University Hospitals of North Midlands NHS Trust

Annual Report & Accounts

2025 / 2026

Kind
Excellent
Together

Contents

1 Performance Report

Performance Overview

This overview provides a simple summary of what we do, details how we have performed, and considers the main risks and challenges we face.

Chair and Chief Executive's introduction

Welcome to the Annual Report for 2025/26. Over the past year, we have continued to serve a diverse population with increasingly complex healthcare needs, delivering care within a challenging and pressured NHS environment.

During 2025/26, our focus remained on providing safe, high-quality care for our patients, supporting our people, and working collaboratively with partners to improve health outcomes across Staffordshire and Stoke-on-Trent. We strengthened the foundations for future improvement through investment in our services, our estate and our digital capability, alongside a clear focus on our long-term strategic ambitions.

Reflecting on the year, we recognise both the progress achieved and the areas where performance has fallen short of our expectations. Demand for urgent, elective and diagnostic care remained exceptionally high, and workforce and system pressures were sustained throughout the year, particularly during winter. Despite these challenges, we made meaningful improvements in a number of priority areas and continued to prioritise learning, continuous improvement and sustainability as we respond to rising population need. However, we recognise we still have a long way to go to improve things for our population.

Patient safety and quality of care remained central to our priorities. We sustained strong performance in maternity safety, achieving the Clinical Negligence Scheme for Trusts (CNST) Maternity Incentive Scheme standards for a sixth consecutive year, reflecting the professionalism and commitment of our maternity and neonatal teams. We also progressed the implementation of the Patient Safety Incident Response Framework, strengthening our organisational learning and focus on harm prevention.

Access to care continued to present a significant challenge. Urgent and emergency care performance remained below national standards, reflecting system-wide pressures and capacity constraints. At the same time, we made encouraging progress in elective recovery, delivering substantial reductions in the longest waiting times, and improved cancer performance, including achievement of the 28-day Faster Diagnosis Standard. While these improvements are important, further sustained effort is required to improve access and experience for all patients.

Our people remain at the heart of everything we do. We are proud to employ around 13,000 colleagues, representing a wide range of roles and backgrounds, who continue to demonstrate exceptional dedication and resilience.

During the year, we strengthened recruitment and retention, reducing vacancy rates and agency utilisation, while continuing to invest in wellbeing, inclusion and leadership. We recognise that staff engagement and sickness absence remain areas of focus, and we remain committed to creating a supportive and inclusive working environment.

Partnership working has continued to be critical to our progress. As a key provider within the Staffordshire and Stoke-on-Trent Integrated Care System, we worked closely with partners to address shared challenges across access, population health and financial sustainability. Our long-standing relationships with Keele University, the University of Staffordshire and our PFI partners have also supported delivery of major capital programmes, including the Community Diagnostic Centre.

We also made further progress against our environmental commitments, completing significant decarbonisation projects and refreshing our Green Plan to support delivery of our Net Zero ambitions, strengthening both sustainability and resilience.

Looking ahead, our strategy for 2025–2035 sets out a clear long-term vision to provide the best joined-up care for all, underpinned by a sustained focus on our people, our patients and our population. While the challenges facing the NHS remain considerable, we are confident that through strong partnerships, disciplined governance and performance management alongside genuine service transformation, we can continue to make progress for our communities.

We would like to thank our patients, partners and communities for their trust, and, above all, our colleagues for their dedication and professionalism throughout the year. Together, we will continue to work towards improving health outcomes and delivering the best joined-up care for all.

Jackie Small
Chair

Simon Constable
Chief Executive

About us

We are one of the largest teaching trusts in the country, primarily serving patients in Staffordshire and Stoke-on-Trent and acting as a tertiary centre to many more. We are proud to have a growing international reputation for the innovative treatments we provide and pioneer through our research, education and partnerships.

Providing care in modern facilities, we offer a full range of general hospital and specialised services for approximately 3 million people. We employ around 13,000 colleagues and we have around 1,450 inpatient beds across our two sites.

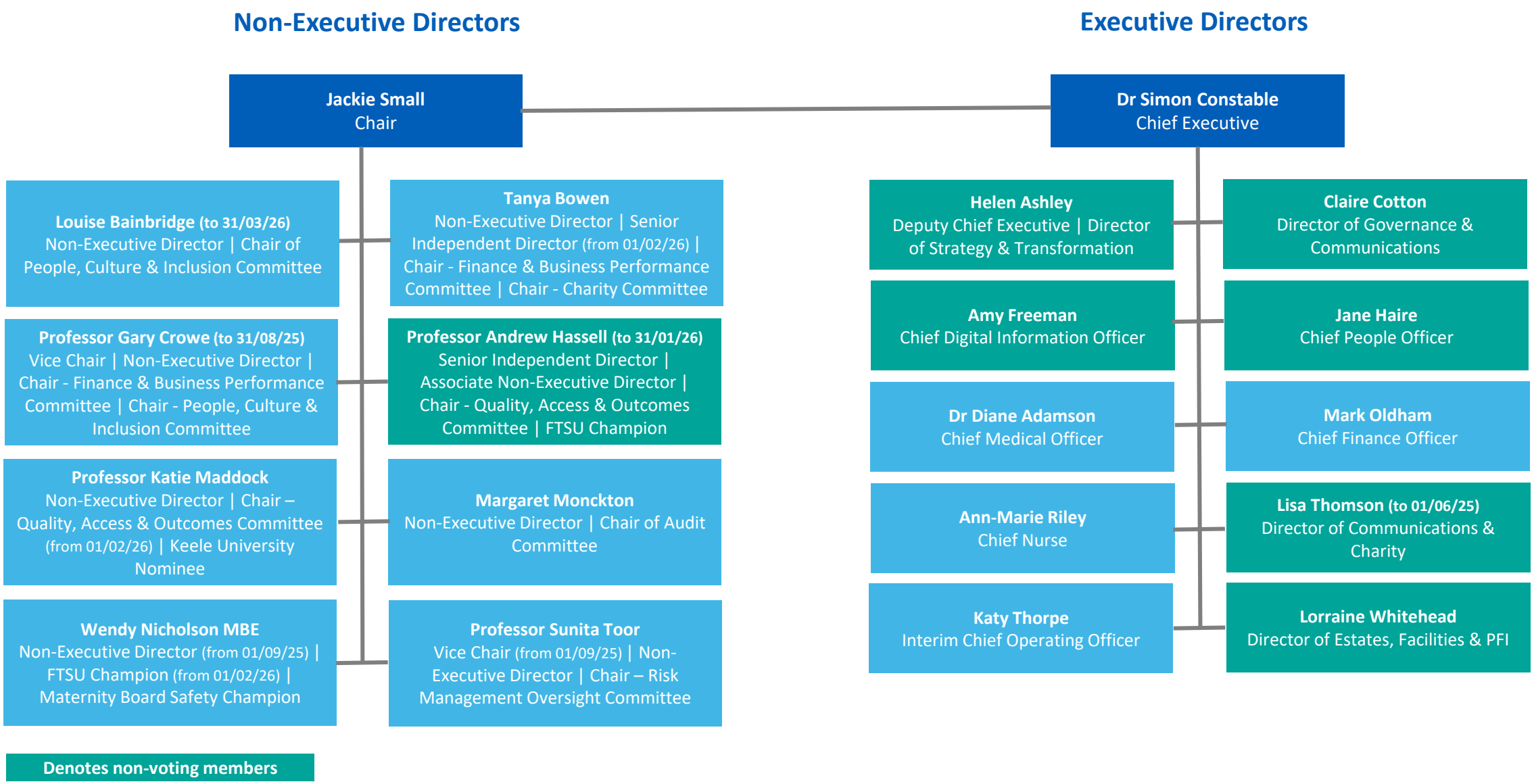
We are one of the largest hospitals in the West Midlands and have one of the busiest emergency departments in the country, with an average of approximately 14,000 patients attending each month across both of our sites. As a Major Trauma Centre, the Trust receives emergency patients from a wide geographical area by both ambulance and helicopter, serving the North Midlands and North Wales.

Our specialised services include cancer diagnosis and treatment, cardiothoracic surgery, neurosurgery, renal and dialysis services, neonatal intensive care, paediatric intensive care, trauma, respiratory conditions, spinal surgery, upper gastro-intestinal surgery, complex orthopaedic surgery and laparoscopic surgery.

Our Partnerships

We work with partners across Staffordshire and Stoke-on-Trent to deliver joined-up care, including the Integrated Care System, local authorities, the voluntary sector and NHS provider partners. We also maintain established relationships with Keele University and the University of Staffordshire to support research, innovation, education and workforce development. Our partnerships help us to improve access, quality and outcomes for patients, and to plan services that meet local needs.

How we are organised – the Trust Board



How we provide care

Our organisational structure is made up of two non-clinical divisions and three clinical care groups, following an organisational restructure programme which took place during 2025/26. Each clinical care group is led by a Medical Director, alongside a Director of Operations and Director of Nursing. The non-clinical divisions are led by an Executive Director. We also host the North Midlands and Cheshire Pathology Service, which is a networked service.

Clinical Care Groups

Clinical & Scientific Services

- Acute Care @ Home
- Breast & Bowel Screening
- Child Health
- Children's Assessment Unit
- Community Diagnostic Centre
- Dietetics
- Endoscopy
- Gynaecology
- Imaging
- Maternity
- Neonatal
- Newborn Hearing Screening
- Obstetrics
- Obstetrics Ultrasound
- Outpatient Parenteral Antibiotic Therapy
- Paediatric Community & Critical Care
- Pharmacy
- Speech and Language Therapy
- Staffordshire Children's Hospital
- Therapies
- Transitional Care
- Transfusion Suite
- Virtual Ward

Planned Care

- Abdominal Aortic Aneurysm Screening
- Acute Rehabilitation
- Anaesthetics (incl. cardiac)
- Audiology
- Bariatric
- Breast
- Cardiac Surgery
- Central Treatment Suite
- Colorectal
- Critical Care
- Dermatology
- Ear, Nose & Throat
- Dentistry
- General Surgery
- Hospital Sterilisation & Decontamination Unit
- Interventional Radiology
- Neurosurgery
- Ophthalmology
- Oral Maxillofacial
- Orthopaedics
- Orthoptics
- Paediatric Surgery
- Pain Management
- Plastics
- Prosthetics
- Spines
- Surgical Assessment Unit
- Surgical Special Care Unit
- Theatres (incl. maternity)
- Thoracic Surgery
- Trauma (incl. major)
- Upper Gastrointestinal
- Urology
- Vascular Surgery

Unplanned Care

- Acute Medicine
- Ambulatory Emergency Care/Acute Medical Rapid Assessment Unit
- Bronch / plural
- Cardiac Diagnostic
- Cardiology
- Catheter Labs
- Diabetes
- Dialysis
- Emergency Assessment Unit
- Emergency Department
- Endocrinology
- Frail Elderly Assessment Unit
- Gastroenterology
- General Medicine
- Haematology
- Immunology / Allergy
- Infectious Diseases
- Medical Physics
- Neurology
- Older Adults
- Oncology
- Palliative Care
- Radiotherapy
- Renal
- Respiratory (incl. physiology)
- Surgical Decision Unit
- Stroke
- Targeted Lung Health
- Urgent Treatment Centre

Non-clinical Divisions

Corporate Services

- Chaplains
- Communications
- Complaints & PALS
- Continuous Improvement
- Corporate Governance
- Corporate Nursing
- Digital Services
- Finance
- Infection, Prevention & Control
- Medical Education
- Medical Examiners & Bereavement
- Improvement
- Operations
- People
- Performance & Information
- Quality, Safety & Compliance
- Research & Innovation
- Safeguarding & Mental Health
- Strategy & Planning
- Supplies & Procurement
- Transformation

Estates, Facilities & PFI

- Capital Developments
- Clinical Technology
- Estates Governance, Compliance & Administration
- Estate Operations
- Facilities Management
- Land & Property
- PFI Contract Management
- Sustainability & Transformation

Our future

Our organisational strategy for 2025 – 2035, launched in April 2025, set out our vision to deliver 'the best joined-up care for *all*'. It is underpinned by our core values of Kind, Together and Excellent, and our ambition to lead in health through innovation, investment in our people and improving the wellbeing of our community.

Our long-term ambitions are set out in Our Strategy 2025–2035, underpinned by three strategic priorities: Our People, Our Patients and Our Population. These priorities are being delivered through a series of strategic plans which set out how we will improve performance, transform services and move towards long-term financial sustainability. In addition, our Medium-Term Plan reflects both the scale of the challenges facing us and the actions required over the coming years to deliver sustainable improvement, supported by system partnership and national engagement. We continue to align closely with the national direction towards prevention, digital transformation and care closer to home. This is reflected through a greater emphasis on:

- Prevention – earlier intervention, reducing health inequalities and improving population health.
- Digital – using technology to improve access, safety and productivity.
- Community – delivering more care outside hospital through strengthened system partnerships and integrated pathways.

Together, these approaches support earlier diagnosis, improve patient experience and help ensure the long-term sustainability of services.

Our People

Over the medium term, our focus is on stabilising and reshaping our workforce to support new models of care, improved productivity and service transformation, while continuing to prioritise colleague wellbeing, inclusion and development. Our workforce plans balance targeted growth in priority clinical areas with role redesign, new ways of working and the increased use of digital tools. They also set out actions to reduce reliance on temporary staffing, improve retention and develop flexible career pathways. Continued investment in leadership capability, learning and development is central to ensuring we have the right skills, in the right place, at the right time to deliver safe and effective care over the medium term.

Our Patients

Improving access, experience and outcomes for patients is a core ambition of our Medium-Term Plan, with particular emphasis on urgent and emergency care, planned care waiting times and cancer performance. Our plan sets out clear but challenging improvement trajectories against national standards. While full compliance is not achieved across all standards in the short term, sustained improvement is planned over the medium term through service redesign, improved patient flow, productivity gains and closer working with system partners.

Investment in community diagnostics, urgent treatment centres, elective recovery programmes, digital transformation and new care pathways will support improvements in timeliness and quality of care, recognising that recovery will be incremental and dependent on successful delivery of transformation programmes and capital investment.

Our Population

Improving population health and reducing health inequalities remain central to our medium-term ambitions. Our plans support the national three shifts from hospital to community, analogue to digital, and sickness to prevention. Over the medium term, we will work with partners to strengthen prevention, early intervention and out-of-hospital care, targeting inequalities in access, experience and outcomes. These actions are embedded within place-based and system-wide plans and are designed to deliver care closer to home and improve long-term health outcomes for our population.

Financial Sustainability and Transformation

We continue to operate in a challenging financial environment and forecast an underlying deficit position in the short term. Our Medium-Term Financial Plan sets out a clear improvement trajectory, with a return to recurrent financial balance assumed over the medium term, subject to the successful delivery of cost improvement and transformation programmes and continued system collaboration. This includes a multi-year cost improvement and productivity programme, strengthened financial governance and a renewed focus on value and efficiency. Transformation activity includes service line reviews, workforce optimisation, digital enablement and estate rationalisation, underpinned by robust quality impact assessment to ensure patient safety is maintained.

Partnerships and Collaboration

Delivery of our medium-term ambitions depends on strong system partnerships. We will continue to work closely with the Integrated Care Board, local authorities, voluntary sector organisations and NHS provider partners through provider collaboratives and place-based arrangements. These partnerships are critical to delivering joined-up care, shifting activity out of hospital settings, improving population health and achieving sustainable improvement in performance, quality and financial position across the system.

Our Strategy 2025 - 2035: The best joined-up care for *all*

University Hospitals of North Midlands NHS Trust

Our Priorities

Our People

We will create an **inclusive** workforce where **everyone** learns, thrives, and makes a positive difference

Key Metric:
Staff Engagement Score

Our Patients

We will provide **timely, innovative** and effective services to our **patients**

Key Metric:
Combined Hospital Score

Our Population

We will **tackle inequality,** and improve the health of our population

Key Metric:
Number of Years in Good Health

Our Programmes

Brilliant Basics: Standards & Performance

Addressing the immediate concerns facing our patients

Digitally Enabled Care Transformation

Standardising and redesigning pathways – enabled by a new Electronic Patient Record (EPR)

Our Future Hospital Services

Designing services so they reflect the latest developments in medical knowledge and provide care closer to home

Collaborations & Networks

Working with others to ensure sustainable and joined-up care

Our Strategic Plans

Quality, Access & Performance | People | Population Health | Digital | Research | Innovation | Estates & Facilities

Our Values

Progress in delivering our strategic priorities

This section provides an overview of our performance during 2025/26, including how we have worked towards delivering our priorities for Our People, Our Patients and Our Population.

Our People

During 2025/26, we continued to progress delivery of Our People strategic priority, with a sustained focus on an inclusive and sustainable workforce, leadership, culture and colleague experience. This activity took place against a backdrop of continued operational and financial pressures across the NHS.

The 2025 NHS Staff Survey remained a key source of insight into colleague experience during the year. Results showed that overall engagement and many People Promise themes remained broadly stable compared to 2024, reflecting national trends across the health service in a challenging operating environment. Variation in experience across teams was evident. These findings informed in-year oversight and action planning, with a continued emphasis on strengthening local leadership, communication and targeted improvement activity.

Maintaining a safe and supportive working environment remained a core component of our workforce approach during 2025/26. Regular workforce reporting and establishment reviews, including nursing and Allied Health Professional workforce reviews, have been undertaken to provide assurance on staffing capacity, deployment and emerging pressures, supporting oversight of colleague wellbeing and patient safety.

Learning, development and leadership continued to underpin delivery of our people priorities throughout the year. Professional development programmes, statutory and mandatory training, and leadership development activity were progressed during 2025/26, alongside work to strengthen governance, reporting and assurance on training compliance and quality. Organisational development and leadership interventions remained focused on supporting compassionate and effective leadership in line with Trust values.

Our People

We will create an **inclusive** workforce where **everyone** learns, thrives, and makes a positive difference

Key Metric:
Staff Engagement Score

Staff Engagement Score 2024	Staff Engagement Score 2025
6.84	6.67

During 2025/26, we also continued to progress work relating to culture, safety and inclusion. Oversight was maintained through regular reporting on areas including speaking up, dignity and respect, equality, and sexual safety. These programmes have been subject to ongoing governance and assurance arrangements, recognising that cultural change is incremental and requires sustained focus over time.

Recognising and valuing the contribution of colleagues formed an important part of our people agenda during the year. A Night Full of Stars awards were held in November 2025, celebrating individual and team achievements and reinforcing organisational values, pride and belonging.

During a year which included national industrial action and sustained system pressures, workforce planning and coordination arrangements were implemented to support service continuity and patient safety. Throughout 2025/26, colleagues across the Trust continued to adapt to operational challenges, with governance oversight focused on managing risk, supporting employees and maintaining safe care delivery.

The extract below summarises our people and workforce performance under the NHS Oversight Framework:

People and workforce	Data period	Provider value		Chart
People and workforce domain segment	Q4 2025/26	3	NOF Score	
People and workforce domain score	Q4 2025/26	2.72	NOF Score	

Retention and Culture	Data period	Provider value	Peer average	National value	National value method	Chart
Sickness absence rate score			Q4 2025/26 3	NOF Score	Provider value	
Sickness absence rate (quarter)	To Dec 2025	5.88%	5.44%	5.88%	Provider median	
NHS staff survey engagement theme sub-score score			Q4 2025/26 3	NOF Score	Provider value	
NHS staff survey engagement theme sub-score	2025	6.67	6.54	6.80	Provider median	

Our Patients - Quality

During 2025/26, we continued to deliver against our Our Patients strategic priorities, maintaining a strong focus on safe, effective and patient-centred care, supported by robust quality governance and oversight.

We made good progress in patient safety, achieving all ten safety actions for the 2025/26 CNST Maternity Incentive Scheme, marking the sixth consecutive year of full compliance and resulting in the return of our incentive fund contribution. This reflects the sustained commitment of maternity and neonatal services, supported by effective partnership working across the Local Maternity and Neonatal System. In April 2025, maternity services were rated Good by the Care Quality Commission, and our Director of Midwifery received the Chief Midwifery Officer for England Silver Award.

Maintaining high-quality patient environments remained a priority. Internal assurance processes supported preparation for the 2025 Patient-Led Assessments of the Care Environment (PLACE), with results received in April 2026 confirming performance above the national average across all domains for the third consecutive year. Strong results were achieved across both sites, particularly in cleanliness and condition, maintenance and appearance. Ongoing pressures relating to estate capacity and sustained clinical activity were identified, with targeted improvement actions in progress.

We maintained close oversight of patient safety performance throughout the year, including hospital-acquired pressure damage, infection prevention and control, and medicines optimisation. While improvements were seen in some infection prevention measures, continued operational and financial pressures impacted medicines optimisation and consistency across Care Groups. Strengthening oversight, reducing unwarranted variation and improving assurance in this area have been identified as priorities for 2026/27.

Progress was also made in clinical effectiveness. Care Groups strengthened arrangements for monitoring compliance with NICE guidance, Get It Right First Time (GIRFT) recommendations, clinical audits and accreditation standards, improving visibility of issues and learning. Further work is required to achieve greater consistency in reporting and more robust tracking of actions, which will remain a focus going forward.

Our Patients

We will provide **timely, innovative** and effective services to our **patients**

Key Metric:
Combined Hospital Score

NHS Oversight Framework Average Scores & Ranking			
Q1	Q2	Q3	Q4
2.47 83 / 134	2.43 79 / 134	2.47 71 / 134	2.48 92 / 134

Patient experience and engagement continued to improve, with progress in the timeliness of complaint responses, consistency of Patient Advice and Liaison Service (PALS) handling and engagement with patients and carers. The establishment of the Patient and Carer Leadership Council strengthened the patient voice within quality governance. However, challenges remain, including increased complaint volumes and improving the quality and completeness of data relating to protected characteristics.

Implementation of the Electronic Prescribing and Medicines Administration (EPMA) system progressed, supporting safer and more reliable medicines management. Rollout was temporarily paused during a critical incident to prioritise safe patient care during heightened operational pressures. Once fully embedded, EPMA is expected to strengthen medicines safety, governance and digital workflows.

Further detail on quality governance, assurance processes and data quality is provided in the Accountability Report (pages 59–67). The extract below summarises patient safety, effectiveness and experience performance under the NHS Oversight Framework.

Patient Safety Domain Score	Data period	Provider value	Peer average	National value	National value method	Chart
Patient safety domain segment			Q4 2025/26	3	NOF Score	
Patient safety domain score			Q4 2025/26	2.83	NOF Score	

Patient safety Please note that the MRSA, C-Difficile and E-Coli scores each carry a one third weighting	Data period	Provider value	Peer average	National value	National value method	Chart
NHS Staff Survey - raising concerns sub-score score			Q4 2025/26	3	NOF Score	Provider value
NHS Staff survey - raising concerns sub-score	2025	6.17	6.18	6.32	Provider median	
Number of MRSA bacteraemia cases score			Q4 2025/26	4	NOF Score	Provider value
Number of MRSA bacteraemia cases (12 months)	To Mar 2026	9.00	5.00	3.50	Provider median	
Proportion of C. difficile infections score			Q4 2025/26	3	NOF Score	Provider value
Proportion of C. difficile infections versus threshold (12 months)	To Mar 2026	1.17	1.11	1.09	Provider median	
Proportion of E. coli bacteraemia score			Q4 2025/26	1	NOF Score	Provider value
Proportion of E. coli bacteraemia versus threshold (12 months)	To Mar 2026	1.00	1.18	1.17	Provider median	

Effectiveness and experience of care	Data period	Provider value	Chart
Effectiveness and experience of care domain segment	Q4 2025/26	3 NOF Score	
Effectiveness and experience of care domain score	Q4 2025/26	2.22 NOF Score	

Patient experience	Data period	Provider value	Chart
CQC inpatient survey satisfaction rate score	Q4 2025/26	2 NOF Score	
Summary Hospital-level Mortality Indicator score	Q4 2025/26	3 NOF Score	

Effective flow and discharge	Data period	Provider value	Peer average	National value	National value method	Chart
Average number of days from discharge ready date to actual discharge date (including zero days) score			Q4 2025/26	2	NOF Score	Provider value
Average number of days from discharge ready date to actual discharge date (including zero days)	Mar 2026	0.42	1.09	0.80	Provider median	

Our Patients - Access

During 2025/26, we continued to experience significant access challenges, particularly across urgent and emergency care, reflecting sustained high demand, workforce pressures and system-wide capacity constraints. These pressures were most acute during winter escalation periods. Following revised enforcement undertakings issued by NHS England in September 2025, we focused delivery on two key areas: Urgent and Emergency Care (UEC) and Elective Recovery. In response, we continued with a comprehensive Urgent and Emergency Care Improvement Plan, developed in collaboration with system partners and informed by national guidance, including engagement with the Urgent and Emergency Care GIRFT programme. Actions throughout the year focused on strengthening operational grip and flow, improving oversight of ambulance handovers and supporting decision-making within the Emergency Department. While overall four-hour performance remained significantly below the national standard (67.0%), improvements were seen in ambulance handover times, with the average handover time reducing compared to the previous year. However, the number of patients waiting over 12 hours in the Emergency Department increased, reflecting continued mismatch between demand and available bed capacity.

In line with our winter plan, cohort wards and bays were opened to support the safe management of patients with influenza and other seasonal pressures, helping to maintain patient flow wherever possible. During periods of extreme operational pressure, corridor care and the use of additional ward spaces were employed as time-limited risk-mitigating measures. We recognise that these arrangements do not reflect the experience we aspire to for our patients and continue to prioritise actions during the year to reduce reliance on them, including improvements to discharge processes, internal flow and escalation practices.

Cancer performance improved during 2025/26. Performance against the 28-day Faster Diagnosis Standard exceeded the national threshold, and we continued to demonstrate incremental improvement against the 62-day pathway. While full compliance with all cancer standards was not consistently achieved, strengthened clinical validation, pathway oversight and governance arrangements were embedded during the year, providing a more robust foundation for continued improvement. Significant progress was made in elective recovery; the number of patients waiting over 78 weeks reduced substantially, falling to six patients by early January 2026. This was achieved through a combination of increased elective activity across theatres and outpatients, utilisation of the County Elective Hub, targeted patient validation, productivity improvements and the use of mutual aid. Progress was not linear, with winter pressures and UEC escalation impacting elective capacity at times; however, by year end we remain on a clear trajectory to eliminate 78-week waits in line with national expectations.

Diagnostic performance, particularly non-obstetric ultrasound, continued to present a material access challenge. Performance against the national diagnostic standard (DM01) remained below target, reflecting sustained workforce shortages, increasing urgent demand and operational pressures across imaging services. A range of mitigating actions were implemented during the year, including pathway reviews, enhanced clinical prioritisation and use of additional capacity. These actions helped reduce the longest waits and stabilise performance, but full recovery will require continued investment in workforce capacity, reporting capability and further pathway redesign.

Throughout 2025/26, we remained subject to enhanced national oversight, including participation in the NHS tiering process, reflecting the scale and complexity of access challenges across urgent, elective and diagnostic pathways. Delivery of the revised UEC and Elective Improvement Plans was overseen through strengthened programme management, regular reporting to NHS England and sustained scrutiny through the Quality, Access and Outcomes Committee and the Trust Board. While significant challenges remain, the progress achieved during the year demonstrates sustained focus on improving access, reducing long waits and delivering safer, timelier care for patients. The extract below summarises our access

Access to Services	Data period	Provider value			Chart
Access to services domain segment			Q4 2025/26	3 NOF Score	
Access to services domain score			Q4 2025/26	2.51 NOF Score	

Elective Care	Data period	Provider value	Peer average	National value	National value method	Chart
Percentage of cases where a patient is waiting 18 weeks or less for elective treatment score			Q4 2025/26 3	NOF Score	Provider value	
Percentage of cases where a patient is waiting 18 weeks or less for elective treatment	Mar 2026	64.74%	63.48%	64.83%	Provider median	
Difference between planned and actual 18 week performance score			Q4 2025/26 1	NOF Score	Provider value	
Difference between planned and actual 18 week performance	Mar 2026	1.95%	-0.36%	0.99%	Provider median	
Percentage of patients waiting over 52 weeks for elective treatment score			Q4 2025/26 3	NOF Score	Provider value	
Percentage of patients waiting over 52 weeks for elective treatment	Mar 2026	1.82%	1.25%	0.96%	Provider median	
Percentage of patients waiting over 52 weeks for community services score			Q4 2025/26 1	NOF Score	Provider value	

Cancer Care	Data period	Provider value	Peer average	National value	National value method	Chart
Percentage of patients with cancer diagnosed or ruled out within 28 days of an urgent referral score			Q4 2025/26 2	NOF Score	Provider value	
Percentage of patients with cancer diagnosed or ruled out within 28 days of an urgent referral (quarter)	To Mar 2026	78.60%	77.50%	79.34%	Provider median	
Percentage of patients treated for cancer within 62 days of referral score			Q4 2025/26 3	NOF Score	Provider value	
Percentage of patients treated for cancer within 62 days of referral (quarter)	To Mar 2026	67.02%	67.18%	70.24%	Provider median	

Urgent and Emergency Care	Data period	Provider value	Peer average	National value	National value method	Chart
Percentage of emergency department attendances admitted, transferred or discharged within four hours score			Q4 2025/26 4	NOF Score	Provider value	
Percentage of emergency department attendances admitted, transferred or discharged within four hours (quarter)	To Mar 2026	64.97%	72.37%	74.01%	Provider median	
Percentage of emergency department attendances spending over 12 hours in the department score			Q4 2025/26 3	NOF Score	Provider value	
Percentage of emergency department attendances spending over 12 hours in the department (quarter)	To Mar 2026	10.69%	9.44%	8.71%	Provider median	

Our Population

During 2025/26, we strengthened our commitment to improving the health and wellbeing of the communities we serve, with a continued focus on tackling inequalities and preventing avoidable ill-health. Our Population strategic priority is rooted in a clear understanding of local need: Stoke-on-Trent and parts of Staffordshire experience some of the highest levels of deprivation nationally, with many residents spending between 16 and 22 years of their lives in poor health. This is particularly stark in Stoke-on-Trent, where 53% of the population lives within the 20% most deprived communities in England.

Many of the illnesses treated within our services are preventable. Physical inactivity, excess weight, smoking and harmful alcohol consumption remain significant contributors to poor health and are closely associated with higher prevalence of cardiovascular disease, respiratory disease, musculoskeletal conditions and cancer. In response, during the year we progressed delivery of our Population Health Strategic Plan, setting the strategic direction for targeted action aligned to the national Core20PLUS5 framework, supported by dedicated public health expertise.

As an anchor institution, we strengthened our strategic commitment to improving community wellbeing, embedding prevention, health equity and Making Every Contact Count as core principles across our Population Health programme. Our system-wide work continued to mature through close collaboration with the Integrated Care Partnership, particularly on shared priorities aimed at reducing inequalities across the life course. Through these actions, we remained focused on our key strategic metric of increasing healthy life expectancy, while ensuring that all communities benefit from timely, high-quality and equitable care.

Our ambition is to prevent sickness wherever possible, enabling people to live more of their lives in good health and ensuring that, when care is needed, outcomes are equitable and consistently high quality. The Population Health and Wellbeing Strategy provides the framework for this work. During 2025/26, we made good progress in establishing the strategic infrastructure, partnerships and governance required to support delivery of our population health ambitions. Over the coming year, our focus will be on consolidating and scaling up these programmes, alongside continued engagement with Integrated Care System partners to expand delivery and impact.

Health Inequalities and Equity

Reducing health inequalities and advancing equity are central to our purpose and align directly with our statutory responsibilities under the Health and Care Act 2022 and the Public Sector Equality Duty. Alongside our overarching population health ambition, we continue to translate our commitment to equity into practical, targeted action to reduce inequalities in access, experience and outcomes across our services.

Our Approach

Our approach is grounded in population health management, using robust data and intelligence to identify unwarranted variation and to target interventions at groups most at risk of poor outcomes. Consideration of health inequalities is increasingly embedded within service planning, pathway design and clinical decision-making, ensuring equity is treated as a core component of quality and safety rather than a separate workstream.

Developing population health analytics and dashboards enable us to segment outcomes by deprivation, ethnicity, geography, age and other protected or inclusion characteristics. This supports proportionate universalism — improving outcomes for all while targeting action where inequalities are greatest.

Targeted Action to Reduce Inequalities

Maternal and Infant Outcomes
Addressing inequalities in maternal and infant outcomes has been a key priority during the year. While local infant mortality rates have improved, they remain above the national average and show persistent deprivation-related inequalities. In response, we have prioritised the development and delivery of a comprehensive Infant Mortality Action Plan, working closely with maternity, obstetric and system partners through the ICS Infant Mortality Steering Group.

Detailed analysis of modifiable risk factors — including smoking at delivery, maternal obesity, premature birth, uptake of antenatal screening and vaccinations, and perinatal mental health — has informed targeted interventions. Bespoke dashboards enable segmentation by ethnicity, deprivation, age, geography and GP practice, supporting focused action and more equitable outcomes for women and babies. While progress has been made, pre-term birth and neonatal mortality rates remain disproportionately high in more deprived populations, reinforcing the importance of sustained system-wide action.

Long-Term Conditions and Prevention
We have continued to focus on prevention and early intervention for people living with long-term conditions, recognising the strong relationship between deprivation, multimorbidity and poorer outcomes. Personalised care and anticipatory approaches have been used to reduce complications and prevent avoidable deterioration, helping to narrow outcome gaps for those experiencing the greatest disadvantage. Evaluation of services such as the Trust Alcohol Care Team has been undertaken using our quality improvement methodology to better understand impact on inequalities and outcomes.

Improving Equity in Cancer and Surgical Outcomes

During the year, we strengthened our focus on inequalities in cancer screening, early diagnosis and survival, aligning with national ambitions to increase stage 1 and 2 diagnosis. This has included work to understand variation in screening uptake, routes to diagnosis and referral quality, alongside action to address unwarranted variation in staging at diagnosis.

In parallel, we have progressed the development of prehabilitation across cancer and elective pathways. Patients from more deprived backgrounds often present with greater complexity and poorer baseline health, contributing to longer lengths of stay, higher complication rates and slower recovery. By focusing on prevention, optimisation and behaviour change ahead of treatment, prehabilitation supports fairer access, improved experience and more equitable clinical outcomes.

Core20PLUS5 and Inclusion Health

Our population health programme is aligned to the Core20PLUS5 national framework. Priority outcomes focus on leading contributors to life expectancy inequalities for populations living in the 20% most deprived communities, including:

- premature mortality from cardiovascular disease.
- cancer survival and early diagnosis.
- respiratory disease.
- infant mortality.
- alcohol-related admissions, mortality and liver disease

In addition, our local population includes several inclusion health (PLUS) groups who experience multiple and overlapping inequalities. Working with Integrated Care System (ICS) partners, we have prioritised targeted action for groups including:

- people with learning disability and/or autism.
- women from ethnic minority communities and those experiencing poverty.
- people at risk of serious violence.
- unpaid carers.
- military veterans.
- asylum seekers and vulnerable migrants.
- older people who are vulnerable or socially isolated.
- people experiencing homelessness

Significant progress has been made to improve data quality, including recording of learning disability, ethnicity and veteran status within clinical systems. This supports identification of need, delivery of reasonable adjustments and more equitable access to screening and outpatient services. Further improvements to recording of protected characteristics are planned in 2026/27 to strengthen our ability to identify inequalities and target action.

Governance, Measurement and Accountability

Delivery of health inequalities priorities is supported through clear governance arrangements within Our Population Health framework. Progress is overseen by the Population Health Steering Group, with assurance reported through the Quality, Access and Outcomes Committee. An outcomes-based framework is being developed with clinical teams and ICS partners to monitor impact and support evaluation. Population health dashboards increasingly provide inequalities-segmented intelligence, enabling evidence-based action and assessment of progress over time.

Anchor Institution Role

As a major employer and economic presence, we act as a key anchor institution, using our assets, employment, investment and influence to support the wider determinants of health. This includes contributing to local economic growth, improving workforce health and wellbeing, supporting skills development, and strengthening social inclusion within underserved communities. During the year, we:

- worked with procurement colleagues to understand and strengthen our contribution to the local economy.
- undertook workforce inequalities analysis to better understand variation in health and wellbeing outcomes.
- collaborated with system partners through ICS prevention, alcohol and early cancer diagnosis programmes.
- invested in population health infrastructure and capability, including analytics and workforce development.

Further work is underway with procurement, estates, sustainability, employment and organisational development teams to better target Core20 communities and workforce groups experiencing inequalities, informed by workforce equality objectives.

Looking Ahead

Population health and reducing inequalities remain a core component of our strategy for 2025/26 and 2026/27. Priorities include strengthening population health intelligence, embedding inequalities plans within care groups, improving data quality for protected characteristics, and further evaluating the impact of interventions on outcomes and experience.

	Number of Years in Good Health	
	Staffordshire & Stoke on Trent	England
Males	61.2 years	60.9 years
Females	60.5 years	61.3 years

Working with Our Partners to Deliver the Joint Forward Plan

During the year we have exercised our functions in full alignment with the Joint Forward Plan (JFP) for the Staffordshire and Stoke-on-Trent Integrated Care Board (ICB) and its partners. The JFP's priorities—including prevention, reducing health inequalities, improving access, and strengthening integrated pathways—were reflected in our refreshed organisational strategy, programme delivery framework and population-health objectives. Our Strategic Plans (2025–2035) explicitly incorporate system priorities, including the ICS "5Ps" life-course model and the system's focus on tackling unwarranted variation and avoidable ill-health.

In accordance with NHS England's latest statement on the use of inequalities information, we continued to strengthen the way we gather, analyse and act on data related to inequalities. This included expanding analytical capacity through OHID-funded population health roles, enhancing intelligence shared through care groups, and undertaking more systematic use of inequalities data to identify priority cohorts and inform pathway redesign.

Developing our Hospitals

We have exercised our capital functions in full accordance with the ICB's capital resource plans. Capital planning and prioritisation were undertaken collaboratively with regional partners and aligned to system-wide capital frameworks, ensuring investment decisions supported agreed system priorities.

