

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

**THE NHS CONFEDERATION  
TRUSTEES' ANNUAL REPORT  
AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 2024**

# THE NHS CONFEDERATION

## LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2024

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Trustees	Lord Victor Adebawale Prof Joseph Harrison Nanda Ratnavel Marie Gabriel Valerie Morton Dr Pramit Patel Ifti Majid Dame Jackie Daniel Dr Peta Foxall Emma Woollett Fiona Edwards Paul Davies Jonathan Patton Jonathan Morgan
Charity number	1090329
Company number	04358614
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Investment adviser

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Senior Executive Staff

Matthew Taylor  
Chief Executive, NHS Confederation

Danny Mortimer  
Deputy Chief Executive, NHS Confederation/Chief  
Executive NHS Employers

Daniel Reynolds  
Director of Communications

Darren Hughes  
Director, Welsh NHS Confederation

Heather Moorhead  
Director, Northern Ireland Confederation for Health and  
Social Care

Joan Saddler  
Director of Partnerships and Equality

John O'Brien  
Commercial Director

Layla McCay  
Director of Policy

Marie Pritchard  
Director of People and Governance

Nikki Barraclough  
Director of Finance and IT

Rory Deighton  
Director, Acute Network

Ruth Rankine  
Director of Primary Care

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Senior Executive Staff (continued)

Sean Duggan  
Chief Executive, Mental Health Network

Sarah Walter  
Director, ICS Network

Habib Naqvi  
Chief Executive, Race and Health Observatory

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## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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The trustees present their report and the audited consolidated financial statements for the year ended 31 March 2024.

The trustees are pleased to present their annual trustees' report (which is also prepared to meet the requirements for a directors' and strategic report) together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2024. The financial statements have been prepared in accordance with the Charities Act 2011, Companies Act 2006, the organisation's articles of association and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), published in October 2019.

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

### About us

The NHS Confederation is the membership organisation that brings together, supports and speaks for the whole healthcare system in England, Wales and Northern Ireland. The members we represent employ over 1.5 million staff, care for more than 1 million patients a day and control £150 billion of public expenditure. We promote collaboration and partnership working as the key to improving population health, delivering high-quality care and reducing health inequalities. We support our members in three main ways:

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

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

The NHS Confederation includes NHS Employers, the employers' organisation for the NHS in England. And we host two organisations: the NHS Race and Health Observatory, which works to identify and tackle ethnic inequalities in health and care by facilitating research, making health policy recommendations and enabling long-term transformational change; and Understanding Patient Data, which aims to make the way patient data is used more visible, understandable and trustworthy, for patients, the public and health professionals.

### Summary overview

Our influencing work continued at pace throughout 2023/24, ensuring that our members in England, Wales and Northern Ireland were supported to respond to challenges and deliver the best outcomes for their communities. With a renewed focus on improvement, we also worked to secure the resources members need to make positive changes and equipped them with the tools, capabilities and insights to deliver change.

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What follows below is a snapshot of our achievements over the year. Further detail is provided in the 'Key achievements in 2023/24' section.

- 1. Industrial action:** We were one of the leading national commentators on industrial action, consistently calling for talks to resume between the government and British Medical Association (BMA). This finally happened in October 2023. Through NHS Employers, which is part of the NHS Confederation, we played a key role in supporting negotiations between different staff groups and the government. In addition, following our calls for further funding for systems to cope with the ongoing industrial action, we secured £200 million of new funding for members.
- 2. Pay uplift for all:** Having made the case on behalf of members – both in private with officials and publicly, including a letter to the Secretary of State for Health and Social Care – we were pleased to see funding for the government's promised pay uplift for staff on Agenda for Change terms extended to non-statutory providers.
- 3. Capital investment and social care funding in Wales:** Following repeated calls for further capital investment and the importance of sufficiently funding social care during the budget scrutiny process, the Welsh NHS Confederation successfully influenced the Welsh Government's final budget for 2024/25, resulting in an uplift in both areas.
- 4. NHS Long Term Workforce Plan:** Following our intensive lobbying for its development over recent years, the NHS Long Term Workforce Plan (LTWP) reflected our demands for a long-term, fully costed and funded plan across all parts of the workforce in England.
- 5. Equality performance:** Through support from our Diversity in Health and Care Partners Programme, 48 organisations and systems improved their equality performance in line with the NHS People Plan.
- 6. Change in Northern Ireland:** With the health and social care system in Northern Ireland experiencing significant challenges, our Northern Ireland Confederation for Health and Social Care built its collective leadership approach to deliver change across the system. The organisation strengthened its relationship with the Department of Health, becoming a trusted partner on several projects, importantly holding three seats on the Innovation and Transformation Advisory Board.
- 7. Hewitt review:** We played a lead role in mobilising the views of our members and ensuring they were able to shape the recommendations of the influential Hewitt review. Following the government's formal response to the review, we remain at the centre of influencing its implementation.
- 8. Horizon Europe:** Our European Office successfully campaigned with key stakeholders to secure post-Brexit association to Horizon Europe to support the development of UK innovation.

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9. **Smoke-free generation:** Our continued lobbying influenced a historic new law stopping children aged 14 or younger ever legally being sold cigarettes – a move we have called for since the 2022 Khan review.
10. **Major conditions strategy:** We successfully influenced the strategic framework of the major conditions strategy.
11. **Digital Inclusion Framework:** NHS England's Digital Inclusion Framework contained specific recommendations we called for on behalf of members, helping communities to embrace digitalisation through local training and support; providing high-quality digital and face-to-face access to services based on local needs; and enabling inclusive access to up-to-date and connected services, taking into consideration needs and abilities.
12. **Reputation management:** We began a major piece of work to protect and enhance the reputation of the NHS in the run up to the election, including commissioning new research into public attitudes to the NHS and publishing a series of myth busters to ground debates on the health service on facts and evidence.
13. **Commercial partnerships:** In 2023, we delivered the second NHS ConfedExpo, our annual conference and exhibition in partnership with NHS England. Despite the impact of industrial action, bookings far exceeded 2022 (over 7,200) and attendance was significantly up (5,422 across the two days). We delivered 141 sessions, secured partners for all content packages and sold out the exhibition, with 220 organisations present in the hall. Most pleasingly, 96 per cent would recommend NHS ConfedExpo to a colleague. We launched the 2024 event a month early in October 2023 and sales have exceeded expectations.

## Key achievements in 2023/24

### Influencing policy and national debate

#### Supporting the workforce

2023/24 was punctuated by industrial action across the NHS. We were one of the leading national commentators on the issue and consistently called for talks to resume between the government and unions. Throughout the year, NHS Employers played a key role in helping employers prepare for and manage strike action, as well as supporting negotiations between different staff groups and the government. The organisation worked closely with NHS England to manage and improve the patient safety mitigation (derogations) process with trade unions, and in supporting the legal considerations on safety around protections for essential life and limb cover. In addition, following calls from the Confederation for further funding for systems to cope with the ongoing action, we secured £200 million of new funding for members.

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NHS Employers remains integral to the successful implementation of the additional commitments made by the government in the 2023 agreement that resolved the industrial disputes with Agenda for Change (AfC) trade unions; this has included ensuring that each workstream has employer representatives.

Following an extensive programme of engagement, NHS Employers gathered and submitted detailed evidence on behalf of employers in response to the government's call for evidence on a separate pay spine for nursing staff. The employer evidence submission set out the potential risks associated with moving nursing staff away from the current AfC system and stated a strong view from employers that resources and capacity would be better spent on modernising the pay structure to benefit the whole AfC workforce. NHS Employers also supported the NHS Staff Council's submission on this issue.

Having made the case on behalf of members in England, funding for the government's promised pay uplift for staff on AfC terms was extended to non-statutory providers. This was welcomed by the Community Network, a network we host with NHS Providers, which had also made repeated calls for action on this issue.

Following our intensive lobbying for its development over recent years, when the NHS Long Term Workforce Plan (LTWP) was published it reflected our demands for a long-term, fully costed and funded plan across all parts of the workforce.

NHS Employers has continued to develop new materials and highlighted existing resources to support members to develop local plans that support the LTWP's implementation. Its annual workforce supply conference, held in September 2023, included 16 sessions around the themes of train, retain or reform. Over 800 individuals subscribed to the event, and those that attended rated the conference as 'good' or 'excellent', with 100 per cent saying they would like to attend again next year.

An influential report from our Mental Health Network with the Nuffield Trust think tank – Attitudes and Access to Mental Health Nursing – led to a commitment in the NHS Long Term Workforce Plan to increase training places by 38 per cent for mental health nursing, and 46 per cent for learning disability nursing by 2028/29.

NHS Employers established the workforce reform advisory group (WRAG) to bring together colleagues from outside government and NHS arm's-length bodies to discuss the reform ambitions of the LTWP. The network, co-chaired by Danny Mortimer and Professor Andrew Goddard, aims to contribute to the workforce debate in a constructive and evidence-based way, bringing together leaders and educators to advocate for the priorities of the plan.

NHS Employers' work to support employers to respond to the rising cost of living has continued throughout 2023/24. NHS Confederation trustees supported Employers' bid to access internal funding for two employer-facing offers, which have been well subscribed, well evaluated and demonstrated a value to participants.



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Over 150 people engaged in network calls, between 120-160 people attended masterclasses and the cost of living web section – which includes financial wellbeing guidance, NHS examples and inputs and guidance from our partners in this work at CIPD and the Joseph Rowntree Foundation – has been accessed over 15,000 times. NHS Employers will continue to incorporate emerging practice on the website and provide updates on the work and how it supports core aspects of the LTWP and the Equality, Diversity and Inclusion (EDI) Improvement Plan.

NHS Employers worked closely with partners at Skills for Care and Partners in Care and Health (Local Government Association and Association of Directors of Adult Social Services) to discuss how to best support the three workforces to enable the 'one workforce vision'. The relationship that has been established via NHS Employers has continued to be positive and, collectively, they have published new resources and held events to support system leaders to think about their culture, how they can integrate their workforce at place level, sharing good practice through case studies and developing a benchmarking tool to help systems understand how they can assess their culture.

In September 2023, we published guidance around developing a workforce culture to help organisations move towards integration with Skills for Care that builds on the integrated workforce thinking guide. Through our engagement, we know that building the right culture and creating strong relationships can be challenging, but if done well it can present new opportunities and deliver better services. To help organisations, we developed a guide on six ways to help build a culture of integration and a supporting a benchmarking tool to help organisations understand and assess their workplace culture. The tool aims to help systems understand if these behaviours are being reflected within their system and where they may need to focus and prioritise their attention.

In Northern Ireland, working with EY and HPMA, our Northern Ireland Confederation for Health and Social Care hosted a workshop focused on workforce issues and published No Time to Lose: Opportunities and Priorities for Northern Ireland's HSC Workforce. This report was showcased at NICON23 and in an online seminar in February 2024.

In October 2023, we responded to a letter from the then health and social care secretary, Steve Barclay, which requested that NHS organisations stop recruiting into equality, diversity and inclusion roles. Our response, warmly welcomed by members, was followed by a briefing spotlight the more than 500 responses to our survey on this issue. The publication, released in March 2024, highlighted the broad consensus among our members that investing in tackling inequalities is mission critical. The data provided a robust challenge to the debate on the topic and members have thanked us for being both visible and vocal on their behalf.

