:** working together differently to deliver patient care
- **Development:** growing our people for the future
- **Wellbeing:** looking after ourselves and each other
- **Community:** creating a culture of inclusion and belonging

The main achievements of 2022/23 are summarised on the following pages.

Workforce: working together differently to deliver the best patient care

Recruitment, retention and flexible redeployment of staff continued to be a strong driver due to the operational challenges of maintaining services and supporting other NHS trusts.

Recruitment and resourcing

The Trust has become more creative and broadened its approach when sourcing applicants to roles at The Royal Marsden as the labour market has become more challenging. In particular, the Trust continued to recruit overseas for both nursing and allied health professional roles, supporting international employees with a comprehensive support package.

For the first time, the Trust welcomed refugee nurses, who also receive a nationally funded support programme allowing them to learn about the NHS and working in the UK. Due to the success of this scheme, the Trust has agreed for the next cohort to arrive in 2023/24.

The Trust has also started working with The Prince’s Trust to support young people into the workplace with roles across clinical and corporate teams. In conjunction with this, the Trust is increasing supply through the apprenticeship route which allows new starters to join the NHS while also gaining a qualification.

The Royal Marsden has also been able to offer work experience and open days now that it can support visitors to the site after the COVID-19 pandemic, which gives individuals interested in working in healthcare an opportunity to understand the different roles which make up the NHS and what qualifications they might need. The Trust has also looked at ways to revamp its recruitment process to assist non-NHS staff with recognising transferable skills they may have and making it easier to apply.

Retention of staff

Post-COVID-19, it is recognised that staff have been thinking differently about what they want out of work and where they want to be based. Although voluntary turnover has remained similar over the last two years, it is clear that some staff groups have seen an improvement in their turnover while others have increased. The ‘Add Professional Scientific and Technical’ staff are roles predominantly in pharmacy and support roles in theatres who have seen a significant improvement, as have ‘Additional Clinical Services’, which are support roles such as healthcare assistants. ‘Administrative and Clerical’ and ‘Estates and Ancillary’ have seen the most significant increase in turnover, with ‘Allied Health Professionals’ seeing a small increase over 12 months.

Staff group	Voluntary turnover	
	31 March 2022	31 March 2023
Add Prof Scientific and Technical	26.9%	18.2%
Additional Clinical Services	27.9%	21.7%
Administrative and Clerical	13.8%	16.0%
Allied Health Professionals	13.5%	14.3%
Estates and Ancillary	5.5%	8.8%
Healthcare Scientists	10.0%	10.0%
Medical and Dental	2.4%	2.9%
Nursing and Midwifery Registered	14.8%	14.6%
Total	14.6%	14.5%

To support the retention of staff, the Trust is focusing on the rewards and benefits of working at the Trust, including professional development. There has been significant work on supporting staff to have a flexible workplace, looking at how roles are made up, greater flexibility over shift choices and carer-friendly opportunities. Targeted pieces of work have been undertaken with teams most affected by changes which occurred during the COVID-19 pandemic, having one-to-one conversations with staff to understand what is important to them about working at the Trust and what more the organisation can do to retain them. This has led to some practical changes to support and recognise how important the Trust’s staff are.

The Trust has also been increasing the ways that it is able to support staff during the current cost of living pressures. This includes providing free financial advice and earlier access to salaries for last minute emergencies. The Trust is constantly evolving its flexible retirement approach, which retains experienced staff to train the next generation. The Trust has provided subsidised meals to support staff, allowing them to focus on providing patient care.

Development: growing our people for the future

‘Building Educational Excellence’ is The Royal Marsden’s multi-professional education strategy, the aim of which is to achieve outstanding patient care, treatment and research across cancer care, and be recognised as a world class leader in multi-professional oncology education and training.

During the reporting period, the Trust supported 812 pre- and post-registration students and trainees across professional groups; an increase of 194 applications from 2021/22, and 205 staff were supported for academic pathways. This increase is vital not only in supporting staff retention but also in securing the Trust’s future workforce pipeline within a challenging labour market; pathways such as non-clinical prescribing and advanced clinical practice support new models of working and better career options for the Trust’s highly specialist clinicians. The primary focus for professional development is advancing clinical skills, with staff attending a range of short courses and modules on enhanced and advanced clinical practice, systemic anti-cancer therapy, physical and advanced clinical assessment, critical care skills and theatre courses.

During 2022/23, the learning and development team focused on broadening the range of learning and development events on offer to lower-banded staff through the provision of a personal development offer that included assertiveness training, time management, project management, interview skills and introduction to supervisory skills. A key element of this initiative was the Learning at Work Week programme that took place in May 2022, when 35 broad and varied learning events took place, attended by more than 300 staff, including virtual reality training, human factors, leadership skills, apprenticeship promotions and wellbeing events including origami and salsa.

The Trust increased the range of apprenticeships provided during 2022/23, including staff embarking on Senior People Professional, Systems Thinking Practitioner, Quality Improvement Practitioner and Legal Executive accredited programmes. The Trust also piloted an approach with new entry-level Health and Social Care Worker posts in nursing, pharmacy and therapy recruited as apprentices.

During 2022/23, the learning and development team embarked on a major programme to review and rationalise all mandatory training – the review is not yet complete, but to date over 15,000 hours have been saved by reviewing refresher periods, delivery content and assessment methods. This equates to 8.0 WTE nurses. Overall, statutory and mandatory training compliance at the end of reporting period was 91 per cent and has not dropped below 90.5 per cent for the whole reporting period.

The learning and development team played a significant role in the delivery of training to over 4,000 staff in readiness for the launch of Connect, the Trust’s new Digital Health Record. The team created the digital learning environment and supported booking processes and training delivery for over 500 courses that were delivered during February and March 2023.

Leadership development

The Trust expanded the range of development programmes on offer to support leaders to manage services in a post-pandemic landscape. The offer includes:

- Leading Excellence, delivered in partnership with Henley Business School for Consultants and Senior Leaders, focusing on transformation and interpersonal leadership: 90 staff have attended to date.
- Leading for Change, delivered by The Royal Marsden School aimed at middle-grade clinical leaders and registrars, focusing on the tools and techniques for delivering service improvements and leading change within the workplace: 30 staff attended.
- Enhancing Leadership for middle managers looking for a refresh of their people management skills: 70 staff have attended to date.
- Management Essentials for staff who are new to management or new to managing at The Royal Marsden, providing essential people management skills: 967 modules have been attended by 290 staff.
- Introduction to Leadership and Management: a stepping stone course for staff who are not in a management role but wish to learn people management skills: 138 staff have attended to date.

All five programmes have been positively evaluated by attendees.

The Trust significantly expanded its coaching offer in 2022/23 to support staff in achieving their personal, professional and developmental goals. Coaching is now available for all staff and is offered either in express one-hour sessions or through a longer-term relationship. A coaching faculty has been established comprising both internal and external courses with all coaches receiving supervision and CPD points. So far, more than 100 staff members have benefited from coaching support.

A major programme of work delivered by the learning and development team was to build capacity and capability for change management within the organisation in advance of the most significant period of change ever seen by the Trust. A bespoke workshop entitled ‘Leading Change with Compassion’ was designed to meet the organisation’s aims and was attended by 115 managers and change leaders. A shorter, virtual workshop called ‘Supporting Staff through Change’ was attended by 180 managers and senior staff.

A new approach to inclusive talent management was piloted, based around the concept of inclusive career conversations and designed to enable all staff to realise their potential. The new model – Scope for Growth – has now been embedded into the appraisal process and will be launched in April 2023.

Team development and engagement

During 2022/23, the learning and development team designed and delivered 13 events and workshops to support team-building and growth through reflection, appreciation, visioning and celebrating success. In addition, the team worked closely with teams and managers experiencing multi-factorial issues, helping them navigate through challenging times. A key piece of work was the design and delivery of a programme of workshops and events to support a new Clinical Supervision Model for therapists.

The learning and development team supported teams and individuals through the provision of a number of wellbeing and resilience training virtual and physical workshops; 130 staff members attended wellbeing training during 2022/23. The Trust also provided a new suite of bite-sized digital mental fitness training courses housed on the FIKA app. The training is designed to help staff develop the skills to maintain wellness during periods of heightened stress and was targeted at new starters during their induction programme. The app was well received, with 236 staff members registering for an account and over 46 hours of training being accessed, with an 88 per cent positivity rating.

The Royal Marsden School

The Royal Marsden School is the leading provider of specialist modules, degrees and post-graduate awards in cancer care, for example, BSc (Hons) in Cancer Care, MSc in Cancer Care and MSc in Cancer Care: Advanced Practice. The School’s courses are open to healthcare staff working in the UK and internationally.

The Royal Marsden School continues to deliver a programme of specialist modules and programmes for clinicians working in cancer care; a total of 696 Royal Marsden staff attended a course or event run by the School and, to date, the school has hosted 3,755 national and international delegates. A key programme is the delivery of Advanced Practice modules which has enabled the Trust to greatly expand and embed the Advanced Clinical Practitioner role within clinical teams.

Research publications and conference presentations

There were 830 pieces of research/articles/ conference papers written or contributed to by members of staff in the Trust, and several staff presented at national and international conferences including the International Society for Magnetic Resonance in Medicine (ISMRM), The Dutch Institute of Allied Healthcare, and The British Nuclear Medicine Society.

Wellbeing: looking after ourselves and each other

This year, staff wellbeing continued to be at the centre of everything the Trust did. This included the provision of a core occupational health service to protect health and safety and promote the wellbeing of all staff, through to the seasonal flu vaccination campaign and the COVID-19 vaccination campaign, among other initiatives.

The Trust introduced an Employee Assistance Programme to provide staff with support for psychological, physical, financial or personal issues that they may be facing. This includes a helpline, face-to-face counselling, self-help workbooks and podcasts, all of which are available 24/7, 365 days a year. It also comes with a range of lifestyle savings both across UK's major retailers and local discounts.

The Trust understands that staff continue to face financial pressures outside of the workplace, and so ensure staff have ongoing access to financial support. This includes access to free impartial advice on managing finances, as well as specific pension support and increasing the range of salary sacrifice schemes

The Trust also provides financial education for staff in all stages of their career including mid-career and pre-retirement seminars. With upcoming pension changes, the Trust has also been offering staff access to national information sessions on what the changes will mean for them.

The Trust continues to provide varied wellbeing offers including singing groups, art therapy, psychological support, financial advice and wider national NHS offers. The Trust introduced a printed wellbeing and rewards guide for staff so that they know what support they can access at any time.

During the rollout of the new Digital Health Record, the Trust increased the offering to staff, with discounted meals through the day, snacks and drinks distributed across the sites to ensure staff got access to food and drink, massage therapists and visits from the Pets As Therapy dogs, who are very popular with staff. The Royal Marsden identified that in preparation for the coming changes it would need to support staff who were going through significant change in their daily working lives. This was offered through various routes, including leadership training on change, as well as targeted work on team engagement and development for those particularly impacted by the new Digital Health Record or the opening of the new Oak Cancer Centre in Sutton.

Community: creating a culture of inclusion and belonging

The Trust's aspiration is to create a compassionate working community which privileges a culture of inclusion and belonging. This has never been more important than during the difficult times people continue to experience and the Trust has taken some important steps to build on the values to make this a reality for all staff.

The Trust has an equality and diversity policy which sets out the framework through which it delivers its services and provides employment. All staff are required to attend mandatory equality and diversity training, which is refreshed every three years.

The Trust is a Disability Confident Employer. This accreditation replaces the Disability Two Ticks symbol and continues to support a guaranteed interview scheme to ensure that full and fair consideration is given to applications from candidates with disabilities. Reasonable adjustments are made so that all candidates can participate in the Trust's recruitment and selection processes. The Royal Marsden was also awarded the silver award as a veteran friendly employer and is continuing to demonstrate its commitment to working towards the gold award.

The Trust's managing absence policies ensure that should staff become disabled in the course of employment, all reasonable efforts are made to ensure staff can remain employed. All the Trust's people management policies apply equally to staff with or without disabilities. Training, career development and promotional opportunities are equally available to all staff with disabilities, and consideration is given to applying workplace adjustments to facilitate the application of these opportunities.

Launch of the Equality, Diversity and Inclusion Strategy 2020/22

Drawing inspiration from current NHS and regional policy thinking, The Royal Marsden's Equality, Diversity and Inclusion Strategy seeks to create its own unique sense of community and belonging for staff that is underpinned by civility and respect, which will also benefit patients treated at The Royal Marsden.

The Trust's priority areas of focus are recruitment and promotion, access to non-mandatory training and development opportunities, Board-level leadership diversity, employee relations and Model Employer.

Progress to date:

- The Trust is proud to report an improvement in the diversity of its Board-level leadership through the appointment of our first Non-Executive Director from a non-white ethnicity background, Dr Elizabeth Adekunle.
- There have been some improvements in the Trust's Workforce Race Equality Standard (WRES) metrics. For example, the likelihood of White staff being appointed from shortlisting compared with Black and minority ethnic staff has reduced to 1.51 times from 1.83 times. Reducing this metric further, to between 0.8 and 1.25 (non adverse range) will be a future priority.
- Introducing a triage system into the disciplinary process has also significantly reduced the likelihood of Black and minority ethnic staff entering the disciplinary process compared with White staff; in 2023, Black and minority ethnic staff were 0.81 times more likely to enter formal disciplinary proceedings compared with 1.04 times in 2022.

- The Trust has supported the Inclusion Partner, Director of Workforce and one Non-Executive Director to complete the WRES Experts programme. The course is designed to help organisations make practical steps to addressing race equality in the workplace.
- Having contributed to the co-design of a White Allies development programme (a specific recommendation from the London Workforce Race Strategy) for London, a group of senior leaders from the Trust were accepted and completed this programme. Working collaboratively with the Trust Board, the REACH Network and the Inclusion Partner, the group will continue to support addressing race equality in the workplace.
- 57 staff attended Managing Equality, Diversity and Inclusion workshops; a programme designed to enable managers to create a positive culture within their teams where all staff feel a sense of belonging and are able to contribute fully to reach their potential.
- The NHS Rainbow badge scheme, to show the Trust supports LGBTQ+ inclusion in the workplace and for patients, continues to grow, with over 1,000 staff having joined the scheme. In addition, the Trust has introduced the use of pronouns in its email signatures.
- The Staff Network Leads attended a masterclass led by Cherron Inko-Tariah, Founder of The Power of Staff Networks, to review and assess maturity of each of the Trust's network groups. The session helped to identify how each network could be strengthened to amplify staff voices and contribute more strategically to further the Trust's inclusion journey.
- Royal Marsden staff completed the Calibre Leadership Programme, aimed at developing staff with disabilities. Using the learning gleaned from this pilot course, staff have promoted and educated colleagues about disability in the workplace during Disability History Month.

