The ROYAL MARSDEN
NHS Foundation Trust

Annual Report and Accounts 2023/24

NHS

Contents

1. Performance report

Overview of performance

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, together with its principal academic partner, The Institute of Cancer Research (ICR), is designated as the UK's only National Institute for Health and Care Research (NIHR) Biomedical Research Centre (BRC) dedicated solely to cancer.

Together, The Royal Marsden and the ICR are recognised internationally 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 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 opened the Oak Cancer Centre, a major new research and ambulatory care centre funded by The Royal Marsden Cancer Charity in partnership with the NHS, and launched a significant digital transformation programme, Connect, in partnership with Great Ormond Street Hospital for Children NHS Foundation Trust. This enhances the ability of the Trust 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 2023/24 against these themes are set out on pages 6-9.

The following 'Overview of performance' provides a summary of how The Royal Marsden NHS Foundation Trust performed during 2023/24.

Chairman and Chief Executive joint statement

This year marks the end of our Five-Year Strategic Plan, which ran from 2018/19 to 2023/24. The pace of change and the progress made over the last five years has been significant in improving patient care and outcomes for patients globally through our research and education programmes.

One of the most notable developments from the last five years was the opening of the Oak Cancer Centre in June 2023, a state-of-the-art research and treatment facility funded by The Royal Marsden Cancer Charity in partnership with the NHS. In April 2021, we opened a brand new private care diagnostic and treatment facility in Cavendish Square, central London. The Trust has also undergone a significant digital transformation programme over the period of the Strategic Plan, with the introduction of a new Digital Health Record system, Connect, provided by Epic and in partnership with Great Ormond Street Hospital for Children NHS Foundation Trust (GOSH). We launched a regional Cancer Genomic Laboratory Hub (GLH) as part of the North Thames GLH, in partnership with GOSH, and created a Cancer Surgical Hub during the initial peak of the COVID-19 pandemic. We have delivered multiple practice-changing research studies, and have created new research units in surgery, artificial intelligence imaging and digital pathology to expand the scope of our research into cancer for patient benefit.

Our new Five-Year Clinical Strategy begins in 2024/25 and builds on the work of the last five years, with exciting new opportunities for the Trust. This strategy includes building on our integrated bench-to-bedside partnership with the ICR to accelerate the transition of scientific discovery into clinical practice, realising the benefits of our improved digital capability for both patients and staff, investing in our service capabilities and estate to provide patients with the very best environment, and supporting the delivery of cancer services through our integrated care systems, as the host of RM Partners.

Financial performance and key risks

In a financially challenging year, the Trust delivered a surplus as planned, successfully mitigating increased costs relating to the implementation of a new Digital Health Record and the opening of the Oak Cancer Centre. The surplus has enabled continuing investment in estates, medical equipment and IT across the Trust.

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; financial sustainability; and managing the devolution of the specialised commissioning budget. Full details of these risks and mitigation are on page 21 and outlined in the Annual Governance Statement from page 81.

The opening of the Oak Cancer Centre

In June 2023, the Oak Cancer Centre was officially opened by our president, His Royal Highness Prince William, Prince of Wales. This 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, maximising the number of clinical trials available for people with complex cancers. Patients tell us that they appreciate the modern, bright and welcoming environment, and that it is a comfortable, calm and peaceful place to receive treatment.

Partnership with the ICR

This year we took steps to extend and deepen the current principles of joint working with the ICR, to ensure a truly partnered approach to all aspects of research across both institutions. We have established a joint investment fund to support our integrated research strategy and we are ensuring unified decision making on all aspects of research, from basic science to clinical and applied research.

A closer partnership through harmonised governance and operational structures, and a more powerful combined visual identity, will ensure The Royal Marsden and the ICR remain respected global leaders in cancer, leveraging their ability to attract research and philanthropic funding, and to recruit and retain world-class talent.

Research breakthroughs

Our world-leading researchers continued to develop innovative treatments, diagnostics and strategies for prevention, so that we can achieve the best outcomes and improved quality of life for patients at The Royal Marsden, across the UK and around the world. This year, significant research breakthroughs were seen across a number of tumour types.

Final data from the PACE-B study were presented this year. This research, led by Professor Nicholas van As, Medical Director and Consultant Clinical Oncologist at The Royal Marsden, has shown that stereotactic body radiotherapy can safely deliver curative treatment to prostate cancer patients in as few as five sessions, with only minimal side effects, so delivering a significantly better pathway for eligible patients.

A major trial led by Professor Nicholas Turner, Head of the Ralph Lauren Breast Cancer Research Centre at The Royal Marsden, has led to a new targeted breast cancer treatment. Capivasertib works by blocking a cancer-growing protein AKT and was tested internationally in the Phase 3 CAPItello-291 study. Used in combination with fulvestrant, a hormone therapy, it was found to slow progression of advanced ER+ breast cancer. There was recognition for Professor Turner at the 2023 European Society for Medical Oncology (ESMO) Congress in October, when he received ESMO's Translational Research Award, recognising his expertise in translational breast cancer research.

To help support our researchers with their ground-breaking work, we were pleased to open the Integrated Pathology Unit, funded by The Royal Marsden Cancer Charity, in May. The unit features state-of-the-art laboratory techniques, sophisticated computing tools and artificial intelligence, all of which will enable researchers to develop new tests for cancer and speed up the diagnostic process for results.

Children's cancer services

A public consultation on the future location of children's cancer services ran from 26 September to 18 December 2023, following the decision taken by the NHS England Board that all Principal Treatment Centres should be co-located with a paediatric intensive care unit (PICU) going forward. We responded to the consultation, setting out our support for any change in the provision of children's cancer services which is in the best interests of patients and families, but also highlighting the significant challenges that any service relocation will need to overcome. This includes the extensive investment required to relocate services, and risk mitigation for the leading research into children's cancer currently undertaken in an integrated model with the ICR on the Sutton site.

On 14 March 2024, NHS England London and South East announced that the service will be transferred to Evelina London. We do not expect services to transfer until the end of 2026 at the earliest. In the meantime, our specialist children's cancer teams will continue to offer children and families the benefit of our extensive onsite cancer expertise, ensuring that we continue to deliver a high-quality service, informed by the latest research. The Royal Marsden will continue to be a principal treatment centre for teenagers and young adults over the age of 15.

Development of our Chelsea site

There is growing demand for our services, and we need to increase our capacity in order to meet that demand. Our home in central London is an iconic building situated in the heart of Chelsea, and this year we began exploring proposals to sensitively add to 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. We want to expand our capacity, modernise our facilities, and provide state-of-the-art technologies within a building which works better for both patients and staff. These innovations won't just help our patients in Chelsea but will enable us to contribute to global advances in improving outcomes and patient experience.

Celebrating one year of Connect

On 17 March 2024, we celebrated one year since we launched Connect, our new Digital Health Record in partnership with GOSH. Connect has improved our ability to care for patients more efficiently, to research and understand their cancers better, and optimise delivery of the best possible treatments. The implementation of Connect has been a hugely successful digital transformation for the Trust and is only the start of our journey to further enhance the care we provide to patients.

Thank you to staff

Thank you to all Royal Marsden staff for their outstanding contribution to patients over the year, and for working so hard during a period of significant change, including the implementation of Connect and the opening of the Oak Cancer Centre. We look forward to continuing to work together to innovate and push the boundaries in cancer diagnosis, treatment and care.

Our sincere appreciation to The Royal Marsden Cancer Charity and all its supporters for continuing to support the Trust, enabling us to improve the lives of cancer patients at The Royal Marsden, across the UK and around the world.

Dame Cally Palmer CBE
Chief Executive
26 June 2024

Sir Douglas Flint CBE
Chairman
26 June 2024

Key highlights 2023/24

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 Trust developed its new Five-Year Clinical Strategy in early 2024 and is in the process of delivering on this, working closely with the ICR to agree the joint research and education strategies, which will follow in due course.

The key highlights from 2023/24 against the existing Five-Year Strategic Plan are set out below.

Research and innovation

- The PACE-B study led by The Royal Marsden has revealed that higher doses of radiotherapy can cut treatment time by 75 per cent for patients with prostate cancer. The results will change the way certain types of prostate cancer are treated in the future.
- New treatment for breast cancer is on the horizon following the discovery of capivasertib at the ICR and an early clinical trial at The Royal Marsden.
- A Royal Marsden study, supported by The Royal Marsden Cancer Charity and the National Institute for Health and Care Research (NIHR) Biomedical Research Centre (BRC) at The Royal Marsden and the ICR, has furthered understanding of how stomach cancers can develop resistance to ATR inhibitors, which could lead to a genetic test to predict which patients are most likely to respond to this treatment.
- The RAMP-201 study has shown a new targeted drug combination to be twice as effective as the next best treatment in some ovarian cancer patients.
- The PEACE study, supported by The Royal Marsden Cancer Charity through a research grant, examined patients with melanoma at the final stages of life and has demonstrated how the disease can spread to other parts of the body.
- A new artificial intelligence model could help lung cancer be diagnosed earlier, following a study led by researchers at The Royal Marsden. The LIBRA study was supported by The Royal Marsden Cancer Charity, the NIHR, RM Partners and Cancer Research UK.
- The Integrated Pathology Unit, funded by The Royal Marsden Cancer Charity, opened in May, enabling researchers to develop new diagnostic tests for cancer and speed up the results process, using state-of-the-art laboratory techniques, digital imaging tools and artificial intelligence.
- In February 2024, the Trust welcomed Richard Meddings, Chair of NHS England, to the Sutton site. In addition to touring the hospital and meeting with the directors of the Oak Foundation Drug Development Unit, a key objective of the visit was to better understand the potential of the Cancer Genomic Laboratory Hub hosted on the site in the NIHR Centre for Molecular Pathology.

Treatment and care

- Connect, the Trust's new Digital Health Record supplied by Epic and delivered in partnership with Great Ormond Street Hospital for Children NHS Foundation Trust, celebrated one year since go-live. The implementation of Connect has been a hugely successful digital transformation for the Trust. Over the year, 4,200 members of staff have been trained on the new system.
- The MyMarsden app, part of Connect, is transforming how patients engage with Royal Marsden services and experience their care. 110,000 patients have registered with MyMarsden.
- A liquid biopsy testing facility for cancer clinical diagnostics and research, with Guardant Health, opened in April 2023 and in July began offering testing for NHS patients with advanced lung cancer, allowing clinicians to personalise treatment more accurately.
- A robotics service within the Trust's clinical genomics laboratory opened in March 2024, in partnership with Automata, making it possible to deliver more personalised treatment on a larger scale.

- Patients at The Royal Marsden have become the first in the world to have their small lung tumours treated with robotic-led radiofrequency ablation, meaning a faster recovery time, less pain and no scarring.
- A trial has begun at The Royal Marsden aimed at improving pre-operative information for breast cancer patients by using iPads to show them how they might look following surgery. The MIBREAST study is funded by The Royal Marsden Cancer Charity.
- An innovative app, funded by The Royal Marsden Cancer Charity, to provide health and wellbeing support for teenage and young adult cancer patients has been launched, following a collaboration with Careology.
- An endoscopy suite opened at the new Oak Cancer Centre. Funded by The Royal Marsden Cancer Charity, it is equipped to diagnose and treat gastrointestinal cancer and houses the most up-to-date technology to test and introduce new ways of detecting cancer.
- The targeted drug olaparib is now available on the NHS for breast and prostate cancer caused by faulty BRCA1 or BRCA2 genes, following clinical trials at The Royal Marsden.
- A new Physical Activity Strategy has been launched, recognising the importance of physical activity in all forms for patients and staff, and setting out how the Trust can become a more 'Active Marsden'.
- RM Partners, the Cancer Alliance serving North West and South West London and hosted by The Royal Marsden, celebrated several achievements in 2023/24, including:
  - The percentage of early-stage cancers diagnosed has increased from 56 per cent in 2019 to 60 per cent in 2023/24, based on preliminary rapid staging data (Rapid Cancer Registration Dataset).
  - Operational performance across the constitutional cancer standards has consistently been in the top decile nationally, with all nine of RM Partners' NHS trusts meeting the Faster Diagnosis Standard.
- New and innovative pathways have been created to provide appropriate care in the right setting, for example the breast pain service and the nurse-led prostate biopsy service.
- Working with more than 40 GP practices to understand how to address earlier diagnosis of symptomatic patients in primary care.
- Contracting a new provider for the Targeted Lung Health Service to support at-scale delivery of the programme over the next few years.
- Working in partnership across geographies to provide more sustainable and accessible care. For instance, the EBUS (a diagnostic test for lung cancer) service in South West London works in partnership with the providers and, as a result, waits are now only five days, on average. The lung genomics service based at The Royal Marsden has some of the lowest waits nationally, and partnership working between The Royal Marsden and Imperial College NHS Trust will reduce this further.

Financial sustainability and best value

- The Royal Marsden's new Digital Health Record (DHR), Connect, was delivered through a partnership with Great Ormond Street Hospital for Children NHS Foundation Trust, which involves joint hosting of the DHR platform, bringing substantial benefits to both trusts, including reduced hosting costs, and shared training and development costs.
- The Trust is working on a regional contingency plan for the supply of radiopharmaceuticals to other trusts in the event of unplanned and planned shutdown of local radiopharmacy.

Modernising infrastructure

- The new Oak Cancer Centre, funded by The Royal Marsden Cancer Charity in partnership with the NHS, opened its doors to patients in the summer, following the formal opening of the centre by His Royal Highness Prince William, Prince of Wales, in June.
- A hi-tech dispensing robot has been installed in the pharmacy department at the new Oak Cancer Centre, providing a smoother and more efficient process for staff and enhancing patient experience.

- Plans for the new London Cancer Hub in Sutton continued, with an investor/developer being granted a long lease to develop the five-hectare site, which will help us accelerate cancer research, treatment and industry partnerships for the benefit of patients.
- Epsom and St Helier University NHS Trust's plans to build a new Specialist Emergency Care Hospital adjacent to The Royal Marsden site in Sutton progressed. The new hospital was announced as part of wave three of the New Hospitals Programme.
- The design phase of the Chelsea re-development project is underway, with plans to increase bed and surgical capacity on the site.
- Critical infrastructure has been delivered which will allow the Trust to move from an ageing and unreliable telephony platform to a modern, reliable and scalable system.
- Development of a new aseptic suite at Sutton was approved, with building work beginning in autumn 2024.

Workforce

- The Trust was able to celebrate its workforce with the first Long Service Awards Ceremony since the COVID-19 pandemic in July 2023, funded by The Royal Marsden Cancer Charity. This recognised the service of over 100 staff members, some of whom have worked for the Trust for 30 to 40 years.
- A 'Thank You Week' was held in September, funded by The Royal Marsden Cancer Charity, to recognise and thank staff for their effort and contribution during the pandemic and over the last year, when there has been unparallelled organisational change. The week included a focus on learning and development, wellbeing support, executive 'back to the floor' shifts and a Women in Leadership event.
- The Trust's staff networks continued to flourish and contribute to the diversity and inclusion programme. This year, a thought leadership programme was launched, with talks celebrating Black History Month in October, Disability Month in November and LGBTQ+ month in February.
- This year saw a significant improvement in workforce metrics. The Trust's vacancy figures are the lowest for many years at 8.6 per cent at the end of March. In a competitive market for talent and experience, the Trust has been successful in attracting excellent staff and in keeping people for longer, with turnover figures down to 10.6 per cent. The Trust is working with joiners and leavers to better understand what staff really value and is looking at continuing to increase the commitment to learning and development as a result. Of those who leave, 65 per cent are 'happy' leavers and 77 per cent would work for the organisation again.
- The Trust is one of the first NHS trusts in the country to have received the Defence Employer Recognition Scheme Gold Award for working with the Armed Forces, supporting the employment and care of veterans.
- The Trust has been awarded the National Preceptorship Quality Mark and an updated Capital Nurse Preceptorship Quality Mark. These awards are in recognition of the quality of the Trust's Early Careers Programme for newly registered nurses.
- During periods of industrial action, the Trust maintained positive relationships with its staff and trade union representatives, including the establishment of a local negotiating committee to ensure continuation of positive dialogue with doctors to maintain the best possible care for patients.
- In November 2023, the Trust launched an upgraded intranet for staff. The new intranet, RM Matters, features improved search functionality, interactive functionality such as likes, comments, blogs and suggestions, easier access to documents and important clinical information, and a revamped navigation enabling staff to find important tools and information quickly and easily. The upgrade also means that the intranet is now available on personal devices, via a dedicated app.

Quality

- The Royal Marsden has been re-accredited with the Myeloma UK Clinical Service Excellence Programme Award for the second time. The award enables hospitals to recognise and celebrate their achievements in delivering the highest quality treatment and care to patients, as well as identifying areas for improvement.
- In March 2024, The Royal Marsden was successful in its re-certification assessment for ISO-9001 accreditation for chemotherapy and radiotherapy. The Trust demonstrated its adherence to the standards and the assessor was impressed with the development of the departments and the engagement of staff, particularly in light of the number of changes and transformation projects that had been implemented in the year.
- The Royal Marsden was re-certified for the Customer Service Excellence Award and gained four additional 'compliance plus' elements. The assessor was particularly impressed by the reception and welcome he received and how impressive and sensitive staff were, displaying a high commitment to patient experience.
- Diagnostic imaging had its first assessment under the new Quality Standard for Imaging and maintained its accreditation. The assessors were complimentary about the team embedding core quality principles into their day-to-day working. The inspection highlighted how every member of the team truly considered all aspects of their work environments to ensure quality of care and safe working.
- In January 2024, The Royal Marsden underwent and was successful in its annual assessment for the ISO 22301 business continuity surveillance visit. The assessor was impressed with staff knowledge, dedication and commitment to business continuity, which has put the Trust in a positive position for its three-year re-certification in April 2024.

Private Care

- The Royal Marsden Private Care began working in partnership with other NHS specialist hospitals (the Royal Brompton and Harefield hospitals, Moorfields Private Eye Hospital, Royal National Orthopaedic Hospital and Great Ormond Street Hospital for Children) to promote a comprehensive offer of specialist private healthcare services to patients from the UK and around the world. London Specialist Hospitals offer private care services within an NHS-Private Care integrated model which enables any surplus to be re-invested back into the NHS for the benefit of all patients.
- The Royal Marsden attracts interest from multiple institutions within the UK and internationally, and regularly hosts visitors keen to learn more from the organisation and staff. This year His Excellency the President of Malta, Dr George Vella, visited the Chelsea site to learn more about the specialist services the Trust provides for Maltese patients, including haematology and genomics testing. There was also a visit by a delegation of parliamentarians, government officials and healthcare industry representatives from Brazil as part of a mission for them to find out more about the NHS and the latest developments in care.
- The Royal Marsden Chelsea hosted the Prime Minister of Kuwait, Sheikh Ahmad Nawaf Al-Ahmad Al-Sabah, who visited Kuwaiti patients being treated at the hospital. A group of government officials from Beijing's Haidan District visited both the Chelsea and Cavendish Square sites and attended a roundtable to discuss The Royal Marsden's advances in pioneering medical technology, world-class expertise and the benefits of a patient-centred approach.
- As part of the commitment to share knowledge and expertise, The Royal Marsden Private Care has been awarded a contract to support Dubai Health to develop the Hamdan bin Rashid Cancer Hospital, the first comprehensive cancer centre in Dubai.

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.

Summary of performance

Research and innovation

Higher doses of radiotherapy cut treatment time by 75 per cent

Research led by The Royal Marsden has revealed that advanced radiotherapy technology can safely deliver curative treatment for prostate cancer patients in as few as five sessions, with only minimal side effects. The PACE-B study is the first global randomised trial of its kind to compare the long-term survival rates for localised prostate cancer patients receiving stereotactic body radiotherapy (SBRT) with those receiving standard radiotherapy treatment.

SBRT means patients have five high-dose radiotherapy sessions over one week rather than the standard treatment, which is usually 20 doses over a month. At The Royal Marsden, SBRT is delivered via one of two CyberKnife machines, which were funded by The Royal Marsden Cancer Charity. The randomised trial found that SBRT performed as well as standard radiotherapy treatment for people whose prostate cancer had not spread, demonstrating a 96 per cent chance that no cancer could be detected five years after treatment, compared with 95 per cent for conventional radiotherapy. Side effects were low in both groups and, after five years, there were no significant differences between treatment arms.

The trial's Chief Investigator was Professor Nicholas van As, Medical Director and Consultant Clinical Oncologist at The Royal Marsden and Professor in Precision Prostate Radiotherapy at the ICR. Professor van As presented the final data at ASTRO 2023, the annual meeting of the American Society for Radiation Oncology, in October.

Breast cancer breakthrough

A new targeted breast cancer treatment is on the horizon following a major trial led by Professor Nicholas Turner, Consultant Medical Oncologist at The Royal Marsden and Professor of Molecular Oncology at the ICR. Capivasertib, which was discovered at the ICR, London, is a new type of medicine that works by blocking a cancer-growing protein called AKT. The drug has been designed to have the precise shape and other key features to 'lock' into a cavity of its target protein and block it, helping to stop the cancer growing.

Most breast cancers are oestrogen positive (ER+), which means oestrogen helps them to grow. This type is also often driven and encouraged to grow by the AKT protein, which capivasertib targets. After showing promise in early clinical trials focused on this patient group – supported by the National Institute for Health and Care Research (NIHR) Biomedical Research Centre (BRC) at The Royal Marsden and the ICR – capivasertib was tested internationally in the Phase 3 CAPItello-291 study. Through the trial, the drug was given in combination with fulvestrant, a hormone therapy, to patients with advanced ER+ breast cancer. It was found that this treatment combination slowed progression of these advanced cancers and, in almost a third of patients in the trial, shrunk the tumours substantially.

Study reveals secrets of drug resistance

A study led by The Royal Marsden and the ICR, London, has furthered understanding of how stomach cancers can dodge the effects of a new experimental treatment. Researchers found that stomach cancers can develop resistance to a new class of drugs called ATR inhibitors by switching off the activity of two key genes. The study identified how genetic changes allow some stomach cancers to outmanoeuvre the effects of ATR inhibitors, a treatment that may represent an important therapeutic option for these patients. The work could lead to a genetic test to predict which patients are most likely to respond to ATR inhibitors. The study was supported by The Royal Marsden Cancer Charity and the NIHR BRC at The Royal Marsden and the ICR.

Drug duo shows promise in ovarian cancer

A new targeted drug combination has been found to be twice as effective as the next best treatment for some ovarian cancer patients, according to researchers at The Royal Marsden. The Phase 2 RAMP-201 study tested avutometinib alone and in combination with defactinib on patients with low-grade serous ovarian cancer, a rare form of the disease that has a poor response rate to current treatments. Both drugs are designed to block signals that encourage cancer cells to grow.

Results from the trial were presented at this year's American Society of Clinical Oncology Annual Meeting by Dr Susana Banerjee, Consultant Medical Oncologist and global lead investigator for the study. She revealed that 45 per cent of patients treated with the drug combination saw their tumours shrink significantly. This is almost twice as effective as trametinib, a targeted drug available in England through the Cancer Drugs Fund, which has a response rate of 26 per cent and is currently the best treatment for these patients. The RAMP-201 study has been led by researchers from The Royal Marsden and the ICR, and is sponsored by Verastem Oncology.

AI algorithm shown to be accurate at grading sarcomas

Artificial intelligence (AI) could be around twice as accurate as a biopsy at grading the aggressiveness of some sarcomas, according to research from The Royal Marsden and the ICR, supported by The Royal Marsden Cancer Charity. Results from the RADSARC-R study, which were published in *The Lancet Oncology*, suggest that a new AI algorithm could help tailor the treatment of some sarcoma patients more accurately and effectively than a biopsy, an invasive procedure which is currently standard practice. The research also suggests that the technology could help clinicians diagnose subtypes of the rare disease, speeding up diagnosis as a result.

The researchers believe the technique could eventually be applied to other cancer types too, potentially benefiting thousands of patients every year.

Double whole-body scans for early cancer detection

Research using whole-body MRI scanning at The Royal Marsden is aiming to identify cancer in its earliest stages in patients. Led by Dr Angela George, Clinical Director of Genomics and Consultant Medical Oncologist in Gynaecology, the SIGNIFIED trial monitors patients with Li-Fraumeni syndrome, a very rare predisposition condition that increases the risk of developing several cancer types.

The trial – funded by The Royal Marsden Cancer Charity and the Small Business Research Initiative, a national programme that provides development funding to support innovators – gives patients two whole-body MRI scans annually to help detect sooner any cancer that may be present.

