

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

**THE NHS CONFEDERATION
TRUSTEES' ANNUAL REPORT AND
ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2021**

THE NHS CONFEDERATION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Lord Victor Adebowale Sir Andrew Cash Dr Graham Jackson Jennifer Ruth Poole Prof Joseph Harrison Dr Mark Spencer Michael Bloomfield Nanda Ratnavel Paul Jenkins Prem Singh Prof Vivienne Burnet
Charity number	1090329
Company number	04358614
Registered office	2nd Floor 18 Smith Square London SW1P 3HZ
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Capsticks LLP 1 St George's Road Wimbledon London SW19 4DR
Investment adviser	Sarasin and Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

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Senior executive staff

Matthew Taylor

Chief Executive, NHS Confederation (appointed 7 June 2021)

Danny Mortimer

Deputy Chief Executive, NHS Confederation/Chief Executive NHS Employers (Interim Chief Executive NHS Confederation, 1 October 2020 - 7 June 2021)

Niall Dickson CBE

Chief Executive, NHS Confederation (resigned 30 September 2020)

Daniel Reynolds

Director of Communications

Darren Hughes

Welsh NHS Confederation

Heather Moorhead

Director Northern Ireland Confederation for Health and Social Care

Joan Saddler

Director of Partnerships and Equality

John O'Brien

Commercial Director

Layla McCay

Director of Policy (from 31 March 2021)

Louise Patten

Chief Executive, NHS Clinical Commissioners (from 15 June 2020)

Marie Pritchard

Interim Director of People

Nick Ville

Director of Membership and Policy (resigned 31 March 2021)

Paul Davies

Interim Director of Finance and IT (from 2 July 2020)

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Sean Duggan
Chief Executive, Mental Health Network

Rebecca Smith
Interim Managing Director, NHS Employers
(1 October 2020 – 7 June 2021)

Rohan Hewavisenti
Director of Finance and Corporate Services
(resigned 10 July 2020)

Julie Wood
Chief Executive, NHS Clinical Commissioners (resigned 10 June
2020)

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The trustees are pleased to present their annual trustees' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2021. The financial statements have been prepared in accordance with the Charities Act 2011, Companies Act 2006, the organisation's articles of association and the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

About us

The NHS Confederation is the membership body that brings together and speaks on behalf of organisations that plan, commission and provide NHS services in England, Northern Ireland, and Wales. We represent hospitals, community and mental health providers, ambulance trusts, primary care networks, clinical commissioning groups and integrated care systems.

We have three roles:

- to be an influential system leader
- to represent our members with politicians, national bodies, the unions and in Europe
- and to support our members to continually improve care for patients and the public.

All our work is underpinned and driven by our vision of an empowered, healthy population supported by world-class health and care services, and our values of voice, openness, integrity, challenge, empowerment.

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FOR THE YEAR ENDED 31 MARCH 2021

Summary overview

The last 12 months have stretched the health and care system to its limit. Throughout the year, the NHS Confederation has focused on supporting our members to respond to immediate challenges and to look ahead to the next phase. We have been our members' voice in public and their advocate behind the scenes, influencing the changes they have needed to support their staff, patients and communities.

Throughout 2020/21 we have especially supported our members across four significant areas:

- COVID-19 response
- NHS Reset campaign
- Health inequalities
- System working

COVID-19 response

We have been one of the most prominent voices making the case for the issues that matter most to members, from personal protective equipment (PPE) and test, trace and isolate, to the roll out of the vaccine and the easing of regulatory burdens. All parts of the NHS Confederation pivoted to provide member support, with efforts channelled into influencing, sense making, shared learning and peer support. We have also played a key and very visible role in explaining the work of our members to the public.

As a result, we successfully helped to secure the relaxation of Care Quality Commission inspections during COVID-19; ensured updated guidance on PPE use that is location specific; secured the prioritisation of NHS staff and other key workers in receiving the additional 3.5 million antigen tests; ensured the expansion of staff testing, including by lifting of the cap that restricted the percentage of NHS staff that trusts could test; secured the automatic extension of visas of NHS staff that were due to expire in October; secured the extension of death-in-service benefits to workers not in the NHS Pension Scheme; and resolved PPE supply issues into primary and community care.

Through the formal role of NHS Employers in social partnership and collective bargaining in England, we have provided support and guidance to workforce leaders in England throughout the pandemic, supplying information and advice on a range of issues including shielding and testing, pre-employment checks and life assurance, and staff deployment and wellbeing. Under the NHS Reset banner we published two reports: Putting People First: Supporting NHS Staff in the Aftermath of COVID-19, and COVID-19 and the Health and Care Workforce: Supporting our Greatest Asset.

In Wales, Welsh NHS Employers has supported, developed and implemented all-Wales workforce policies, guidance and procedures, and continually updated a set of COVID-19 frequently asked questions for both managers and staff, to guide organisations in their pandemic response.

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Welsh NHS Employers also provided increased support to workforce and OD director and assistant director peer groups, including supporting over 50 peer group meetings to ensure that the peer groups worked effectively in their COVID-19 response and delivered on their other priorities, progressing the broader workforce agenda during the pandemic.

NHS Reset campaign

In May 2020, we launched the NHS Reset campaign to help shape what the health and care system should look like in the aftermath of the pandemic. Among our successes, we helped secure a commitment for a leaner and lighter approach to governance and regulation. Our consistent message on letting local leaders lead was increasingly heard and notable in the role primary care networks (PCNs), which are supported by our PCN Network, have played in the vaccination programme.

The NHS Reset campaign was widely praised by members and stakeholders, paving the way for record levels of member and stakeholder engagement. Over the course of the initial six-month campaign we engaged with more than 2,500 senior leaders, held more than 50 webinars, roundtables and private meetings and published more than 80 blogs from a range of influential voices in the sector.