Our approved Capital Programme for the year included investment across the following key areas:

- £4.7m Estates Safety Works.
- £2.1m Estates Infrastructure & Property Rationalisation.
- £158k Estates Compliance.
- £100k Net Zero Carbon.
- £516k Charity Funded Initiatives.
- £12.9m Clinical Equipment Replacement.
- £10.5m Digital Enablement.

These investments were prioritised to support system objectives, improve clinical capacity, and ensure our estate and infrastructure are fit for future service models, as set out in the Joint Forward Plan (JFP) and our long-term strategy.

In addition to the core capital programme, we delivered £36.2m of major corporate capital projects during the year to enhance our hospital environments and create better facilities for our people and our patients. Key schemes included:

- £14.4m County Breast Care Unit (construction commenced in 2024/25).
- £29.4m Community Diagnostic Centre (construction commenced in 2024/25).
- £702k Royal Stoke High Voltage Upgrade.
- £4.8m Royal Stoke Urgent Treatment Centre (Phase 1 completed; Phase 2 scheduled for July 2026).

Performance appraisal

Our performance has been assessed against national standards, statutory undertakings and the commitments set out in Our Strategy 2025/26. The summary below highlights where expectations were met, where progress was made but fell short, and where performance remained significantly challenged.

Where our performance met our expectations

Cancer – Faster Diagnosis
- 28-day Faster Diagnosis Standard achieved (83.2% vs 75%)
- Improvement across all cancer pathways year-on-year, including the 62-day standard

Elective Recovery – Long Waiters
- Significant reduction in 52-week and 78-week waits
- Strong trajectory achieved by year end, in line with national expectations

Patient Safety (selected measures)
- Reduction in patient falls and medication incidents
- Improved compliance with sepsis screening across inpatient, ED and children's services
- Significant reduction in serious incident investigations compared to prior year

Workforce – Capacity & Stability
- Vacancy and turnover rates better than target
- Agency utilisation significantly reduced, supporting continuity and productivity

Where progress was made, but our expectations were not fully met

Urgent & Emergency Care
- Four-hour standard remained below national expectation (67.0%)
- Ambulance handover times improved compared to 2024/25
- Sustained pressure during winter escalation limited further improvement

Diagnostics (DM01)
- Material improvement year-on-year (78.2% vs 60.8%)
- Performance remained well below the national standard, driven by workforce shortages

RTT Incomplete Pathways
- Limited improvement in percentage waiting under 18 weeks
- Impacted by winter pressures and prioritisation of urgent care

Finance
- Year-end position delivered, but underlying sustainability and CIP delivery remain challenged.

Where our performance remained challenged

ED Long Waits
- Increase in the number of patients waiting over 12 hours
- Reflects ongoing bed capacity, flow and discharge constraints

Sickness Absence
- Continued to exceed target
- Closely linked to sustained operational pressure and workforce fatigue

Duty of Candour Timeliness
- Improvement year-on-year, but below the 100% standard
- Complexity and timeliness of investigations remained a limiting factor

Key factors impacting delivery

- Sustained high system-wide demand
- Workforce shortages in urgent care, diagnostics and imaging
- Delays to key enabling schemes (e.g. Urgent Treatment Centre)
- Winter escalation impacting both elective recovery and flow

Overall Assessment

2025/26 was a year of mixed but improving performance. We delivered strong progress in several strategic priorities, particularly cancer faster diagnosis, elective recovery for long waits, patient safety and workforce stability. However, urgent and emergency care, diagnostics access and some operational standards did not meet expectations, reflecting ongoing demand, capacity and workforce challenges. These areas remained under enhanced oversight, with clear priorities established for further improvement in 2026/27.

Principal risks

Our Risk Management Policy sets out the framework we use to identify, assess, manage and oversee risk. This includes operational and strategic risks. Operational risks are reported through our Risk Register and strategic risks are reported through the Board Assurance Framework (BAF).

The BAF is updated on a quarterly basis and scrutinised by each of our Committees, each having allocated risks. The Audit Committee is responsible for oversight of the BAF process, and it is also presented to the Trust Board.

A review of strategic risks is undertaken on an annual basis by the Board, considering existing and emerging internal and external factors which might threaten the achievement of our strategic priorities. Each strategic risk is assigned to a designated Executive Director, who is responsible for its quarterly review.

Throughout 2025/26, we managed a total of eight strategic risks, which we assessed as being a threat to our strategic priorities, six of which threatened every priority. In addition, the Board identified three primary issues which also affected the ability to mitigate our strategic risks. The full BAF can be found within our Trust Board papers at https://www.uhnm.nhs.uk/media/huckbrw0/trust-board-part-1-10-06-26.pdf .

Our Risk Management Policy also sets out our Risk Appetite Statement which has been subject to review during the year, alongside the policy. Risk appetite is the amount and type of risk that an organisation is prepared to pursue, retain or take, in pursuit of its strategy, after balancing the potential opportunities and threats a situation presents. As such, when setting target risk scores for the strategic risks contained within our BAF, we have taken into consideration the level of appetite determined in our statement, as well as what level of risk we are prepared to tolerate.

A summary of the strategic risks contained within our BAF during 2025/26 is shown opposite, including the risk level each quarter and the target being worked towards.

Strategic Risk Type	Q1	Q2	Q3	Q4	Target
1. Inability to sustain safe and effective care delivery	Ext 16	Ext 20	Ext 20	Ext 20	High 8
2. Inability to design and deliver services that address local population needs	High 10	High 10	High 10	High 10	High 8
3. Inability to improve workforce sustainability & organisational culture	Ext 15	Ext 15	Ext 15	Ext 15	High 10
4. Inability to delivery digitally enabled care transformation	Ext 16	Ext 16	Ext 16	Ext 16	High 8
5. Inability to deliver investment in estate infrastructure & workforce	High 12	High 12	High 12	High 12	High 12
6. Inability to deliver in-year financial position	Ext 20	Ext 20	High 12	High 9	High 9
7. Inability to deliver financial sustainability	Ext 20	Ext 20	Ext 25	Ext 25	High 12
8. Inability to sustain research and innovation excellence	High 12	High 12	High 12	High 12	High 8

Going concern

After making enquiries, the directors have a reasonable expectation that the services we provide 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.

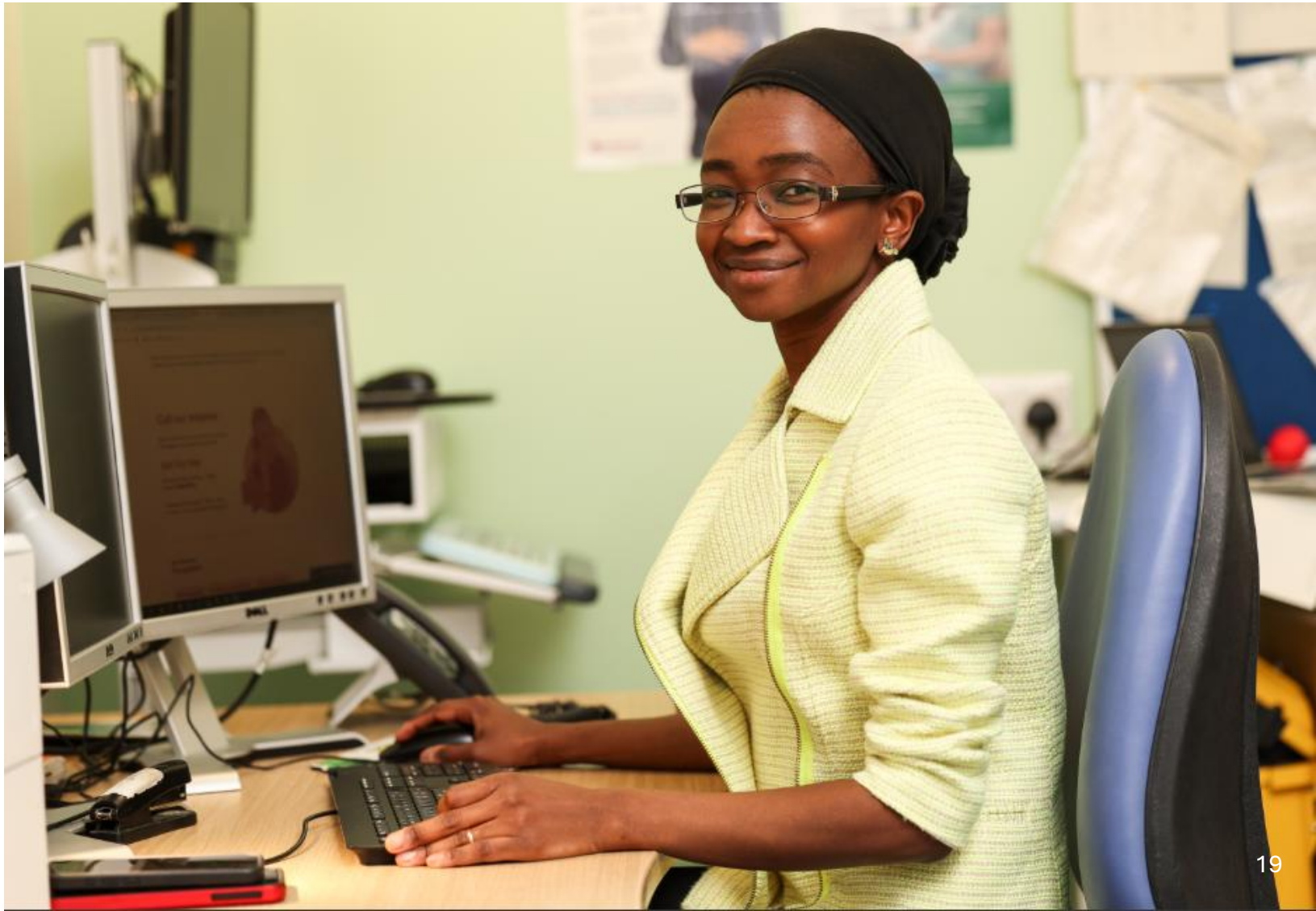
What does Going Concern mean?

Accounting standards require us to prepare our financial statements on a "going concern" basis. This means we must assume that we will continue to operate for the foreseeable future, unless senior management intends to close the organisation, stop providing services, or has no realistic alternative to doing so.

As part of preparing the accounts, management must consider whether there are any significant events or conditions that could create uncertainty about our ability to continue operating. If any such material uncertainties exist, we are required to clearly explain them in the financial statements. If, in exceptional circumstances, the financial statements were not prepared on a going concern basis, we would have to explain why, outline the alternative basis used, and describe the reasons why the organisation could no longer be considered a going concern.

Assessment Rules

The approach for going concern is based on the requirements of ISA (UK) 570, interpreted as Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom (revised 2020) and the National Audit Office's Supplementary Guidance Note 01: Going Concern – Auditors responsibilities for local public bodies.



Performance Analysis

This section provides a summary of how we measure our performance, includes detailed integrated performance analysis and long-term expenditure trend analysis.

How we measure our performance

Our Accountability and Performance Framework outlines our arrangements for monitoring, managing and improving performance across the organisation. This is reviewed and refreshed annually.

Our performance is monitored from ward to board using a variety of key performance metrics including constitutional targets, which spans numerous domains.

The Board receives the Integrated Performance Report (IPR), presented by the relevant Executive Director, which includes a description of performance against expectations, any drivers of under performance, actions being taken and the expected impact of those actions. The Board may request further improvement actions where there is concern with any area of performance.

Data Quality and Statistical Process Control

Data Quality Assurance Indicators are used to assess the reliability and quality of data using the Sign off, Timely and complete, Audit and accuracy, Robust systems and data capture (STAR) Framework. Each domain is rated to indicate the level of assurance.

Statistical Process Control methods are also used to analyse performance data, drawing two main observations together; variation (improvement, decline or no change) and assurance (confidence in meeting targets).

Assurance Grid

An Assurance Grid categorises metrics based on their performance and assurance levels, using icons to indicate whether metrics are consistently meeting targets, showing improvement or requiring attention.

Performance against the NHS Oversight Framework (NOF)

Each Integrated Performance Report includes a summary of performance against the NOF. These include metrics such as access to services, effectiveness and experience, patient safety, people and workforce and finance and productivity.

Our Performance Domains

Performance Domains are aligned with our Strategic Priorities, each with its own set of metrics and dashboards. In summary, these cover:

- **Quality:** focusses on providing safe, effective and caring services. Metrics include patient safety incidents, falls with harm, medication incidents and sepsis management.
- **Access:** ensures efficient and responsive services. Metrics include emergency and elective pathway performance, cancer treatment times and diagnostic wait times.
- **People:** as we aim to create a great place to work. Metrics include employee engagement, sickness absence, vacancy and turnover rates.
- **Finance:** ensures optimal use of resources including employees, assets and finances. Metrics include elective and emergency activity, outpatient appointments and financial performance.

Each domain is also mapped to the strategic risks within the BAF, to support triangulation of performance with strategic risk.

This structured approach enables us to track progress, identify areas for improvement and implement necessary changes to enhance overall performance and patient care.

In addition to the IPR to the Board, our committees scrutinise performance to a greater depth, with more detailed reports provided which are relevant to the respective committee role and responsibilities. These include a range of performance metrics and are presented by Executive Directors.

Performance and Risk Reviews

The performance of our Care Groups is scrutinised through our Performance and Risk Review process. These are bi-monthly reviews, led by the Executive Team and are a key mechanism through which care group leadership teams are held to account.

To support the Performance and Risk Review, a comprehensive data pack is prepared by our Performance and Information Team which, like the IPR, includes a range of performance metrics with supporting narrative provided by the Care Group.

In addition to key performance metrics, these packs include an overview of key risks which are being managed by the Care Group. This aligns with our Risk Management Policy and provides a means through which areas of underperformance can be triangulated with risks. Using a simple methodology, the report flags any risks which require review, do not have actions identified and where there is concern that the level of risk has not reduced over time. Care Groups are asked to pay attention to those risks which have been flagged through this approach and appropriate actions are agreed.

The Performance and Risk Review process is replicated at a lower level, with Care Group Leadership teams following the same approach to hold their leadership teams to account, for performance and risk management across their specialties, wards and departments.

Our Key Performance Indicators (KPIs)

Quality

1. Patient Safety Incidents per 1000 bed days
2. Patient Safety Incidents with moderate harm or above per 1000 bed days
3. Patient falls per 1000 bed days
4. Patient falls with harm per 1000 bed days
5. Medication incidents per 1000 bed days
6. Medication incidents with moderate harm or above (%)
7. Pressure ulcers developed at UHNM per 1000 bed days
8. Pressure ulcers with lapses in care per 1000 bed days
9. Never events reported
10. Patient Safety Incident Investigation instigated
11. Duty of candour verbal
12. Duty of candour written (letter sent within 10 working days)
13. Maternity induction of labour – breach performance
14. Maternity assessment unit triage within 15 minutes
15. Timely observations
16. Venous thromboembolism risk assessment rate (timely)
17. Hospital associated thrombosis rate
18. Sepsis screening – inpatients
19. Sepsis intravenous antibiotics – inpatients
20. Sepsis screening – Emergency Department
21. Sepsis intravenous antibiotics – Emergency Department
22. Sepsis screening – maternity
23. Sepsis intravenous antibiotics – maternity
24. Sepsis screening – children's
25. Sepsis intravenous antibiotics – children's

Outcomes

1. NICE guidance implemented into practice with assurance mechanism identified
2. Participation in national audits / programmes with associated action plans
3. Provision of action plan following GIRFT visit
4. Number of patients who feel that they were involved in decisions made about their care
5. Number of patients receiving a Senior Review within 14 hours of admission
6. Number of patients who had an individualised plan of care
7. Number of GIRFT pathways audited as part of Clinical Audit Programme
8. Number of clinical audits demonstrating significant assurance
9. Compliance with the mandatory completion of questions relating to the never event criteria on the Local Safety Standards for Invasive Procedures (LocSSIP) safety checklist
10. Number of patients who have reported a positive outcome following their hospital admission/procedure

Access

1. Urgent and Emergency Care (UEC) 4-hour performance
2. Urgent and Emergency Care 4-hour performance (aged <18)
3. Over 12 hours in Emergency Department
4. Over 12 hours in Emergency Department (aged <18)
5. Ambulance handover average time
6. Cancer 28-day Faster Diagnosis Standard (FDS)
7. Cancer 31-day combined
8. Cancer 62-day combined
9. Diagnostics DM01 performance
10. Referral to Treatment (RTT) number <18 weeks
11. RTT 52+ weeks (%)
12. RTT % waiting, 1st contact
13. RTT <18 weeks (aged <18)
14. RTT 52+ weeks (%) (aged <18)
15. RTT % waiting 1st contact (aged <18)

Finance

1. Daycase/elective activity
2. Non-elective activity
3. Outpatient first appointment
4. Outpatient follow up
5. Total income (£'000)
6. Expenditure – pay (£'000)
7. Expenditure – non-pay (£'000)

People

1. Staff turnover (rolling 12 month)
2. Staff vacancy rate
3. Sickness absence (in month)
4. Appraisal (Performance Development Review)
5. Agency utilisation
6. Employee engagement

Operational performance 2025/26

The year has been a period of significant challenges and achievements, although despite facing operational pressures and critical incidents, we have made notable progress in various areas, in line with our commitment to ensuring the best joined-up care for all our patients.

Non-Elective Care

During 2025/26, non-elective care performance remained under sustained pressure, reflecting high demand, workforce constraints and system-wide capacity challenges, particularly during winter escalation. Performance against the four-hour Emergency Department standard remained significantly below the national expectation at year end (67%), broadly similar to the previous year. The number of patients waiting over 12 hours increased compared to 2024/25, reinforces the ongoing challenge in achieving timely flow through the urgent and emergency care pathway. There was some improvement in ambulance handover performance over the year, with average handover times reducing compared to 2024/25; however, delays persisted during periods of peak demand. Our established Urgent and Emergency Care improvement programme, supported by external review and system collaboration, will remain a key priority moving into 2026/27.

Elective Care and Diagnostics

Elective care performance was impacted by operational pressures during the year, particularly during winter, as capacity was reprioritised to support urgent and emergency care. Despite this, we made strong progress in addressing long waiting patients. The number of patients waiting over 52 weeks reduced significantly compared to the prior year, and we remain on a clear trajectory to eliminate the longest waits in line with national expectations.

Cancer performance improved over the year, whereby we achieved the 28-day Faster Diagnosis Standard at year end (83.2%), exceeding the national threshold. Performance against the 31-day and 62-day standards also improved compared to 2024/25, although full compliance was not consistently achieved, reflecting complexity of pathways, diagnostic capacity constraints and workforce pressures. Strengthened governance, pathway oversight and clinical validation were embedded during the year to support ongoing improvement.

Diagnostic performance remained a significant challenge, particularly for non-obstetric ultrasound. While performance against the diagnostic standard (DM01) improved materially compared to the previous year (78.2% vs 60.8%), it remained below the national expectation. Targeted recovery actions were implemented, and improvements were seen in some diagnostic modalities; however, full recovery will require sustained investment in workforce capacity and service redesign.

Referral to Treatment (RTT)

RTT performance showed mixed progress during 2025/26. There was a substantial reduction in the number of patients waiting over 52 weeks compared to 2024/25, representing a significant achievement given the operational pressures faced during the year. We successfully eliminated the longest waits, including those over 104 weeks. However, overall RTT performance against the 18-week standard remained below national expectations. Progress was constrained by winter escalation, workforce availability and the need to prioritise urgent care and clinically complex cases.

Key Performance Indicator	Target	2025/26 Performance	2024/25 Performance
UEC 4 hour performance	95%	67.03%	67.92%
UEC 4 hour performance (aged <18)		87.29%	
Over 12 hours in ED		27,982	26,057
Over 12 hours in ED (aged <18)		270	211
Ambulance handover average time		01:07:57	01:17:35
Cancer 28 day faster diagnosis standard	75%	83.24%	73.99%
Cancer 31 day combined	96%	92.96%	92.10%
Cancer 62 day combined	85%	68.66%	65.86%
Diagnostics DM01 performance	99%	78.15%	60.79%
RTT Number <18 weeks		41,126	42,194
RTT 52 weeks+		1,251	1,423
RTT % waiting, 1st contact		75.21%	
RTT <18 weeks (aged <18)		7,717	
RTT 52 weeks+ (%) (aged <18)		2.01%	
RTT % waiting 1st contact (aged <18)		84.23%	

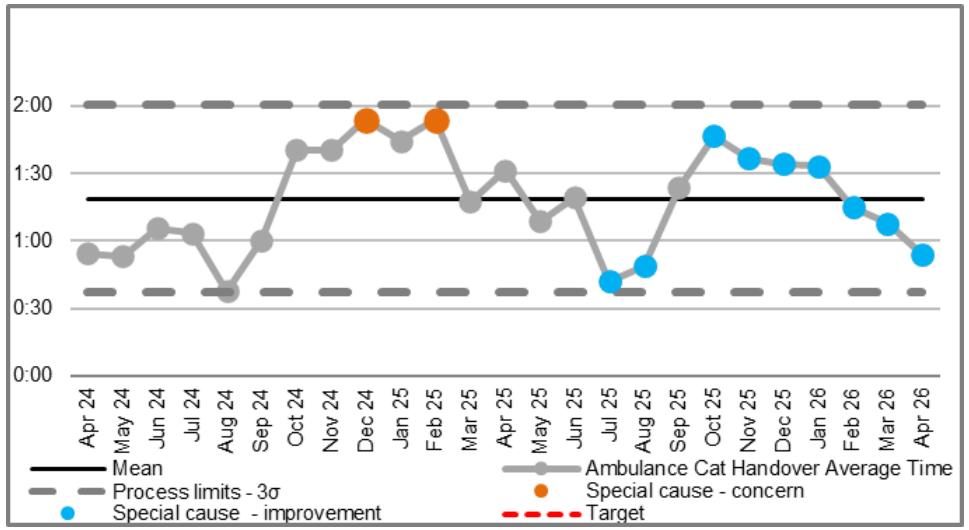
Activity and Utilisation

Non-elective activity continued to increase during the year, although remaining below plan, with growth particularly evident in short-stay activity, including zero-length-of-stay and one-day admissions. Elective activity was variable, reflecting the impact of winter pressures and the requirement to support urgent care escalation. The County Elective Hub continued to increase procedure numbers, contributing positively to overall elective throughput and supporting reductions in long waits.

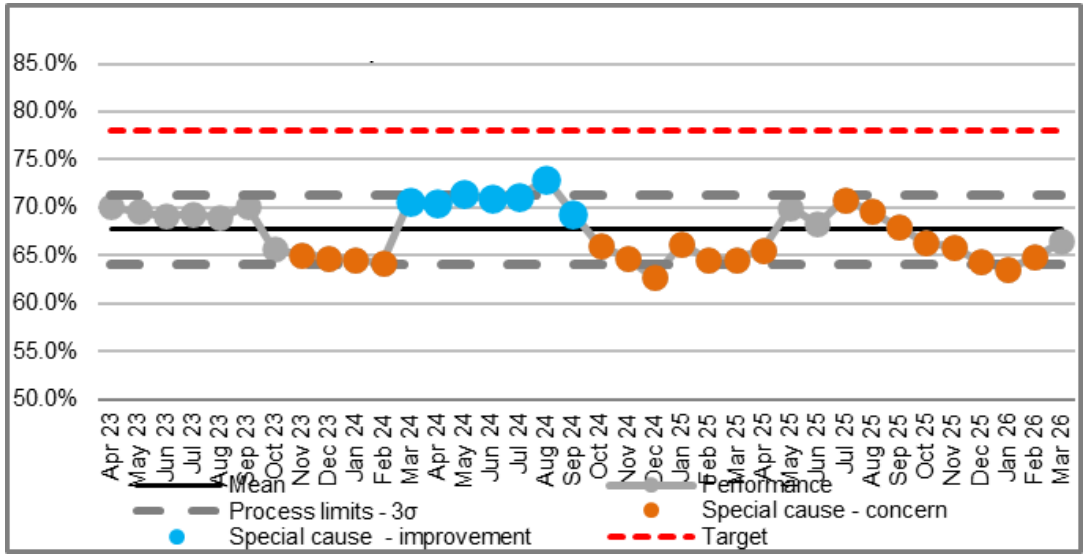
Future Outlook

Looking ahead, we recognise that urgent and emergency care performance remains the most significant challenge. The revised Urgent and Emergency Care improvement programme, supported by strengthened leadership and recovery oversight, will be central to improvement during 2026/27. Elective and diagnostic recovery plans remain focused on sustaining reductions in long waits and improving pathway resilience, particularly for cancer and diagnostics. Overall, 2025/26 demonstrated resilience in the face of sustained operational pressure. While performance did not meet expectations in all areas, particularly urgent care and diagnostics, we delivered meaningful improvement in cancer faster diagnosis, elective long waits and RTT longest wait reductions. These improvements provide a strong platform on which to build further progress in the coming year.

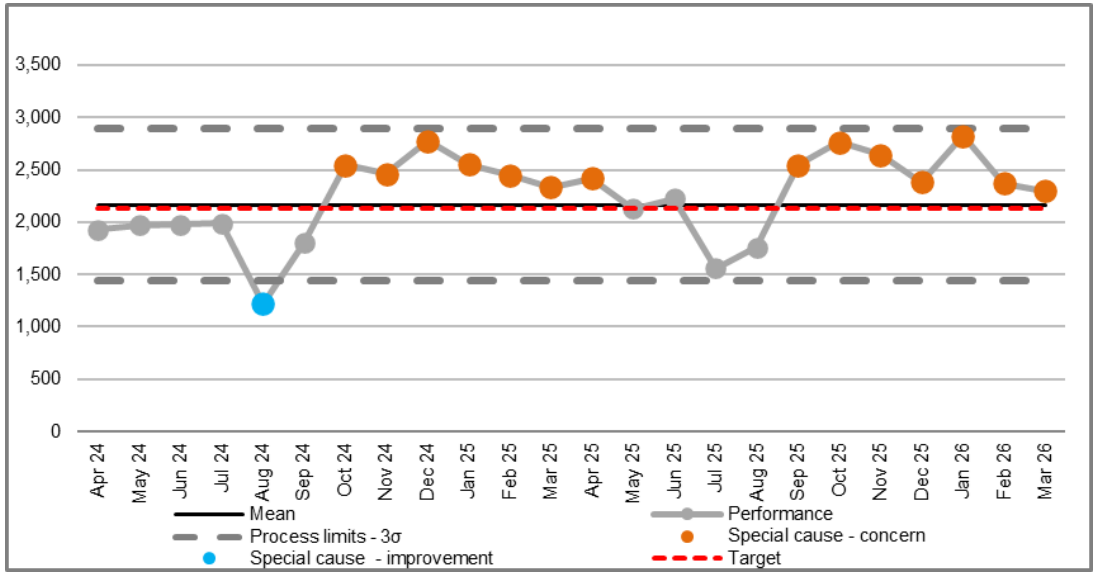
Ambulance Handover Time



Emergency Department 4-hour performance



Emergency Department 12-hour performance



Quality performance 2025/26

Throughout the year, we have maintained our priority to provide high quality, safe care for all patients, and to learn from our errors and we are committed to driving improvement and a culture of excellence.

During 2025/26, we made measured but tangible progress across a number of quality and patient safety indicators, reflecting sustained focus on harm reduction, early recognition of deterioration and system learning. Overall patient safety incident reporting remained broadly stable compared to 2024/25, with a small reduction in incidents per 1,000 bed days, supporting continued organisational learning and transparency.

There was notable improvement in a number of harm-related measures. Patient falls per 1,000 bed days reduced compared to the previous year, and while falls resulting in harm remained above target, the rate improved year-on-year. Medication incident rates reduced, alongside a further reduction in the proportion of medication incidents resulting in moderate harm or above, demonstrating improved medicines safety and assurance processes. The number of Patient Safety Incident Investigations instigated reduced significantly compared to 2024/25, reflecting both improved prevention and the more proportionate, system-focused approach introduced through the Patient Safety Incident Response Framework (PSIRF).Performance across sepsis pathways remained a relative strength, with sustained high levels of screening and timely administration of intravenous antibiotics for adult inpatients, Emergency Department attendances, maternity services and children. Most sepsis screening indicators exceeded the 90% target at year end, with particularly strong year-on-year improvement seen in Emergency Department and children's pathways. Compliance with timely antibiotic administration improved in several cohorts, although variation remains, particularly within maternity pathways, which continues to be an area of focus.

We continued to embed PSIRF throughout the organisation during the year, strengthening our approach to system-based learning, reducing reliance on high-threshold investigations and improving the quality of insight generated from incidents. This has enabled a clearer focus on learning that supports meaningful improvement rather than process compliance alone.

While progress has been made, performance did not consistently meet expectations across all quality indicators. Overall patient safety incidents with moderate harm or above increased slightly compared to 2024/25, and pressure ulcers developed per 1,000 bed days remained above target, although performance improved year-on-year.

Key Performance Indicator	Target	2025/26 Performance	2024/25 Performance
Patient Safety Incidents per 1000 bed days	50.7	**52.2**	52.8
Patient Safety Incidents with moderate harm or above per 1000 bed days	0.6	**0.7**	0.6
Patient falls per 1000 bed days	5.6	**4.6**	5.0
Patient falls with harm per 1000 bed days	1.5	**1.7**	1.8
Medication incidents per 1000 bed days	6	**5.5**	6.6
Medication incidents with moderate harm or above (%)	5%	**1.4%**	1.6%
Pressure ulcers developed at UHNM per 1000 bed days	1.6	**1.7**	1.8
Pressure ulcers with lapses in care per 1000 bed days	N/A	**0.4**	0.5
Never events reported	0	**4**	9
Patient Safety Incident Investigation instigated	N/A	**14**	31
Duty of candour verbal	100%	**87.7%**	94.9%
Duty of candour written (letter sent within 10 working days)	100%	**83.8%**	76.4%
Maternity induction of labour – breach performance	95%	**99.1%**	98.0%
Maternity assessment unit triage within 15 minutes	85%	**89.2%**	92.9%
Timely observations	90%	**80.0%**	71.5%
Venous thromboembolism risk assessment rate (timely)	95%	**88.1%**	80.5%
Hospital associated thrombosis rate	N/A	**1.04**	0.93
Sepsis screening – inpatients	90%	**98.2%**	95.4%
Sepsis intravenous antibiotics – inpatients	90%	**98.9%**	99.1%
Sepsis screening – Emergency Department	90%	**92.5%**	85.5%
Sepsis intravenous antibiotics – Emergency Department	90%	**85.7%**	81.9%
Sepsis screening – maternity	90%	**91.6%**	78.9%
Sepsis intravenous antibiotics – maternity	90%	**75.0%**	78.7%
Sepsis screening – children's	90%	**98.8%**	87.1%
Sepsis intravenous antibiotics – children	90%	**94.4%**	75.0%

Timely completion of Duty of Candour processes did not achieve the 100% standard, reflecting the complexity and timeliness of incident reviews, although written duty of candour compliance improved compared to the prior year. Compliance with timely observations using our electronic system improved, but remained below target, and venous thromboembolism (VTE) risk assessment performance, while improved year-on-year, did not achieve the 95% standard. Hospital-associated thrombosis rates remain under close review. Never Events reduced compared to 2024/25, but any occurrence remains unacceptable and continues to be a priority for learning and prevention.

We continue to deliver care across multiple clinical and administrative systems. While these systems support day-to-day operations, their limited integration increases reliance on manual processes and reduces end-to-end visibility across patient pathways. This creates additional clinical and operational risk, particularly in relation to continuity of care, timely decision-making and assurance. As such, digital integration and electronic prescribing and medicines administration remain key enablers for further improvements in safety and quality.

12 Month Trend Analysis – Quality KPIs

KPI	Variation	Assurance
HSMR (Rolling 12-months)		
PSI per 1000 bed days		
PSI with moderate harm or above per 1000 bed days		
Patient Falls per 1000 bed days		
Patient falls with harm per 1000 bed days		
Medication incidents per 1000 bed days		
Medication incidents with moderate harm or above (%)		
Never Events reported		
PSIIs instigated		
Duty of Candour verbal		
Duty of Candour written (letter sent within 10 working days)		
Pressure Ulcers developed at uhnm per 1000 bed days		
Pressure ulcers with lapses in care per 1000 bed days		
Trust Apportioned Infections		
Avoidable cases of MRSA Bacteraemia		
HAI and COHA cases of C.Diff toxin		
HAI E.Coli Bacteraemia Cases		
Sepsis Screening - Inpatients		
Sepsis IVAB - Inpatients		
Sepsis Screening - ED		
Sepsis IVAB - ED		

KPI	Variation	Assurance
Sepsis Screening - Maternity		
Sepsis IVAB - Maternity		
Sepsis Screening - Childrens		
Sepsis IVAB - Childrens		
VTE Risk assessment Rate (timely) - data from Tendable		
Hospital Associated Thrombosis Rate		
Care hours per patient day (safe staffing)		
Timely Observations		
UHNM Inpatients - Friends & Family Test (% recommending)		
UHNM A&E - Friends & Family Test (% recommending)		
UHNM Maternity - Friends & Family Test (% recommending)		
Complaints - % closed within 25/40/60 working day target		
Written complaints rate per 10,000 spells		
Mixed Sex Accommodation Breaches Reported		
Maternity Induction of Labour - Breach performance		
Maternity Assessment Unit Triage within 15 minutes		
3rd/4th degree tears		
Neonatal deaths		

During 2025/26, our outcomes assurance continued to strengthen, with high performance in several indicators that reflect safe, person-centred care. We embedded a large proportion of applicable NICE guidance into practice with defined assurance mechanisms (83%) and maintained strong compliance with Local Safety Standards for Invasive Procedures checks (94%). Patient-reported measures remained a relative strength, with most respondents reporting involvement in decisions about their care (96%) and having an individualised plan of care (95%); a snapshot audit also demonstrated a high rate of senior review within 14 hours of admission (96%). Alongside this progress, further work is required to improve the timeliness and completeness of action planning arising from national audits and GIRFT and strengthening the proportion of clinical audits demonstrating significant assurance (55%), supported by continued improvement in clinical effectiveness governance and reporting.

Key Performance Indicator	2025/26 Performance
NICE guidance implemented into practice with assurance mechanism identified (including Health Technology Appraisals)	94 / 113 (83%)
Participation in national audits / programmes with associated action plans	68 (action plans to be developed once published)
Provision of action plan following GIRFT visit	5 / 6
Number of patients who feel that they were involved in decisions made about their care	280 / 291 (96%) (for patient experience questionnaires sent)
Number of patients receiving a Senior Review within 14 hours of admission	96% (snapshot audit)
Number of patients who had an individualised plan of care	276 / 291 (95%)
Number of GIRFT pathways audited as part of Clinical Audit Programme	Data not available
Number of clinical audits demonstrating significant assurance	66 / 120 (55%)
Compliance with the mandatory completion of questions relating to the never event criteria on the Local Safety Standards for Invasive Procedures (LocSSIP) safety checklist	94%
Number of patients who have reported a positive outcome following their hospital admission/procedure	Data not available

Future Outlook

Looking ahead, we remain committed to delivering high-quality, safe and compassionate care in the context of ongoing operational pressure and rising demand. Priorities for 2026/27 include further reducing harm from falls and pressure ulcers, improving compliance with timely observations, strengthening Duty of Candour timeliness, and addressing areas of variation within sepsis pathways. Through continued embedding of PSIRF, investment in digital transformation, and sustained focus on workforce wellbeing and engagement, we will continue to strengthen our safety culture and learning systems. This will support our ambition to reduce avoidable harm, improve patient outcomes and deliver consistently high-quality care for all patients.

Workforce performance 2025/26

Throughout the year, we have remained focused on supporting our workforce, recognising that engaged, healthy and supported colleagues are critical to delivering safe, high-quality care and driving continuous improvement.

Staff Engagement

Our staff engagement score for 2025/26 was 6.67, a slight deterioration compared to 6.84 in 2024/25 and below the ambition of 7.2. This reflected ongoing operational pressures, workforce fatigue and sustained demand across services. Alongside the National NHS Staff Survey, insights from the quarterly Staff Voice Survey have been considered throughout the year, informing targeted actions to address themes such as workload, wellbeing, inclusion and psychological safety. While engagement initiatives continued to develop, it is recognised that sustained improvement in engagement is closely linked to addressing sickness absence, staffing pressure and workload sustainability.

Sickness Absence

Sickness absence remained above our expected standard with an in-month rate of 5.4% in 2025/26, broadly consistent with the prior year. The primary drivers continued to be anxiety, stress and depression, followed by musculoskeletal conditions. The clear relationship between wellbeing, workload pressures and operational demand and sickness absence is recognised and seasonal variation remained evident, including reductions in respiratory-related illness towards the end of winter; however, overall sickness absence remained a key challenge requiring continued focus.

Turnover Rate and Vacancy Rates

Turnover remained stable at 7.5%, well below the 10% target, demonstrating continued success in retention despite the challenging operating environment. Turnover of registered nursing staff and midwives achieved upper quartile performance (7 out of 205 organisations for registered nurses; 24th out of 141 organisations for midwives).

Vacancy rates reduced significantly to 4.4%, compared to 8.3% in 2024/25. This improvement reflected sustained recruitment activity across Registered Nursing, support to clinical employees and infrastructure roles, alongside focused retention efforts. However, these gains have been partially offset by increases in budgeted establishment and continued workforce pressures within specific employee groups, particularly medical staffing.

Agency Utilisation

Agency utilisation reduced further during the year to 1.0%, remaining well below the NHS England threshold of 3.2% and representing a significant improvement compared to 2024/25. This reflected sustained scrutiny and while short-term increases in agency usage occurred during periods of peak pressure, overall utilisation remained tightly controlled, supporting financial sustainability and workforce stability.

Appraisal Rate

Performance Development Review (PDR) completion remained below the Trust's 95% target, with year-end performance at 81.8%, a deterioration compared to the previous year. The consistency of appraisal completion continues to be a focus, given the recognition of its importance for colleague development, engagement and performance. Care Groups continue to maintain active oversight of PDR compliance, with additional support and monitoring introduced during the year to improve performance.

