NHS England

Annual Report and Accounts 2023-24

For the period ended
31 March 2024

HC 251

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Annual Report and Accounts 2023/24

For the period 1 April 2023 to 31 March 2024

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Foreword:
A view from Richard Meddings, Chair

As the NHS continues to recover from the impact of the COVID-19 pandemic and focuses on making the improvements we all want to see, it is also contending with complex challenges. We recognise that we are not meeting a number of our constitutional performance standards but we remain very focused on year-on-year operational performance improvement.

We welcome the recently published independent review of the NHS, led by Lord Ara Darzi. He and his team have done a diligent job in providing a full and accurate picture of the health service now and the drivers of the challenges it faces, and we look forward to working with the Government on the 10-year health plan to address them and to set a realistic but also ambitious blueprint for the future.

In building an NHS fit for the future, we will need to tackle head on the challenges identified in this report.

The NHS faces exponential growth in demand from a growing and ageing population, from societal challenges including cost of living pressures and deprivation, the continued surging levels of demand growth in mental health and from significant increases in obesity. Additionally, our brilliant medical scientists find ever new ways that the human condition can go wrong and ever new methods of treatment. This high growth in demand is met by a capacity constrained system, with workforce vacancies, far fewer hospital beds and much less diagnostic capacity than the Organisation for Economic Co-operation and Development average and an estate requiring high levels of investment in urgent remediation and in modernisation. These longer-term challenges were made more difficult in the year by industrial action which resulted in a notable loss in capacity, with around 1.3 million elective attendances and inpatient and outpatient appointments necessarily postponed or cancelled and rescheduled.

And yet despite these challenges the NHS this year still provided absolute record levels of healthcare.

In general practice we made millions more appointments available for patients with 371 million appointments in the 12 months to the end of March 2024 – circa 7% higher than 2022/23 and almost 21% more than pre pandemic. There are more than 7 million appointments in primary care every week. This is equivalent to more than 10% of the population being seen each week in primary care.

Significant progress was made in urgent and emergency care (UEC) and our urgent community response (UCR) teams continued to provide urgent care to people in their homes, avoiding unnecessary hospital admission.

Despite the ongoing impact of industrial action we have treated more elective patients during 2023/24; 17.4 million elective pathways were completed – an increase of 1.3 million compared to 2022/23. The number of longest waits has also been reduced, with a 52% reduction in patients waiting 65 weeks or longer as well as further reductions in those waiting 78 weeks or longer. But we have much more to do.

We've also had our highest ever performance against the Faster Diagnosis Standard and another record-breaking year for urgent cancer checks with over 3 million referrals between April 2023 and March 2024, more than double the 1.4 million cancer referrals and checks performed 10 years before.

We've seen record numbers of people supported by mental health services. In 2023/24 around 5 million people were in contact with NHS services for support with their mental health, over 1 million more than in 2018/19, only 5 years before.

Technology is also helping us to provide more proactive, personalised care for patients with long term needs. We now have an NHS App used by 34 million subscribers, over 75% of the adult population. Just in the month of April, people viewed or changed 7.7 million secondary care appointments through the App, ordered 3.9 million repeat prescriptions and accessed 1.6 million online consultations. The App can be revolutionary to the experience of patients and enables much greater productivity, particularly in primary care. We have in the year purposefully invested at pace in scaling up its use and functionality.

Whilst our basic services have at times been under very real pressure, and particularly in the winter months, what is also clear is the continued innovation across the NHS. World leading genomics, liquid biopsies, a cancer vaccine launchpad with individually tailored vaccinations promising a new weapon with which to fight cancer, greater interoperability of data as we connect secondary systems through the Federated Data Platform, electronic patient records in nearly every trust and in primary care; these will, over time, transform the system.

We also face new and growing risks in this digital age from cyber-attacks and indeed this year we have seen an increased level of attack. Future proofing ourselves against these risks needs to be a priority as we take stock and look to innovate further.

We all know that the NHS needs well-trained, well-supported managers at every level to make the changes needed to deliver an NHS fit for the future. This is why we are taking forward the excellent work of Messenger and Kark to develop a new, multi-disciplinary NHS Management and Leadership Framework.

So, we have the building blocks of a vision to reimagine the NHS for the needs of tomorrow.

So, despite the serious challenges we need to overcome, as Lord Darzi says the vital signs are strong, and so I believe we can be positive for the future.

I would like to thank our staff across the NHS who are today providing record levels of healthcare to meet the changing demands from society and in spite of the many challenges.

Whenever I go on visits across the health system, I am always humbled by the sheer commitment shown each and every day by the people working in the NHS.

Richard Meddings, Chair of NHS England

Performance report

Amanda Pritchard
04 October 2024

Accounting Officer

Chief Executive's overview

Welcome to NHS England's Annual Report and Accounts for 2023/24.

This report covers the operation and performance of NHS England between April 2023 and the end of March 2024. Despite the consistent name, this is effectively a brand new organisation, bringing together the functions of the former NHS England, NHS Improvement, Health Education England and NHS Digital, with a shared purpose to lead the NHS in England to deliver high-quality services for all, and to put workforce, data, digital and technology at the heart of our vision to transform the NHS.

The benefits of bringing together these functions, providing more unified and streamlined leadership to the wider NHS, and releasing significant savings to support front line services, are clear. But it is important to say that a change programme of this size and complexity – unprecedented in the public sector – is not achieved without having a significant impact on colleagues, and I want to put on record my thanks to everyone in the new NHS England who has worked so hard over the past couple of years to make it a success.

They have done that alongside maintaining their primary focus on supporting the wider NHS to manage the significant challenges it has faced. In addition to the ongoing recovery from COVID-19 and the inflationary effects of global economic volatility, local services and systems continued to deal with the operational and financial impact from sustained periods of industrial action.

These, and other pressures, have contributed to a reality for many NHS staff that's incredibly tough. Lord Ara Darzi's assessment of the NHS paints a deeply sobering picture of the current performance challenges NHS teams are managing day-to-day across the country. As we all recognise, many people's experiences of the NHS are a long way from where any of us want them to be.

On average, around 1.6 million people have some kind of contact with NHS services every day. Most will get what they need and have a good experience. But we all recognise what Lord Darzi says in his review of the NHS: that too many people are currently waiting too long for planned appointments, scans and operations; A&Es are too often overcrowded, meaning that patients wait too long to complete their care, or for ambulances to arrive; too many people still find it difficult to get appointments with general practice, community and mental health services; and the quality and safety of care (for example, in maternity and mental health) can too often fall short of what is expected, and sometimes fall short of what is acceptable.

We now have a definitive diagnosis, so it is time for the NHS and Government to work together on the prescription.

In setting out his conclusions, Lord Darzi is unequivocal that the current NHS model is the right one. He is clear ‘a top-down reorganisation’ is ‘neither necessary nor desirable’, and our structures are the right ones to deliver the changes and improvements we all want to see.

Most importantly of all, Lord Darzi shares our hope for the future, in the quality and values of NHS staff, and the ability they have shown time and again to turn things around. Indeed, he shares our view that many of the solutions are already out there, working in parts of the NHS today.

It will take time for the NHS to recover fully from the pandemic and to become a service fit for future generations. That’s why the work that comes next – to develop a 10-year health plan – is so important.

In this we must address the honest assessment of Lord Darzi and the immediate risks to our delivery, including those outlines in this report – a lack of capacity to cope with demand and risks to cyber security.

And in looking to the future, we should continue to learn from what NHS have already achieved in tough circumstances.

Over the last year, due to the hard work and commitment of NHS staff, progress has been made on almost all the ambitions set out in the 2023/24 Planning Guidance, albeit there is still a very long way to go. Record numbers of people were supported by mental health services. Millions more general practice appointments were delivered, alongside the launch of Pharmacy First and a plan to help improve dental access.

Hospitals delivered around a million more elective treatments, and long waits were dramatically reduced, supported by the growing number of surgical hubs, and greater use of the independent sector, now delivering one in ten of every treatments.

Patients received almost two million more diagnostic tests, supported by our growing network of Community Diagnostic Centres, and more than ever before were seen for urgent cancer checks, supported by innovations such as lung scanning trucks, direct referrals from community pharmacy, FIT testing and cytosponges.

And a corner was turned on urgent and emergency care, with 999 and A&E performance improving thanks to the work of local teams to put more ambulances on the road, open more core beds, and extend out of hospital care.

The above are just some of the achievements which give hope, but not complacency. For all the progress we can point to, we all know we could still do far more, far better, for our patients.

As ever, central to delivering these ambitions will be the effort of NHS staff – whether frontline clinicians, or those who work to support them and our patients. While we have seen an expansion in the NHS workforce in recent years, it is against a backdrop of over a hundred thousand vacancies and colleagues in many services and parts of the country feeling stretched, an over-reliance on overseas-trained clinicians and agency staff, and a future in which baked-in demographic changes place ever growing demand on services.

However, in the NHS Long Term Workforce Plan, published in June 2023, we do now – for the first time – have a credible strategy to put staffing on a sustainable footing for the future, and crucially to better support those who work in the health service, so that they in turn can do their best for our patients.

So while I want to once again thank all of my NHS colleagues for their ongoing hard work and dedication, and praise them for the achievements they were able to deliver in 2023/24 in spite of the massive challenges they were up against, more importantly I want to take this further opportunity to restate the commitment we made in the milestone Long Term Workforce Plan to improving culture, leadership and wellbeing – and to making the NHS a better place to work, to build a career, and vitally for everyone to contribute to better health and care for the communities they serve.

Amanda Pritchard NHS England Chief Executive and Accounting Officer

Performance overview

About NHS England

We share, with the Secretary of State for Health and Social Care, the legal duty to promote a comprehensive health service in England, in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012 and the Health and Care Act 2022).

Our purpose is to lead the NHS in England to deliver high quality services for all and to deliver value to the taxpayer. We set the national direction, allocate resources, ensure accountability, and define the national strategy for supporting and developing people, making the NHS a great place to work.

We run national IT systems and the collection, analysis, publication, and dissemination of data generated by health and social care services to improve outcomes for our patients and communities.

On 1 April 2023, NHS England incorporated Health Education England, the body responsible for the education and training of the health workforce. This completed the formation of the new NHS England which also merged with NHS Digital on 1 February 2023.

How we operate

NHS England is governed by a Board which is accountable to the Government, Parliament, and the public.

Our work is also supported by third party organisations including NHS Business Services Authority (NHS BSA), NHS Shared Business Services (NHS SBS), NHS Property Services Limited (NHS PS) and Primary Care Support England provided by Capita. Additionally, NHS England hosts NHS Interim Management and Support and sponsors the Sustainability Unit on behalf of the NHS.

We also oversee commissioning support units (CSUs). The CSU staff group are employed by NHS BSA but are formally a part of NHS England. CSU activities are included in our report and accounts except where otherwise indicated.

SCCL is the legal entity through which NHS Supply Chain undertakes its procurement services and transacts with customers and suppliers. This is achieved by leveraging the collective buying power of the NHS to support the healthcare system to achieve their financial, operational, and strategic objectives. NHS England is the sole shareholder of SCCL, a UK incorporated company. SCCL's Articles of Association include a range of matters reserved for shareholder decision.

Most services are commissioned by Integrated Care Boards (ICBs), which are overseen by NHS England. ICBs lead 42 local Integrated Care Systems (ICSs) made up of NHS organisations, primary care professionals, local councils, social care providers and the community, voluntary and social enterprise sector.

Our NHS England Operating Framework[1] sets out how we are supporting systems and providers to lead locally to improve the health of the population, improve the quality of patient care, tackle health inequalities and deliver care more efficiently. It also describes our six longer-term aims:

- longer healthy life expectancy
- excellent quality, safety and outcomes
- excellent access and experience
- equity of healthy life expectancy, quality, safety, outcomes, access and experience
- value for taxpayers' money
- support to society, the economy and environment

How we measure performance

The NHS Constitution sets out the rights of patients, the public and staff. We measure and monitor performance against a wide range of constitutional performance standards and publish statistics relating to these core constitutional standards on the NHS England website every month.[2]

ICB performance

Legislation requires an annual assessment of performance to be carried out at ICB level. NHS England has published guidance on the 2023/24 annual assessment process which includes detail on the evidence to inform assessments and the Key Lines of Enquiry that were considered. We will publish a summary of the outcomes of these assessments on our website later in 2024.

In line with the principles of the oversight framework, all ICBs have been allocated into one of four support segments ranging from no specific support needs (segment one) to a need for mandated national support via the Recovery Support Programme (segment four). At the end of the 2023/24 financial year, we saw a slight increase in the number of ICBs in segments three or four; 27 organisations compared with 25 at the end of 2022/23. Two ICBs, Lincolnshire and Norfolk, were successfully supported out of the Recovery Support Programme this year and one ICB, NHS Hampshire and Isle of Wight ICB, entered the programme.

NHS England may use its statutory enforcement powers, including the power to issue directions, where an ICB is failing, or is at risk of failing, to discharge any of its functions. During 2023/24 no directions were given, but NHS England accepted enforcement undertakings from

[1] https://www.england.nhs.uk/publication/operating-framework/
[2] https://www.england.nhs.uk/statistics/statistical-work-areas/

one NHS Hampshire and Isle of Wight ICB. A copy of these undertakings is publicly available on the NHS England website.[3]

ICB annual reports

2023/24 ICB annual reports and accounts were published on their individual websites, links to these can be found on our website.[4]

Provider annual reports

All NHS trusts and NHS foundation trusts (termed 'providers') in England publish an annual report and accounts on their individual websites. The results of all providers will be published by NHS England in Consolidated Provider Accounts, by November 2024.[5] These are presented separately from those of NHS England as NHS England is not the parent body of NHS trusts and NHS foundation trusts.

Overview of 2023/24 operational performance

This performance overview provides a summary of NHS England's performance against its objectives, set by the Government through the mandate and cascaded to the NHS through Operational Planning Guidance,

NHS England began 2023/2024 managing significant pressures. Industrial Action had already led to hundreds of thousands of appointments and operations being rescheduled and it was clear that ongoing action would present significant challenges to the service throughout the year. Alongside this, we were continuing to respond to the build-up of health needs during the pandemic, ongoing high levels of COVID-19 infection, capacity constraints in social care and increased costs due to inflation.

The 2023/24 operational planning guidance outlined three key tasks for the NHS:

- recover our core services and productivity
- make progress in delivering the key ambitions in the NHS Long Term Plan
- continue transforming the NHS for the future

Improvement has been made against the objectives we set. However, performance remains significantly challenged across priority areas, particularly against constitutional performance standards.

In general practice we have again made more appointments available for patients: almost 371 million appointments took place in the 12 months to the end of March 2024, 6.7 % higher than 2022/23. We have continued to grow the Primary Care workforce and 98% of pharmacies have signed up to Pharmacy First[6] since its launch in January 2024.

[3] https://www.england.nhs.uk/system-and-organisational-oversight/national-recovery-support-programme/
[4] https://www.england.nhs.uk/publication/integrated-care-boards-in-england/
[5] https://www.england.nhs.uk/publication/consolidated-nhs-provider-accounts-annual-report-and-accounts-2023-to-2024/
[6] https://www.england.nhs.uk/primary-care/pharmacy/pharmacy-services/pharmacy-first/

As part of our Urgent and Emergency Care Recovery Plan we have expanded capacity and the ambition to deliver an additional 5,000 hospital beds was met from January 2024; 600 new ambulances have also been provided alongside a 7.3% growth in the ambulance workforce.

Category 2 ambulance response times were under 34 minutes in March 2023, a reduction of over 13 minutes over the year; 4-hour A&E performance improved for the first time since 2009 (outside the first year of the COVID-19 pandemic) by 2.7% to 74.2% by March 2024. Although progress was made, we note that performance remains below the constitutional standard of at least 95% of patients being admitted, transferred, or discharged within four hours.

Despite the ongoing impact of Industrial Action, we have treated more elective patients during 2023/24, 17.4 million elective pathways were completed – an increase of 1.3 million compared to 2022/23.

Urgent suspected cancer referrals have continued to increase during the year and hit a record high in March 2024, when they were 33% higher than before the pandemic. To meet this demand, treatment activity has also been at its highest level: 340,000 patients received their first treatment for cancer between April 2023 and March 2024 compared to 2022/23.

Despite these record levels of demand for cancer care, the NHS delivered and exceeded on its 2023/24 target to ensure at least 75% of patients received a definitive diagnosis within 28 days of referral. The backlog of patients waiting over 62 days was also reduced. The percentage of patients waiting no longer than 2 months for their first cancer treatment improved from 64.9% in April 2023 to 68.7% in March 2024, however, this remains below the 85% constitutional standard.

In mental health, more people are getting the support they need, with over 5 million people in contact with NHS services for their mental health, autism and or learning / disability, an increase of nearly 300,000 compared to 2022/23.

We have delivered growth in the maternity workforce to better support women and families; the number of midwives has risen by 6.2% to a record high alongside an improved retention rate.

Performance analysis

In this section, we provide detail on the work we have delivered during the year. These key areas of performance relate closely to the objectives set out in our annual business plan and reflect progress made against the aims set out in the Government's mandate to the NHS.

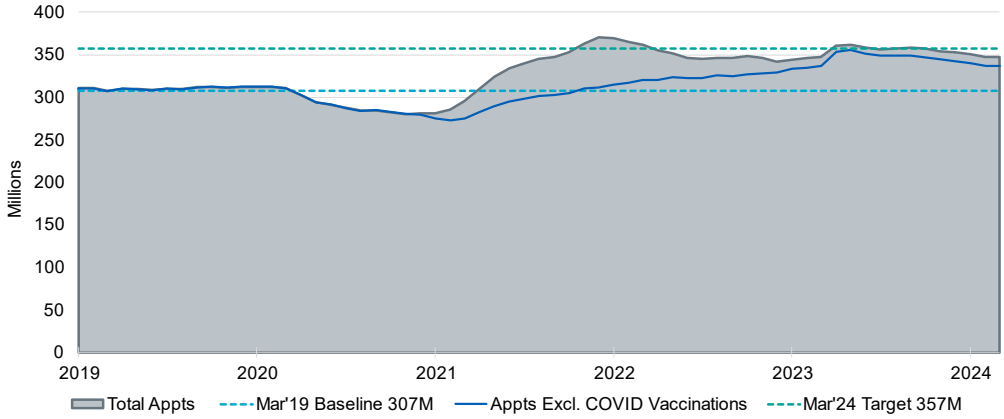
For more detail on how we delivered against the mandate, see page 180.

Primary and community health services

As the NHS came out of the emergency phase of the COVID-19 pandemic, demand for GP services has grown and public satisfaction with access, as measured by the GP annual survey, has declined. The survey[7] showed 67% of patients had a positive experience of contacting their GP, set against 33% neutral or negative.

General Practice expanded capacity to meet the rising demand for care, with 370.7 million appointments taking place in the 12 months to the end of March 2024, including 7.1 million COVID-19 vaccinations. This is 22.1% more than the 2018/19 baseline and 6.7% higher than the 12 months to March 2023. The March 2024 target of an additional 50 million appointments was met in October 2023.

Appointments in general practice



The increase in appointments has been supported by investment in extra staff, with more than 47,843 (December 2023) whole time equivalent (WTE) direct patient care staff in place. This has been achieved and exceeded the Additional Roles Reimbursement Scheme, in with the Government commitment to deliver 26,000 additional roles in primary care by March 2024. This includes an additional 2,709 WTE doctors in general practice at the end of March 2024 compared to the March 2019 baseline.

By March 2024, we had supported 94% of GP practices to switch to digital telephony, helping to reduce the number of people struggling to contact their practice at 8am.

We also supported over 2,500 GP practices with adopting the Register with a GP Surgery digital service, which enables new patients to register at their preferred surgery online and through the

[7] The publication of 2024 survey results marks the start of a new time series for GP Patient Survey, therefore trend data for previous years of the survey is not presented alongside the 2024 results as it would normally be, and the 2024 results are not comparable with previous years.

NHS App. At year end, over 20% of all GP registrations were completed using this service, with over a million registration requests processed digitally.

To support access to GP data in wider care settings, we continue to develop technology to allow authorised health and social care workers to access their patients' GP records. As of March 2024, NHS 111 providers and many care homes can now access GP records through their own provider systems and 90% of GP Practices have enabled functionality to structure GP records data. This gives provider systems even more control over how GP data is presented and used on their own systems.

Community pharmacy

Pharmacy First was officially launched on 31 January 2024. Uptake has been faster and broader than planned, with 98% of pharmacies now signed up. This has been supported by a public campaign to increase patient awareness of the service.

Community Pharmacy Contraception Service and Community Pharmacy Blood Pressure Check services were successfully expanded in December 2023, making it easier for patients to access treatment for common conditions through their local pharmacy.

Dentistry and optometry

Primary care dental services continue to recover from the disruption caused by the COVID-19 pandemic following the lifting of infection prevention control constraints in July 2022, with 82% of contracted units of dental activity delivered in 2023/24. This represents an increase in activity of 2% compared to 2022/23, although remains 10% below pre-pandemic levels. Building on the contract changes announced last year, NHS England published guidance for ICBs on the flexibilities available to them within the current contract to support improved delivery.[8]

The Dental Recovery Plan[9] was published on 7 February 2024, the aim to enable up to 2.5 million additional NHS dental appointments for patients over the next 12 months, including delivery of up to 1.5 million extra treatments. The plan’s three core components are: expanding access; a major new focus on prevention for young children; and developing and increasing capacity of the dental workforce.

Optometry services exceeded pre-COVID-19 activity levels in high street practices. Over 13.7 million sight tests have been delivered, at high street opticians and at home, marking an increase of 7% against the previous year. Over 4 million optical vouchers were redeemed in 2023/24, an increase of 13.7% from the previous year.

Personalised care

We have more than doubled our NHS Long Term Plan commitment, with 5 million people receiving personalised care a year ahead of the target. 10.8 million people have benefitted from

[8] https://www.england.nhs.uk/publication/opportunities-for-flexible-commissioning-in-primary-care-dentistry/
[9] https://www.gov.uk/government/publications/our-plan-to-recover-and-reform-nhs-dentistry/faster-simpler-and-fairer-our-plan-to-recover-and-reform-nhs-dentistry

a personalised care intervention as of March 2024, supporting patients and giving them more control in managing their long-term conditions.

Urgent community response

UCR teams continued to provide urgent care to people in their homes, avoiding unnecessary hospital admission. More than 83% of patients were seen within 2 hours of referral to UCR in March 2024, exceeding the national expectation of 70%.

Self-referral

Enabling individuals to self-refer into community services rather than having to visit a GP has reduced pressure on general practice. ICSs expanded self-referral routes into community services pathways against a target of 45,000 self-referrals by March 2024, announced in PCARP. This target was achieved one month early, with 57,477 self-referrals in February 2024.

Urgent and emergency care

In January 2023, we published the Delivery plan for recovering UEC services[10] to reduce waiting times in emergency departments and for ambulances. Progress was made by the end of March 2024 against a backdrop of industrial action and an increase in attendances.

4-hour A&E performance was 74.2%[11] compared to 71.5% in March 2023[12], falling short of the year-end target of 76%, that is still significantly below the 95% constitutional standard.

The mean category 2 ambulance response time for 2023/24 was 00:36:23, a reduction of 13 minutes and 37 seconds[13] over the year. Additionally, around 600 new ambulances (double crewed ambulances and mental health response vehicles) were delivered in 2023/24, with the remaining 200 of the 800 commitment to be delivered by end of September 2024. Further to the increases in new ambulances and a 7.3% growth in the ambulance workforce, all 11 ambulance trusts have intelligent, live, digital call-routing systems supporting reductions in long waits for calls.

Average daily A&E attendances for 2023/24 were 71,720, a 3.3% increase on 69,449 in 2022/23 and emergency admissions on 31 March 2024, increased by 6.4% from 1 April 2023.

[10] https://www.england.nhs.uk/wp-content/uploads/2023/01/B2034-delivery-plan-for-recovering-urgent-and-emergency-care-services.pdf
[11] https://www.england.nhs.uk/statistics/wp-content/uploads/sites/2/2024/04/Statistical-commentary-March-2024-b64fcb.pdf
[12] No performance data was collected during the period May 2019 to May 2023 for those trusts participating in the UEC Clinical Review of Standards, however the NHS still reported an improvement on last year when accounting for CRS Trial Sites.
[13] https://www.england.nhs.uk/statistics/wp-content/uploads/sites/2/2024/04/20240411-AQI-Statistical-Note.pdf

This improvement was achieved by:

- delivering the target of 5,000 new core (general and acute) beds, in January 2024
- 11,833 new virtual ward beds by March 2024, compared to 9,713 in July 2023. Occupancy also increased to 72% from 64.1% in the same period
- investment to increase ambulance hours on the road by 4%
- 84% of hospitals with type 1 emergency departments now provide same day emergency care seven days a week, with opening hours of a minimum of 12 hours per day.

Improvements in access to 111 services

NHS 111 which received 21.8 million calls in 2023/24 compared to 22.3 million calls in 2022/23, a drop of 2.3%. However, the volume of answered calls increased by 9.1% from 17.1 million to 18.7 million calls. Call abandonment improved to 10.0% in 2023/24 (against 17.6% in 2022/23) and in March 2024 the average call answer time was 00:03:16 down from 5 minutes and 34 seconds in March 2023.

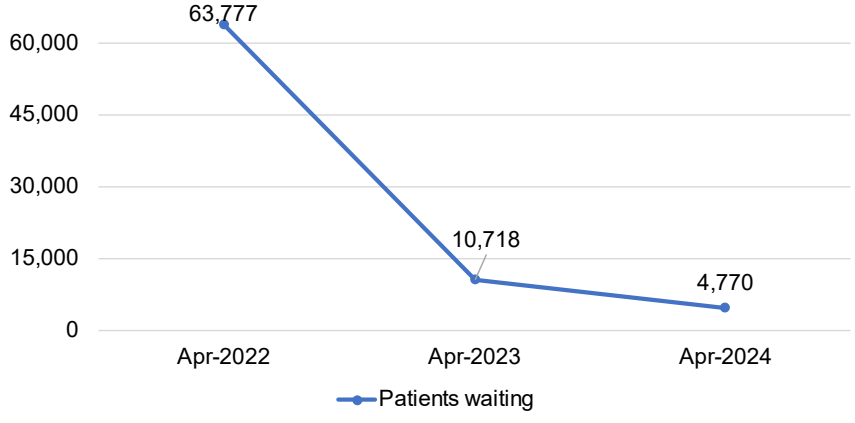
The 111 online service has undergone continuous developments to improve access, accessibility, and user experience. In October 2023, access to 111 online was expanded to all users of the NHS App, further alleviating pressure on telephone-based services, and providing an alternative to the NHS 111 phone service for urgent medical needs. An average of 30% of all 111 activity (across telephony and online) is via 111.nhs.uk, with assessments via the NHS App tripling last year, with more direct digital access to urgent mental health services for patients.

Elective care

Elective care was significantly disrupted by industrial action. An estimated 1.3 million elective attendances/appointments (a combination of inpatient and outpatient rescheduled activity) were cancelled, and many hours were lost due to the disruption. As a result, although the NHS did more activity, with demand high, we did not achieve the goal to virtually eliminate 65 week waits, though they were cut by 48% from 94,400 to 49,000, per our constitutional standard.

During 2023/24, 17.4 million elective pathways were completed from referral to treatment, including more than 3.7 million patient pathways that would otherwise have exceeded 65 weeks within this period. As shown in the following table, progress was also made on reducing the number of patients waiting longer than 18 months (78 weeks) for treatment.

Number of patients waiting longer than 18 months



To help patients make choices at the point of referral we improved the information made available to referrers and patients, such as information about waiting times, distance to travel and quality of care. To improve patient choice for those already on an elective pathway, nearly 400,000 patients were proactively offered choice to move provider if they had been waiting over 40 weeks for care and met the relevant criteria.

2023/24 was the second year of the £1.5 billion Targeted Investment Fund (TIF) 2 capital funding agreed at Spending Review 2021, ringfenced to increase elective activity. £509 million was drawn down against a target spend of £600 million, and 23 TIF schemes were completed.

The NHS Constitution sets out that patients should wait no longer than 18 weeks from GP referral to treatment. As of March 2024, referral to treatment 18 weeks performance stood at 57.2%, significantly below the 92% standard.

Mental health

Around 5 million people now contact NHS services for support with their mental health each year, an increase of 0.7 million more than 2018/19.
In 2023/24 the NHS took further steps to improve services, address the long-standing treatment gap and respond to pressures from increased prevalence and demand for mental health services, including:

- during 2023/24, 788,108 Children and Young People aged 0 to 17 received at least one contact from an NHS funded mental health service (94% of the 840,254 target). This is an increase of around 79,000 against the previous year.
- the number of 18- to 24-year-olds having at least one contact with NHS funded mental health services - excluding NHS Talking Therapies - in the rolling 12 months to March 2024 was 234,255, exceeding the NHS Long Term Plan goal of increasing access by 18,000 for 18 to 24 year olds by around 5,000
- Mental Health Support Teams (MHSTs) continue to improve access to mental health services for children. MHSTs now cover 44% of pupils and learners as of Spring 2024
- in 2023/24, 425,625 adults and older adults with severe mental illness received 2 or more contacts, exceeding the target by 15%
- over £500 million was secured for a multi-year capital programme to replace dormitories in the mental health estate with single, ensuite bedrooms. Since the programme started in 2020/21, 43 projects have been completed, eradicating roughly 700 dormitory beds to date, allowing services to provide more therapeutic arrangements for people in inpatient units.
- £150 million of capital investment has been secured for projects to support the mental health UEC Care Pathway. This will fund over 200 schemes, 170 of which will be completed by winter 2024. The schemes include funding for crisis alternatives, making improvements to health-based places of safety, and mental health ambulances, and are expected to improve patient experience and outcomes, as well as reduce pathway pressures
- 58,303 women were reported to have accessed specialist community Perinatal Mental Health (PMH) services and Maternal Mental Health Services (MMHS) in the 12 months to end of March 2024. This is an increase of 7,668 from last year (50,635 in March 2023)
- the NHS Long Term Plan ambition to open 15 specialist gambling clinics by the end of 2023/24 was achieved, providing the capacity to treat 3,000 patients per year across the country

The sector has worked hard to make significant progress in a challenging context. However, there continues to be high demand for services. As a result, a number of areas remain challenged, and work continues with regions and systems to prioritise recovery.

NHS England continues to explore opportunities to improve prevention and early intervention approaches to improve outcomes for Children and Young People with eating disorders. Despite continued growth in demand, services are treating 55% more Children and Young People since the start of the COVID-19 pandemic. By March 2024, 79.1% of routine referrals were seen within 4 weeks and 73.3% of urgent referrals were seen within 1 week, against a 95% standard.

NHS Talking Therapies referral to treatment and recovery standards continued to be met. In the 12 months to March 2024, NHS Talking Therapies services delivered access for 1.26 million people. This is an increase of 41,377 against 2022/23, however a smaller proportion of those completing talking therapies had recovered (50.9% in March 2024 against 51.2% previous year).

The Dementia Diagnosis Rate for March 2024 was 64.8% (63.0% 2022/23), falling short of the national ambition of 66.7%, which has not been achieved since March 2020. However, there has been an upward trend since January 2023, and we anticipate the ambition will be met by March 2025.

Significant progress has been made in expanding the workforce to support mental health service expansions; the NHS secondary care mental health workforce has increased by 32% (around 36,300 WTE) since March 2019, compared to 20% for the NHS secondary care workforce overall.[14] Children and Young People Mental Health services staff grew by over 45% between the 2019 and 2022 surveys, though at 16% the vacancy rate for mental health nurses remains high.

Mental health spend

The table below shows that mental health spend[15], as a proportion of total recurrent NHS spend that mental health spend, recurrent NHS Mandate funding, and the proportion of recurrent NHS spending on mental health, increased between 2022/23 and 2023/24.

	2022/23 £bn	2023/24 £bn
Mental Health Spend	12.6	13.9
Recurrent NHS baseline	142.4	154.7
Mental Health Spend as a proportion of recurrent NHS baseline	8.9%	9.0%

[14] data to December 2023 from NHS Workforce Statistics https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/december-2023

[15] In this table mental health spend includes: i) ICBs mental health spend from their programme allocations, except for spend on Prescribing and Continuing Healthcare (CHC) as expenditure in these areas were not areas identified within the Long Term Plan for increased investment. NHS England requires ICBs to increase mental health spend from their programme allocations by at least as much as programme allocations grow each year: this is known as the Mental Health Investment Standard. All 42 ICBs met the Mental Health Investment Standard in 2023/24; iii) national transformation funding (known as Service Development Funding) primarily issued to ICBs for new services or used to train new staff for mental health services iii) expenditure on specialised commissioning related to mental health, spent by NHS England. The recurrent NHS baseline shows the element of NHS England's funding which is agreed to continue year-on-year for service provision. It excludes single-year or short term additions to NHS England's funding (e.g. to fund a particular Government initiative) and the additional pensions costs for NHS staff which are met centrally.

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People with a learning disability and autistic people

The number of people on a learning disability register increased by more than 21,000 by the end of 2023/24.

By 31 March 2024, 255,145 people (77.6% of the eligible population) had received an annual health check, exceeding the 75% national commitment. 75% also had an accompanying health action plan, compared with 64% in February 2023.

At the end of February 2023, an autism health check was piloted in four regions to gather learning from the pilots, and, in April 2023, we published a national framework to support improved outcomes in all-age autism assessment pathways.[16]

The Learning from the Lives and Deaths of People with a Learning Disability and Autistic People (LeDeR) programme[17] supported improvements in health outcomes.
The latest data (2022) showed a narrowing of health inequalities, with the median age of death for people with a learning disability increasing by one year. For the first time, the annual LeDeR report included findings about autistic people.[18]

An Information Standard Notice published September 2023 mandates the use of a Reasonable Adjustment Digital Flag[19] in health records from April 2024 to show that a disabled person needs a reasonable adjustment to their care.

At the end of March 2024, there was a significant reduction (of 60% since 2015) in the number of people with a learning disability (who are not autistic) in a mental health hospital. However, the number of autistic people (with no learning disability) in a mental health hospital had increased by 66% since 2017.

National investment of £121 million in 2023/24 supported the delivery of learning disability and autism services, including care education and treatment reviews, community infrastructure and key workers. Keyworker services for autistic Children and Young People at risk of admission to, or in a mental health hospital are now operational in all ICB areas. By the end of 2023/24 keyworkers had supported over 2,600 Children and Young People and our housing capital of £13 million continued to support people with a learning disability and autistic people to leave a mental health hospital.

[16] https://www.england.nhs.uk/long-read/a-national-framework-to-deliver-improved-outcomes-in-all-age-autism-assessment-pathways-guidance-for-integrated-care-boards/
[17] https://www.england.nhs.uk/learning-disabilities/improving-health/learning-from-lives-and-deaths/
[18] https://leder.nhs.uk/images/resources/action-from-learning-report-22-23/20231019_LeDeR_action_from_learning_report_FINAL.pdf
[19] https://www.england.nhs.uk/long-read/the-reasonable-adjustment-digital-flag-action-checklist-what-you-need-to-do-to-achieve-compliance/

Health inequalities and prevention of ill-health

The NHS Prevention Programme delivers targeted work to tackle risk factors and their underlying causes, subsequently helping to reduce health disparities and narrow inequalities.

In 2023/24 more than 120,000 people have been referred to the NHS Digital Weight Management Programme.[20]

At the end of 2023/24, 85% of all eligible inpatient and 94% of all maternity services had implemented new tobacco dependence treatment services. The proportion of women who were known to be smokers at the time of delivery was 7.4% in 2023/24, the lowest level on record, but above the current national ambition of 6% or less.[21] Additionally, all 47 patient-facing alcohol care teams funded through the NHS Long Term Plan have delivered increased staffing levels, with 36 achieving optimal staffing rates by the end of December 2023.

Please see Appendix 3: Reducing health inequalities, for more detail on our work to reduce healthcare inequalities in 2023/24.

NHS Diabetes Prevention Programme

Primary care referrals into the NHS Diabetes Prevention Programme[22] reached 1.5 million in 2023/24, with just under 600,000 people joining. The ambition of supporting 120,000 people on the programme in 2023/24 was exceeded by almost 40,000 and an independent evaluation has shown a 37% relative reduction in incidence of those who complete the programme and a 7% reduction in population-level incidence of type 2 diabetes.

NHS Type 2 Diabetes Path to Remission Programme

The NHS Type 2 Diabetes Path to Remission Programme[23] is now available across the whole of England. To date over 20,600 referrals have been made. Early data indicates participants each lose 7.2kg (over one stone) on average after one month, and 13.4kg (over two stone) after three months. This is in line with the outcomes seen in the trials where participants were able to improve their diabetes control, reduce diabetes-related medication and, in around 50% of cases, put their type 2 diabetes into remission.

Non-cancer screening

As at quarter 2 2023/24 national uptake in the NHS Diabetic Eye Screening Programme was at 79.1% and performance has continued above the acceptable target of 75%.

The rates of the NHS abdominal aortic aneurysm (AAA) screening for men living in our most deprived areas continues to improve year on year, particularly since the introduction of inequalities standards for the programme and local interventions.

[20] https://www.england.nhs.uk/digital-weight-management/
[21] https://digital.nhs.uk/data-and-information/publications/statistical/statistics-on-women-s-smoking-status-at-time-of-delivery-england/statistics-on-womens-smoking-status-at-time-of-delivery-england-quarter-4-2023-24
[22] https://www.england.nhs.uk/diabetes/diabetes-prevention/
[23] https://www.england.nhs.uk/diabetes/treatment-care/diabetes-remission/

NHS vaccinations and public seasonal flu programmes

Flu vaccination deployment

18.3 million children and adults received a flu vaccine in 2023/24 with improvements in uptake seen across several cohorts, notably 2- and 3-year-olds and those in long-stay care homes. There was an increase in the levels of co-administration of flu and COVID-19 vaccines, with 35% of adults receiving both at the same time.

COVID-19 vaccination deployment

As of 31 March 2024, the NHS had administered more than 157 million COVID-19 vaccinations in England, with 11.8 million vaccinations given in autumn 2023. The COVID-19 spring 2024 campaign focused on reducing inequalities, improving uptake and co-administration with Shingles where clinically appropriate.

Mpox vaccination deployment

On 10 November 2023, JCVI recommended an ongoing routine vaccination strategy for protection against MPOX to prevent future outbreaks and protect those at risk of exposure.

Polio vaccination

London region has focussed efforts on improving uptake of polio vaccination in high-risk areas to help to reduce risk of outbreak. The risk of outbreak in London has now been reduced and, as no further poliovirus type 2 isolates have been detected for at least a year. World Health Organisation polio status has been reinstated in England.

Maternity and neonatal services

Our national maternity safety ambitions are to reduce the rates of stillbirth, neonatal mortality, maternal mortality, and intrapartum brain injury. Although latest data shows that we are making progress in reducing stillbirth and neonatal mortality, there was a statistically significant rise in maternal mortality for the last triennia.[24]

The Three-Year Delivery Plan[25], published in March 2023, sets out the steps to meet our objectives and improve outcomes. It includes learning from independent reports into maternity and neonatal services in Shrewsbury and Telford, and East Kent.

A key objective is to grow the maternity workforce so it can better support women and their families. With national and local investment, the number of midwives has risen by 6.2% in the past year to a record high of 23,689 WTE and the number of consultant obstetricians has risen by 5.1% to 1,861 WTE. In 2023/24 we invested to help improve midwife and in March 2024 the leaver rate was 9.9% compared to 11.4% a year before.

Leadership teams from all 150 maternity and neonatal units in England have now started the Perinatal Culture and Leadership Programme, which includes a diagnostic survey and practical support to nurture a positive safety culture.

[24] https://www.npeu.ox.ac.uk/mbrrace-uk/data-brief/maternal-mortality-2020-2022
[25] https://www.england.nhs.uk/publication/three-year-delivery-plan-for-maternity-and-neonatal-services/

We have published Maternity and Neonatal Voices Partnerships guidance[26] for trusts and systems to support the embedding of service user voice in improvement work and, to address unwarranted variation in experience, in December 2023, we published What good looks like[27] guidance for the GP maternal postnatal check. Both provide clear, national advice on the delivery of safer, more equitable, more personalised care.

Coverage for the three antenatal screening programmes remained above the achievable thresholds:

- fetal anomaly screening coverage 98.5% at June 2023
- infectious diseases in pregnancy screening for HIV, Hepatitis B and Syphilis at 99.8% at September 2023
- sickle cell and thalassaemia screening coverage at 99.8% at September 2023

September 2023 performance of the three newborn screening programmes' coverage remained above acceptable thresholds:

- newborn blood spot screening coverage at birth at 97.5%
- newborn hearing screening coverage at 99.1%
- newborn and infant physical examination screening coverage at 96.3%

The in-service evaluation (ISE) for Severe Combined Immuno-Deficiency (SCID) has ended its formal stage. Screening for SCID continues with the same cohort whilst the UK National Screening Committee (UKNSC) awaits and considers the final report.

The ISE for non-invasive prenatal testing rollout within the NHS Fetal Anomaly Screening Programme[28] will end at the end of May 2024. Screening will continue whilst the UKNSC reviews the interim and final report.

Cancer

NHS England has also continued to implement its cancer early diagnosis strategy, contributing to record levels of urgent cancer referrals, with over 3 million referrals seen between April 2023 and March 2024.

The NHS delivered and exceeded its cancer targets by the end of March 2024:

- 77.3% of people received a definitive diagnosis or ruling out of cancer within 28 days of an urgent referral, against a target of 75%
- the backlog of patients waiting longer than 62 days was at the lowest since April 2020, a reduction of almost 20,000 patients since the post-pandemic peak.

This progress was achieved through new investment in expanding diagnostic capacity, working more closely with the most challenged trusts to provide them with additional support and challenge, and improving the productivity of the more challenged pathways, including:

[26] https://www.england.nhs.uk/publication/maternity-and-neonatal-voices-partnership-guidance/
[27] https://www.england.nhs.uk/long-read/gp-six-to-eight-week-maternal-postnatal-consultation-what-good-looks-like-guidance/
[28] https://www.gov.uk/guidance/fetal-anomaly-screening-programme-overview

- increasing the use of faecal immunochemical tests (FIT) in people with symptoms that could be bowel cancer, to help target endoscopy capacity on those who need it most
- expanding tele-dermatology in the skin cancer pathway.

As a result of these strategies, we are diagnosing more people - and a higher proportion of cancers at an early stage than before the COVID-19 pandemic. By March 2024, early diagnosis rates were 2.4% points above the 2019/20 pre-pandemic level and 0.8 percentage points higher than the previous year (based on Rapid Cancer Registration Data). The all-cancer early diagnosis rates have increased across all deprivation quintiles, with the overall gap between the most and the least deprived narrowing compared to pre-pandemic rates.[29] The Rapid Cancer Registration Dataset shows that people from disadvantaged areas are now most likely to be diagnosed with lung cancer early.[30]

Cervical Screening programme

The NHS Cervical Screening programme[31] helps save around 5,000 lives each year. In November 2023, NHS England set out the ambition to eliminate cervical cancer by 2040.

Screening uses a highly effective test to check for high-risk Human Papillomavirus, which is found in over 99% of all cervical cancers and which may cause abnormal cells to develop in the cervix. These abnormal cells can, over time, turn into cancer if left untreated. 2023/24 data[32] shows that for the higher age cohort (age 50 to 64), coverage is just marginally under the 75% efficiency standard at 74.8%. For the younger cohort (age 25 to 49) it remains lower at 66.6%. The optimal performance standard is 80%.

Bowel cancer screening

The NHS bowel cancer screening programme[33] exceeded the optimal coverage standard of 60%, with latest performance measured at 71.8% at the end of September 2023.

As part of the ongoing extension of FIT kits to all over 50s, the programme started to rollout the kit to people aged 54 in 2023/24. This phase of the age extension will result in around 800,000 more people being eligible for bowel cancer screening each year.

The NHS Bowel Cancer Screening Programme has worked in partnership with the Royal National Institute for the Blind, the Thomas Pocklington Trust and FIT kit supplier Mast Group Ltd to develop a FIT aid to help blind and partially sighted people complete their bowel cancer screening test independently. During 2023/24, in a world first, the NHS started to offer routine preventative bowel cancer screening to thousands of people with Lynch syndrome – a genetic condition which increases risk of developing certain cancers.

[29] https://www.cancerdata.nhs.uk/covid-19/rcrd
[30] https://www.england.nhs.uk/long-read/nhs-england-cancer-programme-progress-update-spring-2024/
[31] https://www.nhs.uk/conditions/cervical-screening/
[32] https://digital.nhs.uk/data-and-information/publications/statistical/cervical-screening-programme/cervical-screening-programme-coverage-statistics-management-information
[33] https://www.nhs.uk/conditions/bowel-cancer-screening/

Breast cancer screening

In 2023/24, we refined the breast and gynaecological cancer pathways to ensure women with low-risk symptoms, which are unlikely to be cancer, are rapidly directed towards the most appropriate care.

The NHS Breast Screening Programme[34] invitation backlog, affected by the COVID-19 pandemic, was resolved in September 2023 when 97.7%[35] of women invited were screened within the required 3-year interval. December 2023 performance exceeded the 70% efficiency standard with 70.2% coverage (80% optimal target).

The Breast Cancer Testing programme invited members of the Jewish community[36], who are more likely to have a genetic mutation which increases the risk of cancer, for screening. The programme has received more than 19,000 registrations so far and has already identified over 100 people with the breast cancer mutation.

Liver Health Checks

The Community Liver Health Checks programme[37], which is reducing health inequalities by offering mobile services to those most at risk, delivered more than 36,500 scans and identified more than 2,600 people at increased risk of liver cancer.

Lung Health Check

By the end of March 2024, the Targeted Lung Health Check programme[38] had invited more than 1.4 million current or former smokers from some of the most disadvantaged areas in the country. Nearly 4,000 people were diagnosed with lung cancer, 75% at stage 1 or 2, compared with the with the overall lung early diagnosis rate of 30% in the 12 months pre-pandemic. Early diagnosis rates for the most deprived quintile have increased the most from pre pandemic levels (9 percentage points).

[34] https://www.gov.uk/guidance/breast-screening-programme-overview
[35] https://www.gov.uk/government/publications/q2-1-july-to-30-september-2023-annb-and-ypa-screening-kpi-data
[36] https://www.england.nhs.uk/2024/02/nhs-launches-national-brca-gene-testing-programme-to-identify-cancer-risk-early/
[37] https://www.england.nhs.uk/2023/03/nhs-on-the-spot-liver-scans-find-one-in-10-people-have-liver-damage-that-could-lead-to-deadly-cancer/
[38] https://www.nhs.uk/conditions/lung-health-checks/

Workforce Training and Education

In July 2023 we published the first comprehensive workforce plan for the NHS, to put NHS staffing on a sustainable footing and to improve patient care.

Our priority for 2023/24 was to start implementing the NHS Long Term Workforce Plan: to grow the workforce; to reform education and training and support workforce transformation; and to improve the culture of working in the NHS.

Growing the workforce

Two of the previous Government's three manifesto commitments were delivered: the commitment to recruit 50,000 additional nursing staff, was delivered 6 months early; the recruitment of 26,000 additional staff in new roles in Primary Care was delivered a year early; however, the additional 6,000 GPs was not achieved.

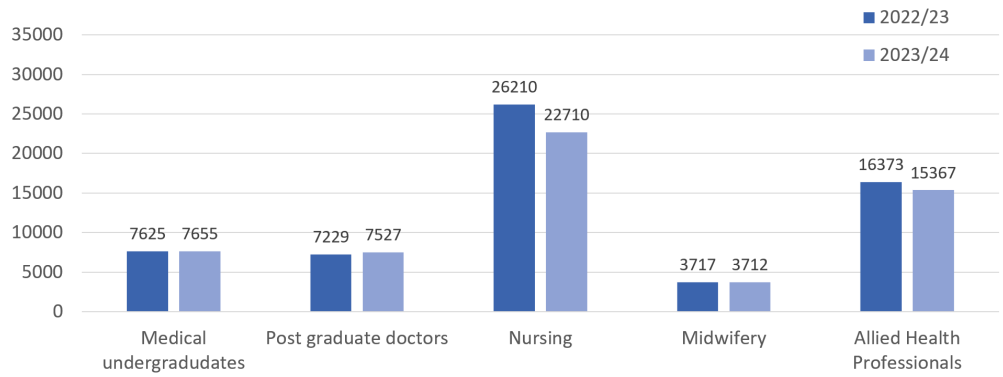
NHS Hospital and Community Health Service workforce

In total the NHS Hospital and Community Health Service Workforce FTE increased by 64,697 to 1,345,047 people (5.1%), with an increase of clinically qualified staff from 671,943 to 711,117 (5.8%). Retention improved overall across the NHS, with statistics showing the leaver rate reduced from 11.8% in March 2023 to 10.2% in March 2024.