- The Trust will continue to focus on improving the staff experience through its inclusion action plan for the coming year, with particular emphasis being placed on developing and appointing more senior talent from diverse backgrounds and encouraging more inclusion-related activity within teams and from line managers, which will support the transformational change the Trust seeks.
- In March 2022, The Royal Marsden joined dozens of leading employers and committed to measure and improve its social impact. Established in 2021, the 14 ‘Levelling Up Goals’ cover key life stages and provide a clear benchmark for organisations to measure the impact they have on their local, national and global communities. The goals include open and equitable recruitment processes, clear career pathways for employees and a commitment to contributing to the NHS’s net zero target. The Trust has completed the benchmarking process and will use the findings to provide a platform for the Trust’s social corporate responsibility strategy going forward, both as a leading employer and as part of the south west London sector.

Freedom to Speak Up

In response to Sir Robert Francis’ ‘Freedom to Speak Up’ report in 2015, the National Guardian’s Office was established as an independent body, linked to the CQC with the remit to lead culture change in the NHS so that speaking up becomes standard practice.

NHS providers were mandated to make provision for the appointment of a Trust Freedom to Speak Up (FTSU) Guardian. A key aim of the Trust’s Freedom to Speak Up service is to further encourage an open and responsive culture where staff feel safe and confident to speak up before and ultimately if things go wrong, or where things could be done better.

Anne Howers is the Trust’s FTSU Guardian and Professor Martin Elliott is the Non-Executive Director lead for raising concerns, and equality and diversity. The Director of Workforce, Krystyna Ruskiewicz, is the link Director lead for this service and for whistleblowing.

The FTSU Guardian aims to be contactable within the Trust and enables staff to be able to speak to them confidentially for advice and information if they have questions or have concerns they are worried about or that appear to not be taken seriously or dealt with effectively.

The FTSU Guardian is supported by a team of nine FTSU Champions from a wide range of professions and differing levels of seniority who promote the FTSU service along with other support services at the Trust. All concerns raised to the FTSU Guardian are recorded confidentially, and feedback and/or support is provided to the individual raising the concern. Each quarter the National Guardian’s office collates anonymised activity data and learning in response to the local FTSU service. This feedback requires trusts to identify if concerns include an element of patient safety/quality, relating to behaviours including bullying/harassment, or identify that a detriment has been suffered as a result of speaking up.

Data collated is based on categories predetermined by the National Guardian’s office. In 2022/23, the FTSU Guardian was approached by 111 members of staff concerning 79 separate issues.

All staff who use the service are asked for feedback and, of those who responded, the majority said they would use the service again and recommended it to colleagues. No staff member responded negatively

The FTSU Guardian discusses any concerns of emerging themes which are identified and any areas for development or improvement with the Non-Executive Director lead and seeks assurance and action regarding the issues or any emerging trends from Directors as appropriate.

The FTSU Guardian holds regular meetings with the Director of Workforce to discuss and escalate emerging themes. Staff members whose name has occurred three or more times in staff concerns are offered additional support of a constructive and positive nature, to support the member of staff with their own development and self-awareness and offers of coaching and or mentoring could be made.

The staff groups using the FTSU service range from medical staff, nurses, administrators and ancillary staff, healthcare assistants, scientists, estates facilities and catering, allied health professionals, digital services, finance and psychological therapies; with staff at all levels utilising the service.

Across all groups the themes raised were in leadership and management and communication styles in team leaders and managers, and of upholding of the trust values especially of care, compassion, and kindness to each other. Shortage of permanent staff, increasing staff turnover and increasing workloads also featured. A concern about the speed of change was also raised. These areas have been the focus of increased staff training this year and recent support and communications messages throughout the Trust which has resulted in staff feeling more confident in the implementation of the new Digital Health Record.

The activity to date suggests that there is an awareness in the Trust of the role of the FTSU service, and that staff feel able to raise concerns.

The aim to ensure that staff know that the culture of speaking up is part of delivering high-quality care to patients; that it is welcomed, acted upon, and outcomes and changes taken as appropriate and required, and that the Trust welcomes speaking up as business as usual and staff are and feel supported to do so.

Engaging with staff

The Trust recognises the importance of having an engaged workforce that knows that it can participate in wider conversations and influence how the organisation develops. The engagement strategy is built on staff open meetings, leadership walkarounds, weekly bulletins, and regularly briefings and webinars. Staff networks also play an important part in providing opportunities for voices to be heard. These include formal groups such as the Trust Consultative Committee, the REACH Forum (formally BAME), Disability and LGBTQ+ networks, which provide opportunities for staff to contribute in different ways. These groups are continuing to meet virtually, and although the human element of a real life intervention is inevitably reduced, participation and attendance has increased as it has become easier for people to access these events. The Trust has also reviewed and strengthened its FTSU arrangements in line with guidance from the National Guardian’s Office.

Staff achievement and recognition awards

The Trust recognises how incredibly hard every staff member works, as well as their commitment, loyalty and outstanding contribution. There are several recognition schemes in place, supported by The Royal Marsden Cancer Charity: Staff Annual Achievement Awards, Quarterly Above and Beyond Awards, and Long Service Awards. Staff are also encouraged to share recognition and gratitude through the Good Deed Feed on RM Matters, the Trust intranet.

Annual Staff Achievement Awards

After two years of COVID-19 restrictions, The Royal Marsden Staff Achievement Awards returned as an in-person celebration in December 2022 to recognise the achievements of staff. In 2022/23, the Trust had four categories of awards reflecting its core values of Pioneering Change, Pursuing Excellence, Working Collaboratively and Showing Kindness, as well as a Lifetime Achievement Award. All winners received a commemorative gift and a financial reward.

Quarterly Above and Beyond Awards

The Quarterly Above and Beyond Awards recognise and celebrate achievements and innovation at a local level. Staff are encouraged to continue to nominate each other. Awards were presented to individuals and teams whose outstanding achievements improved patient or staff experience. Two team awards (clinical and non-clinical) and two individual awards (clinical and non-clinical) are given on a quarterly basis. All winners receive a certificate and a financial reward.

Long Service Awards

Each year, The Royal Marsden recognises the commitment and long service of staff, rewarding them with a certificate and a financial reward as a token of thanks from the Trust.

Instant recognition

As part of the Trust’s instant recognition scheme, ‘Going and above and beyond’, a series of cards have been produced to help managers recognise members of their team who go above and beyond in their role. The cards can be personalised with a thank you message and managers can include a drink and snack voucher which can be used in the staff restaurant.

Good Deed Feed

Staff can nominate their colleagues to be featured on the Good Deed Feed when they see colleagues go above and beyond in the workplace. It is featured on RM Matters, where staff can all view the recognition messages.

NHS Staff Survey results

The NHS Staff Survey is an important mechanism for ensuring that the workforce strategy is delivering results and improving the staff experience. The NHS Staff Survey is conducted annually.

There are seven People Promises (with subsections within each promise) and two Themes. Each section has been given a score out of 10. The response rate to the 2022 survey among Royal Marsden staff was 49 per cent, compared with 54 per cent in 2021. Scores for each People Promise and Theme are shown in the table below, along with benchmarking data comparing the Trust with acute specialist trusts and other similar trusts, and the scores for 2021.

The 2023 Action Plan will build on the work started last year, and again comprise organisational, divisional and staff group specific priority workstreams with a focus on addressing causes rather than symptoms. This will have longer term reach so that subsequent quarterly and annual staff surveys are regarded as a measure of progress rather than targets of improvement themselves. The three core priorities from 2022, including wellbeing, extending flexible working to support work life balance and maintaining the Trust’s commitment to learning and development, will continue, and staff retention will be the one overriding focus.

People Promises and Themes Indicators	2022		2021
	The Royal Marsden	Average score for acute specialist trusts	The Royal Marsden
People Promises			
We are compassionate and inclusive	7.5	7.5	7.5
We are recognised and rewarded	5.8	6.0	6.1
We each have a voice that counts	6.9	7.0	7.0
We are safe and healthy	6.1	6.3	6.2
We are always learning	5.7	5.7	5.7
We work flexibly	5.9	6.4	6.1
We are a team	6.8	6.9	6.9
Staff engagement	7.2	7.2	7.3
Morale	5.9	6.1	6.0

The 2020 Staff Survey was grouped into 10 themes, with each given a score out of 10.

Theme	2020
Equality, diversity and inclusion	9.0
Health and wellbeing	6.4
Immediate managers	7.1
Morale	6.4
Quality of care	7.9
Safe environment – bullying and harassment	8.5
Safe environment – violence	9.8
Safety culture	7.3
Staff engagement	7.6
Team working	6.9

Benchmarking data

Reviewing comparisons across acute specialist trusts shows that while The Royal Marsden has seen a slight drop below the average scores for 2022, two scores remaining the same as 2021; ‘We are compassionate and inclusive’ and ‘We are always learning’.

The Trust compared favourably against other teaching hospitals across the UK.

Trust	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff engagement	Morale
Acute Specialist Trusts									
The Royal Marsden NHS Foundation Trust	7.5	5.8	6.9	6.1	5.7	5.9	6.8	7.2	5.9
The Christie NHS Foundation Trust	7.8	6.2	7.1	6.3	5.7	6.4	7	7.4	6.2
The Clatterbridge Cancer Centre NHS Foundation Trust	7.7	6.3	7.1	6.4	5.7	6.5	7.1	7.2	6.1
Great Ormond Street Hospital for Children NHS Foundation Trust	7.3	5.7	6.7	6	5.5	6	6.7	7.1	5.7
Liverpool Heart and Chest Hospital NHS Foundation Trust	7.9	6.3	7.4	6.6	6.1	6.5	7.2	7.6	6.4
Liverpool Women's NHS Foundation Trust	7.5	5.9	7	6.1	5.5	5.9	6.9	7.1	6
Moorfields Eye Hospital NHS Foundation Trust	7.2	5.7	6.7	6.1	5.5	6	6.6	7.1	5.8
Queen Victoria Hospital NHS Foundation Trust	7.7	6.2	7.1	6.5	5.9	6.4	7	7.4	6.2
Royal National Orthopaedic Hospital NHS Trust	7.5	6	7	6.4	6	6.6	7	7.4	6.2
Royal Papworth Hospital NHS Foundation Trust	7.3	5.7	6.7	6	5.4	6.1	6.6	7.1	5.7
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	7.5	5.9	6.7	6.1	5.4	6.1	6.8	7.1	5.9
The Royal Orthopaedic Hospital NHS Foundation Trust	7.5	6	6.9	6.4	5.4	6.4	6.8	7.1	6.1
The Walton Centre NHS Foundation Trust	7.7	6.2	7.2	6.4	5.7	6.6	7.1	7.4	6.2
Teaching / Acute Hospitals									
Chelsea and Westminster Hospital NHS Foundation Trust	7.2	5.7	6.7	5.9	5.6	6	6.7	7	5.7
Imperial College Healthcare NHS Trust	7.2	5.7	6.7	5.9	5.7	5.9	6.7	7	5.8
Guy's and St Thomas' NHS Foundation Trust	7.3	5.8	6.8	6	5.6	6.1	6.7	7.1	5.8
King's College Hospital NHS Foundation Trust	7	5.5	6.5	5.7	5.6	5.6	6.6	6.7	5.5
Barts Health NHS Trust	6.9	5.5	6.5	5.7	5.2	5.6	6.4	6.7	5.4
Royal Free London NHS Foundation Trust	7.1	5.7	6.6	5.8	5.5	6	6.6	6.8	5.7
St George's University Hospitals NHS Foundation Trust	7	5.6	6.5	5.8	5.3	5.7	6.5	6.8	5.5
University College London Hospitals NHS Foundation Trust	7.4	5.9	6.9	6	5.8	6.3	6.8	7.3	5.9

Trade Union Facility Time disclosures

Number of employees who were relevant union officials in 2021/22*	
24	
Percentage of time spent on facility time 2020/21*	Number of employees
0%	18
1-50%	6
51-99%	0
100%	0

*Data provided based on 2021/22 information, as 2022/23 data not available until July 2023.

Expenditure on consultancy

Consultancy expenditure for the year 2022/23 was £0.6 million (£1.7 million in 2021/22).

Off-payroll engagements

All off-payroll engagements as of 31 March 2023, for more than £245 per day, and that last for longer than six months:

No. of existing engagements as of 31 March 2023	0
Of which...	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

All new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2023, for more than £245 per day, and that last for longer than six months:

No. of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2023	0
No. of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	0
No. for whom assurance has been requested	0
Of which...	
No. for whom assurance has been received	0
No. for whom assurance has not been received	0
No. that have been terminated as a result of assurance not being received	0

Any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

No. of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
No. of individuals that have been deemed ‘Board members and/or senior officials with significant financial responsibility’ during the financial year. This figure includes include both off-payroll and on-payroll engagements	14

Exit packages (Information subject to audit)

The table below summarises exit packages for 2022/23.

Exit package cost	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	–	–	–
	(–)	(–)	(–)
£10,000 – £25,000	–	–	–
	(–)	(–)	(–)
£25,001 – £50,000	–	–	–
	(–)	(–)	(–)
£50,001 – £100,000	–	1	1
	(–)	(–)	(–)
Total number of exit packages by type	–	1	1
Total resource cost (£000)	–	55	55

(Prior year comparatives are provided in brackets)

Exit packages: non-compulsory departure payments	Agreements	Total value of Agreements
	Number	£000
Contractual payments in lieu of notice	–	–
Non-contractual payments requiring HMT approval	1	55
Total	1	55

NHS Foundation Trust Code of Governance

The Royal Marsden NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in October 2022, is based on the principles of the UK Corporate Governance Code issued in 2018.

The Board of Directors sought to comply with the NHS Foundation Trust Code of Governance and established processes to enable it to comply with the code provisions. The Board reviewed its compliance against the revised Code in 2022/23 and agreed that the Trust complied with all the main and supporting provisions of the Code, where they were applicable.

All disclosures required by the Board of Directors and its committees can be found in the Directors’ report.

All disclosures required by the Council of Governors about its activities can be found in the Membership and Council of Governors report.

All disclosures required in relation to remuneration can be found in the Remuneration report.