Study seeks to solve melanoma mysteries

A study involving The Royal Marsden has examined the final stages of life with melanoma to discover more about how the disease resists treatment. The PEACE study, which was supported by The Royal Marsden Cancer Charity, analysed tumour samples from 14 patients who died from melanoma. The researchers found that changes to the order, structure and number of copies of tumour DNA could cause some skin cancers to resist treatment. These changes also explain how melanoma can spread to other parts of the body.

Precision treatment improves quality of life for prostate cancer patients

A new radioactive medicine that seeks out tumour cells to deliver a targeted dose of radiation can improve the quality of life for some patients with advanced prostate cancer, according to results from a Phase 3 study. Led by researchers from The Royal Marsden and the ICR, London, the VISION trial tested the drug Lu-PSMA alongside standard care in advanced prostate cancer patients who had already been treated with a hormone therapy. The study, led Professor Johann de Bono, Consultant Medical Oncologist, suggested that those treated with Lu-PSMA experience a higher quality of life than patients treated with standard care alone, and that men treated with the drug live for longer before their pain levels increase. Earlier analysis from the same trial showed that Lu-PSMA improves survival.

AI to diagnose lung cancer earlier

AI could help doctors diagnose lung cancer earlier, according to a study led by researchers from The Royal Marsden, in collaboration with the ICR, London, and Imperial College London. The LIBRA study – which was supported by The Royal Marsden Cancer Charity, the NIHR, RM Partners and Cancer Research UK – used data from the CT scans of nearly 500 patients with large lung nodules to develop an AI algorithm. The AI model was then tested to see if it could accurately identify cancerous nodules. To analyse the CT scan data, the researchers used a technique called radiomics, which can extract information about the patient's disease from medical images that can't be easily seen by the human eye.

Lung nodules are abnormal growths that are common and mostly benign. However, some lung nodules can be cancerous, and large ones are associated with the highest risk. Researchers hope this technology will eventually be able to speed up the detection of lung cancer by helping to fast-track high-risk patients to treatment, and by streamlining the analysis of patient scans.

The results have been published in *The Lancet*'s *eBioMedicine* and showed that the new model could potentially streamline and speed up nodule risk calculation in the future. It may also help clinicians make decisions about patients who currently don't have a clear referral pathway.

Integrated Pathology Unit opens

The Integrated Pathology Unit (IPU), funded by The Royal Marsden Cancer Charity, opened in May, enabling researchers to develop new diagnostic tests for cancer and speed up the results process. The IPU brings pathology into the modern era by using state-of-the-art laboratory techniques, digital imaging tools and AI to analyse tissue samples. These new technologies will help Royal Marsden pathologists diagnose cancer faster and more precisely than traditional laboratory methods, and could change the way cancer patients are treated in the future. The facility is a joint venture with the ICR, London, and is funded by The Royal Marsden Cancer Charity, the ICR and the NIHR BRC at The Royal Marsden and the ICR.

Expertise in clinical trials confirmed

The Royal Marsden Clinical Trials Unit (CTU) has successfully renewed its full UK Clinical Research Collaboration (UKCRC) registration for the second time. This confirms the CTU as a leader in managing clinical trials that change practice and improve outcomes for patients around the world. The Royal Marsden CTU designs and leads clinical trials for a large range of cancer types, bringing innovative drugs and technologies to patients. To gain UKCRC registration, CTUs must demonstrate experience in coordinating multi-centre trials, expert staff to develop ideas, robust quality assurance systems and evidence of long-term viability of capacity for trials coordination.

Radiotherapy boost to cut treatment times

Radiotherapy treatment times could be reduced for some early breast cancer patients, following a trial that took place at The Royal Marsden. Results from the IMPORT HIGH trial demonstrated that giving some breast cancer patients a targeted additional dose of radiotherapy at the same time as treatment to the whole breast, which is known as simultaneous integrated boost (SIB), cuts the treatment duration by at least one week. The trial found that SIB radiotherapy given at the right dose works just as well as standard radiotherapy techniques in reducing the risk of the cancer returning five years after treatment.

Prostate cancer drug resistance trial

Results from an early clinical trial led by The Royal Marsden, the ICR, London and The Institute of Oncology Research in Switzerland have shown that prostate cancer's resistance to treatment can be reversed in some patients by stopping hijacked white blood cells from being 'pulled into' tumours. Using a combination of AZD5069, an experimental drug which prevents myeloid cell recruitment to tumours, and enzalutamide, a hormone therapy commonly used to treat prostate cancer, researchers showed that blocking the messages cancer uses to hijack white blood cells can re-sensitise a subset of advanced prostate cancers to treatment – shrinking tumours or halting their growth. This could lead to an entirely new way of treating prostate cancer.

High BMI surgical programme

Royal Marsden clinicians have completed over 60 robotic procedures on patients with high body mass indices (BMI) as part of a specialised surgical programme. The service has opened up a minimally invasive option for patients who previously may have been considered too high risk for surgery. Though obesity is a risk factor for a range of cancers, the programme has primarily focused on endometrial cancer patients. This patient group often has a high BMI, as obesity doubles the risk of developing the disease.

European Society for Medical Oncology Congress

At the 2023 European Society for Medical Oncology (ESMO) Congress, held in Madrid in October, Professor Nicholas Turner, Consultant Medical Oncologist and Head of the Ralph Lauren Centre for Breast Cancer Research at The Royal Marsden, and Professor of Molecular Oncology at the ICR, London, received ESMO's Translational Research Award, recognising his expertise in translational breast cancer research. Recently, this has involved analysing and validating new breast cancer therapies for different molecular subtypes of the disease. He has also helped pioneer and develop liquid biopsies, an innovative personalised blood test.

Professor Susana Banerjee, Consultant Medical Oncologist and Research Lead for the Gynaecology Unit, and Professor in Women's Cancers at the ICR, received a Fellow of ESMO Award for her commitment to the Society and its mission to offer the best patient care.

Professor Robin Jones, Consultant Medical Oncologist at The Royal Marsden and Professor in Sarcoma Oncology at the ICR, shared data from his research into desmoid tumours. These rare, aggressive tumours grow from the connective tissue in the body – but the outlook for patients seems to be improving. The results showed meaningful clinical benefits across three key measures of effectiveness in a large portion of patients treated.

Palliative care study puts patients at the forefront

The Royal Marsden Palliative Care Team has been awarded a Patient and Public Involvement and Engagement (PPIE) grant from the NIHR BRC at The Royal Marsden and the ICR, London. The grant will support the PREPARE study, which is due to open in early 2024 and will look into patient-centred decision-making for end-of-life care.

Electronic Palliative Care Coordination Systems (EPaCCS) play a key role in advance care planning, making it possible for individual patient preferences for end-of-life care to be documented and shared across different health and care settings, including emergency services, community nursing teams and hospitals. This grant has enabled the team to work closely with three PPIE colleagues to co-design and co-develop a research programme to evaluate the benefits of EPaCCS for patients.

Treatment and care

Connect one year on

Connect, the Trust's new Digital Health Record, has revolutionised the way staff engage with patient records and transformed how they deliver care. In March, the Trust celebrated one year since go-live. In that year, 4,200 members of staff have been trained in how to use Connect.

Connect has transformed the delivery of care at the Trust: over 700,000 medicines have been administered via Connect; there have been more than 1,400 video appointments carried out; 22.4 million flowsheets have been recorded; 88 per cent of charts are now closed on the same day; duplicate blood tests ordered has reduced by 10 per cent; there has been up to 50 per cent reduction in chemotherapy medicines wastage; and up to 12 new clinical trials have been set up each month.

Immediately post-go-live, 50 projects were completed, and another 100 projects were prioritised and completed as part of the optimisation phase since September 2023.

MyMarsden, part of Connect, is transforming how patients can engage with Royal Marsden services and experience their care. By signing up for a MyMarsden account, patients can view parts of their Royal Marsden healthcare record at the touch of a button, as well as send messages to their healthcare team or join video appointments – all from their own mobile device or PC. Over 50 per cent (110,000) of registered patients have downloaded the MyMarsden app to their own devices, surpassing the Trust's target, and demographic analysis of MyMarsden active users shows a relatively even spread of use by age, gender and ethnicity.

Overall, the implementation of Connect has been a hugely successful digital transformation for the Trust and is only the start of the journey to further enhance the care provided to patients.

Liquid biopsy testing facility opened

In April 2023, The Royal Marsden opened 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 available for private and clinical trial patients, in July 2023 the service began to offer testing for NHS patients with advanced lung cancer, as part of a national pilot overseen by the North Thames Genomic Medicine Service Alliance.

Auto genomics

The Royal Marsden has opened the UK's first fully automated system in a diagnostic clinical genomics laboratory. Developed in partnership with automation company Automata, the new system makes it possible to deliver more personalised treatments on a large scale. The installation is housed in the clinical genomics laboratory within the NIHR Centre for Molecular Pathology, which is part-funded by The Royal Marsden Cancer Charity. It increases The Royal Marsden's next-generation sequencing processing capacity by roughly 2,000 tests each month and expands the range of tests that can be performed.

New app offers digital support for young patients

Patients and clinicians at The Royal Marsden have collaborated with digital cancer care company Careology to develop an innovative app that offers health and wellbeing support for teenage and young adult (TYA) cancer patients. The app, funded by The Royal Marsden Cancer Charity, provides information on the topics identified by young people as most important to them, including managing symptoms, body image, food and nutrition, and mental health. For each topic, members of The Royal Marsden's Teenage and Young Adult Forum were paired up with a clinician to ensure information is accurate and relevant to young people going through or recovering from treatment.

The Careology app will enhance the psychological support available to TYA patients at The Royal Marsden through every stage of their diagnosis, treatment and beyond. The tools and resources in the app support and empower patients to contribute to their own emotional wellbeing and overall health.

Breakthrough drug now available on NHS

The targeted drug olaparib is now available on the NHS in England and Wales – via the Cancer Drugs Fund – for forms of breast and prostate cancer caused by faulty BRCA1 or BRCA2 genes.

The decision was made by the National Institute for Health and Care Excellence (NICE) following clinical trials at The Royal Marsden, and offers the chance of longer, healthier lives for thousands of patients. Professor Johann de Bono, Consultant Medical Oncologist at The Royal Marsden and Professor in Experimental Cancer Medicine at the ICR, London, led the clinical trials which showed that giving olaparib to men with tumours that had weaknesses in DNA repair, including BRCA mutations, delayed disease progression.

Imaging to help inform patient choice

A trial has begun at The Royal Marsden aimed at improving pre-operative information for breast cancer patients by using iPads to show them how they might look after surgery. The process enables patients to see a simulation of their appearance after a mastectomy and breast reconstruction. Pre-operative images captured using a 3D surface-imaging system are modified to show how a patient might look after their procedure. This software also measures the shape of the breast, which may help in surgical planning and reduce the need for more surgery down the line to help improve breast symmetry. The MIBREAST study, funded by The Royal Marsden Cancer Charity, is led by Miss Jennifer Rusby, Consultant Oncoplastic Breast Surgeon.

New endoscopy service in Sutton

A new endoscopy suite opened in the Oak Cancer Centre's Charles Wolfson Rapid Diagnostic Centre, enabling clinicians to diagnose more cancers at an earlier stage. Funded by The Royal Marsden Cancer Charity, the suite improves the diagnosis of different cancers, including gastrointestinal cancers. This is a new service in Sutton, serving a new group of patients. State-of-the-art equipment such as the Koelis Trinity ultrasound machine, which combines MRI imaging with ultrasound biopsy techniques, ensures that patients receive the earliest and most accurate diagnosis possible. The facility has been designed to create a bright and peaceful environment and enhance patients' experience while undergoing diagnostic procedures.

Robotic ablations

Patients at The Royal Marsden are among the first in the world to have their small lung tumours treated using a robot that 'zaps' cancer with heat. The robotic arm assists with radiofrequency ablation, a type of minimally invasive interventional radiology procedure that uses heat from electromagnetic waves to destroy the disease. Normally guided by hand, the treatment is undertaken via a needle inserted through a pinhole skin incision. Compared with other surgical techniques, the treatment can mean faster recovery time, less pain and no scarring. There is evidence that robotic technology can further improve patient outcomes. Researchers from The Royal Marsden compared 20 hand-guided lung ablations with 20 robotic ones. Results showed that robotic procedures were highly accurate and required fewer needle adjustments than hand-guided ones. Complications were also lower for robotic procedures.

Physical Activity Strategy launched

Physical activity is key for Royal Marsden staff, volunteers and patients alike, and research has shown that appropriate levels of physical activity can boost physical health, as well as mental wellbeing. The latest evidence shows that patients performing physical activity post-cancer diagnosis reduces the risk of mortality, specifically in breast cancer. It can help to optimise cancer patients' physical and mental wellbeing ahead of treatment, help them manage the symptom and toxicity burden during treatment, and allow them to resume a life with meaning whilst living with or after cancer.

The Trust developed a new Physical Activity Strategy this year, led by Sarah Dewhurst, Living with and beyond cancer Service Lead. The strategy launched in January 2024, along with tools to help staff encourage patients to become more active. The strategy was co-developed by staff, volunteers and patients with experience of cancer.

Second edition of cancer cookbook

The second edition of *The Royal Marsden Cancer Cookbook* has been published, offering more than 150 delicious, healthy recipes to enjoy during and after cancer treatment. All the recipes were reviewed and analysed by Dr Clare Shaw PhD RD, Consultant Dietitian, who recently retired from The Royal Marsden. The revised edition has updated information on diet and cancer, inspirational ideas and tips, and recipe contributions from top chefs and food writers including Mary Berry, Nigella Lawson and Raymond Blanc.

Volunteer service focuses on patient experience

The Royal Marsden volunteer service, funded by The Royal Marsden Cancer Charity, has continued to focus on key areas that will have the biggest impact on patients. During 2023/24, there were over 250 registered Trust volunteers, with an increase in volunteers in roles that directly support patients. These include a new role in Wilson Ward and the Centre for Urgent Care in Chelsea, and a team of volunteers at the new Oak Cancer Centre, covering the Research Data and Statistics Unit, meet and greet, day care, outpatients, and urgent care. There are eight registered Pets As Therapy dogs, a service that has expanded this year due to continued positive feedback from both patients and staff since it was introduced. A befriending programme has seen 88 referrals this year. Volunteers are increasing their support during patient discharges, and are involved in pharmacy and on the wards. Volunteer gardeners have transformed the paediatric gardens and surrounding area in Sutton, and volunteers continue to support additional tasks following requests from teams, including vaccination clinics, deliveries and administration. The veterans volunteer service has supported 18 referrals this year.

A new Volunteer Voices Forum also started, designed to give volunteers a voice and to support patients to raise any issue they may have. Four forums have been held this year. Changes that have been requested via the forum and made as a result include seating at the link corridor in the Oak Cancer Centre, accessibility improvements, and changes to check-in screens.

Two of the Trust's youth volunteers received Jack Petchey Awards this year. The Jack Petchey Achievement Award Scheme recognises outstanding young people aged 11-25 across London and Essex. Ayla Fantini, aged 17, and Dominic Dawson, aged 21, were chosen as winners and used their grant money to provide Christmas presents and decorations for patients, and games and books for the children and teenagers unit.

Super Surgeons returns

In 2024, The Royal Marsden will open its doors once again as the second series of the critically acclaimed documentary, *Super Surgeons: A Chance of Life*, airs on Channel 4. Throughout 2023, Wonderhood Studios, a leading factual production company, followed a number of patients with advanced or relapsed cancers as they prepared for surgery at The Royal Marsden. Following the success of series 1, the four-part series will feature intimate insights into what it is like to live with cancer, the innovative techniques used by The Royal Marsden's world-leading surgeons, and the role of the multidisciplinary team in preparing for, and recovering from, complex surgery.

Filming for series 2 began in June 2023 and was completed in January 2024. Patients were approached via their surgical consultant who asked them if they were willing to share their experiences and appear on camera. The Wonderhood production team were embedded with the clinical teams and the crew adhered to the hospital's strict infection control procedures during filming, which took place in theatres and across Royal Marsden sites.

The surgeons featured in the second series are Professor Vinidh Paleri, Mr Shahnawaz Rasheed, Professor David Nicol, Professor Andrew Hayes, Mr Myles Smith and Mr Asif Chaudry.

Modernising infrastructure

Oak Cancer Centre

The Oak Cancer Centre, a state-of-the-art research and treatment facility at The Royal Marsden in Sutton, built thanks to funding from supporters of The Royal Marsden Cancer Charity, opened its doors to patients in the summer. The centre will help The Royal Marsden diagnose more cancers at an earlier stage and improve the patient experience – with floor-to-ceiling windows, it has been designed to be a bright, peaceful environment for patients. Inside, the Kuok Research Centre brings more than 400 researchers under the same roof, enabling specialists in different cancer types to collaborate and share ideas, helping to develop new treatments more quickly. The building provides staff with the best facilities to conduct their lifesaving and innovative work, so they can transform the lives of cancer patients at The Royal Marsden, across the UK and beyond.

The Royal Marsden's President, His Royal Highness Prince William, Prince of Wales, formally opened the Oak Cancer Centre in June. During his visit, he met staff working in the building, as well as some of the first patients to be treated in the centre's Olayan Day Care Unit, and researchers who carry out their innovative work in the Kuok Research Centre. Having researchers and patients together under one roof supports The Royal Marsden's bench-to-bedside approach in developing new treatments. It also means experts who specialise in different tumour groups are able to work together more closely, encouraging breakthroughs that target molecular and genetic abnormalities – wherever the tumour may be in the body.

Dispensing robot at the Oak Cancer Centre

The Oak Cancer Centre now boasts a hi-tech dispensing robot in the pharmacy. The outpatients department has been consolidated on a single level, with patients able to undergo blood tests in the Peter Stebbings Blood Test Unit, see their consultant and collect their prescription without needing to access different levels in the building. The department is home to the RM Medicines pharmacy, which has introduced a new robotic system for dispensing patient prescriptions. Products are first fed into the robot for sorting and storing. Then, when medication needs to be dispensed, it is transported to any workstation within the pharmacy for filling. The automated dispensing robot is directly linked to the prescribing system and the Connect Digital Health Record, bringing a smoother and more efficient process for staff, as well as enhancing the patient experience.

Development of a new aseptic suite in Sutton

In January 2024, the Trust approved the development of a new aseptic suite at Sutton. The aseptic services team in the pharmacy department provide a vital function in the preparation of drugs for patients, both those undergoing established chemotherapy treatments and those taking part in ground-breaking clinical trials and research. The new aseptic suite will be a state-of-the-art facility and will provide additional aseptic capacity as well as enabling the Trust to adopt new compounding equipment and technology as it is developed in the coming years. The suite will mean that the Trust can continue to be right at the forefront of cancer research for many years to come.

Building work is expected to start in September 2024, with completion planned for September 2025.

Horder Ward expansion

This year, to facilitate an increase in bed capacity, the non-clinical areas of Horder Ward have begun to be redeveloped and redesigned to create a new four-bed bay. Building work began in October 2023 and the four inpatient beds are expected to be operational by June 2024, following recruitment of additional nursing and support staff.

London Cancer Hub

The Trust, along with its academic partner, the ICR, has supported and worked with the London Borough of Sutton for several years to develop the vision of establishing the site as a world-leading district for cancer research and treatment. Central to this has been the vision that the Council would use land it owned to develop a life sciences campus that would create new, purpose-built space for companies focused on cancer research to work directly adjacent to the hospital and the ICR. The London Cancer Hub will be one million square feet of research, treatment and innovation spaces alongside residential accommodation and amenities for local people and visitors. It will be one of London's most significant regeneration projects and, once completed, will make Sutton, and the capital, home to the world's largest cancer life sciences district.

This vision took a big step forward at the end of 2023 when the Council concluded a process to identify an investor/developer partnership by granting insurer Aviva and developer Socius a long lease to develop the five-hectare site on the Sutton site. The Royal Marsden will work closely with the development partners to deliver on this exciting vision in a way that complements its own research and estates strategy.

More trains scheduled to service London Cancer Hub

The number of trains to Belmont station is expected to double and improve access to The Royal Marsden in Sutton as a result, following funding secured by Sutton Council. Under the plans, trains running between Belmont and central London could increase from two to four per hour. The £14.1 million investment was awarded through the government's Levelling Up Fund to help unlock the potential of the London Cancer Hub. Belmont station is a few minutes' walk from the hospital's site in Sutton, where the London Cancer Hub is being built.

Specialist Emergency Care Hospital in Sutton

Epsom and St Helier University Hospitals NHS Trust made further progress in their plans to build a new Specialist Emergency Care Hospital adjacent to The Royal Marsden site. The plan has been announced as part of wave three of the New Hospitals Programme and Epsom and St Helier have received support to move their business case forward, which includes plans to provide additional cancer treatment facilities which The Royal Marsden would operationally run. The Epsom and St Helier team has since spent time revisiting their designs and timetable to align to principles agreed by the New Hospitals Programme. The Royal Marsden continues to engage and support this exciting development, including how it will integrate into the existing site and logistics. During 2024/25, it is expected that designs will be firmed up and further progress will be made in the business case development.

Chelsea re-development

Due to a significant increase in referrals of more complex cases to the Trust, as well as an increased focus on early diagnostics, interventional radiology and immunotherapy, The Royal Marsden needs a significant increase in bed and surgical capacity at its Chelsea site. The design phase for the Chelsea re-development project got underway this year. The new development will be funded through a major fundraising appeal led by The Royal Marsden Cancer Charity in addition to Trust funding. Initial designs will be reviewed and finalised in summer 2024, before being shared for comment through public consultation with local stakeholders, residents and staff.

Unified communications

This year, critical infrastructure has been delivered which will allow the Trust to move from an ageing and unreliable telephony platform to a modern, reliable and scalable system. The new platform will be more flexible and resilient than the legacy infrastructure and will support new endpoints: desk phones, cordless phones and Microsoft Teams telephony. It will also allow the Trust to move away from end-of-life technology, which will be replaced by a modern app-based critical messaging system called Alertive.

Financial sustainability and best value

Partnership working on Connect

The Royal Marsden's new Digital Health Record (DHR), Connect, was delivered through a partnership with Great Ormond Street Hospital for Children NHS Foundation Trust (GOSH). 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.

The Trust is incredibly grateful for the support provided by GOSH and is excited about the opportunities to jointly optimise the system for the benefit of both trusts' patient groups. Over the next 12 months, the shared Connect team will review and prioritise work on three strategic themes: Thrive, Optimise and Innovate.

Radiopharmacy regional contingency plan

The Trust is working on a regional contingency plan for the supply of radiopharmaceuticals to other trusts in the event of unplanned and planned shutdown of local radiopharmacy. Utilising its expertise and manufacturing licence, The Royal Marsden is able to support numerous nuclear medicine departments within the region in maintaining their diagnostic services. Surplus generated can be reinvested to expand the radiopharmacy facility and talent pool, enabling more patients to benefit from advanced diagnostic tools and radioligand therapy. The Royal Marsden will be able to utilise its capability to deliver a quality service and add value to the system, allowing the NHS to be self-reliant on the supply of diagnostic radiopharmaceuticals.

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 in the NHS Staff Survey. Compared with the scores from last year, the Trust performed significantly better this year against four of the eight categories, slightly better in three categories and achieved the same score for one category (see pages 73-75 for a detailed analysis of the Staff Survey results).

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 2023/24, the Trust continued to invest in quality and safety, including implementing the national Patient Safety Incident Response Framework (PSIRF), a new way of investigating and responding to patient safety incidents to further improve patient safety. This framework replaces the Serious Incident (SI) Framework and will ensure:

- compassionate engagement and involvement of those affected by patient safety incidents
- the application of a range of system-based approaches to learning from patient safety incidents
- considered and proportionate responses to patient safety incidents
- supportive oversight which focuses on strengthening responses and system improvements
- engagement and involvement of patients and staff.

The Trust has also implemented a cloud version of the incident reporting system (DatixIQ), which facilitates reporting for 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. Further work is underway to implement DatixIQ for claims, complaints and mortality modules, as this will enable enhanced and linked case management with wider and more streamlined learning.

The two Patient Safety Partners employed in 2023 as part of PSIRF have been invaluable in supporting and contributing to the Trust's governance and management processes for patient safety and have been integrated as members of a number of committees including the Integrated Governance and Risk Management Committee, the Harm Free Care Committee, and the Divisional Quality and Safety Committees.

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.