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### **Integrating health and care**

We had a demonstrable impact on the influential Hewitt review in England, playing a lead role in mobilising members' views and ensuring they were able to shape the review's recommendations. Following the government's formal response, we remain at the centre of influencing its implementation.

Supporting the Hewitt review recommendations, our ICS Network's influencing work has raised the profile of integrated care partnerships (ICPs) and system working. In collaboration with the Local Government Association and other partners, the network launched a new national forum for ICP and care board chairs to raise priorities and support joined-up policymaking nationally.

The network also actively influenced the Care Quality Commission's assessment process for integrated care systems (ICSs), including the debate around proposed regulatory fees. The network led key influencing work to share members' concerns on the cost and scope of assessments and the importance of peer review and challenge within the assessment approach.

The network's flagship State of ICS report 2023/24 has been well received and provided a springboard for meetings and events on ICS progress and challenges. There has been progress against some of the recommendations, including work being done by Skills for Care on a social care workforce plan, a planned capital strategy and NHS England's commissioning support for integrated care boards.

Throughout 2023/24, our Place Forum has been in development, offering several meetings, webinars research projects and roundtables. Place leaders have been offered opportunities to connect with a wide-reaching set of policy and network opportunities, including around the government's section 75 review, levelling up partnerships and primary care design. Place leader involvement is increasingly reciprocal, and a peer learning environment is emerging.

We have developed our relationships with neighbourhood leaders and are building our legitimacy as a leader in this space. We entered a formal partnership with Local Trust and over the coming year will deliver a programme of activity around integrated neighbourhood working.

In Northern Ireland, it has been a strong year for the delivery of the Public Sector Chairs' Forum project, with proactive health involvement setting prevention and integrated care at the heart of the forum's influencing agenda on the development of the Programme for Government.

### **Improving population health and tackling inequalities**

Our EDI programme launched a collaboration with AstraZeneca to explore how access, experience and outcomes for disadvantaged communities can be improved. Launched in Q3, the first project within this multi-year programme was designed to explore improvement, early detection and primary prevention across cardio metabolic co-morbidities and optimise the

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management of high-impact conditions such as cardiovascular disease among black and Asian communities in North East London.

This project is already showing promising results and we are embarking on a second project to improve detection and management of respiratory disease for the homeless and substance misusing populations in West Yorkshire. These programmes use our practical improvement tool, the five-step model, which we are also using to support mental health providers in delivering improved pathways to reduce healthcare inequalities. In Q1 we delivered a series of three webinars to board members on the model, supporting them to turn strategy into practical action.

On children and young people (CYP), our continued lobbying influenced a historic new law stopping children aged 14 or younger ever legally being sold cigarettes, a move we have called for since the 2022 Khan review. Following consistent lobbying from our Mental Health Network, the government announced funding to support the creation of open-access hubs for children and young people in ten local areas in England. In line with the network's calls, both the Labour and Lib Democrats parties announced they would open hubs in every local area, and ensure all pupils have access to mental health support in schools. Our Community Network highlighted leaders' concerns about the long waits CYP are experiencing for community health services. The network's intervention, based on a survey of its members, led to a number of national policy calls, including for more government intervention in prevention and early intervention; funding similar to elective recovery; support for more staff with the right skills mix; and more coordinated commissioning.

The network was also vocal about the need to maximise the potential of urgent community response (UCR) services. Surfacing strong examples from members of where it is being done well, the network called for UCR to become an investment priority, backed by national targets focused on expansion and regional variations.

Since the announcement of the major conditions strategy in early 2023, we have been proactively engaging members and officials in the Department of Health and Social Care (DHSC) and the Office for Health Improvement and Disparities (OHID) to influence its development. Ministerial roundtables and thought leadership pieces, including in the BMJ, have allowed to have a strong voice in developing the narrative of the strategy and develop critical relationships with policy teams across DHSC and OHID. The strategy is expected to be published in May and we will support members on its release.

Our Health Inequalities Reference Group (HIRG) and Public Health ICS Forum (PHIF) enable us to interact with members on issues around improving population health outcomes and reducing health outcomes. The HIRG was instrumental in instigating a major project on health inequalities funding, which concluded in March 2024 when the research report and toolkit were published. The resources have been cited in other publications and we are now developing proposals to test the toolkit in systems. The PHIF, through its collaboration with the Local Government Association and the Association of Directors of Public Health, has enabled local health and care leaders to interact with national public health officials and officers to discuss, share and work collaboratively

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to address population health challenges, such as the impact of work on health and how we bring systems together on the Work Well programme.

The Hewitt review emphasised the need to shift prevention so it is at the heart of effective integrated health and social care. With this in mind, we launched a project in February 2024 to better understand and address the barriers to support at-scale preventative health and care within ICSs. Primary research has been conducted through focus groups with ICS, place and neighbourhood leaders and wider health and care stakeholders in England to identify what prevention means to people, the barriers they face and the support they need to make progress. A report and toolkit will be published in summer 2024 for local systems to facilitate action on overcoming persistent barriers to prevention.

Marking the event of the NHS's 75<sup>th</sup> anniversary, our Welsh NHS Confederation launched a campaign calling for a cross-government, cross-sector national conversation on the future of health and care services and the population's health and wellbeing. Garnering ministerial support, including a mention during a Senedd debate, the campaign has led to 32 organisations from a range of sectors endorsing calls to ensure every individual, sector and government department play their part in improving the population's health. The organisation's continued influence resulted in the Welsh Government's historic consultation on proposals to mandate the use of Health Impact Assessments in Wales. Its calls were reflected in health and care think tank the Bevan Commission's report titled A Conversation with the Public.

On primary care, our Primary Care Network continued to influence national leaders and policymakers on issues that matter most to its members, including the major conditions strategy and vaccination strategy.

Our European Office led health sector representation in the UK Domestic Advisory Group for the post-Brexit trade agreement with the EU and ensured health will now feature in future re-negotiations to benefit UK patients and our members.

#### **Driving digital and innovation**

In June 2023, we published the results of a qualitative and quantitative survey of the UK general population, including patients suffering a long-term condition across diverse demographics. The research, published in partnership with Google Health and will polling conducted by Ipsos, surfaced that people are open to using technology as part of their care. This piece was well received and picked up in stakeholder work, including by the King's Fund and The Health Foundation.

Following on from this, we published practical guidance for digital leaders in March 2024 on how to harness the potential of patient-facing technology based on member interviews and an interactive roundtable. This guidance has received positive feedback from members, and we hope to include it as a resource in the Digital Leaders Programme and to hear that it has stimulated conversations around patient-facing technology at board level.

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Our Primary Care Network established two key digital groups: the Data and Digital group meets monthly and has been used by both DHSC and NHS England for critical engagement around new frameworks and products. The network's Digital Transformation Leads forum has over 440 members across the country that actively participate in discussion.

The Mental Health Network published Maximising the Potential of Digital in Mental Health in summer 2023, which outlined the challenges, benefits and opportunities of digital mental health and how it can improve mental healthcare and population mental health. The network received a positive reaction to the report from members, and DHSC described it as a helpful exploration of the key issues and areas to explore. It has sparked wider engagement, including interest from local authorities to highlight good practice happening on digital mental health at the place level. We are scoping the options to deliver further work in this area, building on the recommendations and good practice shared by members through the roundtables.

In partnership with NHS Providers and Public Digital, we are delivering a three-year digital leaders programme. It has been designed to support ICS leaders to seize the digital opportunity and deliver their system ambitions. Between March 2023 and April 2024, a total of nine sessions were delivered receiving positive feedback from members. We published an insights briefing on how to develop a useful ICS digital strategy and conducted desk-based research on the status of ICS digital strategies and interviews with ICS leaders to inform this work. The insights briefing resulted in an increase in sign up numbers for the May webinar on this topic.

Our Acute Network's survey of 80 senior operational leaders in the NHS suggested that the Patient Initiated Digital Mutual Aid System (PIDMAS) scheme, encouraging patient-initiated requests to move to alternative providers, has added little in additional capacity for patients, while taking large amounts of administrative time. These findings informed our request that NHS England and the Department of Health and Social Care should review the relative benefits of the scheme before moving to the next phase.

In Northern Ireland, our Confederation for Health and Social Care continued to strengthen its relationship with the Department of Health and is now a trusted partner on several projects, importantly holding three seats on the Innovation and Transformation Advisory Board.

Lastly, alongside key stakeholders, we successfully campaigned to secure post-Brexit association to Horizon Europe to support the development of UK innovation.

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

Commissioned by NHS England and in partnership with NAVCA, National Voices and the Local Government Association, we captured and shared learning about how the NHS can support social and economic development. Working alongside a number of ICSs, while incorporating wider expertise and practitioners, we developed a better understanding of how all ICSs can

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progress their work in this important area. Our findings are showcased as a learning platform on our website, providing members with practical learning and tools as they progress on the fourth purpose in their local area.

Our Health and Devolution Working Group provides our ICS members and local government devolution leaders a platform to discuss how health and care services can play in supporting growth and prosperity. We have held all four discussions, co-chaired by Kathy McLean and Sir Richard Leese, and will be publishing a report in May 2024, with a view to informing practice, making recommendations, and starting an ongoing, mutually beneficial conversation ensuring health and local government devolution are aligned.

Following our extensive work to establish the role of the NHS at the centre of society, demonstrating the link between health and the economy and specific work to develop a four-step model for local change, work on this objective is being supported more widely. For instance, through a new regional ICB Social and Economic Development Groups for ICBs to develop their approach and system leadership in relation to the ICB purpose helping the NHS to support broader social and economic development and take the next steps as anchor institutions.

We published *Creating Better Health Value: Understanding the Economic Impact of NHS Spending by Care Setting* with Carnall Farrar, a follow-up to *From Safety Net to Springboard*, which examines local variations in NHS spend and identified which care settings can deliver the most economic output when their funding is increased. We subsequently launched a third report, which explores how investment in community care can improve system productivity, illustrating that a reduction in acute demand associated with this higher community spend could contribute to an average 31 per cent return on investment and net saving of £26 million for an average-sized ICS. We were invited to meet with Helen Whateley, Minister of State for Social Care, who strongly commended the report, to discuss its findings and recommendations.

Our women's health economics work officially kicked off in December 2023. Following that, we received an invitation to attend the Women's Health Inaugural Summit at the Royal College of Gynaecologists, which was attended by the Secretary of State, the Women's Health Ambassador, the chief executive of the National Institute for Health and Care Research, the Minister for Women's Health and Mental Health, among numerous senior system leads and women's health champions, where our work was formally commended by the chief executive of Endometriosis UK as 'something to be hopeful for' on the future for women's health. We have also been invited to speak about the work at numerous conferences and roundtables, including the Women's Health Innovation Summit for Europe.