NHS System Oversight Framework

NHS England’s NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four ‘segments’.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a. objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- b. additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

The Royal Marsden NHS Foundation Trust has been rated as 1.

Statement of Accounting Officer’s responsibility

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

NHS England has given Accounts Directions which require The Royal Marsden NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The Royal Marsden NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust’s performance, business model and strategy
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Dame Cally Palmer CBE
Chief Executive
30 June 2023

Annual Governance Statement

1. Scope of responsibility

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

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Royal Marsden NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Royal Marsden NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts.

3. Capacity to handle risk

As Accounting Officer, I have overall accountability for risk management in the Trust. I have delegated responsibility for the co-ordination of risk management systems and processes to the Chief Nurse, who discharges this responsibility through the Patient Safety/Risk Management and Quality Assurance teams. This includes the regulatory requirements of the Care Quality Commission (CQC), the corporate risk register and incident reporting management system.

Patient safety/risk management is firmly embedded in the activity of the organisation, and operational responsibility for risk identification and control is delegated to individual directors and senior managers who have functional responsibility within their areas of management. Risk management training is provided to every member of staff at induction and is part of the annual mandatory training programme. Specific ongoing training is determined through the appraisal and personal development planning process at an individual level, and by training needs analysis against key risk areas at a strategic level. Board members are also required to complete risk management training. Guidance for staff is provided through training programmes and information is available in the Risk Management Policy supported by the dedicated risk management team. Additionally, the Accident/Incident and Patient Safety Incident Reporting Policy (Including Serious Incidents Requiring Investigation) supports a culture of fairness, openness and continuous learning within the organisation. Incidents of any severity including near misses are reported on the Trust-wide Datix incident management system and nationally to the National Reporting and Learning System (NRLS) central database of patient safety incidents.

Significant incidents require a 72-hour review to establish any immediate learning which, if required, is then followed by a panel review. The results of the root cause analysis, including best practice recommendations, are fed back through all the relevant clinical bodies in the Trust to commissioners via the Clinical Quality Review Group, and internally from the Quality, Assurance and Risk (QAR) Committee through the Clinical Advisory Group, the Nursing, Allied Health Professionals and Pharmacy Committee (NAHPC), the Matrons, Sisters, and ward/departmental meetings, and Junior Doctor forums.

Learning from incidents is an essential part of integrated governance and risk management within the Trust and helps drive a culture of continuous quality improvement. All policies relating to risk management are easily accessible, regularly reviewed against national guidelines and best practice, and available to staff on the Trust intranet, with supporting information available under the risk management department section.

4. The risk and control framework

The systematic identification, analysis and control of risks are a key organisational responsibility. A culture of ownership and responsibility for risk management/patient safety is fostered throughout the organisation, and all managers and clinicians undertake risk management as one of their fundamental duties. The Risk Management Policy has been approved by the QAR Committee. It defines the strategy and the process for the systematic identification and control of risks, as well as accountability structures, roles and responsibilities.

In October 2022, the Board reviewed and approved its risk appetite statement, which set risk tolerance levels for strategic risk. An audit was undertaken by the Internal Auditor, KPMG, on risk management, and a thorough discussion took place at the Joint Quality Assurance and Risk Committee and Audit and Finance Committee. The audit found significant assurance of the Trust’s risk management arrangements. This approach has enabled the Board to easily identify which strategic risks are exceeding the risk tolerance threshold and therefore require closer monitoring and more frequent updates. On behalf of the Board, the Integrated Governance and Risk Management (IGRM) Committee receives reports throughout the year on elements of the CQC registration on topics such as mandatory training, policies, safeguarding, information governance, complaints and serious incident investigations.

Each quarter, the Chief Nurse, Chief Operating Officer and Medical Director held engagement meetings with the CQC where key developments and challenges within practice were discussed. At the management level, the IGRM Committee is co-chaired by the Chief Nurse and the Medical Director has the delegated responsibility for oversight and monitoring of all aspects of quality and risk including review of serious incidents, National Institute for Health and Care Excellence (NICE) guidance compliance and policy/guideline approval, emergency planning and research governance.

The QAR Committee oversees and monitors the performance of the IGRM.

Risk management and incident reporting processes identify risks of all levels of severity throughout the organisation. These processes feed into the divisional governance structure and their risk registers are reviewed on an ongoing basis. The Trust Risk Register records all divisional and corporate risks scoring 12 and above. On a quarterly basis the QAR Committee reviews the detail of all risks scoring 15 and above.

The Board and divisional leadership consider the risk appetite and risk scores when reviewing Cost Improvement Programme (CIP) Quality Impact Assessments. The policy details the process for risk identification and evaluation using a standardised risk assessment matrix and sets out the levels of authority for the management of identified risk. During 2022/23, there were two ‘Never Events’ at the Trust. One was concerning a retained swab following surgery. Following an investigation, actions and learning identified included revision of the count process from a human factors perspective to ensure that this is now more visual, making it more likely to detect retained objects. The second Never Event concerned medication being administered via the wrong route. Learning and actions included safety netting of the local induction checklist process as well as a review of agency staff vetting processes.

Data security incidents and risks are reported to the Information Governance Committee, chaired and attended by the Senior Information Risk Owner and Data Protection Officer. The Audit and Finance Committee (AFC) receives routine reports on cyber security and a six-monthly update on information governance risk, with any key risks reported to the Board.

Major risks and mitigation

The major risks continue to reflect, at a high level, the challenging NHS climate due to increasing demand on services and requirements to modernise infrastructure.

Maintaining The Royal Marsden’s position as a competitive employer and sustaining its specialist workforce in light of the rise in the cost of living and increasing pressure of industrial action

Workforce is a major concern for NHS trusts across the country, with staffing challenges now as pressing as the financial challenge. There is a global shortage of healthcare staff, which has been exacerbated for the UK by the impact of Brexit and the COVID-19 pandemic, and there are increased attrition rates across all sectors. Demographic changes and differing expectations in the workforce require modernisation of the workplace and the employment offer.

During the year, the Trust faced the additional risk of industrial action. Nurses, junior doctors and some allied health professionals (AHPs) at The Royal Marsden voted in favour of industrial action, which took place in December 2022, February 2023 and March 2023. The Trust worked with trade union representatives and clinical teams to ensure that the safety of patients was maintained during the periods of industrial action. The Trust hopes to see a resolution to the pay dispute as soon as possible, but recognises that pay is a matter for the Government.

The Trust has maintained a high-quality workforce model which provides one of the best training and employment experiences and is mindful that maintaining this position going forward will be challenging.

The Trust’s dedicated international nurse recruitment and retention programme, set up in 2017, continues to attract nursing staff from around the globe. In addition, this year the Trust has recruited its first cohort of refugee nurses in conjunction with NHS England to provide them with an opportunity to utilise their skills here in the UK, whilst supporting recruitment to nursing vacancies.

The learning and development team is exploring ways to train and educate clinical staff at The Royal Marsden School to ensure the Trust maintains its supply of nurses. The Trust is also looking into the creation of new supply sources of substantive and flexible clinical staff, both locally and in partnership with RM Partners.

The HR team is working to address the high rate of clinical staff vacancies, diversify the skills and experience of The Royal Marsden workforce, and ensure that the people the Trust employs remain with the organisation.

Ensuring a sustainable paediatric service model at The Royal Marsden

As evidenced in the Trust’s latest CQC report, The Royal Marsden delivers a safe and high-quality service to children and young people. The 2019 Picker Service ranked the Trust’s paediatric services as one of the top six providers for patient experience. Internal evaluation of the paediatric service was also undertaken and validated by KPMG, the Trust’s internal auditor, and the review confirmed that the principal treatment centre provides a comprehensive, high-quality, safe service to children.

In January 2020, following a report by Sir Mike Richards, it was determined that children with cancer who have a more than five per cent likelihood of requiring critical care as part of their management must be treated at a site that has level three critical care facilities available on site, in accordance with the new draft Service Specification for Children and Young People with Cancer. NHS England London therefore established a process, an options appraisal exercise and a timeline for responding to this recommendation.

In November 2021, NHS England published a new Service Specification for Children (up to and including age 15) making co-location with a paediatric intensive care unit (PICU) mandatory for any principal treatment centre (PTC) caring for children with cancer. This mandatory requirement affects provision of this service in London, where The Royal Marsden operates as a joint PTC with St George’s University Hospitals NHS Foundation Trust. The future of cancer treatment in children is focused increasingly on CAR-T cell treatments, which are more likely to lead to children requiring intensive care during the initial phases of treatment.

NHS England London (NHSEL) was asked to recommend a preferred provider based on agreed criteria, to enable co-location of the region's PTC with a PICU, and this initial assessment process was completed in January 2023. Both St George's University Hospitals NHS Foundation Trust and Guy's and St Thomas' NHS Foundation Trust were assessed as viable options. A period of public engagement and consultation on the new provider options will take place in the autumn, with a decision on the preferred provider expected by Spring 2024. The service is not expected to relocate until 2026 at the earliest. There is no change to the current provision of services for teenagers and young adults (those aged 16 and above). This service will remain with The Royal Marsden.

The Trust will work closely with the new provider, NHSEL, staff and the ICR to ensure that the transition of patient treatment and care, including the delivery of clinical trials, to the new site is as seamless as possible. World-leading research for children with cancer will be maintained by the ICR in collaboration with the new provider. NHSEL are working to ensure that jobs remain secure, and staff can eventually move with the service to continue to provide excellent care in the new setting once estate works are complete.

Research and innovation – loss of specialist paediatric cancer research and clinical trials with the relocation of the service to another provider

The Royal Marsden has the largest paediatric inpatient and drug development programme in the UK and is one of the few centres in the world to deliver early clinical trials of investigational therapies for teenagers and young adults with cancer. The children's service is currently an integrated service and research model on the Trust's Sutton site and this cannot be replicated. The relocation of the children's service to another provider will result in the loss of specialist paediatric cancer research and clinical trials and reduce access to novel treatments for paediatric patients. Research collaborators have been advised that paediatric research will continue at The Royal Marsden

and that the Trust will support the continuation of research throughout the process of any potential transfer to another provider. The ICR has been engaged as part of the options appraisal process and both The Royal Marsden and the ICR will form part of the research element of the assessment process.

Financial sustainability

The NHS financial framework for 2023/24 is a blended flexible/fixed model and constrains the Trust to a revenue control total. The Trust has agreed a £2 million surplus plan for 2023/24.

To review ongoing divisional performance, the executive-led Finance and Performance Committee monitors progress against the plan on a monthly basis and forecasts are reviewed. Enhanced controls have been put in place such as the vacancy control panel, review of agency, overtime and bank usage, and enhanced non-pay controls are in place. The Trust has in place a robust process for the approval of the business plan and business cases. The AFC and the Trust Board are also closely monitoring the financial performance to ensure the forecast is met.

Managing the devolution of the specialised commissioning budget without adverse consequences for specialist cancer services provided by The Royal Marsden

NHS England has announced that the devolution of specialised commissioning budgets will be implemented from 2024/25. As a result, there is a delay in decision making caused by uncertainty around the readiness of South West London Integrated Care Board (ICB) to take on responsibility for specialised commissioning. ICBs outside of south west London are deciding to invest specialised commissioning budgets locally rather than in services being provided by the Trust.

The finance and operational teams have been engaging with the emerging governance groups to ensure the risks identified are appropriately managed. The Trust is engaging with the national team designing the financial policy (through the Specialised Commissioning Integration Group, of which the Chief Financial Officer is a member) and the Federation of Specialist Hospitals, which is also making representations to national teams.

Governance structures and CQC licence

On an annual basis, the Board committees review Trust evidence against the requirements of the CQC's licence conditions, including condition four (Foundation Trust governance) and advises the Board accordingly.

The Trust has reviewed its compliance with the NHS Foundation Trust licence conditions and, in relation to condition four, it has concluded it fully complies with the requirements and there are processes in place to identify and mitigate risks to compliance. No significant risks have been identified. Mitigations include:

- Governance structures, including clarity on the role of directors as outlined under the Accountability Report.
- Reporting lines and accountabilities.
- The Board standing orders and standing financial instructions detail the governance and assurance structures and systems through which the Trust Board receive assurance.
- Submission of timely and accurate information to assess risks to compliance with the Trust's licence.
- The Board Assurance Framework identifies the Trust's strategic objectives, key risks to achieving the objectives, and the controls and assurance mechanisms in place to mitigate the risks, including those relating to the CQC licence conditions. The Trust reviewed and updated the Board Assurance Framework in 2022/23 and monitors the assurances it receives against the framework, and reviews progress on the action plans drawn up to close the gaps in both controls and assurance.
- The Board's oversight of the Trust's performance as outlined in the performance analysis.

The QAR Committee is a committee of the Board and is responsible for approving the clinical management of risk and monitoring the implementation of risk management arrangements within the Foundation Trust.

This includes assurance that the Trust complies with its obligations regarding CQC registration. The QAR Committee is responsible for ensuring that effective arrangements are in place for the oversight and monitoring of all aspects of clinical quality and safety, including identifying potential risks to the quality of clinical care.

Every quarter, frontline clinical staff report to the QAR Committee and describe the positive aspects of the Trust's research, education and care, and also areas that require improvement. The AFC is also a committee of the Board and helps manage risk. The Committee contributes to the Board's overall process for ensuring that an effective internal financial control system is maintained. It therefore oversees the financial risk and provides confidence in the objectivity and fairness of financial reporting, providing assurance about the adequacy of internal controls, the safeguarding of assets and in reducing the risk of illegal or improper acts. The AFC also reinforces the importance, independence and effectiveness of internal and external audits. Internal Audit (KPMG) works closely with this committee and provides assurance on the systems of control operating within the Trust.

Internal audit and anti-fraud activities

The results of internal audit reviews are reported to the AFC, which oversees the action required, addressing any system weaknesses. Procedures are in place to monitor the implementation of control improvements and to undertake follow-up reviews when required. An internal audit action recommendation tracking system is in place, which records progress in implementing the recommendations by management. Management's progress in implementing corrective action following internal audit recommendations is reported to the AFC, and the Board also receives reports on high and medium issues. The anti-fraud programme is led by the Chief Financial Officer with support from KPMG and is monitored by the AFC.

Patient and public involvement and engagement

The Trust is committed to having an effective structure for patient and public involvement and engagement (PPIE) at all levels within the organisation. Together with the PPIE policy and the Patient Experience Commitment (2020-24) being in place for three years, the PPIE Expenses and Rewards Policy – introduced last year – has been implemented with BACS payments and voucher rewards being offered over the last year. A new PPIE agreement has also been offered this year.