Education and training

The annual survey of students and trainees shows an improvement in the overall experience in the last year by 1.3 percentage points between 2022 and 2023. All groups reflected an improvement in experience between 2022 and 2023, except students in Psychological Professions (although student satisfaction here remains one of the highest overall).

Medical trainee numbers were delivered to plan. The chart below shows the number of trainees in 2023/24, against 2022/23 data.



Reform in education and training continues, including the Enhancing Doctors' Working Lives programme which supports the delivery of activities aimed at enhancing flexibility for doctors in training.

Culture

707,460 people, from 213 NHS trusts and NHS foundation trusts, participated in the 2023/24 NHS staff survey producing the largest response rate to date. Nationally, scores for all elements of the People Promise improved on previous year scores, with notable improvements in the following elements: We are recognised and rewarded, We are safe and healthy, We are always learning, We work flexibly, and We are a team. This year also saw the implementation of the first general practice staff survey in 21 ICBs.

In October 2022, the Preceptorship Framework was launched and embedded. The Preceptorship Framework Standards[39] for nursing and midwifery provide a supported transition from training to practice for newly qualified staff.

During 2023/24, first and mid-level leadership academy programmes were delivered, with approximately 200,000 enrolments to online programmes. A three-year plan of activity, commencing April 2024, has been developed to continue delivering the Messenger review recommendations.

In 2023, the Fit and Proper Person Test framework was implemented in response to the Kark review, and, in February 2024, we published the NHS Board Leadership Competency Framework and Chair Appraisal framework.

Transforming health and care

We continue to enable the best outcomes for both patients and care providers through driving improvement in services, enabling world-leading research and innovation, and delivering data and digital services on which millions of patients and staff rely every day. In 2023/24, we provided 24/7 support for over 100 national services, ensuring high service availability and resilience.

Transforming NHS services through the NHS App

NHS England has made significant progress in transforming access to healthcare services through the NHS App. By March 2024, 75% of the adult population in England were registered on the app. Integration with patient engagement portals of 82 trusts has facilitated the management of 6 million monthly appointments in secondary care. The app has also played a crucial role in encouraging over 5 million autumn booster bookings (as part of the COVID-19 and Book a Flu Vaccine winter campaigns) and messaging functionalities have saved over £1 million by sending messages securely through the app.

Over 84% of GP practices have enabled record access, providing patients with timely access to information as it is added to their GP record, with this service accounting for over 50% of all app usage traffic. The app now provides information on average wait times and estimated date of treatment for patients referred to NHS acute trusts and patients can now view and order repeat prescriptions through the app, with 13.1% of users utilising this service as of March 2024.

[39] https://www.england.nhs.uk/long-read/national-preceptorship-framework-for-nursing/

Patient records and digital maturity

In November 2023, NHS England achieved the previous Government's target of 90% of trusts adopting Electronic Patient Records (EPR) systems, granting authorised clinicians access to crucial patient information. Support and funding have been provided to 160 local EPR projects, with £443.7 million allocated to help ICSs establish essential digital foundations, particularly through electronic records. Health and social care record systems are also being implemented in social care settings, and by the end of 2023/24, 63% of CQC registered adult social care providers had an EPR Digital Social Care Record system in place.

Better use of data

In November 2023, NHS England procured a Federated Data Platform (FDP). The NHS FDP is software that will sit across NHS trusts and ICSs, enabling NHS organisations to bring together operational data, currently stored in separate systems. This supports staff to quickly access the information they need - for example bed availability, the size of elective care waiting lists, or the availability of medical supplies - in one safe and secure environment. To accompany the FDP, we also procured Privacy Enhancing Technology (PET) to support safe data access and use.

Innovation, research and life sciences

Our partnership with the Accelerated Access Collaborative has provided patients with access to proven innovations by bringing together key partners from across government, charities, the NHS, and industry. Work has continued to ensure that the NHS remains a major partner in research and innovation activities, reflecting the aims in the government's Life Sciences Vision[40] and NHS priorities, and ensuring that recognition of the transformative potential of evidence from research is built into operational and commissioning policies and guidelines for the NHS.

The ICS Research Engagement Network development programme, co-funded with DHSC, has invested £7.2 million to support delivery of local activity across all 42 ICSs to address health inequalities by increasing diversity in research participation.

Through the Innovation for Health Inequalities Programme, we have invested £3.8 million across 39 projects to improve access to National Institute for Health and Care Excellence (NICE) approved innovations for deprived and underserved communities, aimed at reducing health inequalities.

£2.4 million of Small Business Research Initiative (SBRI) Healthcare Award funding has been allocated to research programmes in 2023/24, with the overall total now standing at over £10.3 million.

197 new entrepreneurs joined the Clinical Entrepreneur Programme (CEP) this year and raised £103.1 million on solutions that address frontline challenges, with over 300 CEP alumni retained within the NHS.

[40] https://www.gov.uk/government/publications/life-sciences-vision

In 2023/24 we made major investments in the NHS Research Secure Data Environment (SDE) Network, helping to provide safer and faster access to different types of NHS data across one national and 11 regional SDEs. This has supported over 80 research projects including in genomics, prescribing, primary care, and mental health, with no record-level data leaving NHS England's environment.

Digital transformation of screening

In 2023/24, NHS England stepped up preparations for the switchover to the new NHS Cervical Screening Management System (CSMS). Improvements to the system will free up more time for frontline staff and ensure all those eligible for a screening appointment are invited on time and followed up as required.

Getting It Right First Time (GIRFT)

The GIRFT programme has expanded its national implementation role with a focus on driving up quality and productivity through various interventions based on clinically led, data-driven peer reviews, with approximately 70 clinical leads across 50 specialties.

GIRFT has supported the elective surgical hub programme and aided struggling trusts and systems through its Decompress Relearn Restart model. Day case surgery rates exceeded national targets, consistently achieving 88% by year-end, and efforts are being made to include unused theatre estate in capacity calculations.

Artificial Intelligence in health and care

Aligned with the Government's Life Sciences Vision to improve clarity on the authorisation and approval pathways for digital health technologies[41] and supported by NICE, NHRA, CQC, and the Health Research Authority, In June 2023 the AI and Digital Regulations Service was launched to provide regulatory advice for developers and adopters of AI and digital technologies in health and care.

As of March 2024, NHS England had allocated £113 million in funding to 86 AI-based projects within the health and care sector. These projects are being evaluated with input from experts in the AI industry, health, and academia, and are being conducted at 408 sites across the UK, encompassing 466 live AI-based trials. 56% of trusts are piloting at least one AI technology product, impacting over 1 million patients in health and care pathways. This work led to the successful deployment of an AI-based decision support service in 95% of stroke networks in England, aiding more rapid identification of patients with suspected strokes.

[41] https://www.gov.uk/government/publications/life-sciences-vision

Digital medicines

Digital medicines initiatives aim to enhance the use of technology and medicines data in the NHS to improve productivity, safety, and patient experience, in relation to how we use medicines in the NHS. Progress has been made in enabling the seamless flow of structured medicines information between NHS IT systems, through the interoperable medicines standard.

The first phase of modernising the Electronic Prescription Service has been completed. This will enable more NHS organisations, particularly in secondary care, to transmit prescriptions to community pharmacies for dispensing. Patients can now view their digital prescriptions through the NHS App and use a digital prescription barcode for dispensing at any community pharmacy.

Infrastructure and core services

During 2023/24 the whole of the Spine infrastructure[42] was moved from physical data centres into the cloud as part of the Spine futures programme. This was accomplished seamlessly while all the live 'always on' services were running. Moving Spine to the cloud has resulted in reduced running costs, doubling of Spine capacity, a reduction of our carbon footprint and enabled us to use new security features, strengthening our resilience to potential cyber-attacks.

To support the continued adoption of digital and cloud services, we have supported over 2650 NHS primary and secondary care sites to obtain gigabit capable connectivity. We are also supporting NHS organisations prepare for the scheduled switch-off of the Public Switched Telephone Network, scheduled for December 2025.

We have been rolling out the new National Care Record Service for clinicians to view a summary care record for citizens. The new service now works on mobile devices and browsers and includes new ways of looking up citizen records while meeting new accessibility standards.

Data Services - Data and analytics operational services

NHS England are now the largest provider of official statistics on health and care. Our flagship Accident and Emergency Statistics is accredited by the Office for Statistics Regulation following assessment on trustworthiness, quality, and value.

Our National Disease Registration Service (NDRS) collects data on patients with cancer, congenital anomalies, and rare diseases. In February 2024 NDRS won the Government Project Delivery Innovation Award for a portal which enables standardised safe submission of data, reducing the burden on the frontline. The portal has been instrumental in enabling linkage of the National Lynch Register with the National Bowel Cancer Screening Programme.

The Model Health System continues to provide a unique benchmarking resource to the NHS, to support quality improvement and productivity. All 368 NHS providers and systems have access with over 58,500 total registered users. The National Competency Framework for data professionals was launched, with more than 500 data professionals and 50 organisations

[42] https://digital.nhs.uk/services/spine

involved in development and testing. Approximately 15% of NHS organisations have now adopted the framework.

Cyber operations

A new unified security team was established to manage the risk to NHS England and support the strategy of making the sector cyber-resilient by 2030. We have provided £38 million to frontline organisations to improve cyber security locally and continue to deliver a range of national cyber services. In 2023/24, we actively monitored over 1.85 million computers and issued 15 high severity alerts, helping protect 367 organisations from the most critical IT vulnerabilities used by cyber criminals.

Emergency preparedness, resilience and response

The COVID-19 response continued into 2023 as a level three incident as part of the transition to recovery. On 18 May 2023, the incident response was stepped down, although it is recognised that COVID-19 and the wider long-term impact of the pandemic will be significant for years to come, and learning from the pandemic response is key.

During 2023/24, incident response arrangements have been activated for several incidents requiring notification to NHS England, which were managed with regional and/or national oversight, including the Coronation of King Charles III in May 2023, a terrorist knife incident in Nottingham in June 2023 and a technical fault at BT that led to a national outage preventing callers accessing emergency 999 voice call services.

Industrial action

The NHS has been navigating continuous industrial action and recovery involving a wide range of health professionals including nurses, ambulance workers, physiotherapists, hospital dentists, junior doctors, and hospital consultants. NHS England has led the national operational response to industrial action and worked with NHS organisations to manage incidents, minimise disruption and support patient care.

Chief Financial Officer's report

Introduction

The financial statements for the year ending 31 March 2024 are presented later in this document on a going concern basis (as per Note 1.5 of the accounts) and show the performance of both the consolidated group – covering the whole of the commissioning system – and NHS England as the parent of the group. The group comprises NHS England and the 42 ICBs.

2023/24 is the first full year following completion of the legal merger between NHS England, NHS Digital, and Heath Education England. The new combined organisation has an establishment of around 15,300 whole time equivalent staff compared with approximately 24,300 for the legacy organisations. The new combined organisation will continue the vital functions of the previous organisations, whilst releasing over £400 million to support the front line.

NHS England is required to manage total NHS spending within a fixed revenue limit. The total revenue limit for 2023/24 was £175,017 million.

Funding and allocations

In 2023/24, core funding for the NHS on a like-for-like basis remained broadly flat, in real terms compared to the previous year, increasing by 0.2% including the costs of pay deal adjustments in 2023/24. Funding has been agreed during the year for additional costs, including the higher cost of pay awards where £2.8 billion has been provided to address additional costs of the 2023/24 pay awards which impacted a number of staff groups. £1.7 billion funding for additional costs incurred as a result of industrial action. Additional funding was also agreed for the Primary Care Recovery Access Plan, and delivery of the COVID-19 vaccination and testing programmes.

In January 2023, the NHS England Board approved allocations for the two years from 2023/24 to 2024/25, supporting ICBs to return to longer term financial planning following the emergency financial arrangements in place during the COVID-19 financial regime.

ICB allocations included deployment of an Elective Recovery Fund, made available by the Government to support the recovery of elective waiting lists. The initial targets were reduced in-year in recognition of the service impact of industrial action. Improvements were also made to the formulae through which resources are distributed to ICBs in 2023/24, based on recommendations from the Independent Advisory Committee on Resource Allocation.

From 1 April 2023, all 42 ICBs have taken delegated responsibility for pharmaceutical services, general ophthalmic services, and dental services (primary, secondary and community), and received an additional allocation related to these services.

From April 2024 20 ICBs from 3 NHS England regions have taken delegated responsibility for the commissioning of specialised services.

Operational pressures

Industrial action has continued to create a significant operational and financial pressure on the NHS in 2023/24 with a total of 41 days of strike action by junior doctors and consultants, in addition there were 5 days from other staff groups during the year.

Over the year, ICBs and trusts worked with local authorities to improve discharge processes and increase capacity to support discharge. There was a small reduction in levels of delayed discharges compared to 2022/23, but on average there were still around 12,700 patients per day with delayed discharges.

In 2023/24 we issued capacity funding at the start of the year to support systems to plan ahead of winter to deliver improved urgent and emergency care performance. The funding was focussed on increasing general and acute capacity, virtual ward capacity and utilisation, intermediate and step-down care as well as community beds. This enabled us to improve urgent and emergency care performance despite ongoing high levels of demand.

In spite of these pressures, the NHS has delivered around £7 billion of savings and has made significant improvements in productivity, even with strikes allowing us to improve operational performance in a number of key areas including reducing elective waiting lists, though not by as much as we had planned.

Timeliness of local accounts

In preparing the NHS England group accounts based on consolidation schedules from ICBs, we are reliant on each ICB submitting their audited annual report and accounts to us. We and the Department of Health and Social Care issue directions to NHS bodies on the timing by which these should be submitted.

There are many reasons why a set of audited accounts for a local NHS body may go beyond the deadline: for example, this may reflect illness in the preparer finance team or audit team, or a significant issue may be encountered that takes time to resolve, which may reflect weaknesses in an entity's preparation of its accounts. Auditors need to be able to complete their work independently of outside influence and take the necessary time to ensure their audit opinion is the right one and supported by appropriate audit evidence. It is also important that there is a properly functioning local audit market to allow audited bodies to hold their auditors to account for delivery. We support the Financial Reporting Council's current NHS audit market study which will include examining whether this market is functioning effectively.

The vast majority of NHS bodies and their auditors have continued to meet the deadline set for submission of audited accounts. We do not have a backlog of previous years' outstanding audits affecting a subsequent year. Compliance with the audited accounts deadline for commissioning bodies showed a significant deterioration in 2022/23 compared to historic norms,

with the mid-year transition from CCGs to ICBs meaning there was an increased number of bodies to audit. The compliance rate for on-time ICB audited accounts in 2023/24 has significantly improved, and the time taken to resolve cases where the deadline was missed has also reduced. These together have facilitated these accounts being published in October rather than January as in the most recent two years.

A number of actions have contributed to the NHS England group annual report and accounts being published earlier this year:

- an early focus on guidance and training to support the NHS finance community on potential challenges
- more proactively monitoring NHS bodies to ensure they had appointed auditors for the financial year in good time
- a careful focus on the development of the annual report, with early clarity on governance
- timely preparation of national accounts and effective working with the National Audit Office to facilitate detailed audit testing
- a rigorous system of monitoring NHS bodies before and after the audited accounts deadline to support them in managing their audited accounts to completion
- prompt escalation of NHS bodies requiring more support to ensure targeted support from the appropriate part of NHS England to bring resolution of issues and
- planning the expected timing of audited accounts delivery to work out where alternative assurance may be needed nationally and completing this work at an earlier point than previously.

More broadly NHS England continues to work to improve timeliness in financial reporting including:

- encouraging auditors to give clear reporting to audit committees where the preparer's quality of draft accounts or working papers needs to improve
- working closely with NHS bodies to ensure they appoint external auditors in good time, which helps increase the likelihood of deadlines being achieved
- regular engagement with partners including the Ministry of Housing, Communities and Local Government and the Financial Reporting Council on policy matters affecting the broader local audit system: in particular, the government's approach of implementing 'backstop' dates to resolve backlogs in local government audits has been done with care to minimise potential adverse impacts on the NHS
- contributing to the Financial Reporting Council's market study into the NHS audit market, including a look at the supply of audit capacity
- working with NHS bodies where financial reporting issues arise to ensure they are able to address findings effectively and
- regular engagement with the audit firms and responding to their feedback to continue to strengthen the NHS financial reporting landscape and working with partners to make sure training and guidance is available for preparers.

NHS England and DHSC have an ambition to return to laying the main national consolidated accounts (being the DHSC group, NHS England group and consolidated provider accounts) before Parliament in advance of the summer Parliamentary recess in July. Achieving this in the years ahead would present challenges for financial reporting in the NHS: it would require the audit community to accept a significantly earlier deadline for audited accounts, better

compliance with the deadline by both preparers and auditors, and further streamlining in the national processes for preparation and audit.

14 ICBs were reported by their auditors to the Secretary of State, under Section 30 of the Local Audit and Accountability Act 2014, due to forecasting that expenditure would exceed income during the financial year.

Financial performance

This year, NHS England delivered an underspend of £1,255 million against the revenue resource budget. This planned underspend helped to support the expected overspend in the NHS provider sector and deliver a balanced position across the NHS.

By the end of the year, 15 out of 42 systems either broke-even or delivered an underspend.

Revenue Department Expenditure Limit (RDEL) general (non-ringfenced)

	2023/24				2022/23		2021/22		2020/21		2019/20		2018/19	
Financial performance	Expenditure plan	Expenditure actual	Under/(over) spend against plan		Under/(over) spend against plan		Under/(over) spend against plan		Under/(over) spend against plan		Under/(over) spend against plan		Under/(over) spend against plan	
	£m	£m	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
ICBs[43]	133,509	133,631	(122)	(0.1%)	64	0.1%	195	0.2%	154	0.2%	(507)	(0.6%)	(150)	(0.2%)
Direct commissioning	27,811	27,514	297	1.1%	552	1.8%	310	1.1%	1,087	3.9%	390	1.5%	310	1.3%
NHS England admin / central programmes / other[44]	13,697	12,617	1,080	7.9%	537	5.7%	192	2.9%	4,132	21.3%	1,113	14.2%	755	17.0%
Total	**175,017**	**173,762**	**1,255**	**0.7%**	**1,153**	**0.7%**	**697**	**0.5%**	**5,373**	**3.6%**	**996**	**0.8%**	**915**	**0.8%**

In the mandate, DHSC sets a number of technical financial targets for the NHS England Group, including the core operational limit (general RDEL) described above. These limits are ringfenced, which means that underspends on the other revenue limits cannot be used to support core patient services covered by the general RDEL limit.

2023/24 performance against key financial performance duties

a) Revenue limits

	2023/24					2022/23
Revenue limits	Mandate limit £m	Actual £m	Underspend £m	Target met	Underspend as % of mandate	Underspend £m
RDEL – general	175,017	173,762	1,255	✓	0.7	1,153
RDEL – ring-fenced for depreciation and operational impairment	393	349	44	✓	11.2	29
Annually Managed Expenditure limit for provision movements and other impairments	150	(80)	230	✓	153.3	238
Technical accounting limit (e.g., for capital grants)	200	190	10	✓	5.0	474
Total revenue expenditure	**175,760**	**174,221**	**1,539**	✓	**0.9**	**1,895**

[43] ICBs were formed on 1 July 2023. All figures on this row prior to 1 July 2023 relate to CCGs.
[44] Supply Chain Coordination Ltd included in 'other'

b) Administration costs (within overall revenue limits above)

Total administration costs	2,127	1,892	235	✓	11.0	179

c) Capital limit

Capital expenditure contained within our capital departmental expenditure limit	439	386	53	✓	12.1	54

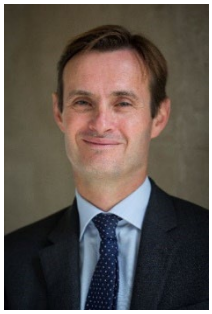
Financial priorities for 2023/24

Our priorities continue to focus on the recovery of core services and productivity. Key to delivery is making sure that the frontline of the NHS has the resources it needs to deliver on our priorities for patients, with a focus on recovering cancer performance, improving emergency care services, improving access to primary care services specifically general practice and dental services and treating as many patients who are waiting for elective care as we can.

We must also recognise the continuing efforts of NHS staff and ensure that colleagues are supported in order that they can continue to deliver their best work for patients.

For 2024/25 we will be working with ICSs to:

- support delivery of system financial plans and for more financially challenged systems to help them recover financial stability over the medium term
- reduction of agency spend as a proportion of the total pay costs for the year
- ensure smooth implementation for the 20 ICBs that have taken delegated responsibility for specialised services and preparation for those taking delegation in 2025/26
- use the specific resources we have been provided with to reduce the number of people waiting for elective procedures, and continue to increase our investment in mental health and primary care services
- continue the journey towards greater system working and integrated care budgets
- maintain spending controls and deliver care as efficiently as we can in the context of ongoing operational constraints, intervening where there is a risk of non-delivery to plan.



Julian Kelly, Chief Financial Officer

Accountability report

Amanda Pritchard
04 October 2024

Accounting Officer

The accountability report sets out how NHS England meets key accountability requirements to Parliament and is comprised of three key sections:

The corporate governance report sets out how the organisation was governed during 2023/24, including membership and organisation of our governance structures and how they support achievement of our objectives. The report includes:

- directors' report (from page 44)
- statement of Accounting Officer's responsibility (page 58)
- governance statement (from page 59)

The remuneration and staff report sets out our remuneration policies for executive and non-executive directors and how these policies have been implemented for the reporting period, including salary information and pension liabilities. The report provides further detail on remuneration and staff and starts from page 43.

The parliamentary accountability and audit report (from page 83) brings together key information to support accountability to Parliament, including a summary of fees and charges, contingent liabilities and the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Accountability to Parliament and the public

During 2023/24, NHS England has continued to work closely with the NAO in their work to test whether public bodies are delivering value for money. During this period, the Chief Executive and other senior leaders gave evidence to Public Accounts Committee hearings on Progress in improving mental health services in England[45], Access to UEC[46], the New Hospital Programme[47] and NHS Supply Chain and efficiencies in procurement.[48]

In 2023/24, the NAO published reports on Access to unplanned or urgent care[49], Progress with the New Hospital Programme[50], NHS Supply Chain and efficiencies in procurement[51] and NHS England's modelling for the NHS Long Term Workforce Plan.[52]

In response to the PACs recommendations, NHS England has:

- set out targeted interventions, in the Long Term Workforce Plan, to grow and transform the mental health workforce. These interventions will be delivered via partnership working across NHS England, DHSC, ICSs and wider[53]
- continued to work to tackle unwarranted variation in performance across secondary, primary and community care, and improve A&E waiting times and ambulance response times, with bespoke support for the most challenged systems[54]
- continued to support the delivery of the New Hospital Programme including through procurement of a programme delivery partner and work to ensure the Programme's modelling fits with regional and national modelling on the long-term infrastructure needs of the NHS[55]
- continued to drive efficiencies in procurement through oversight of and support to NHS Supply Chain, including in the development of NHS Supply Chain's modernisation programme[56]

[45] https://committees.parliament.uk/work/7315/progress-improving-mental-health-services/
[46] https://committees.parliament.uk/work/7721/access-to-urgent-and-emergency-care/
[47] https://committees.parliament.uk/work/7870/new-hospital-programme/
[48] https://committees.parliament.uk/work/8140/nhs-supply-chain-and-efficiencies-in-procurement/
[49] https://www.nao.org.uk/reports/access-to-unplanned-or-urgent-care/
[50] https://www.nao.org.uk/reports/progress-with-the-new-hospital-programme/
[51] https://www.nao.org.uk/reports/nhs-supply-chain-and-efficiencies-in-procurement/
[52] https://www.nao.org.uk/reports/nhs-englands-modelling-for-the-long-term-workforce-plan/
[53] committees.parliament.uk/publications/43339/documents/215812/default/
[54] committees.parliament.uk/publications/44839/documents/222713/default/
[55] https://assets.publishing.service.gov.uk/media/65cb4a2173806a000cec7742/Treasury_Minutes_-_February_Web.pdf
[56] https://assets.publishing.service.gov.uk/media/66472450993111924d9d3713/E03132236_CP_1085_Treasury_Minutes_Accessible.pdf

Corporate governance report

Directors' report

The key responsibility of the Board is to provide strategic leadership to the organisation, including:

- setting the overall direction of NHS England, within the context of the NHS Mandate from government
- approving the business plan, which is designed to support achievement of our strategic objectives and monitor our performance against it
- holding the NHS Executive to account for this performance and for the proper running of the organisation (including operating in accordance with legal and government requirements)
- determining which decisions, it will make and which it will delegate to the executive or committee or sub-committee, via the Scheme of Delegation
- ensuring high standards of corporate governance and personal conduct
- monitoring the performance of the group against core financial and operational objectives
- providing effective financial stewardship
- promoting effective dialogue between NHS England, government departments, partners, ICSs providers of healthcare and the communities served by the NHS.

The Board

In accordance with paragraph 2 of Schedule A1 to the 2006 Act (as also set out in section 4.1 of the Standing Orders), the Board comprises the chair, eleven non-executive directors and five executive directors including the chief executive.

Appointments

The chair and non-executive directors are appointed by the Secretary of State for Health and Social Care and executive directors are appointed by the chair and non-executive directors. The appointment of the chief executive is subject to the Secretary of State for Health and Social Care's consent.

Dame Emily Lawson was Chief Operating Officer from 1 November 2023 following the departure of Sir David Sloman on 3 September 2023, with an interim period covered by Sir James Mackey.

On 19 February 2024, Professor Sir Robert Lechler, Jane Ellison, Mark Bailie, and Professor Dame Helen Stokes-Lampard joined the NHS England Board as non-executive directors.

In February 2024, the Board approved the appointment of two associate non-executive directors; Suresh Viswanathan and Tanuj Kapilashrami.

Board members

Directors who served on the NHS England Board during the year are listed in the table below, along with their attendance.[57]

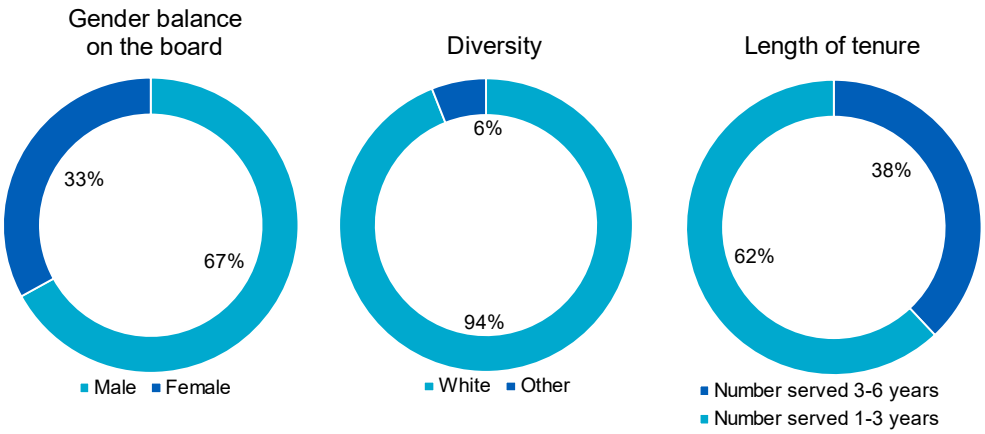
Members	Role	Term ends/notes	Number of eligible Board meetings attended
Richard Meddings	Chair	24 March 2026	6/6
Wol Kolade	Deputy Chair	24 March 2025	5/6
Sir Andrew Morris	Deputy Chair	24 March 2025	5/6
Sir David Behan[58]	Non-Executive Director	31 August 2024	6/6
Mike Coupe[59]	Non-Executive Director	31 December 2026	6/6
Jeremy Townsend[60]	Non-Executive Director	30 September 2026	5/6
Professor the Baroness Mary Watkins	Non-Executive Director	26 January 2026	5/6
Professor Sir Mark Walport	Non-Executive Director	26 January 2026	5/6
Professor Sir Simon Wessely	Non-Executive Director	26 January 2026	5/6
Professor Sir Robert Lechler[61]	Non-Executive Director	18 February 2027	1/1
Jane Ellison[62]	Non-Executive Director	18 February 2027	1/1
Professor Dame Helen Stokes-Lampard[63]	Non-Executive Director	18 February 2027	1/1
Mark Bailie[64]	Non-Executive Director	18 February 2027	1/1
Amanda Pritchard	Chief Executive Officer		6/6
Julian Kelly	Chief Financial Officer		6/6
Dame Ruth May	Chief Nursing Officer		6/6
Professor Sir Stephen Powis	National Medical Director		4/6
Dame Emily Lawson[65]	Chief Operating Officer		3/3

Former members	Role	Term ends/notes left on
Munir Pirmohamed[66]	Non-Executive Director	31 December 2023
Rakesh Kapoor[67]	Non-Executive Director	31 December 2023
Susan Kilsby[68]	Non-Executive Director	31 December 2023
Laura Wade-Gery[69]	Non-Executive Director	30 June 2023
Sir David Sloman	Chief Operating Officer	3 September 2023
Sir Jim Mackey[70]	Interim Chief Operating Officer	31 October 2023

[57] Biographical details may be viewed on our website https://www.england.nhs.uk/about/board/nhs-england-board/members/
[58] Sir David Behan began his second term as non-executive director on 1 January 2024.
[59] Mike Coupe began his second term as non-executive director on 1 January 2024.
[60] Jeremy Townsend began his second term as non-executive director on 1 August 2023.
[61] Professor Sir Robert Lechler was appointed to the NHS England Board on 19 February 2024.
[62] Jane Ellison was appointed to the NHS England Board on 19 February 2024.
[63] Professor Dame Helen Stokes-Lampard was appointed to the NHS England Board on 19 February 2024.
[64] Mark Bailie was appointed to the NHS England Board on 19 February 2024.
[65] Dame Emily Lawson was appointed as COO on 1 November 2023.
[66] Munir Pirmohamed's term as non-executive director ended on 31 December 2023.
[67] Rakesh Kapoor's term as non-executive director ended on 31 December 2023.
[68] Susan Kilsby's term as non-executive director ended on 31 December 2023.
[69] Laura Wade-Gery's term as non-executive director ended on 31 June 2023.
[70] Sir Jim Mackey was Interim Chief Operating Officer from 3 September – 31 October 2023. He remains National Director of Elective Recovery and a member of the NHS England leadership team.

Board diversity

The charts below show the composition of the Board members by gender, diversity, and tenure as of 31 March 2024.



The governance structure

Following the merger of Health Education England with NHS England on 1 April 2023, NHS England strengthened its governance structure to include functions that transferred from Health Education England. An overview of the Board governance framework is shown on the next page and individual Board committee reports can be found from page 48 to 55. A report detailing the business considered by the Board committees is provided to each Board meeting.

Board activity and administration

There were six NHS England Board meetings during the year, each including a public and a private session. The option for members of the public to attend public sessions in person was available throughout the year. Public sessions were live video streamed and published on our website along with the agenda, papers, and minutes.[71]

In addition to the six formal meetings, the Board held three Board strategy sessions and various subject-specific workshops and deep dives.

Key items considered by the Board during the year were:

Strategy

- a review of technology and innovation in the NHS
- working in partnership with people and communities
- Federated Data Platform
- New Hospital Programme
- NHS efficiency and productivity programme
- multi professional education and training investment plan
- long term infrastructure strategy project
- Primary care future strategy
- revised NHS Oversight Framework
- NHS Long Term Workforce Plan.

[71] https://www.england.nhs.uk/about/nhs-england-board/meetings/

Performance

- regular operational and financial performance updates
- learning from COVID-19
- the delivery plan for recovering access to primary care
- annual report on NHS England's work on healthcare inequalities and the NHS Race and Health Observatory
- learning disability and autism programme
- specialised commissioning 2024/25 - delegation to ICBs
- mental health, learning disability and autism inpatient quality transformation
- delivery plan for recovering UEC services
- NHS England's 3-year delivery plan for maternity and neonatal services.

Governance and risk

- annual board effectiveness review (2022/23)
- risk appetite and risk governance

Review of Board effectiveness and performance evaluation

In May 2023, the Board received the findings of the 2022/23 NHS England Board governance effectiveness review and endorsed the recommendations and actions. The review identified a number of areas that had improved, including the operation of the Board and its committees, the effectiveness of NHS England's governance framework and internal control arrangements, and information flows to the Board. Recommendations for improvement were made in relation to the balance of operational and strategic business at the Board, risk reporting and assurance processes, and the quality of papers.

NHS England has implemented most of the recommendations and actions during 2023/24 and the Board will consider a report on the success of the implementation later in 2024.

Board committees

Audit and Risk Assurance Committee (ARAC)

Role of the committee

The committee's primary role is to provide assurance to the Board about the integrity of NHS England's financial statements and the comprehensiveness, reliability and integrity of its internal control, risk management and governance processes.

Committee members

The committee met six times and the following table details membership, and the number of meetings attended by each member during the year:

Members	Number of eligible meetings attended	Comment
Jeremy Townsend	6/6	Non-Executive Director, Chair
Wol Kolade	4/6	Non-Executive Director
Mark Bailie[72]	1/1	Non-Executive Director
Mike Coupe	6/6	Non-Executive Director
Jane Ellison[73]	1/1	Non-Executive Director
Rakesh Kapoor[74]	1/4	Non-Executive Director
Gerry Murphy	4/6	Non-executive Chair of DHSC's Audit Committee (non-voting member)

Good governance practice dictates that an ARAC should consist of at least three non-executive directors and that at least one committee member should have recent and relevant financial experience. Both conditions were met throughout the year.

Attendees

Additional attendees are invited to attend meetings to assist with committee business. For 2023/24 these included the Chief Delivery Officer, Chief Executive Officer, Chief Financial Officer, Director of Corporate Governance, Director of Financial Control, as well as representatives from the external auditors the National Audit Office (NAO) and the internal auditors Deloitte LLP. The committee can meet with the internal and external auditors without management when required, and the auditors have direct access to the Board Chair and to the committee chair to support independence.

Principal activities during the year

As part of ensuring the integrity of the organisation's financial statements, systems of internal control and risk management processes, the committee:

- approved the internal audit plan and considered regular progress reports from the internal auditors and the annual Head of Internal Audit Opinion
- considered risk management governance within NHS England and reviewed NHS England's risk register
- reviewed several risk deep dives including NHS Estates and maternity and neonatal

[72] Mark Bailie joined the committee as a member from 19 February 2024
[73] Jane Ellison joined the committee as a member from 19 February 2024
[74] Rakesh Kapoor left the committee membership on 31 December 2023

- received updates on information security and cyber risks, including updates from the Cyber Security and Risk Committee (CSRC), a sub-committee of the ARAC
- received the Counter Fraud strategy and updates
- approved changes in accounting policies and reviewed areas of significant estimation or judgement
- assessed the integrity of NHS England's financial reporting
- approved NHS England's 2022/23 Annual Report and Accounts
- received details of losses and special payments
- considered NAO reports and management letters and received an update on the status of the NAO Value for Money Programme.

External audit

During the year, ARAC has worked constructively with the NAO Director responsible for the NHS England audit and their team. The work of external audit sits outside our governance arrangements but independently informs our consideration of control, compliance, governance, and risk. The work of external audit is monitored by the ARAC through regular progress reports. These include summaries of the value for money work that is either directly relevant to our work or may provide useful insights to the committee.

Data, Digital and Technology Committee (DDAT)

Role of the committee

The role of the committee is to consider and make recommendations on the digital and technology strategy (including cyber strategy) to the NHS England Board and oversee its implementation. It advises on the development of data and technology architecture and assures the Board on the discharge of data functions, including overseeing and scrutinising how the functions are exercised, the steps taken by NHS England to follow the statutory guidance on NHS England's protection of patient data, and how NHS England protects confidential patient information.

Committee members

The committee met six times and the following table details membership, and the number of meetings attended by each member during the year:

Members	Number of eligible meetings attended	Comment
Richard Meddings	6/6	Chair of NHS England
Mark Bailie[75]	1/1	Non-Executive Director
Daniel Benton	6/6	Non-Executive Committee Member
Mike Coupe	5/6	Non-Executive Director
Laura Wade-Gery (Chair)[76]	1/1	Non-Executive Director
Rakesh Kapoor[77]	1/4	Non-Executive Director
Sir Robert Lechler[78]	1/1	Non-Executive Director
Mark Walport	4/6	Non-Executive Director
John Noble	6/6	Non-Executive Committee Member

[75] Mark Bailie was appointed as Non-Executive Director and Committee member on 19 February 2024
[76] Laura Wade-Gery was Non-Executive Director and Committee member until her end of term on 30 June 2023
[77] Rakesh Kapoor was a Non-Executive Director and Committee member until his end of term on 31 December 2023
[78] Sir Robert Lechler was appointed as Non-Executive Director and Committee member and on 19 February 2024

Members	Number of eligible meetings attended	Comment
Steve Woodford	4/6	Non-Executive Committee Member

Attendees

Additional attendees are routinely invited to attend meetings to assist with committee business, including the National Director of Transformation, Chief Information Officer, Chief Operating Officer, Chief Strategy Officer, Head of the NHS England/DHSC Digital Policy Unit, Chief Delivery Officer, Director of Privacy and Information Governance, Chief Data and Analytics Officer and National Advisor to the Data Digital and Technology Committee.

Principal activities during the year

Matters considered by the committee included:

- the Federated Data Platform
- cyber resilience
- the Accelerating Access to GP Data programme
- NHS technology workforce
- frontline digitisation
- the vision for and functionality of the NHS App
- the digital therapeutics programme
- proposals for productivity through transformation
- digital workforce plan
- the terms of reference for the Advisory Group for Data

People and Remuneration Committee

Role of the committee

The committee's role is to provide the Board with assurance on the management of NHS England workforce risks, and to oversee all aspects of strategic people management and organisational development for NHS England as an employer. The committee's work includes reviewing the organisation's gender pay gap and ensuring NHS England develops policies and actions to reduce it; reviewing progress in increasing black and minority ethnic (BME) representation at senior levels in the organisation; and initiatives relating to diversity and inclusion.

The committee ensures that NHS England has an effective remuneration policy that is in line with DHSC Executive and Senior Manager (ESM) Pay Framework for arm's length bodies (ALBs). The committee considers and approves remuneration, benefits, and terms of service for senior executives covered by this pay framework before submission to DHSC for approval. The committee also exercises the organisation's powers to approve the appointment, suspension, and termination of ICB chairs, NHS trust chairs and non-executive directors. The committee has delegated certain functions to the Executive HR Group and to the Regional Appointments and Approvals Committee. The committee receives regular reports from the group and the committee on cases considered and approved.

Committee members

The committee met nine times during the reporting period and the following table details membership and attendance:

Members	Number of eligible meetings attended	Comment
Sir David Behan (Chair)	9/9	Non-Executive Director
Susan Kilsby[79]	3/7	Non-Executive Director
Richard Meddings	6/9	Chair of NHS England
Sir Andrew Morris	6/9	Non-Executive Director
Jeremy Townsend[80]	0/5	Non-Executive Director
Laura Wade-Gery[81]	0/3	Non-Executive Director
Professor the Baroness Watkins[82]	7/9	Non-Executive Director
Jane Ellison[83]	1/1	Non-Executive Director

Attendees

Additional attendees are invited to meetings to assist with committee business. For 2023/24 these included the Chief Delivery Officer, the Director for Staff Experience and Leadership Development and the Director of Human Resources and Organisation Development.

Principal activities during the year

Matters considered by the committee included:

- the approach to improving equality, diversity, and inclusion within NHS England
- updates on Creating the New NHS England programme and the approach to hybrid working for the new NHS England
- approved the Fit and Proper Person Test Framework and the Leadership Competency Framework for implementation across the NHS
- management and leadership development in NHS England
- internal NHS England Freedom to Speak Up arrangements, and themes from staff feedback
- NHS England staff survey results and related actions
- approval of the revised policy for the appointment, suspension and termination of NHS trusts chairs and non-executives and ICB chairs
- approval, in line with DHSC pay framework, of the remuneration and appointment of several senior executives
- approval, in line with DHSC recommendation, of annual salary increases for ESM and medical colleagues on local pay arrangements
- approval of the appointment, remuneration, suspension, and termination of ICB chairs, with approval of the Secretary of State for Health and Social Care, and chairs of NHS trusts

[79] Susan Kilsby's directorship ended on 31 December 2023.
[80] Jeremy Townsend stepped down from the People and Remuneration Committee in October 2023.
[81] Laura Wade-Gery's directorship ended on 30 June 2023.
[82] Professor the Baroness Watkins was appointed as a member of the People and Remuneration Committee on 1 April 2023.
[83] Jane Ellison was appointed as a Non-Executive Director and a member of the People and Remuneration Committee on 19 February 2024.

Nominations Committee

Role of the committee

The committee oversees the succession plans for the NHS England Board and senior management, board composition and board evaluation.

Committee members

The committee met three times during the reporting period and the following table details membership and attendance:

Members	Number of eligible meetings attended	Comment
Richard Meddings (Chair)	3/3	Chair of NHS England
Sir Andrew Morris	3/3	Deputy Chair, NHS England
Wol Kolade	3/3	Deputy Chair, NHS England
Michael Coupe	3/3	Non-Executive Director
Amanda Pritchard	3/3	Chief Executive Officer

Attendees

The Director of Human Resources and Organisational Development is invited to attend meetings to assist with committee business.

Matters considered by the committee included:

- NHS England Board and board committee composition
- updates on non-executive director recruitment
- succession plans for national directors

Quality Committee

Role of the committee

The primary role of the committee is to support the Board in ensuring that areas concerning patient safety, the quality of care provided to patients and patient experience are continuing to improve and develop to meet the needs of patients in England. In doing so, the committee ensures strategies are continually improving quality, safety, and experience of care.

Committee members

The committee met five times in the reporting period and the following table details membership and attendance:

Members	Number of eligible meetings attended	Comment
Professor Sir Munir Pirmohamed (Chair)[84]	4/4	Non-Executive Director
Professor Sir Simon Wessely (Chair)[85]	4/5	Non-Executive Director
Sir David Behan	3/5	Non-Executive Director
Dr Aidan Fowler	5/5	National Director of Patient Safety
Sir David Sloman[86]	1/2	Chief Operating Officer
Sarah Jane Marsh[87]	2/2	National Director of UEC and Deputy Chief Operating Officer

[84] Professor Sir Munir Pirmohamed was Chair of the Quality Committee to 31 December 2023, when his directorship ended
[85] Professor Sir Simon Wessely was appointed as interim Chair of the Quality Committee from 1 January 2024
[86] Sir David Sloman left the organisation on 3 September 2023
[87] Sarah Jane Marsh was appointed as a member of the Quality Committee from 2 November 2023 following the departure of Sir David Sloman.

Members	Number of eligible meetings attended	Comment
Sir Andrew Morris	2/5	Non-Executive Director
Mike Coupe[88]	4/4	Non-Executive Director
Dame Ruth May	4/5	Chief Nursing officer
Professor Sir Stephen Powis	4/5	National Medical Director
Amanda Doyle	4/5	National Director for Primary Care and Community Services
Vinod Diwakar	1/3	Medical Director for Secondary Care and Transformation
Charlotte McArdle	3/5	Deputy Chief Nursing Officer
Stella Vig[89]	1/2	Medical Director for Secondary Care and Transformation
Patient and Public Voice members	4/4	

Attendees

Additional attendees are invited to attend meetings to assist with committee business. For 2023/24 these included the Chair of NHS England, Director of Health Inequalities, Director for Experience, Participation and Equalities, and the Head of Quality Strategy.

Principal activities during the year

Matters considered by the committee included:

- patient safety improvements
- utilisation of population health management within ICBs
- implementation of innovation strategies in life sciences
- work to improve maternity and neonatal services
- establishment of a National Children and Young Peoples' Gender Dysphoria Research Oversight Board
- delivery plan for recovering access to primary care
- update on Martha's rule
- update on healthcare acquired infections

The Quality Committee also held two informal roundtables to bring the clinical and service user voice into our board governance, and the outcomes of these roundtables were reported to the committee. The roundtables considered UEC and primary care patient safety.

[88] Mike Coupe's membership was transferred from the Quality Committee to the DDAT on 20 October 2023.
[89] Stella Vig was a member from November 2023 to March 2024

Workforce, Training and Education Committee

Role of the committee

The committee's role is to have oversight of all functions that ensure the NHS in England has a sufficient and inclusive workforce with the knowledge, skills, values, and behaviours to deliver compassionate, high-quality health and care to the people it serves.

Committee members

The committee was established on 1 April 2023 and met five times during the reporting period. The following table details membership and attendance:

Members	Number of eligible meetings attended	Comment
Sir David Behan (Chair)	5/5	Non-Executive Director
Sir Andrew Morris	1/5	Non-Executive Director
Professor the Baroness Watkins	5/5	Non-Executive Director
Professor Dame Helen Stokes-Lampard[90]	0/0	Non-Executive Director
Professor Sir Mark Walport	0/1	Non-Executive Director
Dr Harpreet Sood[91]	1/5	Non-Executive Member
John Latham[92]	5/5	Non-Executive Member
Professor Andrew George[93]	3/5	Non-Executive Member

Attendees

Additional attendees are invited to meetings to assist with committee business. For 2023/24 these included the Chief Workforce, Training and Education Officer, the Chief Delivery Officer, the Director for Staff Experience and Leadership Development and the Director of Operations and Oversight (Workforce, Training and Education Directorate) and the Deputy Chief Financial Officer - Strategic Finance.

Principal activities during the year

Matters considered by the committee included:

- development and implementation of the NHS Long Term Workforce Plan
- the approach to improving equality, diversity, and inclusion across the NHS
- developing the approach to management and leadership development across the NHS
- deep dives including medical expansion and retention
- quality of curriculum and training
- NHS staff survey

[90] Professor Dame Helen Stokes-Lampard was appointed as a Non-Executive Director and committee member on 19 February 2024.
[91] Dr Harpreet Sood was previously a Non-Executive Director of Health Education England until 31 March 2023 and was appointed as a Non-Executive Committee Member of the Workforce, Training and Education Committee as of 1 April 2023.
[92] John Latham was previously a Non-Executive Director of Health Education England until 31 March 2023 and was appointed as a Non-Executive Committee Member of the Workforce, Training and Education Committee as of 1 April 2023.
[93] Professor Andrew George was previously a Non-Executive Director of Health Education England until 31 March 2023 and was appointed as a Non-Executive Committee Member of the Workforce, Training and Education Committee as of 1 April 2023.

The New NHS England Committee

Role of the committee

The New NHS England Committee is a time-limited committee, to provide leadership and strategic oversight of the delivery of the New NHS England Programme.

Committee members

The committee met 11 times and the following table details membership, and the number of meetings attended by each member during the year:

Members	Number of eligible meetings attended	Comment
Wol Kolade (Chair)	10/11	Deputy Chair, NHS England
Richard Meddings	10/11	Chair of NHS England
Sir Andrew Morris	7/11	Deputy Chair, NHS England
Sir David Behan	11/11	Non-Executive Director
Laura Wade-Gery[94]	2/3	Non-Executive Director
Amanda Pritchard	6/11	Chief Executive Officer
Julian Kelly	5/11	Chief Financial Officer
Steve Russell	9/11	Chief Delivery Officer

Attendees

Additional attendees are invited to attend meetings to assist with committee business.
For 2023/24 this included the Director of Human Resources and Organisational Development and the New NHS England Programme Director.

Principal activities during the year

Matters considered by the committee included:

- overseeing delivery of the new NHS England Programme
- overseeing the high-level organisational design and priorities for the new NHS England, including ways of working and the approach to clinical integration
- considering and advising on organisational development and culture and equality, diversity, and inclusion for the new NHS England
- considering, approving, and receiving updates on the Filling of Posts Implementation process.