We were commissioned by Dr Sue Mann of North East London ICS (NHS England's first ever national clinical director for women's health) and Wellbeing of Women to deliver a bespoke economic analysis and assessment of the virtual group consultation menopause services in City and Hackney. While we have not formally published the analysis or findings (which will soon be showcased on NHS England's and NHS Futures platforms), several members have been in touch to understand how to conduct a similar analysis in their own system. City and Hackney has since

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been able to continue delivering their virtual group consultation model for the menopause and is helping other systems to employ a similar model.

NHS Employers has been leading work to support, engage and represent employer voice on technical education and their reforms as part of the Skills for Jobs and Levelling Up white papers to upscale routes in and in-work development opportunities of the NHS workforce. This is having impact for members. For instance, NHS Lincolnshire Talent Academy shared how its new robust centralised management system, comprising an online student portal, has significantly decreased the amount of time required to deal with work experience applications and admin, and has allowed them to put user experience at the heart of the process.

#### **Securing a sustainably funded health and social care system**

Member feedback consistently suggests that a lack of capital investment in the NHS is one of the central barriers to systems and providers being able to achieve the current volumes and quality of care and meet the required productivity increases. Throughout 2023/24, we have worked to demonstrate the impact of the lack of investment and to highlight where funding has made a material difference to what members are able to deliver and how.

Our report, Investing to Save, informed by member research, set out our detailed quantification of how much capital investment members in England need to begin to meet NHS England's long-term productivity target of 1.5-2 per cent. This £6.4 billion ask is now one of our asks in the run up to the general election. Findings from our report have now been used consistently in media reports and we saw a significant commitment to capital investment (£3.4 billion from 2025/26) in the recent Budget.

Our Acute Network was a major influence on the National Audit Office's report on the New Hospitals Programme. The network had consistently called for capital investment to deliver productivity improvements, representing member concerns about NHS maintenance backlogs, estates and digital infrastructure.

For our membership in Wales, capital investment has also been a big issue. Following our Welsh NHS Confederation's repeated calls for further capital investment and sufficient funding for social care during the budget scrutiny process, it successfully influenced the Welsh Government's Final Budget for 2024/25, resulting in an uplift in both areas.

Having identified barriers in the funding system for ICSs delivering on their core objectives, we created a member and sector expert-led group to develop recommendations for what a better payment system might look like. This resulted in an in-depth publication exploring international and domestic practice to support more efficient, effective and longer-term approaches to delivering integrated care. To make this a reality, we have signed up three ICSs. We have also convinced NHS England that we are a trusted leader in the field and have NHS England's approval to begin developing pilots in 2024/25.

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Our research and thought leadership this year has meant that members and the government are on board with ambitions for 2024/25, which is to develop ways and methods to raise money that sit outside the usual debt/tax mechanisms, also well as how the system can reform how the money is spent.

Following engagement with HMT and DHSC officials, we secured an additional £200 million at the Autumn Statement 2023 and £2.5 billion at the Spring Budget 2024 for members.

Our Welsh NHS Confederation influenced the political narrative and understanding around the unprecedented financial challenges facing NHS organisations in Wales. It shared members' concerns around finance with ministers and members of the Senedd Finance Committee, highlighting the unavoidable rise in costs; the need for further capital investment to improve efficiencies and ensure the sustainability of the health service; and the interdependence of health and social care. Throughout 2023, there were a number of finance and budget announcements which the team responded to which had significant consequences for our members.

Our seminal report with Carnall Farrar, published in September 2023, received ministerial endorsement for demonstrating that increased investment in community services reduces pressure on acute services and increases savings.

Through extensive engagement with over 200 members, our Primary Care Network came forward with a considered view of priorities for general practice in 2024/25 and beyond. The report, released in October 2023, informed negotiations around the next GP contract and primary care network (PCN) specification. The network also released a publication on the Additional Roles Reimbursement Scheme (ARRS), which played a key role in securing government commitment to PCNs and ARRS funding. The government also agreed to increased flexibility, less incentives and more flexibility with ARRS roles, as key asks in our report.

### Improving healthcare services, capability and leadership

Our black and minority ethnic mentorship programme was developed last year to support the next generation of black and minority ethnic leaders into leadership roles. This year, the programme assigned 16 mentees to mentors and progress is currently being evaluated with a view to forming further groups from September 2024. One mentor has reported that their mentee has successfully been promoted through support of the programme.

Our programme delivering strategic support for directors with responsibility for tackling equality was launched last year, with ten organisations benefiting from tailored sessions designed to enhance the skills of strategic leaders delivering improvement through tackling inequality. The programme also worked with the Professional Standards Authority to strengthen EDI in the standards for accredited registers, as well as its implementation and guidance.



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More than 100 chief executives benefited from our Acute Network's peer learning and support programme for first-time provider chief executives, the vast majority of whom are acute sector leaders. Non-executive directors (NEDs) have been supported by a programme of work including events, newsletters and best practice publications, while our Non-Executive Leaders Network connects NEDs with chairs and non-executive leaders in other parts of the system in England, Wales and Northern Ireland to debate issues and hear from guest speakers.

Through a series of collaborative sessions, toolkits and policy influencing opportunities throughout the year, the Acute Network has delivered targeted improvement support for members on key issues such as improving patients' experience of their last 1,000 days and improving the interface between primary and secondary care.

Regular networking events and bespoke meetings for community provider leaders are playing an important role in connecting community providers with all parts of the system. The Community Network continues to ensure community providers are linked up through forums including national Chairs Network, provider collaboration work and sector-wide forums.

On mental health, with input from 80 per cent of medical directors in England, our Mental Health Network helped trusts to understand consistency and variations across the country and explored how medical directors can be supported to be effective and impactful in their roles.

Working in partnership with the Health Foundation and Q Community, ICS leaders are being supported to deliver system improvement through a new programme of peer learning. The partnership brings the improvement expertise of the Health Foundation and our networks and relationships together with Q's membership community of over 5,000 people, collaborating to improve the safety and quality of care.

In a drive to support improvement work, the ICS Network held one-to-one interviews with system leaders across the country to gain understanding of their needs and ambitions for system improvement. These conversations informed the new Learning and Improving Access Across Systems partnership, which run alongside our Leading Integration Peer Support Programme and Clinical and Care Professional Leadership offer.

Six workshops run by the ICS Network, NHS England and a consultancy supported ICBs to plan and approach organisational change so they can adapt to planned reductions to integrated care boards' running cost allowance.

Through a learning platform of practical resources, we have supported health and care systems with their work around social and economic development – one of the four core purposes of ICSs. The resources have been accessed 2,214 times to date.

More than 120 primary care network clinical directors and managers have been able to develop and refine their skills in strategic primary care network leadership, through our Primary Care

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Network's leadership development programmes currently being delivered across the southeast and Greater Manchester.

Improvements in mental health services continue to be supported by the Mental Health Network's dedicated member forums, which provide peer networking, support and learning on the issues that matter. Members have accessed digital mental health, housing, learning disability and autism, and medical directors' forums, as well as joining regular peer-to-peer networking sessions with NHS chairs, independent sector leads, VCSE leads, and mental health and learning disability system leads. The next generation of leaders are supported through Aspiring Mental Health Nurse Directors' professional development programme.

The network also supported 15 trusts to participate in the national Mental Health Act Quality Improvement programme. The resulting learning and improvement ideas were shared across the network's membership and have helped to inform improvement resources, including a cultural needs and care toolkit to better inform care planning with patients, a communications need passport.

Our Welsh NHS Confederation's valued programme of support has enabled the increased sharing of knowledge and expertise across executive director peer groups. This has further improved understanding of whole-system priorities and created the impetus to explore shared challenges and develop collective solutions.

Alongside the lead chief executive and all-peer group chairs, the Welsh Confederation has been working to align all peer groups' priorities with those of the chief executives, ensuring consistency of priorities for NHS leaders in Wales. The organisation's positive relationships with executive director peer groups provides particular insight on members' key concerns, priorities and asks, feeding into our influencing and engagement work with the media and politicians from all political parties.

Our Northern Ireland Confederation for Health and Social Care hosted nine expert and member-led discussion sessions on a variety of topical issues such as ICS progress, new pension flexibilities, the future of the workforce, Encompass, budget briefings, and productivity and efficiency events.

NICON23 Conference, held in October, was highly successful, with over 600 delegates in attendance, 50 exhibitors, and developing relationships with sponsors to secure earned income to reinvest in member services.

Our international work programme supported members with regular peer-learning, income generation and influencing on international exporting and global health engagement.

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### Commercial partnerships

In 2023, we delivered the second NHS ConfedExpo, our annual conference and exhibition in partnership with NHS England. Despite the impact of industrial action, bookings far exceeded 2022 (over 7,200) and attendance was significantly up in 2023 (5,422 across the two days). We delivered 141 sessions, secured partners for all content packages and sold out the exhibition with 220 organisations present in the hall. Most pleasingly, 96 per cent would recommend NHS ConfedExpo to a colleague. We launched the 2024 event a month early in October 2023 and sales have exceeded our expectations.

We sold out all opportunities for our network conferences (Integrated Care Systems Network, Mental Health Network and Primary Care Network), secured funding partners for the majority of our policy work. We also launched a new one-day conference, Health Beyond the Hospital. The latter was so oversubscribed we had to increase capacity at the venue to enable members to attend. Across the whole of our events programme, we delivered 139 events between April 2023 – March 2024 for over 20,000 delegates.

Working with PwC, we looked at the opportunities to diversify our income, work which is ongoing through 2024/25 as we develop our offer around leadership development and improvement.

Our venue, Horizon Leeds, was severely impacted by the pandemic, but having pivoted our offer to include a virtual studio and hybrid events, we have brought the venue back into an operating surplus in 2023/24, exceeding our income target by 4 per cent. This is a huge achievement, and we continue to diversify our offering, having launched a new event management service for external partners.

### Plans for 2024/25

#### Supporting the workforce

- **Supporting implementation of the NHS Long Term Workforce Plan:** Across the NHS Confederation we will continue to support the implementation of the NHS Long Term Workforce Plan (LTWP). We will advocate for its delivery to meet the needs of members and enable cross-sector integration, thereby moving towards a 'one workforce' approach. Through NHS Employers, we will develop new supporting materials and highlight existing resources to help members develop local plans. Through case studies, publications and events, our Mental Health Network will seek to influence the workforce implementation plan to ensure it represents members' needs and priorities for future mental health services. Our ICS Network will continue to raise the need for an equivalent plan for social care.
- **Social care workforce strategy:** Given the interlinks between health and social care, NHS Employers will support the development of the social care workforce strategy being led by Skills for Care, developing resources to support integrated thinking.
- **Combatting racism:** Our BME Leadership Network will continue to work with NHS England's Chief Nursing Officer to combat racism and discrimination by engaging chief

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executives, chairs and frontline staff in reviewing and using the anti-racism resource jointly published with NHS England last year.