A programme of training and support sessions was delivered this year, covering sessions for professionals as well as patient and public contributors. The PPIE induction for new patient and public contributors is now ongoing and is offered bi-monthly; 15 patient and public contributors working with the Trust at a strategic or partnership level have also attended the new PPIE Core Skills training online. Awareness and examples of patient and public involvement have been shared through three PPIE newsletters and articles published in RM magazine.

The online platform Cancer Patients’ Voice had more than 7,000 visits this year, and over 170 registrations. It featured 35 projects; a mixture of research, service development and service evaluation projects.

The Trust continued working with existing groups for service design and development, such as the Patient and Carer Advisory Group (PCAG), the Parents Group, and the Teenage and Youth Adult Forum, on a number of projects, including Connect Digital Health Record and MyMarsden, the ‘Write to me’ project and the children’s services review. The Trust IGRM Committee has two patient/carer representatives from PCAG as core members. The Quality and Patient Experience Committee and its subgroups also involve patients, carers and governors. In research, there was an increase in the number of co-design and co-production projects, and the NIHR BRC Public Contributors Working Group played an important role in the successful NIHR BRC funding application and the new NIHR

BRC PPIE Strategy. The Equality, Diversity and Inclusion Patient and Public Contributors Group, which facilitates diverse voices in the Trust, increased its diverse membership and put together an action plan. Finally, the Trust increased diversity and innovative patient and public involvement with nine PPIE grants with a focus on equality, diversity and inclusion.

Trust governance and services

As an NHS Foundation Trust, governance and strategic direction is provided by the Council of Governors, of which two-thirds are patient, carer and public governors. The long-established PCAG acts as a focus for all local patient involvement initiatives, often working alongside the governors. This group leads on a number of activities including a ‘Listening Post’ (an opportunity to provide feedback on activities of the Trust) across sites twice a month. In addition, there are other engagement groups such as the Youth Forum and the Parents Group; and other activities such as workshops and discussion groups taking place for the design or development of specific projects. The governors and PCAG also link with other governance committees and initiatives. The Trust IGRM Committee has two patient/carer representatives from PCAG as core members. The newly formed Quality and Patient Experience Committee also involves patients, carers and governors. As part of the new patient safety strategy, two Patient Safety Partners have been recruited and began working with the Trust in February 2023. These dedicated safety roles bring the added value of providing an independent perspective on safety, as well as complementing and working alongside other patient groups.

Research

There is a robust quality management system for all clinical research, overseen through the Clinical Research and Development (R&D) Office and Research Quality Assurance team. The Clinical R&D Office ensures all relevant scientific, capacity and governance reviews are complete prior to a new research project starting and that all regulatory requirements have been fulfilled. The Research Quality Assurance team conducts an annual programme of audit to ensure compliance of research with all regulatory standards including drug safety monitoring and auditing. Standard operating procedures for all aspects of trial set up, management and delivery, accompanied by a programme of training for all research staff ensure high standards of governance across the research portfolio. A joint Royal Marsden/ICR Clinical Research Governance Board, chaired by the Director of Clinical Research, oversees governance systems for clinical research and compliance with relevant research regulations.

Research strategy is overseen through a joint governance structure with the ICR, including the joint Research Strategy Board and the NIHR BRC Steering Committee. There are more than 200 public contributors involved and engaged in Royal Marsden research and the BRC Public Contributors Working Group (PCWG), a key strategic group, supports PPIE activities across the NIHR BRC, which includes active membership of the NIHR BRC Steering Committee.

Workforce strategies, safeguards and staffing systems

The Trust is committed to ensuring that staffing levels are safe across all professional groups.

Nursing workforce

2022/23 was dominated by recovery from the COVID-19 pandemic. Nurses stepped up to the challenge and played a vital role in treating patients and containing the virus whilst also developing services, including the implementation of the perioperative senior adult oncology assessment tool in the admissions and pre-assessment unit. The practice educator team played a significant role in the expansion of the number of nursing student placements at The Royal Marsden. Students were supported from two new universities: City, University of London and University of Roehampton.

The focus throughout the year has been to ensure ongoing recruitment of both nationally and internationally educated nurses (IENs). Nursing vacancy rates have risen to 11 per cent and a turnover rate of 16.4 per cent. Turnover is attributed to nurses relocating nationally and internationally to be closer to friends and family, the cost of living and support with childcare. The Trust recruited 39 IENs and six Palestinian refugees through an NHS England-funded project. Through The Royal Marsden School, the Trust developed a two-year preceptorship programme for newly qualified nurses, for which it was awarded the Quality Mark from Capital Nurse. The Royal Marsden is one of the few trusts that have appointed Trainee Nurse Associates (TNA) for infection control. Retaining experienced oncology trained nurses to provide high-quality cancer care and to promote stability is the key initiative for the year ahead. From April 2023, the Trust has appointed a careers pathway lead who will dedicate their time to leading this work.

The Chief Nurse presents a detailed safer staffing paper bi-annually to the Executive and Trust Board. On a monthly basis, the Chief Nurse updates the Executive and Trust Board with the Quality Account on key staffing issues and challenges to ensure the Trust has safe staffing levels.

In October, The Royal Marsden School held its sixteenth graduation ceremony and 78 graduates received awards for academic programmes of MSc and BSc study. At the ceremony, 34 members of staff received The Royal Marsden Certificate and Badge. These were awarded to nurses and AHPs who made a significant contribution to clinical practice and/or service in the Trust while studying. The Yasmin Drayton Prize was presented to Helen O’Toole, Lead Nurse Clinical Education. This was to recognise her outstanding contribution to clinical education and practice over the last five years.

Professor Susanne Cruickshank continues to lead on research capacity and capability building among nurses, AHPs and pharmacists (NAHPP). This includes working with The Royal Marsden Cancer Charity, the ICR and external grant bodies to secure ongoing funding to ensure the research is appropriately resourced. In the past year, NAHPP staff secured over £250,000. The NAHPP research network across the Trust continues to grow and supports over 60 research active staff; 47 attended the first in-person research day in May 2022. This focused on advancing research locally, nationally and internationally to transform care and improve outcomes for those living with and beyond cancer.

Medical workforce

In 2022/23, the Trust turned its focus to developing its strategy for strengthening its position as a global employer of choice for consultant medical staff. While the Trust continues to develop its expertise in workforce planning for the cancer workforce, it is mindful of the changes to the healthcare workforce and the need to create new jobs that people want to do. Recruitment, retention, succession planning, talent management and helping people working differently and for longer are key challenges to ensure the Trust can continue to employ the very best doctors. Through its annual business planning round, the Trust ensures that it has the appropriate medical workforce in place to deliver safe, high-quality services to patients, and over the past year has extended new non-training roles of Physician Associates to ensure that services remain at the highest level of quality and safety. Furthermore, the new Specialty Doctor contract gives the Trust the potential to explore new senior non-consultant roles in the future.

At junior doctor level, the 2016 contract continues to provide safeguards for safe working, with restrictions on working hours, and introduced a new role, Guardian of Safe Working, to ensure that trusts adhere to agreed working patterns. The Royal Marsden continues to work with the Guardian of Safe Working, who reviews all exceptions to the agreed work schedule, and the Trust has included its non-training roles in this process.

Operationally, there is an Emergency Medical Cover Standard Operating Procedure, which is currently being updated by the divisional leads, which outlines the escalation process if there are late notice absences, for example due to illness, that affect staffing on the day. The Trust continues to develop a new electronic rostering system for junior doctors, which will improve visibility of any gaps in rotas.

Allied health professional workforce

The AHP workforce is designated to the Therapy and Rehabilitation Department. These core services comprise dietetics, occupational therapy, physiotherapy, and speech and language therapy. The department also has other AHP services such as podiatry and music therapy. Although the AHP workforce is not aligned to a safer staffing tool to determine the exact number of therapists per patient numbers, assessment of the workforce is always undertaken prior to the implementation of new services or an increase in bed capacity. The department has created a capacity tool that enables service leads to calculate the clinical capacity for their teams and compare it to demand. This instrument can be used to inform performance scorecards and decision makers on the current AHP clinical capacity and serves as a basis for improvements and workforce planning.

This year, the department was successful in securing several grants from Health Education England (HEE) of nearly £500,000 to support AHP workforce assessment, strategic planning, training and development. Several improvements were attained for the AHP workforce:

- Student training – new training models developed, aligned to the HEE four pillars of staff development: clinical, research, leadership and education.
- Return to practice – a model to support AHP return to practice has been developed and is actively recruiting experienced staff.
- Support workers (SW) and apprenticeships – the Trust has mapped its current SW workforce skills and is creating a framework to support their training, development and entrance into an apprenticeship scheme.

- Preceptorship – a preceptorship model for AHPs has been developed and the Trust will be working with south west London providers on a potential rotation model to support the Trust’s band 5 staff to gain training in other clinical areas.
- Advanced AHP Practitioners – the Trust has created Advanced AHP Practitioner roles and, based on staff enhanced skills, has secured a £70,000 HEE grant for the 2023/24 financial year. The grant is to support the development of an Advanced AHP Practitioner led clinic that is currently led by consultants. This will be a new working model in the UK that will support staff development and retention, and will release medical capacity.

Compliance statement

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

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months, as required by the ‘Managing Conflicts of Interest in the NHS’ guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer’s contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

Control measures are in place to ensure that all the organisation’s obligations under equality, diversity and human rights legislation are complied with.

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

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

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control to ensure that resources are used economically, efficiently and effectively. The Trust has established arrangements for managing its financial and other resources, which demonstrate that value for money is being managed and achieved.

The annual budget-setting process and plan for 2022/23 was approved by the Board of Directors and communicated to all managers in the organisation. The plan was to deliver a revenue surplus in 2022/23 and to have an ongoing plan to improve organisational efficiency. The Board has overseen the financial and operational performance of the Trust throughout the year. The AFC reviews performance against the financial plan and efficiency programme on a regular basis. Internal audit undertakes audits each year, which they report to the AFC, and these include the review of efficiency and use of resources across a range of expenditure types. In addition to financially related audits, the internal audit programme covers governance and risk issues.

The Finance and Performance Committee, chaired by the Chief Financial Officer, meets monthly and reviews the financial, workforce and activity performance of each division, including the delivery of the efficiency programme.

During the year the Trust also:

- reviewed staff efficiency via the flexible staffing group and Finance and Performance Committee
- utilised benchmarking evidence from collaborative site visits, national tools such as the Model Hospital, and external professional reviews (such as catering) to inform future efficiency programmes.

On 28 June 2023, the Trust’s external auditor reported to the Trust that in their view there was a significant weakness in the Trust’s governance arrangements; specifically in relation to its decision-making arrangements with respect to assessing compliance with HM Treasury’s Managing Public Money when entering a significant transaction with The Royal Marsden Cancer Charity on 31 March 2023. The Royal Marsden Cancer Charity raises money solely to support the Trust and its patients, staff, carers and students. The Trust entered into the transaction in good faith without seeking approval from HM Treasury, following legal advice and an understanding that other trusts had entered similar transactions. However, the external auditor recommended the Trust seeks advice from NHS England and HM Treasury regarding its compliance with Managing Public Money. The Trust has discussed this matter with NHS England and sought retrospective approval for the transaction from HM Treasury. This approval has not been received at the date of this report. The external auditor also recommended that, prior to making any similar transactions in the future, the Trust seeks advice and/or approval, as applicable, from NHS England and HM Treasury as part of its assessment of compliance with HM Treasury’s Managing Public Money.

6. Information governance

The Information Commissioner’s Office (ICO) has had the powers to fine organisations since 2010 and The Royal Marsden has not incurred any fines to date.

In addition, the UK has implemented the EU Directive on the Security of Networks and Information Systems (known as the NIS Directive). This has now been passed into UK law with the Security of Network and Information Systems Regulation (2018). This also carries a maximum fine of £17,500,000 or four per cent of gross global turnover. Under the new legislation, organisations are required to report breaches within 72 hours of the incident discovery.

The ICO also has the power to issue undertakings, which commit an organisation to a particular course of action in order to improve its compliance and enforcement notices. Enforcement notices are issued to organisations in breach of legislation, requiring them to take specified steps to ensure that they comply with the law. Since the introduction of UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018, incident reporting requirements have changed. There are now three types of breaches reportable under the new regime: confidentiality, integrity and availability.

In 2022/23, the Trust reported three incidents externally via the Data Security and Protection Toolkit. All three incidents related to cyber breaches. Two involved NHS Mail email accounts (NHS Mail accounts are jointly managed by NHS Digital and the Trust), and one a Trust email account. The details of the incidents are detailed below.

- In July 2022, the Trust was informed that two NHS Mail accounts had been compromised. Following an investigation, it was discovered that only one contained confidential personal information. Once the facts were known, the incident was reported externally, including to the ICO. Actions were taken to secure the accounts. All affected patients were informed but there were no issues reported by those affected.
- In October 2022, the Trust became aware of unusual activity relating to a mailbox belonging to a Trust email account. An immediate investigation was undertaken by the Digital Services team, which found that mailbox rules had been set up to route emails relating to specific people and key words pertaining to the fraudulent emails. Action was taken to secure the account to prevent any further breach. All individuals involved were informed and no issues were reported by those affected. Following an internal investigation of a potential exfiltration of personal data arising from the cyber breach, the Trust sent a notification of the incident to the ICO on 9 November 2022. After enquiries of their own, the ICO confirmed on 14 December 2022 that the case did not reach the requirements for any regulatory action and as a result closed the case.

- In November 2022, the Trust was informed that an NHS Mail account had been compromised. Once the facts were known, the incident was reported externally, including to the ICO. An immediate investigation was undertaken, and action was taken to secure the account to prevent any further breach. All affected patients were informed but there were no issues reported by those affected.

The Trust responded to questions raised by the ICO and all incidents have been closed with no further action from the ICO.

To date, The Royal Marsden has not been levied a fine, enforcement notice or undertaking for breaching data protection legislation or regulatory requirements.

7. Data quality and governance

The Trust maintains a performance and data quality framework which ensures that source data for all reported metrics are well defined and are subject to appropriate levels of data quality assurance. The Trust’s Data Quality team performs regular checks on Trust data, and data asset owners also separately run audit programmes to ensure accuracy. Outlier data is always investigated by performance and information analysts to ensure robustness.

The Trust recognises that up-to-date and comprehensive procedural documents are essential to the provision of safe and high-quality patient care. Local policies surrounding data accuracy and quality are reviewed and ratified annually.