[94] Laura Wade-Gery's directorship ended on 30 June 2023.

Board disclosures

Functional conflicts

NHS England maintains a policy on conflicts between functions, to comply with its duty under new section 13SB of the National Health Service Act 2006 (inserted by section 34 of the Health and Care Act 2022)[95], to make arrangements to minimise the risk of conflicts between the exercise of the former Monitor regulatory functions and NHS England's other functions, and to manage any conflicts that arise. The policy was revised and issued in July 2023 and, reflecting the statutory duty in section 13SB, contains arrangements for handling individual conflicts (notifiable to the Board Secretariat) and provides for formal escalation to a non-executive panel. The need to mitigate functional conflicts was considered as part of the setup of the Independent Patient Choice and Procurement Panel, where there are conflicts checks at each panel meeting and when panel members are allocated to cases. During 2023/24, the Board Secretariat were notified of no (zero) conflicts.

Register of Board members' interests

Personal interests held by Board and committee members are managed in accordance with the NHS England Standing Orders and the Standards of Business Conduct policy. [96]The organisation maintains a register of members' interests to ensure that potential conflicts of interest can be managed appropriately. Board members and executives are also required at the beginning of each Board and committee meeting to declare any personal interest they might have in any business on the agenda and abstain from relevant Board or committee discussions as required. Where potential conflicts arise, they are recorded in the Board and committee minutes along with any appropriate action to address them. A copy of the register of interests is available on our website.[97]

Details of related party transactions, where NHS England has transacted with other organisations during the year to which a Board or an executive is connected, are set out in Note 19 on page 176.

Disclosure of personal data breach incidents

NHS England follows the Data Security and Protection Incident Reporting process guidance in the reporting of personal data breach incidents. This is in line with the UK General Data Protection Regulation (UK GDPR).

The guidance[98] sets out the reporting requirements for NHS organisations where a potential or actual incident may lead to a personal data breach defined under UK GDPR. All organisations that have access to NHS patient data and systems must use the toolkit to provide assurance that they are practising good data security, and that personal information is handled correctly.

[95] https://www.legislation.gov.uk/ukpga/2022/31/section/34
[96] https://www.england.nhs.uk/publication/standards-of-business-conduct-policy/
[97] https://www.england.nhs.uk/about/nhs-england-board/members/reg-interests/
[98] https://digital.nhs.uk/data-and-information/looking-after-information/data-security-and-information-governance/data-security-and-protection-toolkit

The scoring criteria reference the circumstances where notification to the Information Commissioner's Office (ICO) may not be necessary.

In 2023/24, NHS England reported 233 personal data breaches to the DPO. Seven of these were reported to the ICO voluntarily or where they met the threshold for reporting under UK GDPR.

Directors' third-party indemnity provisions

NHS England has the appropriate director's and officer's liability indemnity provided by NHS Resolution in place for legal action brought against, among others, its executive and non-executive directors. During 2023/24, there was one ongoing legal claim brought against NHS England during 2022/23 (disclosed in our prior year report), concerning alleged conduct of an NHS England director. This claim was indemnified by NHS Resolution.

Directors' responsibility statement

The Annual Report and Accounts have been reviewed in detail by NHS England's ARAC and Board. At each point it has been confirmed that the Annual Report and Accounts, taken as a whole, are considered to be fair, balanced, and understandable. They provide the information necessary for NHS England's stakeholders to assess the business model, performance, and strategy.

Human rights

NHS England supports the Government's objectives to eradicate modern slavery and human trafficking. The Board approved the NHS England Slavery and Human Trafficking Statement for the financial year ending 31 March 2024 on 17 April 2024. The statement for 2022/23, published in March 2022, is available on our website.[99]

[99] https://www.england.nhs.uk/safeguarding/slavery-human-trafficking-statement/

Statement of Accounting Officer's responsibilities

Under the National Health Service Act 2006 (as amended), the Secretary of State for Health and Social Care (with the consent of HM Treasury) has directed NHS England to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NHS England and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) (HM Treasury, June 2024)[100] and in particular to:

- observe the Accounts Direction issued by DHSC, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government FReM, have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis
- confirm that the Annual Report and Accounts are fair, balanced, and understandable, and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced, and understandable

The National Health Service Act 2006 (as amended) schedule A1 paragraph 15(4) states that the Chief Executive shall be the Accounting Officer of NHS England.

The responsibilities of the Accounting Officer, including responsibilities for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding NHS England's assets, are set out in Managing Public Money (HM Treasury, July 2013, as amended May 2023).[101]

As the Accounting Officer for NHS England, I have taken the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that NHS England's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

[100] https://www.gov.uk/government/publications/government-financial-reporting-manual-2023-24
[101] https://www.gov.uk/government/publications/managing-public-money

Governance statement

This governance statement covers NHS England, its system leadership role of the NHS, directly commissioned health services, and oversight and assurance of the commissioning system.

As Accounting Officer, I have responsibility for the system of internal controls supporting and enabling the achievement of NHS England's aims and objectives, while safeguarding public funds and the assets for which I am personally responsible in accordance with Managing Public Money and as set out in my Accounting Officer appointment letter.
This includes assurance of several organisations which are part of the wider commissioning system, including those organisations hosted by NHS England.
My responsibilities in relation to the oversight of ICBs are set out from page 65.

Board arrangements

Information on our Board and its committees is set out from page 47.

Freedom to Speak Up

Our report on whistleblowing disclosures made by NHS workers is published on our website.[102]

Government functional standards

Functional standards[103] set out what needs to be done, and why, for different types of functional work and were mandated for use in Governmental departments and their ALBs from the end of March 2022. The extent to which these standards are adopted across NHS England varies, and certain elements of the standards are not applicable to the organisation.

[102] https://www.england.nhs.uk/ourwork/freedom-to-speak-up/whistleblowing-disclosures/
[103] https://www.gov.uk/government/publications/dao-0521-mandating-functional-standards-from-end-september-2021

Governance arrangements and effectiveness

Governance framework

The Governance Manual brings together all key strands of governance and assurance, including Standing Orders, Standing Financial Instructions (SFIs), Scheme of Delegation, Standards of Business Conduct Policy, Risk Management Framework and the three lines of defence model.

Assessment against the Corporate Governance in Central Governance Departments: Code of Good Practice 2017 Compliance Checklist

As part of implementing best practice, an assessment is undertaken each year against this checklist from HM Treasury. NHS England is compliant[104] against the provisions of the code, with the following exceptions:

Ref	Code provision	Exception
4.7	Through the Board Secretariat, the Department provides the necessary resources for developing the knowledge and capabilities of Board members, including access to its operations and staff	This responsibility is shared between the Chair, the Chief Executive's private office and the Board Secretary
4.11	The Board Secretary's responsibilities include arranging induction and professional development of Board Members	This responsibility is shared between the Chair, Chief Executive's private office and the Board Secretary
5.5	The Head of Internal Audit is periodically invited to attend Board meetings, where key issues are discussed relating to governance, risk management, or control issues across the department and its ALBs	The Head of Internal Audit routinely attends ARAC meetings

[104] It should be noted that the following provisions in the code do not apply to NHS England: Sections 1, 2.3, 2.11, 3.3a, 3.3b, 3.3c, 3.6e, 3.7, 3.8, 3.9, 3.14, 3.19, 4.9, 4.12, 4.13, 4.14, 5.7, 5.8 and 6.

Corporate assurance

The NHS England corporate assurance framework, set out below, helps to provide assurance on organisational stewardship and the management of significant risks to organisational objectives.

Assurance activity	How does it add value?
Organisational change framework Guidelines for assessing and implementing major changes across the organisation.	The framework provides a consistent approach to thinking about the impact of organisational change, including on people, infrastructure, financial and legal issues.
Risk management framework Our approach to managing risk, including tools and methodologies for identifying, assessing, documenting and reporting risk.	The framework enables a consistent approach to be taken across the organisation, allowing identification of cross-directorate risks and challenges. It provides a mechanism for managers to identify risks with a route of escalation to those accountable.
SFIs, Scheme of Delegation and Standing Orders These documents protect both the organisation's interests and officers from possible accusation that they have acted less than properly.	Together, these documents ensure that our financial transactions, accountabilities and responsibilities are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.
Programme management framework The policies, tools, methodology and resources that provide an approach to managing, controlling and assuring the delivery of projects and programmes in the organisational portfolio.	Provides staff with a framework to manage, control and deliver projects and programmes. Provides the organisation with consistency of reporting and monitoring, confidence of delivery of outcomes to enable decision-making and better resource control.
Third-party assurance framework Guidelines for the assurance required for managing third-party contracts.	Ensures directorates responsible for major contracts assign a contract manager and put arrangements in place to monitor supplier performance. Obtains assurance over the services provided.
Corporate policy framework The methodology and approach for creating, maintaining and amending policies.	Provides an approach to help ensure policy documents are not developed in isolation, so they are balanced against the priorities of the organisation.

We work with the support of both our internal and external auditors to strengthen and embed our assurance framework. All directorates and regions have designated leads with responsibility for ensuring that risk management, implementation of internal audit actions and other key assurance activities are properly carried out, including regular reporting and escalation.

During 2023/24, the corporate governance and compliance team worked with teams across the organisation to embed controls and underpin processes including by:

- ensuring that officers undertook staff declarations in line with the standards of business conduct policy, which was updated on 1 January 2024
- developing refreshed strategic and operational risk registers
- carrying out targeted interventions with teams to ensure the timely completion of actions arising from internal audit reviews

Management assurance

Throughout 2023/24, the Board has been provided with regular performance updates on the implementation of the priorities and programmes committed to in the NHS Long Term Plan and NHS England's business plan.

Board reporting integrates performance against constitutional standards, NHS Long Term Plan commitments and workforce and quality metrics.

Individual programme boards and oversight groups, each with responsibility for delivery of their programme, meet frequently, with representatives from national and regional teams.

Assuring the quality of data and reporting

The Board has agreed the information it requires to carry out its duties. The Board is confident that performance reports have been through appropriate management review and scrutiny, and that reporting continues to evolve to meet changing organisational needs.

Risk governance

The Board sets the organisation's risk appetite and oversees the organisational risk profile to ensure key risks are mitigated within the agreed appetite level. A review and refresh of the Board's risk appetite commenced in 2023/24 and Board approval and subsequent implementation was scheduled from May 2024. The Board discusses the most significant risks and actions identified to mitigate their likelihood and impact.

ARAC is responsible for reviewing the establishment and maintenance of an effective system of governance, risk management and internal control covering NHS England's activities. The committee holds the organisation to account on the effectiveness of risk management processes and evaluates the effectiveness of the risk management framework.

To ensure robust oversight of transferred key risks following mergers with NHS Digital on 1 February 2023 and Health Education England on 1 April 2023, a CSRC was established as a sub-committee of ARAC, and a Workforce, Training and Education Committee was established as a committee of the Board.

The Executive Risk Group is responsible for assuring ARAC about how risks across the organisation are being managed. ARAC oversees implementation of NHS England's risk management framework. The NHS Executive also periodically reviews the organisation's most significant risks and, when appropriate, undertakes in-depth review.

The Chief Executive Officer, supported by senior management, provides leadership, and articulates their continued commitment to risk management through the organisational risk management framework.

The executive team collectively owns the Strategic and Operational Risk Registers and has nominated a responsible officer for each of the risks that are included within them. Individual executives are responsible for managing risk at a directorate and regional level. Each directorate holds its own risk register and is required to review its risks on a regular basis.

Principal risks

The Strategic and Operational Risk Registers contain over 40 risks to the organisation. The SRR considers the principal risks that could impact delivery of NHS England's strategic objectives. NHS England's risk profile adapts throughout the course of the year in response to events and emerging priorities. NHS England's considers its most significant risks to be those which have received the highest pre-mitigation impact and likelihood scores. The six risks detailed below were NHS England's most significant risks in 2023/24. The mitigation plans for each extend to 2024/25 or 2025/26 and remain under regular review through NHS England's risk management governance framework:

Risk	Key mitigations delivered in 2023/24
Demand and capacity Risk of failure to create additional capacity that meets demand, which would have an adverse impact on patients' outcomes.	A redesign of the Elective Recovery Fund was introduced in the planning guidance to incentivise additional activity in the most impactful areas and minimise unnecessary activity. Capacity was increased across a range of services, including: • general and acute beds; £1 billion of revenue funding and £250 million capital funding were devolved to deliver an additional 5,000 beds in winter • virtual wards: 10,000 extra virtual beds were created • Ambulance hours on the road were expanded by 7% • Step-down capacity and Care Transfer Hubs; these are now in place in every acute provider • Additional winter surge plans for UEC
Workforce capacity The NHS workforce is not sufficiently skilled or resourced to meet the immediate or future needs of the population	• In 2023/24 workforce capacity was further impacted by industrial action • An Incident Management Team was established, and workforce contingency plans were developed to manage its impact. NHS England engaged with the DHSC and Trade Unions to support the development of non-pay options for negotiations • The NHS Long Term Workforce Plan seeks to address the imbalance between population health needs and the extent and nature of medical/clinical training and work opportunities, via a number of actions over a 15-year period. Whilst the delivery of the plan is tied into a number of national levers, it presents an opportunity to right size and right skill the NHS workforce • The commitment to recruit 50,000 nurses was delivered six months ahead of schedule; 72% of nursing international recruitment target was achieved by September 2023 and the annual turnover rate had reduced to 11.5% in October 2023

Risk	Key mitigations delivered in 2023/24
Quality of care There is a risk to care quality (safety, effectiveness and experience) for patients, carers and families if NHS England does not satisfactorily deliver its statutory functions; commissioning and regulatory duties; implement national policy and strategy that cover assurance, improvement and planning functions.	• NHS England has been supporting ICSs with the development of System Quality Groups, quality strategies and wider quality requirements • Good Quality monitoring and intelligence sharing systems have been implemented at regional and ICB level • Good Quality risk escalation processes are in place from ICB to NHS England regional teams and regional to national teams, and vice versa • NHS England is developing an Operating Model for Quality, to further integrate the focus on quality across corporate reporting in the new organisation
Data and digital security There is a risk that malicious cyber actors deploy widespread, catastrophic cyber-attacks against the NHS leading to patient harm and/or data misuse causing reputational and financial consequences.	• The DHSC/NHS England JCU centrally invests in technology and processes to limit security risks posed by systems. A Cyber Risk Management Board is in place to ensure risks for wider NHS England around broader technology investment are understood • The JCU runs cyber incident exercises at national level and requires local organisations to run cyber incident exercises that test downtime procedures and recovery capabilities. The aim is to minimise impact in case of a successful attack through robust response processes • NHS England has secured programme funding until March 2025, which will allow further promotion of cyber security across the NHS Estate in line with the Cyber Security Strategy for Health and Adult Social Care that was published in March 2023
NHS Funding - There is a risk that strategic priorities do not have adequate funding, which could create material additional financial pressures.	• Spending Review preparations, with senior strategic oversight, and financial planning for the medium to long term are underway. • Horizon scanning to mitigate the risk that beyond 2024/25, the NHS does not have sufficient funding to deliver its medium term strategic objectives. • Tracking of in-year delivery of efficiencies and activity on a monthly basis, as well as reviewing the efficiency assumption for reasonableness to drive further savings through the NHS Productivity and Efficiency Programme.
Location, Function, Condition and Age of the NHS Estate Due to advancements in technology and improved care pathways, 45% of estates infrastructure (including RAAC) is not fit for the services the NHS delivers today. This results in disruption to productive clinical services and can lead to significant risks to patient and staff safety.	• NHS England is working with ICSs to pull together infrastructure and investment strategies that set out plans for an estate that is smarter, fairer, better, stronger and greener. • Models to support future capital funding decisions are being developed. • By April 2025, RAAC to be removed from all known hospitals that do not require full redevelopment • Continue to make the case for the hospitals that require full redevelopment to eliminate RAAC from the NHS estate by 2030

NHS oversight and support

The NHS Oversight Framework[105] describes NHS England's approach to oversight and is built around five national themes that reflect the ambitions of the NHS Long Term Plan and apply across trusts and ICBs. These are: quality of care, access and outcomes; preventing ill-health and reducing inequalities; people; finance and use of resources; and leadership and capability.

In line with the framework, organisations' support needs are regularly assessed, and each organisation is allocated into one of four support segments[106] Decisions on which support segment organisations are allocated to are routinely reviewed and updated throughout the year and published on our website.[107]

NHS England has met regularly with each ICB throughout the year, reviewing performance and the support needs of each ICB and provider across their ICS footprint. At the end of 2023/24 NHS England was providing intensive support via the Recovery Support Programme to three ICBs and 20 providers, while 22 ICBs and 77 providers were in receipt of segment three support coordinated by their NHS England regional team.

NHS England is committed to ensuring that the model of oversight remains relevant and effective. In our 2023/24 business plan we committed to work alongside ICBs to review the oversight arrangements to ensure these were effective and proportionate. We have worked with stakeholders to develop proposals that we have consulted on in the early part of 2024/25 ahead of implementation.

Quality oversight and assurance

All NHS organisations have responsibility for the quality of services, and both ICBs and NHS England have a statutory duty to act with a view to securing continuous improvement in quality.

NHS England, uses the National Quality Board (NQB) definition of quality[108] as care that is safe, effective, provides a personalised experience, is well-led, sustainable and equitable. Our approach to managing quality is based on methods of quality management systems (combining quality planning, improvement and control activities) and the need to view quality, finance, operations and workforce matters together.

The Quality Committee (see page 52) ensures NHS England's strategies are continually improving quality, safety, and experience of care. Executive level quality meetings reporting in are the Quality and Performance Committee (QPC) to scrutinise quality, performance, workforce and finance issues, and the Executive Quality Group (EQG) to provide oversight and scrutiny of care quality across regions and receives regional quality insight from ICBs and providers. The EQG is co-chaired by the National Medical Director and Chief Nursing Officer and brings together Regional Medical Directors, Regional Chief Nurses, Directors of Clinical Quality and

[105] https://www.england.nhs.uk/wp-content/uploads/2022/06/B1378_NHS-System-Oversight-Framework-22-23_260722.pdf
[106] See page 12 for details of the four segments.
[107] https://www.england.nhs.uk/system-and-organisational-oversight/national-recovery-support-programme/
[108] https://www.england.nhs.uk/publication/national-quality-board-shared-commitment-to-quality/

senior national colleagues, including the Directors for Patient Safety, Patient Experience and Quality & Clinical Effectiveness.

Additionally, NHS England hosts and co-chairs the NQB[109] which champions the importance of quality and drives system alignment across key health and care ALBs (NHS England, CQC[110], UK HSA[111], NICE[112], Health Services Safety Investigations Body[113], DHSC[114], Office for Health Improvement and Disparities [115], National Guardian's Office [116] and Healthwatch England). NQB discussions are also shared at the Executive Quality Group and Quality and Performance Committee.

Recovery Support Programme

Where a trust is in breach or suspected breach of the conditions of its provider licence, NHS England can use its statutory powers, including legal powers of direction, to intervene in line with the NHS Enforcement guidance.[117]

During 2023/24, seven trusts entered, and five trusts exited the Programme and, by the end of 2023/24, NHS England was providing intensive support via the Recovery Support Programme to 20 trusts.

Regulating independent providers of NHS services

All independent providers of NHS services are required to hold a provider licence, unless exempt, under DHSC regulations. The provider licence gives NHS England the ability to safeguard continuity of services for patients if an independent provider gets into difficulty. As of 31 March 2024, 136 independent providers held a provider licence, as did three NHS-controlled providers.

Under the Commissioner Requested Services policy, commissioners must decide which of their services need the protections of the licence's continuity of services conditions. Under the 'Hard to Replace' policy NHS England can identify providers that should be subject to the continuity of services conditions due to the scale or complexity of their services. As of 31 March 2024, in total 54 licensed providers were subject to the licence's continuity of services conditions.

During 2023/24, no new formal enforcement action was taken with any independent providers, and as of 31 March 2024, no enforcement undertakings were in place.

[109] https://www.england.nhs.uk/ourwork/part-rel/nqb/
[110] https://www.cqc.org.uk/
[111] https://www.gov.uk/government/organisations/uk-health-security-agency
[112] https://www.nice.org.uk/
[113] https://www.hssib.org.uk/
[114] https://www.gov.uk/government/organisations/department-of-health-and-social-care
[115] https://www.gov.uk/government/organisations/office-for-health-improvement-and-disparities
[116] https://nationalguardian.org.uk/
[117] https://www.england.nhs.uk/long-read/nhs-enforcement-guidance/

Mergers and acquisitions

NHS England is responsible for reviewing statutory transactions between trusts. Our assurance process for significant transactions includes reviewing the strategic cases and full business cases for transactions, to ensure that the transactions have a sound strategic rationale, a deliverable benefits realisation plan, and that all statutory requirements have been met before the transaction can proceed.

We offer bespoke support to trusts considering or proceeding with mergers or acquisitions and help ensure clarity about the intended benefits. Significant transactions completed during the reporting period included:

- Yeovil District Hospital NHS Foundation Trust acquired Somerset NHS Foundation Trust on 1 April 2023, with the newly enlarged trust retaining the Somerset NHS Foundation Trust name
- St Helens and Knowsley Teaching Hospitals NHS Trust acquired Southport and Ormskirk Hospital NHS Trust on 1 July 2023, with the newly enlarged trust renamed Mersey and West Lancashire Teaching Hospitals NHS Trust.

Assurance of the commissioning system

One of NHS England's functions is to directly commission clinical services which are more appropriately arranged at a national or regional level, including specialised services, health and justice services and those services which support our armed forces and veterans.

Following the establishment of ICBs and having established the principle that commissioning decisions should be made as close to the patient as possible, during 2023/24, some of the commissioning responsibility for these services were in the process of being delegated to ICBs.

Specialised services

Specialised services support people with a range of rare and complex conditions. They often involve innovative treatments for patients with rare cancers, genetic disorders, complex medical conditions, or surgical needs. The specialised commissioning allocation for all specialised services was £25 billion at the end of 2023/24. Most of this allocation is held across seven regional teams for commissioning specialised services, with the balance held centrally to fund national budgets such as the Cancer Drugs Fund and other national programmes.

Since April 2023, commissioning responsibility for 59 specialised services was delegated to nine statutory joint committees formed between ICB and NHS England regions. Following careful assessment and preparations, these services were fully delegated to ICBs in the East of England, Midlands, and the Northwest, commencing April 2024.

NHS England regional teams were the responsible commissioners for the retained (non-delegated) services, working in conjunction with the appropriate national specialised commissioning teams.

NHS England acted as the accountable commissioner for both delegated and retained services, maintaining oversight through regional accountability reporting lines. During 2023/24, the Delegated Commissioning Group for Specialised Services continued to provide strategic

direction for the 59 delegated services, set national standards, approve key national transformational gateway documents, and bring together the responsible and accountable commissioners from across the country. Correspondingly, the National Commissioning Group (NCG) for Specialised, Health and Justice Armed Forces Services continued to set strategic direction, set standards, and manage gateway approvals, as well as oversee commissioning of those retained services commissioned by NHS England.

Health and justice

Health and justice services are supported through the Health and Justice Delivery and Oversight Group nationally, this feeds into the NCG. NHS England Regional teams are the responsible commissioners for the retained health and justice services, working in conjunction with the appropriate national health and justice teams.

Armed forces

Armed Forces directly commissioned services are the responsibility of the national armed forces commissioning team. This is overseen by the Armed Forces Oversight Group which feeds into the NCG.

Delegation of primary care services to ICBs

Delegation has been at the forefront of our vision to support more integrated care by ensuring local health and care leaders take collective responsibility for system performance and the transformation of care to improve population health, including primary care. This has strengthened ICBs ability to design care pathways and integrate services, to better meet local priorities and ultimately improve local population health outcomes. 2023/24 was the first year that all 42 ICBs held delegated responsibility for all four primary care services – primary medical, dental (primary, secondary and community), general ophthalmic and pharmaceutical services - with NHS England retaining accountability through a delegation agreement.[118]

NHS England sets out expectations - and obtains assurances that these functions are being discharged effectively - through the Primary Care Commissioning Assurance Framework.[119]

Vaccinations and screening – governance and the Section 7A agreement

The Vaccination and Screening Directorate commissions 11 screening programmes, 20 immunisation programmes, and Child Health Information Services (CHIS). The annual NHS Section 7A public health functions agreement between NHS England and DHSC sets out the arrangements under which the Secretary of State delegates responsibility to the NHS England Board for commissioning certain NHS public health services, including:

- NHS national cancer and non-cancer adult, children, and newborn screening services
- NHS national routine immunisation services for adults, children, and young people
- CHIS including the Red Book
- NHS Sexual Assault Referral Centres (led by Health and Justice Commissioning)

[118] https://www.england.nhs.uk/commissioning/publication/delegation-of-primary-medical-dental-ophthalmic-and-pharmaceutical-functions/
[119] https://www.england.nhs.uk/long-read/primary-care-commissioning-assurance-framework/

- NHS public health services for people in secure and detained settings (led by Health and Justice Commissioning)
- provision of an effective screening quality assurance service
- promotion of healthcare public health
- seasonal vaccination programmes including flu and COVID-19.

Internal assurance in 2023/24 was provided through the quarterly NHS England Public Health Oversight Group and latterly through the NHS England Delivery and Transformation Board. These were informed by programme-specific boards for screening, vaccinations, and CHIS programmes.

Other assurance

Information Governance

The Information Governance (IG) Delivery teams advise on and assure Data Protection Impact Assessments (DPIAs), and draft and advise on data sharing agreements, data processing agreements and privacy notices, to meet data protection requirements, minimise privacy and confidentiality risks and improve transparency. The team also operate an IG helpline, which provides general IG advice and support. In 2023/24 the helpline service handled 4,144 enquiries.

PTT also advises on the implementation of the digital and data functions which transferred from NHS Digital (data safe haven functions), including agreeing Secretary of State directions and statutory requests for the collection and analysis of data, and advising on compliance with the Statutory Guidance on NHS England's Protection of Patient Data.[120] During 2023/24 the team supported the development and implementation of 11 new Directions and 23 Direction Specifications.

The Records Management team provide strategic and operational advice on records management across the organisation, contribute to the development of records management policy for the NHS, set records management standards, operate compliance processes, and manage legacy records. It also manages NHS England's Information Asset Register (IAR) and during 2023/24 worked to successfully merge the legacy NHS Digital, Health Education England, and NHS England IARs, into one combined IAR.

Information Governance Risk and Assurance

The IG Risk and Assurance team provides audit and assurance of IG compliance, including assurance of key suppliers and CSUs, and provides assurance on external data sharing and access. It is also responsible for the NHS England information risk management framework and carries out day-to-day operational activities of the SIRO (working with IT Operations and Cyber Security), including supporting Information Asset Owners.

PTT co-ordinates and assures NHS England's annual DSPT submission. In 2023/24 NHS England met all of the mandatory DSPT standards. The DSPT requires all organisations that

[120] https://www.gov.uk/government/publications/nhs-englands-protection-of-patient-data

handle NHS data to self-assess their performance against the National Data Guardian's 10 data security standards every year, to provide assurance over their data security and handling of personal information. Independent audit teams assessed NHS England's submission and evidence against a mandatory assessment framework and tested the approach used to ensure a robust self-assessment had been undertaken. The outcome of the audit was 'substantial' (green) rating, finding the framework of governance, risk management and control in relation to the submission was adequate and effective.

Data functions transferred from NHS Digital - Assessment under section 13U(2)(d) of the National Health Services Act

Under section 13U(2)(d) of the National Health Services Act 2006, the annual report must contain an assessment of how effectively NHS England has discharged its relevant data functions (Assessment). Relevant data functions are defined in section 253(3) of the Health and Social Care Act 2012 (2012 Act) and broadly comprise of the digital and data functions that transferred from NHS Digital to NHS England on 1 February 2023 when the organisations merged. We refer to these as the data safe haven functions below.

In preparing the Assessment, NHS England has had regard to the guidance issued by the Secretary of State for Health and Social Care under section 274A of the 2012 Act: Statutory guidance: NHS England's protection of patient data, published 23 May 2023[121] (Statutory Guidance) and the requirements set out in the Statutory Guidance in relation to the Assessment.

The Assessment provides a summary of how NHS England has complied with its obligations during 2023/24.

Statutory protections

In relation to the exercise of the data safe haven functions during 2023/24:

- NHS England continues to publish all data it collects and obtains, unless restricted from doing so by law. Information about the data we publish is available on NHS England[122] and legacy NHS Digital websites[123]
- NHS England only disseminates data where it has a specific legal power to do so and cannot disseminate confidential patient data unless the recipient has a legal basis under the common law duty of confidentiality to receive and process it. The legal basis for sharing data is assessed as part of information governance procedures and in DPIAs on operational activity. Where NHS England shares directly identifiable patient data or de-identified patient data with third parties for planning, commissioning and research, the legal basis to share data is assessed through the Data Access Request Service[124] with advice from the NHS England Advisory Group for Data[125] (AGD) where applicable

[121] https://www.gov.uk/government/publications/nhs-englands-protection-of-patient-data/nhs-englands-protection-of-patient-data#independent-advice
[122] https://www.england.nhs.uk/statistics/
[123] https://digital.nhs.uk/data-and-information/statistical-publications-open-data-and-data-products
[124] https://digital.nhs.uk/services/data-access-request-service-dars
[125] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/advisory-group-for-data

- NHS England has procedures for the making and consideration of requests under section 255 and has published these on our website[126]
- NHS England complies with directions from the Secretary of State for Health and Social Care to establish information systems under section 254, including the existing directions to NHS Digital that were transferred to NHS England to ensure continuity in data collections. During 2023/24, 11 new Directions were issued to NHS England and 23 Direction specifications were amended
- NHS England publishes all directions received from the Secretary of State, all requests to establish information systems under section 255 (Section 255 Requests) and all Data Provision Notices issued under section 259 of the 2012 Act, so there is full transparency on what IT system delivery functions NHS England is carrying out, what data is being collected and analysed, and for what purpose[127]
- NHS England publishes transparency information for the public on its website in line with its UK GDPR responsibilities about how it collects, uses, and shares data with others. The level of transparency is the same as NHS Digital achieved prior to the transfer of its functions to NHS England and we strive to be even more transparent in the future:
    - privacy information relating to transferred data functions is published on the UK GDPR Register pages of our website.[128] Other privacy notices are available through the NHS England Privacy Notice pages of the website.[129] The need to consolidate legacy organisational privacy notices has been identified and is part of the PTT Sub-Directorate work plan in 2024/25
    - the need for improvements to the data release registers to address gaps and ensure there is a robust process for updating internal and external data release registers has been identified and will be part of the Data and Analytics Sub-Directorate work plan in 2024/25. Internal and external data release registers are published on our website[130]
- NHS England will have regard to any advice given to it by the Confidentiality Advisory Group (CAG). No such advice has been sought or provided in the 2023/24 financial year
- NHS England has established and sought advice from AGD on specific data access requests and to support the development and maintenance of precedents, standards, and guidance on data access. More information about AGD is set out below.

Governance, scrutiny and accountability

NHS England has established organisational governance arrangements which support high standards of protection for data processed in the discharge of its data safe haven functions.

The Board's responsibilities for the exercise of the data safe haven are provided in the Corporate Governance Report from page 44 and published on the website.[131]

Organisational responsibilities

The new NHS England operating model has been designed to comply with the Statutory Guidance to ensure that responsibilities and accountabilities for using the data derived from the

[126] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/making-a-request-under-section-255-of-the-health-and-social-care-act-2012#:~:text=To%20start%20the%20Request%20process,questions%20requiring%20in-depth%20responses.
[127] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/directions-and-data-provision-notices
[128] https://digital.nhs.uk/data-and-information/keeping-data-safe-and-benefitting-the-public/gdpr/gdpr-register
[129] https://www.england.nhs.uk/contact-us/privacy-notice/
[130] https://digital.nhs.uk/services/data-access-request-service-dars/data-uses-register
[131] https://www.england.nhs.uk/about/nhs-england-board/board-governance/

exercise of the data safe haven functions are separate from the functions providing assurance and advice on this (to ensure there are no conflicts of interest).

A Conflicts of Interests Policy is in place within NHS England and managing conflicts of interest is also part of the Standards of Business Conduct Policy.[132] An additional specific conflicts of interest policy relating to the role of the SIRO is not yet in place but is part of the PTT work plan for 2024/25. In the meantime, any potential or actual conflicts of interest would be addressed through the Deputy SIRO acting instead of the SIRO.

The SIRO has put in place appropriate accountability and assurance arrangements to ensure that information risk, including security and IT operational information risk, is appropriately managed and mitigated. This includes reporting and escalation arrangements to the SIRO from the CISO and Director of Cyber Operations in relation to internal NHS England cyber and security risks. The roles of the SIRO, Caldicott Guardian, Data Protection Officer and Chief Information Security Officer are also documented in internal NHS England staff policies.

Independent advice

NHS England has operational arrangements in place for obtaining independent advice when exercising its transferred data functions. It has also appointed members to CRSC and DDAT with specialist data security expertise. NHS England has arrangements in place under a memorandum of understanding for seeking advice from CAG. It meets regularly with the National Data Guardian and the ICO. It has also established the AGD under Terms of Reference which reflect all of the functions expected of an advisory data group.

During 2023/34 NHS England has sought independent advice and feedback, including from AGD, the National Data Guardian, the Information Commissioner and from programme specific specialist IG groups, the Health Data Patient and Public Engagement and Communications Advisory Panel,[133] patient groups and privacy groups.

In 2023/24 a range of programme specific expert advisory panels and groups were established to support the implementation of the FDP including the FDP Check and Challenge Group,[134] a Specialist IG Group and a Data Governance Group. More information about FDP and these Groups are published on our website.[135]

Advisory Group for Data

The Statutory Guidance sets out expectations that NHS England should establish a data advisory group, accountable to the SIRO, to provide advice and assurance on access to NHS England data with the ability to provide advice and assurance on a range of matters. The Guidance sets out how the Group should be comprised and operate, what it should be able to provide advice on, that its Terms of Reference and minutes should be published, and its

[132] https://www.england.nhs.uk/publication/standards-of-business-conduct-policy/
[133] https://transform.england.nhs.uk/key-tools-and-info/data-saves-lives/health-data-patient-and-public-engagement-and-communications-advisory-panel/
[134] https://www.england.nhs.uk/digitaltechnology/digitising-connecting-and-transforming-health-and-care/check-and-challenge-group/
[135] https://www.england.nhs.uk/digitaltechnology/digitising-connecting-and-transforming-health-and-care/

operating processes should be transparent in line with the approach previously taken by the NHS Digital Independent Group Advising on Release of Data (IGARD).[136]

At NHS England's invitation, the previous members of IGARD agreed to form an interim data advisory group, called the AGD, together with representatives from NHS England in line with the Statutory Guidance, in February 2023. The interim AGD included independent members across specialisms including law, ethics, research and clinical practice, including practicing primary care clinicians. Also, independent lay members, internal representatives from each of the DPO, Caldicott Guardian and Data and Analytics functions, and a representative of the SIRO. Membership during the 2023/24 financial year has not yet included specialist members from adult social care or clinicians from secondary care.

The recruitment plan for AGD to be delivered by the PTT function in 2024/25 will seek to appoint additional members with this expertise to enable AGD to fully operate in line with the expectations set out in the Statutory Guidance in the future.

Representatives from the interim AGD together with representatives from the NDG's office formed a working group to support the development and drafting of the AGD Terms of Reference by NHS England. The draft Terms of Reference were subject to consultation with and feedback from CRSC, DDAT and NHS England's Executive Corporate Group. The NDG and Department of Health and Social Care were consulted for their views in line with the Statutory Guidance. Experience from operating AGD as an interim Group fed into the development of the draft Terms of Reference and AGD also reviewed the drafts and provided feedback. AGD operated as an interim Group until the final version of the AGD Terms of Reference, were formally approved by DDAT on behalf of the Board in March 2024, following Executive approvals. The approved AGD Terms of Reference and minutes from its meetings with its advice are published on the NHS England website.[137]

From 1 February 2023, when it was established on an interim basis, to 31 March 2024, AGD met to provide NHS England with advice 51 times. This included advising on:

- over 220 matters relating to applications for external access to data
- 8 new Directions and 2 amendment Directions
- several new precedents
- 4 proposed internal uses of data

Full details of matters AGD have considered, and advice provided are contained within their published minutes.[138]

[136] https://webarchive.nationalarchives.gov.uk/ukgwa/20231219205333/https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/independent-group-advising-on-the-release-of-data
[137] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/advisory-group-for-data
[138] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/advisory-group-for-data/agd-meetings

Procedures for internal access to data

The previous legacy NHS Digital information governance procedures for accessing identifiable data for analysis have been followed to support requests for NHS England analysts to access identifiable data collected and analysed under Directions for other statutory purposes (Internal Analysis Approval Process). This includes requests for data to be de-identified and transferred into an NHS England SDE under the NHS England De-Identified Data Analytics and Publication Directions 2023.[139] Advice and assurance from PTT, the Caldicott Guardian function and AGD is sought on these requests, which are documented and approved on behalf of the SIRO and supported by Data Protection Impact Assessments. Only one new request was approved in 2023/24. This was subject to advice from AGD.

Stakeholder engagement

NHS England has a range of existing and programme specific arrangements in place for engaging with key stakeholders outlined in the Statutory Guidance in relation to the exercise of its relevant data functions as described above. Before establishing an information system under a Direction or Section 255 Request, NHS England also has a responsibility to consult a range of stakeholders including those from whom data is to be collected and those who may wish to use data obtained. This is done through a variety of regular and specific forums and meetings for each Direction and Section 255 Request.

Engagement with devolved administrations

NHS England has published its procedure for managing Section 255 Requests[140] and follows this in relation to any such requests. In 2023/24 NHS England worked with Digital Health and Care Wales in relation to the development of a request and technical arrangements to use NHS login for health services supplied by third party Apps in Wales.[141]

There is ongoing operational engagement between the teams with responsibility for collecting and analysing data in relation to Section 255 Requests from devolved administrations.

Technical measures and controls

NHS England has a number of de-identified technical data processing environments where data which has been de-identified is analysed for the purposes of fulfilling its statutory functions under the NHS England De-Identified Data Analytics and Publication Directions 2023.[142] This includes data processed in the Unified Data Access Layer[143], the National Commissioning Data Repository[144] and the National SDE.[145] From March 2024 this included the national instance of the FDP for national products which have transitioned from the National Data Platform.

[139] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/directions-and-data-provision-notices/secretary-of-state-directions/nhs-england-de-identified-data-analytics-and-publication-directions-2023
[140] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/making-a-request-under-section-255-of-the-health-and-social-care-act-2012
[141] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/directions-and-data-provision-notices/nhs-wales-directions/nhs-login-for-health-services-supplied-by-third-party-apps-in-wales-request-2024
[142] https://digital.nhs.uk/about-nhs-digital/corporate-information-and-documents/directions-and-data-provision-notices/secretary-of-state-directions/nhs-england-de-identified-data-analytics-and-publication-directions-2023
[143] https://www.england.nhs.uk/contact-us/privacy-notice/data-analytics/
[144] https://www.ardengemcsu.nhs.uk/services/business-intelligence/ncdr/
[145] https://digital.nhs.uk/services/secure-data-environment-service

During 2024/25 existing de-identification processes carried out by Data Services for Commissioning Regional Office will be replaced with a new Privacy Enhancing Technology service, the NHS-PET solution procured by NHS England as part of the FDP Programme which will enhance privacy protection and the separation of technical data processing environments for identifiable data and de-identified data.

Progress on NHS England's SDE is reported on page 31.

Arrangements with third parties for data processing on behalf of NHS England

NHS England uses standard data processing terms which comply with UK GDPR requirements when it appoints data processors, or it works with the internal legal team to review any third party data processing terms to ensure that terms comply with UK GDPR and meet NHS England's security and data protection standards.

Transparency and reporting

NHS England has continued to operate with the same degree of transparency as NHS Digital previously did and publishes the information required by the Statutory Guidance, as outlined above. This includes maintaining the external data use register[146] and establishing a new internal data use register[147] where data is transferred from an identifiable environment to a de-identified environment under Directions. Improvements to the data use registers have been identified, including improving the content, to ensure that it is clearer to the public what the purposes are for which data is being shared. Also putting in place a new Standard Operating Procedure for updating the data use registers.

Steps taken to protect confidential information

NHS England has published a summary of the way in which it protects and safely uses data in the new NHS England on its website.[148]

A significant part of how we also protect confidential information is through complying with the standards set out in the NHS DSPT.[149] In 2023/24 NHS England met all of the mandatory standards required by the DSPT.

Areas for improvement

In addition to the specific improvements identified above, we have identified a number of general continuous improvement activities to improve our compliance with the Statutory Guidance, including consolidation of legacy business processes and guidance, developing clear and accessible Standard Operating Procedures, updating and assuring internal records and identifying additional assurance activity, including regular assurance reviews to by AGD of data access requests that have been processed under approved precedents to ensure precedents are being applied appropriately.

[146] https://digital.nhs.uk/services/data-access-request-service-dars/data-uses-register
[147] https://digital.nhs.uk/services/data-access-request-service-dars/data-uses-register#internal-data-uses-register
[148] https://www.england.nhs.uk/about/protecting-and-safely-using-data-in-the-new-nhs-england/
[149] https://www.dsptoolkit.nhs.uk/

Independent Advice and Consultation with the National Data Guardian

We have sought advice from the AGD and considered their Annual Report to inform this Assessment. We have also consulted the NDG for her views on this Assessment and have considered her feedback when finalising this Assessment.

Sharing of this Assessment

A copy of the Annual Report containing this Assessment will be shared with the NDG, the Information Commissioner and the Devolved Authority Governments as required by the Statutory Guidance, when the Annual Report is published.

NHS England's Assessment

NHS England considers that it has effectively discharged its relevant data functions during the course of 2023/24 and that in doing so it has had regard to the Statutory Guidance and has made good progress in meeting most of the requirements of that Guidance and it is effectively protecting patient confidential data.

Where elements of the Guidance are not currently being fully met or where improvements have been identified as outlined above, NHS England is satisfied that there are plans in place to address these in business plans, teamwork plans and as part of corporate risk management and governance frameworks.

Business critical models

We operate a register of business-critical models through which we audit quality assurance, overseen by a committee of experienced analysts. This register works on a rolling basis, supporting a continuous improvement approach to our system of quality assurance. To date all relevant NHS England models in the register have passed.

Service auditor reporting and third-party assurances

NHS England relies on a number of third-party providers (such as NHS SBS, NHS BSA and Capita) to provide a range of transactional processing services ranging from finance to data processing. Our requirements for the assurance provided by these organisations are reviewed every year. Appropriate formal assurances are obtained to supplement routine customer/supplier performance oversight arrangements. During 2023/24, service auditor reports were specifically commissioned to provide assurance over the operation of our control environment and we are working, where appropriate, with our suppliers to implement International Standard on Assurance Engagements (ISAE) 3402 or similar standards to make sure that the relevant internal controls and control procedures operated by our service organisations have operated effectively. Service providers are requested to address any control weaknesses identified during the ISAE 3402 reporting process within an appropriate timescale. The service auditor reports commissioned for 2023/24 have been reviewed and where necessary action plans are being agreed to address any control issues identified.

Commissioning support units

Four NHS CSUs operate across England, providing essential support to many organisations including ICBs, trusts, NHS England, and local authorities. With a workforce of 6,500 people and an income of around £500 million, CSUs deliver a range of support services that have been independently assessed to ensure the NHS receives the benefits derived from working at scale.

As an integral part of the NHS, CSUs operate in accordance with good governance principles. Each CSU is led by a managing director who is accountable to NHS England for their CSU's performance and delivery.

Supply Chain Coordination Limited

In addition to controls set out in the company's Articles of Association, NHS England appoints directors who sit on the Board of SCCL and holds quarterly accountability meetings to review performance against KPIs and financial targets, both of which are agreed by the NHS England board annually. Additionally, NHS England is a member of SCCL's ARAC as shareholder director.

The NAO performed a value for money review of NHS Supply Chain during 2023/24 which identified some recommended areas of focus to enable the NHS to achieve greater efficiencies in procurement, through oversight of and support to NHS Supply Chain, including in the development of NHS Supply Chain's modernisation programme. The recommendations centred on collection and use of data to highlight opportunities and drive use of NHS Supply Chain, as well as ensuring that savings are transparently reported.

Control issues

Managing third-party contracts

Following NHS England's merger with NHS Digital and Health Education England, work has been undertaken to align the approach to third-party contract management, based on Government Commercial Function guidance and methodologies.

Contracts have been transferred from legacy organisations, and NHS England's central commercial team now has overall responsibility for 2,293 contracts worth £6.1 billion.[150]
All members of the central Contract Management team have government commercial function contract management accreditation. In line with the government's transparency agenda, we publish quarterly KPI data for our gold/strategic contracts.

[150] Total current value

Primary care support England performance management

Primary care support services are administration and payment services which support the effective running of primary care. The services are delivered by Capita Business Services Ltd, with the support of three CSUs.

The services:

- pay more than £10 billion each year to primary care providers for NHS services
- invite more than 4.5 million women each year for NHS cervical screening
- process registrations for more than six million patients joining or changing GP
- move 5.8 million patient medical records each year between GPs and store over 15 million records of deceased and unregistered patients on behalf of NHS England

Areas of focus to improve control during 2023/24 include: improving the administration service for GP pensions; responding to an increased volume of activity in the pharmacy market administration service; and assuring the patient registration service following two reported service incidents which may have resulted in the incorrect processing of patient registration transactions or changes. This was reported to the ICO. The investigation of the incidents has not yet concluded but no harm to patients has been identified. NHS England had to ensure that the services were delivered to an appropriate standard and that money paid to primary care providers through these services had been properly controlled. The services were assured throughout 2023/24 by regularly monitoring performance and quality indicators, targeted auditing, and a year-end assessment against International Audit Standard ISAE3402.

NHS England had to ensure that effective future arrangements will remain in place for these services and that they can be safely transitioned at the end of the current contracts with third party providers. The programme to determine the future delivery of primary care support services continued through 2023/24.

Overpayments to medical practitioners

If a medical practitioner is suspended, they may be entitled to receive payments under the statutory regulations if the qualifying criteria is met. During the reporting period, NHS England has made changes to the way that these payments are administered to improve national oversight and to reduce variation in the interpretation of the statutory regulations.

Following review, NHS England has identified one case where the circumstances of the practitioner had changed in November 2023 and the practitioner was no longer eligible but continued to receive payments. This resulted in overpayments equating to £32,662. These payments ceased in June 2024. Any other overpayments relating to the 2023/24 reporting period have already been disclosed in the 2022/23 Annual Report and Accounts, as they were identified prior to the publication of that report.

Overpayments to suspended practitioners is an issue that was first identified in 2021/22. Last year, overpayments equating to £1.3 million were identified, as noted in the losses and special payment disclosures to the 2022/23 annual report and accounts. Recoveries are being sought subject to legal advice.

From April 2024, all payments to suspended practitioners are made from the national team following a standardised approach to applying the guidance and improved monthly assurance on changes in circumstances. A full review has been completed of all cases which identified the single case specified above. This is an improvement on previous years where overpayments have been made to several individuals and of much higher values. The additional national oversight has improved the process for making these payments going forwards.

Review of economy, efficiency and effective use of resources

Allocations

NHS England has responsibility for allocating the NHS funding agreed with DHSC as part of our mandate. Please see the Chief Financial Officer's Report on page 35, for information on allocations.

Financial performance monitoring

ICBs and ICSs were in place throughout the 2023/24 financial year.

The financial position across the commissioning system was reported monthly using the Integrated Single Financial Environment (ISFE) system and through provision of supporting information. These collections included key elements of provider reporting which facilitated the focus on overall system reporting. Alongside this, NHS providers continued to report their full data using the Provider Financial Monitoring System. This reporting has enabled a detailed monthly review by regional and national finance leadership teams and NHS England's Chief Financial Officer.

Individual ICB, system, direct commissioning and provider financial performance is monitored against KPIs including balance sheet indicators and performance against efficiency plans, in addition to the reported forecast and year-to-date position.