This year the Trust implemented a quality improvement (QI) resource on the intranet which brings together a wealth of improvement knowledge, information and tools to support staff who are implementing and leading on QI projects. This space provides information on how to start a QI project and QI methodology, and showcases QI projects that have been completed within the organisation, with links to the Learning Hub with training opportunities in QI.

The Quality Improvement Den that was launched last year has continued to be a success during 2023/24. A number of QI projects have been kindly supported with Royal Marsden Cancer Charity funding through the QI Den, including:

- Physical Activity Strategy
- Engaging prostate cancer patients to improve specialist nursing care
- Enhancing patient knowledge and confidence in post-surgical self-care
- Peer support mentor service for patients with melanoma.

Key risks and issues 2023/24

The Royal Marsden's Board Assurance Framework (BAF) details the principal risks to the achievement of the Trust's strategic objectives. In 2023/24, the BAF was reviewed by the Trust Board and sub-committees on a quarterly basis and a thorough review was undertaken in February 2024, taking into consideration the changing NHS landscape, recent developments, discussions at the Board and its sub-committees, and emerging objectives from the work on the new Clinical Strategy. A refreshed BAF was presented to the Quality, Assurance and Risk Committee in February 2024 and approved by the Trust Board in March 2024. Work is in progress to review the Risk Appetite Statement in the light of the new Five-Year Clinical Strategy.

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 on the following page. Detailed operational risks can be found in the Risk Register, which is presented to the Quality, Assurance and Risk Committee.

As at 31 March 2024, 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 Revisiting and strengthening The Royal Marsden/ICR relationship. This includes developing an ambitious plan to function as a joint comprehensive cancer centre with a fully integrated governance and service delivery model.	Failure to maximise joint resources and align strategy to common research goals that match national and global priorities present a risk to The Royal Marsden and the ICR's continuing position as global cancer research leaders. This would have a consequential risk for the sustainability of the two institutions from a workforce and funding perspective.	16	12	Moderate (12–15)
Research and innovation Improving patient outcomes globally through the active research and development of new ways to diagnose and treat patients across the full cancer patient journey.	Failure to prioritise, support and attract resources and talent to the areas where The Royal Marsden/ICR can deliver the greatest research impact risks a decline in the quality of research outputs.	16	12	Significant (25)
Treatment and care Attract: Develop a strong employer brand to maintain and promote The Royal Marsden's position as a globally competitive 'employer of choice' for clinical and non-clinical staff wishing to work in oncology.	Global shortage of healthcare staff exacerbated for the UK by the impact of Brexit and the COVID-19 pandemic. Potential short- and medium-term pressure on recruitment of staff. Organisational positioning and profile amid growing sectorisation may result in weakening of employer brand and position in the labour market.	20	15	Low (6–10)
Treatment and care Retain: Introduce differentiated retention and inclusion strategies to secure a skilled and sustainable workforce.	Demographic changes and differing expectations in the workforce require modernisation of the workplace and employment offer in the face of increasing national and global competition for skilled healthcare workforce or the Trust risks losing key talent.	20	15	Low (6–10)
Treatment and care Grow: Develop robust plans to grow staff skills through provision of The Royal Marsden's own world-class clinical education offer and access to the best non-clinical learning support possible.	A failure to appropriately develop staff will leave the Trust unable to implement the increasingly complex cancer diagnostics, treatment and care and thus unable to take the lead in innovation.	16	12	Moderate (12–15)
Treatment and care Provide leadership in introducing personalised and innovative diagnostics, treatment and care into standard of care patient pathways, pulling through the latest advances in technology and techniques from research into practice.	Financial, capacity and staffing constraints prevent The Royal Marsden from continuing to develop and deploy latest innovations that benefit patient care and act as a local, national and global exemplar.	20	12	Moderate (12–15)
Treatment and care As the host and an active member of RM Partners, the West London Cancer Alliance, the Trust will support the development and deployment of initiatives across the whole patient pathway aimed at improving patient outcomes for the wider regional population.	Risk that pressures on current performance and disconnect from commissioners cause delays to wider transformation programmes that support long-term patient improvements.	16	12	Moderate (12–15)

Strategic objective	Strategic risk	Initial risk score	Residual risk score	Risk tolerance
Treatment and care Maintain a high-quality specialist paediatric service and minimise disruption to global leading paediatric research until this service is relocated to an alternative provider in line with the NHS England decision. There is currently an integrated service and research model on The Royal Marsden Sutton site, which cannot be easily replicated.	NHS England's decision has been made to relocate paediatric oncology services to Evelina London (part of Guy's and St Thomas' NHS Foundation Trust). There is a material risk that the services will not be able to transfer by the proposed date. The 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. Loss of national and global leadership of paediatric research and reduced access to novel treatments for paediatric patients.	20	15	Low (6–10)
Modernising infrastructure Maximise existing and future investment in digital capabilities and available data to support innovation and productivity which benefits patients' diagnosis, treatment and care.	Investment in digital transformation becomes an ongoing and growing cost pressure without compensating patient, staff and efficiency benefits and quality of care worsens.	16	12	Moderate (12–15)
Modernising infrastructure Address capacity constraints at the Chelsea site, particularly in inpatients with a short-, medium- and long-term plan that seeks to expand and realise efficiencies in existing facilities prior to the Chelsea development opening.	Failure to provide the right estate infrastructure to support the Trust's long-term clinical service ambitions at its Chelsea site. Current capital spend aspirations significantly exceed South West London Integrated Care System Capital Departmental Expenditure Limits budget.	25	20	Moderate (12–15)
Modernising infrastructure Work with stakeholders at the Sutton site to develop a new site strategy which maximises the opportunities for improving the quality and efficient use of the whole site for the benefit of patients, staff and the local community, including a strong element of positive 'placemaking'.	Failure to engage with strategic planning of the Sutton estate could lead to neighbouring developments that are sub-optimal for the Trust and fail to address long-term ambitions for that site.	16	12	Moderate (12–15)
Financial sustainability and best value Deliver the Private Care and wider commercial strategy, ensuring a high-quality offer which meets demand and generates returns that are re-invested into the Trust.	Volatile international patient demand together with increased central London provider competition and the ability of private medical insurers to direct patients to preferred providers presents a short- to medium-term threat to revenue. Lack of private capacity due to the demands of NHS activity threatens sustainability. Consultant concentration creates over-dependency and risks new consultants establishing private practice with competitors.	16	12	Moderate (12–15)
Financial sustainability and best value Deliver the overall financial plan, ensuring efficient use of resources, diverse but clearly contracted income streams, and the ability to re-invest capital into infrastructure.	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 81.

Key opportunities

Within the Integrated Care System (ICS), The Royal Marsden formally sits within the South West London ICS and participates actively in all the governance forums. Due to its location, The Royal Marsden also has a strategic link to the North West London ICS and participates in the governance of this ICS (as a non-voting member) to ensure collaboration and participation in system-wide plans that are relevant to The Royal Marsden and the services it provides.

The Royal Marsden is a founder and host of RM Partners, the Cancer Alliance for North and South West London. Senior operational and clinical leaders take a very active part in all relevant pathway, transformation and senior oversight meetings run by RM Partners.

In March 2020, the Trust's Executive Board approved a strategy aimed at optimising the financial return and strategic benefit from commercial opportunities and interactions that were complementary to the Trust's Five-Year Strategic Plan 2018/19–2023/24. There has been significant progress made in realising the opportunities within this strategy, with a particular focus on The Royal Marsden's clinical genomics service. Two commercial partnerships in genomics have made further significant progress this year, as outlined here:

In April 2023, The Royal Marsden opened 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 available for private and clinical trial patients, in July 2023 the service began to offer testing for NHS patients with advanced lung cancer, as part of a national pilot overseen by the North Thames Genomic Medicine Service Alliance. The Trust is working closely with NHS England and Guardant Health on plans to scale up the service, with the aim of offering it more widely in the near future as evidence of its effectiveness in lung and other tumour groups grows.

A further area of focus has been a partnership with Automata, a UK company that specialises in robotics within clinical laboratories. The Trust and Automata team worked closely to develop and deploy a robotics system within the Trust's clinical genomics laboratory which went live in March 2024. It is the first such system within a UK genomics laboratory and allows the service to add over 50 per cent to its current testing capacity within the same physical footprint. This expanded capacity will initially be used to significantly expand targeted screening for inherited cancers, working closely with the National Genomic Medicine Service and research teams. During 2024 it is also expected to support a continued increase in non-inherited testing for both clinical and research use.

The Trust is working on a number of commercial partnerships including a collaboration between The Royal Marsden and Novartis for delivery of radioligand therapy trials (an innovative approach to treating certain cancers by delivering radiation to specifically targeted cancer cells). Utilising clinical trial funding, The Royal Marsden will be able to increase staffing and expertise within the radiopharmacy service to enable the Trust to act as a centre of excellence and support other trusts to participate in multiple research studies that are planned in this area of medicine without adversely affecting clinical work already delivered by the team.

A collaboration has also started between The Binding Site (a specialist diagnostic company) and The Royal Marsden biochemistry service. This collaboration will test the feasibility of moving some of The Binding Site's existing cancer diagnostics into The Royal Marsden in a way that would be easier to deploy at scale, for example to support screening.

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:

Dame Cally Palmer CBE
Chief Executive
26 June 2024

Performance analysis

Financial summary for the year ended 31 March 2024

The Royal Marsden has continued its track record of performing well financially. Having largely recovered the financial performance since the COVID-19 pandemic, 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 £10.5 million in 2023/24.

The Trust continues to maintain a strong balance sheet and cash position. At 31 March 2024, the Trust held cash deposits of £109.0 million. The Trust generated £3.1 million from operational activities. The Trust invested £27.1 million in capital expenditure and made a Public Dividend Capital dividend to the Department of Health and Social Care of £5.2 million, which represented an actual dividend rate of 3.5 per cent.

Efficiency

In a challenging economic environment, the Trust has delivered 100 per cent of the efficiency programme for 2023/24. 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.

Financing and investment

The Trust has continued to invest in estate and infrastructure, spending £27.1 million on buildings, equipment and IT. There was £13.0 million funded through charitable donations and £0.09 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 41 for details on quality governance.

Please see the Annual Governance Statement from page 81 for information on data quality and governance.

Please see page 19 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 Royal Marsden launched its new Digital Health Record, 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.

The new Oak Cancer Centre, funded by The Royal Marsden Cancer Charity in partnership with the NHS, opened its doors to patients in the summer, following the formal opening of the centre by His Royal Highness Prince William, Prince of Wales, in June.

Nurses, junior doctors and some allied health professionals at The Royal Marsden voted in favour of industrial action, which took place at various points throughout the year. 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.

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 50 red/amber/green rated key performance indicators along with information on performance trends.

This report provides assurance to the Board of Directors regarding Trust performance and identified any mitigating actions required to remedy under-performance along with projections for future performance. Red, amber and green thresholds are set based on national standards and local strategic objectives, and are signed off by the divisional directors, the Chief Operating Officer, and the Director of Performance and Information.

More granular and focused data are 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 reduced substantially throughout 2023/24. In the last quarter of the year the backlog position was better than the Trust's own trajectory for the majority of weeks, and the overall backlog is now back to levels previously seen prior to the COVID-19 pandemic.

Risk profile

See 'Key risks and issues' on page 21 and the Annual Governance Statement from page 81.

Environmental matters

Taskforce on Climate-related Financial Disclosures

NHS England's *NHS Foundation Trust Annual Reporting Manual* has adopted a phased approach to incorporating the Taskforce on Climate-related Financial Disclosures (TCFD) recommended disclosures as part of sustainability annual reporting requirements for NHS bodies in line with HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures as interpreted and adapted for the public sector by His Majesty's Treasury TCFD aligned disclosure application guidance, and these will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are calculated and managed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance pillar for 2023/24. These disclosures are provided below with appropriate cross referencing to relevant information elsewhere in the Annual Report and Accounts and in other external publications.

Executive Board oversight of climate-related issues

The process and frequency by which the Executive Board is informed about climate-related issues can be found in the Trust's Green Plan in the section 'Governance, communications, partnerships and finance'. Progress against the Green Plan is managed by the Trust's Environmental Steering Group, with an annual update to the Trust Executive Board. Further scrutiny of performance against the Green Plan objectives has been agreed through the Audit and Finance Committee, chaired by a Non-Executive Director. Reporting will be further developed with the carbon footprint exercise scheduled for this year and the goals and actions that subsequently arise.

Local management's role in assessing and managing climate-related issues

In addition to the Trust's Green Matters sustainability group, which has representation from all staff levels and departments of the Trust, the Trust now has two dedicated sustainability leads to drive forward climate-related issues. Additionally, there are more than 40 Green Champions acting as local contact points for staff to integrate sustainability through daily operations at divisional level.

Progress on the Trust's Green Plan

The previous year's Annual Report outlined progress made against the nine areas identified for improvement in the Trust's Green Plan. The Trust continues to make significant progress in several areas; the below captures further improvements made in this financial year:

Estates and facilities

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

The Trust is committed to reducing the impact of its infrastructure on the environment via various energy conservation measures completed:

- Upgraded several ventilation and old inefficient air conditioning/chiller systems to improve power efficiency.
- Installed additional electrical vehicle charging points for staff, visitors and the Trust's vehicles.
- Installation of a low-carbon, onsite CHP (combined heat and power) system in Chelsea, with a hydrogen ready engine to get to net zero in the future.
- Installation of solar panels (120kW generation capacity) in Sutton.
- Upgrading 40 ventilation systems to the direct drive energy efficient systems.
- Completion of LED lighting upgrades in the NIHR Centre for Molecular Pathology and radiotherapy buildings.
- Restricted staff car lease scheme to only ultra-low emissions (hybrid) and zero emissions (electric) vehicles.

The Trust secured a decarbonisation grant from Greater London Authority London Energy Accelerator Funding. The site surveys are taking place to plan for full energy decarbonation of the Sutton site.

Last year, the Trust reported on the creation of its re-use scheme; this financial year the Trust re-used approximately 400 items of furniture. The Trust continues to support a circular economy and re-use internally across site and donation to charity whenever possible.

Workforce

This year, the Trust's annual Staff Achievement Awards incorporated a Green Award category to acknowledge and promote sustainability within the Trust. Applications were received from teams highlighting the environmental improvements staff have made within their departments. It is hoped the Green Award will go from strength to strength as the Trust continues to support environmental improvement through a range of such recognition schemes across the workplace.

Green Matters, the Trust's staff sustainability forum, hosted another environmental awareness event. To mark the 50th anniversary of the United Nations' World Environment Day, the group held a series of events across the hospital sites in support of the day, to raise awareness of the environment, engage with staff and further embed sustainability into the Trust.

Supply chain and procurement

The Trust has introduced financial incentives for staff to re-use consumables by introducing a 'bring your own' cup and food container scheme to reduce the volume of consumables purchased and lessen the Trust's waste management footprint.

Measuring and monitoring

To help the Trust manage and measure its transition to net zero, it has enlisted the support of independent carbon consultants SmartCarbon to help calculate, report and reduce carbon emissions. The SmartCarbon calculator will enable the Trust to calculate its carbon footprint across all sites using current UK government-approved emissions factors and alignment to the wider NHS Carbon Footprint and Carbon Footprint Plus. Functionality of the tool will allow the Trust to generate reports in a variety of formats to demonstrate the efficacy of interventions, effectively communicate carbon performance to all stakeholders and develop a meaningful carbon reduction strategy.

Quantitative progress data

Gas usage

The Trust's direct carbon emissions for the Trust's energy use (electricity and gas) were equivalent to 9,617 tonnes of CO_2e in 2023/24. Carbon emissions increased by 27 per cent (2,077 TCO_2e) compared with the reported figure in the previous year. The main reasons for the increased carbon footprint are:

- Estates areas increased by 15 per cent across both sites.
- The Oak Cancer Centre added a building load of 1,118 TCO_2e.
- The new method of direct emissions calculation increased the emissions by 893 TCO_2e.
- The new combined heat and power system installed at the Chelsea site had its first year of full operation resulting in an additional 100 TCO_2e.

Electricity usage

The Trust consumed 13,298.673 kWh of electricity and 37,735,327 kWh of gas in 2023/24. Electricity consumption has increased by 61 per cent, however gas usage decreased by 32 per cent this year in comparison to 2022/23. The main reasons for the increased electricity consumption are the electrical load associated with the Oak Cancer Centre (1.8 MWh) and a breakdown of the CHP engine at the Sutton site which resulted in increased grid imported electricity. The reduction in the gas consumption is a direct result of the CHP breakdown at Sutton.

Water usage

Water consumption and costs have increased by eight per cent and 36 per cent, respectively, this year compared with the previous year. The main factors for the increase are additional site area in the new Oak Cancer Centre and escalated unit costs.

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, the Trust continues to address health inequalities in order to fulfil its obligations as a public sector body. Examples of initiatives which aim to reduce health inequalities are:

- The piloting of a Senior Adult Oncology Programme, an outpatient service comprising a multidisciplinary team, to support older people with cancer. The programme centres around personalised care for patients.
- A study at The Royal Marsden that is aiming to address the gaps in knowledge about the experiences of people living with HIV and who are receiving pelvic chemoradiotherapy for anal cancer, to explore their needs during and after treatment, and to design person-centred care. Prior work has shown that people living with HIV and cancer face intersecting challenges which may lead to multiple disadvantages.
- Personalised pathways, such as the Empower pilot in testicular cancer and pre-habilitation/re-habilitation pathways.
- The ManVan pilot ran from March 2022 to January 2024 and focused on providing health checks to men aged 45 and over who were most at risk. It was designed to improve healthcare access for people who are less likely to receive regular health checks.
- Digital volunteers were appointed to support patients to access MyMarsden, the Trust's patient portal, to mitigate digital exclusion amongst patients.

Access to healthcare to overcome inequalities, health and digital literacy are key components of the Trust's new Five-Year Clinical Strategy. The need to tackle regional inequalities was also included in the existing Five-Year Strategy.

The Trust provides its staff with the training and knowledge to understand health inequalities and how they can help to take action through learning. For example, learning disability and autism (Oliver McGowan) training is included in mandatory training for all staff.

Tackling health inequalities is a priority for the South West London ICS, 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.

The ICB's Joint Forward Plan has five areas of focus 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 cancer personalised stratified follow up, and enhanced pre-assessment).

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 MyMarsden, the patient portal of the Trust's new Digital Health Record, is the facility to allow patients to express religious, spiritual and cultural beliefs and other reasonable adjustment requests.

Using the information collected from patient records, national surveys and other sources, the Trust will continue to identify how it can improve access, experience and outcomes of its cancer services for patients from all parts of the community.

The Royal Marsden is host of RM Partners Cancer Alliance, which works across the ICBs, acute provider collaboratives and borough-based partnerships and with partner acute providers (including The Royal Marsden) and GP practices to support delivery of the NHS-wide early diagnosis ambition across the population.

RM Partners takes an inequalities first approach, meaning that all interventions are designed to address the variations that are seen for the most at risk, most deprived or other groups facing inequality. This is evidenced by the approach RM Partners is taking for the Targeted Lung Health Check Programme, which is inviting the most at-risk wards and boroughs first in a staged approach through the boroughs before inviting the next most at-risk population.

RM Partners' early diagnosis programme has been designed specifically to understand the barriers to populations in accessing healthcare and taking up the offer of screening, and is delivering an approach to address these barriers at local community and system level.

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, which provides 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.

The Royal Marsden is working with AbilityNet to improve the Trust website's accessibility and enable it to meet the new success criteria for Web Content Accessibility Guidelines (WCAG) 2.2 level AA. They are auditing the site, and the Trust will implement their recommendations once the audit is complete.

The Trust website is partially compliant with the WCAG version 2.1 AA standard. The Trust is taking the necessary measures in order to reach full compliance.

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. AccessAble visited the new Oak Cancer Centre this year and accessibility information for the site is now included on the AccessAble website.

Translation, interpretation and patient information

The Royal Marsden 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 is a searchable library of over 500 Royal Marsden patient information resources, including leaflets, booklets, flyers and videos. The 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.

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. A more inclusive range of prostheses (also known as 'softies') for women following mastectomy is also available.

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 the best possible treatment and outcomes for mothers and their babies.

The Trust has a Patient Experience Commitment (2020–2024) which 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 these patients 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 '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 a 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 team provides training for all staff, and the mandatory training compliance for safeguarding has been maintained. Mental Capacity Act and Deprivation of Liberty Safeguards training continued 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

The Trust is committed to having an effective structure for patient and public involvement and engagement (PPIE) at all levels within the organisation.

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 Patient and Carer Advisory Group (PCAG) acts as a focus for many 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 patient-to-patient feedback on activities of the Trust) across the sites twice a month. In addition, there are other engagement groups such as the Teenage and Young Adults 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 Patient Safety Partners (PSPs) also support the Trust on safety issues. The governors, PCAG, PSPs and other patient and public representatives are also active members in many strategic committees and groups including Integrated Governance and Risk Management, Clinical Audit, Quality, and Patient Experience.

The Equality, Diversity and Inclusion (EDI) Patients and Public Contributors Group, co-chaired by the Trust's PPIE EDI champion, facilitates more diverse voices in everything the Trust does. The Parents Group and Teenage and Young Adults Forum continue representing the voices of parents and young people. These groups are linked with 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.

The MyMarsden PPIE Group has continued supporting the Trust with the implementation of Connect, the new Digital Health Record, and with communication about and functionality of MyMarsden.

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

This year, Trust patient and public governors, together with patient and public representatives involved with the Trust in other ways as above, took part in two workshops where the Trust's new Five-Year Clinical Strategy was discussed and developed. This ensured governors and patients and public representatives collaborated in forward planning and in developing the Trust's objectives and priorities.

Social, community, anti-bribery and human rights issues

The Trust's Business Conduct Policy is reviewed annually and approved by two sub-committees. In 2023/24, the policy was reviewed by the Declaration of Interest Oversight Group and no changes were made. 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
26 June 2024

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 45 shows details of their attendance at meetings of the Board and its committees during 2023/24.

Chairman and Non-Executive Directors

Sir Douglas Flint CBE
Chairman

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 William Jackson
Non-Executive Director, Senior Independent Director

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

Dr Elizabeth Adekunle
Non-Executive Director

Liz Adekunle has over 20 years' experience in ministry. She served as Archdeacon of Hackney until August 2021 and is now a Chaplain to His Majesty the King. Liz holds a number of academic and Board-level roles. She is a Board member of STRIDE, New Scotland Yard Metropolitan Police Board, and a member of the National Police Chief's Council. She is also a Non-Executive Director for The Berkeley Group Holdings plc and a Trustee for Hive Education, St Mary Magdalene Academy.

Mrs Jane Bentall
Non-Executive Director and Chair of the Audit and Finance Committee

Jane Bentall became a Non-Executive Director and Chair of the Audit and Finance Committee on 1 July 2022. She is a Chartered Accountant, beginning her career with KPMG. She subsequently spent 15 years as the Group Finance Director of Bourne Leisure, a £1 billion turnover UK holiday business, before becoming the CEO of their Haven Holidays division. Following the sale of the business to Blackstone, for whom she remains as a consultant, Jane embarked on a portfolio career. Jane is now Chair of Resident Hotels Ltd, is the Senior Independent Director (SID) and Chair of the Audit Committee for Safestore plc, the FTSE 250 self-storage company, and is a Non-Executive Director and Chair of the Remuneration Committee for Oakman Inns. She is also a member of Pilotlight.

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 (Until 31 October 2023)

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 NHS Foundation Trust, 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

Ms Heather Lawrence OBE
Non-Executive Director and Chair of the Quality, Assurance and Risk Committee (Until 31 October 2023)

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 2000s. 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 Non-Executive Director.

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

Dr Ted Baker
Non-Executive Director
(From 1 November 2023)

Ted Baker is an experienced and successful clinician, clinical academic, medical leader and healthcare regulator. He began his medical career as a paediatric cardiologist, before going on to hold over 16 years of Board-level leadership roles, with five years operating at national level. His experience includes being Medical Director at Guy's and St Thomas' NHS Foundation Trust, and Medical Director and Deputy Chief Executive at Oxford University Hospitals NHS Trust. More recently, he has worked at a national level in the healthcare regulation sector, including five years as Chief Inspector of Hospitals for the Care Quality Commission (CQC), where he was until 2022. He is currently Chair of the Health Services Safety Investigations Body. He worked in clinical academic practice for 35 years, during which time he published numerous scientific articles, edited a scientific journal and a leading textbook on paediatric cardiology, and gave lectures nationally and internationally.