A data quality report, which includes a live issue log, is regularly presented to the Trust’s Information Governance Committee, which reports into the QAR Committee.

The data quality team provides refresher training to any staff or staff groups where systemic issues have been identified, and, furthermore, is involved in the design of training documentation to ensure appropriate coverage of good data practice. Trust internal auditors regularly review aspects of data quality as part of their annual programme. The audit for the most recent year covered the quality and governance of chemotherapy waiting times data and concluded ‘significant assurance with minor improvement opportunities’.

Quality metrics are reported quarterly to the Board and the Council of Governors and are reviewed monthly by the Trust’s Acute Performance Group as well in the commissioner-hosted Clinical Quality Review Group.

8. Review of effectiveness

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

I have drawn on the performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Finance Committee, and the Quality, Assurance and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the systems is in place.

The Board Assurance Framework provides evidence that the effectiveness of controls to manage strategic risks to the organisation and achieving its principal objectives have been reviewed and monitored.

My review is also informed by:

- Assessment of financial reports submitted to NHS England, the Independent Regulator of NHS Foundation Trusts – The Board Leadership and Development Framework and review of its performance in light of the ‘well led’ guidance issued by NHS England
- Opinions and reports made by external auditors
- Opinions and reports made by internal auditors
- Opinions and reports made by clinical auditors
- Achievement of the Customer Service Excellence standard
- ISO 22301:2012 Business Continuity Management System
- NHS London Annual Emergency planning assurance process
- ISO 9001 compliance for radiotherapy and chemotherapy
- Clinical Pathology Accreditation (CPA) held for designated pathology services
- UKAS Quality Standard for Imaging (QSI) for Radiology Imaging Services
- Imaging Services Accreditation Scheme for Radiology Imaging Services
- Six-monthly Integrated Governance Monitoring Reports
- Infection Control Annual Report
- Clinical audit reports and action plans
- Investigation reports and action plans following serious and significant incidents
- Departmental and clinical risk assessments and action plans
- Results of the national patient surveys
- Results of the NHS Staff Survey.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control has been reviewed by:

- The Board of Directors; through consideration of key objectives and the management of principal risks to those objectives within the Board Assurance Framework.
- The Integrated Governance and Risk Management Committee; by reviewing all policies relating to governance and risk management and monitoring the implementation of arrangements within the Trust.
- The Audit and Finance Committee; by reviewing and monitoring the opinions and reports provided by both internal and external audit.
- The Quality, Assurance and Risk Committee; by implementing and reviewing clinical governance and risk management arrangements and receiving reports from all operational risk committees.
- External assessments of services.

Conclusion

As Accounting Officer, and based on the review process detailed above, I have identified one weakness in the Trust’s governance arrangements with respect to the decision to enter a significant transaction with The Royal Marsden Cancer Charity on 31 March 2023 as described on page 84. Other than this matter, I am assured that there are no significant internal control issues.

Approval of the Annual Governance Statement:

Dame Cally Palmer CBE
Chief Executive
30 June 2023

Approval of the Accountability Report:

Dame Cally Palmer CBE
Chief Executive
30 June 2023

**3. Annual Accounts
for the year ended
31 March 2023**

**Foreword to the accounts
The Royal Marsden
NHS Foundation Trust**

These accounts for the year ended 31 March 2023 have been prepared by The Royal Marsden NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.

Dame Cally Palmer CBE
Chief Executive
30 June 2023

**Independent auditor’s report
to the board of governors
and board of directors of
The Royal Marsden
NHS Foundation Trust**

**Report on the audit of the
financial statements**

Opinion

In our opinion the financial statements of The Royal Marsden NHS Foundation Trust (the ‘foundation trust’) and its subsidiary (the ‘group’):

- give a true and fair view of the state of the group’s and the foundation trust’s affairs as at 31 March 2023 and of the group’s and foundation trust’s income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated and trust statement of changes to taxpayers’ equity;
- the consolidated statement of cash flows; and the related notes 1 to 25.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of accounting officer

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

In preparing the financial statements, the accounting officer is responsible for assessing the group’s and the foundation trust’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the foundation trust without the transfer of the foundation trust’s services to another public sector entity.

Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

We considered the nature of the group and its control environment, and reviewed the group’s documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and local counter fraud about their own identification and assessment of the risks of non-compliance with laws and regulations.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group’s ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- determination of whether expenditure is capital in nature: we tested the expenditure on a sample basis to assess whether the sampled items met the relevant accounting requirements to be recognised as capital in nature;

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;

- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports and reviewing correspondence with the licensing authority.

Report on other legal and regulatory requirements

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

In our opinion:

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

Matters on which we are required to report by exception

Use of resources

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

On 28 June 2023, we reported to the trust a significant weakness in the trust’s governance arrangements; specifically in relation to its decision-making arrangements with respect to assessing compliance with HM Treasury’s Managing Public Money when entering a significant transaction with The Royal Marsden Cancer Charity on 31 March 2023. We recommended that the Trust seeks advice from NHS England and HM Treasury regarding its compliance with Managing Public Money. The Trust has discussed this matter with NHS England and sought retrospective approval for the transaction from HM Treasury. Approval has not been received at the date of this report.

We also recommended that, prior to making any similar transactions in the future, the Trust seeks advice and/or approval, as applicable, from NHS England and HM Treasury as part of its assessment of compliance with HM Treasury’s Managing Public Money.

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

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

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

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

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

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023. Other findings from our work, including our commentary on the foundation trust’s arrangements, will be reported in our separate Auditor’s Annual Report.

Annual Governance Statement and compilation of financial statements

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

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

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

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certificate of completion of the audit

We certify that we have completed the audit of The Royal Marsden NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors (“the Boards”) of The Royal Marsden NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Gooding (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
St Albans, United Kingdom
30 June 2023

Consolidated statement of comprehensive income for the year ended 31 March 2023

	Note	2022/23	2022/23	2021/22	2021/22
		Trust	Group	Trust	Group
		£000	£000	£000	£000
Income from activities	3	473,595	473,595	409,036	409,036
Other operating income	3	124,675	124,378	154,201	153,879
Operating expenses	4	(578,393)	(578,072)	(513,784)	(513,494)
Operating surplus		19,877	19,901	49,453	49,421
Finance costs					
Finance income	6	2,813	2,898	83	70
Finance expense	7	(400)	(395)	(189)	(189)
Public Dividend Capital dividends payable		(4,791)	(4,791)	(4,368)	(4,368)
Net finance costs		(2,378)	(2,288)	(4,474)	(4,487)
Share of profit/(loss) in joint venture	11	(188)	(188)	122	122
Corporation tax expense		–	(22)		
Surplus/(Deficit) for the year		17,311	17,403	45,101	45,056
Other comprehensive (losses)/income					
Amounts that will not be reclassified subsequently to income and expenditure					
Revaluation (losses) on land and buildings		(5,540)	(5,540)	(2,328)	(2,328)
Total comprehensive income for the year		11,771	11,863	42,773	42,728
	Note	2022/23	2022/23	2021/22	2021/22
		Trust	Group	Trust	Group
		£000	£000	£000	£000
Surplus for the year pre impairment and adjustments relating to capital charitable donations		17,311	17,403	45,101	45,056
Donated capital income	9	(26,119)	(26,119)	(42,113)	(42,113)
Depreciation on donated assets		7,791	7,791	7,022	7,027
Impairment of assets due to changes in market prices	4	8,146	8,146	(6,352)	(6,352)
Centrally procured inventories		–	–	308	308
Surplus for the year pre impairment and adjustments relating to capital charitable donations		7,129	7,221	3,966	3,926

Consolidated statement of financial position as at 31 March 2023

	Note	31 March 2023	31 March 2023	31 March 2022	31 March 2022
		Trust	Group	Trust	Group
		£000	£000	£000	£000
Non-current assets					
Intangible assets	8	26,075	26,075	14,578	14,578
Property, plant and equipment	9	289,448	289,468	288,652	288,679
Right of use assets	10	29,740	29,740	–	–
Loan to subsidiary undertakings	14	419	–	710	–
Investment in subsidiary undertakings	14	3,360	–	3,360	–
Trade and other receivables	13	1,202	1,202	1,494	1,494
Investment in joint venture	11	434	434	622	622
Total non-current assets		350,678	346,919	309,416	305,373
Current assets					
Inventories	12	7,230	9,007	6,549	8,993
Trade and other receivables	13	81,245	82,562	76,567	77,182
Public dividend capital receivable	13	122	122	–	–
Loan to subsidiary undertakings	14	291	–	287	–
Assets held for sale		–	–	–	–
Cash and cash equivalents	17	160,267	165,147	167,697	171,348
Total current assets		249,155	256,838	251,100	257,523
Current liabilities					
Trade and other payables	15	(91,341)	(95,170)	(86,833)	(89,228)
Provisions	15/16	(74)	(74)	(2,314)	(2,314)
Borrowings	15/16	(5,188)	(5,188)	(4,736)	(4,736)
Deferred income and other liabilities	15	(42,881)	(42,909)	(45,177)	(45,187)
Public dividend capital liability	15	–	–	(390)	(390)
Tax payable	15	(6,641)	(6,669)	(5,916)	(5,945)
Total current liabilities		(146,125)	(150,010)	(145,366)	(147,800)
Non-current liabilities					
Trade and other payables		–	–	(2,747)	(2,747)
Provisions	16	(4,923)	(4,923)	(2,994)	(2,994)
Borrowings	16	(35,482)	(35,482)	(14,379)	(14,379)
Total non-current liabilities		(40,405)	(40,405)	(20,120)	(20,120)
Total assets employed		413,303	413,342	395,030	394,976
Financed by taxpayers' equity					
Public dividend capital	SoCTE	115,556	115,556	115,285	115,285
Revaluation reserve	SoCTE	9,031	9,031	14,571	14,571
Income and expenditure reserve	SoCTE	288,716	288,755	265,174	265,120
Total taxpayers' equity		413,303	413,342	395,030	394,976

The notes on pages 97 to 139 form part of these accounts

These consolidated financial statements have been approved by the board and authorised for issue on 22 June 2023 and signed on its behalf by:

C Palmer

Dame Cally Palmer CBE
Chief Executive Officer
30 June 2023

M Thorman

Marcus Thorman
Chief Financial Officer
30 June 2023

Trust statement of changes to taxpayers’ equity for the year ended 31 March 2023

	Total taxpayers' equity	Public Dividend Capital	Revaluation reserve	Income and expenditure reserve
	Trust	Trust	Trust	Trust
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2021	348,227	111,255	16,899	220,073
Surplus for the year	45,101	–		45,101
Revaluation losses on property, plant and equipment	(2,328)	–	(2,328)	–
Public Dividend Capital received	4,030	4,030	–	–
Taxpayers' equity at 31 March 2022	395,030	115,285	14,571	265,174
Taxpayers' equity at 1 April 2022	395,030	115,285	14,571	265,174
Impact of implementing IFRS 16 on 1 April 2022	6,232	–	–	6,232
Surplus for the year	17,310	–	–	17,310
Revaluation losses on property, plant and equipment	(5,540)	–	(5,540)	–
Public Dividend Capital received	271	271	–	–
Taxpayers' equity at 31 March 2023	413,303	115,556	9,031	288,716

Consolidated statement of changes to taxpayers’ equity for the year ended 31 March 2023

	Total taxpayers' equity	Public Dividend Capital	Revaluation reserve	Income and expenditure reserve
	Group	Group	Group	Group
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2021	348,219	111,255	16,899	220,065
Surplus for the year	45,055	–	–	45,055
Revaluation losses on property, plant and equipment	(2,328)	–	(2,328)	–
Public Dividend Capital received	4,030	4,030	–	–
Taxpayers' equity at 31 March 2022	394,976	115,285	14,571	265,120
Taxpayers' equity at 1 April 2022	394,976	115,285	14,571	265,120
Impact of implementing IFRS 16 on 1 April 2022	6,232	–	–	6,232
Surplus for the year	17,403	–	–	17,403
Revaluation losses on property, plant and equipment	(5,540)	–	(5,540)	–
Public Dividend Capital received	271	271	–	–
Taxpayers' equity at 31 March 2023	413,342	115,556	9,031	288,755

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

This reserve comprises the cumulative surplus/deficit reported by the Trust, including amounts brought forward from the predecessor NHS organisation. This includes opening balance adjustments due to the implementation of IFRS 16 – Leases due to the impact of peppercorn lease arrangements.

Consolidated statement of cash flows for the year ended 31 March 2023

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Cash flows from operating activities				
Total operating surplus	19,877	19,901	49,453	49,421
Non-cash income and expenses				
Depreciation and amortisation	23,624	23,631	22,183	22,190
Impairment	11,275	11,275	(6,352)	(6,352)
Increase in inventories	(681)	(14)	(91)	(412)
(Increase)/Decrease in receivables excluding any items in relation to the transfer of items per note 12	(4,373)	(4,960)	2,075	2,122
Increase in trade and other payables excluding any items relating to the transfer of items per note 12	6,469	7,746	29,086	29,537
(Decrease)/Increase in deferred income	(3,730)	(3,730)	4,130	4,133
Increase in other liabilities	1,025	1,064	1,683	1,695
(Decrease)/Increase in provisions	(312)	(312)	2,050	2,050
Net cash inflow from operating activities	53,174	54,601	104,217	104,384
Cash flows from in investing activities				
Investment in subsidiary joint venture/undertaking	–	–	(500)	(500)
Loan repayments from subsidiary company	282	–	282	–
Interest received from subsidiary company	5	–	19	–
Interest received	2,809	2,898	65	70
Purchase of intangible assets	(12,592)	(12,592)	(12,713)	(12,713)
Purchase of property, plant and equipment	(39,133)	(39,133)	(67,220)	(67,228)
Net cash used in investing activities	(48,629)	(48,827)	(80,067)	(80,371)
Cash flow from financing activities				
Public dividend capital received	271	271	4,030	4,030
Loan received	–	–	1,960	1,960
Interest paid	(144)	(144)	(195)	(195)
Loan repaid	(4,719)	(4,719)	(4,478)	(4,478)
Lease interest paid	(258)	(258)	–	–
Lease capital paid	(1,822)	(1,822)	–	–
Public dividend capital dividends paid	(5,303)	(5,303)	(4,126)	(4,126)
Net cash outflow from financing activities	(11,975)	(11,975)	(2,809)	(2,809)
Increase/(Decrease) in cash and cash equivalents	(7,430)	(6,201)	21,341	21,204
Cash and cash equivalents at 1 April	167,697	171,348	146,356	150,144
Cash and cash equivalents at 31 March	160,267	165,147	167,697	171,348

Further information on the Statement of Cash Flows can be found in note 17.