Employee Engagement Initiatives

During 2025/26, we strengthened our approach to workforce culture and engagement through a more structured, evidence-led focus aligned to the NHS People Promise. Initiatives progressed during the year included the expansion of the People Promise Exemplar Programme (Cohort 2), enhanced wellbeing offers, and the transition of Employee Support Advisors into Freedom to Speak Up Champion roles to strengthen local engagement and psychological safety. These initiatives were supported by ongoing People Promise-aligned engagement campaigns and targeted interventions addressing mental health, inclusion and resilience.

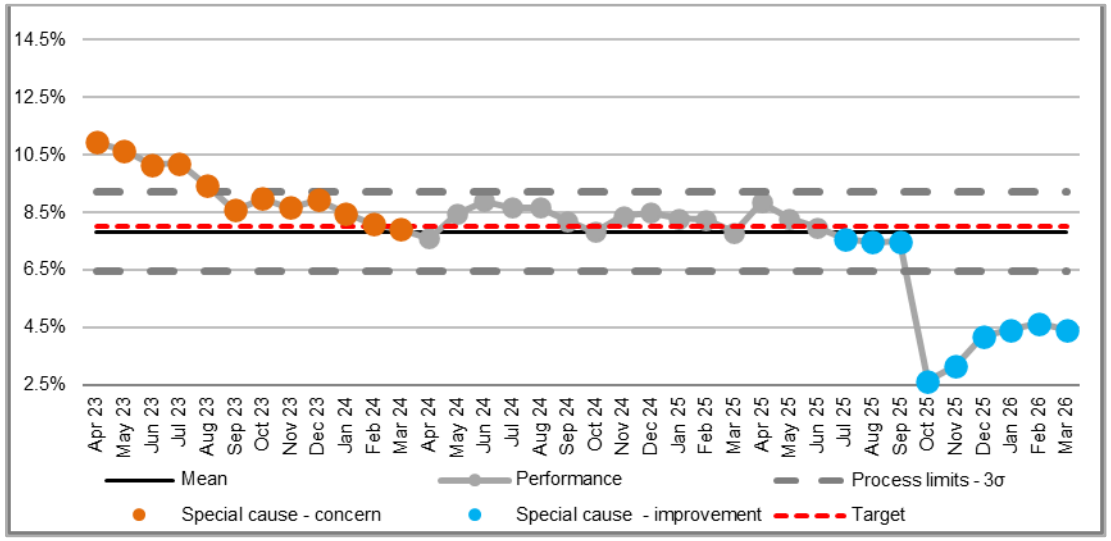
Key Performance Indicator	Target	2025/26 Performance	2024/25 Performance
Staff turnover	10%	7.5%	7.5%
Staff vacancy rate	8%	4.4%	8.3%
Sickness absence (in month)	3.40%	5.4%	5.3%
Appraisal (performance development review)	95%	81.8%	86.3%
Agency utilisation	3.20%	1.0%	2.8%
Employee engagement	7.2	6.67	6.84

Future Outlook

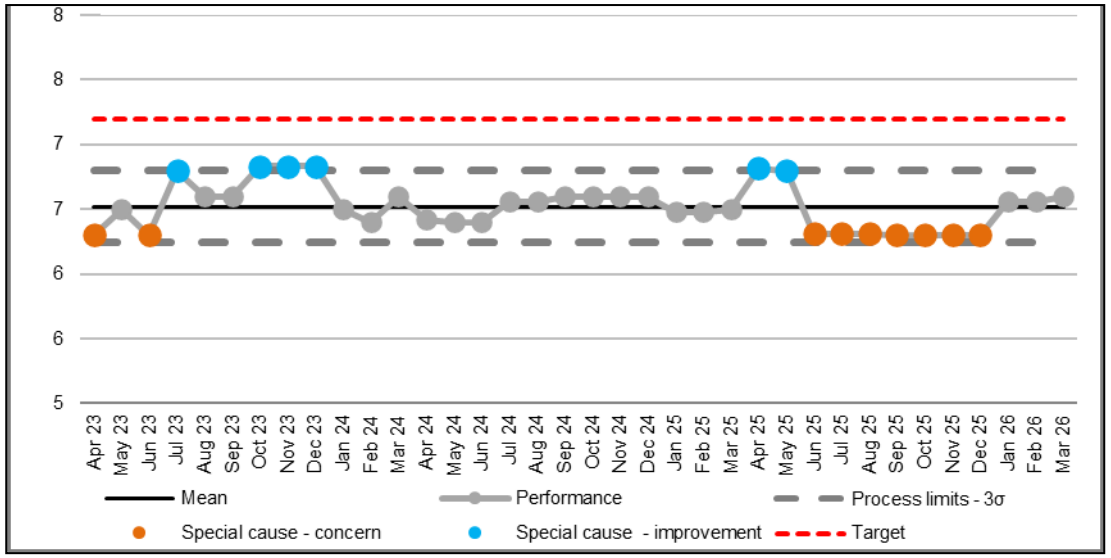
Looking ahead, we will continue to prioritise employee engagement, wellbeing and workforce sustainability as critical enablers of high-quality patient care. Reducing sickness absence, improving PDR completion and strengthening engagement scores remain key priorities for 2026/27. Recruitment and retention activity will continue to focus on priority roles, alongside efforts to maintain low turnover and vacancy rates.

We will also continue to scrutinise agency usage, with a sustained focus on converting agency roles to bank or substantive positions where possible. Through these actions, and continued partnership working with the Integrated Care System and local universities, we aim to create a supportive, inclusive and engaged workforce capable of delivering the best joined-up care for *all*.

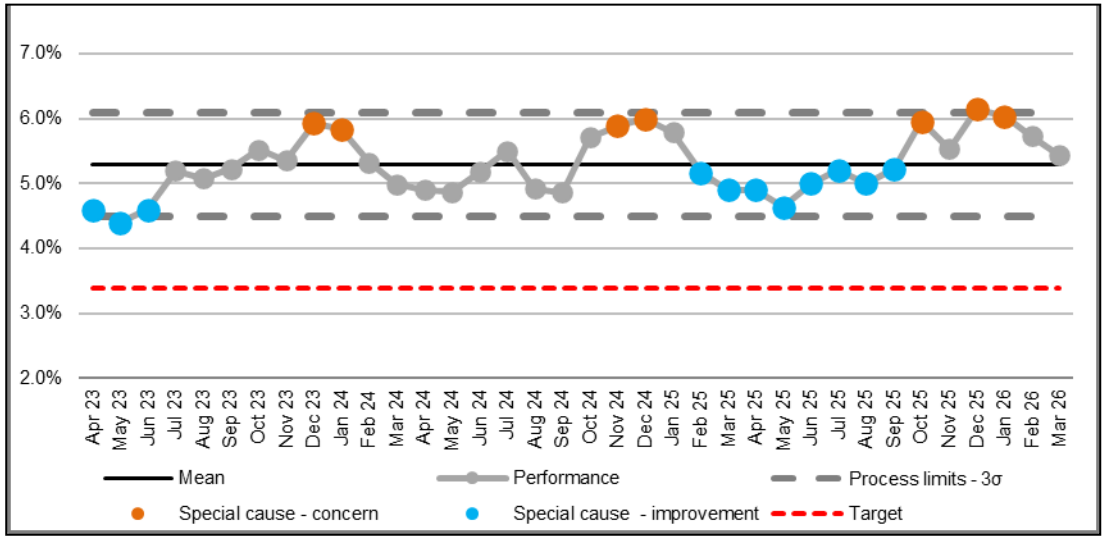
Vacancy Rate



Employee Engagement



In month sickness absence



Financial performance 2025/26

Throughout the year, we have remained focused on effective stewardship of our resources, underpinned by strong financial governance and a continued commitment to efficiency and sustainability.

Use of Resources and Financial Performance

Our resources are managed within a financial governance framework that incorporates systems of financial control, budgetary control and the financial responsibilities for individuals outlined within our corporate governance policies and procedures. Financial and quality governance arrangements incorporate benchmarking activities and an internal audit function to ensure probity, accuracy and the economic, efficient and effective use of resources, include value for money. Financial performance is reported into the non-executive led Finance and Business Performance Committee which meets monthly. Standing items on the agenda include the monthly financial position, cost improvement schemes, capital schemes and cost pressure analysis to ensure regular review of any financial challenges and implementation of recovery measures. We have a policy and governance framework in place to guide staff on the appropriate use of resources and are designed to ensure that our financial transactions are carried out in accordance with the law and with Government policy, through our Standing Orders, Standing Financial Instructions and Scheme of Delegation. In addition, there is a robust system for developing and routinely developing policies and procedures and staff are regularly updated and guided or trained on their application.

2025/26 Outturn

We ended the 2025/26 financial year with a deficit of £13.201 million against a planned £6.900 surplus. After statutory adjustments, a surplus for breakeven duty purposes was achieved of £2.226 million and the adjusted financial performance deficit was £4.739 million against a breakeven plan. The position was supported by non-recurrent measures, and we recognise the need to strengthen recurrent efficiency and cost control to support long-term financial sustainability. We have a range of key financial policies in place, which are designed to ensure that our financial transactions are carried out in accordance with the law and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness; these remained in place throughout the year. Our services are organised into 3 Care Groups, Corporate and Estates Divisions plus the North Staffordshire and Cheshire Pathology Network as a hosted function within UHNM's governance structure, these are managed through a devolved structure, which is governed by our Scheme of Delegation, defining all key roles and responsibilities. Each area has dedicated financial and human resources input to support delivery of their plans. We maintain a strong focus on performance management, as a means by which our services are held to account for the delivery of financial and other performance targets. Performance is monitored through our monthly performance management review process, which is chaired by an Executive Director.

Financial Assurance and Audit

During 2025/26, our Internal Auditors have reviewed our key financial systems and controls in relation to expenditure and concluded with 'reasonable assurance with minor improvements required'. A number of recommendations were made, which will remain a focus throughout 2026/27.

Our external auditors give an expert and independent opinion on whether our financial statements are a true and fair view of our financial position at the end of the financial year. They also provide an expert and independent opinion on whether the financial statements comply with relevant laws. In carrying out their audit, they must have regard to aspects of corporate governance and securing economy, efficiency and effective use of resources.

Cumulative Financial Position

Due to the continued cumulative deficit and the expectation that expenditure will exceed income for the foreseeable future, the External Auditors issued a Section 30 referral to the Secretary of State for Health on 28 May 2025. This follows earlier referrals in 2017 and 2021.

We recognise that this position is set within the context of a wider sustainability gap across the local health and social care economy. To address this challenge, work remains on-going with our system partners.

Financial Performance 2025/26

Key Performance Indicator	2025/26 Performance	2024/25 Performance
Total income (£'000)	1,271,227	1,292,878
Expenditure - pay (£'000)	849,092	787,322
Expenditure -non-pay (£'000)	515,057	484,501
Daycase / elective activity	125,899	125,108
Non-elective activity	102,777	130,452
First outpatients	307,913	316,711
Follow up outpatients	414,762	391,944
Non face to face outpatients	218,200	210,483

Statement of Comprehensive Income Account for the year ended 31 March 2026

	2025/26	2024/25
	£'000	£'000
Revenue from patient care activities	1,271,227	1,186,037
Other operating revenue	109,088	106,840
Total revenue	**1,380,315**	**1,292,878**
Operating expenses	(1,364,149)	(1,271,731)
Operating surplus	**16,166**	**21,147**
Other gains and losses	137	70
Surplus before interest	**16,303**	**21,217**
Investment revenue	5,185	6,054
Finance costs	(30,144)	(35,422)
Deficit for the financial year	**(8,656)**	**(8,151)**
Public dividend capital dividends payable	(4,545)	(3,530)
Retained deficit for the year	**(13,201)**	**(11,681)**

Performance against breakeven duty

	2025/26	2024/25
	£'000	£'000
Deficit for the period	(13,201)	(11,681)
Impairments not scoring to Department of Health limit	18,183	268
I&E impact of capital grants and donations	(2,756)	(4,293)
Impact of IFRS 16 on IFRIC 12 schemes	(6,965)	(2,442)
Net impact of DHSC provided inventories for Covid response	0	92
Adjusted financial performance surplus	**(4,739)**	**(18,056)**

Revenue Income

Income in 2025/26 totalled £1,380.3m. The majority of our income (£1,245.6m, 90%) was delivered from Integrated Care Boards and NHS England in relation to healthcare services provided to patients during the year. Other operating revenue relates to services provided to other Trusts, training and education and miscellaneous fees and charges.

Summary of Total Income

	2025/26	2024/25
	£m	£m
Integrated Care Boards and NHS England (patient care)	1,252.4	1,167.9
Other patient care income	18.8	18.1
Education, training and R&D income	48.3	47.0
Non patient care services to other NHS bodies	44.2	40.9
Other	16.6	19.071
Total revenue	**1,380.3**	**1,292.9**

Summary of Income from ICBs and NHSE

	2025/26		2024/25	
	£m	%	£m	%
Specialised commissioning / NHS England	191.7	15%	188.6	15%
Stafford & Stoke ICB	952.9	77%	883.6	70%
Cheshire ICB	48.9	4%	46.7	4%
Other	51.3	4%	152.3	12%
Total revenue from patient care	**1,244.8**	**100%**	**1,271.2**	**100%**

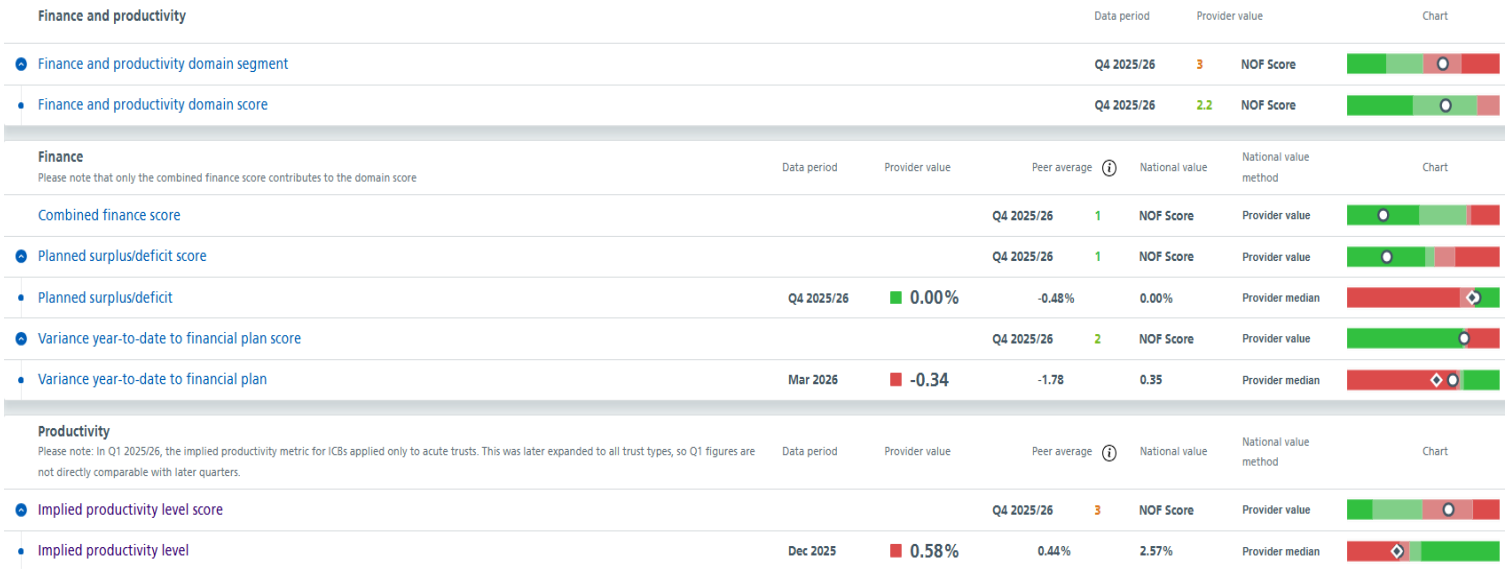
	2025/26	2024/25	% Change
	£m	£m	%
Revenue from patient care activities	**1,271.2**	**1,186.0**	**7%**
Other revenue:			
Medical school (SIFT)	8.9	8.6	4%
Junior doctor training (MADEL)	26.9	24.5	10%
WDD funding	1.9	6.8	(72%)
Research and development	3.8	3.2	19%
Non patient care services to other NHS bodies	44.2	36.1	22%
Other income	23.4	27.7	(16%)
Total other revenue	**109.1**	**106.9**	**2%**
Total revenue	**1380.3**	**1292.9**	**7%**

Operating Expenditure

Staff costs at £846.5m represent 62.1 per cent of our operating expenditure with clinical supplies and services non pay costs at £276.5m representing a further 20.3 per cent. A summary of operating expenditure is shown in the table below:

	2025/26	2024/25	% Change
	£m	£m	%
Staff costs	849.1	787.3	8%
Other costs	106.3	114.5	(7%)
Clinical supplies and services	276.5	260.8	6%
Depreciation	41.7	39.7	5%
Premises costs	43.7	43.2	1%
Clinical negligence	28.8	26.0	11%
Total operating expenditure before impairments	**1,345.9**	**1,271.4**	**6%**
Impairments	18.2	0.3	
Total operating expenditure	**1,364.1**	**1,271.7**	**7%**

The extract below summarises our finance and productivity performance under the NHS Oversight Framework:



Finance and productivity	Data period	Provider value			Chart
Finance and productivity domain segment	Q4 2025/26	3	NOF Score		
Finance and productivity domain score	Q4 2025/26	2.2	NOF Score		

Finance Please note that only the combined finance score contributes to the domain score	Data period	Provider value	Peer average	National value	National value method	Chart
Combined finance score	Q4 2025/26	1	NOF Score		Provider value	
Planned surplus/deficit score	Q4 2025/26	1	NOF Score		Provider value	
Planned surplus/deficit	Q4 2025/26	0.00%	-0.48%	0.00%	Provider median	
Variance year-to-date to financial plan score	Q4 2025/26	2	NOF Score		Provider value	
Variance year-to-date to financial plan	Mar 2026	-0.34	-1.78	0.35	Provider median	

Productivity Please note: In Q1 2025/26, the implied productivity metric for ICBs applied only to acute trusts. This was later expanded to all trust types, so Q1 figures are not directly comparable with later quarters.	Data period	Provider value	Peer average	National value	National value method	Chart
Implied productivity level score	Q4 2025/26	3	NOF Score		Provider value	
Implied productivity level	Dec 2025	0.58%	0.44%	2.57%	Provider median	

Capital

Of the capital funding in 2025/26, £19.3m was generated internally from the depreciation of assets and use of the Trust's cash reserves and this is predominantly allocated to the replacement of medical equipment, ICT systems and the refurbishment of the Trust's buildings and estate. In addition, the Trust was awarded central capital funding totalling £40.6m for a number of investments including the funding of imaging and diagnostic equipment, ICT projects including the development of an Electronic Patient Record system, developments at the County site, replacement boilers and continuing work on a Community Diagnostic Centre. The main areas of capital expenditure are as set out opposite:

	2025/26
	£'000
Medical Assets:	
CDC - equipment	2,517
Third surgical robot	1,989
CT scanner replacement	1,104
MRI scanner replacement	1,029
Spinal robot	840
Haemodialysis machines	756
Daycase theatre equipment	735
Other schemes under £500,000	6,206
Total medical assets	**15,175**
ICT Schemes:	
IT devices	1,515
Frontline digitalisation	1,478
LIMS	1,323
Digital pathology scanners	685
Printing lease replacement	593
Other schemes under £500,000	1,666
Total ICT schemes	**7,260**
Estates and General Works:	
Community Diagnostic Centre (CDC)	22,738
Breast unit	9,459
IFRS16 adjustments	2,501
Stoke and County UTC	2,259
Stoke LTHW remediation	968
150 acella baxter beds	758
Chiller replacement	757
High voltage upgrade - RS	660
Other schemes under £500,000	6,096
Total Estates and PFI schemes	**46,194**
PFI	
PFI MES	3,736
PFI lifecycle	2,474
Total PFI	**6,210**
Total	**74,839**

Risk profile

As part of the Board Assurance Framework, key strategic risks are identified and linked to our three Strategic Priorities as part of our strategy, 'The best joined-up care for *all*'.

Our risk profile during 2025/26 reflected sustained operational, financial and system pressures across the Trust. Throughout the year, the Board Assurance Framework comprised eight strategic risks that, in combination, could affect delivery of our strategic priorities. By year end, these included two risks rated as Extreme (financial sustainability at 25 and responsive patient care at 20), one risk rated at 16 (digital transformation), one risk rated at 15 (workforce sustainability) and four risks rated at 12, relating to population health, estate infrastructure, research and innovation. The highest-scoring risks related to our ability to deliver responsive patient care, particularly within urgent and emergency care pathways, and to achieve sustainable financial recovery.

These risks had a direct impact on performance and delivery during the year. Sustained pressures across urgent and emergency care, elective recovery, workforce capacity, digital resilience and medium-term financial sustainability constrained progress against national standards and slowed delivery of some planned transformation. In response, we prioritised patient safety, operational resilience and financial grip and control where required, particularly during periods of peak demand.

A range of mitigating actions were implemented during 2025/26, including formal recovery programmes, strengthened Executive and Board oversight, enhanced system working, tighter financial controls, and targeted workforce interventions. While these actions reduced immediate likelihood and consequence in-year, many relied on short-term or resource-intensive measures and did not yet provide sufficient assurance of sustained risk reduction. This reinforced the need for continued focus on structural solutions, including workforce sustainability, digital and cyber resilience, estate investment and large-scale service redesign.

By the end of the year, the risk to delivering the in-year financial position had reduced to its target score of 9, reflecting improved grip and control and delivery of the agreed 2025/26 revenue plan. However, the risk to financial sustainability remained Extreme at 25, reflecting reliance on non-recurrent measures, the scale of the recurrent efficiency challenge and the need for sustained multi-year transformation. Risks relating to responsive patient care and digital transformation also remained above target. The risk relating to population health remained unchanged at 10, reflecting early progress but the need for sustained delivery at scale.

The year also saw continued emergence and escalation of interdependencies across risks, including increased reliance on digital systems, cyber resilience, regulatory and information governance requirements, specialist workforce pressures and the interaction between operational performance and financial sustainability. These risks were actively monitored through the Board Assurance Framework and operational risk registers.

Looking ahead, persistent demand pressures, workforce constraints, financial limitations and dependencies on digital and estate infrastructure may continue to limit the pace of improvement if not addressed through sustained, long-term solutions. We will therefore continue to prioritise proactive risk management, focused on reducing underlying risk exposure rather than reliance on short-term mitigations. The principal risks set out in page 18 and within the Annual Governance Statement (pages 59-67) remain appropriate and will be reviewed for 2026/27. We continue to apply our Risk Appetite Statement, as part of the Risk Management Policy, to guide decision-making and support a balanced approach to managing risk while delivering strategic objectives.

Social matters and human rights

We have continued to strengthen our commitment to social value and human rights, placing the wellbeing, dignity and rights of our people, patients and population at the heart of everything we do.

Social Matters

Workforce Experience, Inclusion, Culture and Wellbeing
During 2025/26, progress has been made in delivering agreed priorities relating to workforce experience, inclusion, culture and wellbeing. This included strengthened engagement with employee networks, continued oversight of Freedom to Speak Up arrangements, and further opportunities for colleagues to influence organisational development through formal engagement routes. There has also been a sustained focus on colleague health and wellbeing and maintaining openness during a period of significant operational pressure.

Across the year, employee-focused communications and engagement activity supported transparency around organisational change and shared learning from employee feedback, including early engagement with NHS Staff Survey themes ahead of formal publication. Awareness-raising activity linked to recognised campaigns, including Race Equality Week, LGBT History Month and National Apprenticeship Week, was progressed and supported through committee oversight. Together, these activities reflect our continued commitment to fostering an inclusive, positive and respectful working environment.

Recognising sustained operational pressures during 2025/26, we prioritised wellbeing through coordinated mental, physical and psychological support arrangements. A Health and Wellbeing Action Plan for 2025/26 has been developed, supported by improved triangulation of wellbeing data, including sickness absence trends, employee feedback and usage of support services. This enabled a more targeted approach to support for services and groups experiencing heightened pressure.

Support available during the year included access to Staff Support and Counselling services, Occupational Health, Staff Physiotherapy, and pastoral support for colleagues involved in formal people processes. Targeted wellbeing interventions for high-pressure services were put in place, including urgent and emergency care and critical care. There has also been progress in rolling out evidence-based approaches such as Stress First Aid, Critical Incident Stress Management (CISM) and RESPOND training, alongside wellbeing events, drop-in support and leadership coaching to strengthen psychological safety.

Progress was also made during the year to address physical working environments and “brilliant basics”, including rest space provision, hydration and access to appropriate facilities, recognising their contribution to colleague wellbeing. Work also remained ongoing on sexual safety, violence and aggression, smoking cessation and health promotion, reinforcing our focus on maintaining safe and supportive workplaces.

Supporting Equality and Tackling Health Inequalities
Work on social matters during 2025/26 aligned with statutory duties under the Equality Act 2010 and our commitment to reducing inequalities in workforce experience. Wellbeing and support arrangements were delivered in an inclusive manner, with targeted interventions reported to address differing needs across employee groups and services. Further detail on Equality Act responsibilities, including workforce policies, reasonable adjustments and equality of service delivery, is set out within the Equality, Diversity and Inclusion section of this report.

Community Engagement and Social Partnership Working
During the year, we continued to contribute to social value through engagement with local partners. This included collaboration with local colleges to support T-Level students, strengthening education pathways and future workforce capacity. This activity supports our wider role as an anchor organisation within its local community.

Human Rights

Throughout 2025/26, we upheld our responsibilities under the Human Rights Act 1998, with human rights principles embedded within policies, procedures and day-to-day practice. We continued to apply the FREDA principles—Fairness, Respect, Equality, Dignity and Autonomy—to inform policy development, organisational decision-making and Quality Impact Assessments during the year. These arrangements support an environment in which colleagues feel able to raise concerns, are treated with respect, and are supported during periods of organisational pressure.

Anti corruption and anti bribery

We are committed to maintaining the highest standards of honesty, integrity and accountability in all areas of our work. As a public body, we have a duty to safeguard public resources and ensure that our systems, processes and culture actively prevent fraud, bribery and corruption.

We have a clear and firmly embedded zero-tolerance approach to fraud, bribery and corruption, and we remain committed to taking all necessary steps to prevent, detect and respond to any such activity. This commitment underpins our responsibility to maintain an honest, transparent and open organisational culture, enabling us to fulfil our objectives and uphold the wider expectations of the NHS.

As part of this commitment, we continue to adhere to the NHS Counter Fraud Authority (NHSCFA) Standards for Providers, alongside the full suite of national directions, procedures and the NHSCFA Anti-Fraud Manual. These standards inform our local policies, training and assurance processes, ensuring that our counter-fraud arrangements remain robust and aligned with national expectations.

All allegations or suspicions of fraud, bribery or corruption are assessed and investigated proportionately, with appropriate action taken in line with Trust policy and relevant legislation. This includes, where appropriate, disciplinary action, pursuit of financial recovery and referral for criminal investigation.
We maintain a number of established policies to support strong internal controls and prevent fraud or corruption, including the:

- Standards of Business Conduct.
- Standing Financial Instructions.
- Anti-Bribery and Anti-Fraud.
- Scheme of Reservation and Delegation.

These policies reinforce expected standards of behaviour, clarify responsibilities, and provide clear routes for raising concerns.

We have an appointed Local Counter Fraud Specialist (LCFS) who provides expert advice on all fraud-related matters and acts as the primary point of contact for reporting concerns. The LCFS undertakes both proactive and reactive work, including awareness-raising, investigations and targeted thematic reviews. Regular counter-fraud reports are provided to the Audit Committee, ensuring appropriate oversight and scrutiny. The LCFS service is provided by RSM UK Risk Assurance Services LLP and operates independently of the internal audit function.

The Chief Finance Officer is the Trust's Accountable Officer for Anti-Fraud and is responsible for ensuring effective counter-fraud arrangements are in place. During 2025/26, 25 referrals were made to the LCFS; each was reviewed and investigated in line with Trust policy.

The LCFS workplan for 2025/26, including a comprehensive fraud risk assessment, was aligned to Government Functional Standards and was formally approved by the Audit Committee. Oversight of this programme supports the identification and mitigation of emerging fraud risks, ensures learning is embedded, and helps maintain a responsive and proportionate counter-fraud approach.

During the year, we also undertook a gap analysis to assess readiness for the requirements introduced under the Economic Crime and Corporate Transparency Act (ECCTA). This work included reviewing existing controls, policies and assurance arrangements relating to fraud prevention and detection. Areas for further strengthening were identified, and an action plan has been established, supported by the LCFS and internal auditors, to address these gaps and enhance organisational awareness of the expanded legislative obligations. This work forms part of our broader commitment to robust financial stewardship, protection of public funds, and upholding the highest standards of accountability and transparency.

Equality of service delivery

As a public sector organisation, we are required to demonstrate how we meet the Public Sector Equality Duty as outlined in section 149 of the Equality Act 2010.

As a public sector organisation, we are required to demonstrate compliance with the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010. Our approach is guided by our Equality, Diversity and Inclusion (EDI) Strategy and our refreshed 2025–2035 organisational strategy, both of which reaffirm our commitment to equitable access, inclusive service design and targeted action to reduce health inequalities.

We continue to prioritise equality of access and outcomes for Our Patients, Our People and Our Population. Equality Impact Assessments (EIAs) are undertaken for all proposed service changes to identify and mitigate any disproportionate effects on protected or underserved groups. These are complemented by Quality Impact Assessments to ensure that service developments promote fairness, safety and improved outcomes.

Inclusive patient feedback mechanisms ensure that service redesign is informed by diverse lived experiences. Engagement is strengthened through our Lived Experience Champions and our Patient Involvement and Engagement Coordinator, who work with service-specific groups and undertake targeted outreach with under-represented communities to ensure services reflect the needs, preferences and experiences of the people we serve.

We work closely with community, advocacy and voluntary sector partners to identify local health challenges, remove barriers to accessing care and reduce inequalities in patient experience and outcomes. This partnership approach helps identify structural barriers and informs targeted improvement activity across clinical and non-clinical services.

Our statutory obligations are met through publication of the annual EDI Report, Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), and Gender Pay Gap reports. These datasets provide transparency on access, experience and outcomes, and enable use to demonstrate due regard to eliminating discrimination, advancing equality and fostering good relations in line with the PSED.

We also meet our legal duty to have due regard to the Armed Forces Covenant. Our accreditation from the Veterans Covenant Healthcare Alliance reflects our commitment to ensuring that serving personnel, veterans and their families do not face disadvantage when accessing services.

Customer satisfaction scores

The National Adult Inpatient Survey has been an annual requirement since 2002 by the Care Quality Commission, which looks at the experiences of adults that have been an inpatient with us.

We use national patient surveys to obtain detailed feedback on the standards of service and care experienced by patients. This feedback supports the identification of priorities for improvement and provides a key source of intelligence used by the Care Quality Commission (CQC) to measure, monitor and inform their inspection activity.

The most recent CQC Adult Inpatient Survey was published in 2025 and relates to the experiences of patients discharged from UHNM in November 2024. Fieldwork took place between January and April 2025, with responses received from 511 patients. A report on the findings was considered by the Quality Access and Outcomes Committee in February 2025, and the full benchmark report is publicly available on the CQC website.

Survey Participation and Respondent Profile

We achieved a 42% response rate, in line with the national average, and an increase from the previous year, providing a robust basis for understanding inpatient experience across Trust services.

The demographic profile of respondents, was as follows:

- 95% were White, 2% were Asian or Asian British, and 2% were not known.
- 49% were male and 51% were female.
- 83% of respondents reported having a physical or mental health condition, disability or illness lasting, or expected to last, 12 months or more.

Equality and Protected Characteristics

While the survey collects demographic information to support interpretation of results, the CQC benchmark report does not provide statistically reliable breakdowns of experience scores by protected characteristic. As such, conclusions regarding differences in experience by ethnicity, sex, disability or other protected groups cannot be drawn from the national survey alone.

To address this, we triangulate national survey findings with other sources of patient experience intelligence, including complaints, PALS contacts, local surveys and targeted engagement activity. This approach supports the identification of any potential inequalities in experience and informs proportionate, targeted improvement actions.

Key Findings

Overall, the survey demonstrated that patients continued to report positive experiences of care. Performance was stable overall, with improvements seen in a number of key areas, and we did not score worse than expected in any question compared with other trusts or the previous survey.

Key areas of strength identified through the survey included:

- Respect, dignity and privacy.
- Kindness and compassion demonstrated by colleagues.
- Communication with doctors and nurses, including being listened to and receiving clear explanations.
- Consideration of patients' individual needs, including language and religious or cultural requirements.

Consistent improvements over the previous two years were particularly noted in communication from nursing employees, supported by our focus on health literacy within employee induction and training programmes.

The survey also identified areas where experience scores, while improving, remain relatively lower and continue to be a focus for improvement. These include aspects of involvement of patients, families and carers in discharge planning, and the clarity and consistency of information provided at discharge, including information about medicines. Free-text comments submitted as part of the survey broadly reinforced the quantitative findings, with many patients highlighting the professionalism, commitment and compassion of Trust colleagues.

Using Patient Feedback to Drive Improvement

We have plans in place to continuously improve the experience of all patients, aligned with refreshed quality priorities. Actions arising from the Adult Inpatient Survey are monitored through regular reporting to the Quality, Access and Outcomes Committee, alongside other patient experience and quality metrics. We remain committed to using patient feedback to inform service improvement, ensuring that learning from national and local sources supports safer, more responsive and more equitable care for all patients.

Environmental matters

Climate change poses a major threat to our health as well as our planet. The environment is changing, that change is accelerating, and this has direct and immediate consequences for our patients, our population and the NHS.

We recognise that climate change poses a major risk to the health of the population directly through heatwaves, flooding, air pollution and disease and indirectly through threatening NHS infrastructure and its ability to maintain service continuity, employee safety, and patient care.

Healthcare provision contributes a significant amount of greenhouse gas emissions; approximately 5% of the UK's carbon footprint is directly related to the NHS. In 2022 the NHS announced targets to become the world's first carbon neutral healthcare service by 2045, and the Delivering a Net Zero National Health Service report is now issued as statutory guidance.

Looking after our environment has many benefits for health and wellbeing, through cleaner air, improved access to green spaces, healthier food as well as the ability to protect vulnerable members of the community from the effects of extreme weather. Therefore, we are fully committed to supporting the NHS ambition to be a Net Zero health service.

Task Force on Climate Related Financial Disclosures (TCFD)

The TCFD is a global framework to help organisations disclose climate-related risks and opportunities. It provides positive assurance that NHS Trusts will strengthen governance, risk assessment processes, and long-term planning by embedding climate-related risks into existing oversight and decision-making structures. This includes demonstrating clear Board-level oversight, integration of climate risk into existing risk management processes, and alignment with wider sustainability commitments set out in our Green Plan.

For 2025/26 we have reported against the TCFD pillars on a 'comply or explain' basis. We are fully compliant with the Governance and Metrics & Targets requirements. Work is underway to implement formal processes for climate-related risk identification, assessment and management; therefore, full compliance with the Risk Management pillar will be achieved from 2026/27. In addition, disclosures in the Strategy pillar will be strengthened once the new risk assessment framework is fully embedded.

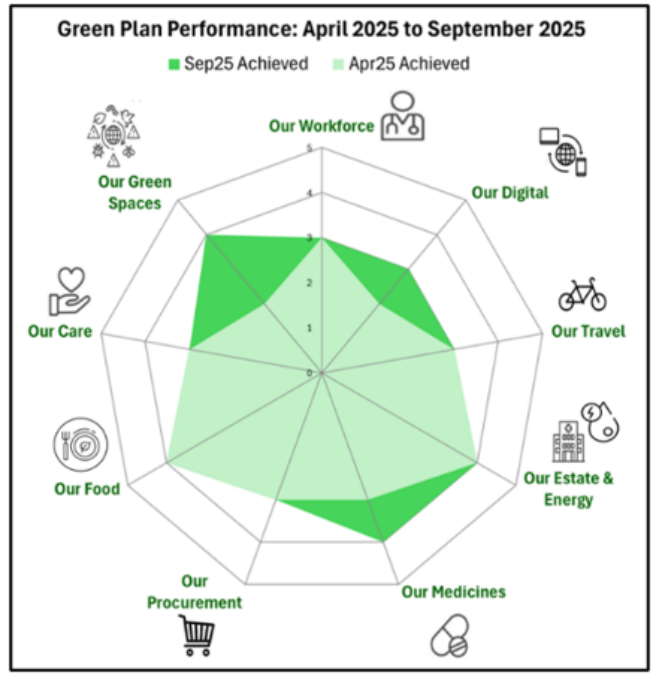
TCFD Pillar 1: Governance

Sustainability Performance and Risk Management Oversight

In October 2025, we published our refreshed Green Plan which covers 2025/26-2028/29. The Green Plan sets out the actions we have agreed to achieve our Net Zero targets, and how we will measure and report on these.

We have the following established programme of sustainability reporting, which monitors delivery of the Green Plan, risks and trajectory toward achieving Net Zero Carbon by 2040:

- Monthly operational Sustainability Working Groups (Energy and Water, Procurement, Travel and Transport and Waste).
- Monthly reporting to the Estates, Facilities and PFI Services Board.
- Bi-annual performance reporting to the Trust Sustainable Development Steering Group.
- Bi-annual performance reporting to the Finance and Business Performance Committee.



We recognise that we cannot deliver a Net Zero Carbon zero health service without support and collaboration across the NHS and with partner organisations.

The Sustainability team support the work of the Staffordshire and Stoke-on-Trent ICS Sustainability Programme Board and the delivery of the ICS Green Plan which comprises national, regional and local priorities. The bi-monthly ICS 'Greener Delivery Group' which comprises attendance from each member organisation.