Membership of committees
Quality, Assurance and Risk Committee

Mrs Alison Dickinson
Non-Executive Director
(From 1 November 2023)

Alison Dickinson most recently worked at Spire Healthcare plc as Group Clinical Director/Chief Nursing Officer following a highly successful nursing career within the NHS spanning over 20 years. She has strong experience of leading large transformation projects and digitalisation programmes focused on patient safety, clinical excellence, governance, productivity and efficiency. Alison's outstanding achievements during her tenure as Group Clinical Director/ Chief Nursing Officer include establishing the first independent sector Freedom to Speak Up network, a large-scale expansion of the intake of nurse apprenticeships, and leading the delivery of clinical quality and governance across Spires's 39 hospitals in the UK, taking them to 99 per cent CQC Good or Outstanding ratings, achieving objective benefits for both patients and staff. She is the Chair of the Quality, Assurance and Risk Committee.

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

Professor Kristian Helin
Non-Executive Director

Professor Kristian Helin is the Chief Executive of The Institute of Cancer Research. 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. Kristian 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. Kristian has been awarded several prizes in recognition of his outstanding contributions to cancer research.

Executive Directors

Dame Cally Palmer CBE
Chief Executive

Dame Cally Palmer is Chief Executive of The Royal Marsden and has held a dual role as National Cancer Director for NHS England since 2015. She is also a Trustee of The Institute of Cancer Research 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 and is a member of the Institute of Health Services Management. Dame Cally Palmer was awarded a CBE in 2008 for her contribution to the NHS, a DBE in 2020 for her contribution to cancer medicine, and an Honorary Doctorate from Queen Mary University of London in 2023 for her contribution to science and the national cancer strategy.

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 is an experienced cancer clinician by background and has held a series of senior clinical leadership roles, including Deputy Chief Nurse and Director of Nursing for Cancer and Surgery. She is currently the Chief Nurse at The Royal Marsden. She is passionate about the delivery of high-quality care for all service users and has developed strong system leadership skills, including developing the personalised care agenda. Staff engagement and support is key to the delivery of safe and effective care and is one of her main priorities.

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. Professor van As was previously Chair of the UK SBRT Consortium and is 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. He is also a Trustee of The Royal Marsden Cancer Charity.

Membership of committees
Quality, Assurance and Risk Committee

Mr Marcus Thorman
Chief Financial Officer
(until December 2023)

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 involved in merging two trusts, private finance initiative (PFI) schemes and running a financial shared service for a number of NHS organisations. At Kettering General Hospital he was Deputy Director of Finance before taking on his first role as a Finance Director overseeing the process for delivering foundation trust status in 2008. During his time at Imperial College Healthcare NHS Trust, he led the finance team in delivering one of the largest financial turnarounds in the NHS; taking the Trust from a planned deficit to a surplus in two financial years. For seven months he was acting Chief Financial Officer while a new Chief Executive was being appointed.

Membership of committees
Quality, Assurance and Risk Committee

Ms Karry Tymieniecka
Interim Chief Financial Officer
(from December 2023)

Karry Tymieniecka was appointed Interim Chief Financial Officer in December 2023 for six months. She had been Director of Operational Finance at The Royal Marsden since 2020, having originally joined the Trust in 2013. Karry is a chartered accountant, starting her career in audit at KPMG before moving to the not-for-profit sector and then the NHS.

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 with the Chief Financial Officer and Chief Nurse in attendance. Senior management are invited to attend meetings when necessary. Representatives from the Trust's internal auditors and anti-fraud specialists, KPMG LLP, and external auditors Grant Thornton UK LLP also attend the committee.

The Audit and Finance Committee met four times in the year to discharge its responsibilities. The committee also met once in the year with the Quality, Assurance and Risk Committee to consider matters that overlap. 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.

The committee also considered a number of significant issues during the year including the approval of the Annual Report and Accounts, cyber security, the digital transformation programme, Private Care billing and debt, the Systemic Anti-Cancer Therapy pathway, counter fraud, appointment of external auditors, and major capital programmes including the Oak Cancer Centre, the Connect Digital Health Record, the Integrated Discovery and Diagnostics project, Specialist Emergency Care Hospital, Cavendish Square, the Chelsea site re-development, and the aseptic unit business case.

During the year, the committee received papers from the Trust's internal auditors KPMG LLP reporting on the findings of the 2023/24 internal audit plan. This plan is prepared with Trust senior management and is approved by the Audit and Finance Committee. The reports in 2023/24 covered a number of areas such as core financial systems (improving NHS financial sustainability including private patients and mandate controls), Digital Health Record lessons learnt, discharge, data quality (theatre utilisation), safeguarding, operational risk management, theatre utilisation, Systemic Anti-Cancer Therapy, pharmacy (effectiveness of the Medicines Management Policy), workforce planning, IT disaster recovery including cyber risk, and DSP Toolkit. Recommendations from internal audit reviews are fed back to management and monitored, and progress is reported to future Audit and Finance Committee meetings. The Head of Internal Audit Opinion confirmed significant assurance with minor improvement opportunities which can be made to the Trust's system of internal control and that controls in place are being consistently applied in all key areas reviewed.

The Trust conducted a rigorous tender process in 2023 regarding the appointment of the Trust's external auditors. A detailed outline of the process was presented by the Chair of the Audit and Finance Committee to the Council of Governors with a recommendation for appointment. At their meeting on 2 February 2024, the Council of Governors approved the appointment of external auditors Grant Thornton UK LLP for up to five years.

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 2023/24 was £266,000 including the Value for Money audit requirement (2022/23: £240,000 including the Value for Money Audit and an additional £40k for RM Medicines Limited). The total audit fees for the wholly owned subsidiary, RM Medicines Limited, are £56,000 (2022/23: £40,000), as a separate 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.

Grant Thornton UK LLP presented its findings from the external audit of the Trust's Annual Report and Accounts. The significant risks discussed with the audit committee were the management override of controls, revenue and expenditure recognition, and the valuation of land and buildings. 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, Grant Thornton UK LLP also provides regular progress reports on sector developments to the Audit and Finance Committee.

Quality, Assurance and Risk Committee

The Quality, Assurance and Risk Committee (QAR) was chaired by Ms Heather Lawrence OBE, Non-Executive Director, until October 2023. Mrs Alison Dickinson became Chair of the Committee from November 2023.

The Committee 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 patient safety, emergency planning, compliance with national and international regulation, health and safety, research, and clinical integrated governance.

The QAR oversees the Trust's clinical governance and risk management arrangements by reviewing monthly quality reports, clinical audit findings, serious incident reports, mortality review, health and safety reports, infection prevention and control reports, internal audit reports from the Trust's internal auditors, and safeguarding vulnerable adults and children 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 and Risk Register at each meeting. The committee reviews patient experience through monitoring the monthly and annual Quality Report, the National Cancer Patient Experience Survey, as well as carefully reviewing complaints and clinical claims.

Each quarter, the members of the QAR meet staff from various divisions to gain a better understanding of key issues and areas of priority. The QAR also oversees the clinical workforce agenda including equality, diversity and inclusion, and Freedom to Speak Up.

Other areas of focus during the year included the roll out of the Patient Safety Incident Response Framework (PSIRF) and Patient Safety Incident Response Policy (PSIRP), the review of the new Care Quality Commission assessment framework 2023, the implementation of the Digital Health Record, Connect, the management and impact of industrial action, ventilation for infection control, the review of the Systemic Anti-Cancer Therapy pathway and improving patient experience, and the risk associated with the aseptic unit and the resulting business case being approved for the building of a state-of-the-art aseptic unit at the Sutton site.

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 the meeting, held in September 2023, was to discuss overarching items such as risk management, the digital transformation programme, the new NHS Code of Governance requirements, the new NHS Providers Licence, the Trust's Constitution and associated governing documents, Freedom to Speak Up, Chelsea site re-development, workforce update in relation to the pay deal and the impact of industrial action, national patient survey, 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 Sir Douglas Flint CBE, Chairman. 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 it met twice in 2023/24. 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 Annual Accounts.

Nominations Committee

The Nominations Committee has delegated responsibility for assisting the Council of Governors in managing the process of identification and re-appointment of NEDs, for determining and advising on NED remuneration and time commitment, and for ensuring appropriate and timely succession planning for the Trust's NEDs.

Membership comprises 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.

The main duties and responsibilities of the Committee are:

- To determine the recruitment process for the Chairman and NEDs, including the search, selection and appointment elements. These elements will include, but are not limited to, proposing the following documents and processes:
  - Role description and person specification against which the NED will be selected. The person specification should reflect the breadth of knowledge, skills and experience for the role to ensure it complements existing skills to make up an effective Board.
  - Advertisement and methods of advertisement, including communication to all relevant parties.
  - Shortlisting and selection process.
- To ensure that candidates for vacant positions are selected, interviewed and recruited against the specific criteria for the individual post.
- To ensure that NED appointments are chosen in light of the skills, knowledge and experience existing on the Board. NEDs should be capable of providing an independent and impartial view of the Board's considerations and decisions while also identifying strongly with the Trust's strategic direction.
- To receive reports on the appraisals of Chairman and NEDs as part of any re-appointment process.
- To ensure that appropriate succession planning is undertaken, taking into account the challenges and opportunities facing the Trust, and the skills and expertise needed on the Board in the future.
- To review the general principles of how, and when, remuneration of the Chairman and the NEDs should be reviewed, and to propose appropriate levels of remuneration for these roles.

NEDs are initially appointed for a three-year term unless the director resigns or is removed by the Council of Governors during that period. They can be re-appointed for a further three years (subject to consideration and approval by the Council of Governors). The removal of a NED 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.

The Nominations Committee convened three times during 2023/24 to discuss the Board's succession planning and the process for the recruitment of two new NEDs to replace Professor Martin Elliott and Ms Heather Lawrence, whose terms of office came to an end on 31 October 2023. The process for these two appointments started in May 2023 when the committee approved the recruitment plan. As with previous Chair and NED appointments at The Royal Marsden, an external recruitment consultant, the MBS Group, was appointed to support the appointment. The MBS Group has a robust understanding and appreciation of the Trust, recognises the importance of the relationships with key stakeholders and has experience of reaching into different communities and attracting candidates from diverse backgrounds.

Shortlisting was undertaken by the Nominations Committee, who had one representative member on the interview panel. Before the formal interviews took place, candidates were given the opportunity to have discussions with the Chief Executive, the Chairman, the Medical Director and the Chief Nurse.

The Nominations Committee recommended a shortlist of candidates to the Council of Governors which was approved on 12 September 2023 and interviews took place on 28 September 2023. Following recommendations from the Nominations Committee, the Council of Governors approved the appointments of two NEDs to the Board of Directors on 11 October 2023. Dr Ted Baker and Mrs Alison Dickinson officially started their initial term of three years on 1 November 2023. Mrs Alison Dickinson was also appointed as Chair of the Quality, Assurance and Risk Committee and Dr Ted Baker as the lead NED for Freedom to Speak Up.

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 2023/24. The review was carried out using NHS England and CQC's well-led framework around the eight key lines of enquiry. The results were presented to the Board in March 2024 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 81.

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 2023/24

Directors' attendance

Board/committee	BoD	RC	AFC	QAR	Joint QAR & AFC
Chair	Sir Douglas Flint CBE	Sir Douglas Flint CBE	Jane Bentall	Heather Lawrence OBE until 31 October 2023 Alison Dickinson from 1 November 2023	Co-chaired by committee chairs
Sir Douglas Flint CBE	11/11	2/2		2/2	1/1
William Jackson (SID)	11/11	2/2			
Elizabeth Adekunle	11/11				
Ted Baker	5/6		1/1	2/2	
Jane Bentall	10/11	2/2	4/4		1/1
Christopher Clark	7/11		4/4		1/1
Alison Dickinson	5/6		2/2	2/2	
Professor Martin Elliott	5/5			2/2	1/1
Heather Lawrence OBE	5/5		2/2	2/2	1/1
Professor Kristian Helin	8/11				
Dame Cally Palmer CBE	11/11			3/4	1/1
Mairead Griffin	11/11		3/4	4/4	1/1
Karl Munslow Ong	11/11			4/4	1/1
Marcus Thorman	8/8		3/3	3/3	1/1
Professor Nicholas van As	11/11			3/4	1/1
Karry Tymieniecka	3/3		1/1	1/1	

Council of Governors		
Chair	Sir Douglas Flint CBE	
	Public	Private
Sir Douglas Flint CBE	6/6	4/4
William Jackson (SID)	0/6	1/1
Elizabeth Adekunle	0/6	
Ted Baker	2/2	
Jane Bentall	6/6	
Christopher Clark	1/6	
Alison Dickinson	2/2	
Heather Lawrence OBE	4/4	
Professor Martin Elliott	2/4	
Professor Kristian Helin	0/6	
Dame Cally Palmer CBE	4/6	2/2
Mairead Griffin	6/6	
Karl Munslow Ong	6/6	
Marcus Thorman	4/4	
Karry Tymieniecka	2/2	
Professor Nicholas van As	4/6	

AFC, Audit and Finance Committee; BoD, Board of Directors; CoG, Council of Governors; NC, Nominations Committee; QAR, Quality, Assurance and Risk Committee; RC, Remuneration Committee; SID, Senior Independent Director.

Non-Executive Directors and Executive Directors are invited to attend the Council of Governors on an optional and voluntary basis.

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 61 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 2023/24, the overall income was £638 million (£598 million in 2022/23).

The Trust receives the majority of its patient care income from NHS England and ICBs. 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 £635.1 million (£578.1 million in 2022/23); an increase of £57 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 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 pages 3-5. 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 81.

Political and charitable donations

The Royal Marsden has not made any political donations this year or in previous years.

The Trust made no donations during 2023/24. During 2022/23, the Trust made a donation of £9.0 million to The Royal Marsden Cancer Charity. RM Medicines Limited, the Trust's wholly owned subsidiary, made a gift aid donation of £nil (2022/23: £200,000) 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 Grant Thornton UK LLP (2022/23: 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 2023/24 was £266,000, including the Value for Money audit requirement (2022/23: £240,000). The total audit fees for the wholly owned subsidiary RM Medicines Limited are £56,000 (2022/23: £40,000), 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 22 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 2023/24, there were 71,597 (2022/23: 68,890) invoices due to be paid within a 30-day period, of which 62,433 (2022/23: 56,910) were paid within target.

Of those that were not paid within target, interest of £0 (2022/23: £0) was paid during the year.

	2023/24		2022/23	
	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	**2,536**	**32,463**	1,883	28,165
Total bills paid within target	**1,965**	**21,651**	1,177	16,700
Percentage of bills paid within target	**78%**	**67%**	63%	59%
Non-NHS Payables				
Total bills paid in the year	**69,061**	**343,217**	67,007	322,057
Total bills paid within target	**60,468**	**321,046**	55,733	285,951
Percentage of bills paid within target	**88%**	**94%**	83%	89%

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.

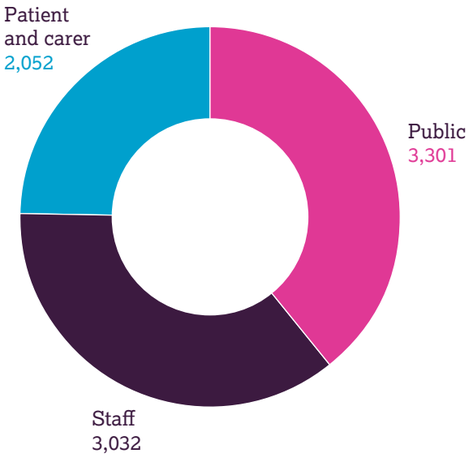
Staff membership

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 2024, the Trust had 8,385 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 2023–2026 will be reviewed once the Trust Clinical Strategy is launched, to ensure they are aligned.

Some of the member recruitment activities and initiatives undertaken for 2023/24 include 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, and promoting membership to Royal Marsden volunteers.

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 in 2023/24 include:

- Invitation to attend virtual workshops to get involved in the development of The Royal Marsden's Five-Year Clinical Strategy.
- Invitation to join online focus groups to help develop walking routes around The Royal Marsden sites.
- All members are invited to request a hard 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. 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 a webinar on 'Post-transplant life and cancer'.
- Opportunity to join the online Cancer Patients' Voice platform.
- Invitation to attend the Annual General Meeting held in September 2023, which 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 'Six months of the Connect programme' and 'How the Oak Cancer Centre will help us go further and faster with early diagnosis and treatment'.

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/becomeamember; 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' 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. In between these meetings, governors receive regular Trust briefings on industrial action, and key updates from the Chief Executive.

During 2023/24, the Council of Governors members were given bespoke in-house training from NHS Providers, which covered a range of topics from governance and the role of a governor, effective questioning and challenge, NHS finance and quality matters. In addition, Governors were invited to attend the Governor Focus conference tailored for NHS Governors, aimed at giving them the opportunity to increase their understanding of the key national issues currently faced by the health and social care service, and to explore the Governor role in integrated working. A collective evaluation of the performance of the Council of Governors was carried out and a proposed action plan presented at the May 2023 Council of Governors meeting.

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 on the next page illustrates this. As of 31 March 2024, 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 (AGM) in 2023/24.

Governors' terms of office and attendance at meetings 2023/24

Governor	Constituency/organisation	Term of office	End of current term	Attendance at Council of Governors and the AGM	
				Public	Private
Patient and carer Governors					
Philippa Leslie*	Kensington and Chelsea & Sutton and Merton	2nd	May 2025	6/6	5/5
Tom Brown	Kensington and Chelsea & Sutton and Merton	2nd	May 2025	5/6	5/5
Prof Stuart Walker	Kensington and Chelsea & Sutton and Merton	1st	May 2025	5/6	4/5
Claire Wilkinson	Elsewhere in London	1st	August 2026	4/4	3/4
Dee Loughran	Elsewhere in London	1st	August 2023	2/2	1/1
Melanie Crossley	Elsewhere in London	1st	May 2025	4/6	4/5
Dr Penka Nikolova	Elsewhere in London	1st	May 2025	6/6	4/5
Dr David Aggett	Elsewhere in England	1st	May 2024	3/6	2/5
Tim Nolan	Carer	2nd	May 2025	4/6	3/5
Louann Heale	Carer	1st	May 2025	4/6	5/5
Public Governors					
Debra Hoe	Kensington and Chelsea	2nd	July 2026	6/6	5/5
Shirley Chapman	Sutton and Merton	2nd	May 2025	5/6	2/5
Dr Banan Osman	Elsewhere in England	1st	May 2024	2/6	1/5
Antony Elliott	Elsewhere in England	1st	May 2025	5/6	4/5
Staff Governors					
Hardev Sagoo	Corporate and support services	3rd	May 2023	1/1	1/1
Chris Jackson	Corporate and support services	1st	June 2026	5/5	4/4
Fiona Rolls	Clinical professionals	2nd	May 2025	5/6	3/5
Dr Jayne Wood	Doctor	2nd	August 2025	3/6	2/5
Jane Kimaru	Nurse	1st	May 2025	3/6	3/5
Nominated Governors					
Dr Barbara Pittam	The Institute of Cancer Research	1st	April 2026	3/6	2/5
Cllr Janet Evans	Local Authority: Borough of Kensington and Chelsea	2nd	August 2026	5/6	4/5
Cllr David Bartolucci	Local Authority: London Borough of Sutton and Merton	2nd	October 2024	4/6	2/5
Anne Croudass	Cancer Research UK (Charity)	3rd	May 2024	4/6	3/5

*Philippa Leslie was re-appointed as Lead Governor in August 2023.

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 2023/24, elections were held for three 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
Public: Kensington and Chelsea (1 to elect)	2
Patient: Elsewhere in London (1 to elect)	4
Staff: Corporate and support services (1 to elect)	1

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 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 December 2023, Governors discussed ways in which they can undertake their duty to hold Non-Executive Directors to account for the performance of the Board and to ensure a consistent approach which supports collaborative working between the Board and the Council of Governors. In March 2024, Governors received an activity report updating them on the Non-Executive Directors' involvement outside of the formal Board of Directors and Board sub-committee meetings. In addition to the annual reports, Governors are also provided with quarterly updates from the Audit and Finance Committee and Quality, Assurance and Risk Committee, highlighting key matters discussed and challenges by the Non-Executive Directors.

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 2023/24, the Remuneration Committee considered the pay award for Executive Directors and the Leadership Team. The Committee approved a five per cent increase effective from April 2023. 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.

Sir Douglas Flint CBE
Chair of the Remuneration Committee

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 reduction in the mean gender pay gap from 12.15 per cent to 11.29 per cent as at 31 March 2024. Further information on the gender pay gap can be found here: royalmarsden.nhs.uk/about-royal-marsden/equality-and-diversity/equality-information

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 Nominations 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 2023/24. 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 sub-committees of the Board	The Non-Executive Directors who have additional responsibility for leading a substantial sub-committee 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
Karry Tymieniecka	Interim Chief Financial Officer	December 2023
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:

Name	Title	Start	Term	End of current term
Sir Douglas Flint CBE	Chairman	1 December 2022	1st	30 November 2025
William Jackson	Senior Independent Director	1 September 2018	2nd	31 August 2024
Elizabeth Adekunle	Non-Executive Director	29 March 2023	1st	28 March 2026
Ted Baker	Non-Executive Director	1 November 2023	1st	31 October 2026
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
Alison Dickinson	Non-Executive Director	1 November 2023	1st	31 October 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

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 Chairman, Sir Douglas Flint CBE, with core membership comprising of the Chair of the Audit and Finance Committee, Jane Bentall, and Senior Independent Director, William Jackson.

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. Two meetings were held during the financial year. See table on page 45 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 (bands of £5,000)	Taxable benefits Total to nearest £100	Annual performance-related bonus (bands of £5,000)	Long-term performance-related bonus (bands of £5,000)	Pension-related benefits*** (bands of £5,000)	Total (bands of £5,000)
		£000	£	£000	£000	£000	£000
2023/24							
Sir D Flint CBE	Chairman	50-55	–	–	–	–	50-55
Ms J Bentall	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
Ms E Adekunle	Non-Executive Director (from 29 March 2023)	15-20	–	–	–	–	15-20
Ms H Lawrence OBE	Non-Executive Director (until 31 October 2023)	10-15	–	–	–	–	10-15
Mr E Baker	Non-Executive Director (from 1 November 2023)	5-10	–	–	–	–	5-10
Mrs A Dickinson	Non-Executive Director (from 1 November 2023)	5-10	–	–	–	–	5-10
Prof M Elliot	Non-Executive Director	5-10	–	–	–	–	5-10
Dame C Palmer CBE*	Chief Executive	310-315	–	–	–	35-37.5	345-350
Dame C Palmer CBE holds a dual role as National Cancer Director for NHS England, so 50% of the salary costs are recharged to NHS England.							
Prof N van As	Medical Director	220-225	–	–	–	0-2.5	220-225
Mr K Munslow Ong*	Chief Operating Officer	205-210	–	–	–	0-2.5	205-210
Mr M Thorman	Chief Financial Officer (until 17 December 2023) (FTE 230-235)	170-175	–	–	–	0-2.5	170-175
Ms M Griffin**	Chief Nurse	145-150	–	–	–	0-2.5	145-150
Ms K Zaremba-Tymieniecka	Interim Chief Financial Officer (from 18 December 2023) (FTE 170-175)	40-45	–	–	–	7.5-10	50-55
2022/23							
Mr C Alexander	Chairman (until 30 November 2022)	30-35	–	–	–	–	30-35
Sir D Flint CBE	Chairman (from 1 December 2022)	25-30	–	–	–	–	25-30
Ms H Lawrence OBE	Non-Executive Director	20-25	–	–	–	–	20-25
Ms J Bentall	Non-Executive Director	15-20	–	–	–	–	15-20
Prof M Elliot	Non-Executive Director	15-20	–	–	–	–	15-20
Mr C Clark	Non-Executive Director	15-20	–	–	–	–	15-20
Mr W Jackson	Non-Executive Director	15-20	–	–	–	–	15-20
Mr M Aedy	Non-Executive Director	10-15	–	–	–	–	10-15
Mr I Farmer	Non-Executive Director (until 30 June 2022)	5-10	–	–	–	–	5-10
Dame C Palmer CBE*	Chief Executive	295-300	–	–	–	35-37.5	330-335
Prof N van As	Medical Director	210-215	–	–	–	147.5-150	360-365
Mr M Thorman	Chief Financial Officer	210-215	–	–	–	65-67.5	285-290
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

*The pension-related benefit for Dame C Palmer CBE reflects the cash payments made in lieu of retirement benefits. For Mr K Munslow Ong, the pension-related benefit includes cash payments made in lieu of retirement benefits within the range of £20k-£22.5k.