- **Supporting leadership development:** Our three diverse leadership support networks are building a leadership development support offer for their members including mentoring programmes, masterclasses and facilitated peer learning.
- **Championing an equal, diverse and inclusive workforce:** Our EDI programme will continue to make the case for efficiency through an equal, diverse and inclusive workforce. It will support members' advocacy work and speak out against the 'anti-woke' narrative.
- **Supporting delivery of the NHS EDI Improvement Plan:** Our leadership support networks will continue to influence and support the implementation of the EDI Improvement Plan through work with 135 staff network leads, to deliver the six high-impact actions.
- **Developing the workforce in Wales:** Working closely with NHS Wales Employers and Health Education and Improvement Wales, the Welsh NHS Confederation will work to build and maintain a motivated, engaged and valued healthcare workforce, with the capacity, competence and confidence to meet the needs of the people of Wales.
- **Workforce mobility:** Our international programme will seek to influence the inaugural Medicinal Products Working Group with the EU taking place in 2024 and discussions on mobility clauses, which we have requested are extended to health and care professionals.

#### Integrating health and care

- **Assessing the state of ICSs:** Our ICS Network will publish its annual flagship report on the progress of ICSs, providing recommendations to drive improvement and impact at system level. Its ambitions are to influence nationally, including building on key calls from the 2023/23 report, which included a social care workforce plan (and funded implementation), a capital spending review, closer working between NHS England and integrated care boards, fewer outcomes-based targets for ICSs with greater autonomy on delivery, and co-production of national policy and guidance with ICSs as the norm.
- **Supporting provider collaboration:** Following the refresh of NHS England's provider collaborative vision in 2024, our Acute Network will run a programme exploring the purpose of collaboratives to deliver at scale, why collaboratives are the vehicle to do this and examples of where this is already being achieved. The Primary Care Network is undertaking a piece of work on the evolution of primary care provider collaboratives, how they are working and opportunities for their future.
- **Improving the Primary/Secondary interface:** together the Primary Care and Acute Networks will lead a 10-month improvement programme working with ten systems to address key barriers to resolving interface issues.
- **Supporting place-based leadership:** Across the Confederation we will support place-based leadership, influencing the centre to support the enabling conditions for place and provider collaborative level collaboration and integrated care delivery.

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- **Exploring the system architecture:** Our ICS Network will launch a major project to explore NHS England and the Department of Health and Social Care's operating model, exploring dynamics across place, neighbourhood and provider dynamics. It will also explore issues such as provider collaboratives and barriers to service transformation.
- **Implementing the Hewitt review:** We will support the implementation of key Hewitt review recommendations, working with a cross-organisation and cross-government working group on issues including funding, targets, regulation and relationship with the centre.
- **Supporting social care:** With social care featuring among key concerns for members, we will continue our work to influence the government on the state of social care to increase capacity and integration opportunities.
- **Exploring health beyond the hospital:** Building on the success of last year's conference, we will deliver the second Health Beyond the Hospital conference, drawing leaders from across our membership and key partners to move forward policy, practice and thinking.
- **Driving primary care reform:** Our Primary Care Network will continue to influence and drive primary care reform, through a key piece of work on the future primary care delivery model as well as work on the development of integrated neighbourhood teams.
- **Embedding clinical and care professional leadership and developing strategic commissioning:** Our ICS Network will undertake a research project with the King's Fund on how systems are embedding clinical and care professional leadership into their structures and processes. The network will also support ICBs to develop strategic commissioning expertise within their workforce.
- **Developing integrated care partnerships (ICPs):** Following the launch of a well-received publication on ICPs in December 2023, our ICS Network will take forward further work to support ICP development, including work on engagement with the wider VCSE sector and how place and ICPs interrelate.
- **Supporting better care coordination:** We will host a series of events to bring together ambulance service leaders and system leaders (including digital and place) to share best practice on care coordination. Stakeholders will be able to engage with examples of best practice and examine how they can make changes to enable care coordination to best develop in their areas.
- **Developing effective mental health strategies:** Working with Rethink Mental Illness, our Mental Health Network will support a group of place-level partnerships to develop effective mental health strategies.
- **Supporting chief people officers (CPOs):** NHS Employers will support provider CPOs to work collaboratively and in systems. It will also explore the emergence of system social partnership forums.

#### Improving population health and tackling inequalities

- **Integrating neighbourhood working:** Working with Local Trust, we will promote and test community-led approaches to health and wellbeing in some of England's most deprived

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neighbourhoods. The project, focused on integrated neighbourhood working, will broker practical partnerships between Big Local areas (150 communities across England), NHS partners and others with a stake in improving the health and wellbeing of people and places.

- **Developing health protection systems:** Working alongside the UK Health Security Agency, we will develop 'what good likes' guidance for local systems in designing and developing local health protection systems.
- **Influencing and implementing the Major Conditions Strategy:** We will continue to influence the upcoming major conditions strategy and its implementation, as well as adoption of key principles by any incoming government after the general election.
- **Working with housing providers and tackling health inequalities:** Our ICS Network will support members to understand how they can work with housing providers and housing associations on key population health goals. It will also help members develop their health inequalities offers and expertise to deliver better outcomes for their populations.
- **Improving access to services:** The Acute Network will launch a project to examine the relationship between socio-economic deprivation and access to out-of-hospital services for people with multiple long-term conditions.
- **Boosting leadership action on health inequality:** Our EDI programme will continue to work with system leaders to support and encourage improved leadership action on health inequalities. The programme's work will facilitate peer learning between board members, and between and within systems.
- **Delivering health inequality improvement through practical support:** Our EDI programme will work with more systems and providers to deliver practical improvement support through the use of the five-step model.
- **Moving forward mental health:** Moving forward mental health in England, and care and services for people with a learning disability and/or autism, remains the central focus of the Mental Health Network. This year work will include lobbying for reform of the Mental Health Act and engaging with the Ministry of Justice and Department of Health and Social Care to maintain momentum on legislative and non-legislative reforms. With the general election on the horizon, the network will engage with the Labour Party to help it plan implementation and will also engage with government around manifesto development. The network will also deliver a programme of activity to support members to improve services and outcomes for children and young people and, working with the EDI programme, explore how to reduce racial inequalities in mental health services.
- **Improving health and wellbeing in Wales:** Throughout the year the Health and Wellbeing Alliance, led by our Welsh NHS Confederation, will build its profile and narrative through engagement and partnerships with other sector leaders. Working in partnership with the Arts Council, the organisation will raise awareness of the benefits of the arts on health. To address health inequalities and challenges, the Welsh Confed will put NHS leaders' views forward to Welsh Government and all the political parties. With the election of a new Welsh Labour leader, and therefore a new First Minister, the Welsh NHS Confederation will continue to play a key role in engaging with and influencing the political

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narrative. Engaging with new Cabinet Ministers, the media and stakeholders we will raise awareness of the priorities for NHS leaders and the solutions they are putting forward in response to the challenges we face. Our strategic aim remains to support the NHS in Wales to improve the health and wellbeing of the population and the planning and delivery of high-quality health and care.

#### Driving digital and innovation

- **Exploring the productivity gains of virtual wards:** Working with a partner, we will research and establish the benefits of virtual wards from the point of view of productivity and outcomes, and the best way to maximise them.
- **Surfacing the learning from cleaner air schemes:** We will review the cleaner air pilot schemes and evaluate their success and roll out, drawing out learning for other ICSs to understand and adopt.
- **Improving digital inclusion:** To support members, we will work with a partner to implement the framework for digital inclusion through service redesign and adopting a stronger focus and use of principles for inclusion across all pathways for digital care.
- **Moving forward the NHS's digital capability:** We will continue our work on the ICS Digital Leaders Programme, delivered jointly with NHS Providers, to support ICSs to deliver system-level digital strategies. We will also support our trusts members to implement change and productivity in the roll out of electronic patient records.
- **Funding innovation:** To accelerate innovation we will research and establish a list alternative funding mechanisms for funding innovation and implementation and how they can support members challenges financing preventative innovations.
- **Making best use of digital and data in primary care:** Our primary care network's digital and data groups will support implementation of the Digital Framework, OPEL and data-sharing agreements. Through our ICB directors of primary care group, we will undertake a piece of work to improve reporting of primary care activity at an ICB level.
- **Improving digital mental health:** Our Mental Health Network will lead a community of practice for place-based leaders and local authority leaders leading on digital mental health in systems.

#### Enhancing the NHS's role in economic development

- **Investing in women's health:** Building on the work programme launched in December 2023, we will make the case to government that investment in women's health, including but not limited to the women's health strategy, will drive returns to the wider economy. We will continue working with local leaders to assess low cost / low risk intervention strategies that can drive returns to systems and local economies, as we have done in our work with City and Hackney. And we will issue a national report arguing for further investment in women's health. Our initial focus for investment will be services and training.

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- **Amplifying the value of health:** We will release two further reports as part of our Value in Health series with Carnal Farrar, looking at achieving technical and allocative efficiency as well as local economic development through NHS investment.
- **Aligning health and prosperity:** As part of the Commission on Health and Prosperity, we will work with a small selection of health and care leaders to co-produce and test a set of guiding principles to align health with prosperity, which ICSs can draw on in their work.
- **Understanding the barriers to health on the high street:** We will continue to work with our community of practice, delivered with Dorset ICS and Legal and General, to support five ICSs to understand key barriers.
- **Lifting the health barriers to good work:** Through a 12-month secondment programme with Department for Work and Pensions/Department of Health and Social Care involving original research and member and stakeholder engagement, we will help address some of the long-standing health barriers to good work.
- **Developing anchor systems:** NHS Employers will continue to provide advice, guidance and communities of practice to support better and more inclusive recruitment processes/time to hire, given the NHS's role as an anchor employer and developing of anchor systems).

#### Securing a sustainably funded health and social care system

- **Identifying barriers to social finance:** Working with partners, we will identify barriers to further social finance and form a working group with the government to address them, where we can. We will also support members to understand and scope potential outcomes-based contracts.
- **Exploring capital funding solutions:** As detailed in our general election manifesto, we have quantified the scale of capital investment needed for the NHS in England. To take this further, we will investigate how this could be paid for.
- **Piloting payment system reform:** Building on our payment mechanisms report, we will work with a number of ICSs as a pilot, developing the report's ideas into practical solutions to try in their system in 2025/26. Where possible, we will work alongside NHS England and the Department of Health and Social care.

#### Wider cross-organisation planned initiatives and considerations

- **General election:** With the NHS one of the main issues affecting voters across the UK, we will ramp up our work to influence the main political parties' plans and thinking ahead of the election. We will also work with the new government to build the health of the nation.
- **NHS ConfedExpo:** We will work to host our third annual conference and exhibition in partnership with NHS England. A significant amount of work will go into developing and delivering sessions at this year's NHS ConfedExpo conference. This represents work that continues throughout the year and significantly contributes to both delivering and celebrating the work we do, alongside many partners, towards our goals.



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- **Protecting the NHS:** Our international programme will work to influence domestic bodies and the government to influence the overall position taken by the Foreign, Commonwealth and Development Office in future negotiations with the EU to protect the NHS.