1. Accounting policies

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

Accounting convention

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

Going concern

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

After making enquiries, the Board of Directors have a reasonable expectation that the group pertaining to the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. They have not identified any material uncertainties that may cast significant doubt on the Group’s ability to continue as a going concern. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.1 Consolidation

NHS Charitable Fund

The Trust is the corporate trustee to The Royal Marsden Hospital Charity (RMHC) NHS charitable fund (Charity no. 1050537). The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. The assets and activities of RMHC however, were transferred to The Royal Marsden Cancer Charity (RMCC) on 1 September 2011 and the Trust has determined not to consolidate RMHC on the grounds of materiality.

The Royal Marsden Cancer Charity (RMCC) (Charity no. 1095197) is a registered charity and a company limited by guarantee (Company no. 04615761) with a Board of individual trustee directors, which has a wholly owned subsidiary trading company. The RMCC is not an NHS linked charity and therefore does not fall within the definition of a subsidiary. As such, the RMCC has not been consolidated into the financial statements of the Trust.

During the financial year, the Trust made a charitable donation to the RMCC to the value Of £9.0m to support projects that further its ‘modern patient environments’ and ‘state-of-the-art equipment’ themes.

Wholly owned subsidiaries

These consolidated financial statements incorporate the financial statements of the Trust and its wholly owned subsidiary. Consolidation of a subsidiary begins when the Trust has the power to exercise control over the subsidiary and ceases when the Trust loses control of the subsidiary.

All intragroup assets and liabilities, reserves, income, expenses and cash flows relating to transactions between members of the group are eliminated on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the Trust in full.

RM Medicines Limited is a wholly owned subsidiary and is consolidated in these financial statements. It was incorporated on 18 February 2020 and began trading in September 2020. Its primary activity is dispensing medicines to outpatients. All subsidiary undertakings are held at cost less provision for impairment.

Joint ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

1.2 Revenue from contracts with customers

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

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

Revenue from NHS contracts

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

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

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23, elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22, income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such, CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23, payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

Revenue from research contracts and clinical trials

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

1.3 Revenue grants and other contributions to expenditure

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

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

1.4 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

National Employment Savings Scheme (NEST pension scheme)

Employees of the Trust who are not eligible for the NHS Pension Scheme are automatically enrolled into NEST, a defined contribution pension scheme. The amounts charged to the Income and Expenditure account represent the contributions payable by the Trust during the year. Please refer to note 5.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Under defined contribution plans the entity’s legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is not recognised in operating expenses where it results in the creation of non-current assets such as property, plant and equipment.

NHS England’s guidance states that there should be no netting off of income and expenditure. There are a number of employees of the Trust that perform work for other organisations, who in turn reimburse the Trust for this work. The accounts show the income and expense from these arrangements under the headings ‘Other income’ and ‘Staff costs’, respectively.

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Due to the immaterial variance between the Group and Trust values, the note for the Group position only has been presented. The total net book difference in value at 31 March 2023 was £20,055 (2021/22: £27,055).

Measurement

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

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

All land and buildings are revalued every five years with an interim valuation in the third year or more frequently if it is felt that the market is subject to significant volatility. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out primarily on the basis of Modern Equivalent Asset (MEA) value for specialised operational property and fair value for non-specialised operational property. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided. Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation upon completion. A full land and buildings valuation was last undertaken by Montagu Evans LLP as at 31 March 2023.

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

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

Subsequent expenditure

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

Depreciation

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

Property, plant and equipment which has been reclassified as ‘held for sale’ ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings and dwellings are depreciated on their current value over the estimated remaining life of the asset as advised by the Group’s professional valuer (less than 1–60 years). Leaseholds are depreciated straight-line over the primary lease term.

Equipment is depreciated on cost, including historic indexation, evenly over the estimated remaining life of the asset. These are estimated as follows:

Plant and machinery	5–15 years straight line
Transport equipment	7 years straight line
Information technology	5-10 years straight line
Furniture and fittings	10 years straight line

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

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

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

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

Donated, government grant and other grant funded assets

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

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

1.8 Intangible fixed assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

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

Software licences	5–10 years straight line
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1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method (2021/22: the first in, first out [FIFO] method).

During the year, the Trust implemented a new electronic patient record software which calculates the cost of inventories using a different valuation method to the previous software. The change in software went live on 17 March 2023, which was the date of the change in the valuation of the inventories. The Trust carried out a detailed review into the impact of the change in policy. Due to the close proximity of the go-live date and the financial year end, it was determined that the impact in the change of policy was negligible.

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

1.10 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

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

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

The Trust provides for expected credit losses based on the age and type of each debt. The percentages applied reflect an assessment of the recoverability of each class of debt provisions are charged to operating expenditure.

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

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

De-recognition

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

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

1.11 Cash and cash equivalents

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

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

1.12 Leases

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

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

The Trust as lessee

Initial recognition and measurement

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

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term. The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

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

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

Subsequent measurement

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

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

The Trust as lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust’s incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

Determining whether an arrangement contains a lease and other interpretations

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

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

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sub-lease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives

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

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation as a result of a past event of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation at the end of the reporting period taking into account the risks and uncertainties.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury’s discount rates effective from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.4%	4.0%
Year 2	0.6%	2.6%
Into perpetuity	2.0%	2.0%

Clinical negligence costs

NHS Resolution (the trading name of NHS Litigation Authority; NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 16 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises (note 4).

Other insurance

The Trust holds commercial insurance for a range of risks in excess of those covered by the non-clinical risk pooling scheme. This includes cover for property damage and increased costs of working.

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity’s control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Public dividend capital

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

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

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

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

1.16 Value added tax

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

1.17 Corporation tax

Health service bodies, including foundation trusts, are exempt from tax on their principal healthcare income.

The Trust has determined that there is no corporation tax liability due for 2022/23 (2021/22 £nil).

1.18 Climate change levy

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

1.19 Foreign exchange

The functional and presentational currency of the Trust is pound sterling.

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

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

- monetary items are retranslated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and

- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury’s FReM.

1.21 Losses and special payments

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

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

1.22 Gifts

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

1.23 Early adoption of standards, amendments and interpretation

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

1.24 Accounting standards that have been issued but have not yet been adopted

IFRS 17 Insurance Contracts

The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 is yet to be adopted by the FReM, therefore early adoption is not permitted. No significant impact is expected for these standards.

1.25 Critical judgements in applying accounting policies

There are no judgements, apart from those involving estimations (see below), that management has made in the process of applying the Trust’s accounting policies and that have a significant effect on the amounts recognised in the financial statements.

1.26 Sources of estimation uncertainty

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

There is one significant source of estimation that is uncertain; the inputs used in determining the valuation of land and buildings.

The Trust had a full valuation of its land and buildings conducted in year and the valuation has been applied to the Group’s accounts. The Group’s valuers carried out the valuation at the Trust adopted valuation date being 31 March 2023. Further details in respect of the valuation methodology are detailed in note 1.7.

The critical judgements are the assumptions regarding the location of a hypothetical site for the hospital when performing the Modern Equivalent Asset (MEA) valuation.

The main area of estimation uncertainty is the build cost per unit applied in arriving at the valuations.

2. Segmental analysis

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Income	598,270	597,973	563,237	562,915
Operating surplus/(deficit)	19,877	19,901	49,453	49,421
Total assets employed	413,303	413,342	395,030	394,976

The Group has one material segment of business which is the provision of healthcare. The segment has been identified with reference to how the Group is organised and the way in which the chief operating decision maker (determined to be the Board of Directors) runs the Group.

The geographical and regulatory environment and the nature of services provided are consistent across the organisation and are therefore presented in one segment. The necessary information to develop detailed income and expenditure for each product and service provided by the Trust is currently not discretely available and the cost to develop this information would be excessive.

Significant amounts of income are received from transactions with the Department of Health and Social Care, and other NHS bodies. Disclosure of all material transactions with related parties is included in note 22 to these financial statements. There are no other parties that account for more than 10% of total income.

3. Operating income

3.1 Income from activities by source

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Commissioner requested services				
CCGs, ICBs and NHS England	298,610	298,610	254,448	254,448
Department of Health and Social Care	11,599	11,599	10,910	10,910
Other NHS and non-NHS	1,043	1,043	2,066	2,066
Non-commissioner requested services				
Private care	162,343	162,343	141,612	141,612
	473,595	473,595	409,036	409,036

The above analysis classifies income from activities arising into commissioner requested and non-commissioner requested services, as set out in the Group’s Provider Licence.

3.2 Analysis of income from activities by nature

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Block contract/system income	290,440	290,440	241,559	241,559
Elective Recovery Fund	8,899	8,899	12,890	12,890
Additional pension contribution central funding	11,599	11,599	10,910	10,910
Patient care income from private patients	162,167	162,167	141,520	141,520
Patient care income from overseas patients	176	176	92	92
Other non-NHS patient care income	314	314	2,065	2,065
	473,595	473,595	409,036	409,036

3.3 Other operating income

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Commercial trials income	22,186	22,186	17,851	17,851
Education and training	6,753	6,753	5,040	5,040
Non-patient care services to other bodies	6,656	6,656	9,695	9,695
Services provided to associated charities	1,227	1,227	845	845
Car parking	330	330	8	8
Catering	991	991	641	641
Salaries and wages recharged to other organisations	5,219	5,219	5,183	5,183
Reimbursement and top-up income	824	824	21,307	21,307
Other	7,799	7,502	7,832	7,510
Other non-contract operating income:				
Research and development	11,318	11,318	13,563	13,563
Royal Marsden Partners	14,343	14,343	13,719	13,719
Charitable and other contributions to expenditure	47,029	47,029	58,517	58,517
	124,675	124,378	154,201	153,879

3.4 Analysis of income from activities by type

During 2022/23, income from overseas visitors where the patient is charged directly by the Trust was £176,156 (2021/22: £91,740). Cash payments received in year relating to invoices raised in the current and prior years totalled £6,547 (2021/22: £6,210). Amounts written off in year was £88,844 (2021/22: £233,152).

3.5 Transaction price allocated to remaining performance obligations

	31 March 2023	31 March 2022
	Trust and Group	Trust and Group
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
Within one year	13,293	13,793
Total revenue allocated to remaining performance obligations	13,293	13793

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

4. Operating expenses

4.1 Analysis of operating expenses

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Staff costs	312,612	314,056	272,245	273,582
Executive Directors’ costs	1,284	1,284	1,187	1,187
Non-Executive Directors’ costs	179	179	162	162
Drug costs	108,229	108,216	99,317	99,331
Supplies and services – clinical	47,275	47,292	46,378	46,397
Supplies and services – general	7,200	7,227	3,580	3,606
Establishment	4,037	4,041	4,679	4,682
Transport	3,532	3,532	2,521	2,521
Premises	19,961	19,981	17,648	17,658
Rental under operating lease	94	94	1,955	1,955
Bad debts	1,079	1,079	(425)	(425)
Depreciation and amortisation	23,624	23,631	22,183	22,190
Property, plant and equipment impairment	11,275	11,275	(6,352)	(6,352)
Consultancy	637	637	1,679	1,679
Audit services – statutory audit	240	280	141	164
Other services: audit-related assurance services	24	24	29	29
Internal audit and Local Counter Fraud Service	79	79	67	67
Clinical negligence	3,075	3,075	2,803	2,803
Training, courses and conferences	1,805	1,812	1,421	1,436
Patient travel	851	851	803	803
Purchase of healthcare from non-NHS bodies	6,141	4,003	7,673	5,576
Other services from NHS Foundation Trusts	11,743	11,743	15,688	15,688
Other services from NHS Trusts	6,907	6,907	3,123	3,123
Other services from other NHS bodies	368	368	76	76
Other operating expenses	6,142	6,406	15,203	15,556
	578,393	578,072	513,784	513,494

Limitation on auditor’s liability for external audit work carried out for the financial year 2022/23 is £2,000,000.

The Group’s appointed external auditors are Deloitte LLP. The auditors provide audit services comprising carrying out the statutory audit of the Trust’s Annual Accounts and the use of resources work, as mandated by NHS Improvement and the National Audit Office. The cost of this service in 2022/23 was £240,000 including the Value for Money audit requirement (2021/22 £112,500). The total audit fees for the wholly owned subsidiary, RM Medicines Limited, are £40,000 (2021/22: £22,500), and are included in the overall cost. All audit fees are presented net of VAT. Under VAT Contracted out services, the VAT is non-recoverable on the Trust’s audit fees.

4.2 Operating leases

Operating lease rentals include:

	2022/23	2021/22
	Trust and Group	Trust and Group
	£000	£000
Minimum lease payments		
Plant and machinery	94	72
Buildings	–	1,883
	94	1,955

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

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

4.3 Impairment of assets

	2022/23	2021/22
	Trust and Group	Trust and Group
	£000	£000
Net impairments charged to operating surplus/(deficit) resulting from:		
Changes in market price	8,146	(6,352)
Impairment of assets	3,129	–
Total net impairments charged to operating expenses	11,275	(6,352)
Impairments charged to the revaluation reserve	9,556	2,328
Total net impairments	20,831	(4,024)

5. Employee benefits

5.1 Employee benefits

Group	Permanently employed	Temporary and contract staff	2022/23 total	2021/22 total
	£000	£000	£000	£000
Salaries and wages	228,170	14,741	242,911	213,520
Social security costs	24,338	1,281	25,619	22,291
Employer contributions to NHS Pensions Agency and NEST	36,708	1,375	38,083	35,846
Agency staff	–	8,727	8,727	3,112
	289,216	26,124	315,340	274,769
Trust	Permanently employed	Temporary and contract staff	2022/23 total	2021/22 total
	£000	£000	£000	£000
Salaries and wages	226,738	14,741	241,479	212,238
Social security costs	24,338	1,281	25,619	22,291
Employer contributions to NHS Pensions Agency and NEST	36,696	1,375	38,071	35,790
Agency staff	–	8,727	8,727	3,112
	287,772	26,124	313,896	273,431

5.2 Average number of persons employed (full time equivalent)

Group	Permanently employed number	Temporary and contract staff number	2022/23 total number	2021/22 total number
Medical and dental staff	507	26	533	508
Administration and estates	1,470	137	1,607	1,437
Healthcare assistants and other support staff	359	68	427	502
Nursing, midwifery and health visiting staff	1,048	128	1,176	1,138
Nursing, midwifery and health visiting learners	11	0	11	10
Scientific, therapeutic and technical staff	569	28	597	548
Healthcare science	262	6	268	302
	4,226	393	4,619	4,445
Trust	Permanently employed number	Temporary and contract staff number	2022/23 total number	2021/22 total number
Medical and dental staff	507	26	533	508
Administration and estates	1,470	137	1,607	1,437
Healthcare assistants and other support staff	359	68	427	502
Nursing, midwifery and health visiting staff	1,048	128	1,176	1,138
Nursing, midwifery and health visiting learners	11	0	11	10
Scientific, therapeutic and technical staff	525	28	553	504
Healthcare science	262	6	268	302
	4,182	393	4,575	4,401

5.3 Median pay

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director/member in their organisation against the lower quartile, median upper quartile of remuneration of the organisation’s workforce. Details of the total number of employees can be found in the annual report.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £295,000-£300,000 (*restated 2021/22, £270,000-£275000). This is a change between years of 9%. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £15,000 to £307,238 (**restated 2021/22: £15,000 to £310,935). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is seven per cent. One employee received remuneration in excess of the highest-paid director in in the organisation (*restated 2021/22: four employees). The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation’s workforce.