**The pension-related benefit for Ms M Griffin comprises of cash repayment in the range of £0-£2.5k made in lieu of retirement benefits (2022/23: cash payments 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 value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual. The main factor determining the variation between the two years is the inflation rate used in the calculation, which is as mandated by the Greenbury technical guidance.

Note: Kristian Helin, Non-Executive Director, has been paid nil remuneration in both 2023/24 and 2022/23.

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 £170-175,000 (2022/23: £160-165,000).

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 age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2024 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2024 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2023	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2024	Employer's contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£000
2023/24									
Mrs K Zaremba-Tymieniecka	Interim Chief Financial Officer	0-2.5	0-2.5	25-30	0-2.5	278	8	320	n/a
Prof N van As	Medical Director	0-2.5	0-2.5	85-90	70-75	1164	199	1512	n/a
Ms M Griffin	Chief Nurse	0-2.5	0-2.5	2.5-5	0-2.5	0	0	48	n/a
Mr K Munslow Ong	Chief Operating Officer	0-2.5	10-12.5	30-35	100-105	592	35	695	n/a
2022/23									
Mr M Thorman	Chief Financial Officer	2.5-5	0-2.5	70-75	130-135	1120	59	1240	n/a
Prof N van As	Medical Director	7.5-10	5-7.5	75-80	70-75	985	119	1164	n/a
Ms M Griffin	Chief Nurse	0-2.5	0-2.5	60-65	180-185	1379	0	1414	n/a
Mr K Munslow Ong	Chief Operating Officer	0-2.5	0-2.5	40-45	75-80	538	36	592	n/a

*Dame C Palmer and Mr M Thorman chose not to be covered by the pension arrangements during the reporting year.

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 2024. 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 CETV reported in the table above do not allow for a potential future adjustment arising from the McCloud judgement retrospective remedy.

A 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.

Expenses

In 2023/24, there were 13 Board Directors, including five Executive Directors and eight Non-Executive Directors, and 21 Governors. The aggregate amount of expenses paid to Directors and Governors was:

£555.00 To Executive Directors	£924.00 To Non-Executive Directors	£97.00 To Governors

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 2023/24 was £310,000-£315,000 (2022/23: £295,000-£300,000). This is a change between years of 5 per cent (2022/23: 9 per cent). 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 2023/24 was from £15,000 to £313,635 (*restated 2022/23: £15,000 to £298,700). 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 15 per cent (*restated 2022/23: -6 per cent). No employee received remuneration in excess of the highest-paid director in the organisation (*restated 2022/23: no employees). The remuneration of the employee at the 25th percentile, median and 75th percentile is set out in the table on the following page. 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	£37,569 (Restated 2022/23: £37,569) (Original 2022/23: £39,521)	£51,669 (Restated 2022/23: £49,405) (Original 2022/23: £49,875)	£70,898 (Restated 2022/23: £63,510) (Original 2022/23: £67,229)
Total pay and benefits excluding pension benefits	£37,569 (Restated 2022/23: £37,569) (Original 2022/23: £39,521)	£51,669 (Restated 2022/23: £49,405) (Original 2022/23: £49,875)	£70,898 (Restated 2022/23: £63,510) (Original 2022/23: £67,229)
Pay and benefits excluding pension: pay ratio for highest paid director	8.32 (Restated 2022/23: 7.92) (Original 2022/23: 7.5)	6.05 (Restated 2022/23: 6.02) (Original 2022/23: 6.0)	4.41 (Restated 2022/23: 4.68) (Original 2022/23: 4.4)

*The range of remuneration amounts for 2022/23 have been revised from £15,000 to £307,238 to £15,000 to £298,700 as a result of a change in coverage of fair pay calculations. The calculations have been updated to include permanent staff, bank and agency staff for which there is reliable and identifiable information. In order to be consistent between the two years reported here, the relevant 2022/23 figures have been restated. This is what also caused restatement in the table above.

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

Approval of the Remuneration Report:

Dame Cally Palmer CBE
Chief Executive
26 June 2024

Staff report

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

	Permanently employed	Temporary and contract staff	**2023/24 total**	2022/23 total
	£000	£000	**£000**	£000
Salaries and wages	234,794	15,745	**250,539**	241,479
Social security costs	26,713	1,385	**28,098**	25,619
Employer contributions to NHS Pensions Agency and NEST	39,923	1,016	**40,939**	38,071
Agency staff	–	8,105	**8,105**	8,727
	301,429	**26,251**	**327,680**	313,896

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 2023 to March 2024.

	Permanently employed number	Temporary and contract staff number	**2023/24 total number**	2022/23 total number
Medical and dental staff	523	30	**554**	533
Administration and estates	1,550	109	**1,659**	1,607
Healthcare assistants and other support staff	397	24	**421**	427
Nursing, midwifery and health visiting staff	1,155	180	**1,335**	1,176
Nursing, midwifery and health visiting learners	11	–	**11**	11
Scientific, therapeutic and technical staff	563	15	**578**	553
Healthcare science	272	7	**279**	268
	4,471	**366**	**4,837**	4,575

(The table below is not subject to audit)

The above table shows the average WTE trust employed is 4,471 (FTE) permanent and fixed term staff. This FTE value equates to a headcount of 4,837 average staff members. The Trust engaged on average an additional 89 WTE as agency and 277 WTE bank workers. As at March 2024, the breakdown of the permanent and fixed term workforce headcount by gender is as follows:

	Female	Male	**Total**
Employee	3,594	1,212	**4,806**
Executive Director	3	3	**6**
Leadership Team	9	8	**17**
Total	**3,606**	**1,223**	**4,829**

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 53 for information on the gender pay gap for the Trust.

The Royal Marsden People Plan 2023/24

Following several challenging years, the Trust was delighted to be able to focus on recognising the extraordinary efforts of staff, first during the COVID-19 pandemic and then through a period of unprecedented change with the implementation of the new Digital Health Record, Connect, and the opening of the Oak Cancer Centre in 2022/23.

Pressure arising from the impact of the rising cost of living and industrial action in response to the government pay award continued to contribute to a challenging workforce environment, and the Trust's principal focus was on recruitment, retention and recognition. As a result, the Trust's vacancy and turnover rates were at the lowest in early 2024 than they had been for several years.

Themes for 2023/24

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 during 2023/24 against these themes are set out on the following pages.

Workforce: working together differently to deliver the best patient care

Recruitment, retention and flexible deployment of staff continued to be a strong driver due to the operational challenges of maintaining services, particularly during periods of industrial action. The *NHS Long-Term Workforce Plan*, published in June 2023, focused on three priority areas: train, retain and reform.

Recruitment and resourcing

As the labour market has become more challenging, the Trust has had to become more creative and has broadened its approach to sourcing applicants to roles at The Royal Marsden. In particular, the Trust continues to recruit overseas for both nursing and allied health professional roles, supporting international employees with a comprehensive support package. As part of a commitment to promoting diversity and inclusion, the Trust continued to develop initiatives to encourage local residents to join its workforce, so that its staff reflect the local communities that it serves.

The *NHS Long-Term Workforce Plan* highlighted how apprenticeships are key to developing the future pipeline of healthcare workers by training unqualified support workers to become qualified and to widen opportunities for entry-level staff to start their healthcare careers. There have been 284 people in apprenticeships since the Trust started offering apprenticeships in 2018. The Trust will need to increase its use of apprenticeships significantly over the coming years to ensure that it is developing a pipeline of future healthcare professionals.

Regular dedicated recruitment events were held, aimed at different staff groups, in order to provide a streamlined and responsive recruitment experience. These include tours and offering attendees the opportunity for on-site interviews, potentially resulting in conditional job offers on the same day.

The Trust's nurse vacancy rate decreased to six per cent, the lowest over the last 12 months. Currently, there are 74.6 WTE nurses in the recruitment pipeline.

Understanding the importance of international recruitment in addressing workforce shortages, the Trust is actively working to enhance and diversify its overseas recruitment initiatives. International nurse recruitment continues, with rolling interviews and a cohort of nurses arriving most months. So far, the Trust has successfully recruited over 60 international nurses. The Trust continues to ensure pastoral care is in place for these new recruits. In recognition of this, the Trust is delighted to have been awarded the NHS Pastoral Care Quality Award by NHS England. The Trust continues to welcome refugee nurses, who also receive a nationally funded support programme allowing them to learn about the NHS and working in the UK.

The Trust works with the Prince's Trust to support young people into the workplace, with the number of roles across clinical and corporate teams growing.

The Trust is collaborating with Step into Health to facilitate the recruitment of individuals from the Armed Forces. This strategic alliance offers significant advantages for the Trust, providing access to a pool of highly skilled individuals with extensive training in critical areas, including leadership, teamwork and adaptability.

Retention of staff

Voluntary turnover at the Trust has seen a gradual decline over the last 12 months (see table below). The 'Add Professional Scientific and Technical' staff are roles predominantly in pharmacy and support roles in theatres, and 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 2023	**31 March 2024**
Add Prof Scientific and Technical	18.2%	**16.7%**
Additional Clinical Services	21.7%	**15.4%**
Administrative and Clerical	16.0%	**10.8%**
Allied Health Professionals	14.3%	**12.0%**
Estates and Ancillary	8.8%	**5.6%**
Healthcare Scientists	10.0%	**7.5%**
Medical and Dental	2.9%	**1.7%**
Nursing and Midwifery Registered	14.6%	**10.8%**
Total	**14.5%**	**10.4%**

There has been an improvement in retention rates, which are now 10.4 per cent. To support the retention of staff, the Trust has focused on the rewards and benefits of working at the Trust, including professional development. There has been significant work carried out on supporting staff to have a flexible workplace, looking at how roles are made up, greater flexibility over shift choices and carer-friendly opportunities.

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.

The Trust is working in partnership with Great with Talent on conducting exit and starter surveys. The collected data are being shared within Trust-wide networks to gain insights into employee experiences. This will inform decision-making and strategic planning across the Trust.

To support flexible working across The Royal Marsden, the Trust has continued to partner with Timewise, with the aim of enhancing employee wellbeing and retention. Timewise held masterclasses for line managers, to help equip them with the tools needed to navigate and implement flexible working arrangements effectively. This ongoing collaboration reflects the Trust's commitment to creating a workplace that prioritises employee satisfaction and encourages professional retention.

The Trust is committed to supporting the health and wellbeing agenda for staff. This ongoing effort reflects a dedication to creating a workplace that values the wellbeing of staff, with a focus on implementing initiatives that contribute to the physical, mental and emotional welfare of the workforce.

Development: growing our people for the future

The Royal Marsden continues to attract, retain and develop the brightest and best people locally, nationally and internationally through excellence in education and training. The Trust's education programme supports the development of an agile and sustainable workforce model that is designed to meet the needs of patients in a modern healthcare system.

Professional development

'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 multiprofessional oncology education and training. During the reporting period, the Trust supported 707 pre-registration students and trainees across professional groups, an increase of 20 from the previous year – this increase is vital in securing the workforce pipeline within a challenging labour market.

As part of the Trust's ongoing commitment to investment in education, which is the cornerstone of its employer value proposition, 1,144 staff were given financial support and study leave to undertake a range of education pathways, training courses and conferences – an increase of 28 per cent on the previous year. There were 296 staff supported through an academic pathway – a 60 per cent increase on the previous year. 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 focus for continuing professional development (CPD) is on supporting clinical courses including advanced clinical practice, Systemic Anti-Cancer Therapy, physical and advanced clinical assessment, non-medical prescribing, critical care skills, and theatre courses.

During 2023/24, the Trust extended the range of personal and business development training available by embarking on a new partnership with NHS Elect. Workshops on coaching skills, report writing, customer service, strategy, negotiation and influencing, and project management proved to be hugely popular, with 216 staff attending one of these programmes throughout the year. NHS Elect membership also provides staff with unlimited access to over 120 online courses and webinars relevant to all NHS staff on topics such as leadership, customer service, quality improvement, business skills, personal development skills and patient involvement – 369 staff attended an NHS Elect online course or webinar. The learning and development team also put together an exciting development offer for 'Thank You Week' offering staff the chance to learn new skills such as photography, self-defence and clinical skills for non-clinical staff.

Apprenticeships

In 2023/24, 41 staff embarked upon an apprenticeship programme, an increase of 12 from the previous year. In total, 85 staff were on an apprenticeship course during the year. The most popular apprenticeship courses were in leadership and management, and quality improvement. New apprenticeships were also introduced this year, including digital designer, sustainability practitioner and digital leadership. In addition, a new model of converting entry-level posts into apprenticeships was introduced in order to increase the numbers of apprenticeship posts within the organisation and offer new pathways into healthcare for the Trust's local populations.

Work experience

The Trust introduced a new approach to work experience in 2023/24. Prior work experience schemes have focused predominantly on medical placements; however, this year, multidisciplinary placements were offered in order to broaden students' exposure to a wide range of healthcare roles, with students spending time with three or more different professionals during their placement. The aim of this is to increase the number of young people embarking upon a career in healthcare. There were 97 students who took part in this year's programme and their experience was overwhelmingly positive, with 83 per cent of students describing their placement as excellent and the remaining 17 per cent describing it as good.

Equality, diversity and inclusion training

The Trust launched a new programme of equality, diversity and inclusion training, creating a comprehensive suite of online courses, videos, guides and toolkits specifically designed to help staff increase their awareness and understanding in a range of topics including neurodiversity, trans and non-binary awareness, and addressing microaggressions in the workplace. There are also webinars, short courses and programmes for managers to help them address concerns raised in the workplace and create a positive inclusive culture for all staff working at The Royal Marsden. In total, 566 equality, diversity and inclusion courses were accessed.

Statutory and mandatory training

The Trust's statutory and mandatory training programme provides staff with the essential skills and knowledge needed to carry out their role and is a key contributor to patient safety. Compliance with mandatory training at the end of the year was 93.7 per cent, and ranged between 90 per cent and 92 per cent throughout 2023/24, at all times exceeding the 90 per cent target. A number of changes were made to the curriculum during the year including increasing site-specific fire evacuation training, increasing the level of safeguarding training required for a number of clinical staff and introducing the Oliver McGowan training on learning disabilities and autism, which is now mandated for all staff.

Leadership development

The popular Management Essentials leadership programme was revamped to address some of the common themes arising from the Staff Survey, Freedom to Speak Up contacts and employee relations data. The programme is now designed to provide managers with the competence and confidence to lead people with compassion, develop and motivate them, and create high performing teams. In 2023/24, 637 staff attended a Management Essentials workshop.

In addition to Management Essentials, the Trust continued to provide a range of development programmes for leaders at all levels in the organisation:

- Leading Excellence, delivered in partnership with Henley Business School for consultants and senior leaders, focusing on transformation and interpersonal leadership: 35 staff attended in 2023/24 and 125 staff have attended this programme to date.
- Leading for Change, delivered by The Royal Marsden School and aimed at middle-grade clinical leaders and registrars, focusing on the tools and techniques for delivering service improvements and leading change within the workplace: in 2023/24, 33 staff attended this programme.
- Enhancing Leadership for middle managers looking for a refresh of their people management skills: in 2023/24, 18 staff attended; to date, 99 staff have attended this programme.
- 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: in 2023/24, 76 staff attended this course and 211 staff have attended this course to date.

All of the above programmes have been positively evaluated by attendees.

Coaching and mentoring

The Trust offers a range of coaching interventions including career coaching, express coaching and one-to-one coaching, delivered internally or externally – 78 staff requested and received a coaching intervention in 2023/24. In addition to this, a mentoring scheme was launched this year, designed to pair a staff member with an experienced manager who can provide them with advice and support to help them in achieving their personal development goals; 55 managers have volunteered to mentor a more junior member of staff and 12 staff requested the support of a mentor.

Team development and engagement

During 2023/24, the learning and organisational development team designed and delivered 21 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 challenging team dynamics to help understand the root causes and work together with the team to improve communication, engagement and effective working. A new psychometric tool, Lumina, was used to support organisational development practice, providing insight into individual and team strengths, preferences and potential tensions – 105 Lumina assessments and debriefs were provided to staff. Teams and individuals were also supported in building wellbeing and resilience through a range of training sessions delivered virtually and face to face; 114 staff attended a wellbeing session during 2023/24.

Appraisal

The Trust launched a new appraisal format in April 2024 following a feedback exercise incorporating views from both staff and managers. The main change was to introduce the Scope for Growth model of career conversations to enable managers to support staff in their career and development planning. Feedback on the quality of evaluations was very positive with 94 per cent of respondents agreeing that their appraisal process was a valuable experience. To support the launch of the new process, the learning and development team provided appraisal training to 264 managers and career conversation training to a further 167 managers, and produced a comprehensive guide to career conversations.

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 258 Royal Marsden staff attended a module run by the School in 2023/24, with 922 staff attending a conference or study day run by the Conference Centre. Overall in 2023/24, the School hosted 1,114 students, with a total of 18,751 students having studied through The Royal Marsden School since it began in 2002. 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.

Preceptorship Programme

The Trust has a two-year Preceptorship Programme that is run jointly with The Royal Marsden School. Preceptorship provides a period of support and guidance for newly registered staff as they transition from student to qualified healthcare professional. It supports staff to develop knowledge and skills to ensure that they can work as confident and competent healthcare professionals as well as giving them the opportunity to look to their future and how they can progress their careers.

The Trust has been awarded the National Preceptorship Quality Mark as well as an updated Capital Nurse Preceptorship Quality Mark. These awards are in recognition of the quality of the Trust's Early Careers Programme for newly registered nurses, and ensures that it gives its newly registered staff the best possible start to their careers. It demonstrates that the Trust's programme aligns with the standards of the NHS England National Preceptorship programme (the Capital Nurse Preceptorship Mark is specific to trusts in London). To achieve the quality mark the Trust had to submit a self-assessment that demonstrated that all 10 core/mandatory criteria were met. Both quality marks are valid for two years.

Wellbeing: looking after ourselves and each other

The last 12 months saw the launch of the new Digital Health Record, Connect, the opening of the Oak Cancer Centre, industrial action, ongoing cost of living pressures and continued high vacancy rates across the NHS. All of these have had a significant impact on Royal Marsden staff in various ways, impacting on their overall wellbeing. Staff wellbeing continued to be at the centre of everything the Trust did this year. 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 continued to promote the 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 from major retailers and local discounts.

The Trust understands that staff continue to face financial pressures outside of the workplace, and so ensures 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 has also introduced access to Wagestream, a financial planning app which allows employees the option to access a percentage of their accrued earnings during the pay cycle with no impact on payroll. The app has multiple functions and staff can also view worked and future shifts, track spending, save directly from their salary and receive various different types of financial and debt management advice; all of which provide staff with more support and control over their finances. The Trust is pleased to have this provision, but equally pleased that it is not used by many. An additional salary sacrifice scheme has also been introduced. Techscheme allows staff to purchase items such as white goods or laptops through the scheme to help them spread the payments over time, interest free.

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 offered 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. This has recently been updated to include all the new initiatives and is also available for staff to access on the intranet.

The Trust continues to offer free tea and coffee to all staff to support them to take a break and stay hydrated whilst working. A subsidised meal was introduced in September 2022 and continues to offer a different meal every day over a rolling six-week period.

Since June 2023, two masseurs have attended both Sutton and Chelsea sites on the third Monday of each month; known as ‘Massage Mondays’. The masseurs visit different departments each month and provide 10-minute neck and shoulder massages for staff, which has been very well received.

The Trust has recently partnered with Henpicked to deliver their Menopause Awareness Programme at the Trust, which includes training awareness sessions for line managers and colleagues, so that the Trust can work towards achieving Menopause Friendly Accreditation.

Recognition of staff

The Trust was delighted to restart its recognition programme with a Long Service Award Ceremony in the newly opened Oak Cancer Centre, funded by The Royal Marsden Cancer Charity, celebrating over 100 members of staff who had achieved between 10 and 40 years of service at The Royal Marsden. Hosted by the Director of Workforce in July, each member of staff received a certificate, a gift and personal thanks from the Chief Executive and the Chairman. An annual Staff Achievement Awards Ceremony was held in December, which celebrated the extraordinary achievements of Royal Marsden staff and included two lifetime achievement awards.

Finally, in recognition of the efforts of all staff over a particularly challenging few years, the Trust ran the first ever ‘Thank You Week’ in September, a week to congratulate teams for all that they have achieved, celebrate wins, and foster a sense of community across the Trust. ‘Thank You Week’ was not just a time for celebration, but also offered the chance to reflect on the incredible contribution that every single member of staff has made to the Trust, to meet and network with other teams, and to learn and grow together as a community.

Each day had a specific focus, beginning with a Women in Leadership session which included Royal Marsden Chief Executive Dame Cally Palmer, Consultant Clinical Oncologist Irene Chong, Charity Trustee and designer Anya Hindmarch, and Kate Stanners from Saatchi and Saatchi. Other themes included diversity, development and wellbeing. There were many different events and the return of the hugely popular snacks and drinks trolley across both sites for staff, massage therapists and visits from the Pets As Therapy dogs. Senior managers went back to the floor to work in different areas of the hospital, including portering, pharmacy, catering and on front reception. A particular highlight was the celebration of the staff nursery at the Sutton site, which marked 30 years of operation. ‘Thank You Week’ was generously supported by The Royal Marsden Cancer Charity.

Community: creating a culture of inclusion and belonging

The Trust aspires 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 renewed its Disability Confident Employer status in 2023/24. 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 gold award as a Veteran Friendly Employer.

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.

Equality, diversity and inclusion priorities 2023-2025

Drawing inspiration from current NHS and regional policy thinking, The Royal Marsden’s equality, diversity and inclusion priorities seek to create a 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 equality objectives for 2023-2025 are:

- Objective 1: Design and deliver services that are accessible, inclusive and responsive to the needs of patients and communities served locally, nationally and internationally.
- Objective 2: Attract, recruit, retain and progress a diverse range of employees in a culture which celebrates diversity and inclusion.
- Objective 3: Provide a working environment where employees are treated with fairness, dignity and respect.
- Objective 4: Implement NHS England’s EDI Improvement Plan framework to support the Trust’s goal of creating a more inclusive Royal Marsden.

These objectives will take account of the requirements of the NHS EDI Improvement Plan, Medical Workforce Race Equality Standard (MWRES), reverse mentoring and management education to help the Trust drive sustained improvement in creating a more inclusive Royal Marsden through the levers of accountability, sharing data and lived experiences of staff and patients.

Progress to date:

- Throughout the year, the Trust has worked closely with its three staff networks to deliver a range of inspiring and thought-provoking webinars to staff during Black History Month, Disability History Month and LGBT+ History Month. Hosted by the staff network leads, internal and high-profile speakers helped to highlight lived experiences and inequalities faced by different groups, with the underlying message to staff to further their personal understanding of inclusion. 735 staff attended 12 sessions.
- A pilot was undertaken in the workforce directorate to identify and reduce disparities across all protected characteristics. The '#Inclusive HR' intervention was positively received and encouraged line managers and staff to co-create and deliver a bespoke action plan to address barriers or meet the needs of staff highlighted through this process.
- 74 staff attended a managing equality, diversity and inclusion workshop; 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 new EDI Learning Hub page enabled 566 staff to access materials and broaden their EDI learning too.
- There has been continued improvement in the workforce composition of the ethnicity and disability staff profile, which has increased to 41.41 per cent and 5 per cent, respectively.
- The number of staff pledging support of LGBTQ+ patients and colleagues by wearing the NHS Rainbow Badge continues to grow, with over 1,500 having signed a pledge (as at 31 March 2024), compared with 1,300 last year.
- A further reduction in the mean gender pay gap continues, from 12.15 per cent to 11.29 per cent as at 31 March 2024.
- The Trust achieved gold accreditation as a Veteran Friendly Employer, working closely with the Armed Forces in 2023/24.
- The second cohort of 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 with a protected characteristic who share their lived experiences and influence leaders to create a more inclusive culture and work environment.
- Strengthened focus on the governance arrangements for staff networks has supported the Trust to continue sharing staff experience from different protected characteristics.
- Work has continued with key stakeholders across South West London ICB to contribute towards the development of inclusion initiatives that benefit Royal Marsden staff, for example a South West London development programme for senior leaders (irrespective of ethnic background), the Disability Advice Line to support staff or candidates with disabilities; and the Ask Aunty app to assist with onboarding of international candidates. The Trust has also contributed towards the development of an anti-racist framework for South West London, which will be launched in 2024/25.
- The Trust will continue to focus on improving 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, implementing inclusive employment relations practices, and encouraging more localised inclusion-related activity within teams, led by line managers, which will support the transformational change the Trust seeks.