#### Improving healthcare services, capability and leadership

- **Delivering system improvement:** Working in partnership with the Health Foundation and Q Community, we will continue our programme of work, including peer learning, to support system improvement. The partnership brings the improvement expertise of the Health Foundation and our networks and relationships together with Q's membership community of over 5,000 people, collaborating to improve the safety and quality of care.
- **Boosting interface working:** Following its successful launch in 2024, we will continue our work to improve interface working between primary and secondary care. This is a key project and a core part of our commitment to support leaders to deliver impactful improvement work to respond to national and local challenges.
- **Developing inclusive leaders:** We will support the development of inclusive leadership through our anti-racism strategy; showcasing practice in disability and address the inequalities faced by disabled staff; and establishing a Diversity Taskforce looking at recruitment and employment. This will augment the strategic support for directors with responsibility for tackling inequality that we are already delivering to a first cohort of ten organisations, with a second cohort coming on board in October. The programme will also build and deliver an inclusive leadership development offer for EDI directors and deliver leadership support for diverse staff.
- **Building capability in primary care:** The Primary Care Network will continue its leadership development programme with primary care leaders with peers and wider system partners to share learning, build capability, strengthen relationships and support integration.
- **Embedding improvement in Northern Ireland:** Working closely with the wider Confederation, our office in Northern Ireland will develop its improvement activities and explore opportunities for greater links into the Confederation's work and programmes.
- **Supporting board leadership in Northern Ireland:** Our Northern Ireland Confederation will develop a leaders support programme to support board leadership. It will also provide a package of support for chairs.
- **Supporting aspiring mental health leaders:** The Mental Health Network will deliver key leadership development programmes including Aspiring Mental Health Nurse Directors Forum and Medical Leaders Chief Executive Forum.

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### Structure, governance and management

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

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

### About us

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

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

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

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

### Board of trustees

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

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

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### Recruitment of trustees

During the financial year, we recruited four new trustees to the board. Three were drawn from networks, the vacancies arose due to the previous network trustees resigning from their roles. One Trustee was appointed as an Independent Trustee following a recruitment process. One Network Trustee transferred to become an Independent Trustee following their resignation as Chair of a network.

### Induction of new trustees

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

## Strategic report

### Trustees

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

Lord Victor Adebawale, Chair

Prof Joseph Harrison

Michael Bloomfield (resigned 21 March 2024)

Nanda Ratnavel

Valerie Morton

Marie Gabriel

Dr Pramit Patel

Dame Jackie Daniel

Ifti Majid

Charles David Skinner (resigned 27 July 2023)

Dr Peta Foxall, Senior Independent Trustee

Emma Woollett (transferred to serve as an Independent Trustee for the remainder of their term)

Fiona Edwards (appointed 27 July 2023)

Paul Davies (appointed 11 October 2023)

Jonathan Patton (appointed 21 March 2024)

Jonathan Morgan (appointed 21 March 2024)

### Attendance of trustees at NHS Confederation board meetings

The board of trustees formally met on 18 May 2023, 27 July 2023, 5 October 2023, 7 December 2023 and 21 March 2024. The attendance record from formal board meetings is as shown below.

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Name	Attendance
Lord Victor Adebowale, Chair	5/5
Prof Joseph Harrison	3/5
Michael Bloomfield	4/5
Nanda Ratnavel	4/5
Valerie Morton	5/5
Marie Gabriel	3/5
Dr Pramit Patel	3/5
Dame Jackie Daniel	4/5
Ifti Majid	3/5
Charles David Skinner (resigned 27 July 2023)	0/2
Dr Peta Foxall, Senior Independent Trustee	5/5
Emma Woollett	3/5
Fiona Edwards (appointed 27 July 2023)	4/4
Paul Davies (appointed 11 October 2023)	2/2
Jonathan Patton (appointed 21 March 2024)	1/1
Jonathan Morgan (appointed 21 March 2024)	1/1

### Scheme of delegation

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

### Committees of the board

The board had three sub-committees in 2023/24: the audit and risk committee, the remuneration committee, and the finance and operations committee.

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

#### Audit and risk committee attendance record

Nanda Ratnavel, Chair of Audit and Risk Committee	4/4
Michael Bloomfield, Trustee Committee Member (resigned 21 March 2024)	2/4
Mark Stevenson, Independent Committee Member	4/4
Liz May, Independent Committee Member (resigned 27 July 2023)	1/2
Peta Foxall, Trustee Committee Member	4/4
Weiyen Hung, Independent Committee Member (appointed 5 October 2023)	2/2

The remuneration committee is comprised of at least four trustees. It is responsible for determining the executive pay framework and agreeing specific recommendations relating to executive pay; determining the policy for and scope of the annual cost-of-living or performance-related award for all NHS Confederation staff, and ensuring that application of this remuneration policy is equitable, fair and transparent; ensuring that contractual terms on termination and any

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payments made are fair to the individual and the organisation and that failure is not rewarded; and reviewing remuneration trends across the organisation.

#### Remuneration committee attendance record

Valerie Morton, Chair of Remuneration Committee	3/3
Prof Joseph Harrison, Trustee Committee Member	2/3
Marie Gabriel, Trustee Committee Member	3/3
Peta Foxall, Trustee Committee Member	3/3

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

#### Finance and operations committee attendance record

Nanda Ratnavel, Trustee Committee Member/Chair of Audit & Risk Committee	5/5
Suneet Kumar, Independent Committee Member (resigned 27 July 2023)	0/1
Charles David Skinner, Chair of the Committee (resigned 27 July 2023)	0/1
Emma Woollett, Trustee	5/5
Paul Davies, Trustee/Chair of the Committee (appointed 11 October 2023)	2/3

### Network and country boards

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

### Pensions and remuneration package

The organisation operates three pension schemes.

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

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

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NHS Pension Scheme and 28.97 per cent to the Civil Service Scheme. We currently have 42 staff who are on the NHS Pension Scheme and 5 in the Civil Service Scheme.

#### Chief executive and director pay

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

#### Related parties

Marie Gabriel, a trustee, is remunerated through monthly payments for their term as chair of the Race and Health Observatory. This was established in accordance with the organisation's trustee remuneration policy where the board of trustees, excluding the trustee in question, must satisfy themselves that the payment is justified and compliant with Charity Commission regulations.

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

- organising and delivering the NHS Confederation annual conference and exhibition
- a range of other conferences and events
- delivering sponsorship and exhibition services for the NHS Confederation and third parties

The directors of the subsidiary company are Emma Woollett (chair of the subsidiary board and charity trustee), Matthew Taylor (subsidiary board director and CEO of the charity), John O'Brien (subsidiary board director and commercial director of the charity), Nikki Barraclough (subsidiary board director and director of finance and IT at the charity), Paul Davies (trustee and chair of the finance and operations committee), Zoe Bedford (non-executive director of the subsidiary) and Philip Kenmore (non-executive director of the subsidiary). The NHS Confederation has no financial or controlling interest in any other organisation.

Certain costs incurred by the charity are recharged to the subsidiary, reflecting an estimation of their usage. The methodology for this recharge is agreed by both parties as part of the budget-setting process each year, or is set out in the Resource Sharing Agreement.

#### Trustee remuneration

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

As detailed above in related parties, Marie Gabriel, another trustee, is remunerated for their term as chair of the Race and Health Observatory.

No other trustees received remuneration for their services.

In 2023/24 the total expenses incurred by seven (2023: ten) of our trustees in relation to travel, accommodation, and subsistence costs while on NHS Confederation business was £3,590 (2023: £3,133).

# THE NHS CONFEDERATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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

Trustees conducted a governance review that concluded in June 2021 with the adoption of new Articles and Byelaws. The Charity Governance Code was adopted by trustees in 2022. In accordance with the Code, a board performance review took place in March 2023, led by an external organisation, Campbell Tickell. Overall, the findings were positive with some areas for development identified that have been addressed.

### **Data protection**

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

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

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

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

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

# THE NHS CONFEDERATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The risk register outlines 17 strategic risks, with the principal risks being summarised as:

Risk	Mitigation and assurance
Loss of, or significant reduction in income to the charity – either through contracts, membership income or success in commercial ventures	Effective relationship and contract management Implementation of commercial and income strategy to develop new income streams Formal contract management meetings Governance and reporting on programmes Regular financial forecasting Governance-level oversight of all key income activity
Reduced influence in achieving positive outcomes for objectives - inc inability to respond to policy changes, ineffective representation of our members, or changes politically	Effective relationship management and member engagement Membership insights and effective renewal management. Clear prioritisation of our policy work and where we can add best value. Broad engagement of political parties, government departments and key stakeholders.
Reduced reputation, leading to reduced impact- either through a non-compliance issue, recruitment and retention of staff, ineffective management or cyber attack	Clear compliance programme in place, clear governance and project management frameworks. Positive staff engagement centred around our values and behaviours.

### How directors have engaged with staff

#### Communication

Once a month we have an all-staff briefing for all employees at the NHS Confederation, this briefing is chaired by the Chief Executive, or in their absence another member of the group executive.

We hold an in-person staff conference once a year. Usually, the day will include a session which is focused on directors/group executive, with the Chief Executive addressing all staff and holding a Q&A session.

All staff and directors have access to an internal intranet, where corporate news is shared on a regular basis to inform staff of important things happening across the organisation, such as policy changes, pay updates, corporate events etc. Finance updates are shared both on the intranet and at all-staff briefings.



# THE NHS CONFEDERATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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### Trade unions

The NHS Confederation recognises two trade unions for the purpose of collective bargaining and any contractual employment policy matters. Our recognised unions are Unite and Unison.

The Joint Negotiating Committee is the formal meeting during which negotiations between management at the NHS Confederation and trade union representatives take place. The meeting is chaired by the Deputy Chief Executive and the Director of People and Governance is the vice chair. Meetings are held at least quarterly and more frequently when needed.

### Staff engagement

At the NHS Confederation we have a staff engagement group. This group is formed of staff who represent different staff groups from across the organisation, and they meet quarterly with the Chief Executive. The purpose of the group is to provide a platform for informal, open dialogue between the Chief Executive and staff to support improved engagement.

Every two years the NHS Confederation runs a staff engagement survey. It is designed to capture all aspects of our employees' experience working here and what it feels like to work at the Confederation. It also gives us a picture of how we are progressing between each survey – capturing data on purpose, wellbeing, reward, diversity, equality and inclusion, sustainability, and culture.

### Disabled policy

The NHS Confederation recruitment policy and processes are committed to ensuring that legislative and equality responsibilities are met, the process will be fair and transparent at every stage and ensure equality of opportunity for all applicants and all appointment decisions can be evidenced as free from any form of bias. This includes the following:

- Advert wording must be inclusive and avoid bias to prevent the exclusion of any individuals with protected characteristic
- The most suitable applicants based on the essential criteria for the role. A minimum of two people (the panel) is required to shortlist, independent of each other, to reduce the possibility of bias
- Blind shortlisting as part of our EDI recruitment practice.
- Representative panel – mixed panel with 1 panel member from a protected characteristic
- Reasonable adjustment - In accordance with the Equality Act 2010, all candidates are asked to advise if there are any arrangements or reasonable adjustments that could be made to allow them to participate fully in the selection process.
- All offers of employment are subject to a health questionnaire to ensure the candidate is fit to fulfil all the requirements of the role and to identify any reasonable adjustments which may be required.

The Confederation has many supportive measures in place for staff who become disabled such as our health and wellbeing hub, manager tools to support their team members, access to EAP, counselling and Occupational health and access to the 24/7 spectrum health app. They would also be supported through our managing health and wellbeing policy and absence policy which supports individuals with time off for appointments and any disability related absence is not accounted for when looking at time off and absence triggers.