The structure and terms of reference of the Sustainable Development Steering Group (SDSG) is being updated to strengthen accountability and senior decision-making, with the Group being split into a Strategic SDSG (chaired by the Executive Lead for Net Zero and attended by executive level clinical and operational decision-makers) and a quarterly Operational SDSG. The revised SDSG structure to be implemented at the start of 2026/27 aims to:

- Strengthen leadership and oversight of delivery of Net Zero targets and Green Plan objectives.
- Formally set strategic direction, approve priorities, policies and major business cases, and ensure appropriate resourcing.
- Provide a framework for effective evaluation of risks, particularly relating to climate change and the attainment of net zero targets.
- Track outcomes, risks and escalations, removing structural blockers where required.

The revised structure will ensure we comply with the TCFD requirement to ensure climate-related risks are identified, monitored and escalated to Trust Board. Climate related risks will be included within the bi-annual Sustainability report and embedded into the risk register.

Sustainability Roles and Responsibilities

We have a Board Level Net Zero Executive Lead (Lorraine Whitehead) and a Net Zero Clinical Lead (Dr Andrew Bennett, Specialty Doctor in Emergency Medicine).

We also have a dedicated Transformation and Sustainability team that is in place to specifically assess and manage sustainability and climate related issues. The team lead the monthly operational Sustainability Working Groups and develop initiatives, in partnership with stakeholders, that respond to areas where focus is required to improve sustainability performance and mitigate risks. The team provide all required sustainability performance reporting, in line with Trust governance outlined above.

TCFD Pillar 2: Risk Management

We do not currently have a formal process for identifying, assessing or managing climate-related risks, however there are plans to address this in 2026/27 so that we will be compliant with the requirements to disclose robust risk management processes in future reporting periods.

This means ensuring that climate related risks, such as heatwave related disruptions, energy cost volatility, and infrastructure resilience, are assessed using robust, evidence-based methodologies. Green Plans must be refreshed every three years and aligned with TCFD expectations, providing a clear roadmap for carbon reduction and climate adaptation. Strengthening internal capability to report on relevant emissions and risk exposures will be essential to achieving full compliance.

We also operate a Severe Weather Policy, led by the Emergency Preparedness, Resilience and Response (EPRR) team, which defines organisational responsibilities, escalation pathways and operational triggers during periods of adverse weather. This policy forms a core element of our business continuity arrangements and aligns with wider system governance through the Local Resilience Forum.

As this work progresses, engagement with EPRR will be essential to ensure that climate related risks, operational dependencies and weather-related service pressures are fully reflected within emergency planning and continuity frameworks.

As part of this work, we are also collaborating closely with the wider ICS and system partners to develop a coordinated system level response to TCFD, ensuring that climate related risk assessment, governance expectations, and reporting processes are aligned across organisations.

TCFD Pillar 3: Strategy

Climate change poses a major threat to our health as well as our planet. The environment is changing, that change is accelerating, and this has direct and immediate consequences for our patients, our services and our population. We recognise climate change as a risk to operational service delivery and that it also poses significant financial risk.

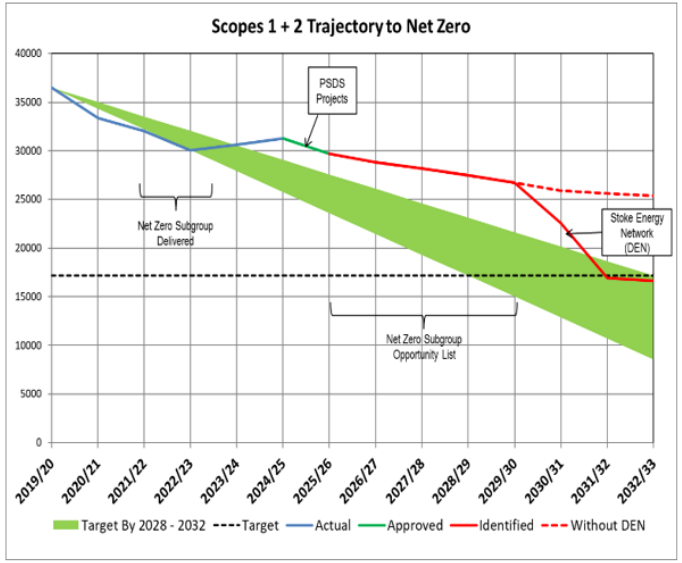
We are currently going through the process of identifying and quantifying material climate change risks so that they can be managed and reported through the formal Trust Risk Management procedure.

TCFD Pillar 4: Metrics and Targets

National Net Zero Target

The national target set by NHS England is for all NHS Trusts to achieve Net Zero by 2040 for emissions that we directly control, with an ambition for an 80% reduction (compared with a 1990 baseline) by 2028 to 2032. These include emissions from our buildings, energy and water usage, anaesthetic gases, waste and business travel and are known as 'Scope 1 and 2'.

Our trajectory against our NZC target is provided below:



The main carbon savings will be delivered by:

- Estates decarbonisation through the Public Sector Decarbonisation Scheme (PSDS) delivered in 2024/25: Reducing annual emissions by 941 tCO2e.
- Expansion of solar panelling across the Trust: Reducing annual emissions by 296 tCO2e.
- Potential connection to the Stoke-on-Trent District Heat Network: Reducing annual emissions by 3,298 tCO2e in 2030/31 and 5,433 in 2031/32 and 8,731 tCO2e in subsequent years.
- Decommissioning nitrous oxide piped supply: Reducing annual emissions by 350 tCO2e.

Our Green Plan targets

Our obligations to deliver the national Net Zero Carbon targets and related deliverables set out in the NHS Standard Contract (Service Condition 18: Green NHS and Sustainability) are outlined in our Green Plan. Actions to achieve these requirements, along with the regional target to reduce emissions from anaesthetic gases and further internal targets, are also detailed in the Green Plan. Additionally, data is routinely reported through the National Greener NHS Dashboard and the annual Estates Return Information Collection (ERIC).

Progress against all targets is reported monthly to the Estates, Facilities and PFI Board and biannually to the SDSG and the Finance and Business Performance Committee.

2025/26 Highlights

Our Net Zero Carbon Vision: Our Sustainable Future

During 2025/26, we refreshed our Green Plan for 2025/26 - 2028/29, setting out our next three-year strategic approach to achieving Net Zero Carbon and building climate resilient healthcare services. The plan was developed with strong clinical and operational stakeholder engagement with input from Local Authority and Keele University partners.

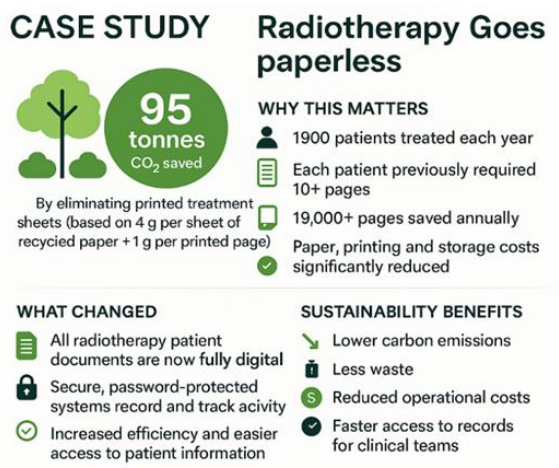
The new Green Plan strengthens ambitions and places greater emphasis on:

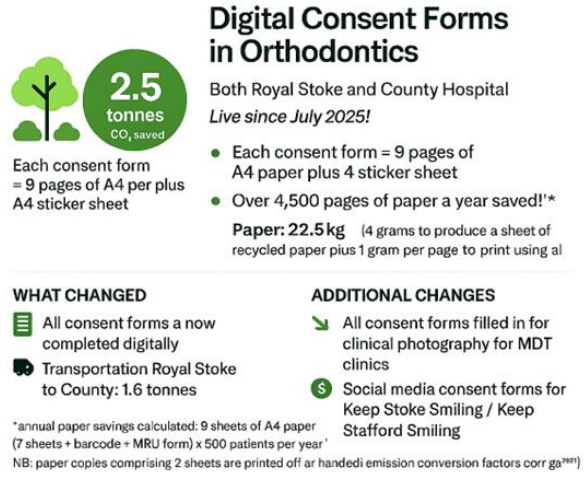
- Clinical transformation.
- Colleague development and sustainability training.
- Digital innovation as an enabler of low-carbon care.
- Strengthening organisational climate resilience.
- Embedding carbon reduction into everyday decision-making.

Low Carbon Care Framework: Inspiring Sustainability in Care

Launched in September 2025, the Low Carbon Care Framework (LCCF) plays a pivotal role in engaging a wider range of colleagues on sustainability and climate change. It supports colleagues to take practical, evidence-based action to make small but meaningful changes that improve sustainability, reduce waste and support high quality patient care across clinical and non-clinical services. The LCCF sets out three achievement levels, Bronze, Silver and Gold. It has been very well received and participation is growing, with 28 teams currently involved. These teams are progressing through evidence submission and independent audits.

A 'Green' Award has been added to the 2026 annual Staff Awards to recognise and celebrate teams and individuals who have gone above and beyond to embed sustainability into their working practice. Some recent clinical case studies are listed below:





Accessing UHNM: Greener Travel

February 2026 saw the completion of the Travel Survey, launched as part of the development of new site-wide Travel Plans. The surveys are critical to understanding colleague travel needs, barriers and ensuring that future investment is informed by meaningful colleague engagement.

The new Travel Plans will set out a structured approach to improving sustainable travel options across both Royal Stoke and County Hospital, such as improved cycling infrastructure, enhancements to public transport connectivity, car share support, EV charging expansion, and other sustainable commuting initiatives. Each scheme will undergo site wide feasibility assessment to understand operational impacts, demand, costs, carbon benefits and alignment with wider Trust infrastructure plans. To ensure the Travel Plans integrate with regional and national direction, development work will also consider the wider transport landscape including:

- Local Authority Bus Service Improvement Plans (BSIPs).
- County and City Council Electric Vehicle Infrastructure Strategies.
- ICS active travel and mobility initiatives.
- Regional strategic transport and decarbonisation plans.

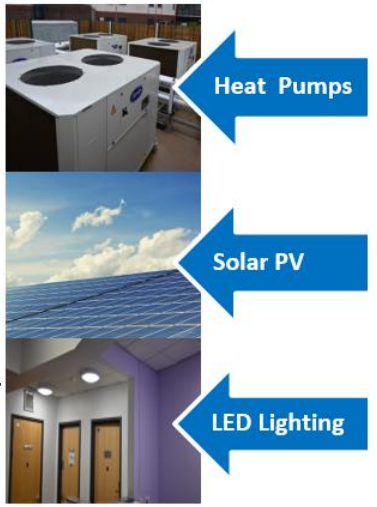
Taking this coordinated approach ensures that we prioritise investment where it will have the greatest environmental, social, operational and financial benefit, while supporting a healthier, more accessible and more sustainable commute for employees.

Achieving Net Zero Carbon: Investment

We recognise that the net zero agenda must be prioritised and resourced if it is to succeed. In addition, efforts to mitigate and adapt to climate change also produce opportunities such as resource efficiency and cost savings. In 2025/26 significant investment was put into reducing cost and carbon emissions related to energy use.

- £26k was spent on replacing faulty and end of life heat meters as part of a wider sub metering project, ensuring accurate energy monitoring and supporting ongoing work to reduce energy consumption and carbon emissions.
- £110k was used to fund detailed design works for optimisation of the Heat Network at Royal Stoke. The optimisation works will deliver a step-change in system efficiency and enable connection to the proposed city-wide District Energy Network (DEN). Once these works are complete energy costs will be reduced by around £260k per year and carbon dioxide equivalent emissions will be reduced by around 9,150 tonnes of through the lifetime of the equipment.

Public Sector Decarbonisation Scheme (PSDS)



2025/26 saw the successful completion of a major heat and energy decarbonisation scheme at Royal Stoke Hospital. Overall, £6.8m investment was put into Air Source Heat Pumps, LED lighting and Solar PV panels across the estate to reduce direct CO2 emissions from our buildings. £5.4m was awarded through the Department for Energy Security and Net Zero (DESNZ) Public Sector Decarbonisation Scheme, with the Trust contributing a further £1.38m.

Overall Impact:

- Year 1: reduction of 91 tonnes CO2 equivalent emissions (tCO2e).
- Year 2: expected reduction of 723 tCO2e.
- Ongoing annual reduction of 941 tCO2e.
- Replacement of end-of-life boilers (backlog improvement).
- Major site risks removed (steam distribution).

LED Rollout

Our 5-year lighting upgrade programme continues across both sites, replacing outdated lighting with energy efficient LEDs. It is delivering reduced electricity consumption, reduced carbon emissions, financial benefits and creating brighter, safer spaces for patients and colleagues. This scheme demonstrates how small changes across the estate can make a big impact.

District Energy Network (DEN)

Stoke on Trent is building a new heating network that will deliver cleaner and cheaper heat and hot water to buildings through insulated underground pipes. This new system could reduce carbon emissions by up to 75% in places that connect to it. The City Council has partnered with SSE Energy Solutions to develop this network as part of a wider plan to make the city greener and more energy efficient. We are currently undertaking a robust due-diligence exercise regarding the connectivity of Royal Stoke University Hospital to the network.

Together that City Council and SSE have agreed to work on projects that help Stoke on Trent move towards net zero, such as exploring more renewable power from solar and wind, developing new low carbon heat solutions, and even looking at more electric vehicle charging points around the city. Nationally, heat networks are expected to play a major role in decarbonising heating.

Energy Procurement Partnership

We are now beginning engagement with Stoke on Trent City Council and the EIC Partnership to potentially extend our existing energy contracts by a further year or negotiate new contracts from April 2027. This early engagement aims to ensure continuity of value, support long term energy resilience, and explore opportunities for locally produced sustainable energy to be delivered to our sites.

Achieving Net Zero Carbon: Reducing Harmful Gas Emissions

Nitrous Oxide

Nitrous oxide (N2O) is a potent greenhouse gas, almost 300 times more harmful than carbon dioxide. It is traditionally delivered via a piped supply, however 70-95% of gas is lost within the pipeline system. 2025/26 saw the successful delivery of NHS England grant funding, awarded to significantly reduce N2O emissions across the Trust.

In a major transformational project seeing collaboration between clinical and operational colleagues across the Trust all clinical areas have fully switched to using small portable cylinders for pure N2O, allowing the pipeline systems to be decommissioned. This is estimated to save approximately 350 tonnes CO2 equivalent emissions per annum.

Penthrox

Penthrox, also known as the 'Green Whistle' which has a carbon impact of 117.7 times less than Entonox is now routinely used in both Emergency Departments as pain relief for most manipulations in patients attending with dislocations and minor fractures. We have become one of the first Trusts to expand the use of Penthrox in children aged 5 and over, following licencing of this drug for use in this age group.

We are also aligned with the regional ambition to reduce anaesthetic gas emissions by 19% for pure Nitrous Oxide and 5% for Entonox compared to 2024/25 levels, demonstrating its commitment to collaborative sustainability across the NHS.

UHNM Community Energy Scheme: Keep Warm, Keep Well

Fuel poverty remains a major issue in Staffordshire, particularly in Stoke-on-Trent, where more than half of residents live in the most deprived areas nationally.

The longstanding Keep Warm, Keep Well (KWKW) scheme delivered in partnership between UHNM and Staffordshire Community Energy and Staffordshire fuel poverty charity 'Beat the Cold' demonstrates how an innovative partnership between health, community energy and third sector can improve the health outcomes of those affected. KWKW works by surplus income from Staffordshire Community Energy's community-owned solar panels hosted in our buildings being ringfenced to fund local fuel poverty support, delivered by Beat the Cold.

KWKW has been in in operation for 9 years, and in February 2026 a significant development of the scheme was launched. Face to face patient referrals have now been replaced by the One Health and Care digital shared care record to proactively identify and refer a clinical patient cohort who are known to reside in fuel poverty and deprivation across Staffordshire and Stoke on Trent. It is hoped that this approach will strengthen the outcomes of the scheme, preventing the exacerbation of conditions and emergency hospital admissions as a consequence of residing in a cold, damp home.

Emergency preparedness, resilience and response (EPRR)

We are required to respond to business continuity, critical and major incidents arising from a range of causes. We maintain comprehensive plans to ensure that critical functions can continue to be delivered during incidents and emergencies, in line with the NHS Emergency Preparedness, Resilience and Response (EPRR) framework.

We operate in a complex and evolving risk environment, including failures of utilities or information technology, severe weather, system-wide capacity pressures, major incidents involving large numbers of casualties, hazardous materials incidents and new and emerging infectious diseases. As an acute provider, we are a Category 1 responder under the Civil Contingencies Act 2004, with statutory duties under the Health and Social Care Act 2022 and the NHS England EPRR Framework 2023.

Our responsibilities include assessing emergency risks, maintaining emergency and business continuity plans, ensuring effective arrangements to warn and inform the public, and working closely with partner organisations to support coordinated responses.

EPRR assurance 2025/26

Compliance with these duties is assessed annually through the NHS England EPRR Core Standards Assurance process, as assessed below:

Full compliance	Fully compliant against 100% of the relevant EPRR core standards (62 out of 62)
Substantial compliance	Fully compliant against 89-99% of the relevant EPRR core standards (55 – 61 out of 62)
Partial compliance	Fully compliant against 77-88% of the relevant EPRR core standards (47 – 54 out of 62)
Non-Compliance	Fully compliant against up to 76% of the relevant EPRR core standards (46 or less, out of 62)

During 2025/26, we completed a comprehensive self-assessment against 62 EPRR Core Standards and self-declared as 'Partially Compliant', achieving 49 out of 62 Core Standards (79%), representing a modest improvement on the previous year and reflecting strengthened assurance and reduced challenge from system partners.

Areas of partial compliance relate primarily to complex system-dependent requirements, including aspects of business continuity management, pandemic planning, mass casualty arrangements and on-call resilience, with action plans in place for further improvement.

Training, exercising and incidents

A comprehensive programme of training and exercising has been delivered throughout the year in line with NHS England Minimum Occupational Standards, including training for strategic and tactical on-call managers, business continuity impact analysis training, specialist legal training and the continued development of trained loggists. We have also participated in a range of multi-agency and live exercises, including HazMat and CBRN scenarios.

During 2025/26, we responded to a range of critical incidents and business continuity challenges, including severe capacity pressures, IT outages, infrastructure failures, severe weather events, fire and flooding incidents and hazardous materials-related risks. Effective command and coordination arrangements were maintained throughout, working closely with system partners to minimise disruption and maintain patient safety.

We remain committed to continuous improvement in emergency preparedness, resilience and response, supported by ongoing Board oversight and assurance.

Clarification of prior year reporting

Our 2024/25 Annual Report stated that our EPRR Core Standards position had been independently validated by the ICB and NHS England. It should be noted that this wording was inaccurate, as the annual confirm and challenge process with system partners had not yet formally concluded. While we had completed our self-assessment and were progressing through the assurance process at the time, the final agreed position had not been confirmed at that the point of writing the Annual Report.

Any important events since year end

There were no events after the reporting period that require disclosure.

Dr Simon Constable
Chief Executive
24th June 2026

2 Accountability Report

Corporate Governance Report

Setting out how the Trust Board provides leadership, oversight and assurance to support effective governance, accountability and decision-making.

Directors report

Between 1 April 2025 and 31 March 2026, there were 15 meetings of the Board. In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings in public, followed by a private business session.

Meetings of the Board

Meetings of the Board are held bi-monthly, with separate Board development sessions held periodically throughout the year. Agendas for each meeting are set in line with agreed business cycles and discussed with the Chair. Where possible, Board meetings take place in person. Guest speakers and members of the public are able to attend either in person or via Microsoft Teams, supporting transparency, accessibility and public accountability.

Role of the Board and Decision-Making Responsibilities

The Board has overall responsibility for the strategic direction, leadership and control of the Trust. Its role is to set strategy, establish our values and culture, oversee organisational performance and ensure accountability to stakeholders in an open and effective manner. The Board is responsible for setting our strategy and objectives; overseeing quality, performance, finance and risk; maintaining effective systems of governance and internal control; appointing and appraising the Chief Executive; and ensuring compliance with statutory, regulatory and constitutional requirements.

To support effective decision-making and assurance, the Board operates in accordance with a Scheme of Reservation and Delegation, which clearly sets out:

- Matters reserved to the Board, including strategy, annual plans, budgets, major capital investment, and key governance and risk decisions.
- Matters delegated to Board committees for detailed scrutiny and assurance.
- Matters delegated to the executive management team for day-to-day operational management.

Board Committees and Executive Delegation

During 2025/26, a number of committees were in place to support the Board in discharging its responsibilities (page 48). Each committee operates under formally approved Terms of Reference, is chaired by a Non-Executive Director (with the exception of the Nominations and Remuneration Committee, which is chaired by the Trust Chair), and provides regular assurance reports to the Board. Terms of Reference set attendance rules for each Committee, including those invited to attend.

The Board delegates responsibility for the day-to-day management and operational delivery to the Chief Executive and Executive Directors. Executive management is accountable to the Board for performance and delivery within the parameters set by the Board and its committees.

Board Composition, Balance and Independence

The composition of the Board is reviewed periodically, and whenever vacancies arise, to ensure that it remains balanced, complete and appropriate to our size, complexity and strategic challenges. The Board comprises a mix of Executive and Non-Executive Directors, as determined by our Establishment Order, bringing together a broad range of skills, experience and professional backgrounds to support effective leadership and decision-making.

The Board considers its Non-Executive Directors to be independent in character and judgement. Independence is assessed with reference to the NHS Code of Governance and includes consideration of the absence of any material business or financial relationship with the Trust, independence from our day-to-day management and the ability to provide objective challenge and scrutiny. During the year, all serving Non-Executive Directors were considered by the Board to meet these independence criteria.

Board Effectiveness Evaluation

During the year, we undertook an annual evaluation of Board effectiveness, supported by the Deputy Director of Governance. The evaluation was conducted internally and included Board self-assessment questionnaires, and collective reflection on Board effectiveness. No external evaluator was appointed during the year and, as such, there was no external contact with the Board, its Committees or individual Directors as part of the evaluation process.

The evaluation confirmed strong levels of engagement, constructive challenge and effective working relationships between Executive and Non-Executive Directors, while also identifying areas for continued development. Actions arising have been incorporated into the Board development programme, including a continued focus on strategic discussion, succession planning and skills mix.

Committees of the Board - Attendance

In line with the Code of Governance, this section sets out the number of meetings held by the Trust Board and its Committees during the year, together with director attendance.

Member	Trust Board (Private) (n=15)	Trust Board Public (n=6)	Audit (n=5)	Finance & Business Performance (n=13)	Nomination & Remuneration (n=9)	People, Culture & Inclusion (n=6)	Quality, Access & Outcomes (n=13)
Jackie Small, Chair	⦸⦸●●●○●●●●○●●●	⦸●●●○●	N/A	N/A	⦸●●●●●●●	N/A	N/A
Louise Bainbridge, Non-Executive Director	●●●●○○○○●●○●●○	●●●○●●	⦸⦸⦸ ●●	●●●●●●●●●●●●	○○○○○●●○○	⦸●●●●⦸	N/A
Tanya Bowen, Non-Executive Director	●●●○●●●●●●●●●●	●●●●●●	●●●●●	●●●●●●●●●●●●	●●●○●●●●○	N/A	N/A
Prof Katie Maddock, Non-Executive Director	●●○●●○○●○●●●○○●	●○●●●●	⦸⦸⦸⦸●	N/A	○○○○○○○○○	●●●●●●	●●●●●○○●●●●●●
Margaret Monckton, Non-Executive Director	●○●○●●●○○●●●○●●	●○●●●○	●●●●●	●●●●●●●●●●●●	●●●○●●●○○●	N/A	N/A
Wendy Nicholson, Non-Executive Director	●●●●●●●●●●●●●●	●●●●●●	N/A	N/A	●●○○●○○○○	●○○●●●	●●●●●○●●●●●●○
Prof Sunita Toor, Non-Executive Director	●●●●●●○●○●●●○●○	●●●●●○	N/A	N/A	○●○●○○○○●	●○●●●●	●○●●●○●●●●●●●
Dr Simon Constable, Chief Executive	●●●●●●●●●●●●●●	●●○●●●	N/A	N/A	●●●●●●●●	N/A	N/A
Dr Di Adamson, Chief Medical Officer	⦸●●●●●●○●●●●●●	●●●●●●	N/A	⦸⦸●●●●●●●●●●	N/A	○●●●●●	●●●●●●●●●●●●●
Helen Ashley, Director of Strategy	●●●●●●●●●●●●●●	●○●●●●	N/A	●●●●●●●●●●●●	N/A	N/A	N/A
Claire Cotton, Director of Governance & Communications	●●●●●●●●●●●●●●	●●●●●●	●●●●●	●○●●●●●●●●●●	●●●●●●●●	●●●●●	●●●●●●●●●●●●
Amy Freeman, Chief Digital Information Officer	●●●●●●●●●●●●●●	○●●●●●	N/A	N/A	N/A	N/A	N/A
Jane Haire, Chief People Officer	●●●●●●●●●●●●●●	●●●●●●	N/A	N/A	●●●●●●●●	●●●●●	N/A
Mark Oldham, Chief Finance Officer	●●●●●●●●●●●●●●	●●●●●●	●●●●	●●●●●●●●●●●●	N/A	N/A	N/A
Ann-Marie Riley, Chief Nurse	●●●●○●●●●●●●●●	●●●●●●	N/A	N/A	N/A	●●●●●●	●●●●●●●●●●●●
Katy Thorpe, Chief Operating Officer	●●●●●●●●●●●●●●	●●●●●●	N/A	●●●○○●○●●●●○	N/A	N/A	●●●○○●●○●●●●○
Lorraine Whitehead, Director of Estates, Facilities & PFI	●●●●●●●●●●●●●●	●●●●●●	N/A	N/A	N/A	N/A	N/A

NB. In February 2025 to March 2026, a time limited Risk Management Oversight Committee was established to provide focused oversight and direct assurance to the Trust Board in relation to organisational risk and actions relating to confidential operations.

Key: ⦸ Not in post ● Attended ○ Did not attend ● Represented by a deputy

Audit Committee

The Audit Committee is required to report annually to the Board outlining the work it has undertaken during the year and where necessary, highlighting any areas of concern.

The Audit Committee is responsible, on behalf of the Trust Board, for providing independent oversight of the arrangements for integrated governance, risk management, internal control and assurance. While the Committee has a particular focus on financial reporting and audit, its remit extends across our wider governance framework in support of the delivery of strategic objectives.

During 2025/26, the Committee comprised a minimum of four Non-Executive Directors, with a quorum of two, and met on five occasions. The Committee was chaired by Margaret Monckton, with membership during the year including Tanya Bowen, Louise Bainbridge, Andrew Hassell (to November 2025) and Katie Maddock (from February 2026). The Chair of the Trust was not a member of the Audit Committee, in line with best practice. The Committee's membership collectively provided the required balance of skills, experience and recent and relevant financial expertise.

Regular attendees included Grant Thornton (External Auditor), RSM (Internal Auditor and Local Counter Fraud Specialist), the Chief Finance Officer, and the Director of Governance, with additional executive attendance for specific items where required.

Significant issues relating to the financial statements

In reviewing the 2025/26 Annual Accounts, the Audit Committee considered the key judgements, estimates and risks relevant to the preparation of the financial statements. This included scrutiny of:

- The going concern assessment, including understanding the statutory context in which NHS trusts operate and the implications of our deficit position.
- Significant accounting judgements and estimates, including asset valuations.
- The adequacy of the control environment supporting financial reporting.

Having received assurance from management, internal audit and external audit, the Committee concluded that the financial statements were properly prepared on a going concern basis and recommended them to the Trust Board for approval.

Internal audit and assurance

During 2025/26, the Committee approved the Internal Audit Plan and received regular progress reports on delivery against the plan. Internal audit work during the year focused on areas of strategic and operational risk aligned to the Trust's Board Assurance Framework and priority risk areas. Audit coverage during the year included:

- Transformation and major change project management, including follow-up on the implementation of agreed actions.
- Key financial controls and cost improvement arrangements.
- Workforce and payroll processes, including HR record keeping and the DBS checking process.
- Clinical governance arrangements, including pathology service governance.
- Cyber security and information governance, including a Cyber Assessment Framework-aligned Data Security and Protection Toolkit independent assessment.
- Risk management arrangements and the operation of the Board Assurance Framework.

The Committee also considered the Annual Internal Audit Opinion for the year ended 31 March 2026. The Head of Internal Audit issued an opinion that the Trust has an adequate and effective framework of risk management, governance and internal control, while identifying further enhancements required to ensure the framework remains effective.

In reviewing internal audit findings across the year, the Committee noted recurring themes, particularly in relation to governance arrangements, compliance with policies and procedures, and the timely completion of agreed management actions. The Committee sought assurance that these issues were being addressed through agreed management action plans, strengthened action-tracking arrangements and targeted follow-up audits. Progress against internal audit recommendations was monitored through the Audit Action Tracker, including the introduction of a more structured approach to managing delayed, problematic and superseded actions. Where required, executive leads were invited to attend the Committee to provide additional assurance on the delivery of high- and medium-priority actions and learning from internal audit work was used to inform audit planning and ongoing assurance activity.

Audit Committee (continued)

External audit: independence, effectiveness and appointment

The Audit Committee is responsible for overseeing the relationship with the external auditor and for assessing independence, objectivity and effectiveness.

During the year, the Committee:

- Reviewed and approved the External Audit Plan and associated fees.
- Considered the Auditor's Annual Report, Audit Findings Report and Letter of Representation.
- Undertook an annual assessment of external audit effectiveness, which concluded that the external auditor had operated effectively and independently.

Grant Thornton is our external auditor and were reappointed in November 2025 following a formal process, recognising the limited availability of audit providers within the NHS audit market. The Committee keeps auditor tenure under review and will provide advance notice of any future retendering in line with regulatory requirements.

Where the external auditor provides non-audit services, these are subject to prior approval by the Audit Committee. Such work is limited in scope and value and is assessed to ensure that it does not compromise auditor independence or objectivity. The Committee was satisfied that appropriate safeguards were in place throughout the year.

Counter fraud, governance and risk oversight

The Committee received regular reports from the Local Counter Fraud Specialist, including progress against the Counter Fraud Work Plan, outcomes of proactive exercises and investigations, and assurance on compliance with national functional standards. During the year, the Committee also considered our preparedness in relation to the Economic Crime and Corporate Transparency Act, including a gap analysis and agreed actions.

The Committee reviewed the Board Assurance Framework on a quarterly basis, providing challenge on risk articulation, risk tolerance and assurance gaps, and seeking continuous improvement in the clarity and usability of the framework.

The Committee also received regular assurance in relation to:

- Declarations of interest, gifts and hospitality.
- Policy compliance and overdue policies.
- Cyber security risks, including shadow IT and information governance.
- Losses and special payments, Single Tender Waivers and Standing Financial Instruction breaches.

Effectiveness and business cycle

The Audit Committee undertook an annual effectiveness review during the year, which considered its performance, membership, Terms of Reference and delivery against its annual business cycle. The Terms of Reference are aligned with the HFMA Audit Committee Handbook.

The review concluded that the Committee was operating effectively and in line with best practice, while identifying opportunities to strengthen its focus on cross-cutting assurance themes, prioritisation and clarity of assurance, and targeted executive engagement where additional challenge or assurance was required.

Chair and Chief Executive

Jackie Small
Chair (Voting)

Jackie was appointed Chair in June 2025. Jackie is the Interim Joint Chair between Midlands Partnership Foundation NHS Trust (MPFT) and UHNM, a role which is integral to ensuring closer collaboration across acute, community, mental health, and social care – helping to deliver more joined-up, patient first services.

Jackie has worked in a range of senior Public Health management and executive level roles within the NHS and local government in London, Birmingham, and Staffordshire. She joined MPFT from the Royal Wolverhampton NHS Trust where she had served as a Non-Executive Director since 2017, bringing her extensive experience and skills in the fields of commissioning, partnership working, community-based health improvement and wellbeing services. Initially qualifying as a Registered Nurse and Midwife, Jackie later took a BA in Social Policy and a MSc in Health Promotion.

Jackie is Chair of the:

- Trust Board.
- Nominations and Remuneration Committee.
- Corporate Trustee for UHNM Charity.

Dr Simon Constable
Chief Executive (Voting)

Simon was appointed Chief Executive in September 2024. A consultant physician and clinical pharmacologist by background, Simon joined us from Warrington and Halton NHS Foundation Trust (WHH) where he had been Chief Executive since November 2019. Prior to that he held the position of Executive Medical Director at WHH since February 2015.

Prior to taking up the post at WHH, he worked with the NHS Leadership Academy, Harvard University and the Institute for Healthcare Improvement on clinical leadership, employee engagement and transformational change within the NHS.

Simon has also held several clinical leadership roles at the Royal Liverpool and Broadgreen University Hospitals and is a visiting professor at the University of Chester. He studied medicine at Guy's and St Thomas' Hospitals in London, before undertaking postgraduate training in the UK and New Zealand.

Simon is a member of the Charity Committee and attends the Nominations and Remuneration Committee.

Non-Executive Directors

Prof Sunita Toor
Vice-Chair (Voting)

Sunita is currently serving her third term at UHNM, having joined initially as an Associate Non-Executive Director in September 2022. She is Professor of Human Rights and Gender Justice Practice at the world leading Helena Kennedy Centre for International Justice, Sheffield Hallam University. She is an award-winning academic, activist and advocate who is passionate about combatting gender-based violence, advancing women and girls rights across the world and shaping justice sector reform and architecture to promote human rights for all. She is a cutting-edge thought leader who champions rights, equality, diversity, and inclusion.

Sunita became Vice-Chair in September 2025. She is a member of the Nominations and Remuneration, People, Culture and Inclusion and Quality Access and Outcomes Committees. Sunita was our Maternity Board Safety Champion until September 2025.

Louise Bainbridge
(Voting)

Louise joined UHNM in November 2024 following retirement from her role as Chief Executive at Nottingham CityCare, a community interest company providing NHS and Local Authority community services.

Louise is an experienced finance professional, previously holding senior finance positions in NHS commissioning organisations. She is currently a trustee for 2 East Midlands based charities.

Louise became Chair of the People, Culture & Inclusion Committee in September 2025 and is a member of the Audit, Nominations and Remuneration, Finance and Business Performance and Charity Committees. Louise is our Wellbeing Guardian.

Tanya Bowen
(Voting)

Tanya is currently serving her third term at UHNM, having joined us in June 2021. She is a data and digital specialist from the retail technology sector, having been on tech corporate boards driving areas of innovation and governance. She has worked in strategy and execution for both retailers and software providers and her main focus is on new technologies that improve customer experience and employee engagement, and on open systems that allow greater collaboration between partners.

Tanya became Senior Independent Director in February 2026 and is Chair of the Finance and Business Performance and Charity Committees. She is also a member of the Audit and Nominations and Remuneration Committees.

Non-Executive Directors

Prof Katie Maddock (Voting)

Katie is currently serving her third term as Keele University Non-Executive Director, having initially joined us in April 2021. She has been Head of School at the School of Pharmacy and Bioengineering, Keele University, since 2018 and a Reader in Clinical Pharmacy since 2016, having previously been the MPharm Course Director and Associate Dean for Education for the Faculty of Medicine and Health Sciences. Her research interests lie within the field of pharmacy education, particularly technology enhanced learning, augmented reality simulation, and interprofessional education.

Prior to her career in academia, Katie was a hospital pharmacist working extensively across the Black Country.

Katie is a member of the Nomination and Remuneration, People, Culture and Inclusion and Quality, Access and Outcomes Committees. Katie is our Security Management Champion.

Margaret Monckton (Voting)

Margaret joined UHNM in October 2024 and is a qualified chartered accountant with a breadth of experience across the private and public sector. She is currently Chief Finance Officer at Great Ormond Street Hospital and before that, she spent 8 years as Chief Financial Officer at the University of Nottingham. As well as finance she has led teams across all of the resource areas including estates and information technology. She has been an executive leader for the past 15 years as well a variety of non-executive roles. In addition to being a Non-Executive Director at UHNM, she is also Chair of the Nova Education Trust.

Margaret is Chair of Audit Committee and is a member of the Nominations and Remuneration and Finance and Business Performance Committees.

Wendy Nicholson MBE (Voting since Sept 25)

Wendy initially joined UHNM in October 2024 as Associate Non-Executive Director, before becoming a Non-Executive Director in September 2025. She is a registered nurse (adult and child) and educator, who previously held the position as Deputy Chief Nurse and Head of the WHO Collaborating Centre for public health nurses and midwives within the Office of Health Improvement and Disparities at the Department of Health and Social Care and Public Health England. Wendy has led numerous national programmes and policy developments including the modernisation of the Healthy Child Programme, the implementation of one of the first Sure Start programmes in England and the Teenage Pregnancy Programme for the North-West.

Wendy is a member of the Nominations and Remuneration, People, Culture and Inclusion and Quality, Access and Outcomes Committees. Wendy is our Maternity Board Safety Champion and Freedom to Speak Up Non-Executive Director Champion.

Executive Directors

Dr Diane Adamson
Chief Medical Officer (Voting)

Diane became Interim Chief Medical Officer in April 2025, before becoming substantive Chief Medical Officer in October 2025. She began her NHS career in nursing before joining Royal Stoke University Hospital as part of the first cohort of clinical training at Keele University, through the Manchester–Keele Collaboration.

She completed her postgraduate medical training across the West Midlands and in Wales, specialising in General and Vascular Surgery. Following an accident that resulted in a long term disability, Diane switched to Emergency Medicine and Major Trauma. Diane previously served as a Consultant in Emergency Medicine and Major Trauma, taking on several senior leadership roles, including Clinical Lead for Emergency Medicine and Divisional Medical Director for Women's, Children's and Clinical Support Services.

Diane is member of the Finance and Business Performance, People, Culture and Inclusion and Quality, Access and Outcomes Committees.

Helen Ashley
Deputy CEO/Director of Strategy (Non-Voting)

Helen joined UHNM in 2016 following nearly seven years as Chief Executive at neighbouring Burton Hospitals NHS Foundation Trust. Helen has a strong finance background and is leading on the transformational aspects of finances at UHNM.