Freedom to Speak Up

In healthcare, Freedom to Speak Up is about feeling able to speak up about anything that gets in the way of doing a great job. That could be a concern about patient safety, a worry about behaviours or attitudes at work, or an idea which could improve processes or make things even better.

In response to Sir Robert Francis QC's report 'The Freedom to Speak Up' in 2015, the National Guardian's Office (NGO) and the role of Freedom to Speak Up Guardian were created. These recommendations were made to promote a culture within the NHS to encourage and support workers to speak up.

There are currently over 1,000 guardians in NHS and independent sector organisations, hospices and national bodies who provide an additional route for workers to speak up when they feel unable to do so in other ways. The guardians also support their organisations to help address any barriers to speaking up.

The key aim of The Royal Marsden's Freedom to Speak Up (FTSU) service is to continue to build an open and honest culture where staff feel able to speak up. 'Staff', for these purposes, includes apprentices, bank staff, contractors, locums, permanent staff, students, trainees and volunteers.

Natalie Doyle is currently the Trust's FTSU Guardian and Amanda Sadler the Deputy Guardian. The nominated Non-Executive Director is Ted Baker and all three have been appointed within the financial year 2023/24. The Director of Workforce, Krystyna Ruszkiewicz, is the executive lead for the FTSU service and for whistleblowing.

Until recently, the FTSU Guardian was supported by a network of up to nine FTSU Champions. The NGO, in November 2023, published new guidance around the role, stating that Champions could no longer 'hold a case' and only the Guardian and Deputy Guardian may do this. As a result of this, changes to the role have been instigated within the Trust and an informal review and reassessment of how best to proceed is currently being undertaken by the Guardian and Deputy Guardian, with internal and external support.

The FTSU Guardian and Deputy Guardian can be contacted in confidence by email and there is a template available on the intranet to help staff structure their request for support with their concern that can also, if required, be sent anonymously. The FTSU inbox is monitored regularly by the Guardian and Deputy Guardian and has an immediate response message to help manage expectations. An appointment can then be arranged, either face to face or electronically, where the Guardian or Deputy Guardian can work with the concern raiser(s) to ascertain and plan how best to ensure that the individual or group are able to raise their concerns to the appropriate person, or the Guardian or Deputy Guardian can do this on their behalf.

All information is recorded confidentially, channels of communication and support remain open until a suitable time is agreed to close the case. Feedback about the service is then sought via an anonymous electronic form. Each person who raises a concern is also made aware of the Employee Assistance Programme.

Data are submitted quarterly to the NGO and to the internal performance team. These data are anonymised and aggregated into nationally agreed staff groups and nature of concern categories. These include elements of patient safety/quality, worker safety/wellbeing, bullying or harassment, inappropriate attitudes or behaviour, and disadvantageous/demeaning treatment because of speaking up (detriment). The number of cases raised anonymously is also submitted.

The FTSU Guardian meets regularly with the Director of Workforce to discuss emerging themes. Trust policy currently indicates that staff members whose name has been mentioned on three or more occasions in staff concerns should be offered additional tailored support to aid their own development and increase self-awareness, this includes an offer of mentoring and/or coaching.

The Guardian, Deputy Guardian and Non-Executive Director also convene regularly to identify matters for improvement and to seek assurance from the Board of appropriate action.

Activity to date suggests that there is an increasing awareness of the FTSU service within The Royal Marsden. The FTSU service is fundamental to how the Trust works and is part of business as usual across the Trust. By speaking up, listening and following up, the Trust can ensure that all learning leads to actions that ultimately improve both patient and worker safety and experience.

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, DAWN (Disability at Work Network) and PRIDE (formerly 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: Annual Staff 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

The Royal Marsden Staff Achievement Awards returned as an in-person celebration in December 2023 to recognise the achievements of staff. In 2023, the award categories were: Pioneering Change, Pursuing Excellence, Working Collaboratively, Showing Kindness, Green Award and 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, the Trust intranet, where all staff can 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.

The response rate to the 2023 survey among Royal Marsden staff was 48 per cent (compared with 49 per cent in 2022), which is in line with the national response rate (48 per cent).

There are seven People Promises (with sub-sections within each promise) and two categories. In March 2024, all NHS trusts were notified that the People Promise 'We are safe and healthy' had been withdrawn from reporting. This was due to concerns about the quality of data and specifically missing data. The Trust is therefore not able to compare 2022 and 2023 results for this People Promise.

Scores for the six People Promises and two categories are shown in the table below (these are scored out of 10), along with benchmarking data comparing the Trust with acute specialist trusts and other similar trusts, and the scores for 2022 and 2021.

Overall, compared with the 2022 scores, the Trust has performed significantly better against four of the eight categories, slightly better in three categories and the same score for one category.

The Trust will continue to review and improve its approach to staff engagement, building on its multi-level strategy of individual, local management, divisional and organisation-wide engagement, underpinned by a strong commitment to promoting the Trust's Freedom to Speak Up service. The Trust continues to invest in and support local staff networks and carefully nurture good relationships with trade unions and staff representative organisations. The Trust seeks to engage staff in all aspects of its business, such as the development of the Five-Year Clinical Strategy 2024/25-2028/29 and uses a range of feedback mechanisms on an ongoing basis to understand the impact of its interventions. The action plans to respond to the staff survey will utilise this approach.

	2023		2022	2021
	The Royal Marsden	Average score for acute specialist trusts	The Royal Marsden	The Royal Marsden
We are compassionate and inclusive	**7.5**	7.5	7.5	7.5
We are recognised and rewarded	**6.1**	6.1	5.8	6.1
We each have a voice that counts	**6.9**	6.9	6.9	7.0
We are always learning	**5.8**	5.7	5.7	5.7
We work flexibly	**6.2**	6.3	5.9	6.1
We are a team	**6.9**	6.9	6.8	6.9
Staff engagement	**7.3**	7.2	7.2	7.3
Morale	**6.1**	6.1	5.9	6.0

Benchmarking data

The Trust is benchmarked in the 'Acute Specialist Hospitals' category. There are 13 organisations in this group, geographically dispersed and representing different specialties. Overall, the Trust has slightly lower scores against four of the eight categories. However, these are not statistically significant.

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
2023									
The Royal Marsden NHS Foundation Trust	**7.5**	**6.1**	**6.9**		**5.8**	**6.2**	**6.9**	**7.3**	**6.1**
The Christie NHS Foundation Trust	7.7	6.3	6.9		5.9	6.6	7.0	7.4	6.3
The Clatterbridge Cancer Centre NHS Foundation Trust	7.9	6.6	7.2		6.1	6.7	7.3	7.4	6.4
Great Ormond Street Hospital for Children NHS Foundation Trust	7.4	5.9	6.8		5.7	6.1	6.8	7.2	5.9
Liverpool Heart and Chest Hospital NHS Foundation Trust	8.0	6.6	7.5		6.3	6.9	7.4	7.7	6.7
Liverpool Women's NHS Foundation Trust	7.4	6.0	6.9		5.5	6.1	6.9	7.0	5.9
Moorfields Eye Hospital NHS Foundation Trust	7.2	5.8	6.7		5.6	6.1	6.7	7.1	6.0
Queen Victoria Hospital NHS Foundation Trust	7.8	6.3	7.1		6.1	6.6	7.0	7.5	6.3
Royal National Orthopaedic Hospital NHS Trust	7.5	6.1	7.1		6.0	6.8	7.0	7.5	6.2
Royal Papworth Hospital NHS Foundation Trust	7.4	6.0	6.8		5.6	6.6	6.7	7.2	5.9
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	7.7	6.2	6.9		5.7	6.4	7.0	7.4	6.3
The Royal Orthopaedic Hospital NHS Foundation Trust	7.5	6.1	6.9		5.6	6.5	6.8	7.2	6.3
The Walton Centre NHS Foundation Trust	7.6	6.2	7.1		5.7	6.5	7.0	7.4	6.3
2022									
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	7.0	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	6.0	5.5	6.0	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	7.0	6.1	5.5	5.9	6.9	7.1	6.0
Moorfields Eye Hospital NHS Foundation Trust	7.2	5.7	6.7	6.1	5.5	6.0	6.6	7.1	5.8
Queen Victoria Hospital NHS Foundation Trust	7.7	6.2	7.1	6.5	5.9	6.4	7.0	7.4	6.2
Royal National Orthopaedic Hospital NHS Trust	7.5	6.0	7.0	6.4	6.0	6.6	7.0	7.4	6.2
Royal Papworth Hospital NHS Foundation Trust	7.3	5.7	6.7	6.0	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	6.0	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
2021									
The Royal Marsden NHS Foundation Trust	**7.5**	**6.1**	**7.0**	**6.2**	**5.7**	**6.1**	**6.9**	**7.3**	**6.0**
The Christie NHS Foundation Trust	7.6	6.2	7.0	6.2	5.5	6.3	6.8	7.3	6.0
The Clatterbridge Cancer Centre NHS Foundation Trust	7.6	6.3	7.1	6.3	5.6	6.2	7.0	7.2	6.0
Great Ormond Street Hospital for Children NHS Foundation Trust	7.4	6.0	6.9	6.2	5.6	6.1	6.8	7.3	6.0
Liverpool Heart and Chest Hospital NHS Foundation Trust	7.8	6.3	7.3	6.5	5.9	6.4	7.1	7.5	6.3
Liverpool Women's NHS Foundation Trust	7.3	5.9	6.8	6.1	5.3	5.8	6.7	6.9	5.8
Moorfields Eye Hospital NHS Foundation Trust	7.1	5.7	6.7	6.2	5.5	5.9	6.5	7.1	5.9
Queen Victoria Hospital NHS Foundation Trust	7.6	6.3	7.1	6.4	5.7	6.3	6.9	7.4	6.1
Royal National Orthopaedic Hospital NHS Trust	7.5	6.1	7.0	6.4	5.8	6.7	6.9	7.4	6.2
Royal Papworth Hospital NHS Foundation Trust	7.5	6.1	6.9	6.1	5.6	6.3	6.8	7.2	6.0
The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	7.5	5.9	6.8	6.2	5.4	6.1	6.7	7.1	6.0
The Royal Orthopaedic Hospital NHS Foundation Trust	7.6	6.2	7.1	6.4	5.6	6.5	6.9	7.3	6.2
The Walton Centre NHS Foundation Trust	7.6	6.1	7.2	6.3	5.4	6.5	6.9	7.3	6.2

When compared across South West London ICB Trusts, The Royal Marsden scored the highest across all eight categories in 2023/24.

Trust	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are always learning	We work flexibly	We are a team	Staff engagement	Morale
2023								
The Royal Marsden NHS Foundation Trust	**7.5**	**6.1**	**6.9**	**5.8**	**6.2**	**6.9**	**7.3**	**6.1**
Croydon Health Services NHS Trust	7.1	5.9	6.6	5.4	5.9	6.7	6.9	5.7
Epsom and St Helier University Hospitals NHS Trust	7.1	5.8	6.6	5.2	6.0	6.6	6.9	5.8
Kingston Hospital NHS Foundation Trust	7.3	5.8	6.7	5.7	5.9	6.7	7.0	5.8
St George's University Hospitals NHS Foundation Trust	7.0	5.7	6.5	5.4	5.8	6.6	6.8	5.6
2022								
The Royal Marsden NHS Foundation Trust	**7.5**	**5.8**	**6.9**	**5.7**	**5.9**	**6.8**	**7.2**	**5.9**
Croydon Health Services NHS Trust	7.1	5.8	6.6	5.3	6.0	6.7	6.9	5.6
Epsom and St Helier University Hospitals NHS Trust	7.1	5.7	6.6	5.0	5.9	6.5	6.8	5.6
Kingston Hospital NHS Foundation Trust	7.2	5.7	6.7	5.5	5.8	6.6	6.9	5.7
St George's University Hospitals NHS Foundation Trust	7.0	5.6	6.5	5.3	5.7	6.5	6.8	5.5
2021								
The Royal Marsden NHS Foundation Trust	**7.5**	**6.1**	**7.0**	**5.7**	**6.1**	**6.9**	**7.3**	**6.0**
Croydon Health Services NHS Trust	7.1	5.7	6.7	5.3	5.8	6.6	6.9	5.6
Epsom and St Helier University Hospitals NHS Trust	7.1	5.7	6.6	4.8	5.6	6.5	6.8	5.6
Kingston Hospital NHS Foundation Trust	7.1	5.6	6.5	5.2	5.6	6.4	6.8	5.5
St George's University Hospitals NHS Foundation Trust	7.1	5.7	6.5	5.2	5.7	6.5	6.8	5.5

Trade Union Facility Time disclosures

The tables below detail the costs of paid facility time for the period 1 April 2022 – 31 March 2023, as 2023/24 data is not available until July 2024.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent
22	20.04

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	17
1%-50%	5
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£3,888
Total pay bill	£315,519,000
Percentage of the total pay bill spent on facility time calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0.0%

Expenditure on consultancy

Consultancy expenditure for the year 2023/24 was £0.55 million (£0.63 million in 2022/23).

Off-payroll engagements

All off-payroll engagements as of 31 March 2024, 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 2023 and 31 March 2024, 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 2023 and 31 March 2024	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 2023 and 31 March 2024:

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 2023/24.

(Prior year comparatives are provided in brackets)

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	1	–	1
	(–)	(–)	(–)
£25,001 – £50,000	1	–	1
	(–)	(–)	(–)
£50,001 – £100,000	–	–	–
	(–)	(1)	(1)
Total number of exit packages by type	2	–	2
Total resource cost (£000)	–	61	61
	(–)	(55)	(55)

Exit packages: non-compulsory departure payments	Agreements	Total value of Agreements
	Number	£000
Contractual payments in lieu of notice	2	61
	(–)	(–)
Non-contractual payments requiring HMT approval	–	–
	(1)	(55)
Total	2	61
	(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 April 2023, 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 2023/24 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 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, and
- 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
26 June 2024

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 2024 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 coordination 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. 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.

The organisation has been transitioning to the new Patient Safety Incident Response Framework (PSIRF), a national initiative to replace the Serious Incident (SI) Framework. In line with this, the Trust developed a Patient Safety Incident Response Plan, detailing its incident investigation profile, as well as developing a toolkit approach to allow for other learning responses and updated key policies to reflect these key changes. Although the way incidents are investigated and reported is changing, the Trust will continue to review significant incidents to establish any immediate learning via a rapid review process. At the end of March 2024, the Trust fully transitioned to PSIRF.

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 sets out how risk is systematically managed. This extends across the organisation, from the frontline service through to the Board, and promotes the mitigation of clinical and non-clinical risks associated with healthcare and research, and ensures the continuous review of business continuity plans across the Trust.

The policy identifies the organisational risk management structure, the roles and responsibilities of committees and groups that have some responsibility for risk, and the duties and authority of key individuals and managers regarding risk management activities. It describes the process for providing assurance for the Trust Board review of strategic organisational risks, and the local structures to manage risk in support of this policy.

The policy is integrated into the management, performance monitoring and assurance systems of the Trust, to ensure that safety and improvement are embedded in all elements of the Trust's work, partnerships, collaborations and existing service developments. This enables early identification of factors, whether internally or externally driven, which may prevent the Trust from achieving its strategic objectives.

An audit was undertaken by the internal auditor, KPMG, on risk management in 2023/24, and a thorough discussion took place at the Joint Quality, Assurance and Risk Committee and Audit and Finance Committee. The audit found significant assurance with minor improvement opportunities of the Trust's risk management arrangements. 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 2023/24, there were zero 'Never Events' at the Trust.

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.

Involvement of stakeholders in risk management

The Trust recognises the importance of involving stakeholders in ensuring patient safety events are avoided and patients, visitors, staff, contractors and other members of the public are not exposed to any unnecessary risks or hazards. Risks are assessed and managed to ensure the Trust's systems reflect consideration of all stakeholder interests. Stakeholders are also involved in the Trust's risk management process where appropriate. For example:

- Patient views are obtained via a number of mechanisms, with strong patient and public involvement and engagement processes and policy in place.
- Patient and carer representatives, as well as the newly appointed Patient Safety Partners, form the membership of a number of the Trust's governance committees and input into effective risk and safety policy.
- Patient representatives are involved in Patient-Led Assessments of the Care Environment (PLACE) inspections.
- There are regular discussions of service issues and other pertinent risks with commissioners and the Clinical Quality Review Group, which includes membership from the Integrated Care System.
- Non-Executive Directors undertake 'walkarounds' with teams and report their findings to the Executive team.
- Advice is sought from various external stakeholders, including experts and lawyers.
- Governors receive reports from the Board assurance committees to seek assurance of how clinical and non-clinical risk is scrutinised and mitigated.

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.

Developing a strong employer brand to maintain and promote The Royal Marsden's position as a globally competitive 'employer of choice' for clinical and non-clinical staff wishing to work in oncology. Introducing differentiated retention and inclusion strategies to secure a skilled and sustainable workforce

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 and increased attrition rates across all sectors. Demographic changes and differing expectations in the workforce require modernisation of the workplace and employment offer in the face of increasing national and global competition for skilled healthcare workforce.

During the year, the Trust faced the additional risk of ongoing industrial action by junior doctors, which took place at various points throughout the year. 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 HR team has worked hard to improve the vacancy rate across the Trust, particularly within nursing which by March 2024 was below the Trust target. To maintain that position the Trust will continue to diversify the skills and experience of The Royal Marsden workforce, and ensure that the people the Trust employs remain with the organisation.

Maintain a high-quality specialist paediatric service and minimise disruption to global leading paediatric research until this service is relocated to the alternative provider in line with the NHS England decision

A public consultation on the future location of children's cancer services ran from 26 September until 18 December 2023. This followed the decision taken by the NHS England Board, advised by Professor Sir Mike Richards, that all Principal Treatment Centres should be co-located with a paediatric intensive care unit (PICU) going forward, in order to future-proof the service for new treatments like CAR-T cell therapy, which may require greater use of PICU. The decision was also made on the basis that The Royal Marsden specialist cancer model of service which includes a range of on-site cancer expertise for children and families, with access to clinical trials delivered in partnership with the ICR, should be replaced by a specialised paediatric model of service with on-site PICU and other specialist children's services.

The Royal Marsden responded to the consultation, setting out its support for any change in the provision of children's cancer services which is in the best interests of patients and families but also highlighting the significant challenges that any service relocation will need to overcome. It is important that any future location can replicate all the benefits patients currently receive at The Royal Marsden.

On the 14 March 2024, NHS England London (NHSEL) and South East announced that the service will be transferred to Evelina London. 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 is 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.

Addressing capacity constraints at the Chelsea site, particularly in inpatients with a short-, medium- and long-term plan that seeks to expand and realise efficiencies in existing facilities is a key priority

There is a growing demand for the services that The Royal Marsden provides, and the Trust needs to increase its capacity in order to meet that demand. This year the Trust began exploring options for adding to its Chelsea site in central London, expanding capacity, modernising facilities and providing state-of-the-art technologies.

The design phase for the Chelsea re-development project got underway this year. Initial designs will be reviewed and finalised in summer 2024, before being shared for comment through public consultation with local stakeholders, residents and staff.

Deliver the overall financial plan, ensuring efficient use of resources, diverse but clearly contracted income streams and the ability to reinvest capital into infrastructure

The Trust set a £2 million surplus plan for 2023/24 and over delivered against this by £8.2 million. The agreed plan for 2024/25 is for a £5 million surplus.

To ensure delivery against the plan, ongoing divisional performance is reviewed by the executive-led Finance and Performance Committee on a monthly basis, including forecasts for the full year. 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.

Internal audit and anti-fraud activities

The Trust contracts with KPMG LLP for its internal audit function. All internal audit reports are presented to the AFC, which oversees the action required, addressing any system weaknesses. Reports relevant to quality, assurance and risk are presented to the QAR Committee. 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.

Principal risks to compliance with the NHS provider licence section 4

On an annual basis, the Board committees review Trust evidence against the requirements of the NHS provider licence condition 4 (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 4, 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 receives 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 2023/24 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.

Workforce strategies, safeguards and staffing systems

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

Nursing workforce

2023/24 saw a marked improvement in several key nursing workforce metrics. The Trust's nursing vacancy rate reduced from 11.4 per cent in May 2023 to 6.2 per cent in March 2024, and band 6 turnover has stabilised.

This improvement in the Trust vacancy rate has been enabled by onboarding two important large cohorts of nursing staff. Following a successful collaboration with the London Consortium and NHS England, The Royal Marsden recruited 30 internationally educated nurses. There were also 33 newly qualified nurses (NQNs) who chose The Royal Marsden as the organisation where they wanted to start their career. This influx of staff has ensured that many of the Trust's establishments are replete. The clinical education team has also ensured the delivery of an Internationally Educated Nurse (IEN) Specific Preceptorship Programme, which now runs parallel to a two-year preceptorship programme for NQNs. The clinical education team has been pivotal in successfully applying for both the NHS Pastoral Care Quality Award for International Nurses and the Capital Nurse Preceptorship Quality Mark 2024. Both awards provide The Royal Marsden with an important kitemark, ensuring a quality and holistic approach in the care and management of internationally trained and newly qualified nurses.

The Trust has also acknowledged the previous knowledge and experience of IENs, and several have rapidly been promoted into ward manager and clinical nurse specialist (CNS) roles. Working with senior colleagues in organisational development, the Trust has recently commissioned 20 places for 2024 with the Florence Nightingale Foundation, offering the Internationally Educated Nurses Leadership Programme. Their successful recruitment and onboarding has minimised the Trust's reliance on bank and agency staff, but has meant an inexperienced workforce; yet these initiatives and investments illustrate the Trust's support and ongoing commitment in new nurses, preparing and developing them so they are increasingly equipped to care safely and effectively for the Trust's complex patient population.

Whilst small numbers, the Trust has also supported several healthcare support workers (HCSWs) to complete their Registered Nurses degree apprenticeship and continues to support trainee nurse associates in a variety of arenas. The organisation made the decision in August 2023 to uplift all Band 2 HCSWs to Band 3, recognising the recent changes in the national role profile. This acknowledges their knowledge and skills and their valuable contribution, but importantly rewards this key group of staff fairly and appropriately.

The Trust has also supported five internal ancillary staff to complete the Care Certificate which supports them in completion of Level 2 in Maths and English, providing the opportunity for them to attain a role as a HCSW. This enables staff working in kitchen/portering or other roles to build a clinical career, which contributes to The Royal Marsden being an anchor institution providing opportunity in supporting local populations.

Helen O'Toole, the Trust's Lead Career Pathway Nurse, has planned and led on a number of retention opportunities for staff. One is to re-open the 'transfer window procedure' where staff can request a move/transfer to another ward or department where there is a suitable vacancy without going through the normal recruitment bureaucracy. These moves will be mutually agreed by the receiving manager and the individual. This opportunity has been extended from Band 3 through to Band 6 and its utilisation and effect will be monitored over the year. The Trust has listened to staff about what it can do to better support the retention of staff. It reviewed, updated and relaunched the cancer nurse rotation, in collaboration with The Royal Marsden School, which ceased three years ago. Funding has been secured from RM Partners and these rotations will restart in September, with the impact being closely monitored.

Implementing the national programme of Professional Nurse Advocacy (PNA), which promotes restorative clinical supervision, is making good progress, with 21 qualified PNAs and more than 400 sessions completed. This intervention, alongside the staff psychological support service, is helping to promote greater wellbeing amongst nurses, acknowledging the significant stressors inside and increasingly outside of 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. The Trust has increased its staffing reviews to quarterly (from bi-annually), to ensure close scrutiny of resources. The divisions have also ensured greater oversight of their shift-to-shift nursing deployment and bank and agency utilisation, with a marked reduction in agency booking.

International Nurses Day in May 2023 was a success, with England Chief Nursing Officer Dame Ruth May in attendance as well as The Royal Marsden Chairman, and Executive and Non-Executive Directors. In October, The Royal Marsden School relaunched the Robert Tiffany Lecture. Professor Daniel Kelly MBE was welcomed as the winner of this prestigious award. Royal Marsden nurses have attended and been invited to speak at a number of national and international conferences, continuing to raise the profile of The Royal Marsden and oncology nursing.

The introduction of new Digital Health Record, Connect, in 2023, has been challenging, but the nursing workforce have been remarkable in their adaptability and commitment. The Trust has one of the largest uptake of barcode administration of medications.