# THE NHS CONFEDERATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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Our Disability Inclusion Group is a member of Purple Space, a development hub for disabled employees. There is ongoing training and support for staff such as EDI training, neurodiversity week and a health & Wellbeing hub with access to Employee Assistance and wellbeing app.

All staff with a disability have equal opportunities to access training, career development and promotion, which is supported through the Employee Impact and continuous improvement policy.

### Finance review

#### Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the 12-month forward-looking cash flow, and the annual review of the three-year plan. The most recent version of the three-year plan estimated an overall deficit position of £0.6m for 2024/25, however the budgeted position came out as a deficit of £1.4m due to various spending from reserves that was approved by Trustees at budget setting. We have sufficient reserves to cover this planned deficit, with expectation that we will achieve breakeven operating position for 2025/26 onwards.

Our membership income remains robust and commercial income opportunities are budgeted to increase as our conference, event and income diversification activity increases.

We received notification during 2023/24 that a significant contract (~£8m per year) will be put out to tender during 2024/25, with the winning bidder taking the new contract on from 1<sup>st</sup> April 2025. Should we fail to win this tender, we would need to change the structure of the organisation to reduce costs in line with the reduced income. Any changes would be implemented from 2025/26 onwards.

#### Income and expenditure

Income for the year increased by £1.2 million to £23.8 million (2023: £22.6 million) due to increased income across our membership and commercial income streams. The Charity does not carry out significant fundraising activities.

Expenditure for the year was £24.7 million (2023: £22.1 million). The increase is due to delivering more events, and investment in our pay structure.

After gains on our investments of £0.5m (2023: loss of £0.4m), the operating deficit for the year was £0.4 million (2023: surplus of £0.1 million).

#### Reserves policy

The target for free reserves continues to be based on the closure costs for the organisation alongside some ringfenced amounts to cover known contract risk, the calculation of which is reviewed annually by trustees. The target range for reserves is £5.7 million to £7.3 million. At 31 March 2024, the total funds balance stood at £9.1 million (2023: £9.5 million), with the amount of free reserves (those not represented by fixed assets) standing at £9 million (2023: £9.3 million).

## **THE NHS CONFEDERATION**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024**

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This is higher than the range stated in our reserves policy. The 2024/25 budget is a deficit of £1.4 million, which includes spending of £1.1 million on high impact one-off projects.

This high reserves balance needs to be viewed in light of the upcoming financial risk of potential loss of contract income linked to a number of contracts going out to tender in 2024/25. It is likely some reserves will be needed to facilitate a smooth change process in the event that funding is reduced. The reserves target range currently includes some contract risk provision, so this target range will reduce when it is reviewed in September 2024. At this point, further consideration will be given as to how best to use any remaining reserves balance to bring it more in line with policy.

#### **Investment policy**

The trustees determine that the objective of holding the investment portfolio is to secure a balance between income and long-term capital growth, achieving total returns in real terms over a five-to-seven-year timeframe. The portfolio is currently managed by Sarasin and Partners LLP, a firm of investment managers, and the funds continue to be held in the Sarasin Climate Active fund. The finance and operations committee continues to review the investment policy and objectives and performance of the investment portfolio.

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

The investment portfolio achieved a gain of £0.5 million for 2023/24 compared with a loss of £0.4m in 2022/23. The investments generated £222,247 of investment income in the year (£193,068 in 2022/23). At the end of this financial year, the investment portfolio was valued at £6.87 million (2023: £6.36 million).

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

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

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

#### **Auditor**

In accordance with the existing articles of association, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put to a General Meeting.

**THE NHS CONFEDERATION**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**Statement of disclosure to auditor**

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

The trustees' report is prepared under the Charities Act 2011, which also contains all information required in a directors' report by the Companies Act 2006 and the incorporated strategic report prepared under the Companies Act 2006, were approved by the board of trustees on 25<sup>th</sup> July 2024 and signed on their behalf by:

DocuSigned by:  
*Lord Victor Adebowale*  
Signed: .....9E71B691D9554A6.....

Lord Victor Adebowale  
Name: .....  
Trustee

## **THE NHS CONFEDERATION**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2024**

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We have audited the financial statements of The NHS Confederation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024, which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2024**

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## **Other information**

The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

## **FOR THE YEAR ENDED 31 MARCH 2024**

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### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2024**

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

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

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

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

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

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

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

A further description of our responsibilities is available on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NHS CONFEDERATION FOR THE YEAR ENDED 31 MARCH 2024

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## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:  
  
2C6B962CB9674C7...

Laura Masheder (Senior statutory auditor)

for and on behalf of

## **BHP LLP**

Statutory Auditor

Chartered Accountants

First Floor

Mayesbrook House

Lawnswood Business Park Leeds

LS16 6QY

Date: 25-Sep-2024 | 17:49 BST

# THE NHS CONFEDERATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
<b>Income from:</b>					
Charitable activities	3	18,195,888	285,614	18,481,502	19,138,080
Other trading activities	4	4,743,165	–	4,743,165	3,124,615
Investments	5	563,685	–	563,685	321,419
<b>Total income</b>		<u>23,502,738</u>	<u>285,614</u>	<u>23,788,352</u>	<u>22,584,114</u>
<b>Expenditure on:</b>					
Charitable activities	6	20,343,445	285,614	20,629,059	19,721,246
Raising funds	8	4,077,076	–	4,077,076	2,391,690
<b>Total expenditure</b>		<u>24,420,521</u>	<u>285,614</u>	<u>24,706,135</u>	<u>22,112,936</u>
<b>Net (expenditure)/income before other recognised gains/(losses)</b>		(917,783)	–	(917,783)	471,178
Net gains/(losses) on investments	14	503,263	–	503,263	(373,114)
<b>Net (expenditure)/income</b>		<u>(414,520)</u>	<u>–</u>	<u>(414,520)</u>	<u>98,064</u>
<b>Net movement in funds</b>		<u>(414,520)</u>	<u>–</u>	<u>(414,520)</u>	<u>98,064</u>
Total funds brought forward		9,540,774	–	9,540,774	9,442,710
<b>Total funds carried forward</b>		<u><u>9,126,254</u></u>	<u><u>–</u></u>	<u><u>9,126,254</u></u>	<u><u>9,540,774</u></u>

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

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

All income and expenditure derive from continuing activities.

The notes on pages 46-68 form part of these financial statements.

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

# THE NHS CONFEDERATION

Company Registration No. 04358614

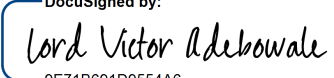
## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	12		41,960		62,124
Tangible fixed assets	13		80,760		167,244
Investments	14		6,871,550		6,358,929
			<u>6,994,270</u>		<u>6,588,297</u>
<b>Current assets</b>					
Debtors	15	6,580,993		6,667,597	
Cash at bank		8,145,154		7,296,169	
		<u>14,726,147</u>		<u>13,963,766</u>	
<b>Creditors: amounts falling due within one year</b>	16	(12,300,716)		(10,863,600)	
Net current assets			<u>2,425,431</u>		<u>3,100,166</u>
<b>Total assets less current liabilities</b>			<u>9,419,701</u>		<u>9,688,463</u>
Provisions for liabilities	17		(293,447)		(147,689)
<b>Total net assets</b>			<u>9,126,254</u>		<u>9,540,774</u>
<b>Income funds</b>					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		122,720		229,368	
General unrestricted funds		9,003,534		9,311,406	
<b>Total funds</b>	20		<u>9,126,254</u>		<u>9,540,774</u>

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

The notes on pages 46-68 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of trustees on 25<sup>th</sup> July 2024 and are signed on their behalf.

DocuSigned by:  
 Signed:  Lord Victor Adebowale  
 9E71B691D9554A6.....

Lord Victor Adebowale  
 Name: .....

Trustee

# THE NHS CONFEDERATION

Company Registration No. 04358614

## CHARITY BALANCE SHEET AS AT 31 MARCH 2024

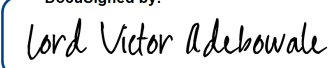
	Notes	2024		2023	
		£	£	£	£
<b>Fixed assets</b>					
Intangible fixed assets	12		41,960		62,124
Tangible fixed assets	13		80,760		167,244
Investments	14		<u>6,871,550</u>		<u>6,358,929</u>
			6,994,270		6,588,297
<b>Current assets</b>					
Debtors	15	5,497,397		5,578,505	
Cash at bank		<u>5,634,789</u>		<u>5,708,627</u>	
		11,132,186		11,287,132	
<b>Creditors: amounts falling due within one year</b>					
	16	(9,884,225)		(9,579,737)	
Net current assets			<u>1,247,961</u>		<u>1,707,395</u>
<b>Total assets less current liabilities</b>			<u>8,242,231</u>		<u>8,295,692</u>
Provisions for liabilities	17		(213,001)		(147,689)
<b>Total net assets</b>			<u>8,029,230</u>		<u>8,148,003</u>
<b>Income funds</b>					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		122,720		229,368	
General unrestricted funds		7,906,510		7,918,635	
<b>Total funds</b>	20		<u>8,029,230</u>		<u>8,148,003</u>

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

The charitable company's gross income for the year was £18,990,407 (2023 - £19,987,478) and result for the year was a net decrease in funds of £118,773 (2023 – net decrease of £388,149).

The notes on pages 46-68 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of trustees on 25<sup>th</sup> July 2024 and are signed on their behalf.

DocuSigned by:  
  
 Signed: .....  
0E71B691D9554A6...

09-Sep-2024 | 15:17 BST  
 Name: .....

Trustee

**THE NHS CONFEDERATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		<u>298,904</u>		<u>445,205</u>
<b>Net cash inflow from operating activities</b>			298,904		445,205
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(4,246)		(13,061)	
Purchase of investments		(9,358)		(6,703,173)	
Sale of investments		–		5,198,467	
Dividends and interest received		<u>563,685</u>		<u>321,419</u>	
<b>Net cash generated from/(used in) investing activities</b>			<u>550,081</u>		<u>(1,196,348)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			848,985		(751,143)
<b>Cash and cash equivalents at beginning of year</b>			7,296,169		8,047,312
<b>Cash and cash equivalents at end of year</b>	23		<u><u>8,145,154</u></u>		<u><u>7,296,169</u></u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### 1. Accounting policies

#### Charity information

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

#### Accounting convention

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

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

#### Parent statement of financial activities

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

#### Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – exemption from presenting a statement of cash flow and related notes and disclosures for the charitable company.

#### Basis of consolidation

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

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### Accounting policies (Continued)

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

### Going concern

The group's result for the year was a deficit of £414,520 (2023: net increase of £98,064). At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the review of the three-year plan, forecast data and a 12-month, forward-looking cash flow. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in notes 9 and 21. At 31 March 2024, the group has no restricted funds (2023: £nil).

### Income

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

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

### Membership subscriptions

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

### Contract income

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

### Investment income

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

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

Income is recognised at the date of the event.

### Grant income

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



# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### Accounting policies (Continued)

#### Deferred income

Income invoiced in advance is accounted for as deferred income in the balance sheet and released to the statement of financial activities in the year in which it relates. Deferred income will also arise when work is incomplete at the year end and the customer agrees for this work to be completed in the following year.