The financial position of commissioners is consolidated and reported in the overall NHS England accounts. NHS England is not the parent entity of NHS trusts and NHS foundation trusts; the financial position of providers is reported separately in the consolidated NHS provider accounts.

Cabinet Office efficiency controls

As part of the Government's control of expenditure, we are subject to specified expenditure controls. These controls cover a range of expenditure categories and require proposed expenditure to be approved to secure best value for money and ensure efficiency is being maximised. For expenditure above certain thresholds in specified categories (including professional services and consultancy), onward approval is also sought from DHSC and for some cases this also requires approval from the Minister, Cabinet Office and/or HM Treasury.

Counter fraud

NHS England has a dedicated counter-fraud team which ensures that appropriate counter-fraud arrangements are in place. This includes proactive activities to prevent and detect fraud, as well as reactive investigation of allegations of fraud related to our functions.

The Director of Financial Control has day-to-day operational responsibility for the function, and the Chief Financial Officer provides executive support and direction.

We continued to work collaboratively with key partners in both proactive and reactive areas, including the Public Sector Fraud Authority, DHSC, NHS Counter Fraud Authority, NHS BSA and law enforcement agencies. During 2023/24 NHS England was assessed by the Health Peer Review Group (HPRG)[151] as being fully compliant with the Government Counter Fraud Function Standard.[152]

NHS England public Inquiries

The Thirlwall Inquiry[153] was announced as a statutory inquiry on 4 September 2023 looking into events at the Countess of Chester Hospital, and the implications of those events following the conviction of Lucy Letby in August 2023.[154] NHS England subsequently appointed an internal response team as well as external legal support.

In 2023/24, NHS England responded to the COVID-19 Inquiry[155] as a Core Participant for Module 1 (Pandemic Preparedness) and Module 2 (Government Decision Making).
NHS England was not asked to provide a witness for oral evidence for Module 1. Our former Chief Executive Officer, Lord Stevens, appeared as witness for Module 2 in November 2023.
We are preparing for Module 3 hearings (Impact on Healthcare Systems), Autumn 2024 and we will respond to other modules on Vaccines and Therapeutics, Procurement, Social Care and Test and Trace in 2025.

The Infected Blood Inquiry[156] (IBI) was an independent public statutory Inquiry established to examine the circumstances in which men, women and children treated by the NHS in the UK were given infected blood and blood products, in particular since 1970. On 14 September 2021 NHS England was designated a Core Participant in the inquiry and, in 2023/24 submitted written and oral statements on matters including psychological support services, data collection, digitisation of records, the Patient Safety Incident Response Framework and the Hepatitis C elimination programme. The IBI published its second interim report in April 2023, which primarily focused on recommendations for compensation to those infected and affected. The Government

[151] HPRG was comprised of DHSC, NHS England, NHSBSA and NHS Counter Fraud Authority. It received and reviewed evidence provided by DHSC ALBs against the Government Counter Fraud Function Standard before the introduction of the Continuous Improvement Assessment Framework criteria. The assessment by the HPRG to award full compliance to NHSE was conducted in June 2023 when the HPRG was still active. Following introduction of the Public Sector Fraud Authority Continuous Improvement Assessment Framework, the DHSC Counter Fraud Board agreed to disband the HPRG on 18 April 2024.
[152] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1014385/6.7628_CO_Govt-Functional-Std_GovS013-Counter-Fraud_v4.pdf
[153] https://thirlwall.public-inquiry.uk/
[154] https://www.cps.gov.uk/mersey-cheshire/news/lucy-letby-found-guilty-baby-murders
[155] https://covid19.public-inquiry.uk/
[156] https://www.infectedbloodinquiry.org.uk/

committed to funding this service which is being commissioned by NHS England and is expected to be rolled out in 2024/25.

Ministerial directions

The Secretary of State gave 11 directions to NHS England under section 254 of the Health and Social Care Act 2012 to establish and operate information systems i.e. systems for the collection or analysis of information relating to health or social care. In addition, 23 direction specifications, which connected with existing directions, were also issued. The Secretary of state issued the routine financial directions, making provision for NHS England's budgets and financial limits.

Head of Internal Audit opinion

Internal audit's opinion is based on a programme of work designed to address the specific assurance requirements of the NHS England Board and Accounting Officer. Results of internal audit work, including remedial actions agreed with management, have been regularly reported to management and ARAC.

In the context of the overall environment for NHS England for 2023/24, the opinion of internal audit is that the design of the governance and risk management framework at the year-end is effective and provides the foundation of a framework to take the organisation forward during 2024/25.

The organisation has been under significant operational pressure and subject to large scale change because of several factors including delegation of functions to ICBs and the internal reorganisation following the mergers with NHS Digital and Health Education England. Internal audit has reported that the framework for internal control was not being consistently complied with during the year due primarily to operational pressures, changes in roles and responsibilities due to the reorganisation, and in some cases a lack of consistent, integrated processes across the new NHS England to identify and address non-compliance.

Internal audit therefore concluded that limited assurance can be provided over the effectiveness and efficiency of the internal control framework. Internal Audit specifically drew attention to Leavers and Dental Contract Management in their conclusion. In the context of leavers, processes had not been harmonised across legacy organisations and were not consistently completed by line managers and for Dental Contract Management, at the time of the review, there was not a coordinated approach to national and regional oversight of delegated dental services, to ensure compliance with standards. Management has undertaken focused pieces of work to address the issues identified in these reports, which has resulted in the majority of recommendations having been implemented at the time of writing.

Actions have been agreed to address the issues identified by internal audit. Implementing actions in a timely manner has continued to be challenging in the context of the ongoing organisational change programme and operational pressures, and management continues to focus on this. Management is continuing to design and implement measures to improve

compliance, including training for line managers on core roles and responsibilities, harmonising and strengthening policies, enhanced corporate reporting, and new compliance checking processes.

Some of the weaknesses in internal controls for core processes were assessed as being fundamental to the system of controls. Management actions have been agreed to address these observations, not all of which have been completed by year end given their nature. Where possible, interim solutions have been put in place.

There remains significant reliance on third party providers of core services, such as payroll processing, and there remains a requirement to further embed the contract management framework to obtain assurance over the delivery of services.

Remuneration and staff report

Our people

Our NHS People Plan[157] ambitions and values drive our workforce strategy, which aims for more staff working flexibly in a compassionate and inclusive culture. Alongside our People Plan, our NHS People Promise[158] sets out our pledge to one another and describes how we want to improve the experience of working in the NHS for everyone.

NHS Digital and Health Education England merger

On 22 November 2021, the Secretary of State for Health and Social Care set out his intention to merge Health Education England with NHS England, (putting recruitment, training and retention of NHS staff at the heart of the NHS in England).[159] In addition, the recommendations of the Laura Wade-Gery Review were accepted, including to merge NHS Digital and NHSX into NHS England, joining up the approach to digital transformation in a single organisation.

The creation of ICBs in July 2022; the merger of NHS England with NHS Digital from January 2023 and Health Education England from April 2023; and the need to re-size our organisation post COVID-19 pandemic, meant we have been able to create a new NHS England. At the same time, we have created a simpler, smaller, organisation that leads the NHS more effectively, with equality, diversity and inclusion at the heart of all we do.

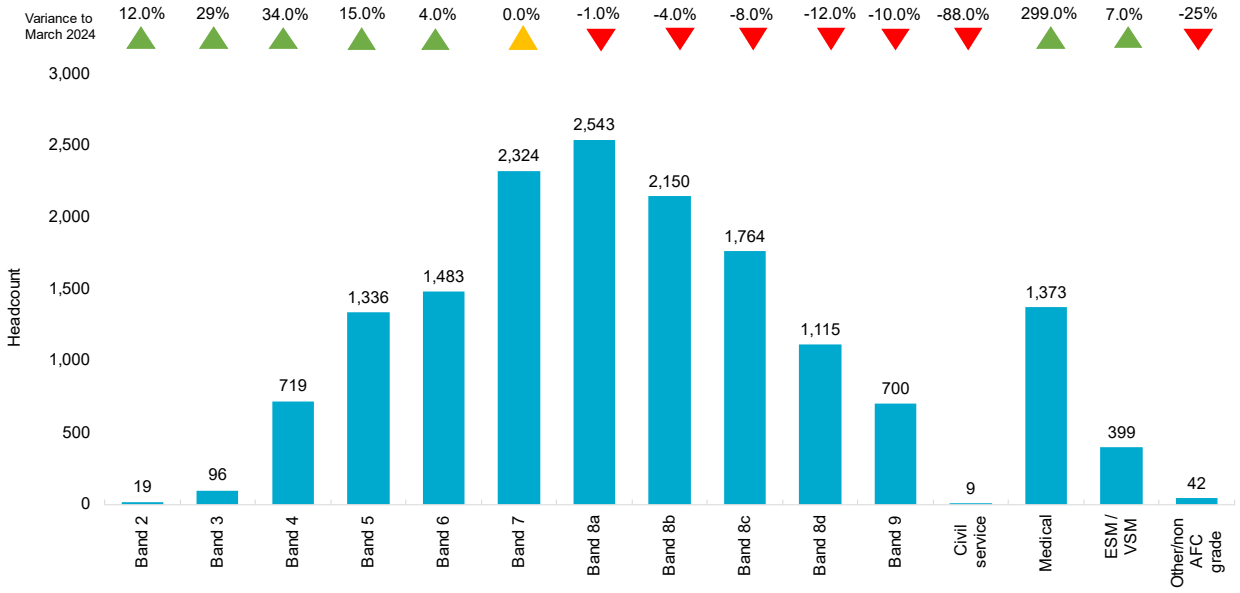
As the new NHS England (this was merger of NHS England, Trust Development Authority and Monitor etc.), we have brought together five arms-length bodies into one new organisation, reducing our combined workforce by over 36% and delivering significant savings, money that can be reinvested into frontline care. We are now embedding our new Operating Framework, transforming our ways of working and developing a new aligned organisational culture.

Staff numbers

On 31 March 2024, NHS England directly employed 16,074 staff (14,578 WTE). Of these, 14,774 were permanently employed, and 1,300 were employed on payroll on fixed term contracts of employment. A further 1,282 people were engaged in an off-payroll capacity, including agency staff and secondees. The chart on the following page shows the headcount by pay band on 31 March 2024. Detail on staff numbers and costs for NHS England and the consolidated group, including CSUs, are presented from page 91.

[157] https://www.england.nhs.uk/ournhspeople/
[158] https://www.england.nhs.uk/ournhspeople/online-version/lfaop/our-nhs-people-promise/
[159] https://www.gov.uk/government/publications/health-education-england-mandate-2022-to-2023/the-department-of-health-and-social-care-mandate-to-health-education-england-april-2022-to-march-2023

All staff by grade



A voluntary redundancy scheme offered to all eligible employees for a limited period has had an impact on staff numbers. Exit packages agreed over the year are detailed on page 96.

The new NHS England programme was set up to manage the merger of Health Education England with NHS England, NHS Digital and NHSX, and the decommissioning of Public Health England, following the decisions of the then Secretary of State for Health and Social Care. As a result of the programme, we have created a more streamlined and smaller organisation to lead the NHS more effectively and to improve services for patients and communities and the working lives of NHS staff, while making best use of public money. Our organisation will be 36% smaller than the three combined legacy organisations, once the final transfers of staff and functions out of NHS England have taken place.

Staff turnover

Turnover increased in 2023/24 compared to 2022/23. Both the headcount and the number of people leaving the organisation increased. This increase is due to the voluntary redundancy scheme that opened on 18 January 2023 for a limited period.

Staff turnover (%)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
NHS England	14.0%	13.2%	4.88%	9.65%	11.01%	16.52%
NHS TDA	14.9%	15.2%	4.65%	7.30%	8.10%	N/A
Monitor	19.4%	29.5%	4.13%	11.58%	2.21%	N/A
Health Education England	-	-	-	10.61%	10.47%	N/A
NHS Digital	-	-	-	11.79%	10.17%	N/A
Total	**14.7%**	**14.0%**	**4.85%**	**10.19%**	**8.39%**	**16.52%**

Employment policies

Our priorities for 2023/24 included:

- identifying the key employment policies that applied to staff transferring into NHS England from NHS Digital and Health Education England
- in partnership with our trade unions, forming a new Policy Sub-group encompassing members from legacy NHS England, NHS Digital and Health Education England
- developing a policy work schedule, which includes the harmonisation of the Attendance Management and Pay Protection policies, a review of all other key employment policies to reflect the culture of the new NHS England and the development of two new policies aligned to one of our national programmes.

Partnership working

NHS England fully recognises the vital contribution of trade unions in representing the interests of colleagues and our organisation. We work closely in partnership with our recognised trade unions on a number of important employment matters. Partnership work includes consulting on organisational change, as a legal requirement, as well as developing and refining our policies and consulting on a wide range of issues affecting people and the organisation.

To facilitate partnership working, NHS England has a National Partnership Forum that meets every quarter. This forum provides strategic direction for other important sub-groups that focus on specific issues. Sub-groups include policy, organisational change, equality and diversity and the Local Negotiating Committee. In addition, we hold regional and corporate engagement forums to address any local issues, which can be escalated to the national partnership structure(s) if necessary.

Over the last year we have, in partnership, reviewed our staff side membership following the merger with NHS Digital and Health Education England to transition representatives from the transferring organisations. A key deliverable this year was the development in partnership of an agreed Change Implementation Framework to underpin the Creating the new NHS England Programme.

Trade union facility time disclosures

We fulfilled our obligations under the Trade Union (Facility Time Publication Requirements) Regulations 2017 for 2023/24 by reporting the information to form part of the Government's public sector trade union facility time data, published on the gov.uk website in August each year.[160]

Trade union representatives – the total number of employees who were trade union representatives during the relevant period:

Number of employees who were relevant union officials during the relevant period	WTE employee number
71	62.76

Percentage of time spent on facility time (duties and activities):

Percentage of time	Number of employees
0%	30
1-50%	40
51-99%	1
100%	0

Percentage of pay bill spent on facility time

Description	Figures
Provide the total cost of facility time	£89,974.10
Provide the total pay bill	£1,336,845,732.20
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time – total pay bill) x 100	0.01%

Time spent on paid trade union activities as a percentage of total paid facility time hours

Description	Figures
Hours spent on paid facility time	3267
Hours spent on paid trade union activities	183.5
Percentage of total paid facility time hours spent on paid trade union activities	5.62%

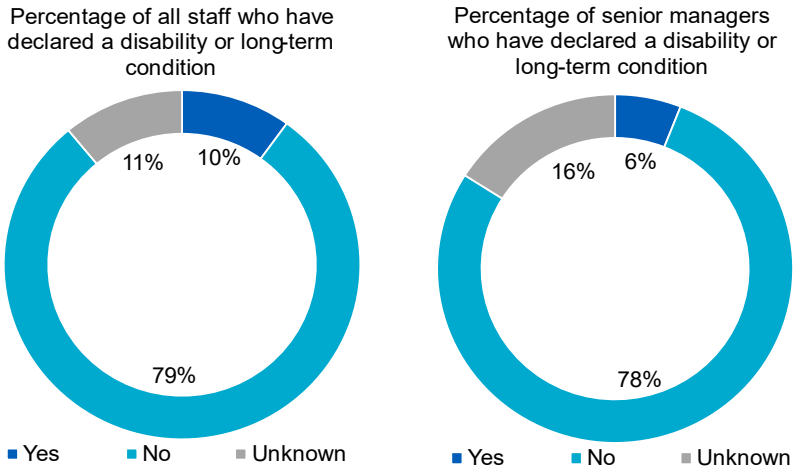
[160] https://www.gov.uk/guidance/report-trade-union-facility-time-data

Equality, diversity, and inclusion

Workforce Disability Equality Standard

In partnership with our disability staff networks, we have developed a new Workforce Disability Equality Standard action plan in co-production with staff disability networks and Human Resource business partners. The plan incorporates the legacy NHS England, Health Education England and NHS Digital delivery plans and Disability Confident employer deliverables. The organisation-wide plan includes 67 individual actions delivering 31 outcomes. Most of the proposed actions are focused on communication, recruitment, selection and retention.
The graphs below show the reporting of all staff and senior manager disability or long-term conditions in Electronic Staff Record (ESR).

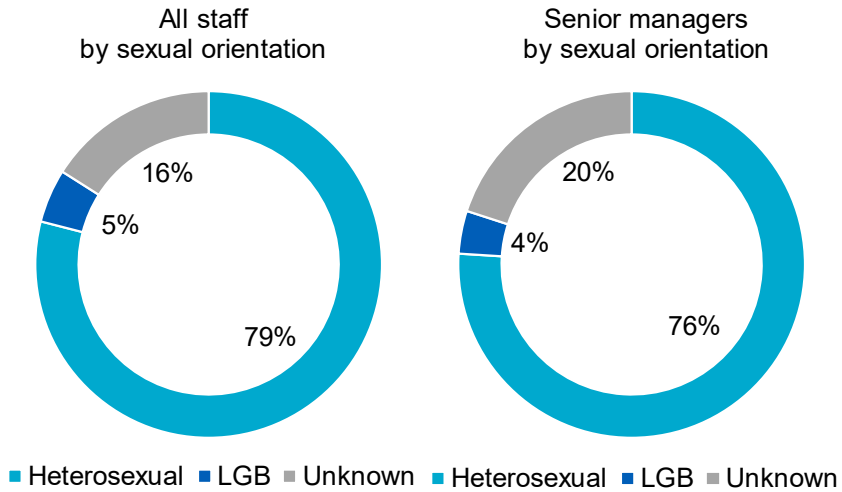
Declared disabilities or long-term conditions



Sexual orientation of staff and senior managers

The percentage of staff who disclose their identity as lesbian, gay and bisexual (LGB) is 4.9% as of March 2024. The breakdown of sexual orientation declaration is detailed below, including an overview of senior managers who have declared as LGB in ESR (3.9%).

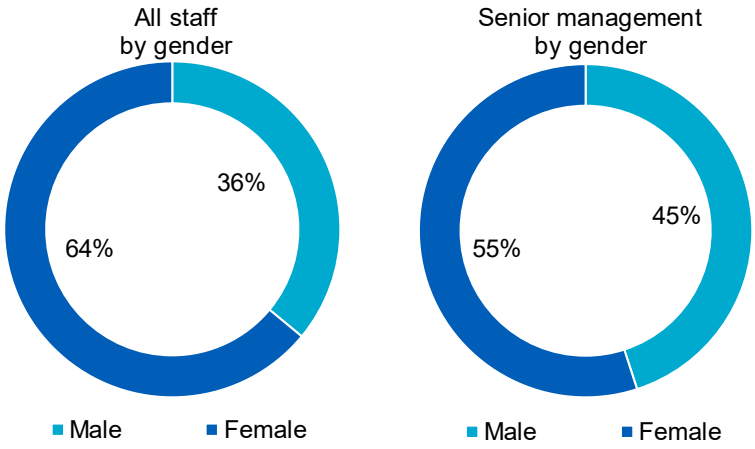
Staff and managers by sexual orientation



Gender of all staff and senior managers

The female gender profile of the total NHS England on payroll workforce decreased by 0.6% between 31 March 2023 and 31 March 2024. There has been no change in the number of female senior managers which remained at 54.7%. The gender diversity of NHS England Board members is set out on page 46. The graphs below highlight gender reporting in ESR:

All staff and senior managers by gender



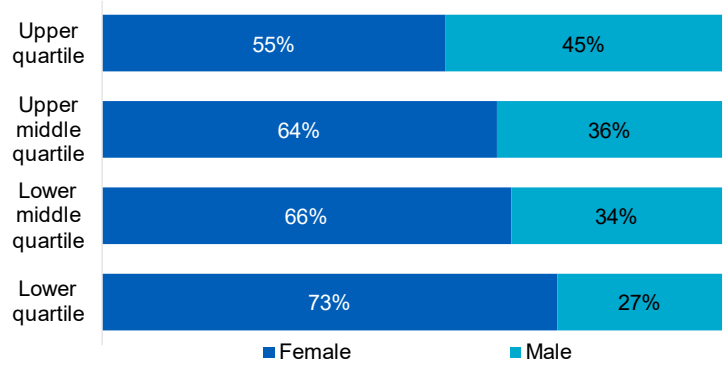
Gender pay gap

All organisations with more than 250 staff are required to publish a gender pay report. We have produced a combined gender pay gap report as at 31 March 2023 for the new NHS England which incorporates the three legacy organisations.

The gender pay gap trend for the new NHS England is positive, with improvements made from the previous year compared to legacy NHS England, NHS Digital and Health Education England. The mean gender pay gap was 11.84% in March 2023, representing a reduction in the gap of almost 2%. The median gender pay gap was 8.87% in March 2023, a more than 2% drop compared to all three legacy organisations.

Year	Mean gender pay gap
2023	11.8%
2022	14.7%
2021	16.2%
2020	16.7%
2019	18.3%
2018	19.5%

Pay quartiles by gender in NHS England



In the new NHS England 55% of women are in the highest paid jobs compared to 45% of men. In contrast, 73% of women are in the lowest paid jobs compared to 27% men.

The pay gap is a result of having a smaller proportion of men in lower pay bands. Although the mean salaries for women across pay bands 2 to 7 are higher, their mean earnings are considerably less than men across bands 8b and above. Similarly, we have the highest proportion of women in pay bands 5 to 8a compared to men, who we have a higher proportion in bands 8b and above.

Ethnicity of all staff and senior managers

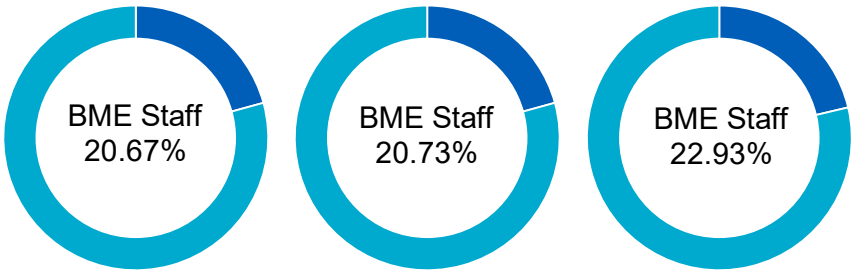
Improving our diversity levels at senior pay bands

We are developing a new approach to setting goals to improve representation levels in the new NHS England.

While blanket organisation-wide targets such as the 19% BME aspirational target has driven overall progress in improving representation levels, we want to build on this further and take a more stratified approach.

Our new approach will benchmark against local working population levels and current workforce levels, with an additional focus on structural barriers or 'glass ceilings' in the workforce, for example at pay bands 8c and above.

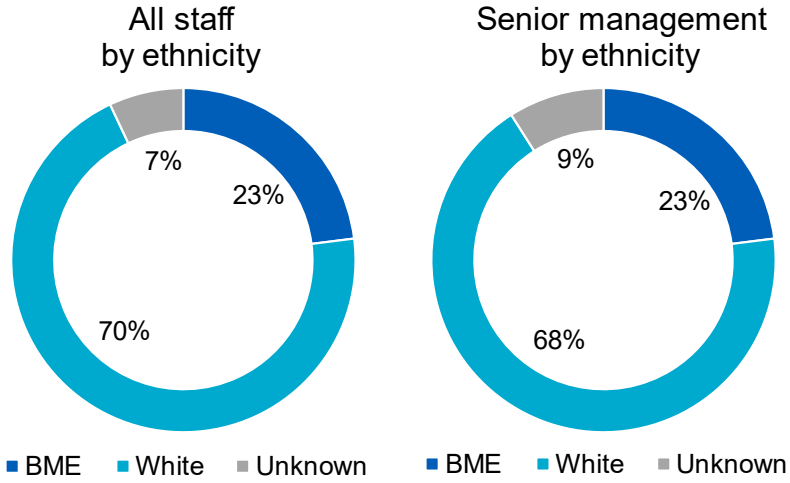
Figures below show the overall percentage of BME staff and the change over the last three years:



The proportion of people employed by NHS England who consider themselves to be from a BME heritage increased by 2.2 percentage points between 31 March 2023 and 31 March 2024. The proportion of senior managers who identify as black or minority ethnic has increased from 16.4% in 2022/23 to 22.7% in 2023/24.

The graphs below show ethnicity for all staff and senior managers, as reported in ESR.

All staff and senior managers by ethnicity



Staff engagement and feedback

Ensuring that we regularly seek views and feedback from employees is a key part of our organisational development and culture work. Employee engagement took place through our pulse check survey and the NHS England Staff Survey.

NHS England staff survey

In January 2024 NHS England launched its first annual staff survey as a newly merged, single organisation. This year's results will provide a baseline for the organisation and identify key areas of improvement to focus on over the coming year.

The survey achieved a 58% response rate equivalent to 9,646 completed surveys over a reduced survey window of four weeks.

As in past years, local action plans will be developed within each national directorate and region to have targeted focus across the organisation.

Sickness absence

Sickness absence for the period 1 April 2023 to 31 March 2024 was as follows:

	WTE days available	WTE days lost to sickness absence	Sickness absence rate
NHS England	5,663,098	140,459	2.48%

Employee benefits and staff numbers (subject to audit)

Detail on staff numbers and costs for NHS England and the consolidated group, including CSUs, are presented in the following tables:

Average number of people employed

Parent 2023/24	Permanently employed number[161]	CSU employed number	Other number	CSU other number	Total number
Total	14,716	6,492	1,912	113	**23,233**
Of the above:					
Number of WTE people engaged on capital projects	66	-	31	-	**97**

Parent 2022/23	Permanently employed number[162]	CSU employed number	Other number	CSU other number	Total number
Total	13,293	7,150	1,956	252	**22,651**
Of the above:					
Number of WTE people engaged on capital projects	245	-	24	-	**269**

Consolidated group 2023/24	Permanently employed number	CSU employed number	Other number	CSU other number	Total number
Total	38,512	6,492	3,720	113	**48,837**
Of the above:					
Number of WTE people engaged on capital projects	66	-	31	-	**97**

Consolidated group 2022/23	Permanently employed number	CSU employed number	Other number	CSU other number	Total number
Total	35,383	7,150	4,122	252	**46,907**
Of the above:					
Number of WTE people engaged on capital projects	245	-	24	-	**269**

[161] The most significant increase in staffing is including the transfer of staff Health Education England on 1 April 2023.
[162] The most significant increase in staffing is including the transfer of staff from Monitor and Trust Development Authority at 1st July 2022 plus 2 months of NHS digital from 1 February 2023.

Employee benefits

Parent group 2023/24	Permanently employed £000	Permanent CSU employees £000	Other £000	CSU other £000	Total £000
Employee benefits					
Salaries and wages	964,168	295,713	147,043	9,981	**1,416,905**
Social security costs	116,970	33,039	7	-	**150,016**
Employer contributions to NHS Pension Scheme	177,549	55,080	9	-	**232,638**
Other pension costs	-	-	-	-	**-**
Apprenticeship Levy	4,811	1,510	-	-	**6,321**
Termination benefits	(6,492)	9,281	-	-	**2,789**
Gross employee benefits expenditure	**1,257,006**	**394,623**	**147,059**	**9,981**	**1,808,669**
Less: Employee costs capitalised	(6,028)	-	(5,244)	-	**(11,272)**
Net employee benefits excluding capitalised costs	**1,250,978**	**394,623**	**141,815**	**9,981**	**1,797,397**
Less recoveries in respect of employee benefits	120	-	-	-	**120**
Total net employee benefits	**1,251,098**	**394,623**	**141,815**	**9,981**	**1,797,517**

Parent group 2022/23	Permanently employed £000	Permanent CSU employees £000	Other £000	CSU other £000	Total £000
Employee benefits					
Salaries and wages	738,631	301,482	104,581	19,410	**1,164,104**
Social security costs	85,414	32,521	-	-	**117,935**
Employer contributions to NHS Pension Scheme	122,765	52,001	-	-	**174,766**
Other pension costs	11	-	-	-	**11**
Apprenticeship Levy	3,343	1,502	-	-	**4,845**
Termination benefits	78,945	(86)	-	-	**78,859**
Gross employee benefits expenditure	**1,029,109**	**387,420**	**104,581**	**19,410**	**1,540,520**
Less: Employee costs capitalised	(3,302)	-	(754)	-	(4,056)
Net employee benefits excluding capitalised costs	**1,025,807**	**387,420**	**103,827**	**19,410**	**1,536,464**
Less recoveries in respect of employee benefits	124	-	(75)	-	49
Total net employee benefits	**1,025,931**	**387,420**	**103,752**	**19,410**	**1,536,513**

Consolidated group 2023/24	Permanently employed £000	Permanent CSU employees £000	Other £000	CSU other £000	Total £000
Employee benefits					
Salaries and wages	2,247,931	295,713	276,697	9,982	**2,830,323**
Social security costs	264,634	33,039	766	-	**298,439**
Employer contributions to NHS Pension Scheme	409,773	55,079	812	-	**465,664**
Other pension costs	4,810	-	-	-	**4,810**
Apprenticeship Levy	10,819	1,511	-	-	**12,330**
Termination benefits	76,665	9,281	-	-	**85,946**
Gross employee benefits expenditure	**3,014,632**	**394,623**	**278,275**	**9,982**	**3,697,512**
Less: Employee costs capitalised	(6,028)	-	(5,244)	-	**(11,272)**
Net employee benefits excluding capitalised costs	**3,008,604**	**394,623**	**273,031**	**9,982**	**3,686,240**
Less recoveries in respect of employee benefits	(4,925)	-	-	-	**(4,925)**
Total net employee benefits	**3,003,679**	**394,623**	**273,031**	**9,982**	**3,681,315**

Consolidated group 2022/23	Permanently employed £000	Permanent CSU employees £000	Other £000	CSU other £000	Total £000
Employee benefits					
Salaries and wages	1,938,829	301,482	261,003	19,410	**2,520,724**
Social security costs	223,186	32,521	681	-	**256,388**
Employer contributions to NHS Pension Scheme	327,632	52,001	701	-	**380,334**
Other pension costs	2,941	-	-	-	**2,941**
Apprenticeship Levy	8,162	1,502	-	-	**9,664**
Termination benefits	91,304	(86)	-	-	**91,218**
Gross employee benefits expenditure	**2,592,054**	**387,420**	**262, 385**	**19,410**	**3,261,269**
Less: Employee costs capitalised	(3,302)	-	(754)	-	**(4,056)**
Net employee benefits excluding capitalised costs	**2,588,752**	**387,420**	**261,631**	**19,410**	**3,257,213**
Less recoveries in respect of employee benefits	(9,118)	-	(75)	-	**(9,193)**
Total net employee benefits	**2,579,634**	**387,420**	**261,556**	**19,410**	**3,248,020**

CSUs are part of NHS England and provide services to Clinical Commissioning Groups (CCGs)/ICBs.

The employment contracts or secondment agreements of almost all these staff are held for NHS England on a hosted basis by the NHS BSA.

Exit packages, severance payments and off-payroll engagements

Expenditure on consultancy and contingent labour

Expenditure on consultancy is detailed in the Annual Accounts under Note 4: Operating expenses. NHS England and CSUs procured consultancy services worth £17.1 million during the financial year, a decrease of £144k since the previous year (2022/23: £17.3 million).

Across the group, there was a total spend of £57.5 million on consultancy services during the period, against £51.1 million the previous year, reflecting the increased size of the organisation following merger with Health Education England in April 2023.

Expenditure on contingent labour, including agency staff and secondees, is given in the employee benefits table on page 92, under the 'other' column.

Net expenditure for NHS England and CSUs in this area was £157 million in 2023/24, against £124 million in 2022/23. Across the group, there was a total spend of £288.2 million on contingent labour during the year, against £281.8 million the previous year. The increase in group consultancy relates to an increased level of programme in ICBs.

Further detail on efficiency controls, and steps we have taken to improve procurement practices and compliance within NHS England during the year, can be found in our governance statement from page 59.

Contingent labour	2023/24 £000	2022/23 £000	(Increase) / Decrease £000
Parent inc CSU other	157,040	123,991	(33,049)
Group inc Parent and CSU other	288,257	281,795	(6,462)

Consultancy	2023/24 £000	2022/23 £000	(Increase) / Decrease £000
Parent consultancy	17,146	17,290	144
Group consultancy	56,457	51,147	(5,310)

Off-payroll engagements

NHS England is committed to employing a capable, talented, and diverse on-payroll workforce to support the delivery of its business. It is recognised that in some specific circumstances the use of off payroll workers (OPWs), working alongside our on-payroll workforce, can be helpful. For some of our time-limited programmes, short-term contracts are appropriate. The following tables identify OPWs engaged by NHS England at March 2024. OPWs engaged by ICBs are reported in ICB annual reports and published on their websites.[163]

[163] https://www.england.nhs.uk/publication/integrated-care-boards-in-england/

Off-payroll engagements longer than 6 months

Off-payroll engagements on 31 March 2024, covering those earning more than £245[164] per day and staying longer than 6 months are as follows:

Off-payroll engagements longer than 6 months	NHS England (number)	CSUs (number)	Total (number)
Number of existing engagements as of 31 March 2024	324	7	331
Of which, the number that have existed:			
for less than 1 year at the time of reporting	45	7	52
for between 1 and 2 years at the time of reporting	47	0	47
for between 2 and 3 years at the time of reporting	70	0	70
for between 3 and 4 years at the time of reporting	71	0	71
for 4 or more years at the time of reporting	91	0	91

Most OPWs who provide services to NHS England are clinical medical staff. All existing off-payroll engagements, outlined above, were subject to a risk-based assessment as to whether assurance was required that the individual was paying the right amount of tax and, where necessary, assurance has been sought.

New off-payroll engagements

New off-payroll engagements or those that reached 6 months in duration, between 1 April 2023 and 31 March 2024, for more than £245[165] per day and that last longer than 6 months are as follows:

New off-payroll engagements	NHS England (number)	CSUs (number)	Total (number)
Number of OPWs engaged during the year ended 31 March 2024	463	185	648
Of which:			
Number not subject to off-payroll legislation[166]	0	0	0
Number subject to off-payroll legislation and determined as in-scope of IR35[166]	462	185	647
Number subject to off-payroll legislation and determined as out of scope of IR35[166]	1	0	1
Number of engagements reassessed for compliance or assurance purposes during the year	0	0	0
Of which:			
Number of engagements that saw a change to IR35 status following review	0	0	0

[164] The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
[165] The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
[166] A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Off-payroll board member/senior official engagement

Off-payroll engagements of Board members and/or senior officials with significant financial responsibility between 1 April 2023 and 31 March 2024 are shown in the table below:

Off-payroll board member/senior official engagement	NHS England (number)	CSUs (number)	Total (number)
Number of off-payroll engagements of Board members and/or senior officers with significant financial responsibility, during the financial year	0	0	0
Total number of individuals on-payroll and off-payroll who have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year	330	0	330

Senior officials are defined as those at pay grade ESM 1 and ESM2, shown on the chart on page 83.

Details of exit packages agreed over the year are detailed in the following tables. All contractual severance payments were subject to full external oversight by DHSC.

Exit packages agreed during the year (subject to audit)

	2023/24			2022/23		
Parent	Compulsory redundancies Number	Other agreed departures Number	Total Number	Compulsory redundancies Number	Other agreed departures Number	Total Number
Less than £10,000	6	-	6	1	25	26
£10,001 to £25,000	2	-	2	2	124	126
£25,001 to £50,000	8	1	9	3	220	223
£50,001 to £100,000	8	2	10	1	261	262
£100,001 to £150,000	3	2	5	1	216	217
£150,001 to £200,000	2	1	3	3	106	109
Total	**29**	**6**	**35**	**11**	**952**	**963**
Total cost (£000)	**1,654**	**610**	**2,264**	**837**	**74,704**	**75,541**

	2023/24			2022/23		
Consolidated group	Compulsory redundancies Number	Other agreed departures Number	Total Number	Compulsory redundancies Number	Other agreed departures Number	Total Number
Less than £10,000	56	55	111	54	51	105
£10,001 to £25,000	31	143	174	30	156	186
£25,001 to £50,000	31	178	209	18	256	274
£50,001 to £100,000	25	171	196	17	289	306
£100,001 to £150,000	14	72	86	7	217	224
£150,001 to £200,000	20	38	58	37	108	145
Total	**177**	**657**	**834**	**163**	**1,077**	**1,240**
Total cost (£000)	**8,644**	**36,618**	**45,262**	**9,352**	**78,996**	**88,348**

Consolidated group	2023/24 Departures where special payments have been made Number	2023/24 Departures where special payments have been made £	2022/23 Departures where special payments have been made Number	2022/23 Departures where special payments have been made £
Less than £10,000	-	-	-	-
£10,001 to £25,000	-	-	1	20,000
£25,001 to £50,000	-	-	1	30,000
£50,001 to £100,000	-	-	-	-
Total	**-**	**-**	**2**	**50,000**

Analysis of other agreed departures (subject to audit)

Parent	2023/24 Other agreed departures Number	2023/24 Other agreed departures £000	2022/23 Other agreed departures Number	2022/23 Other agreed departures £000
Voluntary redundancies including early retirement contractual costs	6	610	951	74,696
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	1	8
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HM Treasury approval	-	-	-	-
Total	**6**	**610**	**952**	**74,704**

Consolidated group	2023/24 Other agreed departures Number	2023/24 Other agreed departures £000	2022/23 Other agreed departures Number	2022/23 Other agreed departures £000
Voluntary redundancies including early retirement contractual costs	414	28,169	955	75,251
MARS contractual costs	230	8,175	91	3,115
Early retirements in the efficiency of the service contractual costs	-	-	1	8
Contractual payments in lieu of notice	25	267	29	572
Exit payments following Employment Tribunals or court orders	1	8	-	-
Non-contractual payments requiring HM Treasury approval	-	-	2	50
Total	**670**	**36,619**	**1,078**	**78,996**

As a single exit package can be made up of several components, each of which will be counted separately in this table, the total number of exit packages will not necessarily match the total number in the table above.

These tables report the number and value of exit packages agreed in the financial year. The expense associated with these departures may have been recognised in part or in full in a previous period.

Redundancy and other departure costs have been paid in accordance with the provisions of NHS England.

Exit costs are accounted for in accordance with relevant accounting standards and at the latest in full in the year of departure.

Where NHS England, ICBs and CCGs have agreed early retirements, the additional costs are met by NHS England or the ICB or the CCG and not by the NHS Pension Scheme and are included in the tables. Ill-health retirement costs are met by the NHS Pension Scheme and are not included in the tables. The Remuneration Report includes the disclosure of exit payments payable to individuals named in that report.

People and Remuneration Committee

Detail on the role and activity of the People and Remuneration Committee is given in our Directors' Report on page 50.

Percentage change in remuneration of highest paid director (subject to audit)

Percentage change in remuneration of the highest paid director	Salary and allowances	Performance pay and bonuses
The percentage change from the previous financial year in respect of the highest paid director	3.88%	0%
The average percentage change from the previous financial year in respect of employees of the entity, taken as a whole	15.86%	-100%

The large average percentage increase in salary and allowances from 2022/23 to 2023/24 can be explained by NHS England merging with NHS Digital on 01 February 2023 and Health Education England on 01 April 2023 and the resulting change in organisational staff profile.

The large average percentage decrease in performance pay and bonuses across NHS England from 2022/23 to 2023/24 can be explained by the retrospectively agreed Government's AfC 2022/23 Non-Consolidated Pay Award that consisted of 2 one-off, non-consolidated awards on top of the 2022/23 consolidated award.

In 2022/23, employees received a non-consolidated award worth 2%, in addition to a one-off NHS backlog bonus worth an additional 4% of the AfC pay bill to recognise the sustained pressure facing the NHS following the COVID-19 pandemic, however these one off non-consolidated awards were not payable in 2023/24.

Pay ratio information (subject to audit)

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director/member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director/member in NHS England in the financial year 2023/24 was £265,000 to £270,000 (2022/23: £255,000-£260,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

2023/24	25th percentile	Median	75th percentile
Total remuneration (£)	37,350	51,558	72,245
Salary component of total remuneration (£)	37,350	50,952	70,417
Pay ratio information	7.16:1	5.19:1	3.70:1
2022/23			
Total remuneration (£)	37,633	50,847	69,855
Salary component of total remuneration (£)	35,572	48,526	67,064
Pay ratio information	6.84:1	5.06:1	3.69:1

The pay ratio information for the 2023/24 financial year is consistent with the pay, reward and progression policies for the employees taken as a whole, due to applying all nationally mandated pay awards where applicable and adhering to the relevant pay progression principles.

In 2023/24, no employees received remuneration in excess of the highest-paid director/ member (2022/23: none). Remuneration ranged from £7,883 to £270,000 (2022/23: £7,883 to £260,000).

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

Policy on remuneration of senior managers

The framework for the remuneration of executive directors is set by DHSC through the ESM pay framework for ALBs.

It is NHS England's policy to pay salaries that are appropriate to recruit senior managers with the necessary skills, capability and experience for the effective running of a more than £175 billion organisation, while recognising the importance of demonstrating pay restraint at a time of considerable pressure on NHS finances. Recommending appropriate remuneration for executive directors was undertaken by the People and Remuneration Committee and the Nominations Committee. Final decisions are made by the DHSC ALB Remuneration Committee and HM Treasury, where appropriate.

Performance-related pay

The PRP arrangements for national (executive) directors are set out in the ESM pay framework for ALBs. They follow guidance prescribed by DHSC and are in line with HM Treasury requirements. As a local policy decision, NHS England does not currently allocate any funding for PRP non-consolidated bonus payments. In recognition of the current economic climate and the need to provide effective system leadership for the NHS, the decision was taken by the Executive HR Group and the People and Remuneration Committee not to allocate funds for PRP non-consolidated bonus payments for 2023/24.

Secondees are subject to the terms and conditions of their employing organisation.

Policy on senior managers' contracts

Contracts of employment for senior managers are open-ended and recurrent, unless otherwise specified. Notice periods follow the provisions of the ESM contract of employment, as applied by NHS England, of 6 months' contractual notice.

Termination payments can only be authorised where they are contractual and, subject to the value involved, may still require further approval from the DHSC Governance and Assurance Committee.

Any proposed non-contractual special severance payment requires formal approval from DHSC and HM Treasury.

Payments for loss of office (subject to audit)

No payments were made to any senior manager to compensate for loss of office in 2023/24.

Payments to past directors (subject to audit)

No payments have been made to past directors and no compensation has been paid on early retirement. This is subject to audit.

Senior managers' service contracts

Name and title	Date of appointment	Notice period	Provisions for compensation for early termination	Other details
Amanda Pritchard Chief Executive Officer	1 August 2021	6 months		
Sir David Sloman Chief Operating Officer	14 December 2021	6 months		Left NHS England 3 September 2023
Sir James Mackey Chief Operating Officer (Interim)	4 September 2023	6 months		Left NHS England 31 October 2023
Dr Emily Lawson Chief Operating Officer (Interim)	1 November 2023	6 months		
Mark Cubbon Chief Delivery Officer	14 December 2021	6 months		Left NHS England 2 April 2023
Stephen Russell Chief Delivery Officer	3 April 2023	6 months		
Jacqueline Rock Chief Commercial Officer	1 January 2022	6 months	Option to provide taxable pay in lieu of part or all of the notice period	
Professor Sir Stephen Powis National Medical Director	1 March 2018	6 months		
Julian Kelly Chief Financial Officer	1 April 2019	6 months		
Dame Ruth May Chief Nursing Officer	7 January 2019	6 months		
Dr Tim Ferris National Director of Transformation	10 May 2021	6 months		Left NHS England 17 September 2023
Dr Vinod Diwakar National Director of Transformation (Interim)	18 September 2023	6 months		
Christopher Hopson Chief Strategy Officer	13 June 2022	6 months		

Remuneration (salary, benefits in kind and pensions) 2023/24 (subject to audit)

Name and title	(a) Salary (bands of £5,000) £000	(b) Benefits in kind (taxable) to nearest £100 £s	(c) Performance pay and bonuses (bands of £5,000) £000	(d) Long-term performance pay and bonuses (bands of £5,000) £000	(e) Pension-related benefits (bands of £2,500)[167] £000	(f) Total (a to e) (bands of £5,000) £000
Amanda Pritchard Chief Executive Officer	265-270	0	0	0	0	265-270
Sir David Sloman[168] Chief Operating Officer	95-100	0	0	0	0	95-100
Sir James Mackey[169] Chief Operating Officer (Interim)	0	0	0	0	0	0
Dr Emily Lawson[170] Chief Operating Officer (Interim)	110-115	0	0	0	0	110-115
Mark Cubbon[171] Chief Delivery Officer	0-5	0	0	0	0	0-5
Stephen Russell[172] Chief Delivery Officer	205-210	1,000	0	0	0	205-210
Jacqueline Rock[173] Chief Commercial Officer	220-225	2,800	0	0	50-52.5	275-280
Professor Sir Stephen Powis National Medical Director	240-245	0	0	0	0	240-245
Julian Kelly Chief Financial Officer	215-220	0	0	0	52.5-55	270-275
Dame Ruth May[174] Chief Nursing Officer	180-185	1,600	0	0	0	180-185
Dr Tim Ferris[175] National Director of Transformation	90-95	0	0	0	0	90-95
Dr Vinod Diwakar[176] National Director of Transformation (Interim)	110-115	0	0	0	12.5-15	120-125
Christopher Hopson Chief Strategy Officer	215-220	0	0	0	50-52.5	265-270
Navina Evans Chief Workforce Officer	205-210	0	0	0	0	205-210

[167] The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the potential benefit of being a member of the pension scheme.

[168] Sir David Sloman's salary was recharged to NHS England from the Royal Free London NHS Foundation Trust where he was also formally employed and retained a post. Sir David Sloman left NHS England on 03 September 2023. The full year equivalent salary is £230,000-£235,000.

[169] Sir James Mackey covered this post on an interim basis from 04 September 2023 to 31 October 2023 on an NHS assignment. Sir James Mackey's salary costs were retained wholly by Northumbria NHS Foundation Trust where he was formally employed and retained a post.

[170] Dr Emily Lawson commenced in post on an interim basis on 01 November 2023. The full year equivalent salary is £250,000-£255,000.

[171] Mark Cubbon's salary was recharged to NHS England from Portsmouth Hospitals NHS Trust where he was also formally employed and retained a post. Mark Cubbon left NHS England on 02 April 2023. The full year equivalent salary is £220,000-£225,000.

[172] Stephen Russell commenced in post on 03 April 2023. Stephen Russell's benefit in kind relates to a Lease Car.

[173] Jacqueline Rock's benefit in kind relates to a Lease Car.

[174] Dame Ruth May's benefit in kind relates to a Lease Car.

[175] For the period 01 April 2023 to 09 May 2023 80% of the salary costs for Dr Tim Ferris were recharged to NHS England from Mass General Brigham Inc. where is he was also formally employed and retained a post, with NHS England directly funding the remaining 20%. For the period 10 May 2023 to 17 September 2023 NHS England directly funded 100% of the salary costs. Dr Tim Ferris left this post on 17 September 2023. The full year equivalent salary is £190,000-£195,000. NHS England also paid Mass General Brigham Inc. a retirement contribution of $0,000-$5,000.

[176] Dr Vinod Diwakar commenced in post on an interim basis on 18 September 2023. The full year equivalent salary is £205,000-£210,000.

Remuneration (salary, benefits in kind and pensions) 2022/23 (subject to audit)

Name and title	(a) Salary (bands of £5,000) £000	(b) Benefits in kind (taxable) to nearest £000	(c) Performance pay and bonuses (bands of £5,000) £000	(d) Long-term performance pay and bonuses (bands of £5,000) £000	(e) Pension-related benefits (to nearest £1,000)[177] £000	(f) Total (a to e) (bands of £5,000) £000
Amanda Pritchard Chief Executive Officer	255-260	0	0	0	70-72.5	325-330
Sir David Sloman [178] Chief Operating Officer	235-240	3,900	0	0	0	245-250
Mark Cubbon [179] Chief Delivery Officer	220-225	1,900	0	0	50-52.5	270-275
Ian Dodge [180] National Director for Primary Care, Community Services and Strategy	200-205	0	0	0	0	200-205
Jacqueline Rock Chief Commercial Officer	230-235	0	0	0	50-52.5	280-285
Professor Sir Stephen Powis National Medical Director	235-240	0	0	0	0	235-240
Julian Kelly Chief Financial Officer	210-215	0	0	0	50-52.5	260-265
Dame Ruth May[181] Chief Nursing Officer	175-180	0	0	0	0	175-180
Prerana Issar[182] Chief People Officer	150-155	0	0	0	92.5-95	245-250
Dr Tim Ferris[183] National Director of Transformation	190-195	0	0	0	0	190-195
Christopher Hopson[184] Chief Strategy Officer	165-170	0	0	0	37.5-40	205-210
Navina Evans[185] Chief Workforce Officer	75-80	0	0	0	0	75-80

[177] The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the potential benefit of being a member of the pension scheme.