The Trust's Nursing Vision will be launched in May 2024: 'Think the Royal Marsden, Think Opportunity for all'. This vision has five key ambitions which will significantly support the Trust's retention strategy, recognising that retaining a skilled nursing workforce is fundamental to continued success.

Professor Susanne Cruickshank has been appointed Strategic Lead for Applied Health Research with a remit to build research capacity and capability among Nurses, Allied Health Professional and Pharmacists (NAHPPs). The number of staff with competitive funding increased significantly between 2020 to 2024, as has external grant income. The Royal Marsden Cancer Charity pre-doctoral fellowships have been the springboard to increase research opportunities among NAHPPs and changed the research culture in The Royal Marsden among these professional groups. In addition, the NIHR has invested £30 million over five years (2023-2028) and the Trust is actively supporting NAHPPs to apply for these new awards. The goal is to have Royal Marsden staff apply at all levels (internship to professor) in line with a clinical academic research career. The Trust stands out as being a leader in the number of NAHPPs actively engaged in, delivering and leading applied cancer research.

Many of the NAHPP staff undertaking research have critical clinical roles within the Trust. They have grown professionally and personally, directly applying their new research knowledge back into patient care, and within their peer groups. Their backfill funding has enabled them to remain in practice part-time while using their specialist skills to train others, offering a level of succession planning.

Medical workforce

In 2023/24, the Trust concentrated on improving experience of clinical practice through the implementation of Connect, the Trust's new Digital Health Record. Training support was provided to all medical staff on a team and individual level, during a national period of industrial unrest. The Trust introduced new Local Negotiating Committee arrangements with its trade union partners who represent doctors, the British Medical Association (BMA) and HCSA, the hospital doctors' union, in order to maintain the best possible relationships during a difficult time.

All medical staff were invited to participate in the creation of the Five-Year Clinical Strategy for the Trust, which will cover the period from 2024/25 to 2028/29 and will be supported by a workforce strategy which will set out how the Trust will recruit, retain and develop the very best doctors. The Trust continues to develop its

expertise in workforce planning for the cancer workforce and is mindful of the changes to the healthcare workforce and the need to create new jobs that people want to do. Through its annual business planning round, the Trust ensures that it has the appropriate medical workforce in place to deliver safe, high-quality clinical services to patients, and continues to utilise non-training roles of Physician Associates to ensure that services remain at the highest level of quality and safety.

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.

Allied health professional workforce

The allied health professional (AHP) workforce is designated to the Therapy and Rehabilitation Department. In 2023, the Trust focused on training and development for its staff, developing and implementing a structured, competency-based training programme for AHP band 5-6 therapists. This will enhance the quality of care provided to patients and will support enhanced staff satisfaction, retention and recruitment. The Trust has developed training modules that are a mixture of lectures, case studies, role-play and hands-on practice sessions.

The Trust has also revised its student training programmes to incorporate a hybrid approach, blending clinical, research and leadership components. This revised programme resulted in increased student placement, positioning the Trust as a leading organisation in London, aligned with the 'Fair Share' model. There was an impressive satisfaction rating of 8.7 out of 10 from students and their recommendation of The Royal Marsden as an excellent place for AHP student training.

To bolster recruitment efforts, the Trust has adopted a multi-faceted approach that includes both national and international strategies. Nationally, the Trust is actively reaching out to individuals who have previously halted their practice but are now eager to return to the workforce through a 'Return to Practice' programme. This initiative offers tailored training and support to help these professionals reacquaint themselves with the latest advancements and best practices in their field. Additionally, the Trust is casting its recruitment net globally, seeking talented individuals internationally.

The Trust launched a Physical Activity Strategy this year, marking a significant step forward in promoting holistic wellness within the organisation. Recognising the profound impact of physical activity on health outcomes, particularly in the context of cancer treatment and recovery, the Trust is committed to empowering both patients and staff to embrace an active lifestyle.

Recently, the AHP therapists achieved Communication Access accreditation, demonstrating the commitment to ensuring equitable communication practices within the Trust. Collaborating closely with the Learning and Development department, this accreditation will be implemented throughout the organisation, reinforcing the Trust's dedication to facilitating meaningful communication experiences for all. Through this initiative, the Trust aims to break down barriers and ensure that individuals with communication disabilities have the same opportunities to communicate and participate as those without such disabilities, thus fostering a more inclusive and supportive community for all.

Compliance statement

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

The Foundation 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 Foundation Trust has undertaken risk assessments on the effects of climate change and severe weather and has developed a Green Plan following the guidance of 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 2023/24 was approved by the Board of Directors and communicated to all managers in the organisation. The plan was to deliver a revenue surplus in 2023/24 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.

During 2022/23, the Trust made a donation of £9.0 million to The Royal Marsden Cancer Charity from commercial activities undertaken by the Trust. The donation was to support the Charity's 'modern patient environments' and 'state-of-the-art equipment' themes. The Trust entered into the transaction in good faith without seeking approval from HM Treasury (HMT), following legal advice and an understanding that other trusts had entered similar transactions. However, the external auditors recommended retrospective approval was sought from HMT. The Trust submitted this request on 26 May 2023 and received an outcome decision on 6 December 2023. HMT's view was that it would have not approved the transaction at the time if it had come to HMT, as it would have set a precedent for other trusts to follow, and the transfer was not considered to align to the capital expenditure arrangements for the NHS. Following this decision, no further such payments will be made by the Trust.

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 2023/24, the Trust reported one incident externally via the Data Security and Protection Toolkit. In February 2024, the Trust was informed that there was a breach of personal patient data by a member of staff. Once the facts were known, the incident was reported externally to the ICO who have, to date, not requested any further information. This matter is still under investigation but in the meantime an action plan has been put in place.

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

The Data Security and Protection Toolkit submission deadline for 2023/24 is 30 June 2024 and The Royal Marsden's Information Governance Assessment Report overall score is expected to be 'Standards Met' for all mandatory questions, with information governance training having already reached the Trust's 95 per cent target in March 2024.

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 began using Connect, its primary Digital Health Record system, in March 2023, and this has changed the way that some data is managed. Operational/data asset owners are responsible for ensuring the accuracy of data held in the system and have access to a number of dashboards, reports and work-queues to assist in this. Furthermore, the Trust's Data Quality Team performs regular checks on data and has access to a number of tools used to check and correct data 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 is regularly presented to the Trust's Information Governance Committee, which reports into the QAR Committee. 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 theatre utilisation 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 held for designated pathology services
- UKAS Quality Standard for Imaging 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 am assured that there are no significant internal control issues.

Approval of the Annual Governance Statement:

Dame Cally Palmer CBE
Chief Executive
26 June 2024

Approval of the Accountability Report:

Dame Cally Palmer CBE
Chief Executive
26 June 2024

3. Annual Accounts for the year ended 31 March 2024

Foreword to the accounts The Royal Marsden NHS Foundation Trust

These accounts for the year ended 31 March 2024 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
26 June 2024

Independent auditor's report to the Council of Governors of The Royal Marsden NHS Foundation Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of The Royal Marsden NHS Foundation Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, Trust Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Changes in Taxpayers' Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2024 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-24 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

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 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 Accounting Officer with respect to going concern are described in the relevant sections of this report.

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2023/24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider 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 this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with NHS Foundation Trust Annual Reporting Manual 2023/24; and
- based on the work undertaken in the course of the audit of the financial the other information published together with the financial statements in the annual 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

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Accounting Officer's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2023/24, 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 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).
- We enquired of management and the Audit and Finance committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Finance committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraud risks on revenue and expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment;
  - revenue recognition of material streams of patient care income and other operating revenue; and
  - expenditure recognition of material streams of other operating expenditure.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria defined as part of our risk assessment;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to the valuation of land and buildings and accruals included within the accounts. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- Our assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in respect of the above matter.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the 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 Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of The Royal Marsden NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Trust and the Trust's Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Joanne Brown

Joanne Brown, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

London
26 June 2024

Consolidated statement of comprehensive income for the year ended 31 March 2024

	Note	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Income from activities	3	513,098	513,098	473,595	473,595
Other operating income	3	125,491	125,164	124,675	124,378
Operating expenses	4	(635,540)	(635,127)	(578,393)	(578,072)
Operating surplus		**3,049**	**3,135**	**19,877**	**19,901**
Finance costs					
Finance income	7	6,114	6,322	2,813	2,898
Finance expense	8	(362)	(348)	(400)	(395)
Public Dividend Capital dividends payable	21	(5,840)	(5,840)	(4,791)	(4,791)
Net finance costs		**(88)**	**134**	**(2,378)**	**(2,288)**
Profit/(loss) on disposal of financial assets	6	(543)	(543)	–	–
Share of profit/(loss) in joint venture	12	(434)	(434)	(188)	(188)
Corporation tax expense		–	22	–	(22)
Surplus/(Deficit) for the year		**1,984**	**2,314**	**17,311**	**17,403**
Other comprehensive (losses)/income					
Amounts that will not be reclassified subsequently to income and expenditure					
Revaluation (losses) on land and buildings		(891)	(891)	(5,540)	(5,540)
Total comprehensive income for the year		**1,093**	**1,423**	**11,771**	**11,863**

Adjusted financial performance (control total basis):	Note	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Surplus for the year		1,984	2,314	17,311	17,403
Donated capital income		(13,871)	(13,871)	(26,119)	(26,119)
Depreciation on donated assets		9,123	9,123	7,791	7,791
Impairment of assets due to changes in market prices	4	12,362	12,362	8,146	8,146
Centrally procured inventories		52	52	–	–
(Profit)/loss on disposal	6	543	543	–	–
Adjusted financial performance surplus/(deficit)		**10,193**	**10,523**	**7,129**	**7,221**

Consolidated statement of financial position as at 31 March 2024

	Note	31 March 2024 Trust £000	31 March 2024 Group £000	31 March 2023 Trust £000	31 March 2023 Group £000
Non-current assets					
Intangible assets	9	23,662	23,662	26,075	26,075
Property, plant and equipment	10	282,155	282,548	289,448	289,468
Right of use assets	11	29,795	29,795	29,740	29,740
Loan to subsidiary undertakings	15	124	–	419	–
Investment in subsidiary undertakings	15	3,360	–	3,360	–
Trade and other receivables	14	944	944	1,202	1,202
Investment in joint venture	12	–	–	434	434
Total non-current assets		**340,040**	**336,949**	**350,678**	**346,919**
Current assets					
Inventories	13	8,747	10,466	7,230	9,007
Trade and other receivables	14	140,801	141,499	81,245	82,562
Public dividend capital receivable	14	–	–	122	122
Loan to subsidiary undertakings	14/15	295	–	291	–
Cash and cash equivalents	18	104,239	109,040	160,267	165,147
Total current assets		**254,082**	**261,005**	**249,155**	**256,838**
Current liabilities					
Trade and other payables	16	(85,066)	(88,515)	(91,341)	(95,170)
Provisions	16/17	(315)	(315)	(74)	(74)
Borrowings	16/17	(4,628)	(4,628)	(5,188)	(5,188)
Deferred income and other liabilities	16	(41,547)	(41,526)	(42,881)	(42,909)
Public dividend capital liability	16	(504)	(504)	–	–
Tax payable	16	(7,335)	(7,370)	(6,641)	(6,669)
Total current liabilities		**(139,395)**	**(142,858)**	**(146,125)**	**(150,010)**
Non-current liabilities					
Trade and other payables	17	(2,409)	(2,409)	–	–
Provisions	17	(4,742)	(4,742)	(4,923)	(4,923)
Borrowings	17	(33,099)	(33,099)	(35,482)	(35,482)
Total non-current liabilities		**(40,250)**	**(40,250)**	**(40,405)**	**(40,405)**
Total assets employed		**414,477**	**414,846**	**413,303**	**413,342**
Financed by taxpayers' equity					
Public dividend capital	SoCTE	115,637	115,637	115,556	115,556
Revaluation reserve	SoCTE	8,140	8,140	9,031	9,031
Income and expenditure reserve	SoCTE	290,700	291,069	288,716	288,755
Total taxpayers' equity		**414,477**	**414,846**	**413,303**	**413,342**

The notes on pages 103 to 139 form part of these accounts.

These consolidated financial statements have been approved by the Board and authorised for issue on 26 June 2024 and signed on its behalf by:

Dame Cally Palmer CBE
Chief Executive Officer
26 June 2024

Karry Tymieniecka
Interim Chief Financial Officer
26 June 2024

Trust statement of changes to taxpayers' equity for the year ended 31 March 2024

	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 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 1 April 2023	**413,303**	**115,556**	**9,031**	**288,716**
Surplus for the year	1,984	–	–	1,984
Revaluation losses on property, plant and equipment	(891)	–	(891)	–
Public Dividend Capital received	81	81	–	–
Taxpayers' equity at 31 March 2024	**414,846**	**115,637**	**8,140**	**291,700**

Consolidated statement of changes to taxpayers' equity for the year ended 31 March 2024

	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 2022	**394,976**	**115,285**	**14,571**	**265,120**
Impact of implementing IFRS 16 on 1 April 2023	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 1 April 2023	**413,342**	**115,556**	**9,031**	**288,755**
Surplus for the year	2,314	–	–	2,314
Revaluation losses on property, plant and equipment	(891)	–	(891)	–
Public Dividend Capital received	81	81	–	–
Taxpayers' equity at 31 March 2024	**414,846**	**115,637**	**8,140**	**291,069**

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 and Social Care 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.

Consolidated statement of cash flows for the year ended 31 March 2024

	2023/24 Trust	2023/24 Group	2022/23 Trust	2022/23 Group
	£000	£000	£000	£000
Cash flows from operating activities				
Total operating surplus	**3,049**	**3,135**	**19,877**	**19,901**
Non-cash income and expenses				
Depreciation and amortisation	28,558	28,592	23,624	23,631
Income recognised in respect of capital donations	(13,871)	(13,871)	(26,119)	(26,119)
Impairment	11,741	11,741	11,275	11,275
Increase in inventories	(1,517)	(1,459)	(681)	(14)
(Increase)/Decrease in receivables excluding any items in relation to the transfer of items per note 12	(59,382)	(58,649)	(4,373)	(4,960)
Increase in trade and other payables excluding any items relating to the transfer of items per note 12	(4,973)	(5,346)	6,469	7,746
(Decrease)/Increase in deferred income	(6,682)	(6,682)	(3,730)	(3,730)
Increase in other liabilities	5,426	5,298	1,025	1,064
(Decrease)/Increase in provisions	61	61	(312)	(312)
Net cash inflow/(outflow) from operating activities	**(37,590)**	**(37,180)**	**27,055**	**28,482**
Cash flows from in investing activities				
Loan repayments from subsidiary company	295	–	282	–
Interest received from subsidiary company	14	–	5	–
Interest received	6,100	6,322	2,809	2,898
Purchase of intangible assets	(1,461)	(1,461)	(12,592)	(12,592)
Purchase of property, plant and equipment	(25,388)	(27,790)	(39,133)	(39,133)
Cash receipts for purchase of capital assets	12,586	12,586	26,119	26,119
Net cash used in investing activities	**(7,854)**	**(8,344)**	**(22,510)**	**(22,708)**
Cash flow from financing activities				
Public dividend capital received	81	81	271	271
Interest paid	(69)	(69)	(144)	(144)
Loan repaid	(3,751)	(3,751)	(4,719)	(4,719)
Lease interest paid	(261)	(261)	(258)	(258)
Lease capital paid	(1,370)	(1,370)	(1,822)	(1,822)
Public dividend capital dividends paid	(5,214)	(5,214)	(5,303)	(5,303)
Net cash outflow from financing activities	**(10,584)**	**(10,584)**	**(11,975)**	**(11,975)**
Increase/(Decrease) in cash and cash equivalents	(56,028)	(56,107)	(7,430)	(6,201)
Cash and cash equivalents at 1 April	**160,267**	**165,147**	**167,697**	**171,348**
Cash and cash equivalents at 31 March	**104,239**	**109,040**	**160,267**	**165,147**

Further information on the Statement of Cash Flows can be found in note 18.

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 2023/24 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 has a reasonable expectation that the Group pertaining to the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. The Board has 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 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.

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.

The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. All intragroup assets and liabilities, reserves, income, expenses and cash flows relating to transactions between members of the group are eliminated on consolidation.

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.

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 NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS), which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. In 2023/24, API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), outpatient procedures, outpatient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

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

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 and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular Integrated Care Board (ICB) is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to ICBs to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements, as explained above. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners. In 2022/23, elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

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.

Revenue from RM Partners

The Trust hosts RM Partners, West London Cancer Alliance. The work programme led by RM Partners centres on implementing the priorities set out in the NHS Long Term Plan, as well as the priorities described in the national planning guidance relevant to cancer. RM Partners receives income from NHS England and other ICBs and this is recognised as performance obligations are met.

1.3 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 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 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 the 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.

1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of 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, unless one party is acting solely as an agent. 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. The Trust recognised expenditure in relation to RM Partners activity as funding is allocated to other members in the partnership.

1.6 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 2024 was £393,045 (2022/23: £20,055).

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.

Measurement

Valuation

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 depreciated replacement cost on a modern equivalent asset (MEA) for specialised operational property and market value for existing use 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 held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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 2024.

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.

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 (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 recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

De-recognition

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

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

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

Donated, 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.

1.7 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 is shown below:

Software licences	5–10 years straight-line

1.8 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.

1.9 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.

1.10 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.

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

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 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 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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 remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16 in 2022/23

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

The standard was 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 were only 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 were not revisited.

The Trust as lessee

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

No adjustments were 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 had a value below £5,000. No adjustments were 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 was an intermediate lessor, classification of all continuing sublease arrangements was reassessed with reference to the right of use asset.

1.12 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.

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 2024:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

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 2024:

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 17 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.

1.13 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 17 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 17, 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.

1.14 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 of the audit of the annual accounts.

1.15 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.

1.16 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 2023/24 as the Trust has no private income from non-operational areas (2022/23: nil).

1.17 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.

1.18 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.

1.19 Early adoption of standards, amendments and interpretation

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

1.20 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 the standard.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after 1 January 2027. IFRS 18 is yet to be adopted by the FReM, therefore early adoption is not permitted. The impact expected for this standard is not yet known.

1.21 Critical judgements and sources of estimation uncertainty

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.

Property valuation

The Trust engages an independent body, Montagu Evans, to prepare the valuation of the estate on their behalf. These estimates are produced using the valuation techniques in the RICS Valuation – Global Standards and RICKS UK National Supplement, also known as RICS Red Book, which apply different valuation bases for different categories of property.

The most complex and subjective valuation is the depreciated replacement cost (DRC) method, which is applied for specialised assets. The clinical areas around the Trust's Chelsea and Sutton sites fit into this category. This methodology assumes a modern equivalent asset (MEA) approach with replacement buildings offering the same service potential and being constructed on an 'instant build' basis. Inherent within the MEA assumption using the DRC approach is the Building Cost Information System (BCIS) index, which provide the 'mean UK new build figures per sq ft' which form the basis of valuation calculations. In addition to the mean UK new build figures, there is also a location weighting applied to the construction costs, which is also provided by the BCIS. This weighting reflects regional differences in build costs. When assessing depreciation the valuers performed an assessment of economic, physical and functional obsolescence in determining the remaining useful life of an asset. The valuer also considered the annual spending and maintenance plans when determining the condition of individual elements.

The underlying land held by the Trust was valued having regard to prevailing land values in the vicinity of the existing sites relevant to their existing use which would be consistent with the Trust's occupational use of the land.

Non-specialised assets and land has been valued on an income basis using both the Existing Use Value (EUV) approach and Market Value approach. Non-clinical areas within the Trust's estate fit this category. The EUV method for the valuation of land and buildings comprises a number of subjective factors that can affect the outcome of the overall valuation, including the yield percentage. Each individual building's yield is assessed by the valuer based on a number of factors including the location and condition of the building.

A 5% increase in BCIS costs, as well as a 5% increase in EUV rents and 0.5% strengthening of yield, would have a £9.55m impact increase in the land and building valuation. Similarly, a 5% decrease in BCIS costs, as well as a 5% decrease in EUV rents and 0.5% weakening of yield, would have a £9.48m impact decrease in the land and building valuation.

2. Segmental analysis

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Income	638,589	638,262	598,270	597,973
Operating surplus/(deficit)	3,049	3,135	19,877	19,901
Total assets employed	**414,477**	**414,846**	**413,303**	**413,342**

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 from patient care activities

3.1 Income from patient care activities (by source)

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Commissioner requested services				
NHS England	208,296	208,296	240,833	240,833
CCGs and ICBs	122,774	122,774	69,376	69,376
Other NHS and non-NHS	413	413	1,043	1,043
Non-commissioner requested services				
Private care	181,615	181,615	162,343	162,343
Total income from activities	**513,098**	**513,098**	**473,595**	**473,595**
Of which:				
Related to continuing operations	513,098	513,098	473,595	473,595
Related to discontinued operations	–	–	–	–

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.

The presentation for the above note was changed to better align with the NHS England accounts template.

3.2 Analysis of income from activities by nature

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Income from commissioners under API contracts – variable element*	55,004	55,004	–	–
Income from commissioners under API contracts – fixed element*	174,202	174,202	253,276	253,276
High cost drugs income from commissioners	72,241	72,241	27,977	27,977
Other NHS clinical income	17,244	17,244	596	596
Patient care income from private patients	181,618	181,618	162,343	162,343
Elective Recovery Fund	–	–	8,899	8,899
National pay award central funding**	174	174	8,591	8,591
Additional pension contribution central funding***	12,521	12,521	11,599	11,599
Other clinical income	94	94	314	314
	513,098	**513,098**	**473,595**	**473,595**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation (england.nhs.uk/pay-syst/nhs-payment-scheme/).

**Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the back-dated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the Government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on Agenda for Change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

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

3.3 Other operating income

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Other operating income from contracts with customers:				
Commercial trials income	21,944	21,944	22,186	22,186
Education and training	8,320	8,320	6,753	6,753
Non-patient care services to other bodies	8,809	8,810	6,656	6,656
Receipt of capital grants and donations and peppercorn leases	13,871	13,871	26,119	26,119
Services provided to associated charities	436	436	1,227	1,227
Car parking	511	511	330	330
Catering	1,141	1,141	991	991
Salaries and wages recharged to other organisations	6,452	6,452	5,219	5,219
Reimbursement and top-up income	–	–	824	824
Other	8,769	8,441	7,799	7,502
Other non-contract operating income:				
Research and development	12,536	12,536	11,318	11,318
RM Partners	24,587	24,587	14,343	14,343
Charitable and other contributions to expenditure	18,115	18,115	20,910	20,910
	125,491	**125,164**	**124,675**	**124,378**

3.4 Analysis of income from activities by type

During 2023/24, income from overseas visitors where the patient is charged directly by the Trust was £2,765 (2022/23: £176,156). Cash payments received in year relating to invoices raised in the current and prior years totalled £10,611 (2022/23: £6,547). Amounts written off in year was £31,775 (2022/23: £88,844).

3.5 Transaction price allocated to remaining performance obligations

	31 March 2024 Trust and Group £000	31 March 2023 Trust and Group £000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
Within one year	8,891	13,293
Total revenue allocated to remaining performance obligations	**8,891**	**13,293**

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

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Staff costs	326,222	327,838	312,612	314,056
Executive Directors' costs	1,459	1,459	1,284	1,284
Non-Executive Directors' costs	159	159	179	179
Drug costs	115,842	115,766	108,229	108,216
Supplies and services – clinical	54,116	54,270	47,275	47,292
Supplies and services – general	11,611	11,636	7,200	7,227
Establishment	4,352	4,357	4,037	4,041
Transport	3,470	3,470	3,532	3,532
Premises	25,465	25,478	19,961	19,981
Rental under operating lease	–	–	94	94
Bad debts	4,862	4,862	1,079	1,079
Depreciation and amortisation	28,558	28,593	23,624	23,631
Property, plant and equipment impairment	11,741	11,741	11,275	11,275
Consultancy	582	582	637	637
Audit services – statutory audit	252	308	240	280
Other services: audit-related assurance services	17	17	24	24
Internal audit and Local Counter Fraud Service	85	85	79	79
Clinical negligence	3,819	3,819	3,075	3,075
Training, courses and conferences	2,069	2,077	1,805	1,812
Patient travel	914	914	851	851
Purchase of healthcare from non-NHS bodies	4,191	1,887	6,141	4,003
Other services from NHS Foundation Trusts	10,111	10,111	11,743	11,743
Other services from NHS Trusts	9,181	9,181	6,907	6,907
Other services from other NHS bodies	415	415	368	368
Other operating expenses	16,047	16,102	6,142	6,406
	635,540	**635,127**	**578,393**	**578,072**

Limitation on auditors liability for external audit work carried out for the financial year 2023/24 is £2,000,000 (2022/23: £2,000,000).