	25th percentile	Median	75th percentile
Salary component of pay	£39,521 (2021/22: £36,226)	£49,875 (2021/22: £47,154)	£67,229 (2021/22: £61,861)
Total pay and benefits excluding pension benefits	£39,521 (2021/22: £36,226)	£49,875 (2021/22: £47,154)	£67,229 (2021/22: £61,861)
Pay and benefits excluding pension: pay ratio for highest paid director	7.5 (Restated 2021/22: 7.5) (Original 2021/22: 8.5)	6.0 (Restated 2021/22: 5.8) (Original 2021/22: 6.5)	4.4 (Restated 2021/22: 4.4) (Original 2021/22: 5.0)

*The remuneration of the highest-paid director figure for 2021/22 was previously reported as the mid-point of the banded remuneration. This has been represented as the banded remuneration in accordance with the Annual Reporting Manual requirements. The banded remuneration has been revised from £305,000-£310,000 (midpoint of £307,500) to £270,000-£275,000 to remove the impact of cash payments made in lieu of retirement benefits. This amount is now reflected in the pension-related benefits. Median and pay ratios have been restated as a result of this change.

**The range of remuneration amounts for 2021/22 have been revised from £15,000 to £305,305 to £15,000 to £310,935 as this recognises remuneration for employees previously omitted in error. As a result of this change, four employees received remuneration in excess of the highest-paid director. This was previously reported as nil.

5.4 Retirement due to ill health

During 2022/23, there were two early retirements from the Trust agreed on the grounds of ill health (2021/22: nil). The estimated additional pension liability of this ill health retirement will be £222,542 (2021/22: £nil). The cost of ill health retirements are borne by the NHS Pensions Agency.

6. Financing income

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest receivable	2,813	2,898	83	70
	2,813	2,898	83	70

7. Finance expense

	2022/23	2022/23	2021/22
	Trust	Group	Trust and Group
	£000	£000	£000
On loans from the Independent Trust Financing Facility	(142)	(137)	(189)
Interest on lease obligations	(258)	(258)	–
	(400)	(395)	(189)

8. Intangible assets, Trust and Group

2022/23	Information technology	Assets under development	Intangible assets total
	£000	£000	£000
Cost at 1 April 2022	8,237	12,635	20,872
Additions purchased	–	12,602	12,602
Reclassifications	25,237	(25,237)	–
Impairments	(100)	–	(100)
Cost at 31 March 2023	33,374	–	33,374
Accumulated amortisation at 1 April 2022	(6,294)	–	(6,294)
Provided during the year	(1,005)	–	(1,005)
Impairments	–	–	–
Amortisation at 31 March 2023	(7,299)	–	(7,299)
Purchased	26,063	–	26,063
Donated	12	–	12
Net book value at 31 March 2023	26,075	–	26,075

2021/22	Information technology	Assets under development	Intangible assets total
	£000	£000	£000
Cost at 1 April 2021	8,159	–	8,159
Additions purchased	–	12,713	12,635
Reclassifications	78	(78)	–
Cost at 31 March 2022	8,237	12,635	20,872
Accumulated amortisation at 1 April 2021	(4,693)	–	(4,693)
Provided during the year	(1,601)	–	(1,601)
Amortisation at 31 March 2022	(6,294)	–	(6,294)
Purchased	1,923	12,635	14,558
Donated	20	–	20
Net book value at 31 March 2022	1,943	12,635	14,578

This note has been represented this year to separately identify assets under development relating to the Trusts electronic patient record. This went live on 17 March 2023. This was reclassified out off assets under development to information technology in the year.

9. Property, plant and equipment, Trust and Group

9.1 Property, plant and equipment at the balance sheet date comprise the following elements, Group

	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2022/23								
Cost at 1 April 2022	13,833	143,878	81,271	107,512	–	27,076	3,171	376,741
Additions purchased	–	–	12,302	–	–	–	–	12,302
Additions donated	–	–	26,119	–	–	–	–	26,119
Reclassifications	–	12,673	(27,288)	8,265	–	5,819	531	–
Revaluation	947	2,471	–	–	–	–	–	3,418
Impairment	(515)	(36,643)	(1,547)	–	–	(1,483)	–	(40,188)
Reversal of impairments	379	8,375	–	–	–	–	–	8,754
Cost at 31 March 2023	14,644	130,754	90,857	115,777	–	31,412	3,702	387,146
Depreciation at 1 April 2022	–	(4,457)	–	(61,924)	–	(19,331)	(2,350)	(88,062)
Provided during the year	–	(9,488)	–	(8,627)	–	(2,619)	(182)	(20,916)
Revaluation	–	599	–	–	–	–	–	599
Impairment	–	9,282	–	–	–	–	–	9,282
Reversal of impairments	–	1,419	–	–	–	–	–	1419
Depreciation at 31 March 2023	–	(2,645)	–	(70,552)	–	(21,949)	(2,532)	(97,678)
Net book value at 31 March 2023	14,644	128,109	90,857	45,225	–	9,463	1,170	289,468

2021/22								
Cost at 1 April 2021	13,539	126,745	45,351	100,088	–	25,044	3,121	313,888
Additions purchased	–	–	24,263	–	–	–	–	24,263
Additions donated	–	–	42,113	–	–	–	–	42,113
Reclassifications	–	20,950	(30,456)	7,424	–	2,032	50	–
Revaluation	294	(6,261)	–	–	–	–	–	(5,967)
Impairment	–	2,444	–	–	–	–	–	2,444
Cost at 31 March 2022	13,833	143,878	81,271	107,512	–	27,076	3,171	376,741
Depreciation at 1 April 2021	–	(2,091)	–	(53,516)	–	(17,280)	(2,133)	(75,020)
Provided during the year	–	(9,912)	–	(8,409)	–	(2,050)	(217)	(20,588)
Impairment	–	7,546	–	–	–	–	–	7,546
Depreciation at 31 March 2022	–	(4,457)	–	(61,924)	–	(19,331)	(2,350)	(88,062)
Net book value at 31 March 2022	13,833	139,421	81,271	45,588	–	7,745	821	288,679

None of the land or buildings were held under finance leases or hire purchase contracts at either 31 March 2023 or 31 March 2022. Due to the immaterial difference (£20,055) between Group and Trust, the Group position only has been presented above.

9.2 Property, plant and equipment by funding source, Group

	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Purchased	14,644	92,591	19,382	21,509	–	9,368	942	158,436
Donated	–	35,518	71,475	23,716	–	95	228	131,032
Net book value at 31 March 2023	14,644	128,110	90,859	45,225	–	9,461	1,170	289,468

Purchased	13,833	104,626	27,704	23,110	–	7,7231	668	177,672
Donated	–	34,795	53,567	22,477	–	15	153	111,007
Net book value at 31 March 2022	13,833	139,421	81,271	45,588	–	7,745	821	288,679

9.3 The net book value of land and buildings comprises

	31 March 2023	31 March 2022
	£000	£000
Freehold	129,011	143,432
Leasehold*	13,742	9,822
	142,753	153,254

*The value of the leasehold costs in 2022/23 have been updated to include leasehold cost included in the net book value of freehold land and buildings from prior years, which have now been reported under right of use assets under IFRS 16 as peppercorn leases.

10. Right of Use Assets, Trust and Group

10.1 Right of Use Assets at the balance sheet date comprise the following elements, Trust and Group

	Land and buildings	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Intangible assets	Total	Of which leased from NHS Providers
	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 1 April 2022	–	–	–	–	–	–	–	–
IFRS 16 implementation – adjustments for existing operating leases	31,202	126	–	–	21	–	31,349	62
Additions	–	109	–	–	–	–	109	–
Cost at 31 March 2023	31,202	235	–	–	21	–	31,458	62
Depreciation at 1 April 2022	–	–	–	–	–	–	–	–
Provided during the year	(1,675)	(34)	–	–	(9)	–	(1,718)	(22)
Depreciation at 31 March 2023	(1,675)	(34)	–	–	(9)	–	(1,718)	(22)
Net book value at 31 March 2023	29,527	201	–	–	12	–	29,740	40

10.2. Reconciliation of carrying values of lease liabilities, Trust and Group

	2022/23
	£000
Carrying value at 31 March 2022	–
IFRS 16 implementation – adjustments for existing operating leases	27,994
Lease additions	109
Interest charge arising in year	258
Lease payments	(2,080)
Carrying value at 31 March 2023	26,281

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 16.3.

Lease payments for short-term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in note 4.1. Cash outflows in respect of leases recognised on the Statement of Financial Position are disclosed in the reconciliation above.

10.3. Maturity analysis of future lease payments at 31 March 2023, Trust and Group

	2022/23	
	Total	Of which leased from NHS Providers
	£000	£000
Undiscounted future lease payments payable in:		
– not later than one year	1,689	27
– later than one year and not later than five years	5,662	9
– later than five years	21,631	–
Net lease liabilities at 31 March 2023	28,982	36

10.4 Initial application of IFRS 16 on 1 April 2022, Trust and Group

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

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.12.

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

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

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	30,795
Impact of discounting at the incremental borrowing rate	(2,683)
IAS 17 operating lease commitment discounted at incremental borrowing rate	28,112
Less:	
Commitments for short term leases	(78)
Other adjustments:	
Differences in the assessment of the lease term	(40)
Total lease liabilities under IFRS 16 as at 1 April 2022	27,994

11. Investments in joint ventures, Trust and Group

	2022/23	2021/22
	£000	£000
Value at 1 April	622	–
Acquisitions in year	–	500
Share of profit/(loss)	(188)	122
Disposals	–	–
Value at 31 March	434	622

During 2021/22, the Trust undertook a joint venture arrangement in Diafora Medical Limited. The company is incorporated in the United Kingdom. The nature of the business is other research and experimental development on natural sciences and engineering. The Trust owns 33.33% of the joint venture. During the prior year, the Trust paid £500,000 in respect of share capital. At the year end, the joint venture had net assets of £1.3m (2021/22: £1.8m) and a net profit of £0.56m (2021/22: £1.4m).

12. Inventories

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Raw materials and consumables	7,230	9,007	6,549	8,993
	7,230	9,007	6,549	8,993

Inventories recognised in expenses for the year were £162,735k (2021/22: £149,334k). Write down of inventories recognised as expenses for the year were £73k (2021/22: £741k).

13. Trade and other receivables

13.1 Current trade and other receivables, Trust and Group

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
NHS contract receivables	9,725	9,725	2,740	2,740
Non-NHS contract receivables	43,178	43,097	46,840	46,816
Allowance for impaired receivables	(180)	(180)	(67)	(67)
Allowance for impaired contract receivables/assets	(6,425)	(6,425)	(5,722)	(5,722)
Amounts owed from wholly owned subsidiary	51	–	23	–
Prepayments	6,615	6,842	3,862	3,873
Public dividend capital receivable	122	122	–	–
Accrued income	3,271	3,271	4,964	4,964
Contract receivables not yet invoiced	14,231	14,231	17,145	17,145
Other receivables	10,779	12,001	6,782	7,433
	81,367	82,684	76,567	77,182

13.2 Non-current trade and other receivables, Trust and Group

	2022/23	2021/22
	£000	£000
Other receivables	1,202	1,494
	1,202	1,494

13.3 Allowance for credit losses for Trust and Group

	Contract receivables and contract assets	All other receivables
	£000	£000
At 1 April 2022	5,722	67
Changes in existing allowances	1,079	113
Utilisation of allowances (write offs)	(376)	–
At 31 March 2023	6,425	180
At 1 April 2021	6,913	175
Changes in existing allowances	(425)	(108)
Utilisation of allowances (write offs)	(766)	–
At 31 March 2022	5,722	67

13.4 Analysis of impaired trade and other receivables, Trust and Group

	2022/23	2021/22
	£000	£000
Ageing of impaired receivables		
Up to three months	2,217	2,135
In three to six months	1,191	871
Over six months	3,198	3,072
	6,606	6,078
Ageing of non-impaired receivables past their due date		
Up to three months	31,791	34,264
In three to six months	6,854	5,754
Over six months	6,987	5,112
	45,632	45,130

14. Investments in subsidiary undertakings, Trust

	2022/23	2021/22
	Trust	Trust
	£000	£000
Value at 1 April	3,360	–
Investment in year	–	3,360
Value at 31 March	3,360	3,360

On 18 February 2020, the wholly owned subsidiary RM Medicines Limited was incorporated. It began trading in September 2020. The primary activity of the company is dispensing medications to outpatients. The company is incorporated in the United Kingdom. The company had a net profit of £68,493 (2021/22: £nil) and had net assets of £3,433,359 (2021/22: £3,348,831).

The Trust issued an unsecured loan facility to RM Medicines Limited of £1,591,193. The interest rate charged on the loan facility is 1.42% and the loan is repayable over five years. The first repayment of the loan was in December 2020 for £250,000. At 31 March 2023, the non-current amount owed by the wholly owned subsidiary was £419,112 (31 March 2022: £709,768) and the current receivable owed by the company was £290,656 (31 March 2022: £286,560).