[178] Sir David Sloman's salary was recharged to NHS England from the Royal Free London NHS Foundation Trust where he was also formally employed and retained a post.

[179] Mark Cubbon's salary was recharged to NHS England from Portsmouth Hospitals NHS Trust where he was also formally employed and retained a post. Mark Cubbon left NHS England on 2 April 2023.

[180] Ian Dodge left NHS England and NHS Improvement on 30 June 2022 and was paid a redundancy payment in the salary range of £160,000-£165,000 in July 2022 as compensation for loss of office; this is included in the salary band disclosed within the table. The full-year equivalent salary is £175,000-£180,000.

[181] Dame Ruth May retired on 16 June 2022 to access NHS Pension benefits and returned to post 18 June 2022 following the required 24 hours' break in service. The full-year equivalent salary is £180,000-£185,000.

[182] Prerana Issar left NHS England on 04 October 2022. The full year equivalent salary is £230,000-£235,000.

[183] 80% of the salary costs for Dr Tim Ferris are recharged to NHS England and NHS Improvement from Mass General Brigham Inc. where is he is also formally employed and retains a post, with NHS England and NHS Improvement directly funding the remaining 20%. The full year equivalent salary is £190,000-£195,000. NHS England and NHS Improvement also paid Mass General Brigham Inc. a retirement contribution of $35,000-$40,000. Incorrect enrolment into the NHS Pension Scheme on commencement resulted in an underpayment of salary during 2021/22 due to pension contributions being deducted from his salary in error and these contributions were refunded during 2022/23.

[184] Christopher Hopson commenced in post on 13 June 2022. The full year equivalent salary is £205,000-£210,000.

[185] Navina Evans commenced in post on 01 July 2022 and 50% of the salary costs are recharged to NHS England from Health Education England where she was also formally employed and retained a post during 2022/23. As such, the above figures disclose 50% of salary, with Health Education England disclosing the remaining 50%. Dr Evans also received a payment for unused annual leave of £10-£15k, however Health Education England absorbed this full cost and 50% was not re-charged to NHS England. The full year equivalent salary is £205,000-£210,000.

Pension benefits (subject to audit)[186]

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age on 31 March 2024 (bands of £5,000) £000	Lump sum at pension age related to accrued pension on 31 March 2024 (bands of £5,000) £000	CETV on 31 March 2023[187] £000	Real Increase in CETV £000	CETV on 31 March 2024 £000	Employer's contribution to partnership pension £000
Amanda Pritchard [188] Chief Executive Officer	0	62.5-65	85-90	210-215	1,360	215	1,747	0
Sir David Sloman [189] Chief Operating Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sir James Mackey[190] Chief Operating Officer (Interim)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Emily Lawson[191] Chief Operating Officer (Interim)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mark Cubbon[192] Chief Delivery Officer	0	65-67.5	70-75	190-195	1,129	319	1,563	0
Stephen Russell[193] Chief Delivery Officer	0	35-37.5	60-65	165-170	1,000	193	1,320	0
Jacqueline Rock Chief Commercial Officer	2.5-5	N/A	5-10	N/A	72	45	153	0
Professor Sir Stephen Powis [194] National Medical Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julian Kelly Chief Financial Officer	2.5-5	N/A	20-25	N/A	211	70	331	0
Dame Ruth May[195] Chief Nursing Officer	N/A	N/A	N/A	N/A	43	N/A	N/A	N/A
Dr Tim Ferris[196] National Director of Transformation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr Vinod Diwakar [197]National Director of Transformation (Interim)	0-2.5	0	85-90	240-245	1,894	20	2,151	0
Christopher Hopson Chief Strategy Officer	2.5-5	N/A	5-10	N/A	46	43	120	0
Dr Navina Evans [198] Chief Workforce Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[186] Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 01 April 2015 and 31 March 2022 in 2022/23 but are reported in the legacy scheme for the same period in 2023/24.
[187] As per previous submissions, the column Cash Equivalent Transfer Value on 31 March 2021 is the uninflated value whereas the real increase in CETV is the employer-funded increase.
[188] Amanda Pritchard is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 01 October 2023. Negative values are not disclosed in this table but are substituted for a zero.
[189] Sir David Sloman chose not to be covered by the NHS Pension arrangements during the reporting period.
[190] Sir James Mackey chose not to be covered by the NHS Pension arrangements during the reporting period.
[191] Dr Emily Lawson chose not to be covered by the NHS Pension arrangements during the reporting period.
[192] Mark Cubbon left NHS England on 02 April 2023, therefore the Pension Benefits disclosed are pro-rata for this period.
[193] Stephen Russell is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 01 October 2023. Negative values are not disclosed in this table but are substituted for a zero.
[194] Professor Sir Stephen Powis chose not to be covered by the NHS Pension arrangements during the reporting period.
[195] Dame Ruth May was covered by the NHS Pension arrangements during 2022/23 hence disclosure of the CETV at 31 March 2023, however accessed NHS 1995 Pension Scheme benefits during 2022/23 and chose not to be covered by the NHS Pension arrangements during this reporting period.
[196] Dr Tim Ferris was not eligible to be covered by NHS Pension arrangements during the reporting period.
[197] Dr Vinod Diwakar commenced in post on 18 September 2023 and is affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 01 October 2023. Negative values are not disclosed in this table but are substituted for a zero.
[198] Dr Navina Evans chose not to be covered by the NHS Pension arrangements during the reporting period.

Cash equivalent transfer values (subject to audit)

A CETV is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time.

The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred into the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pensions liability

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that the period between formal valuations shall be four years, with approximate assessments in intervening years. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was considered through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Policy on remuneration of non-executive directors

The remuneration of non-executive directors is set by DHSC on appointment and is non-pensionable. All non-executive directors are paid the same amount, except the Chair and Chair of ARAC, to reflect the equal time commitment expected from each non-executive director. The Chair and Chair of ARAC are entitled to higher amounts to reflect the increased time commitment associated with their respective roles.

Some non-executive directors, including one of the Deputy Chairs, have opted to waive their contractual remuneration. Non-executive directors do not receive PRP or pensionable remuneration.

Non-executive director service contracts

Name and title	Date of appointment	Unexpired term at 31 March 2024	Notice period	Provisions for compensation for early termination	Other details
Richard Meddings Chair	25 March 2022	24 months	3 months	None	
Wol Kolade Non-Executive Director and Deputy Chair	25 March 2022	12 months	3 months	None	Waived entitlement to remuneration
Jeremy Townsend Non-Executive Director Chair of ARAC	1 October 2020	30 months	3 months	None	
Laura Wade-Gery Non-Executive Director	6 November 2020	0 months	3 months	None	Left on 30 June 2023
Rakesh Kapoor Non-Executive Director	1 January 2021	0 months	3 months	None	Left on 31 December 2023
Susan Kilsby Non-Executive Director	1 January 2021	0 months	3 months	None	Left on 31 December 2023
Michael Coupe Non-Executive Director	1 January 2021	33 months	3 months	None	
Professor Sir Munir Pirmohamed Non-Executive Director	1 July 2022	0 months	3 months	None	Left on 31 December 2023
Sir Andrew Morris Non-Executive Director and Deputy Chair	1 July 2022	12 months	3 months	None	
Sir David Behan Non-Executive Director	1 September 2022	5 months	3 months	None	
Baroness Mary Watkins Non-Executive Director	27 January 2023	22 months	3 months	None	
Professor Sir Simon Wessely Non-Executive Director	27 January 2023	22 months	3 months	None	
Sir Mark Walport Non-Executive Director	27 January 2023	22 months	3 months	None	
Mark Bailie Non-Executive Director	19 February 2024	34.5 months	3 months	None	
Jane Ellison Non-Executive Director	19 February 2024	34.5 months	3 months	None	
Sir Robert Lechler Non-Executive Director	19 February 2024	34.5 months	3 months	None	
Dame Helen Stokes-Lampard Non-Executive Director	19 February 2024	34.5 months	3 months	None	

Non-executive director remuneration (including salary entitlements)

Salaries and allowances 2023/24 (subject to audit)

Name of non-executive director	(a) Salary (bands of £5,000) £000	(b) Benefits in kind (taxable) rounded to nearest £100 £s	(c) Performance pay and bonuses (bands of £5,000) £000	(d) Long-term performance pay and bonuses (bands of £5,000) £000	(e) Pension-related benefits to the nearest £1,000[199] £000	(f) Total (a to e) (bands of £5,000) £000
Richard Meddings[200]	60-65	0	0	0	N/A	**60-65**
Wol Kolade[201]	0	0	0	0	N/A	**0**
Jeremy Townsend	10-15	0	0	0	N/A	**10-15**
Laura Wade-Gery[202]	0-5	0	0	0	N/A	**0-5**
Rakesh Kapoor[203]	5-10	0	0	0	N/A	**5-10**
Susan Kilsby[204]	5-10	0	0	0	N/A	**5-10**
Michael Coupe	5-10	0	0	0	N/A	**5-10**
Professor Sir Munir Pirmohamed[205]	5-10	0	0	0	N/A	**5-10**
Sir Andrew Morris	5-10	0	0	0	N/A	**5-10**
Sir David Behan	5-10	0	0	0	N/A	**5-10**
Baroness Mary Watkins	5-10	0	0	0	N/A	**5-10**
Professor Sir Simon Wessely	5-10	0	0	0	N/A	**5-10**
Sir Mark Walport	5-10	0	0	0	N/A	**5-10**
Mark Bailie[206]	0-5	0	0	0	N/A	**0-5**
Jane Ellison[207]	0-5	0	0	0	N/A	**0-5**
Sir Robert Lechler[208]	0-5	0	0	0	N/A	**0-5**
Dame Helen Stokes-Lampard[209]	0-5	0	0	0	N/A	**0-5**

[199] Non-executive directors do not receive pensionable remuneration and therefore have no pension-related benefits
[200] Richard Meddings donated 100% of his non-executive director remuneration to charity via NHS England's Give As You Earn scheme for the period 01 April 2023 to 31 October 2023, and 50% of his non-executive director remuneration from 01 November 2023.
[201] Wol Kolade waived his entitlement to non-executive director remuneration.
[202] Laura Wade-Gery left NHS England on 30 June 2023. The full-year equivalent salary is £5,000-£10,000.
[203] Rakesh Kapoor left NHS England on 31 December 2023. The full-year equivalent salary is £5,000-£10,000.
[204] Susan Kilsby left NHS England on 31 December 2023. The full-year equivalent salary is £5,000-£10,000.
[205] Professor Sir Munir Pirmohamed left NHS England on 31 December 2023. The full-year equivalent salary is £5,000-£10,000.
[206] Mark Bailie joined NHS England on 19 February 2024. The full-year equivalent salary is £5,000-£10,000. Mark Bailie donated 100% of his non-executive director remuneration to charity via NHS England's Give As You Earn scheme.
[207] Jane Ellison joined NHS England on 19 February 2024. The full-year equivalent salary is £5,000-£10,000.
[208] Sir Robert Lechler joined NHS England on 19 February 2024. The full-year equivalent salary is £5,000-£10,000.
[209] Dame Helen Stokes-Lampard joined NHS England on 19 February 2024. The full-year equivalent salary is £5,000-£10,000.

Salaries and allowances 2022/23 (subject to audit)

Name of non-executive director	(a) Salary (bands of £5,000) £000	(b) Benefits in kind (taxable) rounded to nearest £100 £s	(c) Performance pay and bonuses (bands of £5,000) £000	(d) Long-term performance pay and bonuses (bands of £5,000) £000	(e) Pension-related benefits to the nearest £1,000[210] £000	(f) Total (a to e) (bands of £5,000) £000
Richard Meddings[211]	60-65	0	0	0	N/A	**60-65**
Wol Kolade[212]	0	0	0	0	N/A	**0**
Professor Lord Ara Darzi[213]	0-5	0	0	0	N/A	**0-5**
Jeremy Townsend[214]	5-10	0	0	0	N/A	**5-10**
Laura Wade-Gery	5-10	0	0	0	N/A	**5-10**
Rakesh Kapoor	5-10	0	0	0	N/A	**5-10**
Susan Kilsby	5-10	0	0	0	N/A	**5-10**
Michael Coupe	5-10	0	0	0	N/A	**5-10**
Professor Sir Munir Pirmohamed[215]	5-10	0	0	0	N/A	**5-10**
Sir Andrew Morris[216]	5-10	0	0	0	N/A	**5-10**
Sir David Behan[217]	0-5	0	0	0	N/A	**0-5**
Baroness Mary Watkins[218]	0-5	0	0	0	N/A	**0-5**
Professor Sir Simon Wessely[219]	0-5	0	0	0	N/A	**0-5**
Sir Mark Walport[220]	0-5	0	0	0	N/A	**0-5**

[210] Non-executive directors do not receive pensionable remuneration and therefore have no pension-related benefits.
[211] Richard Meddings donated his non-executive director remuneration to charity via NHS England's Give As You Earn scheme.
[212] Wol Kolade waived his entitlement to non-executive director remuneration.
[213] Professor Lord Ara Darzi left NHS England on 30 June 2022. The full-year equivalent salary is £5,000-£10,000.
[214] Jeremy Townsend returned from a temporary transfer to NHS Improvement in the same role and salary of Non-Executive Director and Chair of ARAC on 1 July 2022. The full-year equivalent salary is £10,000-£15,000.
[215] Professor Sir Munir Pirmohamed transferred from NHS Improvement to NHS England in the same role and salary of Non-Executive Director on 1 July 2022. The full-year equivalent salary is £5,000-£10,000.
[216] Sir Andrew Morris transferred from NHS Improvement where he held the role of Interim Chair at a salary of £60,000-65,000 to NHS England as a Non-Executive Director on 1 July 2022. The full-year equivalent salary is £5,000-£10,000.
[217] Sir David Behan joined NHS England on 1 September 2022 and waived entitlement to non-executive director remuneration due to also being the Chair of Health Education England. The full-year equivalent salary is £5,000-£10,000.
[218] Baroness Mary Watkins joined NHS England on 27 January 2023. The full-year equivalent salary is £5,000-£10,000.
[219] Professor Sir Simon Wessely joined NHS England on 27 January 2023. The full-year equivalent salary is £5,000-£10,000.
[220] Sir Mark Walport joined NHS England on 27 January 2023. The full-year equivalent salary is £5,000-£10,000.

Parliamentary accountability and audit report

All elements of this report are subject to audit.

Remote contingent liabilities

There were no remote contingent liabilities.

Notation of gifts over £300,000

NHS England made no political or charitable donations of gifts during 2023/24.

Regularity of expenditure: Losses and special payments

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

Details of any losses and special payments relating to ICBs and CCGs can be found within individual ICBs and CCGs annual reports which are published on ICB websites. A list of ICBs and CCGs, along with links to their websites, can be found on the NHS England website.

Losses

The total number of NHS England losses cases, and their total value, was as follows:

	Parent				Consolidated group			
	Total number of cases 2023/24 Number	Total value of cases 2023/24 £000	Total number of cases 2022/23 Number	Total value of cases 2022/23 £000	Total number of cases 2023/24 Number	Total value of cases 2023/24 £000	Total number of cases 2022/23 Number	Total value of cases 2022/23 £000
Administrative write-offs	2	47	-	-	382	3,994	131	580
Fruitless payments	523	371	214	192	530	373	232	2,472
Stores losses	146,845	1,208	25,060	1,098	424,697	3,172	303,711	2,322
Bookkeeping losses	-	-	62	17	16	25	72	58
Constructive loss	-	-	7	5,902	-	-	7	5,902
Cash losses[221]	1	33	11	1,647	4	39	17	1,685
Claims abandoned	-	-	361	3,000	5	8	364	3,011
Total	**147,371**	**1,659**	**25,715**	**11,856**	**425,634**	**7,611**	**304,534**	**16,030**

2023/24 Disclosure: Store losses

£1.2 million - there is one instance comprising of multiple individual items for £1.1 million that relates to various stock items that cannot be utilised in healthcare facilities, as the stock has reached the manufacturer's expiry date and therefore requires writing off.

[221] Cash losses includes 9k relating to 2024/25 disclosed at the earliest opportunity, as per Managing Public Money guidance.

2022/23 Disclosure: Fruitless Payment

£0.6 million - NHS Gloucestershire ICB have agreed and paid a legal settlement agreement granted by the court in financial year 2022/23. The ICB settled a court order agreement in breach of the Public Contracts Regulations 2015 in their award of the contract for advice and guidance services in 2022/23.

£0.9 million -NHS Bath and North East Somerset, Swindon and Wiltshire ICB have agreed and paid a legal settlement agreement granted by the court in financial year 2022/23. The ICB settled a court order agreement in breach of the Public Contracts Regulations 2015 in their award of the contract for advice and guidance services in 2022/23.

2022/23 Disclosure: Store losses

£1.10 million - This case relates to various stock items that cannot be utilised in healthcare facilities as the stock has reached the manufacturer's expiry date and therefore requires writing off.

2022/23 Disclosure: Constructive losses

£1.102 million- This case relates to the disposal of six vaporisers which support the provision of oxygen to patients. The vaporisers were purchased in March 2020 by NHS England for the London Nightingale Hospital at the ExCeL. Following decommissioning of the facility, the vaporisers were placed into storage to be available if ever required. As many hospital facilities have since been upgraded, these vaporisers are no longer compatible to be deployed into a hospital facility and are therefore surplus to requirements.

£4.80 million - This case relates to stock that was procured as part of the Vaccine Deployment Programme in response to the COVID-19 pandemic. The stock was procured in extreme urgency and considerable uncertainty in terms of supply chains and demand. The stock is now deemed as surplus to requirement and retaining the stock in storage will not equate to value for money when compared to the continuing costs of storage.

2022/23 Disclosure: Cash losses

£0.73 million - This relates to two cases of overpayments for suspended medical practitioners who were both paid incorrectly and not in accordance with the Secretary of State guidance. The first case relates to a General Practitioner who was overpaid during the period of March 2020 to June 2022 equating to the sum for £0.42 million and the second to a General Practitioner overpaid £0.31 million between April 2019 and March 2022. Both of these overpayments were caused by the failure to cease payments when the suspended GPs had resigned as practice partners, therefore would not qualify for any suspension payments in accordance with the Secretary of State Payment Determination guidance.

£0.31 million - This case relates to non-delivery of contractual dental units of activity as part of the General Dental Service. The registered performer failed to deliver the contractually agreed units of dental and orthodontic activities for the financial periods commencing from 2016 to 2022. In addition, as part of the new COVID-19 rules issued by NHS England, the registered performer did not comply with new contractual obligations to provide urgent face to face dental

care. The sum being reported represents the totality of payments made where there has been no benefit to NHS England or patients.

2022/23 Disclosure Claims abandoned

£2.83 million- This case relates to the request to write off a grant awarded by a local health authority in 1989 to develop a mental health facility. The value of the write off includes the total of the original grant of £1.75 million and the subsequent capital gain on the property equating to £1.08 million. The funded asset was utilised for the provision of mental health care within Trust grounds by a charitable organisation. A decision was taken to dispose the funded asset to the Trust as part of a modernisation programme for mental health inpatient facilities. The capital grant agreement included a legal charge in favour of the Secretary of State for the receipts in the event that the applicant disposes of the funded asset. NHS England is the successor of health authorities and primary care trusts for the purposes of this capital grant agreement.

Special payments

The total number of NHS England special payments cases, and their total value, was as follows:

	Parent				Consolidated group			
	Total number of cases 2023/24 Number	Total value of cases 2023/24 £000	Total number of cases 2022/23 Number	Total value of cases 2022/23 £000	Total number of cases 2023/24 Number	Total value of cases 2023/24 £000	Total number of cases 2022/23 Number	Total value of cases 2022/23 £000
Compensation payments	3	65	7	159	16	227	15	199
Extra contractual payments	1	51	1	80	3	52	2	190
Extra Contractual Payments Treasury Approved	-	-	-	-	1	8	-	-
Ex gratia payments	1	703	6	30	8	916	18	87
Ex gratia payments Treasury approved	146	40	-	-	146	40	19	55
Special severance payments	-	-	-	-	-	-	2	50
Total	**151**	**859**	**14**	**269**	**174**	**1,243**	**56**	**581**

All cases classified as special severance payments are subject to HM Treasury approval.

2023/24 Ex Gratia Payments

£703k- This case relates to the IR35 employment status assessments for all relevant OPW engagements relating to the financial periods 2017 to 2019. 159 engagements of OPW were deemed to have been subject to IR35 regulations and the payment due reflects the outcome of the assessment carried out.

This payment relates to the negotiated settlement of the sum including interest due to HMRC in relation to those OPWs who based on a more recent understanding of HMRC interpretation of the rules and indicators, may have been incorrectly deemed out-of-scope.

2022/23 Special severance payments

During 2022/23 SCCL paid two special severance payments for £30,000 and £20,000 respectively. The payment of £30,000 relates to a non-contractual amount to terminate employment and the payment of £20,000 relates to a non-contractual payment in relation to a dispute settlement. These payments were not approved by NHS England and are therefore irregular.

Cost allocation and setting of charges

NHS England certifies that it has complied with the HM Treasury guidance on cost allocation and the setting of charges. The following table provides details of income generation activities whose full cost exceeded £1 million or was otherwise material:

		Parent			Consolidated group		
2023/24	Note	Income £000	Full cost £000	Surplus/ (deficit) £000	Income £000	Full cost £000	Surplus/ (deficit) £000
Dental	2 & 4	9,398	89,039	98,437	777,479	(3,108,156)	(2,330,677)
Prescription	2 & 4	(596)	(152,196)	(152,792)	693,188	(12,491,810)	(11,798,622)
Total fees and charges		**8,802**	**(63,157)**	**(54,355)**	**1,470,667**	**(15,599,966)**	**(14,129,299)**

		Parent			Consolidated group		
2022/23	Note	Income £000	Full cost £000	Surplus/ (deficit) £000	Income £000	Full cost £000	Surplus/ (deficit) £000
Dental	2 & 4	631,415	(2,593,407)	(1,961,992)	746,642	(3,023,228)	(2,276,586)
Prescription	2 & 4	519,753	(1,728,499)	(1,208,746)	670,324	(11,904,187)	(11,233,863)
Total fees and charges		**1,151,168**	**(4,321,906)**	**(3,170,738)**	**1,416,966**	**(14,927,415)**	**(13,510,449)**

The fees and charges information in this note is provided in accordance with section 3.2.12 of the Government FReM. It is provided for fees and charges purposes and not for international financial reporting standards (IFRS) 8 purposes. The financial objective of prescription and dental charges is to collect charges only from those patients that are eligible to pay.

Prescription charges[222] are a contribution to the cost of pharmaceutical services including the supply of drugs. In 2023/24, the NHS prescription charge for each medicine or appliance dispensed was £9.65. However, around 90% of prescription items[223] are dispensed free each year where patients are exempt from charges. In addition, patients who were eligible to pay charges could purchase pre-payment certificates at £31.25 for three months or £111.60 for a year. A number of other charges were payable for wigs and fabric supports.

Those who are not eligible for exemption are required to pay NHS dental charges[224] which fall into three bands depending on the level and complexity of care provided. From 24 April 2023, the charge for Band 1 treatments was £25.80, for Band 2 was £70.70 and for Band 3 was £306.80. Prior to this uplift the charge for Band 1 treatments was £23.80, for Band 2 was £65.20 and for Band 3 was £282.80.

[222] https://www.legislation.gov.uk/uksi/2023/300/contents/made
[223] https://digital.nhs.uk/data-and-information/publications/statistical/prescriptions-dispensed-in-the-community/prescriptions-dispensed-in-the-community-england---2007---2017
[224] https://www.legislation.gov.uk/uksi/2023/367/made

The certificate of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of NHS England and its group for the year ended 31 March 2024 under the National Health Service Act 2006 and the Health and Social Care Act 2012.

The financial statements comprise NHS England and its group's:

- Statement of Financial Position as at 31 March 2024
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of NHS England and its group's affairs as at 31 March 2024 and their total net expenditure for the year then ended; and
- have been properly prepared in accordance with the National Health Service Act 2006 and the Health and Social Care Act 2012 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of NHS England and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that NHS England and its group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on NHS England and its group'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.

My responsibilities and the responsibilities of the Board and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for NHS England and its group is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report thereon. The Board and Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Health Service Act 2006 and the Health and Social Care Act 2012.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Health Service Act 2006 and the Health and Social Care Act 2012; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of NHS England and its group, and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by NHS England and its group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's responsibilities, the board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within NHS England and its group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions made under the National Health Service Act 2006 and the Health and Social Care Act 2012;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions made under the National Health Service Act 2006 and the Health and Social Care Act 2012; and
- assessing NHS England and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by NHS England and its group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Act 2006 and the Health and Social Care Act 2012.

My 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 a certificate that includes my 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.

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

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of NHS England and its group's accounting policies, key performance indicators and performance incentives.
- inquired of management, NHS England's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to NHS England and its group's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including NHS England and its group's controls relating to NHS England's compliance with the National Health Service Act 2006, Health and Social Care Act 2012, Health and Care Act 2022 and Managing Public Money.
- inquired of management, NHS England's head of internal audit and those charged with governance whether:
    - they were aware of any instances of non-compliance with laws and regulations; and
    - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within NHS England and its group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of NHS England and its group's framework of authority and other legal and regulatory frameworks in which NHS England and its group operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of NHS England and its group. The key laws and regulations I considered in this context included the National Health Service Act 2006, Health and Social Care Act 2012, Health and Care Act 2022, Managing Public Money, employment law, tax legislation, relevant legislation relating to fees charged by the NHS England, and regulations relating to suspension payments to suspended medical practitioners.

In addition, I considered regulations and regularity relating to exit packages and, in particular, special severance payments, as I identified the completeness and regularity of exits packages as a significant risk.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I reviewed all special severance payments included in the NHS England's group Remuneration and Staff Report.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies **07 October 2024**

Comptroller and Auditor General
National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP

The report of the Comptroller and Auditor General to the Houses of Parliament

Introduction

1. The National Health Service Act 2006 and the Health and Social Care Act 2012 requires NHS England to prepare consolidated annual accounts for each financial year. The consolidated accounts must contain NHS England's annual accounts and a consolidation of NHS England's annual accounts, the annual accounts of each Integrated Care Board (ICB), and the annual accounts of the Supply Chain Coordination Limited (SCCL). NHS England's consolidated accounts are in turn consolidated in the accounts of the Department of Health and Social Care (DHSC). I consider NHS England to be a significant component of DHSC and my audit of NHS England must be complete before I complete my audit of DHSC.

2. I am required to examine, certify, and report on NHS England's consolidated accounts. I provide an opinion on whether the consolidated accounts give a "true and fair" view of NHS England's finances for the year. I also provide an opinion on whether the transactions recorded in NHS England's consolidated accounts have been applied to the purposes intended by Parliament and whether they conform to the authorities which govern them ("regularity").

3. In 2022-23 and 2021-22, I qualified my regularity opinion on NHS England's consolidated accounts due to ineligible suspension payments made to suspended medical practitioners[225], as I considered the payments, which were not made in accordance with the relevant statutory regulations to be irregular and material by their nature. Details of the prior year qualification are provided on pages 125 to 135 of the NHS England annual report and accounts 2022-23[226].

4. In this report, I explain why I have decided not to qualify my regularity opinion on NHS England's 2023-24 consolidated accounts. I also provide an update on the performance of ICBs in delivering accounts to support the timely production of NHS England's consolidated accounts, given significant delays experienced in 2022-23. In addition, I highlight the current state of NHS financial sustainability, and refer to a more detailed report I published in July 2024 on NHS financial management and sustainability.

Suspension payments to suspended medical practitioners

5. Under certain qualifying circumstances NHS England can make suspension payments to medical practitioners who have been suspended as set out in relevant statutory regulations. Under statutory regulations, issued by the Secretary of State for Health and Social Care, NHS England may suspend a medical practitioner when satisfied that it is necessary to do so for the protection of patients or members of the public or that it is otherwise in the public interest. A suspended medical practitioner may be entitled to receive suspension payments if the medical practitioner meets certain qualifying conditions. If the medical practitioner qualifies for suspension payments, such payments may continue until a relevant tribunal has considered the suspension and either ends the suspension or removes the medical practitioner from the medical register. For example, the General Medical Council (GMC) maintains a medical register of doctors licensed to practise medicine. The GMC considers

[225] A medical practitioner could be a doctor, dentist or optician.
[226] https://assets.publishing.service.gov.uk/media/65b145be160765001118f82c/nhs-england-annual-report-and-accounts-2022-to-2023-print.pdf

suspensions concerning doctors. The General Dental Council and General Optical Council perform a similar role for dentists and opticians, respectively.

6. In 2022-23 and 2021-22 it was identified, by NHS England and my staff, that 14 medical practitioners had received ineligible suspension payments over the 2017-18 to 2022-23 financial years. During my 2022-23 audit, 12 medical practitioners were identified as having received ineligible suspension payments over the 2017-18 to 2022-23 financial years, totalling £1,298,033. During my 2021-22 audit, two medical practitioners were identified as having received ineligible suspension payments over the 2017-18 to 2021-22 financial years, totalling £963,513.

7. I qualified my regularity opinion in 2022-23 and 2021-22 in relation to these ineligible suspension payments. As the suspension payments I refer to in paragraph 6 were made contrary to the statutory regulations governing such payments, I considered them to be irregular. The circumstances that led to these irregular payments being made were such that I considered that insufficient regard had been paid to the framework of authorities and use of public funds and that the payments are therefore material by virtue of their nature. Additionally, suspension of a medical practitioner often involves serious misconduct, and I considered payment of ineligible suspension payments in those circumstances to be contentious. NHS England should have had checks in place to prevent or detect such payments. I therefore qualified my regularity opinion on the consolidated accounts in 2022-23 and 2021-22.

8. My staff were content that all suspension payments made to suspended medical practitioners in 2023-24, they selected for review, were paid in accordance with the regulations and therefore regular. In 2023-24, NHS England made suspension payments to 42 suspended medical practitioners, totalling £2,102,652. As part of my 2023-24 audit, my staff selected a risk based sample of 21 suspended medical practitioners, who had received suspension payments during 2023-24, and reviewed all suspension payments made to the selected medical practitioners. My staff were content all the payments they tested in 2023-24 were regular.

9. The only ineligible suspension payments made to a medical practitioner in 2023-24 related to a case I identified as part of my 2022-23 regularity qualification. As part my 2022-23 audit, my staff identified a suspended medical practitioner who had received ineligible suspension payments from 2017-18 to 2022-23. However, as my staff were performing their testing on the 2022-23 audit in 2023-24, the ineligible suspension payments to this suspended medical practitioner continued into 2023-24. When NHS England undertook a full review of this case in July 2024, they identified that the medical practitioner received £60,918 in ineligible suspension payments in 2023-24 and £9,322 in 2024-25.

10. Prior to 1 April 2024, NHS England administered suspension payments to suspended medical practitioners on a regional basis, meaning seven separate regional teams were involved in determining the eligibility for suspension payments, confirming the amounts to be paid and confirming continuing eligibility. This regional system was partly the reason why ineligible suspension payments had been made, as staff, in some cases, appeared to have misunderstood the statutory regulations, which lead to suspended medical practitioners receiving suspension payments to which they were never entitled or at the wrong amount. Additionally, staff in regional teams did not adequately confirm medical practitioners' continuing eligibility to suspension payments; nor did they always act on information received from medical practitioners themselves, that the practitioners in question were no longer eligible to the suspension payments.

11. From 1 April 2024, suspension payments to suspended medical practitioners are administered by a single national team. NHS England made the change from a regional to national process for administering suspension payments to suspended medical practitioners, as it considers a single national team will develop a more detailed understanding of the statutory regulations, resulting in fewer mistakes and more consistent processes for establishing eligibility, amounts to be paid, and confirming continued eligibility. My staff will review this new process as part of my 2024-25 audit. My staff liaised with the new national team to complete testing of 2023-24 suspension payments. My staff consider this new national team had a better understanding of the statutory regulations and the individual cases and were able to answer questions and address queries far better than when the process was administered regionally.

12. I have not qualified my regularity opinion in 2023-24. As the only ineligible suspensions payments made to a medical practitioner in 2023-24 related to a case I identified as part of my 2022-23 regularity qualification, I have decided not to qualify my regularity opinion in 2023-24. I do not consider the amounts involved to be material by value or nature. In making this decision I have taken into account the changes NHS England has made for administering suspension payments, which I outline in paragraph 11, which I consider should result in more accurate administration of the system for making suspension payments.

13. NHS England has not recovered most of the ineligible suspension payments it made. Ineligible suspension payments made to four of the 12 medical practitioners in 2022-23 have been recovered in full by NHS England. These recoveries amount to £48,917. Following legal advice NHS England will not be attempting to recover ineligible suspension payments relating to three medical practitioners (totalling £908,139) as it concludes pursuing recovery is unlikely to be a good use of public funds.. NHS England are seeking to recover any other ineligible suspension payments it made.

Audit of Integrated Care Boards

14. NHS England group entities are audited by a number of different audit firms. ICBs are responsible for appointing their external auditors ('local auditors'). Local auditors must comply with the Code of Audit Practice ('the Code')[227]. Under the Local Audit and Accountability Act 2014 ('the 2014 Act'), I am responsible for the preparation, publication, and maintenance of the Code. The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the 2014 Act. For 2023-24, ICB audits were undertaken by six audit firms, the same number as in 2022-23.

15. The Code stresses the need for local auditors to report on a timely basis. Section 1.19 of the Code requires local auditors to report on a timely basis. Timely reporting includes producing audit reports in time, insofar as the auditor can do so under auditing standards, to allow local bodies to comply with the requirements placed on them to publish their audited financial statements. It also means ensuring that when matters of concern arise during the audit, the auditor raises them promptly with the body and considers whether the matter needs to be brought to public attention at the appropriate time.

16. In 2022-23 there were significant delays in commissioners finalising their audited accounts. In 2022-23 NHS England required commissioners to have their statutory audits completed by 30 June 2023. In 2022-23 there were 106 Clinical Commissioning Groups (CCGs) until 30 June 2022. CCGs were replaced by 42 ICBs on 1 July 2022. CCGs and ICBs were collectively referred to as commissioners. CCGs had to produce three month closure accounts from 1 April to 30 June 2022, and ICBs had to produce nine month opening accounts from 1 July 2022 to 31 March 2023. This resulted in a large NHS England group structure for 2022-23 with 149 group entities (106 CCGs for three months, 42 ICBs for nine months and SCCL).

17. Less than four fifths of bodies achieved the target date set by NHS England in 2022-23, with 117 commissioner audits completed by 30 June 2023. By 31 July 2023, 131 (88.5%) commissioner audits were completed, with 134 (90.5%) commissioner audits completed by 31 October 2023. This was the latest practical date to enable certification of the NHS England and DHSC annual report and accounts by 30 November 2023, which was the original planned certification date for 2022-23.

18. At the point NHS England finalised its 2022-23 accounts, nine commissioner audits remained outstanding. By Christmas 2023, 139 commissioner audits were completed, with the remaining nine audits outstanding as the NHS England accounts were finalised. NHS England performed alternative procedures to obtain sufficient assurance that the material transactions streams in the outstanding commissioners were not materially misstated, in the context of the NHS England group accounts. My staff reviewed the procedures performed by NHS England and were content that, in the context of the NHS England group accounts, the results provided sufficient and appropriate assurance for my audit. I therefore issued an unqualified 'true and fair' audit opinion in respect of the NHS England annual report and accounts 2022-23.

19. DHSC committed to laying its 2023-24 annual report and accounts before the end of 2024. At a Public Accounts Committee hearing on 13 March 2024, regarding the DHSC annual report and accounts 2022-23, DHSC's stated aspiration "is to bring it (laying of the

[227] https://www.nao.org.uk/wp-content/uploads/sites/29/2020/01/Code_of_audit_practice_2020.pdf

annual report and accounts) forward by at least a month each year"[228]. Before the Covid-19 pandemic, DHSC and NHS England routinely laid their annual reports and accounts in Parliament before the Parliamentary summer recess. The last time this happened was for the 2018-19 annual report and accounts. For the 2023-24 accounts, NHS England and my staff agreed a target date of October 2024 for audit certification, to enable DHSC to lay its annual report and accounts before the 2024 Parliamentary Christmas recess.

20. In 2023-24 the NHS England group had far fewer consolidating entities, with 42 ICBs and SCCL. In 2023-24 the NHS England group consisted of the NHS England parent, 42 ICBs and SCCL. While there were fewer commissioners to consolidate, on average ICBs are significantly larger than CCGs. NHS England was proactive in 2023-24 in monitoring the progress of ICB accounts delivery, including engaging with the ICBs, local auditors, my staff, HM Treasury and the Financial Reporting Council (which regulates local audit firms).

21. NHS England set a deadline of 28 June 2024 for ICBs to have their 2023-24 annual reports and accounts audited. By 28 June 2024, 38 (90.5%) ICB annual report and accounts were audited, and this number increased to 41 (97.6%) by 31 July 2024. This is a significant improvement compared to 2022-23 and in large part due to the reduced number of commissioners and proactive monitoring by NHS England.

22. At the point NHS England finalised its 2023-24 group accounts, only one ICB audit remained outstanding. The only ICB not to have its 2023-24 annual report and accounts audited, at the point NHS England finalised its group accounts was North West London ICB. This ICB has not yet had its 2022-23 annual report and accounts certified. NHS England and my staff will continue to monitor progress on the timeliness of this ICB's accounts production and audit. NHS England performed alternative procedures to obtain sufficient assurance that the material transaction streams in Northwest London ICB's draft 2023-24 accounts were not materially misstated, in the context of the NHS England group accounts. My staff reviewed the procedures performed by NHS England and are content that, in the context of the NHS England group accounts, the results provide sufficient and appropriate assurance for my audit. I have therefore issued a clean 'true and fair' audit opinion in respect of the NHS England annual report and accounts 2023-24.

23. I continue to have concerns given the wider local audit challenges, as set out in my report, *Timeliness of local auditor reporting on local government in England*.[229] Whilst the number of commissioner accounts in 2023-24 reduced to 42, and overall these accounts were audited much earlier in 2023-24 than in 2022-23, there could still be some risk in the delivery of NHS local audits going forward, due to the wider local audit system issues and significant delays in local government audits as the auditors work to clear this backlog. I have developed a new draft Code[230] which has been laid in Parliament following a consultation that is intended to support measures taken by the Ministry of Housing, Communities and Local Government (MHCLG) to address the current backlog of local government audits. MHCLG has also laid regulations to introduce statutory deadlines for publication of audited accounts, which is intended to work alongside the draft Code.

[228] committees.parliament.uk/oralevidence/14468/pdf/ (Q104)
[229] https://www.nao.org.uk/wp-content/uploads/2023/01/progress-update-timeliness-of-local-auditor-reporting.pdf
[230] https://www.nao.org.uk/wp-content/uploads/2024/09/code-of-audit-practice-draft.pdf

Financial sustainability in the NHS

24. On 23 July 2024, I published a report on *NHS Financial Management and Sustainability*[231], highlighting the unprecedented scale of challenges facing the NHS today and in the years ahead. I reported that the NHS's financial position is worsening because of a combination of long-standing and recent issues, including failure to invest in the estate, inflationary pressures, and the cost of post-pandemic recovery. Many NHS bodies failed to break even in both 2022-23 and 2023-24.

25. The overall financial performance of the NHS England group, together with the NHS provider sector, will be reported in the DHSC annual report and accounts 2023-24, when it is published later this year. I will comment on this in my report on the DHSC annual report and accounts 2023-24.

Gareth Davies **07 October 2024**

Comptroller and Auditor General
National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP

[231] https://www.nao.org.uk/wp-content/uploads/2024/07/nhs-financial-management-and-sustainability.pdf

Annual Accounts

Amanda Pritchard
04 October 2024

Accounting Officer

Statement of comprehensive net expenditure for the year ended 31 March 2024

	Note	Parent 2023/24 £000	Parent 2022/23 £000	Consolidated group 2023/24 £000	Consolidated group 2022/23 £000
Income from sale of goods and services	2	(546,415)	(1,631,684)	(5,754,594)	(5,091,892)
Other operating income	2	(5,759)	(13,653)	(124,829)	(130,544)
Total operating income		**(552,174)**	**(1,645,337)**	**(5,879,423)**	**(5,222,436)**
Staff costs	3	1,797,397	1,536,464	3,686,240	3,257,213
Purchase of goods and services	4	172,891,983	157,252,961	172,657,793	156,430,732
Depreciation and impairment charges	4	301,876	206,029	349,067	259,270
Provision expense	4	(109,547)	30,693	(125,442)	33,195
Other operating expenditure	4	165,803	159,194	3,411,034	2,892,654
Total operating expenditure		**175,047,512**	**159,185,341**	**179,978,692**	**162,873,064**
Net operating expenditure		**174,495,338**	**157,540,004**	**174,099,269**	**157,650,628**
Finance income		-	-	(19)	-
Finance expense	13	16,132	5,046	22,302	35,741
Net expenditure for the year		**174,511,470**	**157,545,050**	**174,121,552**	**157,686,369**
Other (gains)/losses		2,233	425	596	836
Net (gain)/loss on Transfer by Absorption	12	98,515	(324,602)	98,515	(324,602)
Total net expenditure for the year		**174,612,218**	**157,220,873**	**174,220,663**	**157,362,603**
Other comprehensive net expenditure					
Items which will not be reclassified to net operating costs					
Net (gain)/loss on revaluation of Financial Assets[232]		1,669	(270)	-	-
Movements in General Fund		-	-	-	(53)
Total other comprehensive net expenditure		**1,669**	**(270)**	**-**	**(53)**
Comprehensive net expenditure for the year		**174,613,887**	**157,220,603**	**174,220,663**	**157,362,550**

On 1 April 2023 Health Education England became part of the NHS England parent account. As a result, the assets, liabilities and ongoing operational income and expenditure relating to former Health Education England functions form part of the NHS England parent from that date.

On 1 February 2023, NHS Digital became part of the NHS England parent account. As a result, the assets, liabilities and ongoing operational income and expenditure relating to former NHS Digital functions form part of the NHS England parent account from this date.

The notes on pages 133 to 178 form part of this statement.

[232] The change in revaluation of financial assets represents the change on equity instruments measured at fair value through OCI in respect of NHS England investment in SCCL.

Statement of financial position as at 31 March 2024

		Parent		Consolidated group	
Non-current assets:	**Note**	**31 March 2024 £000**	**31 March 2023 £000**	**31 March 2024 £000**	**31 March 2023 £000**
Property, plant and equipment	5	350,005	410,196	418,922	481,317
Right of use assets	6	116,778	123,458	300,777	327,731
Intangible assets	7	420,188	369,427	435,264	373,851
Trade and other receivables	9	-	4,693	12	4,816
Other financial assets	9	139,793	141,462	1,106	1,106
Total non-current assets		**1,026,764**	**1,049,236**	**1,156,081**	**1,188,821**
Current assets:					
Inventories	8	1,170	8,980	159,926	174,371
Trade and other receivables	9	770,826	1,004,283	2,488,945	2,696,447
Cash and cash equivalents	10	286,416	374,885	437,098	625,049
Total current assets		**1,058,412**	**1,388,148**	**3,085,969**	**3,495,867**
Total assets		**2,085,176**	**2,437,384**	**4,242,050**	**4,684,688**
Current liabilities					
Trade and other payables	11	(2,656,093)	(5,004,887)	(11,237,538)	(13,348,391)
Right of use asset lease liabilities	6	(20,250)	(27,004)	(49,485)	(55,455)
Other financial liabilities	11	-	-	(29,812)	(65,355)
Provisions	14	(61,983)	(36,443)	(221,722)	(190,214)
Total current liabilities		**(2,738,326)**	**(5,068,334)**	**(11,538,557)**	**(13,659,415)**
Total assets less current liabilities		**(653,150)**	**(2,630,950)**	**(7,296,507)**	**(8,974,727)**
Non-current liabilities					
Trade and other payables	11	(16)	(3,360)	(7,761)	(4,026)
Right of use asset lease liabilities	6	(104,160)	(104,730)	(259,127)	(276,127)
Other financial liabilities	11	-	-	(106,000)	(781,673)
Provisions	14	(307,591)	(428,451)	(348,562)	(477,202)
Total non-current liabilities		**(411,767)**	**(536,541)**	**(721,450)**	**(1,539,028)**
Total assets less total liabilities		**(1,064,917)**	**(3,167,491)**	**(8,017,957)**	**(10,513,755)**
Financed by taxpayers' equity and other reserves					
General fund		(1,047,932)	(3,152,183)	(8,020,187)	(10,515,993)
Revaluation reserve		2,222	2,230	2,230	2,238
Other reserves		(19,207)	(17,538)	-	-
Total taxpayers' equity		**(1,064,917)**	**(3,167,491)**	**(8,017,957)**	**(10,513,755)**

The notes on pages 133 to 178 form part of this statement.

The financial statements on pages 128 to 132 were approved by the Board and signed on its behalf by:

Amanda Pritchard, Accounting Officer

04 October 2024

Statement of changes in taxpayers' equity for the year ended 31 March 2024

Parent 2023/24	Note	General fund £000	Revaluation reserve £000	Other reserves £000	Total taxpayers' equity £000
Balance at 01 April 2024		**(3,152,183)**	**2,230**	**(17,538)**	**(3,167,491)**
Total net expenditure for the period		(174,612,218)	-	-	(174,612,218)
Net gain/(loss) on revaluation of other investments and Financial Assets (excluding available for sale financial assets)		-	-	(1,669)	(1,669)
Transfers in reserves following absorption		-	-	-	-
Transfers between reserves		8	(8)	-	-
Transfers by absorption to (from) other bodies	12	-	-	-	-
Comprehensive net expenditure for the period		**(174,612,210)**	**(8)**	**(1,669)**	**(174,613,887)**
Grant in aid		176,716,461	-	-	176,716,461
Balance at 31 March 2024		**(1,047,932)**	**2,222**	**(19,207)**	**(1,064,917)**

Parent 2022/23	Note	General fund £000	Revaluation reserve £000	Other reserves £000	Total taxpayers' equity £000
Balance at 01 April 2022		**(1,861,212)**	**-**	**(17,808)**	**(1,879,020)**
Total net expenditure for the period		(157,220,873)	-	-	(157,220,873)
Net gain/(loss) on revaluation of other investments and Financial Assets (excluding available for sale financial assets)		-	-	270	270
Transfers in reserves following absorption		(2,230)	2,230	-	-
Transfers by absorption to (from) other bodies	12	3,891	-	-	3,891
Comprehensive net expenditure for the period		**(157,219,212)**	**2,230**	**270**	**(157,216,712)**
Grant in aid		155,928,241	-	-	155,928,241
Balance at 31 March 2023		**(3,152,183)**	**2,230**	**(17,538)**	**(3,167,491)**

Consolidated group 2023/24	Note	General fund £000	Revaluation reserve £000	Other reserves £000	Total taxpayers' equity £000
Balance at 01 April 2024		**(10,515,993)**	**2,238**	**-**	**(10,513,755)**
Changes in total taxpayers' equity for 2023/24					
Total net expenditure for the year		(174,220,663)	-	-	(174,220,663)
Transfers in reserves following absorption		-	-	-	-
Transfers between reserves		8	(8)	-	-
Transfers by absorption to (from) other bodies	12	-	-	-	-
Comprehensive net expenditure for the year		**(174,220,655)**	**(8)**	**-**	**(174,220,663)**
Grant in aid		176,716,461	-	-	176,716,461
Balance at 31 March 2024		**(8,020,187)**	**2,230**	**-**	**(8,017,957)**

Consolidated group 2022/23	General fund £000	Revaluation reserve £000	Other reserves £000	Total taxpayers' equity £000
Balance at 01 April 2022	**(9,076,430)**	**18**	**(3,034)**	**(9,079,446)**
Changes in total taxpayers' equity for 2022/23				
Total net expenditure for the year	**(157,362,603)**	**-**	**-**	**(157,362,603)**
Other movements in reserves	(2,981)	-	3,034	53
Transfers in reserves following absorption	(2,230)	2,230	-	-
Transfers between reserves	10	(10)	-	-
Transfers by absorption to (from) other bodies	-	-	-	-
Comprehensive net expenditure for the year	**(157,367,804)**	**2,220**	**3,034**	**(157,362,550)**
Grant in aid	155,928,241	-	-	155,928,241
Balance at 31 March 2023	**(10,515,993)**	**2,238**	**-**	**(10,513,755)**

The general fund is used in public sector accounting to reflect the total assets less liabilities of an entity, which are not assigned to another reserve.