Helen is a member of the Finance and Business Performance Committee.

Claire Cotton
Director of Governance & Communications (Non-Voting)

Claire has 25 years NHS experience with UHNM, starting out administration and progressing through her career in a range of governance, assurance and risk management related roles. Claire has driven many improvements within UHNM and is passionate about ensuring that governance is welcomed as an enabler and not a barrier, through continuous improvement and an agile and responsive approach. Using her coaching skills and engaging style of teaching, she provides leadership development up to Board level and as a risk management practitioner, has led the organisation through significant improvements in risk management policy and practice. Her portfolio beyond Corporate Governance extends to Legal Services, Health and Safety and Speaking Up. In addition, she became responsible for the Communications portfolio from August 2025.

Claire is a member of all Committees, in addition to attending the Audit and Nominations and Remuneration Committees, in the role of Company Secretary, providing advice to the Board.

Executive Directors

Amy Freeman
Chief Digital Information Officer (Non-Voting)

Amy joined UHNM in August 2021 and has worked in the field of information technology (IT) support and digital since 1998, joining the NHS in 2002. She has held senior IT and digital leadership roles at NHS Connecting for Health (now NHS Digital), NHS Commissioning Board (now NHS England), Staffordshire and Stoke-on-Trent Partnership NHS Trust (now Midlands Partnership NHS Foundation Trust) and Mid Cheshire Hospitals NHS Foundation Trust.

Amy moved to work for NHS provider organisations to be closer to frontline care (community and acute) to help make a difference to the safety and quality of care provided to patients. This has included the delivery of a range of clinical systems most notably electronic patient record systems, patient portals and a virtual clinic solutions.

Jane Haire
Chief People Officer (Non-Voting

Jane joined the Board in January 2023 as Chief People Officer. She has more than 35 years' experience in the NHS, starting out in administration and as a people professional since 1998. She has worked in both Staffordshire and Cheshire health and social care systems including Cheshire and Merseyside Strategic Health Authority, East Cheshire NHS Trust, Cheshire HR Services, Staffordshire and Stoke on Trent NHS Partnership Trust. In her previous role at UHNM as Deputy Chief People Officer she led on strategic and operational HR, transforming people practices, workforce development, workforce planning and playing a lead role in the workforce response to the Covid-19 pandemic.

Jane has an MSc from Manchester Business School in Leadership and is a Fellow of the Chartered Institute of Personnel and Development.

Jane is a member of the People, Culture and Inclusion Committee and attends the Nominations and Remuneration Committee.

Mark Oldham
Chief Finance Officer (Voting)

Mark joined UHNM in June 2019 having moved from Mid Cheshire Hospitals NHS Foundation Trust where he served 10 years as their Finance Director.

Originally joining the NHS from Local Government in 1990 Mark has 30 over years' experience in both the acute and community sector in a wide range of finance roles.

Mark is a member of the Finance and Business Performance Committee and also attends the Audit Committee.

Executive Directors

Ann-Marie Riley OBE
Chief Nurse (Voting)

Ann-Marie joined UHNM in July 2021. She became a registered nurse in the early 1990's and has a clinical background in critical care nursing. She has held a number of nursing leadership roles, including Deputy Chief Nurse at Nottingham University Hospitals where she supported the organisation to attain both internationally accredited Pathway to Excellence and Magnet Designations, and Director of Nursing at Walsall Healthcare NHS Trust.

She is passionate about creating positive practice environments, supported by collective leadership approaches and patient co-design, to positively impact on patient outcomes, patient experience and employee experience.

Ann-Marie is a member of the People, Culture and Inclusion and Quality, Access and Outcomes Committee.

Katy Thorpe
Chief Operating Officer (Voting)

Katy was appointed as Interim Chief Operating Officer in September 2024. She has nearly two decades of experience in healthcare, having held significant roles in various NHS trusts. She has a proven record of leading and transforming services, with key skills in leadership, service improvement and emergency preparedness.

She is committed to personal and professional development and completed the Oxford Executive Leadership Programme and the NHS Leadership Academy's Nye Bevan programme and holds and MSc in Leadership for Health Service Improvement from Birmingham University. Throughout her career Katy has achieved significant milestones including leading UHNM through elective and non-elective recovery, service reconfiguration and Covid-19 response.

Katy is a member of the Finance and Business Performance and Quality, Access and Outcomes Committee.

Lorraine Whitehead
Director of Estates, Facilities & PFI (Non-Voting)

Lorraine commenced as Director of Estates, Facilities & PFI in 2017, and has worked for UHNM for over 30 years commencing as an admin trainee in Trust Headquarters in 1985. Exposure to the executive agenda gave her an appetite to pursue senior management in the NHS as a career path and Lorraine subsequently worked in various managerial roles at all levels across the organisation and has a MSc in Facilities Management from Reading University.

Lorraine is passionate about the development of Estates, Facilities and PFI services recognising the vital role these services play in supporting and enhancing patient care and colleague experience at UHNM.

Former Board Members

David Wakefield
Previous Chair

David left UHNM in May 2025 at the end of this third term. Until this time, David was Chair of the Trust Board (attended 1 / 1 meeting), Nominations and Remuneration Committee (attended 1 / 1 meeting) and the Corporate Trustee for UHNM Charity.

Declarations of Interest: Director of Pewterspear Green Trust (Charitable Trust).

Lisa Thomson
Previous Director of Communications & Charity

Lisa left her role as Director of Communications in June 2025 before becoming the Director of UHNM Charity. Lisa was a member of the People, Culture and Inclusion (attended 1 / 1 meeting). She continues to be a member of the Charity Committee.

Declarations of Interest: Nothing to declare

Professor Gary Crowe
Previous Vice-Chair / Non-Executive Director

Gary left UHNM in August 2025 at the end of this fourth term. Until this time, in addition to being Vice-Chair, Gary was Chair of the Finance and Business Performance (attended 4 / 5 meetings), and People, Culture & Inclusion Committees (attended 2 / 2 meetings). Gary was also a member of the Nominations and Remuneration Committee (attended 1 / 2 meetings) and was our Security Management Champion.

Declarations of Interest: Deputy Chair and Non-Executive Director of The Dudley Group NHS Foundation Trust; Independent Member & Non-Executive Director of The Human Tissue Authority and Independent Governor Reaseheath College and University Centre.

Professor Andrew Hassell
Previous Senior Independent Director / Non-Executive Director

Andrew left UHNM at the end of January 2026, having initially joined us as Keele University Non-Executive Director in April 2017, before moving into an Associate role in July 2022. Andrew was the Chair of the Quality, Access and Outcomes Committee (attended 9 / 10 meetings) and a member of the Audit (attended 3 / 5 meetings) and Nominations and Remuneration (attended 7 / 8 meetings). Andrew was also our Freedom to Speak Up Champion and Doctors Disciplinary Champion.

Declarations of Interest: Non-Executive Director, Countess of Chester NHS Foundation Trust. 20-01-2024 to 20-01-2027

Declaration of interests

In line with Trust policy and NHS England guidance, Board members are responsible for declaring any actual or potential conflicts of interest in a timely manner. All declarations of interest are published on our website.

Member	Declaration
Jackie Small	1) Chair of Board and Council of Governors, Midlands Partnership University NHS FT. December 2018 to date, 12 days per month 2) Partner is a GP in Worcestershire 3) Member of Seacole Group (Network of BAME NEDs in NHS), December 2019 to date, 4) Member of NHS Chair and CEO Ethnic Minority Network, February 2024 to date
Louise Bainbridge	1) Trustee – Active Partners Trust. From March 2020 2) Nottingham CityCare Community Charity. From June 2024
Tanya Bowen	1) Parish Councillor, Newcastle On Clun Parish Council, Shropshire. May 2025 to May 2029. Meetings 6x/year. 2) Director of Sprucepoint Limited. Joint directorship with Jonathan Bowen, partner. Tech consultancy. Thus far in retail and tech sectors. From 08/02/2021. 1 day a quarter, some quarters 0 days
Prof Katie Maddock	1) Trustee of the North Staffordshire Medical Institute. August 2019 – present. One meeting per month 2) Professor of Pharmacy Education at Keele University. August 2007 - present. Full time role
Margaret Monckton	1) Chair of Nova Education Trust. From 2020. 1 day a month. 2) Chief Financial Officer, Great Ormond Street Hospital Foundation Trust. From 1st Jan 2025. Full time. 3) Husband is a Director at Nottingham University Hospitals. From 2022.
Wendy Nicholson	1) Non-Executive Director and Maternity & Neonatal Safety Champion at Shrewsbury & Telford Hospital. From 1st Nov 2023. 2-3 days per month.
Prof Sunita Toor	1) Non-Executive Director - Nottingham University Hospitals. June 2023 - current. 2 days a month 2) Professor at Sheffield Hallam University. March 2026 – current. Full time. 3) Director of own company Luna-V Ltd. From 7th June 2006. Company no. 05840231

Member	Declaration
Dr Simon Constable	1) Visiting Professor, University of Chester (2015 onwards) 2) General Medical Council Responsible Officer & Designated Body is Dr Elizabeth O'Grady and Liverpool University Hospitals NHS Foundation Trust (2019 onwards) 3) Lay Member, Keele University Council (April 2025) 4) Chair, West Midland Imaging Network (2024 onwards)
Dr Diane Adamson	1) Director Voutech Ltd. 18/04/2018 - 22/09/2022 2) Director Rinkitinks. 21/04/2018 - 30/03/2021 3) CMO BETA. 2022 to date. 4) Husband is director of Sim4Med and VueTech which have previously and support trust Sim Suite at County and MITA. 2020 to date.
Helen Ashley	1) Member of DCHS (Derbyshire Community Health Services FT). 2011 - ongoing.
Claire Cotton	1) I have two sisters working as senior nurses within UHNM.
Amy Freeman	1) Director of Bridge Farm Court Management Company LTD. Company number 04045494. From 23rd Jan 2017.
Jane Haire	Nothing to declare
Mark Oldham	1) Trustee of North Staffs Post Grad Education Centre. 01/01/2025 - ongoing.
Ann-Marie Riley	Nothing to declare
Katy Thorpe	1) Sales of skin care products (Tropic Ambassador). Family members only. From 03/10/25. Pay/Benefits : reduced price skincare products.
Lorraine Whitehead	1) Member of Orchard Community Trust, Schools Academy Trust, based in Stoke-on-Trent. From Jul 2022 on-going. 5-10 hours per annum. 2) Son is a Mechanical and Engineering Apprentice with Sodexo Estates, at Royal Stoke. being appointed to the role following a competitive interview process. From Jan 2021 to Jan 2026.

Additional Significant Appointments

In accordance with the Code of Governance, the Chair and Chief Executive has reviewed all external appointments held by Directors during the year. Where Board members have taken on additional significant appointments, these have been permitted only where:

- The role supports the Director's professional development and brings relevant skills, experience or system-level insight back into UHNM.
- The appointment does not conflict with the Director's duties.
- The time commitment does not adversely affect their ability to discharge their responsibilities.
- Any potential conflicts of interest have been declared and managed in line with Trust policy.

The Board is satisfied that all external appointments declared in this report meet these criteria.

Directors Released to Serve Elsewhere

Where Directors have been released to undertake duties for external organisations (for example, roles within professional bodies), this has been approved in line with our governance arrangements. For each case:

- The time commitment has been assessed to ensure it does not impact their UHNM responsibilities.
- Appropriate arrangements have been put in place to ensure continuity of leadership within the Trust.
- Directors have confirmed whether any remuneration associated with these duties is retained personally or returned to the Trust, in accordance with their contractual terms and Trust policy.

All such arrangements are recorded within individual declarations and monitored through the declarations process.

Code of Governance

The Code of Governance describes numerous requirements which are to be disclosed within our annual report. We have assessed our position against the Code of Governance on a comply or explain basis and review this on an annual basis.

Comply or Explain Assessment

In our 2024/25 Annual Report, we described two requirements which we had determined as requiring an explanation. The two requirements remain requiring explanation as we do not have plans to introduce a policy for performance related pay and the structure of remuneration for our first level of senior management is not considered by the Nominations and Remuneration Committee as their Terms and Conditions are in line with Agenda for Change.

Disclosure Requirements

Disclosure requirements stipulated within the Code of Governance are addressed throughout this report. For ease of identification, these can be cross referenced as follows:

- How opportunities and risks to future sustainability have been considered and addressed and how our ongoing governance is contributing to the delivery of our strategy (pages 9, 18, 33 and 61-69).
- The Board's activities and any action taken, and our approach to investing in, rewarding and promoting the wellbeing of our workforce (pages 11, 28-29, 34, 64 and 68).
- How the interests of stakeholders, including system and place-based partners have been considered in our discussions and decision making, and our key partnerships for collaboration with other providers into which we have entered (pages 5 - 6, 9, 14-16, 34, 38-42 and 63).
- Each non-executive director we consider to be independent (pages 7, 46-47, 49-52).
- The number of times the board and its committees have met, and individual director attendance (pages 46-48).
- Any reasons for permitting additional significant appointments for Board members (page 58).
- Schedule of matters or a summary statement of how the board of directors operate, including a summary of the types of decisions to be taken by the board, board committees and the types of decisions that are delegated to the executive management of the board of directors (pages 46, 65).
- A description of each directors' skills, expertise and experience along with a statement about the board's balance, completeness and appropriateness to our requirements (pages 49-55).
- How the chair has acted on the results of the annual evaluation of the Board, by recognising the strengths and addressing any weaknesses (pages 46).
- The external reviewer of the Well Led Framework and a statement made about any connection with the Trust or individual directors (pages 62).
- The work of the Nominations and Remuneration Committee (pages 71-72).
- The significant issues relating to the financial statements that the audit committee considered and how these issues were addressed, an explanation of how the audit committee has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans and an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services (pages 48-50, 67 and 90+).
- Directors' responsibility for preparing the annual report and accounts and that they consider taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess our performance, business model and strategy (pages 58 & 60).
- A robust assessment of emerging and principal risks (pages 18, 33, 61, 64-65).
- Internal control through the Annual Governance Statement (pages 59-67).
- That the Board has considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties to going concern (pages 19).
- A statement about any director released to serve elsewhere, including as to whether or not they will retain such earnings (pages 58).

Statement of Accountable Officer's responsibilities

Directors have confirmed that they know of no information which would be relevant to the auditors for the purpose of their audit report and of which the auditors are not aware. Directors have taken all the steps they ought to have taken to make themselves aware of any such information and to establish that the authors are aware of it.

Statement of Accountable Officers Responsibilities

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out within the NHS Trust Accountable Officer Memorandum. These including ensuring that:

- There are effective management systems in place to safeguard public funds and assist in the implementation of corporate governance.
- Value for money is achieved from the resources available to the Trust.
- The expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them.
- Effective and sound financial management systems are in place.
- Annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer

Dr Simon Constable
Chief Executive
24th June 2026

Statement of Director's Responsibilities in Respect of the Accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury.
- Make judgements and estimates which are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts. The directors 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 trust's performance, business model and strategy
By order of the Board.

Dr Simon Constable
Chief Executive
24th June 2026

Mark Oldham
Chief Finance Officer
24th June 2026

Annual Governance Statement (AGS)

The Annual Governance Statement summarises our governance framework, outlining how we manage risk, maintain effective internal controls and ensure compliance with statutory and regulatory requirements. It provides assurance that the organisation is well-led and focused on delivering safe, high-quality care.

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst 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 NHS trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

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 our 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 our Trust for the year ended 31 March 2026 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

As Accounting Officer, and with the support of the Board, I hold overall responsibility for the direction and effectiveness of our risk management systems and processes. Operational responsibility for the development, review and monitoring of our Risk Management Policy is delegated to the Director of Governance & Communications, who also oversees the provision of training, expert guidance and the facilitation of risk reporting across the organisation.

We maintain a strong and embedded leadership framework that provides a clear line of sight from the Board through to Executive Groups, Care Groups/Divisions and frontline teams. The Risk Management Policy establishes the principles and expectations for identifying, assessing, escalating and reviewing risks, ensuring that all colleagues operate within a consistent and robust governance structure.

Risk management capability is supported through a comprehensive training offer, including mandatory e-learning, guidance materials and face-to-face sessions. This ensures colleagues understand their responsibilities, can assess and manage risks effectively, and escalate concerns when required.

We promote a culture of continuous learning and improvement. Reporting to Executive Groups highlights risks from Divisions and Care Groups, identifies trends, and strengthens controls. Learning from internal audits, external reviews and incident reporting informs policy updates and enhances control measures, ensuring our processes remain evidence-based and aligned with good governance practice.

Executive leadership and oversight are delivered through formal governance mechanisms. The BAF provides quarterly scrutiny of strategic risks, enabling the Board and its committees to monitor, challenge and gain assurance on the effectiveness of controls. Executive Groups and Care Group Leadership Boards oversee operational and divisional risks, escalating issues where necessary. These structures ensure proportionate risk management and early identification of emerging concerns. Operational risks are aligned to the BAF and reviewed through divisional and care group governance, with escalation through Executive Groups, Board Committees and ultimately the Trust Board.

The Quality, Access & Outcomes Committee oversees risks related to quality, clinical governance, operational delivery and population health. The Finance & Business Performance Committee provides assurance on financial, estates, digital and research-related risks. The People, Culture and Inclusion Committee oversees workforce, culture and employee wellbeing risks. The Audit Committee provides overarching scrutiny of the risk management system, including an annual internal audit of the BAF and assurance from Board Committee Chairs and internal/external audit findings on the effectiveness of controls for all strategic risks.

In 2025/26, the Board Assurance Framework received a Significant Assurance rating, reflecting the maturity and effectiveness of our risk management arrangements.

The Risk and Control Framework

Our Risk Management Policy provides a Trust-wide framework for managing risk and ensuring that risk assessment is integral to our clinical, managerial, digital and financial processes. It outlines how risks are identified, evaluated, transferred and controlled, and clarifies the responsibilities of the Board, its committees, managers and colleagues. This structured and systematic approach ensures that risks are consistently managed, escalated and aligned with our strategic objectives through the Board Assurance Framework.

Identification of risk is undertaken through both proactive and reactive means, drawing on incident reporting, audit findings, clinical governance reviews, colleague feedback, and horizon scanning for emerging strategic risks:

- Proactive risk identification focusses on our objectives and the consideration of any risks which may threaten their achievement – this approach is used when developing the Board Assurance Framework.
- Reactive risk identification is undertaken following an adverse event or ongoing issue which presents a further risk for the future – this approach is used within our risk register.

Evaluation of risk is undertaken using our Risk Scoring Matrix, which is based on national NHS methodology and has been adapted to incorporate data security risks, ensuring alignment with the Cyber Assessment Framework.

Transfer of risk is a type of risk control and is defined as risk passing over to a third party, who bears or shares the impact. Other types of risk control include **termination** of risk, where it is completely eliminated, **treatment** of risk where it is either contained or a contingent is introduced or **tolerated**, where a risk is accepted subject to monitoring. These control types are applied proportionately, and each risk record sets out the existing controls, assurances, and further mitigating actions required to achieve the target risk score.

Our Risk Appetite Statement, reviewed and updated during the year, supports consistent decision-making by setting the level of risk we are willing to accept in pursuit of its strategic objectives. It informs the setting of target risk scores and guides the introduction of additional controls where required.

We use a simple 'alarm bell' approach within our reporting to highlight any risks that have not been reviewed in line with policy requirements or may require further action. This mechanism helps ensure timely oversight and escalations where risks are not progressing as expected.

Quality Governance Arrangements

Our quality governance arrangements are jointly led by the Chief Nurse and Chief Medical Officer and form part of our 'ward-to-board' corporate governance structure. This includes Quality, Access and Outcomes Committee, Executive Quality and Outcomes Group, Specialist Corporate Quality Groups and Care Group Quality Governance Groups.

Assurance on compliance with CQC registration requirements is obtained routinely through this structure and includes the regular review of findings from our internal ward accreditation programme, the Care Excellence Framework (CEF). The CEF provides structured assurance through a programme of visits to all wards and departments, using a methodology aligned to the CQC's key lines of enquiry. The CEF has been strengthened during 2025/26 to provide more consistent and robust assurance and recent improvements include a stronger requirement for services to maintain up-to-date risk registers with regular review and escalation of significant issues, ensuring clearer visibility of risks to quality at care group and corporate levels. The framework incorporates enhanced triangulation of quality information, drawing on incident reviews, thematic learning and focused quality improvement work, particularly in services where targeted regulatory attention has been required. Where CEF outcomes identify areas requiring improvement, enhanced escalation and support arrangements now involve more frequent meetings with the Chief Nurse or Deputy Chief Nurse, supported by a patient representative, until sustained improvement is achieved. These changes ensure that concerns are acted upon promptly, support is targeted where most needed, and improvements are delivered in line with CQC expectations

Assessing the Quality of Performance Information

The quality of performance information is assessed through internal validation processes tailored to each indicator, alongside reviews undertaken by Internal Audit as part of their annual programme. In 2025/26, we have continued to use the STAR assurance model, developed in collaboration with NHS data quality teams, NHS Digital and Academic Health Science Networks. STAR assesses data quality across four domains:

- S – Sign-off and validation.
- T – Timely and complete.
- A – Audit and accuracy.
- R – Robust systems and data capture.

This framework provides a consistent, structured approach to evidencing data quality and supporting continual improvement. While governance arrangements for data quality are well established, underlying challenges remain. Reliance on multiple systems and manual data handling increases the risk of inconsistency and reduces opportunities for automation. Addressing data quality therefore requires both continued assurance and progress in digital integration to reduce manual processes across clinical and operational pathways.

Risks to Data Security

Our Data Protection, Security and Confidentiality Policy provides the framework for safeguarding information and information systems, ensuring confidentiality, integrity and availability. Risks to data security are managed in line with our Risk Management Policy, with risks scoring 12 or above escalated to the Executive Digital and Data Security and Protection Group, chaired by the Senior Information Risk Officer (SIRO).

Data security breaches are treated as adverse incidents under our Incident Reporting Policy and are escalated to the Executive Digital and Data Security and Protection Group for oversight of corrective actions and learning. The Group also monitors compliance with the Cyber Assurance Framework, which is subject to annual internal audit review. During 2025/26, our internal auditors undertook their annual review of data security and protection arrangements confirming a medium risk rating across all five CAF objectives and a high confidence level of the independent assessor in the veracity of the self-assessment.

Major Risks

Our major risks are set out within the BAF. During 2025/26, we managed eight significant in-year risks that affected the achievement of our strategic priorities. These related to our ability to:

- Sustain safe and effective care delivery.
- Design and deliver services that address local population needs.
- Improve workforce sustainability and organisational culture.
- Deliver digitally enabled care transformation.
- Deliver investment in estate infrastructure and workforce.
- Deliver in-year financial position.
- Deliver financial sustainability.
- Sustain research and innovation excellence.

Each strategic risk is overseen by an Executive Director, with mitigations monitored quarterly through the BAF and triangulated with quality, workforce and performance data. Outcomes are assessed through Board and Committee scrutiny, internal audit findings and progress against agreed action plans, enabling assurance on whether controls remain effective and whether further intervention is required.

Of those risks, the most significant as we reached the end of the year were in relation to the following, these remain similar to the risks we faced at the end of 2024/25:

Risk		How we manage the risk	How we assess the outcome of actions
Financial sustainability	Ext 25	• Financial plan • Policies and procedures • Cost improvement programme	• Financial reporting • Performance and risk reviews • Internal and external audit
Safe and effective care delivery	Ext 20	• Strategies and plans • Policies and procedures • Risk assessment	• Incident reporting • Delivery of quality indicators/metrics • Internal audit • Performance and risk reviews
Digitally enabled care transformation	Ext 16	• Investment • Training • Policies and procedures • Continuity planning	• Internal audit • Digital maturity assessments • Incident reporting

During 2025/26, the Board reviewed and refreshed the BAF to ensure it continued to reflect the most significant risks to delivering our strategy. The Board agreed that the three principal underlying causes of strategic risk identified in 2025/26 remained relevant for 2026/27, and that the overall subject matter of the strategic risks continued to represent those most likely to impact delivery. Refinements were agreed to improve clarity, including updates to risk wording and clearer alignment with Committee oversight, and the separation of operational performance risk in light of our medium-term plan.

The Board also recognised that, in some areas, existing actions had not been sufficient to materially reduce risk. As a result, the approach for 2026/27 will place greater emphasis on aligning strategic programmes directly to the BAF risks, ensuring actions are of sufficient scale and impact to drive meaningful risk reduction. This includes clearer mapping between major strategic programmes, such as Our Future Hospitals, and the risks they are intended to mitigate.

Further information on our principal risks is listed on page 18.

Well-led framework

The NHS Well-Led Framework supports the Board in assessing the effectiveness of leadership, governance, culture and improvement across the Trust. This section summarises the outcomes of our 2025/26 Well-Led self-assessment and the key areas of focus for continued improvement.

Our last CQC well-led inspection was undertaken in 2021, whereby we were rated as 'Good'. During 2024/25 we commissioned an independent well-led review which was undertaken by Deloitte. Their findings, which were presented to the Board were consistent with those of the CQC and formed the basis of our development plan throughout the year.

During 2025, we undertook an internal comprehensive self-assessment against the NHS Well-Led Framework to evaluate the effectiveness of leadership, culture, governance and improvement capability across the organisation. The assessment was informed by a triangulated review of Board and Committee assurance, external intelligence and system feedback, including the Provider Capability Assessment and a Board-to-Board discussion with NHS England. This approach enabled the Board to take an honest and evidence-based view of where we are performing well and where further development is required.

The self-assessment confirmed that we have strong strategic foundations, including a clear and refreshed vision, values and strategy, robust governance and risk management arrangements, improving openness through Freedom to Speak Up, and established frameworks for equality, sustainability and quality improvement. These provide the Board with clear line of sight from strategy to delivery and assurance. However, the assessment also highlighted that leadership behaviours, consistency of culture, and the pace of delivery remain key binding constraints. In particular, we must further embed accountability following organisational restructure, improve data maturity and triangulation at Care Group level, and strengthen the translation of strategy and improvement plans into measurable outcomes for our people, patients and the population.

As a result of the 2025 self-assessment, the Board agreed a focused set of priorities for the next phase of improvement. These include strengthening leadership capability and line management confidence, embedding governance and assurance at Care Group level, ensuring improvement and partnership working deliver demonstrable impact, and moving from policy and process compliance to evidenced outcomes in areas such as equality, inclusion and culture. Progress against these priorities is overseen through an integrated Well-Led and Provider Capability action plan, aligned to the Board Assurance Framework and the Board Development Programme, ensuring sustained Board-level focus on becoming consistently and demonstrably well-led.

Enforcement Undertakings

Following the enforcement undertakings issued by NHS England in October 2023, substantial progress was made across several regulatory domains. NHS England's formal review in late 2024 confirmed that we had demonstrated sufficient evidence of compliance for undertakings relating to:

- Quality Improvement – Maternity.
- Staff Survey.
- Cancer performance.
- Governance requirements.

A Compliance Certificate was issued on 14 July 2025, confirming these areas were fully met. Given this progress, NHS England subsequently issued revised enforcement undertakings in September 2025, superseding the original 2023 undertakings.

Due to continuing challenges in Urgent and Emergency Care (UEC) and Elective Recovery, we received updated operational performance undertakings. These included the requirement to develop:

- A robust UEC Improvement Plan, addressing ambulance handover delays, A&E waiting times, leadership and management issues, culture, risks, milestones, KPIs and system-partner collaboration.
- A comprehensive Elective Improvement Plan, setting out elective care recovery trajectories, long-term service redesign, governance arrangements and ten-year vision alignment.

Both plans are reported monthly to NHS England in addition to ad-hoc updates.

Provider Capability Assessment

During 2025, we completed a comprehensive Provider Capability Self-Assessment, which confirmed strengthened governance, strategic alignment and quality oversight across the organisation. The assessment noted that our strategy was well aligned with the wider Integrated Care System strategy and Joint Forward Plan, with clear supporting plans in place for financial, digital and operational delivery. Improvements were also recognised in our governance and accountability structures, with revised performance reviews, clearer Care Group responsibilities and enhanced oversight through Board committees and Executive Groups. Areas requiring continued focus include embedding clinical effectiveness, strengthening programme management capacity, improving mortality assurance, and progressing organisational development and colleague experience initiatives. Following submission to NHS England, we received the rating of Amber-Red.

Governance

Our governance structure supports the Board's overarching responsibility to ensure openness, transparency and candour in relation to our people, our patients and our population. The Board actively promotes a culture that encourages open, constructive debate from both Executive and Non-Executive Directors, with both also conducting regular visits to wards and departments, enabling direct engagement and visibility of operational reality.

Aligned to the Provider Licence, the effectiveness of our governance arrangements is reviewed annually, with all Board members participating in structured effectiveness reviews. Findings inform updates to committee structures, terms of reference and membership, ensuring governance remains fit for purpose.

Board committees are chaired by Non-Executive Directors, providing independent challenge and assurance. The Audit Committee, also chaired by a Non-Executive Director, provides statutory oversight of internal control, risk management and governance. Executive Groups, chaired by Executive Directors, provide the operational leadership and decision-making needed to progress workstreams and manage risks. These groups report directly into Board committees, strengthening clarity of reporting lines and accountability.

We have strengthened our mechanisms for ensuring timely, accurate and validated information flows. Improvements to performance reporting, triangulation of intelligence and risk escalation processes—highlighted positively in CQC feedback—have reduced variability and increased confidence in the reliability of information used by the Board for assurance and decision-making.

Board oversight is reinforced through a clear line of sight from ward to Board, structured reporting cycles and regular triangulation of quality, performance, workforce and financial data. The Board maintains rigorous challenge over organisational performance, scrutinising trends, testing the robustness of controls and seeking further assurance where required. The Board's leadership role is further demonstrated through development sessions, oversight of improvements in operational and quality performance, and active involvement in addressing risks to service quality, culture and workforce sustainability.

Committee Highlight reports are submitted to the Board routinely, providing timely insight into areas of assurance, and escalation. This ensures the Board receives accurate and reliable information to assess risks to compliance with licence conditions and to act swiftly where additional scrutiny is required.

Embedding Risk Management

Risk management is a core part of how we operate as a Trust and is embedded into everyday clinical, operational and corporate activity. It supports safer care, better outcomes and consistent decision-making by ensuring that risks are identified early, assessed proportionately and managed within agreed tolerances.

We embed risk management across the organisation in several ways, including:

- Open incident reporting, which is actively encouraged to support continual learning and improvement. All incidents are captured within our reporting system, reviewed through our governance structure and used to inform improvements in practice, policy and training.
- Equality Impact Assessments (EIAs), which form an integral part of policy development. EIAs help us identify potential discriminatory effects and ensure mitigating actions are built into core business processes.
- Integration into day-to-day operations, including clinical care delivery, operational and workforce planning, complaint and claim handling, financial and investment decisions, strategic planning, procurement processes, audit prioritisation, accreditation and regulatory preparedness.
- Routine governance oversight, where risks are reviewed through governance meetings, Executive Groups and Board Committees, ensuring alignment with the Board Assurance Framework and consistent escalation of issues requiring senior attention.

Through these embedded processes, risk management is not a standalone activity but a continuous, organisation-wide discipline that informs how we plan, deliver and improve services.

Workforce Sustainability

We apply the Developing Workforce Safeguards to ensure safe, effective and sustainable staffing. In line with National Quality Board guidance, we deploy sufficient, suitably qualified colleagues, use a systematic approach to determining staffing requirements, and ensure all decisions reflect current legislation and best practice.

Safe staffing is supported through a range of established mechanisms. Digital rostering systems are used across clinical professions to ensure equitable staffing and rapid response to pressures. Daily operational oversight by senior nurses and matrons, supported by real-time dashboards, enables timely escalation and redeployment. Temporary staffing is managed through dedicated bank and agency teams, with central rota systems in place for doctors. Additional digital tools support administrative redeployment and systematic management of unplanned absence.

Medium-term workforce sustainability is strengthened through annual workforce planning, aligned to financial and activity planning cycles and scrutinised by the People, Culture and Inclusion Committee. Workforce reporting to Executive Groups and Board committees provides visibility of vacancy trends, staffing risks and mitigation actions. Nursing and midwifery establishments are reviewed annually and monitored throughout the year, while our Medical Workforce Group oversees job planning, locum usage and workforce supply.

Long-term workforce priorities are set out within our refreshed People Plan, aligned to national workforce strategies and covering future workforce growth, leadership development, colleague wellbeing, inclusion and skills development.

Assurance on the effectiveness of staffing processes is provided through internal audits of recruitment, payroll and rostering, and through Board oversight of key workforce indicators within the Board Assurance Framework and Integrated Performance Report.

Care Quality Commission

We are fully compliant with the registration requirements of the Care Quality Commission with an overall rating of Requires Improvement and Good for Well Led.

Conflicts of Interest

We have published on our website an up-to-date register of interests, including gifts and hospitality, for decision-making colleagues within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

NHS Pensions Scheme

As an employer with colleagues 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, employers' 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.

Equality, Diversity and Human Rights

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

Sustainability

We have undertaken risk assessments on the effects of climate change and severe weather and have developed a Green Plan following the guidance of the Greener NHS Programme. We ensure that our obligations under the Climate Change Act and the Adaptation Reporting Requirements are complied with.

Review of Economy, Efficiency and the Effectiveness of the Use of Resources

We have established performance management and financial control processes to ensure that resources are used economically, efficiently and effectively. The Chief Finance Officer reports regularly to the Finance and Business Performance Committee, which scrutinises financial performance, challenges variance, and provides assurance to the Board on the stewardship and deployment of resources.

Our policy and governance framework—including Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation—provides clear guidance on the proper use of public funds. Policies and procedures are subject to routine review, with updates communicated through organisational governance structures to ensure employees understand their responsibilities in managing resources appropriately.

Operational accountability is supported through our devolved structure, in which Care Groups operate within defined delegations and receive dedicated financial and human resources support. Executive-led performance and risk review arrangements enable systematic challenge of financial delivery, workforce usage, productivity, and progress against efficiency requirements.

Independent assurance is provided through our internal audit programme, which tests the effectiveness of key financial systems, internal controls, data quality and value-for-money arrangements. Counter fraud activity further supports the safeguarding of public funds. Findings are reported to the Audit Committee, enabling the Board to form an independent view of financial governance and resource use. Additional assurance is obtained from external audit and NHS England through regulatory oversight, triangulation of performance information and external review of key processes. Together, these allocated arrangements provide the Board with a clear line of sight over how resources are planned, and used, ensuring that we remain focused on achieving value for money and delivering high-quality, sustainable services.

Information Governance

Information governance and cyber security continue to be overseen through established executive and Board-level governance arrangements. Assurance activity during the year indicates strengthening capability in a number of control areas, although maturity remains variable as improvements are embedded across a complex digital estate. Cyber resilience is increasingly recognised as a patient safety and service continuity issue, rather than solely a compliance requirement. Disruption to digital services has the potential to directly impact clinical care delivery, and this risk is actively managed through a combination of technical controls, incident response planning and organisational preparedness.

Organisations with access to NHS patient information must provide assurance that robust data security and protection measures are in place. We complete the Cyber Assessment Framework (CAF) annually, demonstrating our compliance with national information governance data, security and protection standards. During 2025/26, our internal auditors undertook their annual review of data security and protection arrangements confirming a medium risk rating across all five CAF objectives and a high confidence level of the independent assessor in the veracity of the self-assessment.

All data security and protection incidents are reported through our incident management system. The Data Security and Protection Team reviews each incident to ensure appropriate investigation, including root cause analysis and implementation of remedial actions and learning where required. Serious incidents are notified to the Information Commissioner's Office (ICO) through the Data Security Incident Reporting Tool. In 2025/26, one personal data related incidents was formally reported to the ICO. The ICO was satisfied with the remedial steps taken and no further actions were required.

Data Quality and Governance

We have a comprehensive Data Quality Assurance Framework, overseen by our Data Quality Assurance Group, which ensures that appropriate systems and controls are in place to maintain accurate, timely and reliable data. The framework includes our Data Quality Policy, Data Quality Strategy and an annual programme of internal audits, all of which sit within the wider Data Security and Protection Framework.

All colleagues involved in recording or processing data—clinicians, administrative teams and operational services—are responsible for ensuring adherence to national and local data standards, and for maintaining data that is accurate, valid, reliable and timely. The Data Quality Policy clearly sets out expectations, including the requirement to report any data quality issues or concerns to managers or the Data Quality Team for investigation.

Elective Waiting Time Data

We have a range of controls in place to ensure the accuracy, completeness and reliability of elective waiting time data. Our corporate validation team undertakes daily validations, focusing on pathway records with data-quality flags that indicate potential inaccuracies. Care Group management teams also carry out routine validation work, tracking patients through pathway milestones to ensure correct application of RTT rules and accurate pathway status.

Elective waiting time data quality is further supported through our Data Quality Team, who monitor key indicators and trends. These are reviewed monthly at Operational Data Quality Groups, with cross-cutting risks and recurring issues escalated to the Data Quality Assurance Group for system-wide action.

Training is provided to all employees responsible for recording patient pathway data, including structured programmes on RTT rules, validation processes and correct completion of clinic outcome forms, with tailored support made available for colleagues requiring more detailed knowledge.

All externally reported data is subject to executive sign-off, and internal audit provides independent assurance on the robustness of our controls. Whilst no internal audits were undertaken in this respect during 2025/26, this will be considered for 2026/27 with any recommendations monitored by the Audit Committee.

Review of Effectiveness

As Accountable 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 Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other 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 and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Trust Board: maintains oversight of the effectiveness of the internal control system through regular review of the BAF. The BAF provides a comprehensive overview of our internal control environment and sets out the controls, assurances and gaps relating to the principal risks to achieving our strategic priorities. The Board reviews these assurances routinely, ensuring that risks are effectively identified, managed and escalated.