#### Government grants

Government grants have been received in the year relating to various projects (see note 9 for more detail). These are recognised in "Income from charitable activities" within income and expenditure in the same period as the related expenditure.

#### Expenditure

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

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

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

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

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

#### Intangible fixed assets

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

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

System development	20 per cent straight line
--------------------	---------------------------

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### Accounting policies (Continued)

#### Tangible fixed assets

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

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

Furniture, fixtures, and fittings	Over the term of the lease (up to break clause)
Computer and other equipment	33 per cent straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### Fixed asset investments

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

#### Impairment of fixed assets

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

#### Cash and cash equivalents

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

#### Financial instruments

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

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

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

#### Basic financial assets

Basic financial assets, which include trade debtors, other debtors, accrued income, amounts due from fellow group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### Accounting policies (Continued)

transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### Other financial assets

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

#### Impairment of financial assets

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

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

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

#### Derecognition of financial assets

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

#### Basic financial liabilities

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

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

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### **Accounting policies (Continued)**

#### **Provision for liabilities**

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

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

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

#### **Employee benefits**

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

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

#### **Retirement benefits**

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

#### **Multi-employer plans**

The charity participates in two multi-employer pension schemes for its employees, as outlined in note 19. Both are unfunded schemes backed by the exchequer. Employers cannot identify their share of the assets and liabilities. In accordance with FRS 102, the schemes have been accounted for as if they were a defined contribution scheme, and contributions are recognised as an expense.

#### **Operating Leases**

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

#### **Custodian arrangements**

The charity acts as custodian for the NI Public Sector Chairs forum and also as custodian for the Developing Excellence in Medical Education conference (event date December 2023). Related receipts and subsequent payments are excluded from the statement of financial activities to the extent that the charity does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included in other creditors.

#### **Taxation**

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

---

### Accounting policies (Continued)

2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 2. Critical accounting estimates and judgements

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

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

### Critical judgements

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

#### Revenue recognition

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

#### Key sources of estimation uncertainty

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

#### Impairment of debtors

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

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

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

**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**3. Income from charitable activities**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Membership subscriptions	4,763,848	4,521,688
Contract delivery	12,569,161	13,168,454
Grant income	285,614	207,173
Conference centre income	–	649,880
Training and other income	862,879	590,885
	<u>18,481,502</u>	<u>19,138,080</u>

Grant income of £285,614 (2023: £207,173) is classed as restricted income in this financial year. All other income from charitable activities is classed as unrestricted income in both years.

Note that the activities of the conference centre, Horizon, were moved from the charity into the trading subsidiary from 1<sup>st</sup> April 2023, and is now categorised as trading income in note 4 to these financial statements.

**4. Income from other trading activities**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Publications and AV	16,159	8,125
Membership subscriptions	155,653	121,396
Events and partnerships	3,777,399	2,956,148
Conference centre income	712,901	–
Sub-let of surplus office space	24,731	19,025
Other trading income	56,322	19,921
	<u>4,743,165</u>	<u>3,124,615</u>

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 5. Investment income

	2024 £	2023 £
Income from listed investments	222,247	193,068
Bank interest receivable	341,438	128,351
	<u>563,685</u>	<u>321,419</u>

All investment income is classed as unrestricted in both years.

### 6. Expenditure on charitable activities

#### 2024

	Direct costs £	Support costs £	Total 2024 £	Total 2023 £
Membership subscriptions	5,380,121	992,481	6,372,602	5,606,073
Events and partnerships	–	–	–	1,296
Contract delivery	11,455,586	2,113,234	13,568,820	13,282,247
Grants	285,617	–	285,617	207,173
Conference centre	–	–	–	350,600
Training and other activity	339,409	62,611	402,020	273,857
	<u>17,460,733</u>	<u>3,168,326</u>	<u>20,629,059</u>	<u>19,721,246</u>

#### 2023

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

Expenditure of £285,617 (2023: £207,173) is classed as restricted in the year. All other expenditure on charitable activities is classed as unrestricted expenditure in both years.

Note that the activities of the conference centre, Horizon, were moved from the charity into the trading subsidiary from 1<sup>st</sup> April 2023 and is now categorised as expenditure in raising funds in note 8 to these financial statements.

**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

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**7. Support costs**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Management	318,323	295,235
Governance costs	325,973	321,904
Finance	439,460	456,418
Information technology	747,044	755,757
Human resources	446,020	468,632
Accommodation	891,506	883,426
	<u>3,168,326</u>	<u>3,181,372</u>

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

**8. Expenditure on raising funds**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Membership subscriptions	17,979	15,012
Publications and AV	9,142	813
Events and partnerships	2,973,454	2,064,175
Conference centre	706,174	–
Other administrative expenses	370,327	311,690
	<u>4,077,076</u>	<u>2,391,690</u>

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



# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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## 9. Net movement in funds

	2024	2023
	£	£
Net movement in funds is stated after recognising		
Fees payable to the company's auditor and its associates in respect of both audit and non-audit services are as follows:		
- Audit	40,185	41,107
- Other non-audit services (tax compliance services)	3,848	1,784
Depreciation of owned tangible fixed assets	90,629	159,393
Amortisation of intangible fixed assets	20,164	20,164
Operating lease charges	546,652	558,172
Government grant income	151,932	63,583

The government grant income above for 2024 is made up of £138,524 from Medical Research Council (part of UK Research and Innovation), towards Understanding Patient Data, an organisation hosted by The NHS Confederation that aims to improve the way patient data is used. Other smaller amounts totalling £11,408 were also received from UK Research and Innovation relating to projects Transforming Health and Care Systems and Horizon Europe. The other £2,001 comprises a Digital Growth grant from Leeds City Council relating to the running of our conference centre room hire.

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

## 10. Trustees

During the year, the NHS Confederation chair Victor Adebawale was remunerated £50,000 (2023: £50,000) in accordance with the articles of association and the permission granted by the Charity Commission. Marie Gabriel, a trustee, was remunerated £20,000 (2023: £20,000) for their work as chair of the Race and Health Observatory.

Expenses incurred on behalf of the charitable company and reimbursed to seven trustees (2023: ten trustees) or paid directly to third parties during the year amounted to £3,590 (2023: £3,133), relating to travel, accommodation and subsistence costs.

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### 11. Employees

#### Number of employees

The average monthly number of employees during the year was:	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
	265	245

#### Employment costs

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Wages and salaries	12,990,653	11,341,043
Social security costs	1,392,641	1,270,764
Pension costs	1,057,481	926,247
	<u>15,440,775</u>	<u>13,538,054</u>

In addition, total expenditure includes seconded and agency staff of £443,445 (2023: £354,451).

During the year, termination payments were paid to two employees (2023: one employee) totalling £14,946 (2023: £6,550).

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

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
£190,000-£199,999	1	1
£180,000-£189,999	1	–
£170,000-£179,999	–	1
£160,000-£169,999	–	–
£150,000-£159,999	–	–
£140,000-£149,999	2	2
£130,000-£139,999	2	2
£120,000-£129,999	2	–
£110,000-£119,999	3	2
£100,000-£109,999	3	4
£90,000-£99,999	4	3
£80,000-£89,999	9	6
£70,000-£79,999	14	13
£60,000-£69,999	18	18

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

## 12. Intangible fixed assets

### Group and charity

	System Development £	Total £
<b>Cost</b>		
At 1 April 2023	100,818	100,818
Additions	–	–
Disposals	–	–
At 31 March 2024	<u>100,818</u>	<u>100,818</u>
<b>Amortisation</b>		
At 1 April 2023	38,694	38,694
Amortisation charged in year	20,164	20,164
At 31 March 2024	<u>58,858</u>	<u>58,858</u>
<b>Carrying amount</b>		
At 31 March 2024	<u>41,960</u>	<u>41,960</u>
At 31 March 2023	<u>62,124</u>	<u>62,124</u>

## 13. Tangible fixed assets

### Group and charity

	Furniture, fixtures and fittings £	Computer and other equipment £	Total £
<b>Cost</b>			
At 1 April 2023	756,591	14,037	770,628
Additions	4,246	–	4,246
Disposals	(1,181)	(751)	(1,932)
At 31 March 2024	<u>759,656</u>	<u>13,286</u>	<u>772,942</u>
<b>Depreciation</b>			
At 1 April 2023	589,347	14,037	603,384
Depreciation charged in year	90,629	–	90,629
Eliminated on disposal	(1,080)	(751)	(1,831)
At 31 March 2024	<u>678,896</u>	<u>13,286</u>	<u>692,182</u>
<b>Carrying amount</b>			
At 31 March 2024	<u>80,760</u>	<u>–</u>	<u>80,760</u>
At 31 March 2023	<u>167,244</u>	<u>–</u>	<u>167,244</u>

**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**14. Investments**

<b>Group and charity</b>	<b>Listed investments</b>	
	<b>£</b>	
<b>Cost or valuation</b>		
At 1 April 2023		6,358,929
Purchases in year		9,358
Disposals in year		–
Valuation changes		503,263
At 31 March 2023		<u>6,871,550</u>
<b>Carrying amount</b>		
At 31 March 2024		<u>6,871,550</u>
At 1 April 2023		<u>6,358,929</u>
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Investments at fair value comprise:		
Fixed income	862,773	963,891
Equities	5,082,052	4,235,726
Property	244,844	264,125
Alternative investments	440,303	779,171
Liquid assets	241,578	116,016
	<u>6,871,550</u>	<u>6,358,929</u>

**Fixed asset investments revalued**

At 31 March 2024, the historical cost of investments was £6,211,615 (2023: £6,202,257) with net unrealised gains of £659,935 (2023: £156,672).

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

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

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 15. Debtors

	Group		Charity	
	2024	2023	2024	2023
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,575,560	5,606,736	4,733,736	5,070,796
Amounts due from fellow group undertakings	–	–	419,227	188,575
Other debtors	4,980	2,709	4,980	2,709
Prepayments and accrued income	957,722	984,634	331,118	309,444
	<u>6,538,262</u>	<u>6,594,079</u>	<u>5,489,061</u>	<u>5,571,524</u>
<b>Amounts falling due after more than one year:</b>				
Prepayments and accrued income	42,731	73,518	8,336	6,981
	<u>42,731</u>	<u>73,518</u>	<u>8,336</u>	<u>6,981</u>
<b>Total debtors</b>	<u>6,580,993</u>	<u>6,667,597</u>	<u>5,497,397</u>	<u>5,578,505</u>

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

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	874,999	750,907	722,035	739,392
Other taxation and social security	867,168	556,362	867,588	556,362
Other creditors and accruals	1,325,740	1,255,662	859,198	1,148,339
Deferred income (note 18)	9,232,809	8,300,669	7,435,404	7,135,644
	<u>12,300,716</u>	<u>10,863,600</u>	<u>9,884,225</u>	<u>9,579,737</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### 17. Provisions for liabilities

	Conference Centre	Leeds Office	London Office	Cardiff Office	Total
Opening provision as at 1 April 2023	59,900	30,000	36,000	21,789	147,689
Movement in year	20,546	41,062	84,150	–	145,758
Closing provision as at 31 March 2024	<u>80,446</u>	<u>71,062</u>	<u>120,150</u>	<u>21,789</u>	<u>293,447</u>

The dilapidation provision relates to the expected cost payable on vacating our office spaces and conference centre. Leeds, London, and Cardiff offices have a break clause falling in the financial year 2024/25. Provisions have been discounted where the cost is not expected to be incurred for some years (conference centre).