Other reserves in the parent relate to fair value losses on equity investments designated as fair value through other comprehensive income under IFRS 9

Other reserves in the group in 2022/23 reflect pension assets/liabilities in respect of staff in non NHS defined benefit schemes in CCGs/ICBs. Full details can be found in the CCG/ICBs statutory accounts published on their websites.

The notes on pages 133 to 178 form part of this statement.

Statement of cash flows for the year ended 31 March 2024

		Parent		Consolidated group	
Cash flows from operating activities	**Note**	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Total net expenditure for the financial year		(174,612,218)	(157,220,873)	(174,220,663)	(157,362,603)
Depreciation and amortisation	4	301,876	206,029	348,475	259,282
Impairments and reversals	4	-	-	592	(12)
Other non-cash adjustments		6	(188)	(256)	(305)
Donated assets received credited to revenue but non-cash		-	(11,598)	-	(13,525)
Movement due to transfers by absorption	12	(193,105)	(378,044)	(193,105)	(376,090)
Interest paid/(received)		1,644	639	(1,522)	(2,692)
Loss on disposal		2,233	425	596	836
Unwinding of discount	14	14,489	4,224	14,484	4,322
Change in discount rate	14	(47,571)	(245,623)	(47,577)	(246,120)
Decrease in inventories	8	7,810	20,931	14,445	18,684
(Increase)/decrease in trade & other receivables	9	238,150	(285,625)	213,058	1,039,265
Increase/(decrease) in trade & other payables	11	(2,336,081)	1,986,732	(2,090,574)	2,325,288
Provisions utilised	14	(11,008)	(10,398)	(41,066)	(48,668)
Increase in provisions	14	(52,982)	278,051	(24,725)	282,819
Net cash outflow from operating activities		**(176,686,757)**	**(155,655,318)**	**(176,027,838)**	**(154,119,519)**
Cash flows from investing activities					
Interest received/(paid)		-	(110)	18	46
Payments for property, plant and equipment		(102,781)	(119,180)	(123,767)	(140,263)
Payments for intangible assets		(167,377)	(35,122)	(167,803)	(35,264)
Proceeds/(payments) for other financial assets		-	-	1,927	(652)
Proceeds from disposal of assets: property, plant and equipment		253	40	2,372	6,378
Proceeds from disposal of other financial assets		-	-	-	2,629
Net cash outflow from investing activities		(269,905)	(154,372)	(287,253)	(167,126)
Net cash outflow before financing activities		**(176,956,662)**	**(155,809,690)**	**(176,315,091)**	**(154,286,645)**
Cash flows from financing activities					
Grant in aid funding received		176,716,461	155,928,241	176,716,461	155,928,241
Other loans received		-	-	50,000	-
Other loans repaid		-		(745,356)	(1,427,638)
Repayment of Lease Liability		(26,439)	(20,383)	(59,867)	(51,535)
Capital element of payments in respect of finance leases		-	-	-	(17)
Cash Transferred under absorption		178,171	47,142	178,171	47,142
Net cash inflow from financing activities		**176,868,193**	**155,955,000**	**176,139,409**	**154,496,193**
Net increase (decrease) in cash & cash equivalents		**(88,469)**	**145,310**	**(175,682)**	**209,548**
Cash & cash equivalents at the beginning of the financial year	10	**374,885**	229,575	**584,303**	374,755
Cash & cash equivalents at the end of the financial year	10	**286,416**	**374,885**	**408,621**	**584,303**

The notes on pages 133 to 178 form part of this statement. There is no separate disclosure under IAS 7 for cash and non-cash movements for financing activities because the values are immaterial.

Notes to the financial statements

1. Statement of accounting policies

These financial statements have been prepared in a form directed by the Secretary of State under Schedule 1(A), paragraph 15(2) of the NHS Act 2006 (as amended by the Health and Care Act 2022) and in accordance with the FReM 2023/24 issued by HM Treasury and the DHSC Group Accounting Manual (GAM) issued by the Department of Health and Social Care. The accounting policies contained in the FReM and DHSC GAM apply IFRS as adapted or interpreted for the public sector context. Where the FReM or DHSC GAM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of NHS England for the purpose of giving a true and fair view has been selected. The particular policies adopted by NHS England are described below. They have been applied consistently in dealing with items considered material to the accounts.

The functional and presentational currency is pounds sterling and figures are expressed in pounds thousands unless expressly stated. Two sets of figures are presented – the first relating to NHS England itself (the Parent) and a second set of consolidated figures (Consolidated Group). The entities making up the Consolidated Group are declared in Note 22.

Exchange gains and losses on monetary items (arising on settlement of the transaction or on retranslation at the Statement of Financial Position date) are recognised in the Statement of Comprehensive Net Expenditure in the period in which they arise.

1.1 Operating segments

Income and expenditure are analysed in the Operating Segments Note 18 and reflect the management information used within NHS England. Information on assets less liabilities is not separately reported to the Chief Operating Decision Maker and therefore in accordance with IFRS 8 does not form part of the disclosure in Note 18.

1.2 Accounting convention

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

1.3 Basis of consolidation

These accounts comprise the results of the NHS England statutory entity as well as the consolidated position of NHS England, 42 ICBs and SCCL. Transactions between entities included in the consolidation are eliminated.

For 2023/24, 1 ICB audit was incomplete at the time of finalising the NHS England group account on 27 September 2024. Unaudited information has been used to prepare the NHS England group account.

Details of the entity outstanding is shown in the table below:

Entities outstanding	Reason for delay
NHS North West London ICB	The auditor has not been able to complete its audit for 2023/24 prior to this group account being prepared. The firm has not been formally appointed at the time of finalising these disclosures due to the prior auditor still completing the audit of the ICB 2022/23 annual accounts.

NHS Commissioner	Operating Income £000	Operating expenditure £000	Total Assets £000	Total liabilities £000	Reserves £000
NHS North West London ICB	49,518	5,324,841	51,057	388,387	360,177

Operating expenditure for this entity is material so we have performed additional assurance procedures on this balance. Following these procedures, we are satisfied that the residual balances over which uncertainty remains are not material to these consolidated accounts.

The NHS England group account for 2023/24 was finalised using unaudited information for one NHS commissioner (NHS North West London ICB). This commissioner has yet to publish audited accounts for 2023/24.

CSUs form part of NHS England and provide services to ICBs. The CSU results are included within the Parent accounts as they are not separate legal entities.

From 1 April 2023 NHS England took on the functions of Health Education England and on this date its functions, assets and liabilities were transferred into the NHS England statutory entity.

1.4 Comparative information

The comparative information provided in these financial statements is for the year ended 31 March 2023.

1.5 Going concern

NHS England's financial statements are produced on a going concern basis. Public sector bodies are assumed to be going concerns where the continuation of the provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents. NHS England is financed by grant-in-aid and draws its funding from the DHSC. Parliament has demonstrated its commitment to fund the DHSC for the foreseeable future via the latest Spending Review and the passing of the Health and Care Act 2022. In the same way, the DHSC has demonstrated commitment to the funding of NHS England. It is

therefore considered appropriate to adopt the going concern basis for the preparation of these financial statements.

1.6 Transfer of functions

As public sector bodies within a departmental Boundary are deemed to operate under common control, business reconfigurations are outside the scope of IFRS 3 Business Combinations. When functions transfer between two public sector bodies the FReM requires the application of "absorption accounting." Absorption accounting requires that entities account for their transactions in the period in which those transactions took place. Where assets and liabilities transfer, the gain or loss resulting is recognised in the Statement of Net Comprehensive Expenditure and is disclosed separately from operating costs.

1.7 Revenue recognition

In the application of IFRS 15 a number of practical expedients have been employed. These are as follows:

- NHS England is not required to disclose information regarding performance obligations that are part of a contract that has an original expected duration of one year or less
- NHS England is not required to disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with the value of the performance completed to date.

The main source of funding for NHS England is grant-in-aid from the Department of Health and Social Care. NHS England is required to maintain expenditure within this allocation.
The Department of Health and Social Care also approves a cash limit for the period.
NHS England is required to draw down cash in accordance with this limit. Grant-in-aid is drawn down and credited to the general fund. Grant-in-aid is recognised in the financial period in which it is received.

Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer and is measured at the amount of the transaction price allocated to that performance obligation.

IFRS 15 is applicable to revenue in respect of dental and prescription charges in line with the adaptation in IFRS 15 which states that the definition of a contract includes revenue received under legislation and regulations. Revenue for these charges is recognised when the performance event occurs, such as the issue of a prescription or payment for dental treatment.

Income received in respect of penalty charge notices issued in relation to non-payment of prescribing and dental charges is recognised on a cash receipts basis.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred.

Other operating revenue is recognised when the service is rendered and the stage completion of the transaction at the end of the reporting period can be measured reliably, and it is probable

that the economic benefit associated with the transaction will flow to the group. Income is measured at fair value of the consideration receivable.

The value of the benefit received when NHS England accesses funds from the government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.8 Employee benefits

Recognition of short-term benefits – retirement benefit costs:

Past and present employees are covered by the provisions of the NHS Pensions schemes. The schemes are unfunded, defined benefit schemes that cover NHS employers, general practitioners and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying assets and liabilities. Therefore, the schemes are accounted for as if they were a defined contribution scheme; the cost recognised in these accounts represents the contributions payable for the year. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

For early retirements other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the organisation commits itself to the retirement, regardless of the method of payment.

Salaries, wages and employment related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following year.

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.10 Value added tax

Most of the activities of the group are outside the scope of value added tax (VAT). Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.11 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the group
- it is expected to be used for more than 1 financial year
- the cost of the item can be measured reliably; and either
- the item cost at least £5,000, or
- collectively, a number of items have a total cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control

Where an asset includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their individual useful economic lives.

Measurement of property, plant and equipment

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historical cost as a proxy for current value in existing use. This is in accordance with FReM requirements as these assets have short useful lives or low values or both.

Balances held in the Revaluation reserve relate to balances inherited from 1 April 2013. In line with our accounting policy, no further revaluation gains have been recognised.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is charged to operating expenses.

1.12 Intangible non-current assets

Intangible non-current assets are non-monetary assets without physical substance that are capable of sale separately from the rest of the group's business or arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the group; where the cost of the asset can be

measured reliably; and where the cost is at least £5,000 or collectively the cost is at least £5,000 with each individual item costing more than £250.

Intangible non-current assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware is capitalised as an intangible asset.

Following initial recognition, intangible assets are carried at depreciated historic cost as a proxy for current value in existing use.

1.13 Research and development

Expenditure on research is not capitalised; it is recognised as an operating expense in the period in which it is incurred.

Internally generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial, and other resources to complete the intangible asset and sell or use it
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

1.14 Depreciation, amortisation and impairments

Freehold land, assets under construction, stockpiled goods and assets held for sale are neither depreciated nor amortised.

Otherwise, depreciation or amortisation, as appropriate, is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight-line basis over their estimated remaining useful lives. The estimated useful life of an asset is the period over which economic benefits or service potential is expected to be obtained from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation/amortisation is charged as follows:

	Minimum life (years)	Maximum life (years)
Buildings excluding dwellings	5	20
Plant and machinery	5	10
Transport equipment	5	10
Information technology	2	10
Furniture and fittings	5	10
Computer software: purchased	2	5
Licences and trademarks	2	5
Development expenditure (internally generated)	2	5

1.15 Government grants

Government grant funded assets are capitalised at their fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.16 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 Leases was effective across the NHS from 1 April 2022. The transition to IFRS 16 was completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard were employed. These were as follows:

NHS England has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application NHS England has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions were not applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight was used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 was not employed for leases in existence at the initial date of application. Leases entered into on or after 1 April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or elections that have been employed by NHS England in applying IFRS 16. These include:

The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.

The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.

NHS England will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.12 instead.

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

NHS England is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 NHS England has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

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

The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.16.1 NHS England as a lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. NHS England employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Net Expenditure. Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16. Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset NHS England applies a revised rate to the remaining lease liability.

Where existing leases are modified NHS England must determine whether the arrangement constitutes a separate lease and apply the Standard accordingly.

Where an implicit rate cannot be determined, the incremental borrowing rate determined by HM Treasury annually is applied. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less or is elected as a lease containing low value underlying asset by NHS England.

1.17 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is satisfied once both of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and
- the sale is highly probable

Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the statement of comprehensive net expenditure. On disposal, the balance for the asset in the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is derecognised when it is scrapped or demolished.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value and are utilised using the First in First Out method of inventory controls.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.20 Provisions

Provisions are recognised when there exists a present legal or constructive obligation as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Provisions are subject to 3 separate discount rates according to the expected timing of cashflows:

- a nominal short-term rate of 4.26 percent (2022/23: 3.27 percent in real terms) is applied to inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date
- a nominal medium-term rate of 4.03 percent (2022/23: 3.20 percent in real terms) is applied to inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date
- a nominal long-term rate of 4.72 percent (2022/23: 3.51 percent in real terms) is applied to inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date

1.21 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which NHS England and ICBs pay an annual contribution to NHS Resolution, which in turn settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability rests with the group.

1.22 Non-clinical risk pooling

The NHS England group participates in the Property Expenses Scheme and the Liabilities to Third Parties scheme. Both are risk pooling schemes under which NHS England and ICBs pay an annual contribution to NHS Resolution and, in return, receive assistance with the cost of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims, are charged to operating expenses when they become due.

1.23 Contingent liabilities and contingent assets

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured sufficiently reliably

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the organisation. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities that are required to be disclosed under IAS37 are stated at discounted amounts.

1.24 Financial assets

Financial assets are recognised on the statement of financial position when the group becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired, or the asset has been transferred and the group has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

As available for sale financial assets, the group’s investments are measured at fair value. With the exception of impairment losses, changes in value are taken to the revaluation reserve. Accumulated gains or losses are recycled to the consolidated statement of net comprehensive expenditure on de- recognition.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

1.24.1 Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

1.24.2 Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows, and selling financial assets and where the cash flows are solely payments of principal and interest.

1.24.3 Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

1.24.4 Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, NHS England recognises a loss allowance representing expected credit losses on the financial instrument.

NHS England adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. NHS England therefore does not recognise loss allowances for stage 1 or

stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its ALBs and NHS bodies (excluding NHS charities), and NHS England does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.25 Financial liabilities

Financial liabilities are recognised in the statement of financial position when the group becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged; that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

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

The FReM does not require the following Standards and Interpretations to be applied in 2023/24. These standards are still subject to HM Treasury FReM adoption.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2023. IFRS 17 is yet to be adopted by the FreM which is expected to be from 1 April 2025: early adoption is not therefore permitted.

IFRS 14 Regulatory Deferral Accounts: Not UK-endorsed. Therefore, not applicable to DHSC group bodies.

IFRS 18 Presentation and Disclosure in Financial Statements: Applies to an annual reporting period beginning on or after 1 January 2027.

As IFRS 18 has not yet been endorsed by the UK Endorsement Board and has not yet been considered by the Financial Reporting Board (FRAB), it is too early to make an assessment of the impact on the accounts. NHS England will consider the detailed implications for future years.

2. Operating income

	Parent		Consolidated group	
Income from sale of goods and services (contracts)	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Education, training and research	15,459	15,487	17,748	60,728
Non-patient care services to other bodies	399,727	350,769	3,927,300	3,280,382
Prescription fees and charges[233]	(596)	519,753	693,188	670,324
Dental fees and charges[211]	9,398	631,415	777,479	746,642
Other contract income	122,547	114,309	333,954	324,623
Recoveries in respect of employee benefits	(120)	(49)	4,925	9,193
Total income from sale of goods and services	**546,415**	**1,631,684**	**5,754,594**	**5,091,892**
Other operating income				
Rental revenue from finance leases	-	-	40	147
Rental revenue from operating leases	-	-	991	4,051
Charitable and other contributions to revenue expenditure: non-NHS	57	5	796	1,246
Receipt of donations (capital/cash)[234]	-	11,598	(1,927)	13,043
Receipt of Government grants for capital acquisitions	-	-	1	-
Non-cash apprenticeship training grants revenue	1,295	1,159	1,917	1,920
Other non-contract revenue	4,407	891	123,011	110,137
Total other operating income	**5,759**	**13,653**	**124,829**	**130,544**
Total operating income	**552,174**	**1,645,337**	**5,879,423**	**5,222,436**

Intercompany trading is eliminated between bodies within the NHS England group upon consolidation.

From 1 April 2023 ICBs assumed delegated responsibility for commissioning pharmaceutical, general ophthalmic and dentistry services. A consequence of the delegation is that NHS England parent no longer received the fees and charges levied for pharmacy and dental services.

Education, training and research income has fallen within the consolidated group due to the transfer of Health Education England activities into NHS England. The ICBs now receive group funding from NHS England rather than income.

[233] In line with the adaptation in the HM Treasury Financial Reporting Manual prescription fees and charges and dental fees and charges are treated as revenue arising from a contract and accounted for under IFRS15.
[234] The receipts of donation(capital/cash) in the parent is in relation to donated imaging assets from Department of Health and Social Care

2.1 Disaggregation of revenue

We disaggregate our revenue from contracts with customers by the nature of the revenue. This is shown in Note 2. Note 2.1 provides the disaggregation in line with our operating segments reported in Note 18.

Income from sale of goods and services (contracts)

Parent 2023/24	ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	i/co eliminations £000	Total £000
Education, training and research	-	-	-	10,562	4,786	-	111	15,459
Non-patient care services to other bodies	-	-	1,429	89,392	169	495,727	(186,990)	399,727
Prescription fees and charges	-	-	(596)	-	-	-	-	(596)
Dental fees and charges	-	-	5,512	-	-	3,886	-	9,398
Other contract income	-	-	21,401	44,214	252	14,699	41,981	122,547
Recoveries in respect of employee benefits	-	-	-	(109)	(27)	-	16	(120)
Total income from sale of goods and services	**-**	**-**	**27,746**	**144,059**	**5,180**	**514,312**	**(144,882)**	**546,415**

Parent 2022/23	CCG/ ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	i/co eliminations £000	Total £000
Education, training and research	-	-	3,897	10,432	-	1,338	(180)	15,487
Non-patient care services to other bodies	-	-	10,621	13,720	-	520,099	(193,671)	350,769
Prescription fees and charges	-	-	519,753	-	-	-	-	519,753
Dental fees and charges	-	-	631,415	-	-	-	-	631,415
Other contract income	-	-	16,890	43,359	-	19,618	34,442	114,309
Recoveries in respect of employee benefits	-	-	-	47	-	-	(96)	(49)
Total income from sale of goods and services	**-**	**-**	**1,182,576**	**67,558**	**-**	**541,055**	**(159,505)**	**1,631,684**

Consolidated group 2023/24	ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	i/co eliminations £000	Total £000
Education, training and research	7,499	-	-	10,562	4,786	-	(5,099)	17,748
Non-patient care services to other bodies	320,338	3,787,421	1,429	89,392	169	495,727	(767,176)	3,927,300
Prescription fees and charges	693,784	-	(596)	-	-	-	-	693,188
Dental fees and charges	768,082	-	5,512	-	-	3,885	-	777,479
Other contract income	231,468	-	21,401	44,214	252	14,699	21,920	333,954
Recoveries in respect of employee benefits	6,036	-	-	(109)	(27)	-	(975)	4,925
Total income from sale of goods and services	**2,027,207**	**3,787,421**	**27,746**	**144,059**	**5,180**	**514,311**	**(751,330)**	**5,754,594**

Consolidated group 2022/23	CCG/ ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	i/co eliminations £000	Total £000
Education, training and research	46,511	-	3,897	10,432	-	1,338	(1,450)	60,728
Non-patient care services to other bodies	312,306	3,234,617	10,621	13,720	-	520,099	(810,981)	3,280,382
Prescription fees and charges	150,571	-	519,753	-	-	-	-	670,324
Dental fees and charges	115,227	-	631,415	-	-		-	746,642
Other contract income	212,512	-	16,890	43,359	-	19,618	32,244	324,623
Recoveries in respect of employee benefits	9,006	1,170	-	47	-	-	(1,030)	9,193
Total income from sale of goods and services	**846,133**	**3,235,787**	**1,182,576**	**67,558**	**-**	**541,055**	**(781,217)**	**5,091,892**

3. Employee benefits

3.1. Employee benefits table

	Parent		Consolidated group	
Employee benefits	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Salaries and wages	1,416,905	1,164,104	2,830,323	2,520,724
Social security costs	150,016	117,935	298,439	256,388
Employer contributions to NHS Pension scheme	232,638	174,766	465,664	380,334
Other pension costs	-	11	4,810	2,941
Apprenticeship levy	6,321	4,845	12,330	9,664
Termination benefits	2,789	78,859	85,946	91,218
Gross employee benefits expenditure	**1,808,669**	**1,540,520**	**3,697,512**	**3,261,269**
Less: Employee costs capitalised	(11,272)	(4,056)	(11,272)	(4,056)
Gross employee benefits excluding capitalised costs	**1,797,397**	**1,536,464**	**3,686,240**	**3,257,213**
Less recoveries in respect of employee benefits	120	49	(4,925)	(9,193)
Net employee benefits	**1,797,517**	**1,536,513**	**3,681,315**	**3,248,020**

Staff numbers can be found in the Accountability Report on page 83

3.2 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years.” An outline of these follows:

3.2.1 Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

3.2 Pension costs

3.2.2 Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

- The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.
- With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation.”
- Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971 and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011/12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).
- Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.
- For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.
- Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions providers.

3.2.3 Local government pension scheme

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme and the Civil Servant and Other Pension Scheme. These schemes are unfunded, defined benefit schemes covering civil servants. The schemes are not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to NHS England of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For defined contribution schemes, such as Civil Service partnership pensions, NHS England recognises the contributions payable for the year.

NHS England recognises the full cost of benefits paid under the Civil Service Compensation Scheme, including the early payment of pensions.

4. Operating expenses

	Parent 2023/24 £000	Parent 2022/23 £000	Consolidated group 2023/24 £000	Consolidated group 2022/23 £000
Purchase of goods and services – cash				
Services from other ICBs, CCGs and NHS England	21,116	27,230	-	-
Services from foundation trusts	21,701,442	22,090,846	78,843,886	74,214,062
Services from other NHS trusts	8,614,110	8,869,410	36,972,464	34,579,223
Services from other Whole of Government Accounts (WGA) bodies[235]	7,051	6,552	72,799	67,763
Purchase of healthcare from non-NHS bodies	946,909	913,875	18,107,862	16,640,277
Purchase of social care	-	-	1,196,487	1,024,918
General dental services and personal dental services[236]	(89,039)	2,593,407	3,108,156	3,023,228
Prescribing costs[236]	(6,565)	21,236	10,345,592	9,780,935
Pharmaceutical services[236]	158,761	1,707,263	2,146,218	2,123,252
General ophthalmic services[236]	(5,905)	440,513	614,432	539,053
GP primary care services	770,452	796,452	12,575,592	11,506,437
Supplies and services – clinical	(478,799)	(508,706)	(419,427)	(433,679)
Supplies and services – general	731,266	670,147	1,773,671	1,833,574
Consultancy services	17,146	17,290	56,457	51,147
Establishment	626,527	333,827	920,755	615,275
Transport	9,555	6,249	108,673	121,483
Premises	39,470	44,400	349,920	299,040
Audit fees[237]	820	800	12,707	19,944
Other non-statutory audit expenditure	-	-	3,704	3,525
Other professional fees	297,424	183,381	385,126	269,820
Legal fees	11,737	10,995	35,271	30,138
Education and training	52,118	70,614	84,213	119,397
Multi-Professional Education and Training Investment Plan Expenditure[238]	5,396,741	-	5,361,318	-
Funding to group bodies[239]	134,068,351	118,956,021	-	-
Total purchase of goods and services - cash	**172,890,688**	**157,251,802**	**172,655,876**	**156,428,812**
Other operating expenditure - cash				
Chair and non-executive members	152	136	7,855	14,056
Grants to other bodies	112,420	78,443	129,276	120,164
Clinical negligence	-	-	223	202
Research and development (excluding staff costs)	1,463	414	21,525	16,080
Other expenditure	30,599	31,043	47,721	57,446
Other operating expenditure - cash	**144,634**	**110,036**	**206,600**	**207,948**
Total operating expenses - cash	**173,035,322**	**157,361,838**	**172,862,476**	**156,636,760**

[235] Services from other WGA bodies comprises expenditure with the DHSC, DHSC arm's length bodies and NHS Blood and Transplant.
[236] From 1 April 2023 responsibility for commissioning pharmacy, dental and ophthalmic services transferred to ICBs. This has resulted in a significant fall in expenditure in the Parent in 2022/23.
[237] In both financial years NHS England purchased no Non Audit services from NAO. Details of ICB/CCG non audit expenditure can be found in the underlying individual ICB/CCG accounts. The audit fees within Parent cover NAO fees for the NHS England audit and the audit of the Consolidated Provider Accounts.
[238] Responsibility relating to Multi-Professional Education and Training Investment Plan Expenditure was transferred to NHS England Group as part of the Health Education England transfer of functions in 2023/24.
[239] Funding to group bodies is shown above and represents cash funding drawn down by the ICBs and CCGs. These balances are eliminated on consolidation.

Depreciation and impairment charges - non cash items	Parent 2023/24 £000	Parent 2022/23 £000	Consolidated group 2023/24 £000	Consolidated group 2022/23 £000
Depreciation	169,068	167,284	213,876	219,012
Amortisation[240]	132,808	38,745	134,599	40,270
Impairments and reversals of right-of-use-assets	-	-	592	(12)
Total depreciation and impairment charges	**301,876**	**206,029**	**349,067**	**259,270**
Provision expense – non-cash items				
Change in discount rate	(47,571)	(245,623)	(47,577)	(246,120)
Provisions	(61,976)	276,316	(77,865)	279,315
Total provision expense	**(109,547)**	**30,693**	**(125,442)**	**33,195**
Purchase of goods and services – non-cash				
Non-cash apprenticeship training grants	1,295	1,159	1,917	1,920
Total purchase of goods and services – non-cash	**1,295**	**1,159**	**1,917**	**1,920**
Other operating expenditure – non-cash items				
Expected credit loss on receivables	12,817	4,258	19,930	12,917
Inventories written down	1,046	1,097	3,010	2,321
Inventories consumed	7,306	43,803	3,181,494	2,669,468
Total other operating expenditure	**21,169**	**49,158**	**3,204,434**	**2,684,706**
Total other operating expenses – non-cash	**214,793**	**287,039**	**3,429,976**	**2,979,091**
Total operating expenditure	**173,250,115**	**157,648,877**	**176,292,452**	**159,615,851**

Intercompany trading is eliminated between bodies within the NHS England group upon consolidation.

[240] Funding to group bodies is shown above and represents cash funding drawn down by the ICBs/CCGs. These balances are eliminated on consolidation. The significant increase in amortisation in the parent and the consolidated group account is due to the full year effect of transactions relating to ex-NHS Digital functions.

5. Property, plant, and equipment

Parent 2023/24	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2023	**113**	**-**	**470**	**591**	**875,912**	**29,392**	**906,478**
Additions purchased	-	-	825	-	81,862	4,683	**87,370**
Additions donated	-	-	-	-	-	-	**-**
Reclassifications	(166)	-	-	-	(2,614)	(236)	**(3,016)**
Disposals	(365)	-	-	-	(79,254)	(2,629)	**(82,248)**
Transfer (to)/from other public sector body	2,045	1,119	1,282	-	127	279	**4,852**
Cost or valuation at 31 March 2024	**1,627**	**1,119**	**2,577**	**591**	**876,033**	**31,489**	**913,436**
Depreciation 1 April 2023	**113**	**-**	**462**	**581**	**486,880**	**8,246**	**496,282**
Reclassifications	(166)	-	224	-	242	(13)	**287**
Disposals	(365)	-	-	-	(77,095)	(2,617)	**(80,077)**
Charged during the year	406	-	196	10	141,990	2,505	**145,107**
Transfer (to)/from other public sector body	1,473	-	26	-	228	105	**1,832**
At 31 March 2024	**1,461**	**-**	**908**	**591**	**552,245**	**8,226**	**563,431**
Carrying value at 31 March 2024	**166**	**1,119**	**1,669**	**-**	**323,788**	**23,263**	**350,005**
Purchased	166	1,119	1,669	-	312,190	23,263	**338,407**
Donated	-	-	-	-	11,598	-	**11,598**
Total at 31 March 2024	**166**	**1,119**	**1,669**	**-**	**323,788**	**23,263**	**350,005**
Asset financing:							
Owned	166	1,119	1,669	-	312,190	23,263	**338,407**
Donated	-	-	-	-	11,598	-	**11,598**
Total at 31 March 2024	**166**	**1,119**	**1,669**	**-**	**323,788**	**23,263**	**350,005**

Parent 2022/23	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2022	**213**	**-**	**470**	**591**	**855,367**	**6,314**	**862,955**
Additions purchased	-	-	-	-	113,912	1,685	**115,597**
Additions donated	-	-	-	-	11,598	-	**11,598**
Reclassifications	-	-	-	-	4,372	-	**4,372**
Disposals	(100)	-	-	-	(124,163)	(73)	**(124,336)**
Transfer (to)/from other public sector body	-	-	-	-	14,826	21,466	**36,292**
Cost or valuation at 31 March 2023	**113**	**-**	**470**	**591**	**875,912**	**29,392**	**906,478**
Depreciation 1 April 2022	**205**	**-**	**368**	**463**	**462,515**	**3,210**	**466,761**
Reclassifications	-	-	-	-	(255)	-	**(255)**
Disposals	(100)	-	-	-	(124,163)	(48)	**(124,311)**
Charged during the year	8	-	94	118	146,072	1,563	**147,855**
Transfer (to)/from other public sector body	-	-	-	-	2,711	3,521	**6,232**
At 31 March 2023	**113**	**-**	**462**	**581**	**486,880**	**8,246**	**496,282**
Carrying value at 31 March 2023	**-**	**-**	**8**	**10**	**389,032**	**21,146**	**410,196**
Asset financing:							
Owned	-	-	8	10	389,032	21,146	**410,196**
Total at 31 March 2023	**-**	**-**	**8**	**10**	**389,032**	**21,146**	**410,196**

Consolidated group 2023/24	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2023	**7,884**	**35,820**	**10,338**	**694**	**955,800**	**42,170**	**1,052,706**
Addition of assets under construction and payments on account	-	16,775	-	-	-	-	**16,775**
Additions purchased	-	-	825	-	84,067	5,495	**90,387**
Reclassifications	14,266	(19,405)	-	-	(12,565)	86	**(17,618)**
Disposals	(365)	-	(54)	-	(103,960)	(4,237)	**(108,616)**
Transfer (to)/from other public sector body	2,045	1,119	1,282	-	127	279	**4,852**
Cost or valuation at 31 March 2024	**23,830**	**34,309**	**12,391**	**694**	**923,469**	**43,793**	**1,038,486**
Depreciation 1 April 2023	**2,871**	**-**	**8,221**	**684**	**543,893**	**15,720**	**571,389**
Reclassifications	(166)	-	224	-	(2,253)	(13)	**(2,208)**
Disposals	(365)	-	(54)	-	(101,795)	(4,225)	**(106,439)**
Charged during the year	1,704	-	1,036	10	148,802	3,438	**154,990**
Transfer (to)/from other public sector body	1,473	-	26	-	228	105	**1,832**
At 31 March 2024	**5,517**	**-**	**9,453**	**694**	**588,875**	**15,025**	**619,564**
Carrying value at 31 March 2024	**18,313**	**34,309**	**2,938**	**-**	**334,594**	**28,768**	**418,992**
Purchased	18,313	34,309	2,938	-	322,996	28,768	**407,324**
Donated	-	-	-	-	11,598	-	**11,598**
Total at 31 March 2024	**18,313**	**34,309**	**2,938**	**-**	**334,594**	**28,768**	**418,922**
Asset financing:							
Owned	18,313	34,309	2,938	-	322,996	28,768	**407,324**
Donated	-	-	-	-	11,598	-	**11,598**
Total at 31 March 2024	**18,313**	**34,309**	**2,938**	**-**	**334,594**	**28,768**	**418,922**

Consolidated group 2022/23	Buildings excluding dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture and fittings £000	Total £000
Cost or valuation at 1 April 2022	**9,064**	**26,019**	**30,893**	**694**	**931,368**	**21,042**	**1,019,080**
Addition of assets under construction and payments on account	-	14,949	-	-	-	-	**14,949**
Additions purchased	11	-	179	-	116,285	1,797	**118,272**
Reclassifications	-	-	-	-	11,598	-	**11,598**
Disposals	-	(5,148)	-	-	5,788	45	**685**
Impairments charged	(1,191)	-	(20,734)	-	(141,976)	(3,320)	**(167,221)**
Transfer (to)/from other public sector body	-	-	-	-	32,737	22,606	**55,343**
Cost or valuation at 31 March 2023	**7,884**	**35,820**	**10,338**	**694**	**955,800**	**42,170**	**1,052,706**
Depreciation 1 April 2022	**3,199**	**-**	**18,522**	**566**	**509,975**	**11,825**	**544,087**
Reclassifications	-	-	-	-	(236)	-	**(236)**
Disposals	(1,191)	-	(14,185)	-	(141,719)	(3,294)	**(160,389)**
Charged during the year	863	-	3,884	118	156,396	2,528	**163,789**
Transfer (to)/from other public sector body	**-**	**-**	**-**	**-**	19,477	4,661	**24,138**
At 31 March 2023	**2,871**	**-**	**8,221**	**684**	**543,893**	**15,720**	**571,389**
Carrying value at 31 March 2023	**5, 013**	**35,820**	**2,117**	**10**	**411,907**	**26,450**	**481,317**
Asset financing							
Owned	5,013	35,820	2,117	10	411,907	26,450	**481,317**
Total at 31 March 2023	**5,013**	**35,820**	**2,117**	**10**	**411,907**	**26,450**	**481,317**

6. Right-of-use assets

6.1 Right-of-use assets

Parent 2023/24	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2023	**-**	**136,300**	**-**	**352**	**12,544**	**-**	**149,196**
IFRS 16 Transition Adjustment	-	-	-	-	-	-	-
Additions	-	17,969	-	120	803	-	18,892
Reclassifications	-	-	-	-	834	-	834
Lease remeasurement	-	(2,855)	-	-	(2,736)	-	(5,591)
Modifications	-	(168)	-	-	-	-	(168)
Disposals on expiry of lease term	-	(652)	-	-	(412)	-	(1,064)
Derecognition for early terminations	-	(1,920)	-	-	(68)	-	(1,988)
Transfer (to) from other public sector body	-	6,971	-	-	-	-	6,971
Cost or valuation at 31 Mar 2024	**-**	**155,645**	**-**	**472**	**10,965**	**-**	**167,082**
Depreciation 1 April 2023	**-**	**20,550**	**-**	**178**	**5,010**	**-**	**25,738**
Charged during the year	-	22,103	-	113	1,745	-	23,961
Reclassifications	-	-	-	-	(193)	-	(193)
Disposals on expiry of lease term	-	(652)	-	-	(390)	-	(1,042)
Derecognition for early terminations	-	(674)	-	-	(27)	-	(701)
Transfer (to) from other public sector body	-	2,541	-	-	-	-	2,541
Depreciation at 31 March 2024	**-**	**43,868**	**-**	**291**	**6,145**	**-**	**50,304**
Net book value at 31 March 2024	**-**	**111,777**	**-**	**181**	**4,820**	**-**	**116,778**

Parent 2022/23	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 01 April 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IFRS 16 Transition Adjustment	-	44,342	-	114	7,946	-	52,402
Additions	-	26,875	-	238	1,271	-	28,384
Reclassifications	-	-	-	-	-	-	-
Modifications	-	1,312	-	-	-	-	1,312
Transfer (to) from other public sector body	-	63,771	-	-	3,327	-	67,098
Cost/Valuation at 31 March 2023	**-**	**136,300**	**-**	**352**	**12,544**	**-**	**149,196**
Depreciation 01 April 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charged during the year	-	16,408	-	178	2,843	-	19,429
Reclassifications	-	-	-	-	-	-	-
Transfer (to) from other public sector body	-	4,142	-	-	2,167	-	6,309
Depreciation at 31 March 2023	**-**	**20,550**	**-**	**178**	**5,010**	**-**	**25,738**
Net Book Value at 31 March 2023	**-**	**115,750**	**-**	**174**	**7,534**	**-**	**123,458**

Consolidated group 2023/24	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 01 April 2023	**1,003**	**398,339**	**12**	**1,236**	**13,212**	**112**	**413,914**
IFRS 16 Transition Adjustment	-	-	-	-	-	-	**-**
Additions	456	39,505	-	402	972	-	**41,335**
Reclassifications	-	-	-	-	834	-	**834**
Lease remeasurement	-	(2,105)	-	-	(2,736)	(1)	**(4,842)**
Modifications	-	(624)	-	-	-	-	**(624)**
Disposals on expiry of lease term	-	(14,494)	-	(565)	(584)	-	**(15,643)**
Derecognition for early terminations	(362)	(9,951)	-	-	(68)	(26)	**(10,407)**
Impairments charged	-	(349)	-	-	-	-	**(349)**
Transfer (to) from other public sector body	-	6,971	-	-	-	-	**6,971**
Cost/Valuation at 31 March 2024	**1,097**	**417,292**	**12**	**1,073**	**11,630**	**85**	**431,189**
Depreciation 01 April 2023	**120**	**79,941**	**5**	**873**	**5,200**	**44**	**86,183**
Charged during the year	127	56,471	4	325	1,926	33	**58,886**
Reclassifications	-	-	-	-	(193)	-	**(193)**
Impairments charged	-	243	-	-	-	-	**243**
Disposals on expiry of lease term	-	(12,859)	-	(500)	(562)	-	**(13,921)**
Derecognition for early terminations	(60)	(3,229)	-	-	(27)	(11)	**(3,327)**
Transfer (to) from other public sector body	-	2,541	-	-	-	-	**2,541**
Depreciation at 31 March 2024	**187**	**123,108**	**9**	**698**	**6,344**	**66**	**130,412**
Net Book Value at 31 March 2024	**910**	**294,184**	**3**	**375**	**5,286**	**19**	**300,777**

Consolidated group 2022/23	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 01 April 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IFRS 16 Transition Adjustment	975	263,143	4	398	8,150	100	**272,770**
Additions	28	38,577	8	257	1,735	14	**40,619**
Reclassifications	-	24,372	-	581	-	-	**24,953**
Lease remeasurement	-	8,067	-	-	-	(2)	**8,065**
Modifications	-	1,204	-	-	-	-	**1,204**
Disposals on expiry of lease term	-	(672)	-	-	-	-	**(672)**
Derecognition for early terminations	-	(123)	-	-	-	-	**(123)**
Transfer (to) from other public sector body	-	63,771	-	-	3,327	-	**67,098**
Cost/Valuation at 31 March 2023	**1,003**	**398,339**	**12**	**1,236**	**13,212**	**112**	**413,914**
Depreciation 01 April 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charged during the year	120	51,729	5	292	3,033	44	**55,223**
Reclassifications	-	24,372	-	581	-	-	**24,953**
Disposals on expiry of lease term	-	(292)	-	-	-	-	**(292)**
Derecognition for early terminations	-	(10)	-	-	-	-	**(10)**
Transfer (to) from other public sector body	-	4,142	-	-	2,167	-	**6,309**
Depreciation at 31 March 2023	**120**	**79,941**	**5**	**873**	**5,200**	**44**	**86,183**
Net Book Value at 31 March 2023	**883**	**318,398**	**7**	**363**	**8,012**	**68**	**327,731**

6.2 Right of use asset lease liabilities

Parent	2023/24 £'000	2022/23 £'000[241]
Lease liabilities at 01 April	(131,734)	-
IFRS 16 Transition Adjustment	-	(52,402)
Additions purchased	(17,675)	(28,080)
Interest expense relating to lease liabilities	(1,643)	(795)
Repayment of lease liabilities (including interest)	26,439	20,383
Lease remeasurement	3,894	(71)
Disposals on expiry of lease term	15	-
Derecognition for early terminations	1,167	-
Transfer (to) from other public sector body	(4,873)	(70,769)
Other	-	-
Lease liabilities at 31 March	**(124,410)**	**(131,734)**

Consolidated group	2023/24 £'000	2022/23 £'000[241]
Lease liabilities at 01 April	(331,582)	-
IFRS 16 Transition Adjustment	-	(305,211)
Additions purchased	(39,451)	(40,851)
Reclassifications	-	1,301
Interest expense relating to lease liabilities	(4,189)	(2,846)
Repayment of lease liabilities (including interest)	59,867	51,112
Lease remeasurement	1,866	(12,747)
Modifications	929	25
Disposals on expiry of lease term	1,520	366
Derecognition for early terminations	7,298	172
Transfer (to) from other public sector body	(4,873)	(56,054)
Other	3	33,151
Lease liabilities at 31 March	**(308,612)**	**(331,582)**

[241] Prior year comparatives had been allocated to the incorrect account lines in the prior year. This has been corrected in the current year accounts as above.

6.3 Right of use asset lease liabilities - maturity analysis of undiscounted future lease payments

Parent	2023/24 £'000	2022/23 £'000
Within 1 year	(25,263)	(29,398)
Between 1 and 5 years	(65,260)	(58,783)
After 5 years	(57,691)	(50,603)
Balance on 31 March	**(148,214)**	**(138,784)**
Effect of discounting	23,804	7,050
Included in:		
Current right of use asset lease liabilities	(20,250)	(27,004)
Non-current right of use asset lease liabilities	(104,160)	(104,730)
Balance on 31 March	**(124,410)**	**(131,734)**

Consolidated group	2023/24 £'000	2022/23 £'000
Within 1 year	(54,645)	(61,974)
Between 1 and 5 years	(152,040)	(146,360)
After 5 years	(132,385)	(139,362)
Balance on 31 March	**(339,070)**	**(347,696)**
Effect of discounting	30,458	16,114
Included in:		
Current right of use asset lease liabilities	(49,485)	(55,455)
Non-current right of use asset lease liabilities	(259,127)	(276,127)
Balance on 31 March	**(308,612)**	**(331,582)**

6.4 Impact of IFRS 16 Parent

The table below reconciles the amount disclosed as future operating lease commitments on 31 March 2022 as disclosed in the NHS England parent 2021/22 financial statements to the amount recognised on the Statement of Financial Position in respect of right of use lease liabilities on adoption of IFRS 16.

Parent 2022/23	£'000
Operating lease commitments under IAS 17 on 31 March 2022	(58,846)
Incremental borrowing rate	0.95%
Operating lease commitments under IAS17 discounted using incremental borrowing rate	**(56,511)**
Leases without full documentation previously excluded from operating lease disclosure	(10,632)
Differences in the assessment of the lease term used for future minimum payments at 31 March 2022.	(407)
Short term leases (including those with less than 12 months at application date)	2,458
Correction of immaterial prior period error in IAS 17 disclosure	7,014
Other	5,509
Lease liability at 1 April 2022 under IFRS 16	**(52,569)**

The comparative information for future minimum lease payments under IAS 17 is below

Payments recognised as an expense under IAS17

Parent	2022/23 Buildings £000	Other £000	Total £000
Payments recognised as an expense			
Minimum lease payments	49,087	465	**49,552**
Total	**49,087**	**465**	**49,552**

Future minimum lease payments under IAS17

Parent	2022/23 Buildings £000	Other £000	Total £000
Payable:			
No later than 1 year	26,069	199	**26,268**
Between 1 and 5 years	25,787	137	**25,924**
After 5 years	6,654	-	**6,654**
Total	**58,510**	**336**	**58,846**

6.4 Impact of IFRS 16 Consolidated group

The table below reconciles the amount disclosed as future operating lease commitments on 31 March 2022 as disclosed in the NHS England parent 2021/22 financial statements to the amount recognised on the Statement of Financial Position in respect of right of use lease liabilities on adoption of IFRS 16.

Consolidated group 2022/23	Total £'000
Operating lease commitments under IAS 17 at 31 March 2022	(212,098)
Incremental Borrowing Rate	0.95%
Operating lease commitments under IAS17 discounted using incremental borrowing rate	**(178,453)**
Add: Finance lease liabilities at 31 March 2022	(79,319)
Add: Residual value guarantees	(1,192)
Add: Rentals associated with extension options reasonably certain to be exercised	(20,494)
Add: Leases without full documentation previously excluded from operating lease disclosure	(10,069)
Add: Differences in the assessment of the lease term used for future minimum payments at 31 March 2023.	(407)
Less: Short term leases (including those with <12 months at application date)	2,816
Less: Low value leases	116
Less: Variable payments not included in the valuation of the lease liabilities	6,416
Less: Correction of immaterial prior period error in IAS 17 disclosure	5,177
Add/Less: Other	(29,802)
Lease liability at 1 April 2022 under IFRS 16	**(305,211)**

The comparative information for future minimum lease payments under IAS 17 is below.