The Group's appointed external auditors are Grant Thornton UK LLP (2022/23: 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 2023/24 was £266,000 including the Value for Money audit requirement (2022/23: £240,000). The total audit fees for the wholly owned subsidiary, RM Medicines Limited, are £56,000 (2022/23: £40,000), 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 Impairment of assets, Group

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus/(deficit) resulting from:		
Changes in market price	12,362	8,146
Impairment of assets	(621)	3,129
Total net impairments charged to operating expenses	**11,741**	**11,275**
Impairments charged to the revaluation reserve	1,703	9,556
Total net impairments	**13,444**	**20,831**

5. Employee benefits

5.1 Employee benefits

Group	Permanently employed	Temporary and contract staff	2023/24 Total	2022/23 Total
	£000	£000	**£000**	£000
Salaries and wages	236,293	15,745	**252,038**	**242,911**
Social security costs	26,713	1,385	**28,098**	**25,619**
Employer contributions to NHS Pensions Agency and NEST	40,040	1,016	**41,056**	**38,083**
Agency staff	–	8,105	**8,105**	**8,727**
	303,046	**26,251**	**329,297**	**315,340**

Trust	Permanently employed	Temporary and contract staff	2023/24 Total	2022/23 Total
	£000	£000	**£000**	£000
Salaries and wages	234,794	15,745	**250,539**	**241,479**
Social security costs	26,713	1,385	**28,098**	**25,619**
Employer contributions to NHS Pensions Agency and NEST	39,923	1,016	**40,939**	**38,071**
Agency staff	–	8,105	**8,105**	**8,727**
	301,430	**26,251**	**327,681**	**313,896**

5.2 Average number of persons employed (full time equivalent)

Group	Permanently employed number	Temporary and contract staff number	2023/24 total number	2022/23 total number
Medical and dental staff	523	30	**553**	**533**
Administration and estates	1,550	109	**1,659**	**1,607**
Healthcare assistants and other support staff	397	24	**421**	**427**
Nursing, midwifery and health visiting staff	1,155	180	**1,335**	**1,176**
Nursing, midwifery and health visiting learners	11	–	**11**	**11**
Scientific, therapeutic and technical staff	604	15	**619**	**597**
Healthcare science	272	7	**279**	**268**
	4,512	**365**	**4,877**	**4,619**

Trust	Permanently employed number	Temporary and contract staff number	2023/24 total number	2022/23 total number
Medical and dental staff	523	30	**553**	**533**
Administration and estates	1,550	109	**1,659**	**1607**
Healthcare assistants and other support staff	397	24	**421**	**427**
Nursing, midwifery and health visiting staff	1,155	180	**1,335**	**1,176**
Nursing, midwifery and health visiting learners	11	–	**11**	**11**
Scientific, therapeutic and technical staff	563	15	**578**	**553**
Healthcare science	272	7	**279**	**268**
	4,471	**365**	**4,836**	**4,575**

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, median and 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 2023/24 was £310,000–£315,000 (2022/23: £295,000–£300,000). This is a change between years of 5% (2022/23: 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 2023/24 was from £15,000 to £313,635 (*restated 2022/23: £15,000 to £298,700). 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 15% (*restated 2022/23: -6%). No employee received remuneration in excess of the highest-paid director in the organisation (*restated 2022/23: no 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	£37,569 (Restated 2022/23: £37,569) (Original 2022/23: £39,521)	£51,669 (Restated 2022/23: £49,405) (Original 2022/23: £49,875)	£70,898 (Restated 2022/23: £63,510) (Original 2022/23: £67,229)
Total pay and benefits excluding pension benefits	£37,569 (Restated 2022/23: £37,569) (Original 2022/23: £39,521)	£51,669 (Restated 2022/23: £49,405) (Original 2022/23: £49,875)	£70,898 (Restated 2022/23: £63,510) (Original 2022/23: £67,229)
Pay and benefits excluding pension: pay ratio for highest paid director	8.32 (Restated 2022/23: 7.92) (Original 2022/23: 7.5)	6.05 (Restated 2022/23: 6.02) (Original 2022/23: 6.0)	4.41 (Restated 2022/23: 4.68) (Original 2022/23: 4.4)

5.4 Retirement due to ill health

During 2023/24, there were four early retirements from the Trust agreed on the grounds of ill-health (2022/23: two).

The estimated additional pension liability of this ill-health retirement will be £294,513 (2022/23: £222,542). The cost of ill-health retirements is borne by the NHS Pensions Agency.

6. Profit/(Loss) on disposal of financial assets

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Gain/(Loss) on disposal of financial assets	(543)	(543)	–	–
	(543)	**(543)**	**–**	**–**

7. Financing income

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
Interest receivable	6,114	6,322	2,813	2,898
	6,114	**6,322**	**2,813**	**2,898**

8. Finance expense

	2023/24 Trust £000	2023/24 Group £000	2022/23 Trust £000	2022/23 Group £000
On loans from the Independent Trust Financing Facility	(101)	(87)	(142)	(137)
Interest on lease obligations	(261)	(261)	(258)	(258)
	(362)	**(348)**	**(400)**	**(395)**

9. Intangible assets, Group

	Information technology	Assets under development	Intangible assets total
	£000	£000	£000
2023/24			
Cost at 1 April 2023	33,374	–	33,374
Additions purchased	–	1,461	1,461
Reclassifications	507	(507)	–
Disposals	(1,612)	–	(1,612)
Cost at 31 March 2024	**32,269**	**954**	**33,223**
Accumulated amortisation at 1 April 2022	(7,299)	–	(7,299)
Provided during the year	(3,874)	–	(3,874)
Disposals	1,612	–	1,612
Amortisation at 31 March 2024	**(9,561)**	**–**	**(9,561)**
Purchased	21,247	954	22,201
Donated	1,461	–	1,461
Net book value at 31 March 2024	**22,708**	**954**	**23,662**
2022/23			
Cost at 1 April 2022	8,237	12,635	20,872
Additions purchased	–	12,602	12,602
Reclassifications	25,237	(25,237)	–
Impairment	(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**

This note has been represented this year to separately identify assets under development relating to the Trust's Digital Health Record. This went live on 17 March 2023. This was reclassified out of assets under development to information technology in the year.

10. Property, plant and equipment, Group

10.1 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
2023/24								
Cost at 1 April 2023	14,644	130,754	90,857	115,777	–	31,412	3,702	387,146
Additions purchased	2,900	–	12,105	–	–	–	–	15,005
Additions donated	–	–	12,584	–	–	–	–	12,584
Reclassifications	–	87,310	(102,231)	6,296	–	5,816	2,809	–
Revaluation	(1,728)	(1,700)	–	–	–	–	–	(3,428)
Impairment	–	(18,683)	–	–	–	621	–	(18,062)
Disposals	–	(25)	–	(3,048)	–	(11,495)	–	(14,568)
Cost at 31 March 2024	**15,816**	**197,656**	**13,315**	**119,025**	**–**	**26,354**	**6,511**	**378,677**
Depreciation at 1 April 2023	–	(2,645)	–	(70,552)	–	(21,949)	(2,532)	(97,678)
Provided during the year	–	(9,965)	–	(8,348)	–	(3,566)	(357)	(22,236)
Revaluation	–	2,466	–	–	–	–	–	2,466
Impairment	–	6,751	–	–	–	–	–	6,751
Disposals	–	25	–	3,048	–	11,495	–	14,568
Depreciation at 31 March 2024	**–**	**(3,368)**	**–**	**(75,852)**	**–**	**(14,020)**	**(2,889)**	**(96,129)**
Net book value at 31 March 2024	**15,816**	**194,288**	**13,317**	**43,173**	**–**	**12,332**	**3,622**	**282,548**
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)	–	(61,925)	–	(19,330)	(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	–	–	–	–	–	1,419
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**	**–**	**9,462**	**1,170**	**289,468**

None of the land or buildings were held under finance leases or hire purchase contracts at either 31 March 2024 or 31 March 2023.

Due to the immaterial difference (£393,045) between Group and Trust, the Group position only has been presented above.

10.2 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	15,816	99,496	9,805	16,710	–	11,573	2,691	**156,091**
Donated	–	94,792	3,510	26,463	–	761	931	**126,457**
Net book value at 31 March 2024	**15,816**	**194,288**	**13,315**	**43,173**	**–**	**12,334**	**3,622**	**282,548**
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**	**128,109**	**90,857**	**45,225**	**–**	**9,463**	**1,170**	**289,468**

10.3 The net book value of land and buildings comprises

	31 March 2024	31 March 2023
	£000	£000
Freehold	197,325	129,011
Leasehold improvements	12,779	13,742
	210,104	142,753

11. Right of Use Assets, Group

11.1 Right of Use Assets at the balance sheet date comprise the following elements, Trust and Group

	Land and Buildings	Plant and machinery	Furniture and fittings	Charitable fund assets (peppercorn leases)	**Total**	Of which: leased from NHS Providers
	£000	£000	£000	£000	**£000**	£000
2023/24						
Cost at 1 April 2023	24,970	235	21	6,232	**31,458**	62
Additions	574	1,601	–	1,285	**3,460**	494
Remeasurement	(20)	–	–	–	**(20)**	–
Revaluation	–	–	–	(135)	**(135)**	–
Impairment	–	–	–	(1,080)	**(1,080)**	–
Disposals	–	–	–	(1,022)	**(1,022)**	–
Cost at 31 March 2024	**25,524**	**1,836**	**21**	**5,280**	**32,661**	**556**
Depreciation at 1 April 2023	(1,124)	(34)	(9)	(551)	**(1,718)**	(22)
Provided during the year on right of use asset	(1,574)	(114)	(11)	–	**(1,699)**	(31)
Provided during the year on peppercorn lease asset	–	–	–	(784)	**(784)**	–
Revaluation	–	–	–	206	**206**	–
Impairment	–	–	–	650	**650**	–
Disposals	–	–	–	479	**479**	–
Depreciation at 31 March 2024	**(2,698)**	**(148)**	**(20)**	**–**	**(2,866)**	**(53)**
Net book value at 31 March 2024	**22,826**	**1,688**	**1**	**5,280**	**29,795**	**503**
2022/23						
Cost at 1 April 2022	–	–	–	–	–	–
IFRS 16 implementation – adjustments for existing operating leases	24,970	126	21	6,232	31,459	62
Additions	–	109	–	–	109	–
Cost at 31 March 2023	**24,970**	**235**	**21**	**6,232**	**31,458**	**62**
Depreciation at 1 April 2022	–	–	–	–	–	–
Provided during the year	(1,124)	(34)	(9)	(551)	(1,718)	(22)
Depreciation at 31 March 2023	**(1,124)**	**(34)**	**(9)**	**(551)**	**(1,718)**	**(22)**
Net book value at 31 March 2023	**23,846**	**201**	**12**	**5,681**	**29,740**	**40**

11.2. Reconciliation of carrying values of lease liabilities, Group

	2023/24
	£000
Carrying value at 31 March 2023	26,281
Lease additions	2,174
Lease revaluations and impairments	(20)
Interest charge arising in year	261
Lease payments	(1,626)
Carrying value at 31 March 2024	**27,070**

	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 17.3.

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 Statement of Financial Position are disclosed in the reconciliation above.

11.3. Maturity analysis of future lease payments at 31 March 2024, Group

		2023/24
	Total	Of which leased from NHS Providers
	£000	£000
Undiscounted future lease payments payable in:		
– not later than one year	2,136	31
– later than one year and not later than five years	7,208	132
– later than five years	20,390	–
Net lease liabilities at 31 March 2024	**29,734**	**163**

11.4. Maturity analysis of future lease payments at 31 March 2023, 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**

12. Investments in joint ventures, Group

	2023/24	2022/23
	£000	£000
Value at 1 April	434	622
Acquisitions in year	–	–
Share of profit/(loss)	(434)	(188)
Disposals	–	–
Value at 31 March	**–**	**434**

During 2021/22, the Trust undertook a joint venture arrangement in Diafora Medical Limited. The company is incorporated in the UK. 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. The company undertook a joint venture with Celescan Limited, and the directors of this company have decided to cease operations. Therefore, the Trust has revalued down the share of profit in Diafora.

13. Inventories

	2023/24	2023/24	2022/23	2022/23
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Raw materials and consumables	8,747	10,466	7,230	9,007
	8,747	**10,466**	**7,230**	**9,007**

Inventories recognised in expenses for the year were £183,131k (2022/23: £162,735k). Write down of inventories recognised as expenses for the year were £175k (2022/23: £73k).

14. Trade and other receivables

14.1 Current trade and other receivables

	2023/24	2023/24	2022/23	2022/23
	Trust	Group	Trust	Group
	£000	£000	£000	£000
NHS contract receivables	2,039	2,039	9,725	9,725
Non-NHS contract receivables	84,106	84,169	43,178	43,097
Allowance for impaired receivables	(1,218)	(1,218)	(180)	(180)
Allowance for impaired contract receivables/assets	(10,971)	(10,971)	(6,425)	(6,425)
Amounts owed from wholly owned subsidiary	124	–	51	–
Prepayments	6,131	6,144	6,615	6,842
Public dividend capital receivable	–	–	122	122
Accrued income	7,395	7,395	3,271	3,271
Contract receivables not yet invoiced	42,786	42,786	14,231	14,231
Other receivables	10,409	11,155	10,779	12,001
	140,801	**141,499**	**81,367**	**82,684**

14.2 Non-current trade and other receivables, Group

	2023/24	2022/23
	£000	£000
Other receivables	944	1,202
	944	**1,202**

14.3 Allowance for credit losses for Group

	Contract receivables and contract assets	All other receivables
	£000	£000
At 1 April 2023	6,425	180
Changes in existing allowances	4,862	1,038
Utilisation of allowances (write offs)	(316)	–
At 31 March 2024	**10,971**	**1,218**

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**

14.4 Analysis of impaired trade and other receivables, Group

	2023/24	2022/23
	£000	£000
Ageing of impaired receivables		
Up to three months	5,174	2,217
In three to six months	2,027	1,191
Over six months	4,858	3,198
	12,059	**6,606**
Ageing of non-impaired receivables past their due date		
Up to three months	86,788	31,791
In three to six months	12,595	6,854
Over six months	7,745	6,987
	107,128	**45,632**

15. Investments in subsidiary undertakings, Trust

	2023/24	2022/23
	Trust	Trust
	£000	£000
Value at 1 April	3,360	3,360
Investment in year	–	–
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 UK. The company had a net profit of £288,915 (2022/23: £68,493) and had net assets of £3,722,274 (2022/23: £3,433,359).

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, with subsequent equal monthly repayments over the term of the loan. At 31 March 2024, the non-current amount owed by the wholly owned subsidiary was £124,301 (31 March 2023: £419,112) and the current receivable owed by the company was £294,810 (31 March 2023: £290,656).

During the year to 31 March 2024, the Trust paid the company £38,394,916 (31 March 2023: £39,433,538) in respect of the company's activity in dispensing prescription drugs to outpatients. At 31 March 2024, the Trust had £99,130 (31 March 2023: £50,516) included within amounts owed by the subsidiary company and £193,848 (31 March 2023: £111,098) included as amounts owed to the subsidiary company.

16. Current liabilities

	2023/24	2023/24	2022/23	2022/23
	Trust	Group	Trust	Group
	£000	£000	£000	£000
NHS payables	9,360	9,360	9,700	9,700
Trade and other payables	25,871	28,040	14,074	16,738
Provisions	315	315	74	74
Accruals	49,998	51,115	67,456	68,732
Amounts owed to wholly owned subsidiary	(163)	–	111	–
Public dividend capital liability	504	504	–	–
Borrowings	4,628	4,628	5,189	5,189
Tax payable	7,335	7,370	6,641	6,669
Pensions contribution payable	4,281	4,281	3,965	3,965
Deferred income: contract liabilities	8,891	8,891	13,293	13,293
Other deferred income	13,544	13,544	15,824	15,824
Other liabilities	14,831	14,810	9,798	9,826
	139,395	**142,858**	**146,125**	**150,010**

17. Non-current liabilities

17.1 Non-current liabilities

Non-current accrual for £2,409k has separately identified in 2023/24, equivalent balance in 2022/23 was £4,109k.

17.2 Provisions for liabilities and charges, 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	29	124	303	–	457
Provided in year	–	(12)	–	(138)	(150)
At 31 March 2023	**(10)**	**(13)**	**(1,238)**	**(3,736)**	**(4,997)**

	Legal claims	Redundancy	Clinician pension tax reimbursement	Other	**Total**
	£000	£000	£000	£000	**£000**
At 1 April 2023	(10)	(13)	(1,238)	(3,736)	(4,997)
Utilised during the year	–	–	–	–	–
Released to operating expenses during the year	(11)	13	261	–	263
Provided in year	–	(261)	–	(62)	(324)
At 31 March 2024	**(21)**	**(261)**	**(977)**	**(3,798)**	**(5,057)**
Expected timing of cash flows					
Less than one year	(21)	(261)	(33)	(0)	(315)
Between one and five years	–	–	(69)	(2,083)	(2,152)
Over five years	–	–	(875)	(1,715)	(2,590)
	(21)	**(261)**	**(977)**	**(3,798)**	**(5,057)**

£11,520,324 is included in the provisions of NHS Resolution at 31 March 2024 in respect of clinical negligence liabilities of the Trust (31 March 2023: £16,859,827).

17.3 Borrowings, Group

Reconciliation of liabilities arising from financing activities

	Loans from Department of Health and Social Care	Other loans	Finance leases	**Total**
	£000	£000	£000	**£000**
Carrying value at 1 April 2023	11,255	3,134	26,281	40,670
Cash movements				
Financing cash flows – payments and receipts of principal	(3,248)	(482)	(1,370)	(5,100)
Financing cash flows – payments of interest	(90)	–	(256)	(346)
Additions	–	–	2,174	2,174
Lease liability remeasurements	–	–	(20)	(20)
Interest charge arising in year (application of effective interest rate)	88		261	34
Carrying value at 31 March 2024	**8,005**	**2,652**	**27,070**	**37,727**

Current	**2023/24**	2022/23
	Group	Group
	£000	£000
Loans from the Independent Trust Financing Facility	2,009	3,258
Loans from Salix Finance Limited	482	241
Lease liability	2,137	1,689
Total	**4,628**	**5,188**

Non-current	**2023/24**	2022/23
	Group	Group
	£000	£000
Loans from the Independent Trust Financing Facility	5,996	7,997
Loans from Salix Finance Limited	2,170	2,893
Lease liability	24,933	24,592
Total	**33,099**	**35,482**

The Group had a fully drawn down loan facility of £21m from the Independent Trust Financing Facility. The principal was repayable in 17 equal instalments. This began in August 2015 and was fully repaid during the financial year. Interest was 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 instalments commencing February 2021 and ending February 2028. Interest is payable at a fixed rate of 0.86% for the duration of the loan.

The Trust has a total loan facility of £3.4m with Salix Finance Limited. The loan is interest free and is repayable over seven years commencing in March 2022.

18. Notes to the cash flow statement

18.1 Reconciliation of net cash flow to movement in net funds

	2023/24	**2023/24**	2022/23	2022/23
	Trust	**Group**	Trust	Group
	£000	**£000**	£000	£000
Increase/(Decrease) in cash in the period	**(56,028)**	**(56,107)**	(7,430)	(6,201)
Net funds at 1 April	**160,267**	**165,147**	167,697	171,348
Net funds at 31 March	**104,239**	**109,040**	160,267	165,147

18.2 Analysis of changes in net funds/(debt)

Group	**At 31 March 2024**	Changes in cash in year	At 1 April 2023
	£000	£000	£000
Government Banking Service cash at bank	**107,232**	(57,426)	164,658
Commercial cash at bank and in hand	**1,808**	1,319	489
Cash and cash equivalents	**109,040**	(56,107)	165,147

Trust	**At 31 March 2024**	Changes in cash in year	At 1 April 2023
	£000	£000	£000
Government Banking Service cash at bank	**102,431**	(57,347)	159,778
Commercial cash at bank and in hand	**1,808**	1,319	489
Cash and cash equivalents	**104,239**	(56,028)	160,267

19. Capital commitments, Group

Commitments under capital expenditure contracts at the balance sheet date were £3,248,589 (2022/23 restated: £1,237,678). 2023/23 has been restated to remove a balance included within payables. There is £0 (2022/23: £936,457) capital expenditure committed to be funded by The Royal Marsden Cancer Charity.

20. Contingencies

There are no contingent assets or liabilities at the balance sheet date (2022/23: £nil).

21. Financial performance targets

21.1 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, £5,840,463 (2022/23: £4,791,138), divided by the average of relevant opening and closing net assets, expressed as a percentage. This gives an actual dividend rate for the current financial year of 3.5% (2022/23: 3.5%).

21.2 Losses and special payments

There were 407 cases of losses and special payments (2022/23: 257) totalling £9,316,342 (2022/23: £890,592). Provisions for future losses are reported in note 17 and are excluded from this disclosure.

There were nil clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases where the net payment exceeded £300,000 (2022/23: £371,949).

Following the response and decision from HM Treasury in December 2023 to not retrospectively approve the £9m payment to The Royal Marsden Cancer Charity, this is considered a special payment and has been included in the table below. The transaction was recorded in the 2022/23 financial statements and the actual payment was made during 2023/24.

	2023/24		2022/23	
	Group and Trust		Trust	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses of cash due to:				
Fraud	–	–	2	459
Salary overpayments	0	0	2	2
Bad debts and claims abandoned in relation to Private Patients	404	315	242	281
Bad debts and claims abandoned in relation to overseas visitors	2	2	7	89
Bad debts and claims abandoned in relation to other	0	0	3	5
	406	**317**	**256**	**836**
Special payments:				
Special severance payments	–	–	1	55
Other	1	9,000	–	–
	1	**9,000**	**1**	**55**
Total losses and special payments	**407**	**9,317**	**257**	**891**
Of which, cases of £250,000 or more:	1	9,000	1	372

22. Pension costs

Past and present employees are covered by the provisions of the 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/nhs-pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2024 is based on valuation data as 31 March 2023, updated to 31 March 2024 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 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

23. 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 Integrated Care Boards
- NHS Foundation Trusts
- NHS Trusts
- Department of Health and Social Care
- 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 NHS related parties:

- NHS England
- NHS South West London ICB
- NHS Surrey Heartlands ICB
- Department of Health and Social Care
- NHS North West London ICB
- NHS South East London ICB
- NHS Sussex ICB
- Guy's and St Thomas' NHS Foundation Trust
- NHS Buckinghamshire, Oxfordshire and Berkshire West ICB
- University College London Hospitals NHS Foundation Trust
- NHS Kent and Medway ICB
- Great Ormond Street Hospital for Children NHS Foundation Trust
- NHS North Central London ICB
- Chelsea and Westminster Hospital NHS Foundation Trust
- Imperial College Healthcare NHS Trust
- St George's University Hospitals NHS Foundation Trust
- Kingston Hospital NHS Foundation Trust
- Epsom and St Helier University Hospitals NHS Trust
- London North West University Healthcare NHS Trust
- Croydon Health Services NHS Trust
- NHS Resolution
- NHS Blood and Transplant

24. 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 Integrated Care Boards (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 Trust'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 Trust's operations.

24.1 Categories of financial instruments

Group	2023/24	2022/23
	£000	£000
Financial assets		
Other financial assets (amortised cost)	241,403	239,679
Financial liabilities		
Other financial liabilities (amortised cost)	153,304	154,631

Trust	2023/24	2022/23
	£000	£000
Financial assets		
Other financial assets (amortised cost)	235,917	234,880
Financial liabilities		
Other financial liabilities (amortised cost)	149,875	150,773

24.2 Fair values

All financial assets and liabilities' book values are a reasonable approximation of fair value.

24.3 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 2024 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.

25. Third party assets

The Trust held nil cash at bank and negligible cash in hand at 31 March 2024 (31 March 2023: £nil) which relates to monies held by the Trust on behalf of patients.

26. 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:

Chelsea, London

The Royal Marsden
Fulham Road
London SW3 6JJ
Tel 020 7352 8171

Sutton, Surrey

The Royal Marsden
Downs Road, Sutton
Surrey SM2 5PT
Tel 020 8642 6011

royalmarsden.nhs.uk

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