During the year to 31 March 2023, the Trust paid the company £39,433,538 (31 March 2022: £37,230,279) in respect of the company’s activity in dispensing prescription drugs to outpatients. At 31 March 2023, the Trust had £50,516 (31 March 2022: £23,304) included within amounts owed by the subsidiary company and £111,098 (31 March 2022: £395,308) included as amounts owed to the subsidiary company.

15. Current liabilities

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
NHS payables	9,700	9,700	4,938	4,938
Trade and other payables	14,074	16,738	16,111	18,409
Provisions	74	74	2,314	2,314
Accruals	67,456	68,732	64,997	65,490
Amounts owed to wholly owned subsidiary	111	–	395	–
Public dividend capital liability	–	–	390	390
Borrowings	5,189	5,189	4,736	4,736
Tax payable	6,641	6,669	5,916	5,945
Pensions contribution payable	3,965	3,965	3,702	3,702
Deferred income: contract liabilities	13,293	13,293	13,793	13,793
Other deferred income	15,824	15,824	19,054	19,054
Other liabilities	9,798	9,826	9,020	9,029
	146,125	150,010	145,366	147,800

16. Non-current liabilities

16.1 Non-current trade and other payables, Trust and Group

	2022/23	2021/22
	£000	£000
Accruals	–	2,747
	–	2,747

16.2 Provisions for liabilities and charges, Trust and Group

	Legal claims	Redundancy	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2022	(39)	(130)	(1,541)	(3,598)	(5,308)
Utilised during the year	–	5	–	–	5
Released to operating expenses during the year	28	125	303	–	456
Provided in year	–	(12)	–	(138)	(150)
At 31 March 2023	(11)	(12)	(1,238)	(3,736)	(4,997)
Expected timing of cash flows					
Less than one year	(11)	(12)	(36)	(15)	(74)
Between one and five years	–	–	(64)	(2,083)	(2,147)
Greater than five years	–	–	(1,138)	(1,638)	(2,776)
	(11)	(12)	(1,238)	(3,736)	(4,997)

	Legal claims	Redundancy	Clinician pension tax reimbursement	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2021	(46)	(130)	(985)	(2,098)	(3,259)
Provided in year	8	–	(557)	(1,500)	(2049)
At 31 March 2022	(38)	(130)	(1,542)	(3,598)	(5,308)

Legal claims are estimates from NHS Resolution on employer and public liability claims. The risks are limited to the policy excesses with NHS Resolution. Redundancy provisions are calculated using Agenda for Change guidelines. The timing of cash flows on redundancy is dependent on the outcome of consultations. Other provisions consist solely of dilapidations. Reimbursement is expected from NHS England in respect to the clinician pension tax provision. No reimbursement is expected for any other provision.

£16,859,827 is included in the provisions of NHS Resolution at 31 March 2023 in respect of clinical negligence liabilities of the Trust (31 March 2022: £19,564,625).

16.3 Borrowings, Trust and Group

Reconciliation of liabilities arising from financing activities.

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	15,739	3,376	–	19,115
Cash movements:				
Financing cash flows – payments and receipts of principal	(4,478)	(242)	(1,822)	(6,651)
Financing cash flows – payments of interest	(144)	–	(258)	(402)
Non-cash movements:				
IFRS 16 implementation – adjustments for existing operating leases/sub-leases	–	–	27,994	28,103
Additions	–	–	109	109
Application of effective interest rate	138	–	258	396
Carrying value at 31 March 2023	11,255	3,134	26,281	40,670

Current	2022/23	2021/22
	£000	£000
Loans from the Independent Trust Financing Facility	3,258	4,495
Loans from Salix Finance Limited	241	241
Lease Liability	1,689	–
	5,188	4,736

Non-current	2022/23	2021/22
	£000	£000
Loans from the Independent Trust Financing Facility	7,997	11,244
Loans from Salix Finance Limited	2,893	3,135
Lease Liability	24,592	–
	35,482	14,379

The Group has a fully drawn down loan facility of £21m from the Independent Trust Financing Facility. The principal is repayable in 17 equal installments. This began in August 2015 and will end in August 2023. Interest is payable at a fixed rate of 1.42% for the duration of the loan.

The Group has an additional loan facility of £15m from the Independent Trust Financing Facility, which was fully drawn down at 31 March 2021. The principal is repayable in 15 installments commencing February 2021 and ending February 2028. Interest is payable at a fixed rate of 0.86% for the duration of the loan.

The Group has a total loan facility of £3.4m held with Salix Finance Limited. The loan is interest free and is repayable over seven years commencing in March 2022.

17. Notes to the cash flow statement, Trust and Group

17.1 Reconciliation of net cash flow to movement in net funds

	2022/23	2022/23	2021/22	2021/22
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Increase in cash in the period	(7,430)	(6,201)	21,341	21,204
Net funds at 1 April	167,697	171,348	146,356	150,144
Net funds at 31 March	160,267	165,147	167,697	171,348

17.2 Analysis of changes in net funds

Group	At 31 March 2023	Changes in cash in year	At 1 April 2021
	£000	£000	£000
Government Banking Service cash at bank	164,658	(6,217)	170,875
Commercial cash at bank and in hand	489	16	473
Cash and cash equivalents	165,147	(6,201)	171,348

Trust	At 31 March 2023	Changes in cash in year	At 1 April 2021
	£000	£000	£000
Government Banking Service cash at bank	159,778	(7,445)	167,223
Commercial cash at bank and in hand	489	15	474
Cash and cash equivalents	160,267	(7,430)	167,697

18. Capital commitments, Trust and Group

Commitments under capital expenditure contracts at the balance sheet date were £7,046,678 (2021/22: £34,050,330), of which £5,809,000 (2021/22: £10,009,000) were related to intangible assets. There is £936,457 (2021/22: £24,041,330) capital expenditure committed to be funded by The Royal Marsden Cancer Charity, these Capital Commitments relate to property, plant and equipment.

19. Contingencies

There are no contingent assets or liabilities at the balance sheet date (2021/22: £nil).

20. Financial performance targets

20.1 Public dividend capital (PDC)

The Trust is required to demonstrate that the PDC dividend paid is in line with the actual rate of 3.5% of average relevant net assets. The actual dividend rate is the dividend payable figure in the Statement of Comprehensive Income, £4,791,138 (2021/22: £4,368,105), divided by the average of relevant opening and closing net assets, £136,809,403 (2021/22: £124,802,986), expressed as a percentage. This gives an actual dividend rate for the current financial year of 3.5% (2021/22: 3.5%).

20.2 Losses and special payments

There were 257 cases of losses and special payments (2021/22: 353) totalling £890,592 (2021/22: £716,956). Losses and special payments are reported on an accrual basis. Provisions for future losses are reported in note 16 and are excluded from this disclosure.

There was one clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment case where the net payment exceeded £300,000. £371,949 (2021/22: £nil) was associated with a mandate fraud.

	2022/23	2022/23	2021/22	2021/22
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000's	Number	£000's
Losses of cash due to:				
Fraud	2	459	–	–
Salary overpayments	2	2	25	22
Bad debts and claims abandoned in relation to private patients	242	281	314	519
Bad debts and claims abandoned in relation to overseas visitors	7	89	10	109
Bad debts and claims abandoned in relation to other	3	5	4	67
	256	836	353	717
Special payments:				
Special severance payments	1	55	–	–
Other	–	–	–	–
Total losses and special payments	257	891	353	717
Of which, cases of £300,000 or more:	1	372	–	–

21. Pension costs

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

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

a. Accounting valuation

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

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

b. Full actuarial (funding) valuation

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

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

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

22. Related party transactions

The Trust is a public benefit corporation and has been authorised pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. The Department of Health and Social Care is the Group’s parent department.

During the year, none of the Board Members or members of the senior management team or parties related to them has undertaken any material transactions with the Trust.

During the year, the Trust has had a significant number of material transactions with the following NHS bodies:

- NHS England
- NHS Clinical Commissioning Groups (CCG)
- NHS Integrated Care Boards (ICB)
- NHS Foundation Trusts
- NHS Trusts
- Department of Health and Social Care
- Community Health Partnership
- Health Education England
- NHS Pension Scheme
- NHS Property Services
- NHS Blood and Transplant

The Trust has also had a number of transactions with Government departments and other central and local Government bodies. These include transactions with the Royal Borough of Kensington and Chelsea and the London Borough of Sutton relating to business rates.

The Trust has entered into the following material transactions with related parties. The details listed below for payables include deferred income and receivables include accrued income:

Income	2022/23
	Trust and Group
	£000
NHS England	230,910
NHS South West London ICB	38,021
Department of Health and Social Care	10,661
NHS Surrey Heartlands ICB	9,339
NHS South West London CCG	8,833
Health Education England	7,434
NHS North West London ICB	7,333
NHS Sussex ICB	2,756
Guy’s & St Thomas’ NHS Foundation Trust	2,670
NHS Surrey Heartlands CCG	2,305
NHS North West London CCG	1,929
NHS Kent and Medway ICB	1,711
NHS South East London ICB	1,525
NHS South East London CCG	1,115
NHS Frimley ICB	1,113
	327,655

Income	2021/22
	Trust and Group
	£000
NHS England	197,932
NHS South West London CCG	71,861
Department of Health and Social Care	11,279
NHS Surrey Heartlands CCG	9,112
NHS North West London CCG	7,445
Health Education England	6,429
NHS South East London CCG	4,263
Guy’s & St Thomas’ NHS Foundation Trust	3,129
NHS Kent and Medway CCG	2,443
NHS West Sussex CCG	1,715
The Clatterbridge Cancer Centre NHS Foundation Trust	1,177
Great Ormond Street Hospital for Children NHS Foundation Trust	1,008
	317,793

Expenditure	2022/23
	Trust and Group
	£000
NHS Pension Scheme	38,083
HM Revenue & Customs	26,739
Chelsea and Westminster Hospital NHS Foundation Trust	7,613
Imperial College Healthcare NHS Trust	4,786
Guy’s & St Thomas’ NHS Foundation Trust	4,512
St George's University Hospitals NHS Foundation Trust	3,402
NHS Resolution	3,076
NHS Blood and Transplant	2,536
Kingston Hospital NHS Foundation Trust	2,208
Great Ormond Street Hospital for Children NHS Foundation Trust	1,720
London North West University Healthcare NHS Trust	1,097
	95,772
Expenditure	2021/22
	Trust and Group
	£000
NHS Pension Scheme	35,846
HM Revenue & Customs	23,298
Chelsea and Westminster NHS Foundation Trust	9,730
St George’s University Hospitals NHS Foundation Trust	3,407
NHS Resolution (formerly NHS Litigation Authority)	2,817
NHS Blood and Transplant	2,679
Imperial College Healthcare NHS Trust	1,368
	79,145

Receivables	2022/23
	Trust and Group
	£000
NHS South West London ICB	5,747
HM Revenue & Customs	1,310
NHS Frimley ICB	1,113
	8,170
Receivables	2021/22
	Trust and Group
	£000
The Clatterbridge Cancer Centre NHS Foundation Trust	1,177
	1,177
Payables	2022/23
	Trust and Group
	£000
HM Revenue & Customs	6,669
NHS Pension Scheme	3,965
Guy's & St Thomas' NHS Foundation Trust	2,578
St George's University Hospitals NHS Foundation Trust	1,850
Imperial College Healthcare NHS Trust	1,575
Chelsea and Westminster Hospital NHS Foundation Trust	1,413
	18,050
Payables	2021/22
	Trust and Group
	£000
HM Revenue & Customs	5,945
NHS Pension Scheme	3,640
Chelsea and Westminster NHS Foundation Trust	1,373
Guy’s & St Thomas’ NHS Foundation Trust	1,363
	12,321

23. Financial instruments

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Trust does not have any complex financial instruments and does not hold or issue financial instruments for speculative trading purposes. Because of the continuing service provider relationship the Trust has with NHS England and ICBs, and the way that NHS England and ICBs are financed, the Trust is not exposed to the degree of financial risk faced by business entities.

Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Group’s financial instruments comprise loans, finance lease obligations, provisions, cash at bank and in hand and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group’s operations.

The associated credit, liquidity and market risks for the Group and Trust are noted below. Overall, the risks are managed via operational controls and processes to ensure working capital needs are sufficient to maintain day to day operations and activities of the Group.

23.1 Categories of financial instruments

Group	2022/23	2021/22
	£000	£000
Financial assets		
Other Financial Assets (amortised cost)	239,679	243,844
Financial liabilities		
Other financial liabilities (amortised cost)	154,631	129,129
Trust		
Trust	2022/23	2021/22
	£000	£000
Financial assets		
Other Financial Assets (amortised cost)	234,880	240,217
Financial liabilities		
Other financial liabilities (amortised cost)	150,773	126,722

23.2 Fair values, Trust and Group

All short-term financial assets and liabilities are held at their book values which is a reasonable approximation of fair value.

23.3 Liquidity and interest risk tables

Group	Weighted av. interest rate %	Less than 1 year	Total
		£000	£000
Financial assets			
Non-interest bearing		74,532	74,532
Variable interest rate instrument	0.25%	165,147	165,147
Gross financial assets at 31 March 2023		239,679	239,679
Non-interest bearing		72,496	72,496
Variable interest rate instrument	0.25%	171,348	171,348
Gross financial assets at 31 March 2022		243,844	243,844
Trust	Weighted av. interest rate %	Less than 1 year	Total
		£000	£000
Financial assets			
Non-interest bearing		74,613	74,613
Variable interest rate instrument	0.25%	160,267	160,267
Gross financial assets at 31 March 2023		234,880	234,880
Non-interest bearing		72,520	72,520
Variable interest rate instrument	0.25%	167,697	167,697
Gross financial assets at 31 March 2022		240,217	240,217

23.4 Credit risk

Because the majority of the Group’s revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in the trade and other receivables note. Trade and other receivables outstanding not past due are considered recoverable and are not impaired.

24. Third party assets

The Trust held nil cash at bank and negligible cash in hand at 31 March 2023 (31 March 2022: £nil) which relates to monies held by the Trust on behalf of patients.

25. Events after the reporting period

There have been no material events after the reporting period.

Life demands excellence

At The Royal Marsden, we deal with cancer every day so we understand how valuable life is. And when people entrust their lives to us, they have the right to demand the very best.

That’s why the pursuit of excellence lies at the heart of everything we do. No matter what we achieve, we’re always striving to do more. No matter how much we exceed expectations, we believe we can exceed them still further.

We will never stop looking for ways to improve the lives of people affected by cancer. This attitude defines us all, and is an inseparable part of the way we work. It’s The Royal Marsden way.

You can visit, write to or call The Royal Marsden using the following details:

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