Payments recognised as an expense under IAS17

Consolidated group	2022/23 Buildings £000	Other £000	Total £000
Payments recognised as an expense			
Minimum lease payments	120,934	1,235	**122,169**
Contingent rents	-	1,531	**1,531**
Total	**120,934**	**2,766**	**123,700**

Future minimum lease payments under IAS17

Consolidated group	2022/23 Buildings £000	Other £000	Total £000
Payable:			
No later than 1 year	52,001	684	**52,685**
Between 1 and 5 years	99,539	533	**100,072**
After 5 years	59,341	-	**59,341**
Total	**210,881**	**1,217**	**212,098**

6.5 Amounts recognised in statement comprehensive net expenditure

Parent	2023/24 £'000	2022/23 £'000
Depreciation expense on right-of-use assets	23,961	19,430
Interest expense on lease liabilities	1,643	795
Expense relating to short-term leases	365	3,315
Consolidated group		
Depreciation expense on right-of-use assets	58,886	55,222
Interest expense on lease liabilities	4,189	2,805
Expense relating to short-term leases	487	3,540
Expense relating to leases of low value assets	-	(34)
Expense relating to variable lease payments not included in the measurement of the lease liability	699	971
Gain/(loss) from sale and leaseback transactions	14	2

6.6 Amounts recognised in statement of cash flows

Parent	2023/24 £'000	2022/23 £'000
Total cash outflow on leases under IFRS 16	26,439	20,383
Consolidated group		
Total cash outflow on leases under IFRS 16	59,867	51,535
Total cash outflow for lease payments not included within the measurement of lease liabilities	736	283

7. Intangible non-current assets

Parent 2023/24	Computer software: purchased £000	Development expenditure (internally generated) £000	Payments on Accounts & Assets under construction £000	Websites £000	Total £000
Cost or valuation on 1 April 2023	**75,039**	**612,825**	**-**	**4,127**	**691,991**
Additions purchased	5,016	112,462	36,843	1,784	**156,105**
Additions internally generated	-	10,573	699	-	**11,272**
Reclassifications	1,154	(32,934)	32,289	3,835	**4,344**
Disposals	(11,437)	(35,790)	(117)	(593)	**(47,937)**
Transfer (to)/from another public sector body	-	(496)	14,256	-	**13,760**
On 31 March 2024	**69,772**	**666,640**	**83,970**	**9,153**	**829,535**
Amortisation 1 April 2023	**42,488**	**276,729**	**-**	**3,347**	**322,564**
Reclassifications	33	(1,361)	-	3,396	**2,068**
Disposals	(11,437)	(35,713)	-	(593)	**(47,743)**
Charged during the year	13,782	118,611	-	415	**132,808**
Transfer (to)/from another public sector body	-	(350)	-	-	**(350)**
At 31 March 2024	**44,866**	**357,916**	**-**	**6,565**	**409,347**
Carrying value at 31 March 2024	**24,906**	**308,724**	**83,970**	**2,588**	**420,188**
Asset financing:					
Owned	24,906	308,724	83,970	2,588	**420,188**
Total at 31 March 2024	**24,906**	**308,724**	**83,970**	**2,588**	**420,188**

Parent 2022/23	Computer software: purchased £000	Development expenditure (internally generated) £000	Payments on Accounts & Assets under construction £000	Websites £000	Total £000
Cost or valuation on 1 April 2022	**57,742**	**17,141**	-	-	**74,883**
Additions purchased	5,459	29,663	-	-	35,122
Additions internally generated	-	3,686	-	-	3,686
Reclassifications	(4,372)	-	-	-	(4,372)
Disposals	(749)	(7,798)	-	-	(8,547)
Transfer (to)/from another public sector body	16,959	570,133	-	4,127	591,219
On 31 March 2023	**75,039**	**612,825**	**-**	**4,127**	**691,991**
Amortisation 1 April 2022	**15,902**	**2,862**	**-**	**-**	**18,764**
Reclassifications	(235)	490	-	-	255
Disposals	(749)	(7,359)	-	-	(8,108)
Charged during the year	14,384	24,231	-	130	38,745
Transfer (to)/from another public sector body	13,186	256,505	-	3,217	272,908
At 31 March 2023	**42,488**	**276,729**	**-**	**3,347**	**322,564**
Carrying value at 31 March 2023	**32,551**	**336,096**	**-**	**780**	**369,427**
Asset financing:			**-**		
Owned	32,551	336,096	-	780	**369,427**
Total at 31 March 2023	**32,551**	**336,096**	**-**	**780**	**369,427**

Consolidated group 2023/24	Computer software: purchased £000	Development expenditure (internally generated) £000	Payments on Accounts & Assets under construction £000	Websites £000	Total £000
Cost or valuation on 1 April 2023	**83,360**	**614,374**	**-**	**4,127**	**701,861**
Additions purchased	5,443	112,462	36,841	1,784	**156,530**
Additions internally generated	-	10,573	699	-	**11,272**
Reclassifications	15,756	(32,934)	32,289	3,835	**18,946**
Disposals	(14,095)	(36,876)	(117)	(593)	**(51,681)**
Transfer (to)/from another public sector body	-	(496)	14,256	-	**13,760**
On 31 March 2024	**90,464**	**667,103**	**83,968**	**9,153**	**850,688**
Amortisation 1 April 2023	**46,387**	**278,276**	**-**	**3,347**	**328,010**
Reclassifications	2,528	(1,361)	-	3,396	**4,563**
Disposals	(14,006)	(36,799)	-	(593)	**(51,398)**
Charged during the year	15,574	118,611	-	414	**134,599**
Transfer (to)/from another public sector body	-	(350)	-	-	**(350)**
At 31 March 2024	**50,483**	**358,377**	**-**	**6,564**	**415,424**
Carrying value at 31 March 2024	**39,981**	**308,726**	**83,968**	**2,589**	**435,264**
Asset financing:					
Owned	39,981	308,726	83,968	2,589	**435,264**
Total at 31 March 2024	**39,981**	**308,726**	**83,968**	**2,589**	**435,264**

Consolidated group 2022/23	Computer software: purchased £000	Development expenditure (internally generated) £000	Payments on Accounts & Assets under construction £000	Websites £000	Total £000
Cost or valuation on 1 April 2022	**66,011**	**18,777**	**-**	**-**	**84,788**
Additions purchased	5,598	29,663	-	-	**35,261**
Additions internally generated	-	3,686	-	-	**3,686**
Reclassifications	(685)	-	-	-	**(685)**
Disposals	(4,523)	(7,885)	-	-	**(12,408)**
Transfer (to)/from another public sector body	16,959	570,133	-	4,127	**591,219**
On 31 March 2023	**83,360**	**614,374**	**-**	**4,127**	**701,861**
Amortisation 1 April 2022	**22,288**	**4,277**	**-**	**-**	**26,565**
Reclassifications	(254)	490	-	-	**236**
Disposals	(4,523)	(7,446)	-	-	**(11,969)**
Charged during the year	15,690	24,450	-	130	**40,270**
Transfer (to)/from another public sector body	13,186	256,505	-	3,217	**272,908**
At 31 March 2023	**46,387**	**278,276**	**-**	**3,347**	**328,010**
Carrying value at 31 March 2023	**36,973**	**336,098**	**-**	**780**	**373,851**
Asset financing:					
Owned	36,973	336,098	-	780	**373,851**
Total at 31 March 2023	**36,973**	**336,098**	**-**	**780**	**373,851**

8. Inventories

Parent 2023/24	Consumables £'000	Loan equipment £'000	Other £'000	Total £'000
Balance at 1 April 2023	**5,197**	**-**	**3,783**	**8,980**
Additions	-	-	542	**542**
Inventories recognised as an expense in the period	(4,151)	-	(3,155)	**(7,306)**
Write-down of inventories (including losses)	(1,046)	-	-	**(1,046)**
Balance at 31 March 2024	**-**	**-**	**1,170**	**1,170**

Parent 2022/23	Consumables £'000	Loan equipment £'000	Other £'000	Total £'000
Balance at 1 April 2022	**7,528**	**-**	**22,383**	**29,911**
Additions	-	-	23,969	**23,969**
Inventories recognised as an expense in the period	(1,234)	-	(42,569)	**(43,803)**
Write-down of inventories (including losses)	(1,097)	-	-	**(1,097)**
Balance at 31 March 2023	**5,197**	**-**	**3,783**	**8,980**

Consolidated group 2023/24	Consumables £'000	Loan equipment £'000	Other £'000	Total £'000
Balance at 1 April 2023	**153,530**	**8,260**	**12,581**	**174,371**
Additions	3,147,824	7,924	14,311	**3,170,059**
Inventories recognised as an expense in the period	(3,160,240)	(2,999)	(18,255)	**(3,181,494)**
Write-down of inventories (including losses)	(3,010)	-	-	**(3,010)**
Balance at 31 March 2024	**138,104**	**13,185**	**8,637**	**159,926**

Consolidated group 2022/3	Consumables £'000	Loan equipment £'000	Other £'000	Total £'000
Balance at 1 April 2022	**159,684**	**8,320**	**25,052**	**193,056**
Additions	2,620,255	1,907	30,942	**2,653,104**
Inventories recognised as an expense in the period	(2,624,088)	(1,967)	(43,413)	**(2,669,468)**
Write-down of inventories (including losses)	(2,321)	-	-	**(2,321)**
Balance at 31 March 2023	**153,530**	**8,260**	**12,581**	**174,371**

9. Trade and other receivables

	Parent			
	2023/24 Current £000	2023/24 Non-current £000	2022/23 Current £000	2022/23 Non-current £000
NHS receivables: revenue	96,457	-	102,293	-
NHS prepayments	142,754	-	93,800	-
NHS accrued income	1,096	-	11,503	-
NHS non-contract	266	-	379	-
Non-NHS and other WGA receivables: Revenue	239,408	-	394,690	-
Non-NHS and other WGA prepayments	203,302	-	169,278	4,693
Non-NHS and other WGA accrued income	87,520	-	207,958	-
Non-NHS and other WGA non-contract	-	-	804	-
Non-NHS contract assets	-	-	-	-
Expected credit loss allowance-receivables	(31,193)	-	(15,064)	-
VAT	29,444	-	31,393	-
Finance lease receivables	-	-	-	-
Other receivables and accruals	1,772	-	7,249	-
Total	**770,826**	**-**	**1,004,283**	**4,693**
Other financial assets	-	139,793	-	141,462
Total current and non-current	**910,619**	-	**1,150,438**	-

	Consolidated group			
	2023/24 Current £000	2023/24 Non-current £000	2022/23 Current £000	2022/23 Non-current £000
NHS receivables: revenue	560,114	-	403,955	-
NHS prepayments	240,275	-	188,691	-
NHS accrued income	74,010	-	31,160	-
NHS non-contract	859	-	455	-
Non-NHS and other WGA receivables: Revenue	852,576	-	723,202	-
Non-NHS and other WGA prepayments	362,035	12	297,607	4,816
Non-NHS and other WGA accrued income	346,895	-	961,955	-
Non-NHS and other WGA non-contract	8,189	-	7,259	-
Non-NHS contract assets	-	-	27	-
Expected credit loss allowance-receivables	(57,669)	-	(39,065)	-
VAT	59,415	-	55,522	-
Finance lease receivables	697	-	-	-
Other receivables and accruals	41,549	-	65,679	-
Total	**2,488,945**	**12**	**2,696,447**	**4,816**
Other financial assets	-	1,106	-	1,106
Total current and non-current	**2,490,063**	-	**2,702,369**	-

10. Cash and cash equivalents

	Note	Parent		Consolidated group	
		2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Balance at 1 April		374,885	229,575	584,303	374,755
Transfer in from other org under absorption		178,170	47,142	178,170	47,142
Net change in year		(266,639)	98,168	(353,852)	162,406
Balance at statement of financial position date		**286,416**	**374,885**	**408,621**	**584,303**
Made up of:					
Cash with the Government Banking Service		272,350	345,398	423,597	596,028
Hosted cash/cash in hand		14,031	28,454	13,466	27,988
Current investments		35	1,033	35	1,033
Cash and cash equivalents as in statement of financial position		**286,416**	**374,885**	**437,098**	**625,049**
Bank overdraft: Government Banking Service	11	-	-	(28,477)	(40,746)
Total bank overdrafts		**-**	**-**	**(28,477)**	**(40,746)**
Balance at statement of financial position date		**286,416**	**374,885**	**408,621**	**584,303**

For details of bank overdraft see Note 11.

Included within hosted cash/cash in hand above is £14.0 million (2022/23 £21.5 million) held on behalf of NHS England by the NHS BSA.

Current investments within cash and cash equivalents include cash held in solicitor commercial escrow accounts that is not available for use by the group.

11. Trade and other payables

	Parent			
	2023/24 Current £000	2023/24 Non-current £000	2022/23 Current £000	2022/23 Non-current £000
NHS payables: revenue	119,492	-	157,396	-
NHS payables: capital	26,044	-	23,703	-
NHS accruals[242]	995,745	-	3,045,525	-
NHS deferred income	1,367	5	2,950	142
NHS contract liabilities	-	-	-	-
Non-NHS and other WGA payables: revenue	209,536	-	135,788	-
Non-NHS and other WGA payables: capital	37,874	-	55,627	-
Non-NHS and other WGA accruals	788,101	-	924,333	-
Non-NHS and other WGA deferred income	2,394	-	3,166	22
Non-NHS contract liabilities	-	-	-	-
Social security costs	17,360	-	17,349	-
VAT	234	-	-	-
Tax	31,383	-	29,685	-
Payments received on account	1	-	56	-
Other payables and accruals	426,562	11	609,309	3,196
Total	**2,656,093**	**16**	**5,004,887**	**3,360**
Other financial liabilities				
Total	**-**	**-**	**-**	**-**
Total trade & other payables (current)	**2,656,093**	**-**	**5,004,887**	
Total trade & other payables (non-current)	**-**	**16**		**3,360**
Total trade & other payables (current and non-current)	**-**	**2,656,109**		**5,008,247**

	Consolidated group			
	2023/24 Current £000	2023/24 Non-current £000	2022/23 Current £000	2022/23 Non-current £000
NHS payables: revenue	378,883	-	470,176	-
NHS payables: capital	365	-	-	-
NHS accruals[243]	1,841,113	-	3,424,687	-
NHS deferred income	972	5	5,317	122
NHS contract liabilities	153,829	7,256	94,498	-
Non-NHS and other WGA payables: revenue	1,753,812	-	1,811,418	-
Non-NHS and other WGA payables: capital	38,807	-	55,779	-
Non-NHS and other WGA accruals	5,731,029	-	5,805,449	-
Non-NHS and other WGA deferred income	94,933	489	105,765	708
Non-NHS contract liabilities	46	-	15,176	
Social security costs	37,371	-	36,317	-
VAT	28,956	-	23,279	-
Tax	52,068	-	47,630	-
Payments received on account	1	-	351	-
Other payables and accruals	1,125,353	11	1,452,549	3,196
Total	**11,237,538**	**7,761**	**13,348,391**	**4,026**
Other financial liabilities				
Bank overdraft - Government Banking Service	28,477	-	40,746	-
Loans from Department of Health and Social Care[244]	1,335	106,000	24,609	781,673
Total	**29,812**	**106,000**	**65,355**	**781,673**
Total trade & other payables (current)	**11,267,350**	**-**	**13,413,746**	
Total trade & other payables (non-current)	**-**	**113,761**		**785,699**
Total trade & other payables (current and non-current)	**-**	**11,381,111**		**14,199,445**

[242] NHS accruals in 2022/23 included the pay award funding for foundation trusts and NHS trusts, which has been paid in 2023/24.
[243] NHS accruals in 2022/23 included the pay award funding for foundation trusts and NHS trusts, which has been paid in 2023/24.
[244] Loans from the Department of Health and Social Care represent amounts issued to SCCL to provide a working capital facility

12. Net gain/(loss) on transfer by absorption

Business combinations within the public sector are accounted for using absorption accounting principles.

2023/24

On 1 April 2023, the functions of Health Education England transferred to NHS England. The assets and liabilities related to the transfer are shown in the table below.

On 1 October 2023 NHS England transferred responsibility for the functions of the Health Services Safety Investigation Branch, to the Health Services Safety Investigation Body and CQC. The assets and liabilities related to the transfer are shown in the table below.

On 1 February 2024, the Department of Health and Social Care transferred some responsibilities, such as delivering hospitals in the New Hospital Programme to NHS England in line with the transition to the Sponsor-Delivery model of operation. The assets and liabilities related to the transfer are shown in the table below.

Parent 2023/24	Health Education England £'000	New Hospital Programme (DHSC) £'000	HSSIB to HSSIB £'000	HSSIB to CQC £'000
Transfer of property plant and equipment	3,090	-	(7)	(63)
Transfer of right-of-use assets	4,430	-	-	-
Transfer of intangibles	-	14,256	(28)	(118)
Transfer of cash and cash equivalents	178,170	-	-	-
Transfer of receivables	20,255	-	(86)	(114)
Transfer of payables	(294,325)	(17,394)	44	-
Transfer of provisions	(1,752)	-	-	-
Transfer of right-of-use liabilities	(4,873)	-	-	-
Transfer of PUPOC provision to ICBs	-	-	-	-
Transfer of PUPOC liability to ICBs	-	-	-	-
Net gain on transfers by absorption	**(95,005)**	**(3,138)**	**(77)**	**(295)**

Consolidated group 2023/24	Health Education England £'000	New Hospital Programme (DHSC) £'000	HSSIB to HSSIB £'000	HSSIB to CQC £'000
Transfer of property plant and equipment	3,090	-	(7)	(63)
Transfer of right-of-use assets	4,430	-	-	-
Transfer of intangibles	-	14,256	(28)	(118)
Transfer of cash and cash equivalents	178,170	-	-	-
Transfer of receivables	20,255	-	(86)	(114)
Transfer of payables	(294,325)	(17,394)	44	-
Transfer of provisions	(1,752)	-	-	-
Transfer of right-of-use liabilities	(4,873)	-	-	-
Transfer of PUPOC provision to ICBs	-	-	-	-
Transfer of PUPOC liability to ICBs	-	-	-	-
Net gain on transfers by absorption	**(95,005)**	**(3,138)**	**(77)**	**(295)**

2022/23

On 1 July 2022, the functions of NHS TDA and Monitor transferred to NHS England. The impact of the transfer of the assets and liabilities is shown under NHSI. In addition, the CCGs were dissolved under the Health and Care Act 2022 and the liabilities of the CCGs were transferred in full to the ICBs. There is no impact on the group position as the transactions eliminate in full.

On 1 October 2022 NHS England transferred responsibility for the provisions and liabilities held by NHS England in relation to previously unassessed periods of care (PUPOC) transactions. These transfers eliminate on consolidation to leave nil impact in the group position.

On 1 February 2023, the functions of NHS Digital transferred to NHS England. The assets and liabilities related to the transfer are shown in the table below.

Parent 2022/23	NHS Improvement £'000	NHS Digital £'000	NHS Provider £'000	ICBs £'000
Transfer of property plant and equipment	425	30,780	-	(1,146)
Transfer of right-of-use assets	1,946	58,843	-	-
Transfer of intangibles	11,029	307,281	-	-
Transfer of cash and cash equivalents	41,438	5,704	-	-
Transfer of receivables	6,738	56,404	(34)	(14,063)
Transfer of payables	(41,571)	(74,777)	330	8,810
Transfer of provisions	(3,146)	(6,020)	-	2,398
Transfer of right-of-use liabilities	(1,949)	(68,820)	-	-
Transfer of PUPOC provision to ICBs	-	-	-	3,165
Transfer of PUPOC liability to ICBs	-	-	-	4,728
Net gain on transfers by absorption	**14,910**	**309,395**	**296**	**3,892**

Consolidated group 2022/23	NHS Improvement £'000	NHS Digital £'000	NHS Provider £'000
Transfer of property plant and equipment	425	30,780	-
Transfer of right-of-use assets	1,946	58,843	-
Transfer of intangibles	11,029	307,281	-
Transfer of cash and cash equivalents	41,438	5,704	-
Transfer of receivables	6,738	56,404	6,072
Transfer of payables	(41,571)	(74,777)	(4,350)
Transfer of provisions	(3,146)	(6,020)	(1,426)
Transfer of right-of-use liabilities	(1,949)	(68,820)	-
Transfer of PUPOC provision to ICBs	-	-	-
Transfer of PUPOC liability to ICBs	-	-	-
Net gain on transfers by absorption	**14,910**	**309,395**	**296**

13. Finance costs

	Parent		Consolidated group	
Interest	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Interest on loans and overdrafts	-	-	3,591	28,560
Interest on obligations under finance leases	1,643	795	4,189	2,805
Interest on late payment of commercial debt	-	-	2	3
Other interest expense	-	27	36	51
Total interest	**1,643**	**822**	**7,818**	**31,419**
Other finance costs	-	-	-	-
Provisions: unwinding of discount	14,489	4,224	14,484	4,322
Total finance costs	**16,132**	**5,046**	**22,302**	**35,741**

14. Provisions

Parent	**2023/24 Current £000**	**2023/24 Non-current £000**	**2022/23 Current £000**	**2022/23 Non-current £000**
Restructuring	-	-	647	-
Redundancy	15,140	-	1,449	-
Legal claims	48	710	135	148
Continuing care	1,444	-	1,444	-
Clinician tax charge	5,504	213,274	5,231	272,397
Other	39,847	93,607	27,537	155,906
Total	**61,983**	**307,591**	**36,443**	**428,451**
Total current and non-current	**369,574**		**464,894**	

Parent 2023/24	**Restructuring £000**	**Redundancy £000**	**Legal claims £000**	**Continuing care £000**	**Clinician tax charge £000**	**Other £000**	**Total £000**
Balance at 1 April 2023	**647**	**1,449**	**283**	**1,444**	**277,628**	**183,443**	**464,894**
Arising during the year	-	14,320	685	-	-	44,039	**59,044**
Utilised during the year	(647)	-	(28)	-	(2,123)	(8,210)	**(11,008)**
Reversed unused	-	(629)	(182)	-	(23,642)	(87,573)	**(112,026)**
Unwinding of discount	-	-	-	-	14,299	190	**14,489**
Change in discount rate	-	-	-	-	(47,384)	(187)	**(47,571)**
Transfer (to) from other public sector body under absorption	-	-	-	-	-	1,752	**1,752**
Balance at 31 March 2024	**-**	**15,140**	**758**	**1,444**	**218,778**	**133,454**	**369,574**
Expected timing of cash flows:							
Within 1 year	-	15,140	48	1,444	5,504	39,847	**61,983**
Between 1 and 5 years	-	-	710	-	13,436	70,829	**84,975**
After 5 years	-	-	-	-	199,838	22,778	**222,616**
Balance at 31 March 2024	**-**	**15,140**	**758**	**1,444**	**218,778**	**133,454**	**369,574**

Consolidated group	2023/24 Current £000	2023/24 Non-current £000	2022/23 Current £000	2022/23 Non-current £000
Restructuring	4,278	469	14,922	358
Redundancy	64,295	1,803	2,770	1,786
Legal claims	8,968	721	10,123	888
Continuing care	53,454	12,852	69,807	21,845
Clinician tax charge	5,504	213,274	5,231	272,397
Other	85,223	119,443	87,361	179,928
Total	**221,722**	**348,562**	**190,214**	**477,202**
Total current and non-current	**570,284**		**667,416**	

Consolidated group 2023/24	Restructuring £000	Redundancy £000	Legal claims £000	Continuing care £000	Clinician tax charge £000	Other £000	Total £000
Balance at 1 April 2023	**15,280**	**4,556**	**11,011**	**91,652**	**277,628**	**267,289**	**667,416**
Arising during the year	2,457	63,829	1,934	34,997	-	70,272	**173,489**
Utilised during the year	(4,528)	(1,399)	(157)	(12,876)	(2,123)	(19,983)	**(41,066)**
Reversed unused	(8,565)	(888)	(3,077)	(47,509)	(23,642)	(114,533)	**(198,214)**
Unwinding of discount	-	-	-	(31)	14,299	216	**14,484**
Change in discount rate	103	-	(22)	73	(47,384)	(347)	**(47,577)**
Transfer (to) from other public sector body under absorption	-	-	-	-	-	1,752	**1,752**
Balance at 31 March 2024	**4,747**	**66,098**	**9,689**	**66,306**	**218,778**	**204,666**	**570,284**
Expected timing of cash flows:							
Within 1 year	4,278	64,295	8,968	53,454	5,504	85,223	**221,722**
Between 1 and 5 years	469	1,803	721	12,852	13,436	82,846	**112,127**
After 5 years	-	-	-	-	199,838	36,597	**236,435**
Balance at March 2024	**4,747**	**66,098**	**9,689**	**66,306**	**218,778**	**204,666**	**570,284**

'Continuing Care' refers to NHS funding for complex packages of care in the community. This includes the following: NHS Continuing Healthcare, where an individual, aged 18 or over, has been assessed as having a ‘primary health need’ and the NHS has responsibility for arranging and funding a package of health and social care. Children and Young People's Continuing Care, where individuals, up to their 18th birthday, have complex needs arising from disability, accident or illness and require care and support that cannot be met by existing universal or specialist services alone the NHS can fund an additional a package of health care. Joint packages of health and social care, where an individual’s care or support package is funded by both the NHS and the local authority. NHS-funded Nursing Care, where funding is provided by the NHS to care homes with nursing, to support the provision of nursing care by a registered nurse. These are set out in the National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care. The amount included in the table above as ‘Continuing Care’ represents the best estimate, at the year-end date, of the liabilities of NHS England group relating to the obligation of the NHS to pay for cases of such care and deliver these services.

The Clinical Tax Charge provision in the parent is £219 million for the commitment to pay clinicians in the NHS Pension Scheme for the effect of the 2019/20 Scheme Pays deduction on

their income from the NHS Pension Scheme in retirement, in line with the ministerial direction to DHSC and NHS England.

Other provisions in both the parent and the group are primarily provisions for pension disputes and dilapidations.

The NHS Resolution financial statements disclose a provision of £52,797,322 as at 31 March 2024 in respect of clinical negligence liabilities and employment liability scheme of NHS England (31 March 2023: £70,041,046).

15. Contingencies

	Parent		Consolidated group	
Contingent liabilities	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Employment tribunal	1,583	975	1,583	975
NHS Resolution employee liability claim	12	18	12	100
Continuing healthcare	-	-	11,817	14,066
Legal claims	10,226	2,907	10,426	3,107
Legacy Pension issues	-	250	-	250
His Majesty's Revenue and Customs	-	-	-	21,000
Liverpool Community Health Trust (re Maternity and neonatal care investigation)	500	500	500	500
Christies Foundation Trust (re Maternity and neonatal care investigation)	300	300	300	300
Legacy clinician IR35 tax liability	-	-	1,812	-
Redundancy	-		126	-
GP Non Reimbursable property costs		-	3,175	1,907
Other	-	-	-	35
Total contingent liabilities	**12,621**	**4,950**	**29,751**	**42,240**

	Parent		Consolidated group	
Contingent assets	**2023/24 £000**	**2022/23 £000**	**2023/24 £000**	**2022/23 £000**
Legal cases	495	1,707	1,320	1,707
Employee pension issues	-	162	-	162
VAT recovery from His Majesty's Revenue and Customs	-	-	1,726	-
Home Oxygen Rebate	-	-	684	-
Greenacres, Droitwich Road, Hanbury, Redditch	-	-	762	-
Total contingent assets	**495**	**1,869**	**4,492**	**1,869**

Contingent liabilities are those for which provisions have not been recorded as there is a possible obligation depending on uncertain future events, or a present obligation where payment is not probable, or the amount cannot be measured reliably.

Contingent assets are those where a possible asset arises from a past event and whose existence will be confirmed only by the occurrence or non-occurrence of an uncertain future event not wholly within the control of the entity. These are disclosed only when the inflow of economic benefit is probable.

16. Commitments

16.1 Capital commitments

	Parent		Consolidated group	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Property, plant and equipment	23,330	8,379	23,330	13,114
Intangible assets	-	-	5,694	-
Total	**23,330**	**8,379**	**29,024**	**13,114**

16.2 Other financial commitments

NHS England has entered into non-cancellable contracts (which are not leases, private finance initiative contracts or other service concession arrangements) which expire as follows:

	Parent		Consolidated group	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
In not more than 1 year	943, 525	580,377	1,201,524	863,719
In more than 1 year but not more than 5 years	643,883	509,223	731,099	549,901
In more than 5 years	20,857	25,436	51,412	63,171
Total	**1,608,265**	**1,115,036**	**1,984,035**	**1,476,791**

In the parent account the most significant contracts relate to:

a) Health & Justice contract with Spectrum
b) ISFE contract with NHS SBS
c) Delivery of administration services for Primary Care contract with Capita Business Services Ltd
d) Federated Data Platform and Associated Services with Palantir

Excluding the largest parent financial commitments already disclosed, the most significant other group commitments relate to:

a) a contract between NHS Banes, Swindon & Wiltshire ICB and Wiltshire Health & Care Ltd in relation to the Adult Community Services

17. Financial instruments

17.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities.

Because NHS England is financed through parliamentary funding, it is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. NHS England has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the ICBs in undertaking its activities.

Treasury management operations are carried out by the finance department, within parameters defined formally within the NHS England SFIs and policies agreed by the ICB governing bodies. Treasury activity is subject to review by the NHS England internal auditors.

17.1.1 Currency risk

NHS England is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based.

NHS England has no overseas operations. NHS England therefore has low exposure to currency rate fluctuations.

17.1.2 Interest rate risk

NHS England does not have any borrowings that are subject to interest rate risk.

17.1.3 Credit risk

Because the majority of NHS England revenue comes from parliamentary funding, NHS England has low exposure to credit risk. The maximum exposure as at the end of the financial year is in receivables from customers, as disclosed in the trade and other receivables note.

17.1.4 Liquidity risk

NHS England is required to operate within revenue and capital resource limits, which are financed from resources voted annually by Parliament.

NHS England draws down cash to cover expenditure, as the need arises. NHS England is not, therefore, exposed to significant liquidity risks.

17.1.5 Financial instruments

As the cash requirements of NHS England are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with NHS England's expected purchase and usage requirements and NHS England is therefore exposed to little credit, liquidity, or market risk.

18. Operating segments

Consolidated group 2023/24	ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	Intra-group eliminations £000	NHS England group total £000
Income	(2,159,002)	(3,788,087)	(27,841)	(144,959)	(5,181)	(519,075)	764,703	**(5,879,442)**
Gross expenditure	135,834,128	3,789,756	27,611,951	8,362,083	4,825,864	441,026	(764,703)	**180,100,105**
Total net expenditure	**133,675,126**	**1,669**	**27,584,110**	**8,217,124**	**4,820,683**	**(78,049)**	**-**	**174,220,663**
Revenue resource expenditure								
Revenue departmental expenditure limit								174,110,571
Annually managed expenditure								(80,094)
Technical expenditure								190,186
Net expenditure for the financial year charged to financial performance limits								**174,220,663**

Consolidated group 2022/23	CCG ICB £000	SCCL £000	Direct commissioning £000	NHS England £000	Multi-Professional Education and Training Investment Plan £000	Other £000	Intra-group eliminations £000	NHS England group total £000
Income	(962,732)	(3,239,985)	(1,182,458)	(68,350)	-	(554,034)	785,123	**(5,222,436)**
Gross expenditure	120,060,753	3,239,715	30,670,325	5,987,612	-	3,411,757	(785,123)	**162,585,039**
Total net expenditure	**119,098,021**	**(270)**	**29,487,867**	**5,919,262**	**-**	**2,857,723**	**-**	**157,362,603**
Total revenue net expenditure above and in the SoCNE								157,362,603
Additional amount charged to Technical budget								1,795
Total amount charged to the financial performance limits								157,364,398
Revenue resource expenditure								
Revenue departmental expenditure limit								157,627,035
Annually managed expenditure								11,630
Technical expenditure								(274,267)
Net operating expenditure for the financial year								**157,364,398**

The reportable segments disclosed within this note reflect the current structure of NHS England with the activities of each reportable segment reflecting the remit of the organisation. These operating segments are regularly reported to the NHS England Board of Directors for financial management and decision making purposes.

The activities of each segment are defined as follows:-

- CCGs - clinically led groups that were responsible to 30 June 2022 for commissioning healthcare services as defined in the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012)
- ICBs - bodies that are responsible from 1 July 2022 for planning most NHS services in their area including commissioning healthcare services, as defined in the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012 and the Health and Care Act 2022)
- SCCL - the management function for the NHS Supply Chain operating model

- Direct Commissioning - the services commissioned by NHS England as defined in the National Health Service Act 2006 (as amended)
- NHS England - the central administration of the organisation and centrally managed programmes
- Multi-Professional Education and Training Investment Plan - a multi-year view of our future NHS workforce investment. It optimises domestic education and training by balancing professional, geographical, and clinical service demand with education capacity
- Other - includes CSUs, national reserves, technical accounting items and legacy balances

Multiple transactions take place between reportable segments, all of which are eliminated upon consolidation as shown in the "Intra-group eliminations" column. Information on total assets and liabilities and net assets and liabilities is not separately reported to the Chief Operating Decision Maker and thus, in accordance with IFRS 8, does not form part of this disclosure.

19. Related party transactions

Related party transactions associated with the Parent are disclosed within this note. As disclosed in Note 1.3 NHS England acts as the parent to 42 ICBs whose accounts are consolidated within these Financial Statements. These bodies are regarded as related parties with which the Parent has had various material transactions during the year; those transactions are disclosed in those entities' financial statements.

The Department of Health and Social Care, as the parent of NHS England, is regarded as a related party. During the year NHS England has had a significant number of material transactions with entities for which the Department is regarded as the parent Department. For example:

- NHS Foundation Trusts;
- NHS Trusts;
- NHS Litigation Authority;
- NHS BSA;
- NHS Property Services;

In addition, NHS England has had a number of significant transactions with other government departments and their agencies including His Majesty's Revenue and Customs, Ministry of Justice and His Majesty's Prison and Probation Service. No related party transactions were noted with key management personnel other than the compensation paid to them which can be found in the remuneration report on page 102.

20. Events after the end of the reporting period

There are no adjusting events after the reporting period which will have a material effect on the financial statements of NHS England.

The Accounts were authorised for issue by the Accounting Officer on the date of the Audit Certificate of the Comptroller & Auditor General.

21. Financial performance targets

The Mandate: A mandate from the Government to NHS England: April 2023 to March 2024 published by the Secretary of State under section 13A of the National Health Service Act 2006, and the associated Financial Directions as issued by the Department of Health and Social Care, set out NHS England's total revenue resource limit and total capital resource limit for 2023/24 and certain additional expenditure controls to which NHS England must adhere. These stem from budgetary controls that HM Treasury applies to DHSC.

	2023/24 RDEL Non ringfenced £000	2023/24 RDEL Ringfenced £000	2023/24 Total RDEL £000	2023/24 Annually managed expenditure £000	2023/24 Technical £000	2023/24 [245]Total £000	2022/23 Total £000
Mandate limit	175,017,000	393,000	175,410,000	150,000	200,000	**175,760,000**	159,259,000
Actual expenditure[245]	173,761,506	349,065	174,110,571	(80,094)	190,186	**174,220,663**	157,364,398
Surplus	**1,255,494**	**43,935**	**1,299,429**	**230,094**	**9,814**	**1,539,337**	**1,894,602**

	2023/24 Capital departmental expenditure limit £000	2023/24 Capital annually managed expenditure £000	2023/24 Total £000	Capital resource limit[183] £000
Limit	439,000	13,000	452,000	330,400
Actual expenditure[245]	385,653	1,141	386,794	275,683
Surplus	**53,347**	**11,859**	**65,206**	**54,717**

NHS England is required to spend no more than £2,127,000k of its Revenue Departmental Expenditure Limit mandate on matters relating to administration.

The actual amount spent on RDEL administration matters to 31st March 2024 was £1,891,922k as set out below:

Administration limit:	2023/24 £000	2022/23 £000
Net administration costs before interest	1,926,063	1,841,028
Less:		
Administration expenditure covered by AME/Technical funding	(34,141)	(9,403)
Administration costs relating to RDEL	1,891,922	1,831,625
RDEL Administration expenditure limit	2,127,000	2,011,000
Underspend	**235,078**	**179,375**

[245] In 2022/23, amounts relating to dilapidation provisions on leases within the DHSC group (£1,795k) were charged to the Technical budget rather than to capital annually managed expenditure as directed by DHSC. Total net expenditure excluding this amount is shown in Note 18.

The various limits of expenditure set out in the table above stem from the limits imposed by HM Treasury on the Department of Health and Social Care. Departmental Expenditure Limits are set in the Spending Review, and government departments may not exceed the limits they have been set. This control is passed down to NHS England by the Department of Health and Social Care and NHS England may not therefore exceed its Departmental Expenditure Limit.

Annually Managed Expenditure is subject to budgets set by HM Treasury. Departments must manage AME closely and inform HM Treasury if they expect AME to rise above forecast. Any increase requires HM Treasury approval.

22. Entities within the consolidated group

NHS England acts as the Parent of the group comprising 42 ICBs compared to 106 CCGs for 3 months (April 2022 to June 2022) plus 42 ICBs for 9 months (July 2022 to March 2023) in 2022/23 whose accounts are consolidated within these Financial Statements.

A full list of the ICBs can be found on the NHS England website.

NHS England acts as the Parent of SCCL whose accounts are consolidated within these financial statements. Copies of their accounts can be found on their website https://www.supplychain.nhs.uk/sccl/

The parent entity of NHS England is the Department of Health and Social Care.

The largest group of entities for which group accounts are drawn up and of which NHS England is a member is the Department of Health and Social Care Group.

Copies of the accounts can be obtained from the website.[246]

[246] www.gov.uk/government/publications

Appendices

Appendix 1: How we delivered against the government's mandate to the NHS

The government's 2023 mandate[247] to NHS England sets out the organisation's strategic direction and describes the healthcare priorities and the contribution NHS England is expected to make within its allocated budget and helps to ensure that the NHS is accountable to both Parliament and the public.

The government's 2023 mandate sets out three priorities: cut NHS waiting lists and recover performance; support the workforce through training, retention and modernising the way staff work; and deliver recovery using data and technology. The mandate also sets an additional objective to continue work to deliver the NHS Long Term Plan, to transform services and improve outcomes. This assessment of delivery against the 2023 mandate captures our broad assurance of performance using data between April 2023 to March 2024. This follows assessments by policy teams at NHS England and the DHSC.

Priority 1: Cut NHS waiting lists and recover performance

This objective's purpose is to ensure that the NHS can recover services for patients. We know that current waiting times are unacceptable, and that performance is not good enough. Our ambition is to go further and pull out all the stops to improve services for our patients.

Despite the challenges, the NHS has made progress to reduce the number of people waiting the longest time for elective care, assisted by NHS activity levels rising to 110.5% of pre-pandemic levels by March 2024. The number of patients waiting more than 52 weeks for treatment reduced to around 310,000 in March 2024, from over 370,000 in April 2023 and the proportion waiting over six weeks for diagnostic tests decreased from 27.6% in April 2023 to 21.8% in March 2024. By the end of March 2024 160 Community Diagnostic Centres were operational and had cumulatively delivered 8m tests since July 2021.

Cancer survival is at an all-time high, with one-year survival rates at 74.6% and five-year survival rates at over 55.7%. The Faster Diagnosis Standard was exceeded by 2.3% in March 2024, and cancer patients rated their overall experience as 8.89 out of 10 in the 2023 Cancer Patient Experience Survey.

There has been high growth in demand for hospital services, including a 6.7% increase in emergency admissions, 11% increase in same day admissions and 4.4% increase for overnight admissions compared to 2022/23. Despite these pressures, 4-hour A&E performance was 74.3% in March 2024. Whilst this did not meet the ambition of 76%, it was an improvement against 71.5% in March 2023. The 2023/24 average ambulance category 2 response time was 36 minutes and 22 seconds. Whilst this did not meet the ambition of an average of 30 minutes,

[247] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1163067/government-2023-mandate-to-nhs-england.pdf#:~:text=The%20government%20is%20supporting%20the%20NHS%20with%20record,budget%20to%20%C2%A3165.9%20billion%20in%202024%20to%202025.

it was over 13 minutes faster than 2022/23. Discharge delays were reduced due to a combination of increased intermediate care capacity, the publication of the intermediate care framework and community rehabilitation and reablement model, as well as improved discharge processes. As a result, an average of 500 fewer patients per day spent the night in hospital. Capacity has increased – the permanent inpatient bed base expanded by over 5,000 by January 2024 and virtual wards were scaled up, with 11,856 beds available by March 2024.

NHS England introduced a range of other initiatives to achieve improvements in elective and non-elective care, including 400,000 long-waiting patients being offered the opportunity to request a change of provider, provision of better information on patient choice and waiting times, and ensuring Crisis Mental Health services are now available via NHS 111. Despite demand increasing, over 50% of GP appointments were seen on the same or next day and over 83.3% of appointments were provided within two weeks of contact. The launch of the Pharmacy First initiative has made it easier for patients to access treatment for common conditions and has expanded access to blood pressure and contraception services.

Priority 2: Support the workforce through training, retention and modernising

Additional funding for the Long Term Workforce Plan begins in 2025/26, but in advance of that, progress can already be seen in an improvement in retention and staff engagement rates through 2023/24.

NHS England has begun work with UCAS to expand clinical training places and has broadened the scope and reach of NHS recruitment campaigns. Work has been targeted at modernising curricula and career pathways and improving learner experience. This has included research to establish which factors contribute to effective practice-based learning, the launch of the Allied Health Profession Preceptorship document and the Safer Learning Environment Charter for maternity services.

Work to expand and reform medical training is under way. The initial years of medical school expansion secured an increase in places for 2023/24 ahead of trajectory, and a pilot medical doctor degree apprenticeship was developed and will start in Autumn 2024. NHS England continues to support the Enhancing Doctors' Working Lives programme, which was established to enhance flexibility and address concerns raised by doctors in training.

Priority 3: Deliver recovery through the use of data and technology

NHS England has continued to make progress in utilising data and technology to enhance NHS services. The aim of having Electronic Patient Records in 90% of Trusts was met in December 2023, reducing reliance on paper, and significantly improving both clinical safety and performance. The aim of registering 75% of the adult population with the NHS App was met, and the range of features available via the App has continued to grow. As of March 2024, 6 million secondary care appointments, on average, are managed via the App each month. 84% of GP practices now give patients sight of new information added to their GP health record ("prospective record access") via the App and, since January 2024, patients in England can view their prescription details and order repeat prescriptions via the App.

NHS England has supported the procurement of a Federated Data Platform and Privacy Enhancing Technology, which went live in March 2024. An ICS system-wide dashboard went live in 40 ICSs, which combines data feeds to and from frontline providers to give real-time management of capacity and performance across acute, community, and mental health providers. 56% of NHS trusts in England are piloting at least one or more Artificial Intelligence technology products, impacting over 1 million patients across health and care pathways.

Continue work to deliver the NHS Long Term Plan to transform services and improve outcomes

NHS England has continued to prioritise the transformation of our services and improve outcomes. This includes delivering 9.5 million personalised care interventions – well beyond the target of 5 million. The number of 2-hour referrals to Urgent Community Response teams increased by 36% over 2023/24, with 84% of people on average receiving a response within 2 hours.

During the first year of the three-year delivery plan for maternity and neonatal services (running from 2023-2026), progress has been made with a record number of full-time equivalent midwives in post, at 25,071 in March 2024. Maternal Mental Health Services were established in 39 ICBs, with the rest in development and the Maternity Safety Support Programme review was completed and its recommendations implemented.

Children and Young People's services are being transformed through initiatives such as launching the pilot of family support workers in urgent care and expanding the pilot for paediatricians working within 111.

A national investment of £121 million in 2023/24 has supported the delivery of services for people with a learning disability and autistic people. By March 2024, 78% of eligible people on a GP learning disability register received an annual health check and 75% had an accompanying health action plan. Keyworker services for autistic children and young people at risk of admission or admitted in a mental health hospital are now operational in all ICBs. NHS England continued to support implementation of the national framework for autism assessment pathways and to understand the impact of demand and capacity pressures across the all-age autism assessment pathway. Despite this, the number of people receiving a first contact appointment within 13 weeks has reduced, in part due to the demand for Autism Assessments growing significantly.

There was an increase in children and young people accessing mental health services – reaching 94% of the target set out in the NHS Long Term Plan, an increase in access to adult community mental health teams – reaching 115% of the NHS Long Term Plan target, and an increase in adults accessing talking therapies – reaching 66% of the NHS Long Term Plan target. Where targets are not being met, NHS England has clear improvement plans in place, including focusing on expanding and retaining the mental health workforce.

Progress was made in secondary prevention. Over 1.6 million referrals were made into the NHS Diabetes Prevention Programme, with those who complete the programme reducing their risk of developing type 2 diabetes by 37%. Over 25,000 referrals were made to the Type 2 Diabetes Path to Remission Programme, with around 50% of participants putting their Type 2 diabetes into remission. On healthcare inequalities, the National Healthcare Inequalities Improvement Programme has continued to develop at pace. Seven Core20PLUS Accelerator sites – one per region – have been launched, deploying improvement methodologies to test innovative approaches that address inequalities locally. Six pilot sickle cell disease A&E bypass wards have also been established in high-prevalence areas.

Appendix 2: Meeting our Public Sector Equality Duty

In May 2023, NHS England's Board approved and published[248] NHS England's equality objectives and targets for 2023/24 and for 2024/25. Progress against these equality objectives and targets was reviewed during 2023/24 and in May 2024, NHS England's Board considered a paper[249] recommending the approval and publication of a review report for 2023/24. The Board also approved updated equality objectives and targets for 2024/25 and 2025/26.[250]

In developing our equality objectives and targets, we are required to focus on the Equality Act 2010's nine protected characteristics[251] where there is evidence of a need to take strategic action to address discrimination or other matters that are unlawful under the 2010 Act, advance equality of opportunity or there is a need to foster good relations. The 2023/24 review report demonstrates how NHS England continued to meet our statutory requirements under the Equality Act 2010's Public Sector Equality Duty[252] (PSED) and the associated Specific Equality Duties[253] (SEDs). Central to these statutory requirements is the duty to publish equality information annually. The report demonstrates the breadth and depth of the work undertaken by NHS England in furtherance of the PSED and the SEDs.

The full 2023/24 review report is available on NHS England's website.[254] It provides a range of key equality information, as of March 2024, as required by the SEDs and informed the revision of our equality objectives and targets for 2024/25 and 2025/26.

Part 1 of this report explains the ongoing changing context within which the new NHS England is now functioning and what reporting, required by the SEDs, is covered by this report.

Part 2 provides a summary assessment of our performance against our eight equality objectives and the associated targets set for 2023/24. It also explains whether or not the targets sets for 2024/25 will be amended and whether they will be rolled over to 2025/26.

Part 3 provides further information on work undertaken by NHS England during 2023/24. It also provides an update on issues identified for future consideration[255] in the future objectives report published in May 2023. This included explaining how during 2023/24 NHS England took positive steps to address issues and questions raised by the Women and Equalities Select Committee and the Equality and Human Rights Committee[256] in relation to Black maternal health, learning disability and autism, mental health, and low paid ethnic minority staff.

[248] https://www.england.nhs.uk/long-read/nhs-england-equality-objectives-programme-the-future-objectives-report-developing-equality-objectives-and-targets-for-2023-24-and-2024-25/
[249] https://www.england.nhs.uk/long-read/specific-equality-duties-review-report-as-at-31-march-2024/
[250] https://www.england.nhs.uk/about/equality/objectives-24-25-and-25-26/
[251] https://www.equalityhumanrights.com/equality/equality-act-2010/protected-characteristics
[252] https://www.legislation.gov.uk/ukpga/2010/15/section/149
[253] https://www.legislation.gov.uk/uksi/2017/353/contents
[254] https://www.england.nhs.uk/long-read/review-of-progress-23-24-delivering-the-equality-objectives-and-meeting-the-wider-equality-requirements/
[255] https://www.england.nhs.uk/long-read/nhs-england-equality-objectives-programme-the-future-objectives-report-developing-equality-objectives-and-targets-for-2023-24-and-2024-25/#4-moving-forward-our-approach
[256] https://www.equalityhumanrights.com/about-us/our-strategy/our-business-plan/business-plan-2023-2024#upholding-rights-and-equality-in-health-and-social-care

Part 4[257] explains that the Board was asked to approve the equality objectives and proposed targets for 2024/25 and 2025/26.

Appendix A[258] sets out NHS England's equality objectives and updated targets for 2024/25 and 2025/26. For ease of access, these objectives and targets are also provided here.[259]

[257] https://www.england.nhs.uk/long-read/review-of-progress-23-24-delivering-the-equality-objectives-and-meeting-the-wider-equality-requirements/#4-developing-the-next-round-of-equality-objectives-and-targets
[258] https://www.england.nhs.uk/long-read/review-of-progress-23-24-delivering-the-equality-objectives-and-meeting-the-wider-equality-requirements/#appendix-a-nhs-england-s-equality-objectives-and-updated-targets-for-2024-25-and-2025-26
[259] https://www.england.nhs.uk/about/equality/objectives-24-25-and-25-26/

Appendix 3: Reducing health inequalities

NHS England has continued to work towards delivering its statutory, governance and operational support responsibilities for health inequalities throughout the period. We have achieved this by setting a clear direction, creating a culture of continuous quality improvement, and developing frameworks for accountability. Work to reduce healthcare inequalities in 2023/24 had particular focus on system efforts to narrow the gap in healthcare access, experience, and outcomes, and to strengthen accountability and capability to act on inequalities.

Our strategic approach to reducing healthcare inequalities

There is an urgent need to prevent and manage ill health, particularly in groups that experience the worst outcomes. In 2023/24, we worked with ICSs to focus on five priority areas for tackling healthcare inequalities:

Priority 1: Restore NHS services inclusively

Following the publication of the Delivery Plan for Recovering UEC Services[260], we achieved 65% coverage of High Intensity Use services (proportion of A&Es with access to a high intensity use scheme), aiming to improve wait times and patient experience for all. At ICS level, 37 of the 42 ICSs' have at least partial coverage (some localities within the ICS having access).

We published a framework for NHS action on inclusion health[261] to drive increased focus on securing good access to, and experiences of, healthcare among socially excluded groups experiencing multiple disadvantages. The framework was developed in collaboration with the Office for Health Improvement and Disparities and the UK Health Security Agency. It was also informed by the engagement of people with lived experience and Voluntary Community Faith and Social Enterprise organisations. A plan is in place to support the delivery of actions set in the framework at ICS and place level.

Priority 2: Mitigate against digital exclusion

We published Inclusive Digital Healthcare: a Framework for NHS action on digital inclusion[262] in September 2023, setting out five domains for actions to help ensure that the spread of digital health is inclusive, and complementary to non-digital services and support. We have hosted several webinars in early 2024 to socialise the framework.