Of the provisions above, the £80,446 relating to the conference centre sits in the trading subsidiary, The NHS Confederation (Services) Company Limited. All other provisions sit in the charity The NHS Confederation.

#### 18. Deferred income

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

	Group £	Charity £
At 1 April 2023	8,300,669	7,135,644
Amount released to Statement of Financial Activites	(12,314,324)	(11,115,929)
Amount deferred in year	13,246,464	11,415,690
At 31 March 2024	<u>9,232,809</u>	<u>7,435,405</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 19. Retirement benefits

The organisation contributes to a number of pension schemes.

The NHS Confederation is able to maintain access to the NHS Pension Scheme (for a maximum of five years) and the Civil Service Pension Scheme for staff who are recruited from these sectors and already contribute to these schemes. Both of these schemes are unfunded schemes backed by the exchequer; accordingly these schemes are accounted for as defined contribution schemes in accordance with FRS 102.

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

Contributions amounting to £166,541 (2023: £140,518) were payable to the schemes at 31 March 2024 and are included within other creditors and accruals.

### 20. Unrestricted funds

Group	Movement in funds				
	Balance at 1 April 2023 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	Balance at 31 March 2024 £
Funds represented by fixed assets	229,368	(106,648)	–	–	122,720
General unrestricted funds	9,311,406	–	(811,135)	503,263	9,003,534
	<u>9,540,774</u>	<u>(106,648)</u>	<u>(811,135)</u>	<u>503,263</u>	<u>9,126,254</u>

Group	Movement in funds				
	Balance at 1 April 2022 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	Balance at 31 March 2023 £
Funds represented by fixed assets	395,864	(166,496)	–	–	229,368
General unrestricted funds	9,046,846	–	637,674	(373,114)	9,311,406
	<u>9,442,710</u>	<u>(166,496)</u>	<u>637,674</u>	<u>(373,114)</u>	<u>9,540,774</u>

**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**20. Unrestricted funds (Continued)**

Charity	Movement in funds				Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	
Funds represented by fixed assets	229,368	(106,648)	–	–	122,720
General unrestricted funds	7,918,635	–	(515,388)	503,263	7,906,510
	<u>8,148,003</u>	<u>(106,648)</u>	<u>(515,388)</u>	<u>503,263</u>	<u>8,029,230</u>

	Movement in funds				Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Movement in tangible and intangible fixed assets £	Other charitable income and expenditure £	Revaluation gains and (losses) £	
Funds represented by fixed assets	395,864	(166,496)	–	–	229,368
General unrestricted funds	8,140,288	–	151,461	(373,114)	7,918,635
	<u>8,536,152</u>	<u>(166,495)</u>	<u>151,460</u>	<u>(373,114)</u>	<u>8,148,003</u>

**21. Restricted funds**

Income of £285,614 relating to restricted funds was received during the year ended 31 March 2024 but had all been spent by the year-end date, meaning balance on restricted funds at this date was £nil (2023: £nil). Restricted funds related to grants received for a specific purpose, such as £138,524 for Understanding Patient Data (see note 9).



**THE NHS CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**22. Cash generated from operations**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(414,520)	98,064
Adjustments for:		
Investment income recognised in statement of financial activities	(563,685)	(321,419)
Fair value (gains)/losses on investments	(503,263)	373,114
Depreciation of tangible fixed assets	90,629	159,393
Amortisation of intangible fixed assets	20,164	20,164
Loss on disposal of tangible fixed assets	101	
Movements in working capital		
Decrease/(increase) in debtors	86,604	(218,353)
Increase in creditors	1,582,874	334,242
Cash generated from operations	<u>298,904</u>	<u>445,205</u>

**23. Analysis of cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash in hand	6,145,154	7,296,169
Notice deposits (32 days)	2,000,000	–
Total cash and cash equivalents	<u>8,145,154</u>	<u>7,296,169</u>

**24. Operating leases**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Within one year	495,892	540,222
Between one and five years	590,016	456,619
	<u>1,085,908</u>	<u>996,841</u>

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

## 25. Related party transactions

### Remuneration of key management personnel

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

	2024 £	2023 £
Aggregate compensation	<u>2,220,697</u>	<u>2,144,402</u>

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

2024		Charity Income £	Charity Expense £	Subsidiary Income £	Charity Debtor £	Subsidiary Debtor £
<b>Related Party</b>	<b>Description of Relationship</b>					
Alliance for Better Care	Trustee is Chair	9,385	7,900	–	6,885	–
Accurx	Spouse of Trustee is Board member	–	–	80,000	–	–
AHSN Network	Trustee is Director	–	–	4,000	–	–
Cwm Taf Morgannwg University Health Boar	Trustee is Chair	69,070	–	1,100	69,070	–
Derbyshire Healthcare NHS FT	Trustee is CEO	11,500	–	179	–	–
Milton Keynes University Hospital NHS FT	Trustee is CEO	10,150	–	1,667	10,150	–
Newcastle Upon Tyne Hospital NHS FT	Trustee was CEO	4,400	–	1,583	720	–
NHS Frimley ICB	Trustee is CEO	22,000	–	375	22,000	450
NHS North East London ICB	Trustee is Chair	63,000	–	–	38,000	–
NHS Nottingham and Nottinghamshire ICB	Trustee is Board Member	27,100	–	375	27,100	–
NHS Surrey Heartlands ICB	Trustee is PCN Leader	56,600	–	375	25,600	–
Northern Ireland Ambulance Service	Trustee is CEO	19,902	–	3,438	7,607	–
Nottinghamshire Healthcare NHS FT	Trustee is CEO	18,990	–	3,472	17,350	–
Health Innovation NE and North Cumbria	Trustee is Director	–	–	5,000	–	–
Nuffield Health	Trustee is Board Member	20,950	13,515	270	9,450	324
Office for Life Sciences	Spouse of Director is Director	7,972	–	–	–	–
Pharmaceutical Society NI	Trustee is Vice President	1,000	–	–	500	–
South Eastern Health and Social Care Tru	Trustee is Chair	21,439	–	782	9,285	–
Swansea Bay University Health Board	Trustee is Chair	65,420	–	–	65,420	–
ZPB Associates	Trustee is Director & CEO	–	–	950	–	–
Responsible Leadership Foundation Limite	Spouse of CEO is Senior Director	–	108,766	1,000	–	–

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

## 25. Related party transactions (Continued)

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

In 2024, there have been the following transactions between The NHS Confederation (parent) and The NHS Confederation (Services) Company Limited (the subsidiary):

- The subsidiary has gift aided profits of £1,045,244 (2023: £559,347) up to the parent company.
- Staffing costs of £143,033 (2023: £80,524) have been recharged from the parent company to the subsidiary to recognise time spent by staff in the charity on commercial work such as annual conferences.
- A recharge of £330,539 (2023: £272,805) covering corporate services costs such as Finance, HR, IT, and Office Management has been posted to reallocate these costs from the parent to the subsidiary to represent where these areas have supported work of the subsidiary.
- Business development costs of £112,000 (2023: £112,000) and event management costs of £165,800 (2023: £147,000) have been recharged from the subsidiary to the parent, where these areas in the subsidiary have supported work in the charity.
- An amount of £3,000 (2023: £nil) of income has been recognised in the parent company accounts relating to payment from the subsidiary for use of name, logo, and other data and intellectual property. A corresponding cost of £3,000 has been recognised in the subsidiary accounts.
- The parent company has paid the subsidiary an amount of £30,581 for use of the Horizon conference centre space for various meetings and events, this has been recognised as income in the subsidiary accounts. In 2023, the activities of Horizon sat in the charity and thus the intercompany activity related to the subsidiary making use of the space, which amounted to £258 in that year.

## THE NHS CONFEDERATION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

- The parent has paid the subsidiary an amount of £12,679 for using Horizon area and staff as a reception for the charity offices. In 2023, the activities of Horizon sat in the charity and so no intercompany recharge was incurred that year.
- The subsidiary has paid the parent company an amount of £23,580 (2023: £nil) to represent the value of the member benefits for our corporate members (who are invoiced from the subsidiary) that is provided by staff in the charity, or otherwise relates to non-pay costs covered by the charity.

There are no other related party transactions to disclose.

## 26. Results and net assets of the subsidiary

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

The summary financial performance of the subsidiary alone is:

	2024 £	As restated 2023 £
Turnover	4,831,527	3,156,240
Cost of sales	(3,590,442)	(1,997,785)
Gross profit	<u>1,241,085</u>	<u>1,158,455</u>
Administrative expenses	(330,539)	(273,943)
Profit before taxation	<u>910,546</u>	<u>884,512</u>
Tax	–	–
Profit for the financial year	<u>910,546</u>	<u>884,512</u>

The assets and liabilities of the subsidiary were:

Current assets	4,013,189	2,865,209
Current liabilities	(2,835,718)	(1,633,486)
Provision for liabilities	(80,446)	–
Total net assets	<u>1,097,025</u>	<u>1,231,723</u>
Aggregate capital and reserves	<u>1,097,025</u>	<u>1,231,723</u>

An error had been identified in the previously reported financial information for 2022/23, relating to recharge of staff costs between the trading subsidiary and the NHS Confederation (it's parent).

# THE NHS CONFEDERATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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An adjustment has been made to the comparative figures to increase cost of sales by £161,048, which reduced the previously reported profit from £1,045,560 to £884,512. The retained earnings brought forward have therefore reduced by £161,048, with a corresponding increase in the amount due to group undertakings of £161,048, changing this from £188,575 to £349,623 as at 31<sup>st</sup> March 2023.

### 27. Custodian arrangements

The charity acts as custodian for the NI Public Sectors Chairs forum. In the financial year ended 31 March 2024, the charity received £62,349 (2023: £41,003) and disbursed £54,932 (2023: £42,705) in its role as custodian. An amount of £41,845 (2023: £34,428) is included in other creditors relating to unrestricted funds held as custodian at 31 March 2024.

The trading subsidiary, The NHS Confederation (Services) Company Limited, acts as custodian for the Developing Excellence in Medical Education conference, which was held in December 2023. The subsidiary hold all funds and administers payments on behalf of the organisers of the event. In the financial year ended 31 March 2024, the trading subsidiary received £642,224 (2023: £nil) and disbursed £461,002 (2023: £nil) in its role as custodian. An amount of £261,473 (2023: £80,251) is included in other creditors relating to unrestricted funds held as custodian as at 31 March 2024.

### 28. Post balance sheet events

As noted in the finance review section, we received notification during 2023/24 that a significant contract (~£8m per year) will be put out to tender during 2024/25, with the winning bidder taking the new contract on from 1<sup>st</sup> April 2025. Should we fail to win this tender, we would need to change the structure of the organisation to reduce costs in line with the reduced income. Any changes would be implemented from 2025/26 onwards.