Audit Committee: provides independent scrutiny of the internal control framework. It reviews the adequacy and effectiveness of internal controls through delivery of the annual internal audit plan, consideration of internal audit reports, counter fraud updates, follow-up of recommendations, and thematic assurance work. The Committee uses a structured mapping process to ensure audit coverage is targeted and risk-based, with findings and actions reported at each meeting and formally recorded in its minutes.

Clinical Audit: is an integral component of our internal control and quality assurance framework. An annual clinical audit programme is developed with all care groups and prioritised based on clinical risk, regulatory requirements, national audit participation and local quality priorities. Findings from clinical audits support assurance on compliance with clinical standards and inform quality improvement activity.

Internal Audit: RSM provides an independent and objective internal audit service. Internal audit reviews are aligned to our key risks, governance processes and areas of material change in the risk profile and are subject to approval by the Audit Committee. Detailed reports, including follow-up audits to assess progress in implementing agreed actions, are presented to each meeting of the Audit Committee. The Head of Internal Audit Opinion for the year ended 31 March 2026 concluded that we have an adequate and effective framework of risk management, governance and internal control, while identifying areas where enhancements are required in order to maintain the effectiveness of that framework.

External Audit: provides independent assurance on our Annual Report, Annual Governance Statement and financial accounts. Their findings offer further validation of the effectiveness of internal controls and the robustness of governance arrangements.

Quality and Clinical Governance Structures: The Quality and Outcomes Group, led by the Chief Nurse and Chief Medical Officer, provides oversight of quality, safety and clinical governance controls. The Group receives assurance reports, undertakes thematic reviews, and provides regular escalation and annual summaries to the Quality, Access and Outcomes Committee. Clinical governance processes—such as incident management, clinical audit, patient experience reporting and regulatory readiness—are embedded within Care Groups, enabling risks to be managed at source.

Risk Management Oversight: The Director of Governance & Communications holds executive responsibility for risk management. Directors and senior managers are accountable for identifying, assessing and managing risks within their portfolios, supported by training, guidance and risk management tools. The BAF and risk register processes ensure visibility of organisational risk and enable systematic review of controls and assurance levels across the Trust.

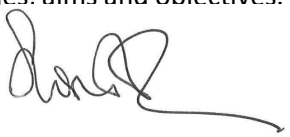
Other Review and Assurance Mechanisms: We also use targeted reviews, performance and accountability meetings, data quality audits, and external regulatory assessments to inform our view of internal control effectiveness. Findings and recommendations from these mechanisms feed into Board and Committee assurance processes.

Addressing Control Gaps: Where internal or external reviews identify gaps in control, action plans are developed, monitored and reviewed by the relevant committee, or Executive Group. During the year, targeted improvement plans have been put in place in areas requiring further strengthening, including operational performance, data quality, and aspects of clinical governance, with progress monitored through established governance routes.

Conclusion

In preparing this statement I have considered the corporate, quality and clinical governance infrastructure, functionality and effectiveness in place. The Board remain committed to continuous improvements and enhancement of the systems of internal control. In line with the guidance on the definition of no significant control issues, I have no significant control issues to declare within this year's statement. My review confirms that University Hospitals of North Midlands NHS Trust has a good system of governance and stewardship that supports the achievement of its policies, aims and objectives.

Dr Simon Constable
Chief Executive
24th June 2026



Speaking Up

We encourage and welcome speaking up and we are committed to listening to those who do. Our colleagues understand that by speaking up they are playing a vital role in helping us to continuously improve.

Speaking up is fundamental to creating a safe, inclusive and supportive culture. We are committed to ensuring that all colleagues feel able to raise concerns wherever they work, including those who may be harder to reach or who belong to groups with protected characteristics. We continue to take active steps to promote psychological safety, visibility of support, and equitable access to speaking up channels.

Our Board has a nominated Non-Executive Director for Speaking Up, and our Freedom to Speak Up (FTSU) Guardian provides a comprehensive biannual report to the People, Culture and Inclusion Committee, with a summary submitted to the Trust Board. These confidential reports offer trend analysis, thematic learning, insights into cultural issues, and assurance on the development and impact of the service. Themes are triangulated with other intelligence where possible, including HR data, staff survey results and incident reporting to identify early indicators of concern.

We maintain a Speaking Up Policy that aligns with the National Guardian's Office (NGO) model policy, and it is publicly accessible on our website. During the year we continued to implement recommendations from our Internal Audit review, strengthening the consistency, governance and responsiveness of the service. Our FTSU Accountability Framework sets clear expectations for Care Groups around leadership behaviours, escalation, learning and feedback, with FTSU Champions providing local points of contact across clinical and non-clinical areas.

During 2025/26, we significantly expanded our network of Freedom to Speak Up Champions, increasing the number of active Champions across the Trust to strengthen visibility, reach and cultural influence. Champions now represent a wider range of professional groups, departments and employee networks, ensuring that colleagues have accessible, local points of contact regardless of shift pattern, work location or role. Champions support the Guardian by promoting Speaking Up, signposting colleagues, escalating concerns appropriately, and reinforcing our expectation that all colleagues act with openness, honesty and transparency. The expansion of this network has greatly enhanced our ability to provide early support, detect emerging themes and embed a culture where speaking up is normalised and supported across all levels of the organisation.

A total of 405 concerns were raised via the Freedom to Speak Up Guardian in 2025/26, an increase from 275 in 2024/25. This rise potentially reflects greater visibility, trust and confidence in the service. However, the 2025 staff survey results indicated a decline across all Freedom to Speak Up (FTSU) measures compared to 2024. While a majority of respondents continue to report feeling able to raise concerns, the reductions suggest reduced confidence in organisational response and psychological safety, which is an important area for continued focus. These findings align with wider cultural and engagement challenges reported nationally and will continue to inform our approach to culture, leadership development and Freedom to Speak Up arrangements during 2026/27.

Speaking up support is reinforced by regular walkabouts by senior leaders and Non-Executive Directors, enhanced communication routes such as "Time to Talk" sessions, and accessible digital and face-to-face contact options. All concerns are handled confidentially and independently and learning from Speaking Up informs ongoing improvements across leadership, culture and team behaviours.

Modern Slavery Statement

The Modern Slavery Bill was introduced into Parliament on 10 June 2014 and passed into UK law on 26 March 2015. The Modern Slavery Act is an act to make provision about slavery, servitude and forced or compulsory labour and about human trafficking, including the provision for the protection of victims.

A person commits an offence if:

- The person holds another person in slavery or servitude, and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude.
- The person requires another person to perform forced or compulsory labour, and the circumstances are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour.

We are fully aware of the responsibilities we bear towards Our People, Our Patients and Our Population and as such, have a strict set of ethical values that we use as guidance regarding our commercial activities. We therefore expect that all our suppliers adhere to the same ethical principles.

We have a non-pay annual budget of £506m (inclusive of drugs at approximately £55m) of which more than £367m per annum is spent on goods and services.

It is important to ensure that our suppliers have in place robust systems to ensure that their own colleagues, and organisations within their own supply chain are fully compliant with the requirements of the Modern Slavery Act 2015.

In compliance with the consolidation of offences relating to trafficking and slavery within the Modern Slavery Act 2015, we have an ongoing process of reviewing our supply chains with a view to confirming that such behaviour is not taking place.

The standard NHS Terms and Conditions of Contract which form the basis of all orders and contracts with suppliers have a specific clause contained within them relating to modern slavery that determine that suppliers (and their sub-contractors) will:

- Comply with the Modern Slavery Act 2015.
- Implement due diligence policies for its sub-contractors.
- Respond promptly to all slavery and trafficking due diligence questionnaires.
- At our request, prepare and deliver an annual slavery and trafficking and report setting out steps to ensure slavery and trafficking is not taking place within its own supply chain.
- Implement a system for all employees to ensure compliance with the Act.

As part of our commitment to ensuring that we do not trade with organisations who do not meet the requirements of the act, suppliers will be required to provide a copy of their annual Modern Slavery Act Statutory Statement detailing actions undertaken to ensure they meet and enforce the requirements of the Act.

This will only apply to a supplier defined as a ‘commercial organisation’; in accordance with the Act if it:

- Supplies goods and services.
- Has a turnover of no less than £36m.

Our Procurement Team is committed to raising awareness with all suppliers by ensuring that all suppliers we trade with are aware of our commitment to ensure compliance with the Act. As part of our procurement processes, when trading with new suppliers, and prior to establishing the supplier on our systems, the supplier will be requested to confirm in writing that they are compliant with the Act.

Remuneration Report

Setting out our approach to senior pay, reward and transparency, and how remuneration decisions are governed and assured.

Remuneration policy for directors and senior managers

The Board delegates responsibility to its Nominations and Remuneration Committee to determine the appointment, remuneration and terms of service for Executive Directors, including the Chief Executive

Role and scope of the Committee

The Nomination and Remuneration Committee provides oversight of our pay and reward arrangements and is responsible for determining remuneration, contractual terms and conditions of service for Executive Directors and Very Senior Managers (VSMs) who are not covered by the NHS Agenda for Change (AfC) pay framework. The majority of our workforce, including the first tier of management below Board level, is remunerated in accordance with AfC arrangements and therefore falls outside the Committee's direct remit.

The Committee also has responsibility for overseeing senior appointments, succession planning and compliance with the Fit and Proper Persons Regulations, providing assurance to the Trust Board that robust processes are in place.

Appointments and succession planning

The Committee oversees the process for the appointment of Executive Directors and supports the Trust Board in ensuring that appointments are made through open, fair and transparent processes, aligned to national guidance and best practice, with advice sought from NHS England and external assessors included on selection panels. Where vacancies arise in established Executive Director roles, the Committee's expectation is to appoint substantively wherever possible, recognising that Executive Directors are typically subject to a six-month contractual notice period. Non-Executive Directors are appointed through NHS England as public appointees, on a fixed term-of-office basis and in line with the NHS Code of Governance. Once appointed, induction programmes are set for new directors, with Non-Executive Directors attending specific NHS Providers induction training. We also maintain appropriate insurance/indemnity arrangements for directors in line with usual practice.

Succession planning is considered on a regular basis as part of the Committee's annual work programme. This includes reviewing the balance of skills, knowledge, experience and capacity across the Board, identifying future leadership requirements, and supporting the development of a diverse and sustainable pipeline for senior leadership roles. These arrangements are intended to support both continuity of leadership and longer-term organisational resilience.

Remuneration policy and performance

The Committee monitors and evaluates the annual performance of individual Executive Directors, taking account of advice from the Chief Executive in relation to other Executive Directors. Performance assessments inform decisions relating to remuneration, contractual variations and reward, ensuring that pay outcomes are evidence-based and linked to delivery and behaviours.

During the year, the Committee operated an annual work programme that included benchmarking of Executive Director remuneration against national lower and upper quartile benchmarks. This ensures that remuneration levels remain fair, competitive and aligned with sector standards. Any proposed changes to Executive Director pay are considered by the Committee on receipt of updated benchmarking information.

Compliance with the NHS Very Senior Manager Pay Framework

The NHS Very Senior Manager Pay Framework, published by the Department of Health and Social Care and NHS England, applies to all NHS trusts and foundation trusts. We confirm that we have complied with the requirements of the NHS Very Senior Manager Pay Framework during 2025/26.

Where the Framework required national approval for pay cases during the reporting year, we confirm that approval was sought and received in accordance with the Framework. Any decisions taken during the year were made within the parameters of national guidance.

There were no departures from the NHS Very Senior Manager Pay Framework during 2025/26. Should any future departure be required, this would be explicitly disclosed and explained within the remuneration report for the relevant reporting year.

Remuneration policy for directors and senior managers

The Board delegates responsibility to its Nominations and Remuneration Committee to determine the appointment, remuneration and terms of service for Executive Directors, including the Chief Executive

Severance and compensation arrangements

Compensation for the early termination of Executive Directors is limited to payment in lieu of notice, except in cases of summary dismissal. Any severance proposals outside contractual provisions must be calculated in line with national guidance. Payments falling outside these guidelines require formal approval from HM Treasury via NHS England.

The Committee considered severance and redundancy matters during the year in line with its delegated authority and thresholds, ensuring appropriate scrutiny, compliance with national requirements and value-for-money considerations.

Mutually Agreed Resignation Scheme (MARS)

During 2025/26, the Nomination and Remuneration Committee considered and approved matters relating to our Mutually Agreed Resignation Scheme (MARS) as part of its oversight of workforce change, affordability and value for money. The Committee approved the introduction and operation of the MARS scheme in line with national guidance, recognising its role as a voluntary workforce measure intended to support organisational change and cost control, while mitigating the need for compulsory redundancy wherever possible.

The Committee received assurance that the scheme was applied consistently, transparently and within the agreed parameters, and that each case was subject to appropriate scrutiny. Individual MARS applications brought forward by management, including assurance on eligibility, affordability, payback periods and anticipated recurrent savings. Particular attention was given to ensuring that decisions were supported by clear rationale, that service impact and quality considerations were appropriately assessed, and that proposals represented value for money.

Throughout the year, the Committee monitored the overall operation of the scheme, noting that conversion rates from application to approval reflected our lean management structure and the limited ability to release posts without adverse operational impact. The Committee concluded that the MARS scheme had been implemented in a controlled and compliant manner during 2025/26, with appropriate governance oversight and alignment to our financial recovery and workforce strategies.

Committee activity during 2025/26

During the period 1 April 2025 to 31 March 2026, the Nomination and Remuneration Committee met on eight occasions, including extraordinary meetings convened where required to enable timely consideration of urgent or high-risk matters.

During the year, the Committee considered and approved matters including:
processes for the appointment of senior Executive roles;

- Remuneration and contractual arrangements for Executive Directors and Very Senior Managers.
- Matters relating to the application of the NHS Very Senior Manager Pay Framework.

These activities supported effective governance, leadership stability and assurance to the Trust Board on senior pay and appointments.

Remuneration report - single total figure (subject to audit)

Name and Job Title	2025/26					2024/25				
	Salary	Pension Recycling Payment (Taxable)	Expense payments (taxable) total to nearest £100	All pension related benefits	TOTAL	Salary	Pension Recycling Payment (Taxable)	Expense payments (taxable) total to nearest £100	All pension related benefits	TOTAL
	(bands of £5,000) £000	(bands of £5,000) £000	£	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £5,000) £000	£	(bands of £2,500) £000	(bands of £5,000) £000
Trust Board Members as at 31 March 2026:										
Dr Simon Constable, Chief Executive (from 01/09/24)	260-265			297.5-300	**555-560**	145-150			295-297.5	**440-445**
Dr Diane Adamson, Chief Medical Officer (from 16/04/25)"	215-220			40-42.5	**255-260**					
Helen Ashley, Deputy CEO / Director of Strategy *	190-195	20-25			**215-220**	190-195	20-25			**215-220**
Claire Cotton, Director of Governance & Communications*	120-125				**120-125**	110-115				**110-115**
Amy Freeman, Chief Digital Information Officer	155-160		100	77.5-80	**230-235**	145-150			45-47.5	**190-195**
Jane Haire, Chief People Officer	155-160			27.5-30	**180-185**	145-150			15-17.5	**160-165**
Mark Oldham, Chief Financial Officer*	205-210	25-30			**230-235**	200-205	20-25			**225-230**
Ann-Marie Riley, Chief Nurse	170-175			60-62.5	**230-235**	160-165			25-27.5	**190-195**
Katy Thorpe, Interim Chief Operating Officer (from 02/09/24)	165-170			120-122.5	**285-290**	90-95			65-67.5	**155-160**
Lorraine Whitehead, Director of Estates, Facilities & PFI	150-155			85-87.5	**240-245**	145-150			0v	**145-150**
Simon Evans, Chief Operating Officer (on secondment from 30/08/24)*~						75-80	5-10			**85-90**
Jackie Small, Chair (from 01/06/25)	50-55				**50-55**					
Louise Bainbridge, Non-Executive Director (from 04/11/24)	10-15				**10-15**	5-10				**5-10**
Tanya Bowen, Non-Executive Director	15-20		800		**15-20**	10-15		600		**15-20**
Prof Katie Maddock, Non-Executive Director	10-15				**10-15**	10-15				**10-15**
Margaret Monckton, Non-Executive Director (from 07/10/24)	15-20				**15-20**	5-10				**5-10**
Wendy Nicholson, Non-Executive Director (from 01/09/25, Associate to 31/08/25)	10-15				**10-15**	5-10				**5-10**
Prof Sunita Toor, Non-Executive Director	10-15		900		**10-15**	10-15		900		**10-15**
Previous Board Members:										
Tracy Bullock, Chief Executive (to 30/06/24)*						60-65	5-10			**65-70**
Dr Matthew Lewis, Chief Medical Officer (to 31/03/25) ^						225-230			65-67.5	**290-295**
Lisa Thomson, Director of Communications (to 01/06/25)	20-25			0v	**20-25**	125-130			20-22.5	**145-150**
Prof Gary Crowe, Non-Executive Director (to 31/08/25)	5-10		300		**5-10**	15-20		200		**15-20**
Arvinda Gohil, Non-Executive Director (to 31/10/24)						0-5				**0-5**
Leigh Griffin, Non-Executive Director (to 31/08/24)						5-10		200		**5-10**
Prof Andrew Hassell, Associate Non-Executive Director (to 31/01/26)	10-15				**10-15**	15-20				**15-20**
Alison Rodwell, Non-Executive Director (to 31/10/24)						5-10		200		**5-10**
David Wakefield, Chair (to 31/05/25)	10-15				**10-15**	60-65				**60-65**

There has been no performance pay or bonuses paid to any of the Directors in either financial year.

Pension recycling payments have been made to directors who have exited the pension scheme. These are non contractual payments and subject to annual review.

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 that being a member of the pension scheme could provide.

All taxable expenses paid during the year were in relation to home to work mileage claims.

*Board member is not a member of the NHS Pension scheme and so there are no pension benefits to report.

" Dr Diane Adamson was appointed to the role of Chief Medical Officer in an acting capacity on 16/04/25 and was appointed to the post permanently on 01/10/25. The figures shown in the table above reflects her remuneration from 16/04/25 to 31/03/26.

~ Simon Evans was on secondment at NHS England for the period 01/04/25 to 31/03/26. His total benefit figure for the year is in the band £210,000-£215,000 (2024/25 £205,000-£210,000).

^ Dr Matthew Lewis was on secondment at NHS Birmingham & Solihull ICB for the period 01/04/25 to 31/03/26. His total benefit figure for the year is in the band £320,000-£325,000 (2024/25 £290,000-£295,000)

v Where pension benefits result in a negative figure they have been substituted with "0" in accordance with the DHSC Group Accounting Manual.

Remuneration report – pension benefits (subject to audit)

Name and Job Title	2025/26						
	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2026	Lump sum at pension age related to accrued pension at 31 March 2026	Cash equivalent transfer value at 1 April 2026	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2026
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	£000	£000	£000
Simon Constable, Chief Executive (from 01/09/24)	15-17.5	30-32.5	70-75	180-185	1,324	308	1,685
Diane Adamson, Chief Medical Officer (Interim from 16/04/25 to 30/09/25)	2.5-5	0-2.5	30-35	70-75	636	40	703
Helen Ashley, Deputy CEO / Director of Strategy							
Claire Cotton, Director of Governance & Communications					0		
Amy Freeman, Chief Digital Information Officer	2.5-5	5-7.5	45-50	100-105	793	70	894
Jane Haire, Chief People Officer	0-2.5	0	50-55	130-135	1,168	35	1,241
Mark Oldham, Chief Financial Officer							
Ann-Marie Riley, Chief Nurse	2.5-5	0-2.5	55-60	130-135	1,251	71	1,364
Katy Thorpe, Interim Chief Operating Officer	5-7.5	0	35-40	0	429	83	538
Lorraine Whitehead, Director of Estates, Facilities & PFI	2.5-5	5-7.5	60-65	150-155	1,297	97	1,435
Simon Evans, Chief Operating Officer (from 16/06/23 to 30/08/24) - on secondment at NHSE							

As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive directors. The pensions information disclosed has been subject to audit.

Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details 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.

Real Increase in CETV reflects the increase in CETV effectively funded by the employer. This calculation does not take account of any increase due to inflation or contributions paid by the employee.

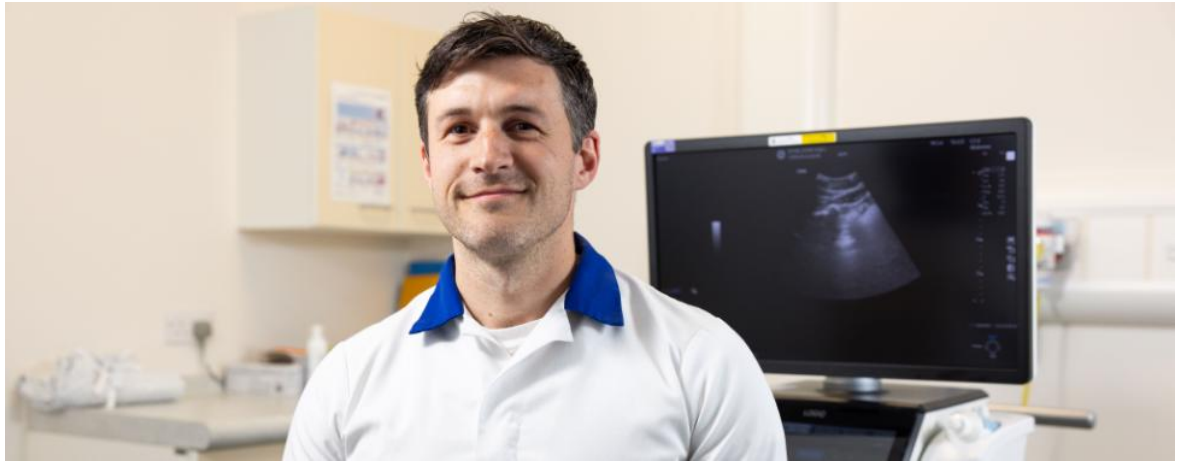
Fair pay disclosure and pay ratio (subject to audit)

We are required to disclose for each single total figure table (page 72), the percentage change from the previous year in respect of the highest paid director and the average percentage change from the previous financial year in respect of employees taken as a whole.

Percentage changes for the current and prior year are shown below for salary and allowances. Changes for the highest-paid director are calculated using the midpoint of the relevant pay band. Employee averages exclude the highest-paid director and are based on annualised full-time equivalent (FTE) remuneration. As we do not operate a performance-related pay or bonus scheme, no percentage changes are reported for this component.

	2025/26		2024/25	
	Highest paid director % change	All employees (average) % change	Highest paid director % change	All employees (average) % change
Salary and allowances	3.96%	5.49%	4.12%	3.01%

Changes in remuneration may vary between years due to factors such as national pay awards, incremental progression within bands, recruitment or departure of senior directors, changes in bonus arrangements, or organisational restructuring. Differences between director and employee averages may reflect the structure of director contracts, performance-related elements, and the distribution of pay across the wider workforce.



We are required to disclose information on the range of employee remuneration and the ratio between the remuneration of the highest-paid director and employee remuneration at the 25th percentile, median and 75th percentile. Pension benefits are excluded from the calculation of the remuneration range. These ratios are based on annualised full-time equivalent (FTE) remuneration for all employees, including temporary and agency employees, as at the reporting date. The ratios are calculated using the mid-point of the banded remuneration of the highest-paid director.

The banded remuneration of the highest paid director in the Trust in the financial year 2025/26 was £260,000 to £265,000 (2024/25: £250,000 to £255,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table opposite.

	2025/26	2024/25
25th percentile ratio	8.59:1	8.84:1
Median ratio	6.37:1	6.53:1
75th percentile ratio	4.80:1	4.78:1

The highest paid director's salary range mid-point was £262.500 (2024/25: £252,500). This is an increase of 3.96% (2024/25: 4.12%). The overall average remuneration of the organisation increased from £53,533 in 2024/25 to £56,471 in 2025/26. This represents a percentage increase of 5.49% (2024/25: 3.01%).

Based on annualised, full-time remuneration the 25th percentile of pay at 31st March 2026 was £30,555, the median was £41,198 and the 75th percentile was £54,710.

In 2025/26, 21 employees (2024/25 17 employees) received remuneration in excess of the highest paid director. The range of staff remuneration during 2025/26 was £10,000 - £15,000 to £485,000 - £490,000 (2024/25 £10,000-£15,000 to £420,000- £425,000).

Please note that previous year's disclosures have been calculated including Non-Executive Directors salaries. For 2025/26 NED salaries have been removed.

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

Staff Report

Providing an overview of our workforce, how we support, develop and engage our people, and how we meet our responsibilities as a fair and inclusive employer.

Our People

We employ more than 12,500 colleagues comprising more than 70 nationalities. Most of our colleagues are employed and paid under national pay arrangements established under Agenda for Change or medical and dental provisions.

A small number of colleagues, comprising the Trust Board and very senior managers, are employed under local pay and terms and conditions of service, which are determined by the Trust Board's Nomination and Remuneration Committee. This ensures appropriate governance, transparency and consistency with national guidance.

All colleagues are employed subject to meeting NHS Standards on Employment Checks. These include identity, right-to-work, professional registration, references, health checks and Disclosure and Barring Service (DBS) requirements. These checks provide assurance that individuals are suitable for employment and legally entitled to work within the organisation before commencing their role.

Our values and behaviours, refreshed and relaunched in April 2025, are embedded across the organisation and underpin how we work together and deliver care. We expect all colleagues to uphold these standards, and they are integral to our recruitment, induction and ongoing performance processes.

We adopt national pay, terms and conditions of service wherever applicable. This provides assurance that employees are treated fairly and consistently and that we comply with employment legislation, including payment of at least the National Living Wage. We also have a comprehensive suite of employment policies and procedures in place to support colleagues and managers and to ensure compliance with employment law. All policies are subject to equality impact assessment to ensure they promote fairness, inclusion and accessibility.

Robust safeguarding arrangements are in place to protect children and vulnerable adults. Colleagues are supported through an extensive training and development programme, including mandatory and role-specific training. Individual training needs are identified through annual performance development reviews, supported by personal development plans.

We have a dedicated Equality, Diversity and Inclusion (EDI) lead within the Organisational Development Team. We actively support local and national awareness-raising events and initiatives, including those focused on disability inclusion, anti-racism and the LGBT+ community.

Our People Plan

Our workforce is central to delivering our vision of providing the best joined-up care for all. By valuing our people, investing in their development and creating the right conditions for excellent care, we aim to be an organisation where people want to work and where patients want to receive care.

Launched alongside Our Strategy in April 2025, the People Plan sets out our priorities for the next ten years. It reflects our commitment to building a sustainable, skilled and inclusive workforce and to supporting colleagues at all stages of their careers, regardless of role, background, nationality or contract type.

We recognise the importance of our wider and indirect workforce, including volunteers, contractors and agency colleagues, and remain committed to working in partnership with them to deliver safe and effective services.

We continue to invest in the safety, health and wellbeing of our people and to promote equality of opportunity. Our bespoke training and development offer is designed to build values-led leadership capability, strengthen inclusion and equip our workforce to meet current and future challenges.

As an anchor institution, we are committed to providing opportunities across our local population, including school leavers, graduates, members of the armed forces community, retirees and volunteers. We will continue to develop our wellbeing offer and employee networks to support our people to thrive.

We recognise that workforce challenges cannot be addressed in isolation. As a lead employing organisation within our Integrated Care System, we work closely with system partners to deliver shared priorities for people, culture and inclusion, supporting a sustainable workforce for the communities we serve.

Staff numbers, cost and composition (subject to audit)

On 31 March 2026, we had a workforce of 11,961 whole time equivalents (WTE). This excludes bank workers, honorary contracts and colleagues out on secondment. Our workforce is made up of a variety of roles and pay scales and below provides an analysis of average employee numbers and costs.

Senior Managers

	Headcount		WTE	
	Female	Male	Female	Male
Band 8a	365	120	332.3	114.5
Band 8b	88	45	78.2	43.8
Band 8c	41	19	37.9	18.2
Band 8d	9	14	8.8	14.0
Band 9	13	4	12.9	4.0
Director	7	4	6.8	4.0
Total	**523**	**206**	**476.9**	**198.6**

Average Number of Employees (WTE basis) (audited)

	2025/26			2024/25
	Permanent	Other	Total	Total
Medical and dental	794	863	**1,657**	1,597
Ambulance staff	-	-	**-**	-
Administration and estates	2,473	115	**2,588**	2,588
Healthcare assistants and other support staff	2,293	71	**2,365**	2,469
Nursing, midwifery and health visiting staff	3,781	60	**3,841**	3,649
Nursing, midwifery and health visiting learners	19	10	**29**	26
Scientific, therapeutic and technical staff	1058	26	**1084**	1,017
Healthcare science staff	389	7	**397**	389
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**10,809**	**1,152**	**11,961**	**11,735**
Of which:				
Number of employees (WTE) engaged on capital projects				**27**

Staff Costs

	2025/26			2024/25
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	578,340	57,570	**635,910**	599,809
Social security costs	71,809	7,778	**78,787**	58,598
Apprenticeship levy	3,142	-	**3,142**	2,899
Employer's contributions to NHS pension scheme	114,698	5,523	**120,221**	108,750
Pension cost - other	98	8	**106**	128
Temporary staff	-	13,513	**13,513**	18,655
Total staff costs	**767,287**	**84,392**	**851,679**	788,849
Of which:				
Costs capitalised as part of assets	2,587	-	**2,587**	1,527
Total employee benefits excluding capitalised costs	**764,700**	**84,392**	**849,092**	787,322

Staff Composition

	Part Time		Full Time		Total
	Female	Male	Female	Male	
Director	0	1	4	6	**11**
Senior Managers (Band 8a - 9 & senior manager)	15	103	180	367	**665**
Other employees	552	3729	2365	4639	**11286**
Total	**567**	**3833**	**2549**	**5012**	**11961**

Sickness absence and turnover

Sickness Absence

We have a clear and robust framework within which managers are supported to address the issues of attendance and sickness with a consistent, supportive and fair approach through our Attendance Policy. There is a strong focus on workforce health and wellbeing across our organisation, as set out within our People Strategy.

Initiatives such as health and wellbeing drop in events have successfully been held, with targeted approaches for those areas with higher sickness absence rates and signposting to appropriate support. Our appraisal framework is also designed to focus on the health and wellbeing of individuals.

These preventative measures support our workforce to remain healthy in the workplace.

The sickness rate on 31 March 2026 (cumulative for the 12 months from 1 April 2025 to 31 March 2026) was 5.38% (5.29% on 31 March 2025).

Turnover

We have seen a reduction in turnover when compared to last year, which is a positive outcome of our focus on colleague wellbeing and personal development. We continue to support individuals to return to the workplace following retirement, recognising their invaluable skills and experience.

We support employees to achieve a work/life balance by offering both flexible and agile working arrangements. Individuals and line managers are encouraged to reflect upon the flexibility of roles and are supported to do so through dedicated policies and toolkits.

The turnover rate on 31 March 2026 (cumulative for the 12 months from 1 April 2025 to 31 March 2026) was 7.5% (7.08% on 31 March 2025). This excludes junior doctors on rotation.

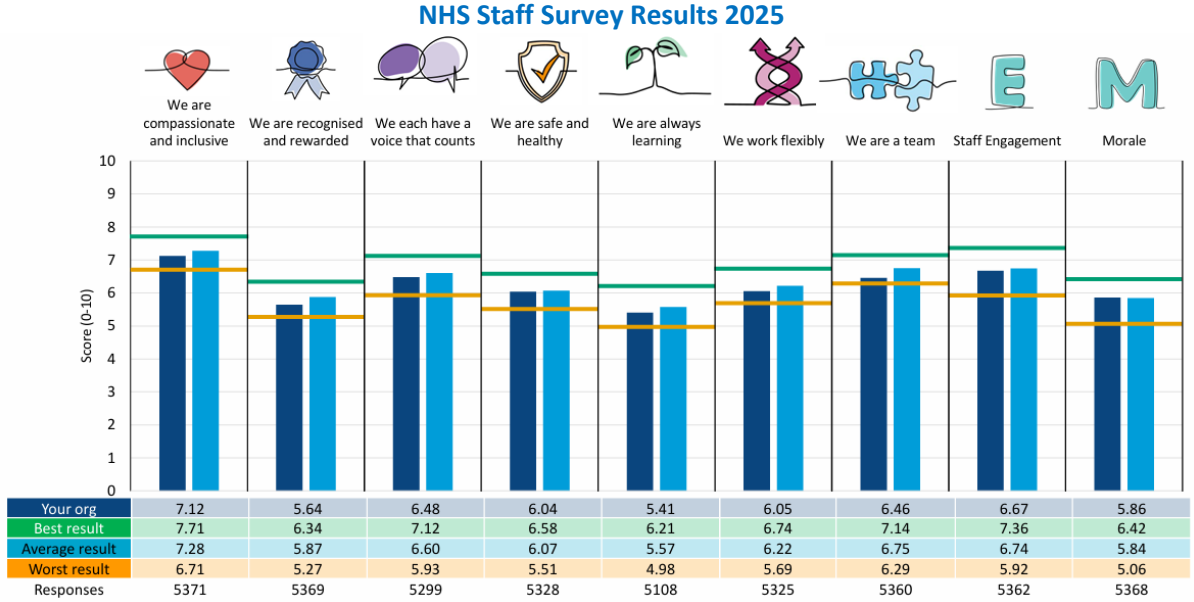
NHS staff survey

Staff engagement is measured through the annual NHS Staff Survey. As at March 2026, our staff engagement score for 2025 was 6.67, slightly lower than the average of 6.74 for acute and acute and community trusts.

The 2025 NHS Staff Survey remained a key source of insight into colleague experience during the year. Results showed a slight deterioration in overall engagement and across a number of People Promise themes compared to 2024, with performance sitting just below the peer average. This position reflects wider national trends across the NHS in a challenging operating environment. Variation in experience across teams was evident. These findings have informed in-year oversight and action planning, with a continued focus on strengthening local leadership, communication and targeted improvement activity to improve colleague experience, recognising its importance in delivering high-quality patient care.

Our staff engagement score decreased slightly from 6.84 in 2024 to 6.67 in 2025. Staff Morale also slightly declined from 5.97 in 2024 to 5.86 in 2025, which remains just above the benchmarking group for acute and acute and community trusts of 5.84.

The benchmarked findings are show in the graph here:



	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
Your org	7.12	5.64	6.48	6.04	5.41	6.05	6.46	6.67	5.86
Best result	7.71	6.34	7.12	6.58	6.21	6.74	7.14	7.36	6.42
Average result	7.28	5.87	6.60	6.07	5.57	6.22	6.75	6.74	5.84
Worst result	6.71	5.27	5.93	5.51	4.98	5.69	6.29	5.92	5.06
Responses	5371	5369	5299	5328	5108	5325	5360	5362	5368

Staff policies applied during the financial year

Our People Plan outlines how we will make UHNM a great place to work and set out our aims to provide a positive work environment that promotes an open, supportive and fair culture which helps our colleagues to do their job to the best of their ability and ensure delivery of high-quality care.

We have a comprehensive suite of policies in place to ensure compliance with equality, diversity and human rights legislation and to promote fair and inclusive employment practices. We are committed to creating an environment where all colleagues are supported to perform to the highest standards and where people are treated with dignity, respect and fairness.

Recruitment and employment of disabled people

We are committed to giving full and fair consideration to applications for employment from disabled people, having regard to their particular aptitudes and abilities. Our Recruitment and Selection Policy requires applicants to be assessed solely against objective, job-related criteria and their ability to undertake the role, with no unlawful discrimination. Reasonable adjustments are offered throughout the recruitment process to ensure disabled applicants are not disadvantaged. Members of Appointments Advisory Committees recruiting to consultant posts are required to have received training in equality and diversity.

Retention and support of colleagues who become disabled

We are committed to supporting employees who become disabled during their employment with us. Our Occupational Health Policy provides access to professional advice to support colleagues and managers in identifying appropriate workplace adjustments, redeployment opportunities where necessary, and support to enable individuals to continue in employment wherever possible. Adjustments are made in line with the Equality Act 2010, and employees are supported through occupational health referrals, management support and, where appropriate, phased returns to work.

Training, development and career progression

We are committed to supporting the training, career development and promotion of disabled employees. Equality, diversity and inclusion principles are embedded within corporate and local induction programmes and reinforced through statutory and mandatory training. Individual training and development needs, including any adjustments required to support learning or career progression, are identified through annual performance development reviews and personal development plans. Training records are maintained electronically to support assurance and monitoring.

Policies, safeguarding and culture

All employment policies are equality impact assessed to ensure they promote inclusion and accessibility. We have specific policies in place to safeguard children and vulnerable adults and to support a culture of positive behaviours. Our Resolution Policy supports early and constructive resolution of workplace issues, helping to maintain positive employment relationships and a supportive working environment.

We also have a dedicated Equality, Diversity and Inclusion lead within the Organisational Development Team and supports local and national awareness-raising initiatives, including those focused on disability inclusion, anti-racism and the LGBT+ community.

Equality, diversity and inclusion (EDI)

As referenced earlier within this report, we have developed a comprehensive strategy which sets out our longer-term ambitions for Equality, Diversity and Inclusion.

Equality, Diversity and Inclusion (Workforce)

Creating an inclusive, fair and equitable workplace remains central to our People Strategy and to our long-term ambition to build a workforce that reflects the communities we serve and supports all colleagues to thrive. Our approach is underpinned by our EDI Strategy, delivery plan and EDI Policy, which together set clear expectations for inclusive practice, fair treatment and full compliance with statutory duties. A new Lead Educator role for nursing, midwifery and allied health professionals ensures that equity and inclusion are embedded in workforce development and clinical practice, supporting our ongoing focus on tackling health inequalities, anti-racism and accessibility.

Policies and Governance

Our EDI Policy ensures that equality, diversity and inclusion are consistently embedded across the organisation. This includes the fair and equitable application of all employment policies, access to EDI-related learning for all colleagues, and the active promotion of a strong speaking-up culture where colleagues feel supported and confident to raise concerns.

Our well-established Diversity Employee Networks—covering ethnicity, disability and long-term conditions, LGBTQ+, and the armed forces—play an essential role in shaping an inclusive and compassionate workplace and informing organisational priorities. The Men's and Women's Health Groups also contribute to our workforce wellbeing strategy.