Priority 3: Ensure datasets are complete and timely

The Healthcare Inequalities Improvement Dashboard[263] was upgraded to version 2.1 in July 2023. Developments include new hospital activity indicators with breakdowns by inequality variables to inform action on inclusive recovery of services and methodological improvements, including calculation of age standardised rates and display of confidence intervals on charts.

[260] https://www.england.nhs.uk/long-read/delivery-plan-for-recovering-urgent-and-emergency-care-services-january-2023/
[261] https://www.england.nhs.uk/long-read/a-national-framework-for-nhs-action-on-inclusion-health/
[262] https://www.england.nhs.uk/long-read/inclusive-digital-healthcare-a-framework-for-nhs-action-on-digital-inclusion/
[263] https://www.england.nhs.uk/about/equality/equality-hub/national-healthcare-inequalities-improvement-programme/data-and-insight/hi-improvement-dashboard/

Priority 4: Accelerate preventative programmes that proactively engage those at greatest risk of poor health outcomes

We made significant progress in developing a new Core20PLUS5 Handbook which will brings together best evidence and practice examples to support successful delivery of Core20PLUS5 interventions for underserved groups. Reference was made to NHS England's handbook development in the Government's Major Conditions Strategy strategic framework published in May 2023.

We have undertaken a whole system, end-to-end clinical pathway review, to improve the quality of care for people living with Sickle Cell Disorder (SCD). This covered screening, routine management of SCD and management of crises presentation in A&E, resulting in significant new NHS England investment to improve access to urgent care, experience, and outcomes for people with Sickle Cell Disorder (PwSCD). Furthermore, funding was secured for sickle cell blood group genotyping and work to initiate this intervention to reduce adverse reaction to blood transfusions in PwSCD commenced. In addition, funding was agreed to deliver several sickle cell disease hyperacute unit pilots in high prevalence metropolitan areas. The first site in Manchester went live in February 2024.[264]

Priority 5: Strengthen leadership and accountability

NHS England's Statement on Information on Health Inequalities[265] was published, in support of our duties under section 13SA of the NHS Act 2006 (as amended). The statement sets out a description of the powers available to ICBs, trusts and foundation trusts to collect, analyse and publish information on health inequalities.

We have also developed and deployed a range of interventions including a multiyear strategic partnership with the Royal Society of Medicine for a healthcare inequalities education programme; continued work with the Healthcare Financial Management Association to develop an ICB finance toolkit for health inequalities[266] which includes a series of policy briefings and four e-learning modules; in partnership with NHS Horizons, we developed and delivered a School for Change Agents[267] programme with a focus on tackling healthcare inequalities with 2,261 people signed up to participate; in partnership with the Health Foundation and Q Community we co-designed and delivered an Improving Equitably programme[268]; in response to the Chief Medical Officer's Coastal Health Report 2021.

More broadly, we continue to provide strategic direction for the system by influencing action on healthcare inequalities and collaborating with partners. For example, we contributed to the development of the DHSC policy paper Major Conditions Strategy: case for change and our strategic framework by providing evidence, through engagement with systems.

[264] https://www.bbc.co.uk/news/uk-england-manchester-68445192
[265] https://www.england.nhs.uk/long-read/nhs-englands-statement-on-information-on-health-inequalities-duty/
[266] https://www.hfma.org.uk/news-and-policy/policy-and-research-projects/addressing-health-inequalities#:~:text=Health%20inequalities%20are%20unfair%20and%20avoidable%20differences%20in,their%20organisations%20and%20systems%20to%20reduce%20health%20inequalities.
[267] https://horizonsnhs.com/school/
[268] https://nhsproviders.org/development-offer/improvement/provider-collaboratives-improving-equitably

Framework for action – Core20PLUS5 approach

Core20PLUS5[269] remains our approach to supporting reductions in healthcare inequalities at both national and system level. This year we have successfully recruited more than 250 additional Core20PLUS Ambassadors - people working in the NHS, partner organisations and voluntary sector - to promote the reduction of health inequalities for all, particularly groups who are more likely to experience healthcare inequalities, such as communities living in deprived areas. We also recruited 44 Healthcare Financial Management Association[270] (HFMA) health inequalities finance fellows as part of this cohort.

Our collaboration with the Institute for Healthcare Improvement has seen seven Core20PLUSAccelerator sites supported to build quality improvement capability at the same time as advancing action across the priority clinical areas and population groups represented within the Core20PLUS5 approach.

Our Core20PLUS Connectors programme has 30 Connector sites across the seven NHS regions, 543 connectors have been recruited to the end of March 2024, working with 70 delivery partner organisations from local voluntary, community, faith, and social enterprise organisations, and local Healthwatch partners to influence and engage local people on how to overcome barriers to accessing services.

Through the programme's collaboration with partners and national clinical programme teams we have agreed a set of metrics and indicators within a health inequalities monitoring framework. In addition, a sub-set of these health inequalities indicators has been proposed for inclusion in the NHS Oversight Framework. The new indicators provide a measurement framework to monitor progress and impact of health inequalities improvement activities across the NHS.

[269] https://www.england.nhs.uk/about/equality/equality-hub/national-healthcare-inequalities-improvement-programme/core20plus5/
[270] https://www.hfma.org.uk/

Appendix 4: Working in partnership with people and communities

In 2023/24, we focused on reviewing how the new NHS England involves people and communities in our work.

The Board asked the People and Communities division to develop a new Participation Policy, based on learning from different approaches taken by the three legacy organisations. A review found that each organisation's approach had its strengths:

- Health Education England's People's Advisory Forum fostered meaningful dialogue within its governance structure, ensuring community voices guided decision-making
- NHS England's robust support package for Patient and Public Voice (PPV) Partners promoted inclusivity through training, support sessions, and coaching
- NHS Digital's user-centred approach ensured that engagement is integrated into project management practices.

The revised policy will support our legal duty to involve the public (section 13Q of the NHS Act 2006 (as amended)).

In order to discharge its legal duty to involve the public, NHS England has an assurance process in place for its commissioning decisions that affect the recipients of NHS services, including their carers and representatives. National and regional reporting on public involvement provides assurance that NHS England has met its legal duty during the reporting period.

We worked with ICBs to build a network of engagement professionals which supported them to embed the 2022 statutory guidance and share effective practice. Network sessions included sharing insight across systems, evaluating impact, and using AI in engagement and insight.

Maximising the impact of NHS volunteers and the VCSE sector

In July 2023, the NHS Volunteering taskforce published its report highlighting untapped volunteering potential and a desire to increase activity. The report had recommendations for NHS England that focused on developing volunteering infrastructure, improving data capture, and reducing barriers. To meet the recommendations, we:

- Invested in the development of a recruitment portal[271] for volunteering opportunities
- Invested £10 million in a national grant programme, in partnership with NHS Charities Together and CW+[272], to develop system level volunteering infrastructure
- Continued delivery of the Volunteer to Career programme[273], in partnership with Helpforce, supporting routes into careers, particularly clinical workforce pathways
- Moved the NHS Volunteer Responders Programme from a COVID-19 response to a flexible model, with its 42,000 volunteers available to the NHS at times of need.
- Maintained support for ambulance trusts through an extension to the National Ambulance Auxiliary service[274] with 57,000 hours of additional capacity provided.

[271] https://volunteering.england.nhs.uk
[272] https://www.cwplus.org.uk/
[273] https://helpforce.community/back-to-health/volunteer-to-career-programme
[274] https://www.sja.org.uk/press-centre/press-releases/st-john-commissioned-as-the-nations-ambulance-auxiliary/

Chaplaincy and spiritual support

Following engagement, NHS England published new Chaplaincy Guidelines[275] in August 2023, providing a best practice guide for those managing healthcare chaplaincy services in NHS providers, to support chaplaincy services to meet equality obligations.

Supporting Primary Care Networks to work with people and communities

We built on the previous years' work to trial various engagement approaches through our test and learn sites. We shared learning from those sites to build capacity and confidence around using community-centred approaches, understanding health creation at a place-based level and the training needs of new community teams.

Work with young people

NHS Cadets[276], in partnership with St John Ambulance, recruits young people from deprived communities and under-represented groups. The Cadets develop their first aid, mental health, leadership, and communication skills with the view to considering a career in health and care. To date more than 5,000 14- to 18-year-olds have enrolled as NHS Cadets, including 1730 in 2023/24 when 80% were from deprived or under-represented groups.

The Young People's Health Challenge is designed to inspire 7- to 14-year-olds from deprived communities and underrepresented groups to find out more about the NHS, raise health literacy, and create aspirations to work or volunteer in the NHS. It also provides opportunities for NHS organisations to include youth voices. We developed three toolkits aimed at different levels of ability offering over 60 challenges. The toolkit is now offered across the systems for use by NHS organisations and their partners.

Working in partnership with carers

Work has continued over the past year on our Commitment to Carers[277], including formalising and improving carer data collection and coding, which is essential to understand of the needs of carers and provide greater levels of support. The biannual System Maturity Matrix assessment continued to provide insight; and showed a positive development journey and opportunities to share learning. This gave a clear view of progress on the Commitment to Carers commitments made in the NHS Long Term Plan.

New duties provided in the Health and Care Act 2022 include involving carers. The VCSE Health and Wellbeing Alliance supported the involvement of carers in the development of ICS strategies, work on carers and virtual wards, and contingency planning for carers. The Health & Wellbeing Alliance Carers partnership is pulling together a directory of materials, case studies and best practice examples to provide "off the shelf" knowledge and learning for systems at different stages on their development journey with addressing the recognition and support needs of unpaid carers.

[275] https://www.england.nhs.uk/publication/nhs-chaplaincy-guidelines-for-nhs-managers-on-pastoral-spiritual-and-religious-care/
[276] https://www.sja.org.uk/get-involved/young-people/nhs-cadets/
[277] https://www.england.nhs.uk/commitment-to-carers/

Our Mind the Gap projects have improved carers from deprived communities and under-represented groups access services. We funded the Junction Foundation & Carers Together Foundation and NHS North Tyneside ICB to produce a Transitions Passport to help young adult carers to access services, in recognition that 87% of young carers are not properly supported into adulthood (Carers' Society, 2021).

Listening to what matters most to unpaid carers is strengthened by an annual conference that is hosted by different regions to highlight best practice and share learning. The conference this year was held in Bristol in our South-west region and the next conference will be in the North West.

NHS England is developing the best ways to use the NHS App to give unpaid carers proxy access (with consent) to medical records, test results and online prescriptions and helping unpaid carers manage their own mental and physical health through digital therapeutics.

The Unpaid Carers Ministerial Roundtable held in 2023 was a useful opportunity to identify areas of common interest and establish new links across government examples being; links to the new digital resource developed by the Department for Work and Pensions; aligning our regional leadership with the Department for Education pilot programmes which include young carers and the Outcomes, Care Leavers and Capital team delivering the Schools Census.

Networks and forums

Across the organisation, we run a wide range of forums, advisory groups and sounding boards, involving people from different communities and health interests. These include the NHS Youth Forum, the Older People's Sounding Board, the LGB Sounding Board and the Adult Mental Health Advisory Network.

A key forum is the NHS Citizen Advisory Group, which brings together patient and PPV Partners from across various NHS England forums. It champions appropriate, effective, and meaningful engagement, including identifying good practice and opportunities for improvement. This year it worked with NHS England on its equality duties, the NHS Long Term Plan, the revised Participation Policy; and engagement within mental health programmes.

Learning Disability and Autism Advisory Group and Forum

The Learning Disability and Autism Advisory Group advises on changes which affect autistic people and people with a learning disability. It provides insight and feedback to our teams and works to co-produce policy guidance and service improvements. In 2023/24 the group advised on areas including the Reasonable Adjustment Digital Flag, the National Framework and Operational Guidance for autism assessment services and improving the quality of inpatient mental health care and crisis support in the community.

Through the Learning Disability and Autism Forum, we shared key national campaign information in more accessible language to widen reach, help raise awareness, explain complex messages, and help improve services. We used social media, monthly update email bulletins and a newsletter. For example, we gained valuable insight and feedback from sharing a survey

around medication, the findings have been used to make improvements for people, their families, and carers.

Appendix 5: Sustainability

Scope

All reporting in this section covers NHS England and CSUs. Reflecting the merger of NHS England, NHS Digital and Health Education England, all historical figures have been restated to include the information from all legacy organisations.

Each trust and ICS have their own Green Plan and will report their sustainability performance separately. Sustainability across the wider NHS continues to be led by the Greener NHS.[278]

Summary

This report summarises our progress against the Greening Government Commitments (GGCs)[279] and the NHS ambition to be net-zero by 2040.

We continued to maintain a significant reduction in greenhouse gas emissions compared with the 2017/18 baseline year. We are currently 81% below baseline, against a target of 44% by 2025.

A decrease in the size of the reportable estate over the last 12 months has resulted in lower gas, electricity, and water consumption, as well as a reduction in the amount of waste generated.

We remained below the annual targets we set for business travel emissions during the reporting period. However, as we increase the amount of face-to-face working across the organisation, the rate at which business travel is increasing will be monitored closely to assess the environmental impact.

We have also made progress with reducing paper consumption and increasing the proportion of zero-emissions fleet vehicles. Areas for improvement include the recycling rate, which is below target, and the removal of Consumer Single Use Plastics (CSUP) from our estate. The number of CSUP items increased this year as staff spent more time working on-site in our offices. We will continue working with suppliers to remove CSUP items and replace them with sustainable alternatives.

Reporting for multi-occupancy buildings

We are reporting on the proportion of the NHS PS buildings occupied by NHS England and CSUs. Approximately 45% of our estate is included in this reporting. Where we are a tenant of a government department, energy, waste, and water information will be reported in their respective annual reports and published on their websites.

[278] https://www.england.nhs.uk/greenernhs/
[279] https://www.gov.uk/government/publications/greening-government-commitments-2021-to-2025

Provision of data

The process of merging historical data highlighted some gaps in data provision across the legacy organisations. Wherever possible, we have used available data to make informed estimates based on averages per WTE. We estimated the proportion of the former Health Education England estate that is reportable by using the average of the proportion of the NHS England and NHS Digital reportable estate. We have highlighted where relevant if it hasn't been possible to provide meaningful estimates.

It has also been necessary to estimate data where there have been gaps in the information provided. This includes:

- Missing energy, water, and waste information for some of the estate. Gaps have been estimated based on averages per Net Internal Area.
- Paper data was available for part of the year. We used the average amount of paper printed per WTE to estimate the total figure for the whole year for NHS England. This average was also used to estimate paper usage for CSUs when actual figures were not available.
- CSUP is estimated for the CSUs using the average per WTE for NHS England.

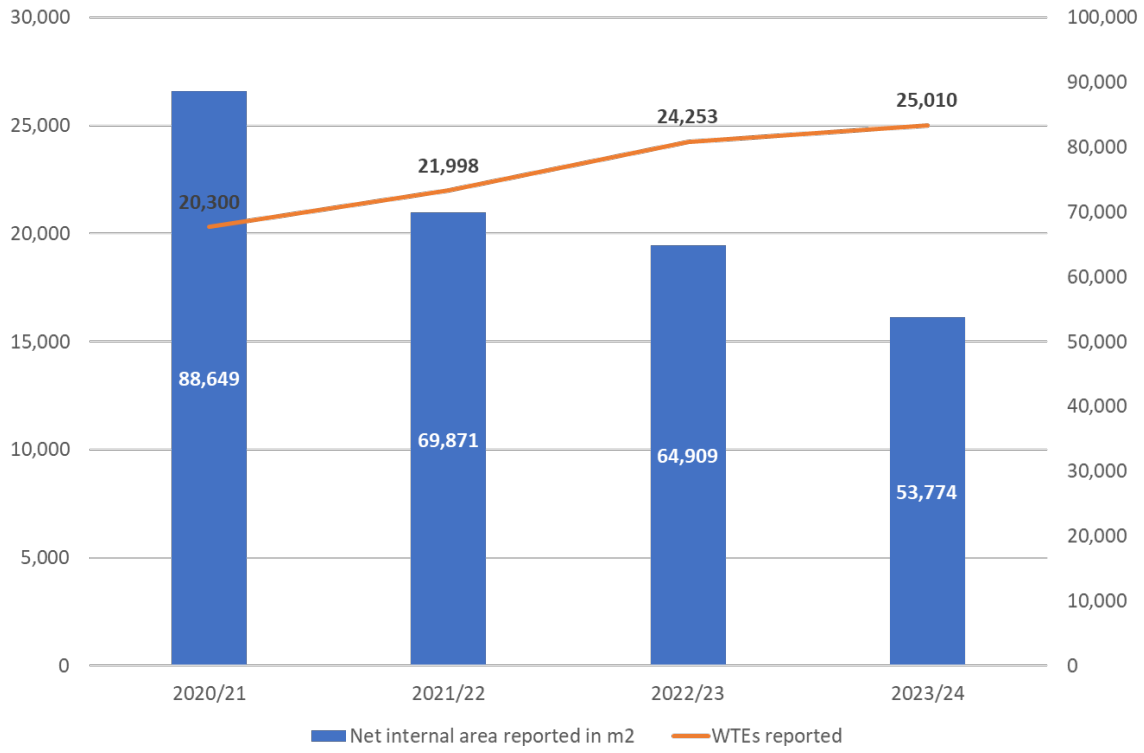
We continue to work with suppliers to improve the provision of data and data quality.

Mitigating climate change: working towards net zero by 2040

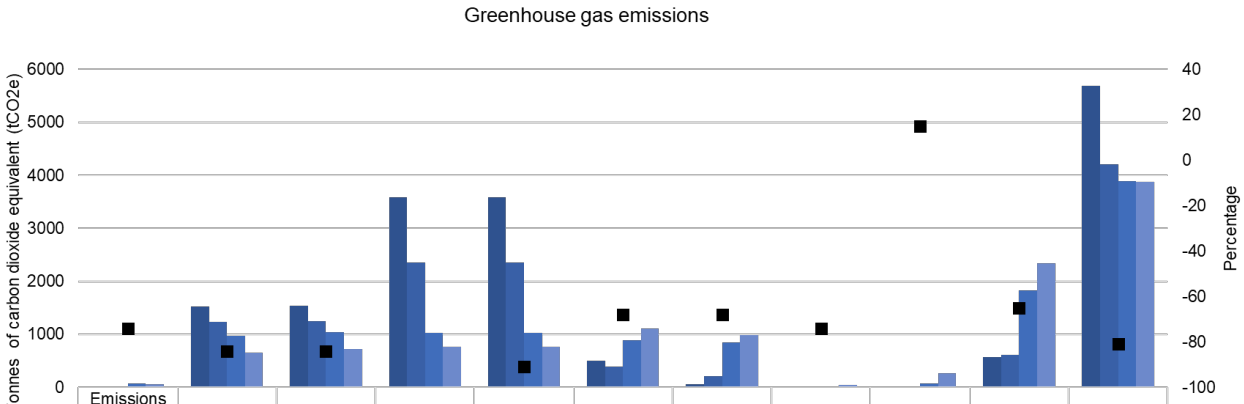
2021-25 GGCs headline target: Reduce the overall greenhouse gas emissions from a 2017/18 baseline and reduce direct greenhouse gas emissions from the estate and operations from a 2017/18 baseline.

2021-25 GGC sub targets: Reduce the emissions from domestic business flights by at least 30% from a 2017/18 baseline and report the distance travelled by international business flights.

Contextual information



Greenhouse gas emissions[280]



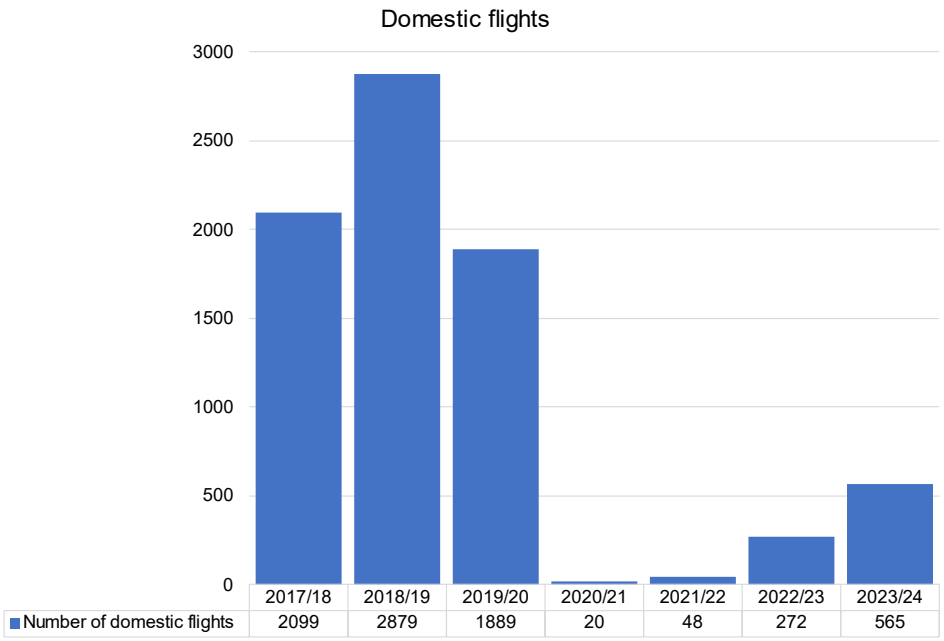
	Emissions from organisation-owned fleet vehicles (tCO2e)	Gas (tCO2e)	Total Scope 1 (tCO2e)	Electricity	Total Scope 2 (tCO2e)	Road travel	Rail Travel	Domestic air travel	International air travel	Total Scope 3 (tCO2e)	Total (tCO2e)
2020/21	15	1526	1541	3581	3581	497	63	1	2	563	5685
2021/22	16	1235	1251	2348	2348	384	216	3	2	605	4204
2022/23	67	968	1035	1020	1020	885	852	20	75	1832	3887
2023/24	57	658	715	762	762	1110	985	42	261	2339	3875
Change from baseline (%)	-74	-84	-84		-91	-68	-68	-74	15	-65	-81

Related use and cost

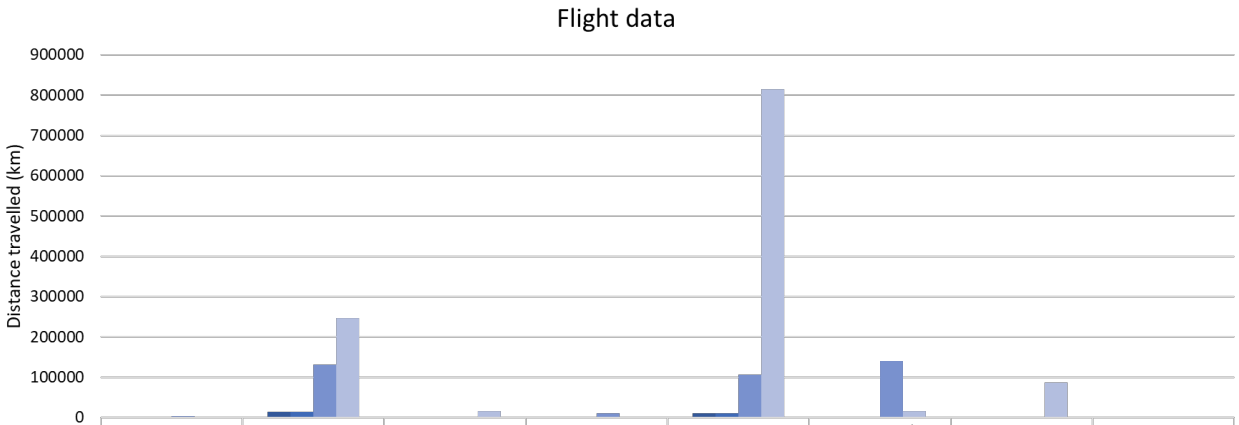
			2020/21	2021/22	2022/23	2023/24	Change from baseline
Scope 1 Related use	Km	Scope 1 business travel	91,683	99,511	414,563	699,6387	-70%
	kWh	Gas	8,301,776	6,740,320	5,302,724	3,608,234	-84%
	Cost	Scope 1 business travel	£20,845	£28,565	£145,519	£217,832	-41%
		Gas	£258,571	£298,604	£240,222	£310,546	-61%
Scope 2 Related use	kWh	Electricity	15,362,269	11,060,753	5,273,549	3,677,260	-85%
	Cost	Electricity	£1,684,276	£1,355,197	£824,398	£1,214,235	-53%
Scope 3 Related use	Km	Road travel	3,130,966	2,475,394	6,192,563	7,051,640	-79%
		Rail Travel	1,691,918	6,086,335	24,026,363	27,755,479	-56%
		Domestic air travel	12,747	24,686	159,839	261,643	-77%
		International air travel	29,561	26,281	630,709	1,184,953	-48%
		Total km (scope 1 and 3)	5,231,924	9,010,740	32,667,726	39,051,263	-64%
Cost		Road travel	£903,424	£789,775	£1,881,592	£2,287,977	-62%
		Rail Travel	£469,357	£1,758,169	£7,240,927	£8,551,756	-48%
		Domestic air travel	£2,332	£5,785	£39,448	£63,459	-74%
		International air travel	£3,243	£3,643	£45,395	£116,600	-49%
		Total cost of business travel (scope 1& 3)	**£1,461,736**	**£2,671,632**	**£9,789,438**	**£11,891,120**	**-51%**
		Total cost of related use (all scopes)	**£3,342,048**	**£4,239,738**	**£10,417,501**	**£12,762,405**	**-52%**

[280] Figures have been rounded to the nearest whole number.

Air travel[281]



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number of domestic flights	2099	2879	1889	20	48	272	565



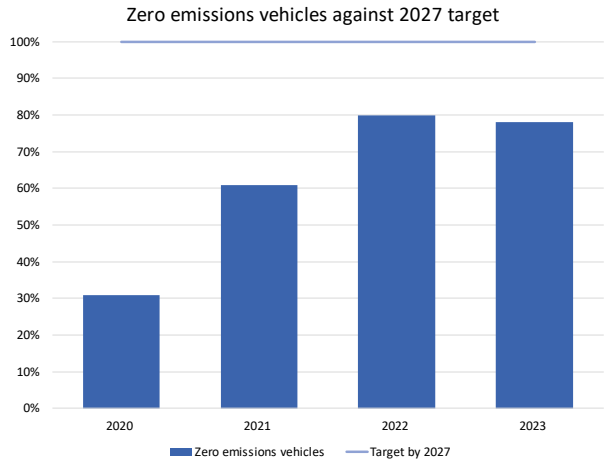
	Short Haul International Unknown	Short Haul International Economy	Short Haul International Business	Long Haul International Average	Long Haul International Economy	Long Haul International Premium Economy	Long Haul International Business	Long Haul International First
2020/21	0	13,647	0	0	10,168	0	0	0
2021/22	0	13,402	0	0	10,535	0	0	0
2022/23	4,218	130,877	0	11,210	106,345	139,615	0	0
2023/24	1,674	247,336	16,274	0	815,327	16,792	87,551	0

All flights have been categorised as short-haul or long-haul international flights.
We have not accounted for flights departing from and arriving to international destinations separately. Work is ongoing to reduce the number of both domestic and international flights.

[281] The flight data for Health Education England has been estimated based on average per WTE.

Car fleet

2021-25 GGC sub target: Meet the government fleet commitment that 100% of the government car and van fleet will be fully zero emission at the tailpipe by 31 December 2027. This commitment covers vehicles which are leased by employees through the employer's salary sacrifice scheme.



We exceeded the 2022 target to ensure that at least 25% of the fleet was ultra-low emissions vehicles (ULEV)[282] and by the end of December 2022, 92% of vehicles were ULEV. On 31 December 2023, 93% of fleet vehicles were ULEV.

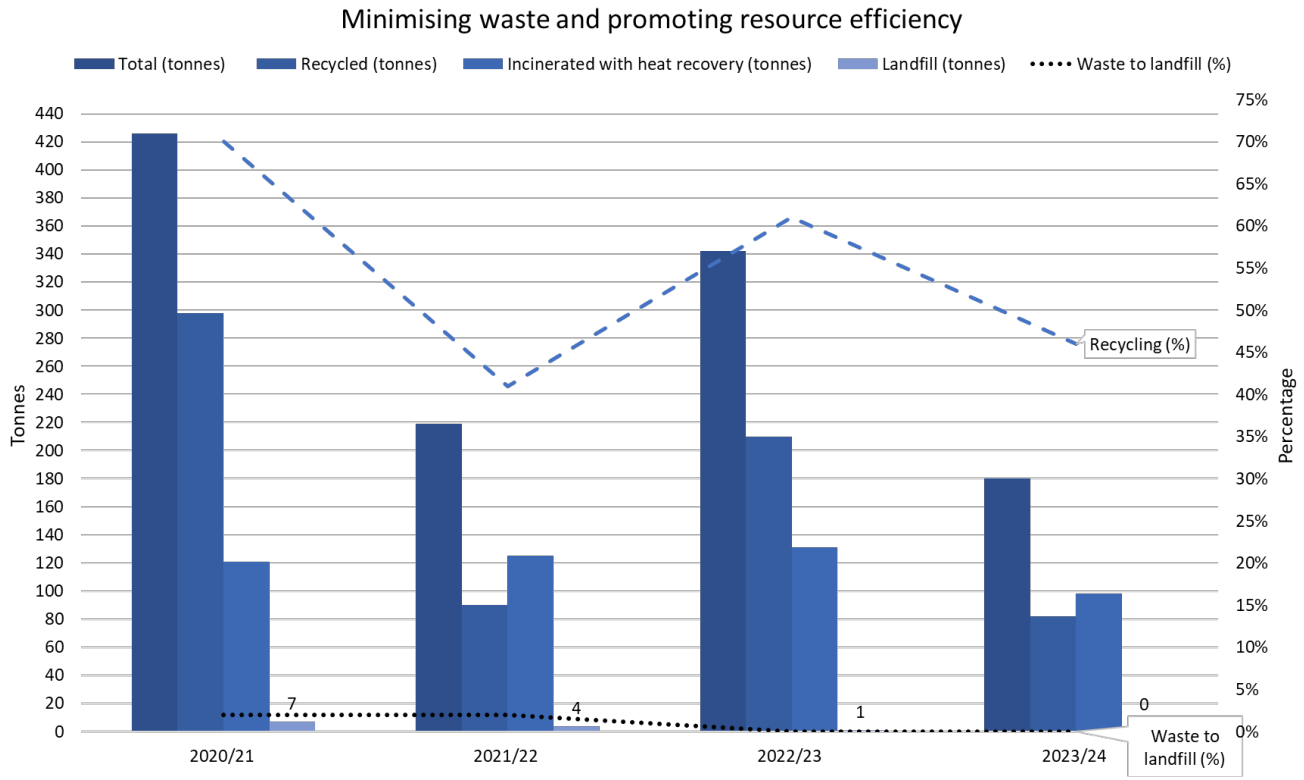
[282] CO2 emissions below 50 g/km at tailpipe

Minimising waste and promoting resource efficiency

2021-25 GGC headline target: Reduce the overall amount of waste generated by 15% from the 2017/18 baseline.

Sub targets:

- reduce the amount of waste going to landfill to less than 5% of overall waste
- increase the proportion of waste which is recycled to at least 70% of overall waste
- reduce government's paper use by at least 50% from a 2017/18 baseline
- remove CSUP from the central government office estate
- report on the introduction and implementation of reuse schemes.



	2020/21	2021/22	2022/23	2023/24
Cost of recycling	£147,940	£44,680	£100,952	£14,274
Cost of incineration with heat recovery	£80,972	£83,931	£83,808	£14,469
Cost of landfill	-	-	-	-
Total cost of waste disposal [283]	£228,912	£128,611	£184,760	£28,743
Paper use (reams)	11,410	6,604	7,078	7,312

Consumer single use plastics

	2022/23	2023/24
Number of items	318,89 [284]	993,898

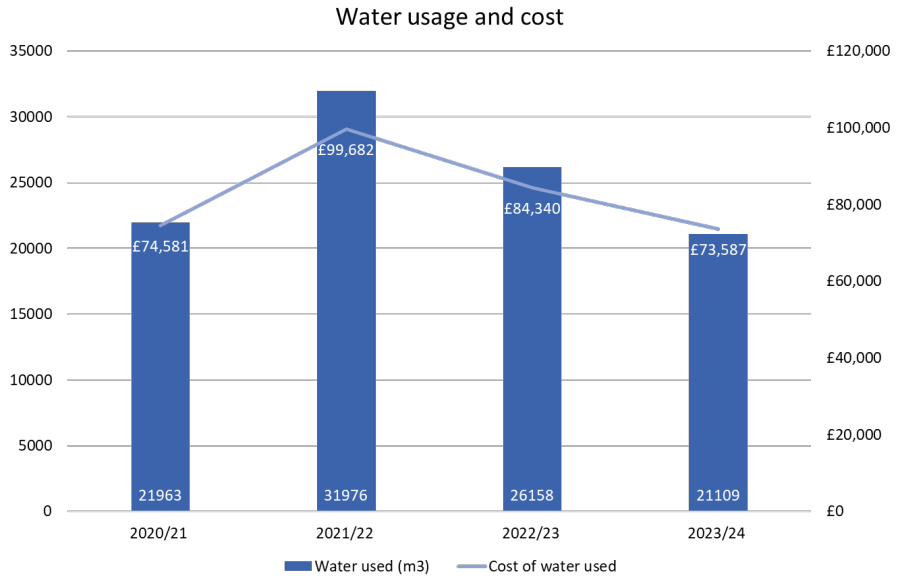
[283] The cost of waste disposal was not broken down by waste stream in 2019/20 and 2020/21
[284] This figure has been re-stated to correct an error in the NHS England figure reported.

Reducing our water use

2021-25 GGC headline target: Reduce water consumption by at least 8% from the 2017/18 baseline.

Sub targets:

- ensure all water consumption is measured
- provide a qualitative assessment to show what is being done to encourage the efficient use of water.



Utilities, including water, are the responsibility of the landlords we rent offices from. Our NHS Property Services sites are not metered, and data is supplied based on best estimates. NHS Property Services are moving to a single supplier for water, which will allow them to manage water supply and consumption more easily.

Sustainable procurement

Our policy is set out in the published net zero supplier roadmap[285], with supporting guidance aligned to Procurement Policy Note (PPN) 06/20[286] on the Social Value Model implementation, and PPN 06/21[287] on Carbon Reduction Plans. This is furthered by our Evergreen Sustainable Supplier Assessment[288] tool that supports suppliers to understand how to align with our net zero and sustainability ambitions. Modern Slavery eradication aligned to PPN 02/23 is in development.[289]

Net zero and social value buying guides have been produced to support the development of specific category strategies and Government Buying Standards have been included in these guides where relevant.

[285] https://www.england.nhs.uk/greenernhs/get-involved/suppliers/
[286] https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts
[287] https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts
[288] https://www.england.nhs.uk/nhs-commercial/central-commercial-function-ccf/evergreen/
[289] https://www.gov.uk/government/publications/ppn-0223-tackling-modern-slavery-in-government-supply-chains

Nature Recovery and Biodiversity action planning

We do not own any natural capital or landholdings.

Adapting to climate change

Business continuity management identifies our priorities and prepares solutions to address disruptive threats, including those which may be the result of climate change and extreme weather events.

Reducing environmental impacts from ICT and digital

We maintain the use of ICT equipment for as long as possible. When items become obsolete, we work with other organisations to process our ICT waste responsibly and sustainably. This may be through approved authorised treatment facilities, following waste electrical and electronic equipment regulations or using corporate recycling schemes.

Taskforce on climate-related financial disclosures

Compliance statement

Climate change is considered a principal risk for NHS England and our role supporting the wider NHS. It poses a major threat to our health as well as our planet. The environment is changing, that change is accelerating, and this has direct and immediate consequences for our patients, the public and the NHS.

The UK Health Security Agency Health Effects of Climate Change report[290] notes that "Climate change can increase risks to health directly through greater severity and frequency of extreme weather events such as flooding, drought, heatwaves, or wildfires. Many infectious diseases are highly climate sensitive, and with warmer temperatures we can expect an increased risk of new and emerging infectious diseases in the UK, including those transmitted through mosquito and tick bites. The impact of climate change on individuals will vary, with the worst effects on disadvantaged and vulnerable populations, which could widen health inequalities further."

Our Greener NHS[291] programme leads the way for the NHS to reduce the impact of climate change on public health and the environment, save money and reach net carbon zero. NHS England's Green Plan sets out our contribution to the NHS vision to be net zero by 2040 for the emissions we control, and 2045 for the emissions we influence.

We have a Board-approved Green Plan, which outlines how the organisation will contribute to the NHS net-zero ambition, and to the GGCs. The Chief Delivery Officer is the SRO for this. Progress against our Green Plan is monitored by our Executive Corporate Group, which meets every other month.

[290] https://www.gov.uk/government/publications/climate-change-health-effects-in-the-uk
[291] https://www.england.nhs.uk/greenernhs/

The Greener NHS national programme

The Greener NHS national programme was launched in 2020, alongside the NHS' commitment deliver the world's first net zero health service and respond to climate change, improving health now and for future generations. This programme is important because:

- climate change threatens the public's health and impacts on the NHS's ability to deliver high quality care now and in the future
- the NHS's response to climate change is set to deliver unprecedented health benefits through cleaner air, healthier diets, increased energy security and more liveable communities
- reaching net zero provides opportunities to reduce long-term running costs for the NHS
- there is strong support from the system's 1.3 million staff, with over nine out of ten supporting the NHS's net zero ambitions.

The Greener NHS national programme is led by the NHS sustainability board. The programme is delivered in the way that is most appropriate and sensitive to each local context by working carefully through the NHS regions and systems.

NHS Carbon Footprint

The NHS has committed to reducing greenhouse gas emissions under our direct control (the NHS Carbon Footprint) to 3,200 $ktCO_2e$ by 2028 to 2032 and to net zero by 2040. The trajectory set out in the 'Delivering a Net Zero NHS' report implies a reduction to 4,550 $ktCO_2e$ in 2023/24.

Provisional calculated emissions for 2023/24 are 4450 $ktCO_2e$ (see table). This data, combined with the evidence of action across the NHS as described below, suggests the NHS is on track to meet the target trajectories for the NHS Carbon Footprint in 2023/24, giving confidence in the ability to meet the commitments in 2028-32 and 2040.

These figures are based on both actual and forecasted data as at end May 2024, and may be subject to revision as final input data is published. Updated figures for 2022/23, based on best available 2022/23 data and methodology, are also included in the table.

Provisional estimate of the NHS Carbon Footprint by emissions source

($ktCO_2e$, rounded to nearest 50kt)	Confirmed 2022/23 emissions	Provisional 2023/24 emissions
NHS Carbon Footprint, of which:	**4,550**	4,450
Estates	2,850	2,850
Medicines	1,150	1,000
Fleet and business travel	600	650

This progress is supported by targeted action across the NHS, including the following areas:

Medicines

Nitrous oxide is responsible for the largest overall volume of emissions from anaesthetic and medical gases, accounting for at least 80% of total anaesthetic and medical gas emissions in 2019/20. Efforts to optimise the use of nitrous oxide products through leaner supply, decommissioning of manifolds where appropriate, and improved stock management and repairs

have led to annual savings of £5 million as well as reduced emissions by over 70kt of carbon compared to 2019/20.

Desflurane is a volatile anaesthetic agent with higher global warming potential than alternative readily available general anaesthetic agents. In January 2023, the Association of Anaesthetists and the Royal College of Anaesthetists supported the NHS England announcement of the decommissioning of desflurane in routine practice. In March 2024 NHS England published guidance on the decommissioning of desflurane, building on the NICE Evidence Summary on desflurane. From 1 April 2024, desflurane is only permitted to be used in specific circumstances and as a result, desflurane now makes up less than 0.5% of all volatile anaesthetic gases used in 2023/24 (down from over 20% in recent years), and almost ninety trusts have now stopped using desflurane altogether. This has reduced costs as well as bringing the overall reduction in emissions from desflurane to 40ktCO2e per year from 2024.

The NHS has been collaborating with key partners to support higher quality and lower carbon respiratory care, embedding clinical recommendations into practice, and offering patients lower carbon inhalers where clinically appropriate, supported by a range of resources developed by Asthma and Lung UK. This work has successfully reduced the national average emissions per SABA inhaler prescribed to below 16.4kgCO2e, down from 24kgCO2e in 2021/22, contributing to a 300 ktCO2e reduction in inhaler emissions in 2023/24 compared with 2019/20.

Fleet and business travel

The NHS Net Zero travel and transport strategy was published in October 2023 and is expected to yield annual operational savings of £59 million a year as well as over £270 million a year in wider health and societal benefits. In January 2024, the London Ambulance Service rolled out a zero-emission double crewed ambulance, as part of a pilot involving 5 ambulance trusts, informing future vehicle design specifications, and ensuring the NHS ambulance fleet is resilient to future changes to availability of internal combustion engine vehicles. The proportion of the fleet meeting low, ultra-low and zero emissions standards is increasing year on year: 2022/23 data suggests the NHS fleet is now 89.3% Local Exhaust Ventilation and 7.2% ultra-low or zero emission vehicles – up from 76.3% and 2% respectively in just two years.

Despite this important progress, the estimate of emissions for fleet and business travel has been driven by increased overall NHS activity, including more ambulance mileage and grey fleet mileage (NHS staff using their own vehicles for work purposes). For example, there were nearly 5% more face to face ambulance responses in 2023/24 compared with the previous year.[292] The progress made in electrifying the fleet will lead to emissions reductions in future years as the national grid decarbonises, as well as delivering significant financial savings due to reduced fuel and maintenance costs.

[292] https://www.england.nhs.uk/statistics/statistical-work-areas/ambulance-quality-indicators/

Estates

The NHS is the UK's largest single public energy user, with an estimated annual energy cost of nearly £1.5 billion. Tackling these emissions requires initial investment but provides financial savings that can be reinvested into patient care. Over £850 million funding has been secured by NHS trusts through the Public Sector Decarbonisation Scheme which is being invested in heat pumps, solar panels, LED lighting and other energy efficiency measures, reducing NHS energy bills as well as carbon emissions. Progress will be further supported by the NHS Net Zero Buildings Standard which became operational in October 2023, and will ensure the development of sustainable, resilient, and energy efficient buildings that meet the needs of patients now and in the future.

NHS Carbon Footprint Plus

The NHS has also committed to reducing emissions from its Carbon Footprint Plus (greenhouse gas emissions under our direct control as well as the emissions we can influence). An update to the Carbon Footprint Plus estimate will be provided in 2025, and ongoing progress is being supported by targeted action including in the following areas:

Supply chain

Meeting NHS net zero ambitions for the carbon footprint plus requires carbon reduction commitments and action from the NHS's large and diverse supply chain. The NHS net zero supplier roadmap[293] sets out the steps suppliers must take to align with the NHS net zero ambition between now and 2030. In line with this roadmap, since April 2023 suppliers of all new contracts over £5 million per annum have been required to provide a publicly available carbon reduction plan for their scope one, two and a subset of scope three emissions, with a commitment to reach net zero by or before 2050. In April 2024, this has been proportionately extended to cover all new procurements.[294] In 2023/24, NHS England also launched the Evergreen Supplier Assessment tool, which supports suppliers to engage with the NHS on their sustainability journey and understand how to align with the NHS net zero and sustainability ambitions.

Clinical transformation

Meeting our net zero emission targets requires carbon reductions across all patient pathways, achieved by adopting a clinical and patient-centred approach to delivering high-quality low carbon care. This approach has ensured that new models of care such as virtual wards, the GIRFT High Volume Low Complexity and elective surgical hub programmes are considering their carbon impact and harnessing their carbon reduction potential. As the NHS continues to offer patients greater flexibility in how they receive their care, increased access with fewer repeat trips will improve patient care while reducing travel emissions.

Supported by the NHS and respective Royal medical colleges, specific net zero initiatives such as the Royal College of General Practitioners Net Zero learning hub[295] and the Royal college of

[293] https://www.england.nhs.uk/greenernhs/get-involved/suppliers/
[294] https://www.england.nhs.uk/long-read/carbon-reduction-plan-requirements-for-the-procurement-of-nhs-goods-services-and-works/
[295] https://elearning.rcgp.org.uk/course/view.php?id=650

Emergency Medicine GreenED accreditation scheme are equipping a growing number of engaged clinical communities to act on meeting our net zero targets.

In January 2023, a significant milestone was achieved through the collaborative efforts of Trinity College Dublin, the Office of the Chief Dental Officer, and NHS England.
The inaugural release of the Clinical Guidelines for Environmental Sustainability in Dentistry marked a crucial step towards raising awareness, offering guidance to dental professionals, and ultimately mitigating carbon emissions associated with oral health and dental care services.

To support clinical transformation in 2023/24, funding was delivered to support innovation to deliver efficient, high quality, low carbon care through the SBRI Healthcare programme. In total 22 projects were delivered, aimed at addressing critical challenges for the NHS.

Workforce

In partnership with the Carbon Literacy Project and E-learning for Healthcare a new training pathway for NHS staff has been developed that covers climate science, impacts and policy. In 2022/23, the NHS delivered a sharp rise in engagement in training at the intersection between climate change and health; from County Durham and Darlington NHS Trust training more than eight out of ten staff on the topic, to more 50,000 NHS staff engaging with the Building a Net Zero NHS e-learning module.

In December 2023, the Council of Deans of Health together with a wide group of stakeholders across the 4 UK nations developed and published curricula guidance for professional bodies and higher education institutions, supporting the incorporation of education for sustainable healthcare within Allied Health Professions curricula and programmes.

Delivering a net zero NHS

The Greener NHS national programme was launched in 2020, alongside the appointment of the NHS's first Chief Sustainability Officer, to deliver the world-leading commitment of a net zero national health service. The Health and Care Act 2022 introduced new legally binding duties on all NHS bodies, including NHS England, which effectively made this ambition a statutory requirement.

During 2023/24 NHS England, with support from across the NHS:

- Secured an additional £40 million of DHSC funding to deliver energy efficiency schemes to reduce carbon and energy bills across the estate.
- Continued to support trusts to decarbonise heating including through funding from the Public Sector Decarbonisation Scheme, over £850 million of which has been awarded to NHS organisations in recent years, delivering significant financial savings, as well as reducing carbon and air pollution emissions.
- Implemented the NHS Net Zero Building Standard which became mandatory for construction and refurbishment projects over £25 million from October 2023.
- Continued implementation of the NHS Net Zero supplier roadmap, supporting NHS suppliers to engage with the NHS on their sustainability journey and understand how to

align with the NHS net zero and sustainability ambitions through launching the Evergreen Sustainable Supplier Assessment tool and publishing guidance on the requirement for carbon reduction plans or net zero commitments.

- Published guidance to decommission desflurane, a volatile anaesthetic agent with higher global warming potential than alternative, readily available general anaesthetic agents. From 1 April 2024 desflurane is only permitted to be used in specific circumstances. Desflurane now makes up less than 0.5% of all volatile anaesthetic gases used in 2023/24 (down from over 20% in recent years), and almost 90 trusts have now stopped using desflurane altogether.
- Continued to collaborate with key partners to support higher quality and lower carbon respiratory care, embedding clinical recommendations into practice and offering patients lower carbon inhalers where clinically appropriate.
- Achieved a reduction in nitrous oxide waste through improved supply and stock management, enhanced piping systems maintenance, and demand reduction where clinically appropriate that is estimated to save over £5 million each year, as well as deliver carbon footprint reduction of over 70ktCO_2e.
- Published the NHS Net Zero Travel and Transport strategy outlining a deliverable roadmap that is expected to yield annual operational savings of £59 million a year as well as over £270 million a year in wider health and societal benefits, including through reduction of harmful air pollutants which cause poor health via ischemic heart disease, stroke, lung cancer and asthma, placing additional burden on the NHS and widening health inequalities.
- Piloted the use of electric vehicles across the fleet, including double crewed ambulances, rapid response vehicles, mental health, and specialist practitioner vehicles, ensuring the NHS is prepared and resilient to future changes to availability of internal combustion engine vehicles.

These milestones helped the NHS reduce its carbon footprint to an estimated 4.4Mt in 2023/24, ensuring we remain on track against the trajectories set out in the Delivering a net zero NHS report.[296]

[296] https://www.england.nhs.uk/greenernhs/publication/delivering-a-net-zero-national-health-service/

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