An annual programme of inclusion events—including Black History Month, Race Equality Week, Pride Month, Disability History Month and key religious and cultural celebrations—strengthens organisational culture, enhances cultural competence and amplifies marginalised voices. These activities reinforce our commitment to being an inclusive, values-led Trust.

Progress and Workforce Performance in 2025/26

During 2025/26 we achieved progress across several key indicators, including increased ethnic diversity in senior roles, improved access to workplace adjustments and a continued narrowing of the Gender Pay Gap. To strengthen accountability and alignment with Board priorities, we introduced the EDI Assurance Framework.

To support transparency and fulfil our responsibilities under the Public Sector Equality Duty, we publish an annual EDI Report alongside our Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Gender Pay Gap reports. This year we voluntarily extended reporting to include ethnicity and disability pay gaps.

Commitment to Anti Racism

We remain committed to creating an environment free from racism and discrimination. Guided by our Anti-Racism Statement and supported by the Ethnic Diversity Employee Network, we continue to address bias in policy, process and culture. A Race Equality Task and Finish Group is driving this work through lived-experience insights and best practice, focusing on:

- Debiasing recruitment and selection.
- Improving equity in career development and promotion.
- Tackling harassment, bullying and abuse.

In October 2025, we marked our progress by hosting our first Anti-Racism Conference as part of Black History Month. Our We're People Too campaign, co-designed by colleagues, further raises awareness of the impact of racism and abuse on colleagues and supports our wider anti-racism ambitions.

Identified Barriers and Targeted Action

Despite improvements, challenges remain in relation to senior-level representation of global majority colleagues and women, disparities in recruitment outcomes, and poorer workplace experiences reported by disabled and global majority colleagues. Disability and ethnicity pay gap analyses highlight structural factors linked to representation across pay quartiles.

To address these issues, we have strengthened our approach through the Race Equality Task and Finish Group, a refreshed Reasonable Adjustments Policy, enhanced employee networks with executive sponsorship, development of EDI dashboards and targeted leadership development and inclusive recruitment initiatives.

Oversight of this work is provided through the People, Culture and Inclusion Committee and the Trust Board.

Board and senior leadership ethnic diversity (WRES Indicator 9)

We monitor the ethnic diversity of the Board and senior leadership in comparison with our wider workforce and local communities. While workforce ethnicity increased to 29.2% in 2025, senior representation does not yet reflect this position. Addressing this gap remains a priority and is being progressed through targeted succession planning, inclusive recruitment practices, leadership development and executive sponsorship of employee networks, with assurance provided through the People, Culture and Inclusion Committee and the Trust Board.

Workforce composition and trends

We undertake an annual analysis of workforce demographics, published in our EDI Annual Report. This includes year-on-year trend data across ethnicity, disability, gender and pay band. At 31 March 2025, Black, Asian and Minority Ethnic colleagues represented 29.2% of the workforce, with higher representation in clinical and medical roles and lower representation in senior non-clinical roles. This remains a priority area for improvement.

Looking ahead

While progress continues, key challenges remain—particularly under-representation of marginalised groups at senior levels, recruitment disparities and poorer experiences reported by disabled and global majority colleagues. We will continue to embed equity and inclusion across all areas of the organisation, centring the voices of patients, colleagues and communities through the Hospital User Group, Patient Leaders and Employee Networks.

Guided by our new UHNM Strategy and the NHS Equality, Diversity and Inclusion Improvement Plan’s six high-impact actions, we will deliver measurable improvements for our people, patients and population. Progress will be tracked through robust KPIs, including patient satisfaction, the National Staff Survey, WRES/WDES outcomes and equity metrics such as pay gaps.

Other Employee Matters

This section provides a high-level overview of other employee-related matters, reflecting how we engage with colleagues and supports a safe, inclusive and sustainable working environment, in line with statutory reporting requirements.

We engage with colleagues and their representatives on matters affecting the workforce, including organisational change, workforce planning, health and safety, wellbeing and equality. This engagement supports employee participation, constructive dialogue and informed decision-making on issues that impact colleagues.

Health and safety at work is supported through established governance arrangements, statutory training and risk management processes, with appropriate involvement of employee representatives where required.

Our approach to employee engagement and employee relations forms part of a broader focus on human capital management, including workforce sustainability, development, wellbeing and inclusion. These priorities are embedded within our People Plan and workforce strategies, supporting colleague engagement, retention and a safe, respectful and inclusive working environment.

Consultancy expenditure and off-payroll engagements

Consultancy

Expenditure on consultancy services for the year 2025/26 was £1,904m, compared to £1.206m in 2024/25.

Off Payroll Engagements

As part of the Treasury's Annual Reporting Guidance, Government Departments are required to report information relating to off-payroll engagements. Therefore, NHS bodies are required to include information on any such engagements allowing for consolidation.

The table here shows all off-payroll engagements as of 31 March 2026, for more than £245 per day:

	Number
Number of existing engagements as of 31 March 2026	2
Of which, the number that have existed:	
for less than one year at the time of reporting	2
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

For all off-payroll engagements between 1 April 2025 and 31 March 2026, for more than £245 per day:

	Number
Number of temporary off-payroll workers engaged between 1 April 2025 and 31 March 2026	4
Of which:	
number not subject to off-payroll legislation	0
number subject to off-payroll legislation and determined as in-scope of IR35	1
number subject to off-payroll legislation and determined as out of scope of IR35	3
the number of engagements reassessed for compliance or assurance purposes during the year	0
of which, number of engagements that saw a change to IR35 status following review	0

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

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2025 and 31 March 2026:

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed 'board members', and/or senior officials with significant financial responsibility during the financial year. This figure must include both on payroll and off payroll engagements.	0

Exit packages (subject to audit)

Exit Packages 2025/26

Exit package cost band (including any special payment element)	2025/26						2024/25					
	No. of compulsory redundancies	Cost of compulsory redundancies £000	No. of other departures agreed	Cost of other departures agreed £000	Total no. of exit packages	Total cost of exit packages £000	No. of compulsory redundancies	Cost of compulsory redundancies £000	No. of other departures agreed	Cost of other departures agreed £000	Total no. of exit packages	Total cost of exit packages £000
Less than £10,000			57	240	57	**240**	0	0	31	95	31	95
£10,000 - £25,000			10	181	10	**181**	0	0	3	37	3	37
£25,001 - £50,000	1	27	6	226	7	**253**	0	0	0	0	0	0
£50,001 - £100,000	1	93	1	57	2	**150**	0	0	0	0	0	0
£100,001 - £150,000			0	0	0	**0**	0	0	0	0	0	0
£150,001 - £200,000			0	0	0	**0**	0	0	0	0	0	0
>£200,000			0	0	0	**0**	0	0	0	0	0	0
Total	**2**	**120**	**74**	**704**	**76**	**824**	**0**	**0**	**34**	**132**	**34**	**132**

- Redundancy and other departure costs have been paid in accordance with standard NHS terms and conditions.
- This disclosure reports the number and value of exit packages agreed with colleagues during the year.
- The remuneration information disclosed in the tables above have been subject to audit.

During the year the Trust offered a Mutually Agreed Resignation Scheme (MARS). The number and value of agreed schemes is shown in the table below. The costs of this scheme were not met by the NHS Pension Scheme.

Exit Packages: other departure payments

Type of departures	Agreements	Total value of agreements
	Number	£000s
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs	17	386
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	56	308
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval	1	10
Total	**74**	**704**

Dr Simon Constable
Chief Executive
24th June 2026

Financial Statements

Summary Financial Statements

A commentary on our financial position is included earlier in this report. The following pages are our Summary Financial Statements.

The Statement of Comprehensive Income shows how much money we earned and how we spent it. The main source of our income is from ICS, with which we have agreements to provide services for their patients.

Our biggest expense is on the salaries and wages of our staff. On average during this year, we employed the equivalent of 11,961 full-time staff (11,459 24/25). The actual number of people working for the Trust is more because some staff work part-time (therefore, the full-time equivalent is less).

We buy clinical and general supplies, maintain our premises, some of the costs of which are payable to our PFI partner, and pay for gas and electricity, rent and rates. We also allow for depreciation, the wearing out of buildings and equipment which need to be replaced.

Our Statement of Financial Position summarises our assets and liabilities. It tells us the value of the land, buildings and equipment we own and of supplies we hold in stock for the day to day running of the hospital. It also shows money owed to us and the money we owe to others, mainly for goods and services received but not yet paid for. Under International Financial Reporting Standards, it also shows buildings and equipment that are legally owned by our PFI partner and related borrowings which will be settled through the unitary payments we make over the term of the PFI contracts.

The Trust's valuation approach is to have a full valuation including a full site inspection every 5 years with interim "desk top" valuations on an annual basis. A full valuation was undertaken as at 31st March 2022, which included site valuations to provide assurance that the value of land and building assets within the accounts are not materially misstated at the balance sheet date. An interim valuation was undertaken as at 31st March 2026 as well as a site visit at the Clinical Diagnostic Centre and County Breast Unit as these were significant capital schemes that were completed during the year and would impact the valuation.

The net book value of the Trust's estate as at 31st March 2026 is £640.580 million. If the Trust's management had not revalued the estate, at 31st March 2026 the value would have been £657.042 million.

The Trust obtains valuations for its land, buildings and dwellings from a qualified independent valuer. These valuations are performed at a point in time and take into account conditions and circumstances relevant to that date. In future years, conditions may change resulting in uplifts or impairments being required to the value of land, buildings and dwellings. The valuation has been completed based on the depreciated replacement cost and the remaining useful economic life of the assets.

The Better Payment Practice Code shows how quickly we pay our bills.

Summary Financial Statements

Statement of Comprehensive Income for the year ended 31 March 2026

	2025/26	2024/25
	£000	£000
Operating income from patient care activities	1,271,227	1,186,037
Other operating income	109,088	106,840
Operating expenses	(1,364,149)	(1,271,731)
Operating surplus from continuing operations	**16,166**	**21,147**
Finance income	5,185	6,054
Finance expenses	(30,144)	(35,422)
PDC dividends payable	(4,545)	(3,530)
Net finance costs	**(29,504)**	**(32,898)**
Other gains	137	70
Surplus for the year	**(13,201)**	**(11,681)**
Other comprehensive income		
Impairments	(7,960)	(8,095)
Revaluations	6,013	11,724
Total comprehensive income/(expense) for the period	**(15,148)**	**(8,052)**

Financial Performance for the year

	2025/26	2024/25
	£000	£000
Surplus for the year	**(13,201)**	**(11,681)**
Remove net impairments not scoring to the departmental expenditure limit	18,183	268
Remove I&E impact of capital grants and donations	(2,756)	(4,293)
Remove impact of IFRS 16 on IFRIC 12 schemes	(6,965)	(2,442)
Remove net impact of DHSC provided inventories for Covid response	0	92
Reported NHS financial performance position	**(4,739)**	**(18,056)**

Statement of Financial Position as at 31 March 2026

	Note	2025/26	2024/25
		£000	£000
Non-current assets			
Property, plant and equipment		734,232	715,699
Intangible assets		14,615	15,985
Right of use assets		22,062	23,087
Trade and other receivables		1,018	1,105
Total non-current assets		**771,927**	**755,876**
Current assets			
Inventories		21,429	19,219
Trade and other receivables		51,579	43,518
Non-current assets held for sale		7,700	10,900
Cash and cash equivalents		88,083	84,186
Total current assets		**168,776**	**157,823**
Total assets		**940,704**	**913,699**
Current liabilities			
Trade and other payables		(137,226)	(129,415)
Provisions		(1,054)	(8,469)
Borrowings		(28,792)	(20,286)
Total current liabilities		**(167,072)**	**(158,170)**
Total assets less current liabilities		**773,632**	**755,529**
Non-current liabilities			
Provisions		(3,407)	(2,783)
Borrowings		(482,248)	(490,255)
Total non-current liabilities		**(485,655)**	**(493,038)**
Total assets employed		**287,977**	**262,491**
Financed by			
Public dividend capital		775,578	734,943
Revaluation reserve		(691,911)	(680,749)
Income and expenditure reserve		204,310	208,297
Total taxpayers' equity		**287,977**	**262,491**

Summary Financial Statements

Statement of cash flows for the year ended 31 March 2026

	2025/26	2024/25
	£000	£000
Cash flows from operating activities		
Operating surplus	16,166	21,055
Non-cash income and expense:		
Depreciation and amortisation	47,771	39,720
Net impairments / (reversal of impairments)	18,183	360
Income recognised in respect of capital donations	(4,809)	(6,047)
(Increase)/decrease in inventories	(2,210)	(1,504)
(Increase)/decrease in receivables and other assets	(6,314)	(1,010)
Increase/(decrease) in payables and other liabilities	5,377	4,173
Increase/(decrease) in provisions	(6,830)	3,258
Net cash generated from / (used in) operating activities	**61,334**	**60,005**
Cash flows from investing activities		
Interest received	5,185	6,054
Purchase of intangible assets	(3,226)	(6,266)
Purchase of property, plant and equipment	(68,741)	(63,650)
Sales of property, plant and equipment	137	88
Receipt of capital donations to purchase capital assets	7,032	3,823
Net cash inflow/(outflow) from investing activities	**(59,613)**	**(59,951)**
Cash flows from financing activities		
Public dividend capital received	40,635	41,042
Capital element of finance lease rental payments	(4,457)	(4,001)
Capital element of PFI	(15,533)	(21,964)
Other interest	(7)	(1)
Interest paid on finance lease liabilities	(528)	(286)
Interest paid on PFI	(12,909)	(13,011)
PDC dividend (paid)/refunded	(5,040)	329
Net cash generated from / (used in) financing activities	**2,161**	**2,108**
Increase/(decrease) in cash and cash equivalents	**3,882**	**2,162**
Cash and cash equivalents at 1 April - brought forward	**84,186**	**82,024**
Cash and cash equivalents at 31 March	**88,068**	**84,186**

Statement of changes in Taxpayers Equity for the year ended 31 March 2026

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2025 - brought forward	**734,943**	**208,297**	**(680,750)**	**262,490**
Withdrawal of revaluation model for intangible assets on 1 April 2025	0	(2,040)	2,040	**0**
Surplus for the year	0	0	(13,201)	**(13,201)**
Impairments	0	(7,960)	0	**(7,960)**
Revaluations	0	6,013	0	**6,013**
Public dividend capital received	40,635	0	0	**40,635**
Taxpayers' and others' equity at 31 March 2026	**775,578**	**204,310**	**(691,911)**	**287,977**

Note 35 Better Payments Practice Code

Measure of compliance	2025/26		2024/25	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	124,713	722,221	129,880	714,550
Total non-NHS trade invoices paid within target	122,554	712,867	127,660	700,695
Percentage of non-NHS trade invoices paid within target	**98.3%**	**98.7%**	**98.3%**	**98.1%**
Total NHS trade invoices paid in the year	2,937	48,196	2,756	44,377
Total NHS trade invoices paid within target	2,557	39,400	2,458	38,564
Percentage of NHS trade invoices paid within target	**87.1%**	**81.7%**	**89.2%**	**86.9%**

The Better Payments Practice Code requires us to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. We have not signed up to the Prompt Payments Code.

Summary Financial Statements

Cumulative Breakeven Position

Year	Turnover	Surplus/(deficit)
	£000	£000
1997/1998	152,393	(1,199)
1998/1999	165,535	(1,246)
1999/2000	182,744	1,279
2000/2001	193,823	1,225
2001/2002	212,576	18
2002/2003	235,801	4
2003/2004	257,641	3
2004/2005	295,327	41
2005/2006	299,619	(15,059)
2006/2007	333,855	311
2007/2008	393,915	3,990
2008/2009	371,299	3,008
2009/2010	408,938	5,312
2010/2011	418,078	4,141
2011/2012	426,319	1,050
2012/2013	473,558	235
2013/2014	475,330	(19,301)
2014/2015	623,395	3,782
2015/2016	702,917	(26,936)
2016/2017	739,279	(27,773)
2017/2018	696,630	(69,717)
2018/2019	713,838	(63,607)
2019/2020	840,636	5,231
2020/2021	915,076	7,085
2021/2022	980,348	9,126
2022/2023	1,064,132	47
2023/2024	1,151,805	(8,375)
2024/2025	1,292,878	(15,614)
2025/2026	1,380,315	2,226
Cumulative breakeven position		**(200,713)**

We have a statutory duty to break even on a cumulative basis. Due to the continued cumulative deficit and the expectation that expenditure will exceed income for the foreseeable future, the External Auditors issued a Section 30 referral to the Secretary of State for Health on 28 May 2025. This follows earlier referrals in 2017 and 2021.

Our External Auditor

To demonstrate that we are running our Trust properly we are required to publish a number of statements which are signed by our Chief Executive on behalf of our Trust Board. These statements cover our financial affairs as well as a number of other aspects of managing our Trust.

Our external auditor also checks our accounts and other aspects of our work, and we are required to publish statements from them confirming that they are satisfied with what we have done. These formal statements are reproduced on these pages.

Our accounts are externally audited by Grant Thornton UK LLP to meet the statutory requirements of the Department of Health. They receive fees of £318k (inc VAT)

Pension Costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the secretary of State, in England and Wales. As a consequence, it is not possible for our Trust to identify our share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Full Accounts

A full set of audited accounts for University Hospitals of North Midlands NHS Trust is available on request or can be viewed and downloaded on our website www.uhnm.nhs.uk .

Dr Simon Constable
Chief Executive Officer
24th June 2026

Mr Mark Oldham
Chief Finance Officer
24th June 2026

4 Annual Accounts 2025/26

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer.

24th June 2026 Chief Executive

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors 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 trust's performance, business model and strategy

By order of the Board

24th June 2026  Chief Executive

24th June 2026  Chief Financial Officer

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for University Hospitals of North Midlands NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2025/26 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the TAC schedules have been compiled and are in accordance with:
    - the financial records maintained by the NHS trust and
    - accounting standards and policies which comply with the *Department of Health and Social Care's Group Accounting Manual* or any deviation from these policies has been explained in the confirmation questions in the TAC schedules (except for any immaterial misstatements reported in the auditor's report to those charged with governance or below their reporting threshold).
2. I certify that the TAC schedules are internally consistent and that there are no validation errors*.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the University Hospitals of North Midlands NHS trust.

Mark Oldham, Chief Financial Officer

24th June 2026

Chief Executive Certificate

1. I acknowledge the accompanying TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS England.
2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Simon Constable, Chief Executive 24th June 2026

University Hospitals of North Midlands NHS Trust

Annual accounts for the year ended 31 March 2026

Statement of Comprehensive Income

	Note	2025/26 £000	2024/25 £000
Operating income from patient care activities	3	1,271,227	1,186,037
Other operating income	4	109,088	106,840
Operating expenses	7,9	(1,364,149)	(1,271,731)
Operating surplus		**16,166**	**21,147**
Finance income	11	5,185	6,054
Finance expenses	12	(30,144)	(35,422)
PDC dividends payable		(4,545)	(3,530)
Net finance costs		**(29,504)**	**(32,898)**
Other gains	13	137	70
Deficit for the year		**(13,201)**	**(11,681)**
The operating surplus and deficit for the year are from continuing operations			
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(7,960)	(8,095)
Revaluations	15,18	6,013	11,724
Total other comprehensive income for the period		**(1,947)**	**3,629**
Total comprehensive expense for the period		**(15,148)**	**(8,052)**

The note below does not form part of the primary statement of accounts. It is included here to show that the deficit for the year of £13.201 million is adjusted for reporting against the breakeven duty and also adjusted for reporting to NHS England on a control total basis which is the primary mechanism for financial control. The adjusted deficit reported to NHS England reflects the Trust's actual financial performance in accordance with NHS England financial measures. Details of the adjustments are provided in notes 36 and 37.

Breakeven duty and adjusted financial performance	**Note**	**2025/26 £000**	**2024/25 £000**
Breakeven duty financial performance surplus/(deficit)	36,37	2,226	(15,614)
Adjusted financial performance (control total basis) deficit	36,37	(4,739)	(18,056)

Statement of Financial Position

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Intangible assets	14	14,615	15,985
Property, plant and equipment	15	734,232	715,699
Right of use assets	18	22,062	23,087
Receivables	20	1,018	1,105
Total non-current assets		**771,928**	**755,877**
Current assets			
Inventories	19	21,429	19,219
Receivables	20	49,737	43,518
Non-current assets for sale and assets in disposal groups	22	7,700	10,900
Cash and cash equivalents	23	88,068	84,186
Total current assets		**166,934**	**157,823**
Current liabilities			
Trade and other payables	24	(114,647)	(108,614)
Borrowings	26	(28,792)	(20,286)
Provisions	27	(1,054)	(8,469)
Other liabilities	25	(20,737)	(20,801)
Total current liabilities		**(165,230)**	**(158,170)**
Total assets less current liabilities		**773,631**	**755,530**
Non-current liabilities			
Borrowings	26	(482,248)	(490,255)
Provisions	27	(3,407)	(2,783)
Total non-current liabilities		**(485,655)**	**(493,038)**
Total assets employed		**287,977**	**262,491**
Financed by			
Public dividend capital		775,578	734,943
Revaluation reserve		204,310	208,297
Income and expenditure reserve		(691,911)	(680,749)
Total taxpayers' equity		**287,977**	**262,491**

The notes on pages 6 to 50 form part of these accounts.

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Simon Constable

Chief Executive

24-Jun-26

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2025 - brought forward	**734,943**	**208,297**	**(680,749)**	**262,491**
Withdrawal of revaluation model for intangible assets on 1 April 2025	-	(2,040)	2,040	**-**
Deficit for the year	-	-	(13,201)	**(13,201)**
Impairments	-	(7,960)	-	**(7,960)**
Revaluations	-	6,013	-	**6,013**
Public dividend capital received	40,635	-	-	**40,635**
Taxpayers' equity at 31 March 2026	**775,578**	**204,310**	**(691,911)**	**287,977**

Public Dividend Capital of £40.635 million was received in 2025/26 for a number of capital schemes, including:

£18.172 million Community Diagnostic Centres funding: CDC phase 1 (Including £0.072 million CDC Pathways)
£4.000 million System Capital Support PDC
£2.340 million Constitutional Standards: Urgent Treatment Centre
£4.767 million Estates Safety funding
£3.000 million Elective Recovery/Targeted Investment Fund: County Breast care unit completion
£2,583 million Constitutional Standards: Imaging and Diagnostic
£0.874 million Diagnostics funding
£1.628 million Pathology: LIMS
£0.839 million Constitutional Standards : Elective
£0.828 million Digital Pathology
£0.590 million Constitutional Standards: Equipment for Physiological Science

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2024 - brought forward	**693,901**	**204,668**	**(669,068)**	**229,501**
Surplus deficit for the year	-	-	(11,681)	**(11,681)**
Impairments	-	(8,095)	-	**(8,095)**
Revaluations	-	11,724	-	**11,724**
Public dividend capital received	41,042	-	-	**41,042**
Taxpayers' equity at 31 March 2025	**734,943**	**208,297**	**(680,749)**	**262,491**

Information on reserves

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

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

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	2025/26 £000	2024/25 £000
Cash flows from operating activities			
Operating surplus		16,166	21,147
Non-cash income and expense:			
Depreciation and amortisation	7.1	41,771	39,720
Net impairments	8	18,183	268
Income recognised in respect of capital donations	4	(4,809)	(6,047)
Increase in receivables and other assets		(4,472)	(1,010)
Increase in inventories		(2,210)	(1,504)
Increase in payables and other liabilities		3,535	4,173
Increase / (decrease) in provisions		(6,830)	3,258
Net cash flows from operating activities		**61,334**	**60,005**
Cash flows from investing activities			
Interest received		5,185	6,054
Purchase of intangible assets		(3,226)	(6,266)
Purchase of PPE		(68,741)	(63,650)
Sales of PPE		137	88
Receipt of cash donations to purchase assets		7,032	3,823
Net cash flows used in investing activities		**(59,613)**	**(59,951)**
Cash flows from financing activities			
Public dividend capital received		40,635	41,042
Capital element of lease rental payments		(4,457)	(4,001)
Capital element of PFI		(15,533)	(21,964)
Other interest		(7)	(1)
Interest paid on lease liability repayments		(528)	(286)
Interest paid on PFI		(12,909)	(13,011)
PDC dividend (paid) / refunded		(5,040)	329
Net cash flows from financing activities		**2,161**	**2,108**
Increase in cash and cash equivalents		**3,882**	**2,162**
Cash and cash equivalents at 1 April - brought forward		**84,186**	**82,024**
Cash and cash equivalents at 31 March	23	**88,068**	**84,186**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care 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 2025/26 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.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents. The directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Interests in other entities

Under the provisions of IFRS 10 Consolidated Financial Statements, those Charitable Funds that fall under common control with NHS bodies should be consolidated within the entity's financial statements. The Trust has a Charitable Fund, the 'UHNM Charity' that falls under the definition of common control. Common control is defined within IFRS 10 as "the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities". Control is presumed to exist where a parent owns directly or indirectly more than half of the voting power of an entity, including where a body acts as a Corporate Trustee.

The Trustees of the Charitable Fund are all members of the Trust Board. The purpose of an NHS Charity is to assist NHS patients, and HM Treasury view this as the "benefit" link as per the IFRS 10 guidance. The Trust has reviewed the financial statements of the 'UHNM Charity' and it is deemed that the income, expenditure, assets and liabilities of the Charitable Fund are not material. IAS 1 Presentation of Financial Statements states that specific disclosure requirements set out in individual standards or interpretations need not be satisfied if the information is not material. The consolidation of the Charitable Fund would not have a material impact on the financial statements of the Trust and has therefore not been consolidated into the Trust's financial statements.

Note 1.4 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 of 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.

The Trust applies standard NHS terms and conditions of 30 day payment terms for all invoices raised to customers and does not offer any further credit terms. Payment is expected once the performance obligations are satisfied and within 30 days of the invoice being raised.

Revenue from NHS contracts

The Trust's main source of income is contracts with commissioners for the provision of NHS funded healthcare services. For 2025/26, funding envelopes are set at Integrated Care System (ICS) level, and the majority of the Trust's NHS income is earned under the 2025/26 NHS Payment Scheme (NHSPS), which governs the rules determining payments for secondary healthcare services.

Aligned Payment and Incentive (API) contracts remain the primary payment mechanism for NHS providers in 2025/26. API is a blended model comprising a fixed element and a variable element, as set out in the NHSPS.

Under the variable element, providers earn income for specific activity categories defined in the NHSPS, including:

- elective inpatient and day case activity
- outpatient procedures
- first outpatient attendances
- diagnostic imaging and nuclear medicine
- chemotherapy delivery

Income is earned at NHSPS unit prices based on actual activity delivered. The fixed element covers all other services included within the NHSPS and is based on an agreed level of activity. "Fixed" in this context means that payment does not vary with activity volumes, although commissioners and providers are required to review fixed payments annually in line with NHSPS guidance. For relationships where activity is expected to be low, the NHSPS mandates Low Volume Activity (LVA) block payments. For 2025/26, LVA applies where the expected annual value of activity is £1.5 million or less, and providers receive an annual fixed payment determined in accordance with NHSPS rules. This threshold replaces the lower thresholds used in earlier years.

Elective Recovery Funding (ERF) continues to be allocated to integrated care boards to support the commissioning of elective activity within their systems. Trusts do not receive ERF directly; instead, they earn income for activity delivered under API variable element rules. The Trust's activity levels contribute to overall system performance, which in turn influences the level of ERF available to commissioners.

Pay award adjustments for 2025/26 have been incorporated into the NHSPS prices through the updated pay award prices workbook, which applies from 1 April 2025. These updated prices reflect the revised cost uplift for the year and must be used in all contract values and payment schedules.

Revenue from research contracts

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.

NHS injury cost recovery scheme

The Trust receives income under the NHS Injury Cost Recovery (ICR) scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Education and Training

The Trust receives income from Health Education England (HEE) in relation to medical and non medical trainees. Revenue is in respect of training provided and is recognised when performance obligations are satisfied when training has been performed. All performance obligations are undertaken within the financial year and is agreed and invoiced to HEE. Where training occurs across financial years the income is deferred to match the expenditure.

High cost devices

High cost 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.

Note 1.5 Other forms of income

Grants and donations

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 grants 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.

Apprenticeship service income

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 apprenticeship service account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 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. 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 These schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The schemes are is not designed in a way that would enable NHS Bodies employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes is are accounted for as though they were it is a defined contribution schemes: the cost to the Trust of participating in a scheme 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 and when they become due.

Additional pension liabilities arising from early retirements are not funded by the schemes 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.

Note 1.7 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 a non-current asset such as property, plant and equipment.

Note 1.8 Value added tax

Most of the Trust's activities are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT. Entities for which the above is not appropriate should specify an alternative policy

Note 1.9 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 cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar 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, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

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 additional 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 asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line 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.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the 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.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. 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.

All land (including surplus land) and buildings, are valued at fair value using independent professional valuations in accordance with IAS16 at least every five years, with interim revaluations carried out annually also by independent professional valuers. The full asset valuation includes a full site inspection by the professional valuer whilst interim valuations only include a site inspection where deemed necessary due to significant changes in the year. A full asset valuation was undertaken as at 31st March 2022 and the next full valuation is due in 2027.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful 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' cease 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.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which The Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

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 expenditure.

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 that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is 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 and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised 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.

They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. The underlying assets are recognised as property, plant and equipment, together with an equivalent PFI liability measured in alignment with the principles of IFRS 16.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
• payment for the fair value of services received
• repayment of the PFI liability, including finance costs, and
• payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received
The cost of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI assets, liabilities and finance costs

The PFI assets are initially measured using the principles of IFRS 16. Subsequently, the assets are measured at current value in existing use per the policies applied under IAS 16.

A PFI liability equal to the capital value of the contract is recognised at the same time as the PFI assets are recognised. This does not include service elements and interest charges within the PFI contract which are expensed in accordance with IFRIC 12 as adapted and interpreted by the FReM and as detailed below.

An annual finance cost is calculated by applying the implicit interest rate in the contract to the opening PFI liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive [Income / Net Expenditure].

An element of the annual unitary payment is therefore allocated as a financing cost when repaying the PFI liability over the life of the contract.

Where there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The entity remeasures the PFI liability to reflect those revised payments only when there is a change in the cash flows (i.e. when the adjustment to the payments takes effect). The entity shall determine the revised payments for the remainder of the PFI arrangement based on the revised contractual payments. As subsequent measurement of the PFI asset is per IAS 16 than IFRS 16, the opposite entry to adjustment of the PFI liability for such remeasurements is charged to Finance Costs.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the NHS Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Trust's Statement of Financial Position.

Other assets contributed by the NHS Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the NHS Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

Useful lives of property, plant and equipment

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

	Min life Years	**Max life Years**
Buildings, excluding dwellings	15	80
Plant & machinery	5	20
Transport equipment	4	7
Information technology	2	10
Furniture & fittings	5	16

Note 1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance controlled by the Trust. They are capable of being sold separately from the rest of the trust's business or arise from contractual or other legal rights. Intangible assets 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 where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset where it meets recognition criteria.

Measurement

From 1 April 2025, intangible assets are carried at cost. Where intangible assets have historically been revalued, the carrying net amount at 31 March 2026 is treated as deemed historic cost.

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 gains and losses 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 lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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

	Min life	**Max life**
	Years	**Years**
Software licences	2	15

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to the fair value due to the high turnover of stocks.

Note 1.12 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.

Note 1.13 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the 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 Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, 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.

Financial liabilities classified as subsequently measured at amortised cost.

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.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, 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).

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.

Derecognition

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

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

Note 1.14 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. HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

The Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.

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 a lessee

Recognition and initial 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 4.81% applied to new leases commencing in 2025 and 5.32% to new leases commencing in 2026.

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. 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 a 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.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation 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 as at 31 March 2026:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.64%	4.03%
Medium-term	After 5 years up to 10 years	4.22%	4.07%
Long-term	After 10 years up to 40 years	5.32%	4.81%
Very long-term	Exceeding 40 years	5.07%	4.55%

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 as at 31 March 2026:

	Inflation rate	Prior year rate
Year 1	2.50%	2.60%
Year 2	2.00%	2.30%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.95% in real terms (prior year: 2.40%).

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 27.1 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 1.16 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 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 28, 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.

Note 1.17 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.

A 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 by the Department of Health and Social Care.

This policy is available at

https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-

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

Note 1.18 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.

Note 1.19 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*.

Note 1.20 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.

Note 1.21 Gifts

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

Note 1.22 IFRS 17

The entity applies IFRS 17 Insurance Contracts from 1 April 2025. The standard applies to contracts that transfer significant insurance risk. Where no such contracts exist, the entity has assessed and concluded that IFRS 17 does not apply.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2025/26.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS18 Presentation and Disclosure in Financial Statements - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS19 Subsidiaries without Public Accountability: Disclosures -The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted.

Changes to non-investment asset valuation – Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:

• Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.

• Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity.
These changes are not expected to have a material impact on these financial statements.

Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:

• A mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years.

• Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury.

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £645.876 million as at 31 March 2026. Assets valued on an alternative site basis have a total book value of £640.580 million at 31 March 2026.

Although the impact has not been quantified, the revised valuation assumption may have a material or significant impact on PPE measurement in future periods.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

PFI Assets

The Trust's PFI scheme is deemed under International Financial Reporting Standards to be classed as on Statement of Financial Position on the basis that the asset is under the control of the Trust and all risks and rewards sit with the Trust. This is deemed to be a critical judgement that impacts on the financial statements.

The Trust's PFI assets have been valued using the Modern Equivalent Asset (MEA) method at depreciated replacement cost excluding VAT. By excluding VAT the Trust is accurately reflecting the depreciated replacement cost of the PFI assets. Our judgement based on the assumption that any replacement assets would be funded by PFI provider which is a requirement under the PFI project contract agreement. In these circumstances, by the nature of the contract, VAT would be recoverable by the Trust.

Practical Expedients Applied (IFRS 15)

As permitted by IFRS 15 and the DHSC Group Accounting Manual, the Trust has elected to apply the practical expedient in paragraph 121(a) of the standard. Consequently, the Trust does not disclose information regarding the transaction price allocated to remaining performance obligations for contracts that have an expected original duration of one year or less.

Significant Judgements in Applying IFRS 15

In applying IFRS 15, the Trust makes the following significant judgements regarding the timing and measurement of revenue:

Timing of Satisfaction : Revenue from patient care activities and education contracts is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Trust's performance.

Variable Consideration : Income subject to performance targets or activity variances is only recognized when it is highly probable that a significant revenue reversal will not occur in future periods

Note 1.26 Sources of estimation uncertainty

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

Estate Valuation

The Trust’s valuation approach is to have a full valuation including a full site inspection every 5 years with interim “desk top” valuations on an annual basis. A full valuation was undertaken as at 31st March 2022, which included site valuations to provide assurance that the value of land and building assets within the accounts are not materially misstated at the balance sheet date. An interim valuation was undertaken as at 31st March 2026 as well as a site visit at the Clinical Diagnostic Centre and County Breast Unit as these were significant capital schemes that were completed during the year and would impact the valuation.

The net book value of the Trust's estate as at 31st March 2026 is £640.580 million. If the Trust's management had not revalued the estate, at 31st March 2026 the value would have been £657.042 million.

The Trust's valuation adopts the MEA approach for its depreciated replacement cost DRC valuations rather than the identical replacement method. The MEA approach used to value the property is based on the cost of a modern equivalent asset that has the same service potential as the existing asset and then adjusted to take account of functional obsolescence. Functional obsolescence examines a building’s design or specification and whether it may no longer fulfil the function for which it was originally designed or whether it may be much more basic than the MEA. The asset will still be capable of use but at a lower level of efficiency than the MEA, or may be capable of modification to bring it up to a current specification. Other common causes of functional obsolescence include advances in technology or legislative change. The obsolescence adjustment will reflect either the cost of upgrading, or if this is not possible, the financial consequences of the reduced efficiency compared with the modern equivalent.

The Trust has made the judgement that the modern equivalent asset would be based around the use of an "optimised alternative site" in that all services would be based at a single site at Royal Stoke. The overall size of the modern equivalent asset includes an examination of building design or specification and makes assumptions around efficiencies. The resulting judgement is that under this approach a number of clinical and administrative areas would be combined into a "notional building" and would result in efficiencies in the overall footprint of the site. As a result the overall footprint provided to the valuer is lower than it would have been on a direct replacement basis.

The Trust obtains valuations for its land, buildings and dwellings from a qualified independent valuer. These valuations are performed at a point in time and take into account conditions and circumstances relevant to that date. In future years, conditions may change resulting in uplifts or impairments being required to the value of land, buildings and dwellings. The valuation has been completed based on the depreciated replacement cost and the remaining useful economic life of the assets.

Note 1.26 sets out the key judgements that impact on the estate valuation provided by the external valuer. Within the external valuation provided by the valuer the major sources of estimation uncertainty are around building indices and the location factor which form part of the overall valuation of assets.

A 1% movement in the BCIS cost indices or location factor for Staffordshire would have an impact of increasing or reducing the valuation of the Trusts estate by £6.406 million based on an overall valuation of building assets of £640.580 million.

PFI

The Trust uses appropriate estimations to allocate the annual unitary payment into the relevant component parts. The Trust obtained professional advice at the beginning of the PFI contract to review and allocate the payments appropriately as set out in note 29.

Note 2 Operating Segments

The Trust operates in a single segment, which is healthcare.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.

Note 3.1 Income from patient care activities (by nature)	2025/26	2024/25
	£000	£000
Acute services		
Income from commissioners under API contracts - variable element*	255,927	228,253
Income from commissioners under API contracts - fixed element*	847,581	795,681
High cost drugs income from commissioners	110,816	107,133
Other NHS clinical income	7,389	7,248
All services		
Private patient income	1,535	1,722
National pay award central funding**	-	2,352
Additional pension contribution central funding***	47,979	43,647
Total income from activities	**1,271,227**	**1,186,037**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2025/26 NHS Payment Scheme documentation.

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**Additional funding was made available directly to providers by NHS England in 2024/25 only.

***Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.38% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (23.7%) and related NHS England funding (9.4%) have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2025/26	2024/25
Income from patient care activities received from:	**£000**	**£000**
NHS England	191,661	188,626
Integrated care boards	1,060,753	979,240
Department of Health and Social Care	55	53
Other NHS providers	243	12
Non-NHS: private patients	1,535	1,722
Non-NHS: overseas patients (chargeable to patient)	3,163	4,342
Injury cost recovery scheme	3,932	2,842
Non NHS: other	9,886	9,201
Total income from activities	**1,271,227**	**1,186,037**
Of which:		
Related to continuing operations	1,271,227	1,186,037

Non NHS: Other mainly relates to income received from NHS bodies within Wales which are classified as non NHS as such bodies are outside NHS England.

During 2025/26, the Trust recognised £5.034m of income in relation to prior years. This mainly related to £1.3m relating to contract finalisation of patient activity, £2.4m release relating to High Cost Devices and £1.2m for High Cost Drugs.

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2025/26	2024/25
	£000	£000
Income recognised this year	3,163	4,342
Cash payments received in-year	614	215
Amounts added to provision for impairment of receivables	2,415	4,422
Amounts written off in-year	809	1,359

The Trust wrote off £0.809 million of overseas debt where a number of separate debts were deemed irrecoverable after all forms of debt recovery had become exhausted.

Note 4 Other operating income

	2025/26			2024/25		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	4,175	-	**4,175**	3,200	-	**3,200**
Education and training	44,169	2,039	**46,209**	42,052	1,715	**43,767**
Non-patient care services to other bodies	44,245	-	**44,245**	40,862	-	**40,862**
Receipt of capital grants and donations and peppercorn leases	-	4,809	**4,809**	-	6,047	**6,047**
Charitable and other contributions to expenditure	-	446	**446**	-	404	**404**
Revenue from operating leases	-	913	**913**	-	901	**901**
Other income	8,291	-	**8,291**	11,660	-	**11,660**
Total other operating income	**100,881**	**8,207**	**109,088**	**97,774**	**9,067**	**106,840**
Of which:						
Related to continuing operations			109,088			106,840

Note 4.1 Analysis of Other Income

	2025/26	2024/25
	£000	£000
Car Parking charges	4,317	3,730
Catering	229	236
Clinical Excellence Awards	432	426
External contribution to Community Diagnostic Centre landlord works*	-	2,433
Pharmacy sales	361	405
Pharmacy services	864	794
Staff accommodation rental	692	576
Other income not identified above	1,396	3,060
Total other contract income	**8,291**	**11,660**

**2024/25 only*

Note 4.2 Contract Balances

	2025/26
	£000
Opening Contract Liabilities (1 April 2025)	20,801
Closing Contract Liabilities (31 March 2026)	20,737
Revenue recognised in the reporting period	11,225

Of the contract liability balance outstanding at 1 April 2025, £11,225k was recognised as operating revenue during the 2025/26 financial year. This represents the satisfaction of performance obligations linked to deferred income for areas including high cost devices and research grants.

Note 5 Fees and charges

The following disclosure is of income from charges for car parking to service users as the full cost of providing that service exceeds £1.000 million and is presented as the aggregate of such income. The cost associated with car parking that generated the income is also disclosed.

	2025/26	2024/25
	£000	£000
Income	4,399	3,806
Full cost	(4,930)	(4,590)
Deficit	**(531)**	**(784)**

Note 6 Operating leases - University Hospitals of North Midlands NHS Trust as lessor

This note discloses income generated in operating lease agreements where University Hospitals of North Midlands NHS Trust is the lessor.

The Trust receives rental income from commercial retail outlets within the Hospital reception areas and from rental of buildings owned by the Trust.

Note 6.1 Operating lease income

	2025/26	2024/25
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	913	901
Total in-year operating lease income	**913**	**901**

Note 6.2 Future lease receipts

	31 March 2026	31 March 2025
	£000	£000
Future minimum lease receipts due in:		
- not later than one year	325	327
- later than one year and not later than two years	161	332
- later than two years and not later than three years	144	168
- later than three years and not later than four years	126	150
- later than four years and not later than five years	132	133

- later than five years	935	1,010
Total	**1,823**	**2,120**

Note 7.1 Operating expenses

	2025/26	2024/25
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	13,392	13,537
Purchase of healthcare from non-NHS and non-DHSC bodies	12,286	20,675
Staff and executive directors costs	844,930	783,504
Remuneration of non-executive directors	179	178
Supplies and services - clinical (excluding drugs costs)	134,026	123,979
Supplies and services - general	10,078	9,891
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	142,284	136,775
Inventories written down	746	745
Consultancy costs	1,904	1,206
Establishment	6,094	5,172
Premises	43,667	43,159
Transport (including patient travel)	5,970	6,030
Depreciation on property, plant and equipment	37,193	34,800
Amortisation on intangible assets	4,578	4,920
Net impairments	18,183	268
Movement in credit loss allowance: contract receivables / contract assets	2,633	4,033
Increase / (decrease) in other provisions	(1,525)	3,469
Change in provisions discount rate(s)	(46)	6
Fees payable to the external auditor: audit services- statutory audit	318	198
Internal audit costs	221	169
Clinical negligence	28,823	26,042
Legal fees	127	131
Insurance (as a policy holder)	138	97
Research and development	3,656	3,818
Education and training	4,797	4,511
Expenditure on short term leases	-	316
Redundancy	506	-
Charges to operating expenditure for on-SoFP IFRIC 12 PFI scheme	46,224	41,444
Car parking & security	1,178	833
Hospitality	159	138
Losses, ex gratia & special payments	15	38
Other services, eg external payroll	819	761
Other	595	888
Total	**1,364,149**	**1,271,731**
Of which:		
Related to continuing operations	1,364,149	1,271,731

[1]Staff and executive directors costs include £47.979 million (2024/25: £43.647 million) in respect of central funding of additional pension contributions.

[2]The fees payable to the external auditor are inclusive of VAT, and the net fee is £265k.

Note 7.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2.000 million (2024/25: £2.000 million).

Note 8 Impairment of assets

	2025/26	2024/25
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Unforeseen obsolescence	-	425
Changes in market price	18,183	(157)
Total net impairments charged to operating surplus	**18,183**	**268**
Impairments charged to the revaluation reserve	7,960	8,095
Total net impairments	**26,143**	**8,363**

Impairments in the above table represent a reduction in the value of individual assets following the valuations of the Trust's land and building assets as at 31st March 2026.

Impairments charged to the revaluation reserve of £7.960 million and this mainly relates to the Modern Equivalent Asset.

Impairments charged to the operating surplus include £15.645 million relating to the Clinical Diagnostic Centre; £3.200 million relating to the reduction in value of the surplus land at the former Royal Infirmary and COPD sites (included in note 22 as Assets Held for Sale) ; less a reversal of impairments on the PFI DTC.

Note 9 Employee benefits

	2025/26	2024/25
	Total	Total
	£000	£000
Salaries and wages	635,910	599,809
Social security costs	78,787	58,598
Apprenticeship levy	3,142	2,899
Employer's contributions to NHS pensions	120,221	108,750
Pension cost - other	106	128
Temporary staff (including agency)	13,513	18,665
Total gross staff costs	**851,679**	**788,849**
Total staff costs	**851,679**	**788,849**
Of which		
Costs capitalised as part of assets	2,587	1,527

The £851.679 million total staff costs less the capitalised costs of £2.587 million is £849.092 million. This compares to the total of the staff and executive directors costs; redundancy costs; and research and development costs in Note 7.1.

Costs in the above table relating to salaries and wages, social security costs and employer's contribution to NHS Pensions have increased due to the impact of the staff pay award.

Note 9.1 Retirements due to ill-health

During 2025/26 there were 14 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2025). The estimated additional pension liabilities of these ill-health retirements is £1.093 million (£0.392 million in 2024/25).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 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 www.nhsbsa.nhs.uk/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 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by 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 1 April 2024 at 23.7% of pensionable pay. 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027

Additional defined contribution scheme

The Trust offers an additional defined contribution workplace pension scheme - the National Employment Savings Scheme (NEST). This is not material.

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2025/26	2024/25
	£000	£000
Interest on bank accounts	5,185	6,054
Total finance income	**5,185**	**6,054**

Note 12.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2025/26	2024/25
	£000	£000
Interest expense:		
Interest on lease obligations	528	286
Interest on late payment of commercial debt	7	1
Finance costs on PFI arrangements:		
Main finance costs	12,909	13,011
Remeasurement of the liability resulting from change in index or rate	16,662	22,093
Total interest expense	**30,106**	**35,391**
Unwinding of discount on provisions	38	31
Total finance costs	**30,144**	**35,422**

[1]The PFI lease liability remeasurement is based on the RPI indexation applicable to the PFI unitary payment each year and is applied to the opening liability. The RPI applicable to the unitary payment in 2025/26 was 3.4% (4.5% in 2024/25).

Note 12.2 The late payment of commercial debts (interest) Act 1998

	2025/26	2024/25
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	7	1

Note 13 Other gains

	2025/26	2024/25
	£000	£000
Gains on disposal of assets	137	70
Total gains on disposal of assets	**137**	**70**
Total other gains	**137**	**70**

Note 14.1 Intangible assets - 2025/26

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Cost at 1 April 2025 - brought forward *	**54,541**	**1,509**	**56,050**
Additions	1,777	1,449	**3,226**
Reclassifications	472	(490)	**(18)**
Disposals / derecognition	(3,283)	-	**(3,283)**
Cost at 31 March 2026	**53,507**	**2,468**	**55,975**
Amortisation at 1 April 2025 - brought forward	**40,065**	**-**	**40,065**
Provided during the year	4,578	-	**4,578**
Disposals / derecognition	(3,283)	-	**(3,283)**
Amortisation at 31 March 2026	**41,360**	**-**	**41,360**
Net book value at 31 March 2026	**12,147**	**2,468**	**14,615**
Net book value at 1 April 2025	**14,476**	**1,509**	**15,985**

* From 1 April 2025, the option to apply the revaluation model in IAS 38 to intangible assets has been withdrawn prospectively. Where assets were previously revalued, the carrying value at the transition date was carried forward as 'deemed cost'.

Note 14.2 Intangible assets - 2024/25

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2024	**52,846**	**1,067**	**53,913**
Additions	3,670	977	**4,647**
Reclassifications	535	(535)	**-**
Disposals / derecognition	(2,510)	-	**(2,510)**
Valuation / gross cost at 31 March 2025	**54,541**	**1,509**	**56,050**
Amortisation at 1 April 2024	**37,655**	**-**	**37,655**
Provided during the year	4,920	-	**4,920**
Disposals / derecognition	(2,510)	-	**(2,510)**
Amortisation at 31 March 2025	**40,065**	**-**	**40,065**
Net book value at 31 March 2025	**14,476**	**1,509**	**15,985**
Net book value at 1 April 2024	**15,191**	**1,067**	**16,258**

Note 15.1 Property, plant and equipment - 2025/26

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2025 - brought forward	**15,497**	**604,187**	**20,637**	**136,717**	**28**	**30,041**	**7,424**	**814,531**
Additions	-	9,461	37,745	16,872	-	3,571	137	**67,786**
Impairments	-	(30,407)	-	-	-	-	-	**(30,407)**
Reversals of impairments	-	(120)	-	-	-	-	-	**(120)**
Revaluations	-	(2,430)	-	-	-	-	-	**(2,430)**
Reclassifications	-	44,391	(52,742)	7,486	-	878	5	**18**
Disposals / derecognition	-	-	-	(7,117)	(28)	(1,271)	(1,777)	**(10,193)**
Valuation/gross cost at 31 March 2026	**15,497**	**625,082**	**5,640**	**153,958**	**-**	**33,219**	**5,789**	**839,185**
Accumulated depreciation at 1 April 2025 - brought forward	**-**	**-**	**-**	**78,171**	**28**	**14,420**	**6,213**	**98,832**
Provided during the year	-	16,495	-	11,874	-	4,180	260	**32,809**
Impairments	-	(7,309)	-	-	-	-	-	**(7,309)**
Reversals of impairments	-	(968)	-	-	-	-	-	**(968)**
Revaluations	-	(8,218)	-	-	-	-	-	**(8,218)**
Disposals / derecognition	-	-	-	(7,117)	(28)	(1,271)	(1,777)	**(10,193)**
Accumulated depreciation at 31 March 2026	**-**	**-**	**-**	**82,928**	**-**	**17,329**	**4,696**	**104,953**
Net book value at 31 March 2026	**15,497**	**625,082**	**5,640**	**71,030**	**-**	**15,890**	**1,093**	**734,232**
Net book value at 1 April 2025	**15,497**	**604,187**	**20,637**	**58,546**	**-**	**15,621**	**1,211**	**715,699**

Note 15.2 Property, plant and equipment - 2024/25

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024	**26,567**	**576,140**	**17,630**	**134,610**	**28**	**23,268**	**7,376**	**785,619**
Additions	-	23,354	20,925	14,322	-	8,963	133	**67,697**
Impairments	(175)	(17,646)	-	(376)	-	(925)	-	**(19,122)**
Reversals of impairments	5	1,264	-	-	-	-	-	**1,269**
Revaluations	-	4,210	-	-	-	-	-	**4,210**
Reclassifications	-	16,865	(17,918)	774	-	200	79	**-**
Transfers to / from assets held for sale	(10,900)	-	-	-	-	-	-	**(10,900)**
Disposals / derecognition	-	-	-	(12,613)	-	(1,465)	(164)	**(14,242)**
Valuation/gross cost at 31 March 2025	**15,497**	**604,187**	**20,637**	**136,717**	**28**	**30,041**	**7,424**	**814,531**
Accumulated depreciation at 1 April 2024	**-**	**-**	**-**	**79,811**	**28**	**13,526**	**6,003**	**99,368**
Provided during the year	-	15,994	-	11,132	-	3,058	374	**30,558**
Impairments	-	(7,259)	-	(177)	-	(699)	-	**(8,135)**
Reversals of impairments	-	(1,355)	-	-	-	-	-	**(1,355)**
Revaluations	-	(7,380)	-	-	-	-	-	**(7,380)**
Disposals / derecognition	-	-	-	(12,595)	-	(1,465)	(164)	**(14,224)**
Accumulated depreciation at 31 March 2025	**-**	**-**	**-**	**78,171**	**28**	**14,420**	**6,213**	**98,832**
Net book value at 31 March 2025	**15,497**	**604,187**	**20,637**	**58,546**	**-**	**15,621**	**1,211**	**715,699**
Net book value at 1 April 2024	**26,567**	**576,140**	**17,630**	**54,799**	**-**	**9,742**	**1,373**	**686,251**

Note 15.3 Property, plant and equipment financing - 31 March 2026

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	15,497	370,304	5,450	52,111	13,233	1,051	**457,646**
On-SoFP PFI contracts and other service concession arrangements	-	249,763	-	9,217	2,558	-	**261,538**
Owned - donated/granted	-	5,015	190	9,702	99	42	**15,048**
Total net book value at 31 March 2026	**15,497**	**625,082**	**5,640**	**71,030**	**15,890**	**1,093**	**734,232**

Note 15.4 Property, plant and equipment financing - 31 March 2025

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	15,497	351,799	20,623	43,651	12,759	1,178	**445,507**
On-SoFP PFI contracts and other service concession arrangements	-	247,481	-	7,960	2,684	-	**258,125**
Owned - donated/granted	-	4,907	14	6,935	178	33	**12,067**
Total net book value at 31 March 2025	**15,497**	**604,187**	**20,637**	**58,546**	**15,621**	**1,211**	**715,699**

Note 16 Donations of property, plant and equipment

The UHNM Charity donated £4.809 million to the Trust (2024/25: £3.520 million) in respect of assets acquired in the financial year. The Trust acquired no Government Granted assets in 2025/26 (2024/25: £2.527 million).

Note 17 Revaluations of property, plant and equipment

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The valuation as at 31st March 2026 in relation to our operational land and buildings was carried out by a qualified independent valuer from the District Valuation Service.

Valuation approach

As set out in the accounting policies the Department of Health has adopted the Modern Equivalent Asset (MEA) approach for its Depreciated Replacement Cost (DRC) valuations rather than the previous identical replacement method. The MEA approach used to value the property will normally be based on the cost of a modern equivalent asset that has the same service potential as the existing asset and then adjusted to take account of obsolescence.

The MEA approach incorporates the Building Cost Information Service index to determine an increase or decrease in building costs which impact on the asset valuation. The Trust's land and building valuation was carried out by the Trust's current valuer (District Valuer), on a MEA "Optimised Alternative Site" method valuation.

The valuation has been undertaken having regard to IFRS as applied to the UK public sector and in accordance with HM Treasury guidance.

All land and buildings are restated to current value using independent professional valuations in accordance with IAS16 and in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. At least every five years, with interim revaluations carried out annually also by independent professional valuers. The full asset valuation includes a full site inspection by the professional valuer whilst interim valuations only include a site inspection where deemed necessary due to significant changes in the year. An interim valuation was undertaken of our operational land and buildings as at 31st March 2026. The last full valuation of these assets was as at 31st March 2022.

The value of land and buildings assets provided by the District Valuer at 31st March 2026 was £640.580 million (2024/25: £619.684 million), the valuation is reflected in note 15.1 and reflects an increase of £20.896 million from the previous valuation at 31 March 2025 of which £15.110 relates to tenant improvement works on the Community Diagnostic Centre.

The carrying values of PPE are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Further information is provided in Note 7 to explain the impairments resulting from the valuation.

The asset lives relating to buildings and dwellings are provided as part of the independent valuation of the Trusts assets by the external valuer.

Asset lives for dwellings are no longer disclosed as all of the Trust's dwellings are leased and have been reclassified as Right of Use (RoU) assets.

Note 18 Right of use assets - 2025/26

	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2025 - brought forward	**17,299**	**12,118**	**471**	**5,147**	**35,035**	**5,394**
Additions	148	898	177	593	**1,816**	-
Remeasurements of the lease liability	847	1,162	2	-	**2,011**	(10)
Impairments	(741)	-	-	-	**(741)**	-
Revaluations	137	-	-	-	**137**	137
Disposals / derecognition	(462)	(841)	(163)	(1,625)	**(3,091)**	-
Valuation/gross cost at 31 March 2026	**17,228**	**13,337**	**487**	**4,115**	**35,167**	**5,521**
Accumulated depreciation at 1 April 2025 - brought forward	**3,111**	**6,768**	**256**	**1,813**	**11,948**	**537**
Provided during the year	1,554	1,657	158	1,015	**4,384**	349
Impairments	(48)	-	-	-	**(48)**	-
Revaluations	(88)	-	-	-	**(88)**	(88)
Disposals / derecognition	(462)	(841)	(163)	(1,625)	**(3,091)**	-
Accumulated depreciation at 31 March 2026	**4,067**	**7,584**	**251**	**1,203**	**13,105**	**798**
Net book value at 31 March 2026	**13,161**	**5,753**	**236**	**2,912**	**22,062**	**4,723**
Net book value at 1 April 2025	**14,188**	**5,350**	**215**	**3,334**	**23,087**	**4,857**

Net book value of right of use assets leased from other NHS providers	2,616
Net book value of right of use assets leased from other DHSC group bodies	2,107

Note 18.1 Right of use assets - 2024/25

	Property (land and buildings)	Plant & machinery	Transport equipment	Information technology	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	**13,266**	**12,148**	**427**	**1,799**	**27,640**	**2,746**
Additions	4,655	220	56	2,885	**7,816**	572
Remeasurements of the lease liability	48	711	-	477	**1,236**	(55)
Revaluations	(4)	-	-	-	**(4)**	(4)
Reclassifications	-	-	-	-	**-**	2,135
Disposals / derecognition	(666)	(961)	(12)	(14)	**(1,653)**	-
Valuation/gross cost at 31 March 2025	**17,299**	**12,118**	**471**	**5,147**	**35,035**	**5,394**
Accumulated depreciation at 1 April 2024 - brought forward	**2,048**	**6,074**	**127**	**1,248**	**9,497**	**5**
Provided during the year	1,867	1,655	141	579	**4,242**	292
Revaluations	(138)	-	-	-	**(138)**	(91)
Reclassifications	-	-	-	-	**-**	331
Disposals / derecognition	(666)	(961)	(12)	(14)	**(1,653)**	-
Accumulated depreciation at 31 March 2025	**3,111**	**6,768**	**256**	**1,813**	**11,948**	**537**
Net book value at 31 March 2025	**14,188**	**5,350**	**215**	**3,334**	**23,087**	**4,857**
Net book value at 1 April 2024	**11,218**	**6,074**	**300**	**551**	**18,143**	**2,741**

Net book value of right of use assets leased from other NHS providers	2,490
Net book value of right of use assets leased from other DHSC group bodies	2,367

Note 18.2 Revaluations of right of use assets

The Trust has applied the revaluation model in IAS 16 and revalued several right of use assets in 2025/26.
The revaluation of right of use dwellings resulted in a £0.693 million impairment to the revaluation reserve and the revaluation of peppercorn leases resulted in an increase of £0.225 million to the revaluation reserve.

Note 18.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 26.1.

	2025/26	2024/25
	£000	£000
Carrying value at 1 April	**18,234**	**13,183**
Lease additions	1,816	7,816
Lease liability remeasurements	2,011	1,236
Interest charge arising in year	528	286
Lease payments (cash outflows)	(4,985)	(4,287)
Carrying value at 31 March	**17,604**	**18,234**

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 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 18.4 Maturity analysis of future lease payments

	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March 2026	31 March 2026	31 March 2025	31 March 2025
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	5,745	271	5,672	213
- later than one year and not later than five years;	9,341	1,041	9,072	1,140
- later than five years.	4,485	954	5,684	1,202
Total gross future lease payments	**19,571**	**2,266**	**20,428**	**2,555**
Finance charges allocated to future periods	(1,967)	(137)	(2,194)	(181)
Net lease liabilities at 31 March 2026	**17,604**	**2,129**	**18,234**	**2,374**
Of which:				
Leased from other NHS providers		14		26
Leased from other DHSC group bodies		2,115		2,348

Note 19 Inventories

	31 March 2026	31 March 2025
	£000	£000
Drugs	5,905	5,952
Consumables	15,316	13,114
Energy	208	153
Total inventories	**21,429**	**19,219**

Inventories recognised in expenses for the year were £280.612 million (2024/25: £264.234 million). Write-down of inventories recognised as expenses for the year were £0.746 million (2024/25: £0.745 million).

Note 20 Receivables

	31 March 2026	31 March 2025
	£000	£000
Current		
Contract receivables	43,680	34,343
Capital receivables[1]	-	2,224
Allowance for impaired contract receivables / assets	(11,708)	(9,995)
Prepayments (non-PFI)	9,762	12,837
PFI lifecycle prepayments	3,566	177
PDC dividend receivable	588	93
VAT receivable	3,818	3,804
Other receivables[2]	31	35
Total current receivables	**49,737**	**43,518**
Non-current		
Other receivables[2]	1,018	1,105
Total non-current receivables	**1,018**	**1,105**
Of which receivable from NHS and DHSC group bodies:		
Current	15,627	11,770
Non-current	1,018	1,105

[1]Capital receivables in 2024/25 of £2.224 million relate to grant monies owed to the Trust in relation to the Public Sector Decarbonisation Scheme and relate to that year only.

[2]Current and non current Other receivables relate to the clinician pension tax provision reimbursement funding receivable from NHS England.

Note 20.1 Allowances for credit losses

	2025/26 Contract receivables and contract assets £000	2024/25 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**9,995**	**7,187**
New allowances arising	4,015	4,091
Changes in existing allowances	16	480
Reversals of allowances	(1,398)	(538)
Utilisation of allowances (write offs)	(920)	(1,225)
Allowances as at 31 Mar 2026	**11,708**	**9,995**

In line with IFRS 9 the Trust has reviewed the likelihood of the non-receipt of income for overseas patients, private patients, payroll reclaims and other commercial income and has agreed the probability to use for the recognition of doubtful debts. For RTA accruals the Trust has used the prescribed rate of 24.62% (2024/25: 24.45%). The Trust's management considers that this is a reasonable estimate of the value of asset.

The increase or decrease for allowance for credit losses is reviewed on a monthly basis and increased or decreased dependent upon the Trust's view of receivables deemed to be potentially at risk of being collected in full.

Note 20.2 Exposure to credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposure as at 31 March 2026 are in receivables from customers, as disclosed in the trade and other receivables note.

Credit risk arises principally from the Trust's receivables balances. The Trust does not apply external credit ratings to counterparties; instead, credit risk is assessed using an ageing analysis and a simplified provision matrix in accordance with IFRS 9.

The table below shows the gross carrying amounts of financial assets analysed by ageing, which the Trust considers to be an appropriate equivalent to credit risk grading for NHS bodies. This excludes RTA debt where a prescribed % rate is applied.

	Overseas patients	All other receivables	Total receivables
Ageing category - gross carrying amount as at 31 March 2026	**£'000**	**£'000**	**£'000**
Less than 180 days	1,078	2,050	3,128
More than 180 days	6,602	1,859	8,461
Total	**7,680**	**3,909**	**11,589**
Loss allowance by ageing category as at 31 March 2026			
Less than 180 days	(1,078)	0	(1,078)
More than 180 days	(6,602)	(1,492)	(8,094)
Total	**(7,680)**	**(1,492)**	**(9,172)**

Note 21 Finance leases (University Hospitals of North Midlands NHS Trust as a lessor)

The Trust has no finance leases where it acts as lessor.

Note 22 Non-current assets held for sale and assets in disposal groups

	2025/26	2024/25
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**10,900**	-
Assets classified as available for sale in the year	-	10,900
Impairment of assets held for sale	(3,200)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**7,700**	**10,900**

At 31st March 2026 the surplus land at the Royal Infirmary and COPD sites continue to meet the IFRS 5 “held for sale” criteria first satisfied in 2024/25. At that point the fair value of the asset held for sale was determined by an independent valuer using the market approach. This technique utilises observable market prices for comparable commercial land and property transactions in the local geographic area.

IFRS 5 requires assets held for sale to be measured at the lower of their carrying amount, and fair value less costs to sell, and for us to undertake an annual assessment of this measurement.

Following this annual assessment at 31 March 2026 and based on the current available information, the Trust has assessed the fair value as £7.7m and therefore an impairment of £3.2m has been recognised in the SOCIE.

The sale of this asset is highly probable and the asset is no longer required for the operational capacity or service delivery of the Trust

Note 23 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2025/26	2024/25
	£000	£000
At 1 April	**84,186**	**82,024**
Net change in year	3,882	2,162
At 31 March	**88,068**	**84,186**
Broken down into:		
Cash at commercial banks and in hand	9	7
Cash with the Government Banking Service	88,059	84,179
Total cash and cash equivalents as in SoFP	**88,068**	**84,186**
Total cash and cash equivalents as in SoCF	**88,068**	**84,186**

Note 23.1 Third party assets held by the Trust

University Hospitals of North Midlands NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2026	31 March 2025
	£000	£000
Bank balances	15	10
Total third party assets	**15**	**10**

Note 24.1 Trade and other payables

	31 March 2026 £000	31 March 2025 £000
Current		
Trade payables	6,906	5,167
Capital payables	17,479	15,045
Accruals	61,201	62,837
Social security costs	18,723	16,099
Pension contributions payable	10,338	9,466
Total current trade and other payables	**114,647**	**108,614**
Of which payables from NHS and DHSC group bodies:		
Current	6,946	6,495

Note 25 Other liabilities

	31 March 2026 £000	31 March 2025 £000
Current		
Deferred income: contract liabilities	20,737	20,801
Total other current liabilities	**20,737**	**20,801**

Note 26.1 Borrowings

	31 March 2026 £000	31 March 2025 £000
Current		
Lease liabilities	5,259	5,213
Obligations under PFI contracts	23,533	15,073
Total current borrowings	**28,792**	**20,286**
Non-current		
Lease liabilities	12,345	13,021
Obligations under PFI contracts	469,903	477,234
Total non-current borrowings	**482,248**	**490,255**

Note 26.2 Reconciliation of liabilities arising from financing activities

	Lease Liabilities	PFI schemes	Total
	£000	£000	£000
Carrying value at 1 April 2025	**18,234**	**492,307**	**510,541**
Cash movements:			
Financing cash flows - payments and receipts of principal	(4,457)	(15,533)	**(19,990)**
Financing cash flows - payments of interest	(528)	(12,909)	**(13,437)**
Non-cash movements:			
Additions	1,816	-	**1,816**
Lease liability remeasurements	2,011	-	**2,011**
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	16,662	**16,662**
Application of effective interest rate	528	12,909	**13,437**
Carrying value at 31 March 2026	**17,604**	**493,436**	**511,040**

	Lease Liabilities	PFI schemes	Total
	£000	£000	£000
Carrying value at 1 April 2024	**13,183**	**489,589**	**502,772**
Cash movements:			
Financing cash flows - payments and receipts of principal	(4,001)	(21,964)	**(25,965)**
Financing cash flows - payments of interest	(286)	(13,011)	**(13,297)**
Non-cash movements:			
Additions	7,816	2,589	**10,405**
Lease liability remeasurements	1,236	-	**1,236**
Remeasurement of PFI / other service concession liability resulting from change in index or rate	-	22,093	**22,093**
Application of effective interest rate	286	13,011	**13,297**
Carrying value at 31 March 2025	**18,234**	**492,307**	**510,541**

Note 27 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2025	**218**	**1,115**	**449**	**9,470**	**11,252**
Change in the discount rate	(4)	(42)	-	(80)	**(126)**
Arising during the year	39	64	213	743	**1,059**
Utilised during the year	(65)	(34)	(28)	(5,072)	**(5,199)**
Reversed unused	-	-	(40)	(2,592)	**(2,632)**
Unwinding of discount	5	33	-	68	**106**
At 31 March 2026	**194**	**1,136**	**594**	**2,537**	**4,461**
Expected timing of cash flows:					
- not later than one year;	32	74	594	354	**1,054**
- later than one year and not later than five years;	118	176	-	147	**441**
- later than five years.	44	886	-	2,036	**2,966**
Total	**194**	**1,136**	**594**	**2,537**	**4,461**

The Trust has provided £1.330 million (2024/25: £1.333 million) in respect of post employment pension obligations for 18 former employees (2024/25: 18). The Trust has reassessed these provisions and updated the assumptions around the calculation of the provision in line with up to date life expectancy tables. The Trust has also applied the applicable discount rate for 2025/26 of 2.95% (2024/25 2.40%).

The Trust has provided £0.594 million (2024/25 £0.449 million) in respect of legal cases. This includes £0.416 million which relates to current employment legal cases and £0.176 million relating to the insurance excess on public and employer liability cases being administered by the NHS Litigation Authority.

In all these cases the timing and the value of the payments are uncertain and the Trust has provided based on the advice provided by legal advisors and the NHS Litigation Authority.

Other provisions includes £0.323 million in relation to the potential cost of uplifting some band 2 staff to band 3 (2024/25: £7.575 million); lease dilapidations of £1.165 million (2024/25: £0.755 million) and the clinicians' pension reimbursement £1.049 million (2024/25: £1.141 million). Lease dilapidations are the works estimated to be required to put back a property at the end of the lease into the same condition it was when the lease commenced. The clinicians' pension reimbursement provision covers the estimated costs of reimbursing clinicians who face a tax charge in respect of their NHS pension benefits.

Note 27.1 Clinical negligence liabilities

At 31 March 2026, £276.842 million was included in provisions of NHS Resolution in respect of clinical negligence liabilities of University Hospitals of North Midlands NHS Trust (31 March 2025: £280.057 million).

Note 28 Contingent assets and liabilities

	31 March 2026	31 March 2025
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(45)	(53)
Gross value of contingent liabilities	**(45)**	**(53)**
Net value of contingent liabilities	**(45)**	**(53)**

The above relates to the member contingent liability relating to the excess due on clinical negligence cases covered by the NHS Litigation Authority.

Note 29 Contractual capital commitments

	31 March 2026	31 March 2025
	£000	£000
Property, plant and equipment	6,708	32,353
Intangible assets	98	-
Total	**6,806**	**32,353**

Property plant and equipment contractual commitments in 2024/25 included £20.616 million in relation to the Community Diagnostic Centre (CDC) and £9.071 million in relation to the Breast Care Unit. The schemes are now complete.

Note 30 On-SoFP PFI arrangements

The scheme covers the redevelopment of the Royal Stoke (formerly City General) site, facilities management services, PACS equipment, and a managed equipment service.

The Trust retains its existing estate at the Royal Stoke (formerly City General) site in addition to new buildings covered by the PFI scheme.

The main PFI contract ends in August 2044. A monthly unitary payment will be paid up to that point. Historically, bullet payments have been made to reduce the monthly unitary payment. The unitary payment is subject to annual increases in line with RPI. Services are subject to market testing in line with the contract. The arrangement requires the operator to deliver services to the Trust in accordance with the service delivery specification. Non delivery of quality or performance can lead to a reduction in the service charge being paid by the Trust. The Trust retains step in rights should the contractor fail to meet minimum standards as set out within the contract. Under IFRIC 12 the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a lease and payments comprise 2 elements – imputed lease charges and service charges. Details of the imputed lease charges are included within the table below.

Note 30.1 On-SoFP PFI obligations

The following obligations in respect of the PFI arrangements are recognised in the statement of financial position:

	31 March 2026 £000	31 March 2025 £000
Gross PFI liabilities	**624,687**	**631,716**
Of which liabilities are due		
- not later than one year;	36,009	27,559
- later than one year and not later than five years;	132,287	130,707
- later than five years.	456,391	473,450
Finance charges allocated to future periods	(131,251)	(139,409)
Net PFI obligation	**493,436**	**492,307**
- not later than one year;	23,533	15,073
- later than one year and not later than five years;	87,950	85,687
- later than five years.	381,953	391,547

Note 30.2 Total on-SoFP PFI arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2026 £000	31 March 2025 £000
Total future payments committed in respect of the PFI arrangements	**1,610,703**	**1,614,881**
Of which payments are due:		
- not later than one year;	84,774	80,744
- later than one year and not later than five years;	339,095	322,976
- later than five years.	1,186,834	1,211,161

Note 30.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2025/26 £000	2024/25 £000
Unitary payment payable to service concession operator	**84,265**	**79,947**
Consisting of:		
- Interest charge	12,909	13,011
- Repayment of balance sheet obligation	15,533	21,964
- Service element and other charges to operating expenditure	46,224	41,444
- Capital lifecycle maintenance	6,033	3,351

Independent auditor's report to the directors of University Hospitals of North Midlands NHS Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of University Hospitals of North Midlands NHS Trust (the 'Trust') for the year ended 31 March 2026, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in taxpayers equity, the statement of cash flows and notes to the financial statements, including material accounting policy information. 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 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2025-26.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2026 and its expenditure and income for the year then ended;
- 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 2025-26; 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 (2024) ("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 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 directors' 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 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 Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2025-26 that the 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 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 2024) 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 Trust and the Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors' 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual

report and accounts. 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 November 2024 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 requirements of the Department of Health and Social Care Group Accounting Manual 2025-26 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 and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2025-26; and
- based on the work undertaken in the course of the audit of the financial statements, 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 Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 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 body incurring 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; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters, except on 27 May 2026 we referred a matter to the Secretary of State under section 30(a) and 30(b) of the Local Audit and Accountability Act 2014. This was in relation to the Trust's cumulative breach of its break-even duty for the year ending 31 March 2026 and the Trust has set a deficit budget for the year ending 31 March 2027 with no plan to achieve cumulative financial balance over the period of its current medium term financial plan to 2028/29.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its 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 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 2025-26).
- We enquired of management and the audit committee, concerning the 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 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 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. We determined that the principal risks were in relation to:
  - journal entries posted by senior members of the finance team
  - journals that altered the Trust's financial performance for the year
  - potential management bias in determining accounting estimates, especially in relation to the valuation of the Trust's land and buildings, right of use assets and financial instrument expected credit losses

  Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud
  - journal entry testing focusing on journals which were raised by senior members of the finance team and testing those year-end journals which impacted the financial performance of the Trust
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations at the end of the financial year
- 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. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the 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 Trust operates
  - understanding of the legal and regulatory requirements specific to the 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 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, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the 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: www.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 2026.

We have nothing to report in respect of the above matter except on 20 June 2025 we identified a significant weakness in the Trust's arrangements to deliver financial sustainability for the year ended 31 March 2025. This was in relation to cost improvement programme delivery. We recommended that the Trust ensures that it is using all the levers it reasonably can to suitably reduce its costs. Key to this is increase its recurrent CIP delivery and identifying realistic and achievable longer-term measures to manage down demand and acuity, as part of a fully worked-up system medium-term plan.

As part of our work on the Trust's arrangements for financial sustainability for the year ended 31 March 2026, we have reviewed the Trust's progress implementing this recommendation. Although the Trust is now better structured to deliver savings sustainably through its Care Groups and strengthened governance, its financial position remains challenged. If new arrangements do not translate into early and sustained delivery of recurrent efficiencies in 2026/27, the Trust is likely to remain reliant on non-recurrent support and face continued difficulty in restoring a sustainable financial position. We have concluded that there remains a significant weakness in the Authority's arrangements to deliver financial sustainability for the year ended 31 March 2026.

We recommended the Trust must ensure its strengthened transformation and CIP governance arrangements deliver the improvement it needs in recurrent CIP delivery. This should include prioritising fully developed, deliverable schemes and strong collaboration with Programme Boards and Care Groups to ensure these are delivered to the expected timescales.

Responsibilities of the Accountable Officer

As explained in the Statement of Accountable Officer's Responsibilities, the Chief Executive, as Accountable 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 Section 21(2A)(c) of the Local Audit and Accountability Act 2014 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 March 2026. 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 – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for University Hospitals of North Midlands NHS Trust for the year ended 31 March 2026 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed the work necessary in relation to the Trust's consolidation schedules and we have received confirmation from the National Audit Office that the audit of the NHS group consolidation is complete for the year ended 31 March 2026. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2026.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

Avtar Sohal

Avtar Sohal, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham
24 June 2026