As a result of the campaign, we were invited to advise the Prime Minister's implementation unit, asked to submit evidence to No.10's health taskforce, and contribute to NHS England and NHS Improvement's (NHSEI) beneficial changes programme, among others.

Our Mental Health Network played a key role in highlighting the additional demands on services due to the pandemic, helping to secure an extra £500 million for mental health as part of the Spending Review.

We worked with the Health Foundation to make the case for additional funding to respond to the impact of the pandemic and to 'fill in the gaps' in the 2018 funding settlement. The Chancellor awarded £3 billion in the Spending Review which, while we were clear was welcome, was much less than was needed. Our Reset campaign has continued to make clear the priorities for the NHS and for our colleagues in social care. The NHS Confederation's consistent narrative about the long-term challenges highlighted and exacerbated by the pandemic, emphasises the concerns of our members and the needs of their staff and patients.

We launched an update to the NHS Reset campaign in March 2021 to focus on what needs to happen in the recovery phase. This was led by work on how to clear the backlog of care built up over the pandemic, and was rooted in modelling we commissioned to make the NHS's case to government and national bodies. Later that month, we also published a report on the conditions needed to support NHS staff to recover.

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Health inequalities

Health inequalities formed a central part of the NHS Reset campaign, which sought to shed light on the issue and the ways forward. In July 2020, the campaign hosted a dedicated week on the topic to improve people's understanding, share learning and showcase different perspectives and interventions. In September, Health Inequalities: Time to Act was published, which distilled the campaign's learning and insight and reaffirmed our commitment to tackling the root causes. This was followed in November by a joint briefing with the ABPI on tangible actions members and partners can take.

In October 2020, we joined the RCP-convened Inequalities in Health Alliance.

In addition to the campaign, our BME Leadership Network has been a leading voice on ethnic inequalities in health. The network's report on the disproportionate impact of COVID-19 on people from black and minority ethnic backgrounds provided a unique view on the first wave of the pandemic. This included action on 'hostile environment' policies affecting migrants and refugees, among other recommendations. We were pleased to see that, just two months after the release of the report, the Home Office announced a 'vaccines amnesty', urging undocumented migrants to register with a GP for a COVID-19 vaccine without fear of immigration checks or charges.

In April 2020, the network was among the first NHS organisations to put forward mitigating actions to protect BME staff and communities from the impact of the pandemic, and worked alongside NHSEI to socialise them. This has included guidance and shared learning on risk assessments and what happens on the back of the findings. The network's April 2020 briefing remains one of the most widely downloaded publications on the NHS Confederation's website.

The new NHS Race and Health Observatory was established in the autumn of 2020 and immediately started work to understand the barriers to take up of the vaccine among BME staff. The Observatory conducted a rapid review of pulse oximetry and racial bias, and issued guidance and undertook engagement on testing and vaccine uptake during Ramadan. At the same time, it established a board and academic reference group and commissioned significant work in the key service areas of mental health and maternity.

System working

This has been at the heart of our work and we have engaged with leaders across the system to support the transition to every area becoming part of an integrated care system (ICS) from April 2021. We have published three major reports in this area and have been a trusted voice on behalf of members as the aspirations are turned into legislative reality.

We achieved our goal of launching new networks for our PCN and ICS members. Each network meets regularly and we are increasingly acting as the voice of PCN and ICS leaders, providing them with opportunities to influence and raise their profile on key issues as well as network and share learning.

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At the beginning of 2021, the Department of Health and Social Care (DHSC) published plans for reform of the NHS in England. We have been engaging members on the proposals and have shared their reflections and concerns with DHSC and NHSEI.

NHSEI commissioned us to engage with clinical and care professional leaders to inform national guidance to support system-wide clinical and professional leadership to be embedded in all ICSs. A wide-ranging engagement exercise was held, with a final report submitted in April 2021.

We are also taking part in the DHSC's working group on the draft legislation on NHS reform in England.

We have continued to share learning on system working across all three nations within our membership, as well as international insights.

Since 2019, we have led Health for Care, a coalition of health organisations that has been increasing pressure on the government to boost funding and support for social care. As part of the coalition we have produced two reports, one sharing the seven key principles for care reform set out by the Health for Care coalition, and one highlighting the results of a YouGov survey of MPs and councillors in England between November and December 2020, which revealed a strong consensus on the need for adult social care reform in England. The NHS Confederation also published a report as part of our NHS Reset campaign, which explores the opportunities and challenges for health and social care and the four critical factors needed to reset social care.

Key achievements in 2020/21

Throughout the past 12 months we have represented our members and kept them connected, informed and supported.

Represented

Our ICS Network highlighted the benefits of engine-room working and made an appeal for continued financial investment to support central staff across systems. This resulted in £11 million of transformation funding being made available from NHSEI to support such staff for another year. The network engaged with senior leaders at NHSEI on the implications of the forthcoming health and care bill, and facilitated extensive engagement meetings with senior NHSEI officials so that ICS leaders can give direct feedback on phase three of the COVID-19 recovery and restoration plan. The network successfully influenced NHSEI appointments guidance for ICS chairs and leaders, and ICS chairs and leaders have been heavily involved in shaping the NHS Confederation's position on the future of system working, therefore influencing NHSEI's plans. This led to the publication of the NHS Confederation's report *The Future of Integrated Care in England*, and subsequent response to NHSEI's legislative proposals in late 2020. Many of the recommendations set out in these documents are set to be taken forward in legislation, notably including a shared duty to collaborate between system partners, financial autonomy for systems and the principle of subsidiarity.

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On behalf of our acute providers we successfully lobbied the Care Quality Commission to suspend inspections, and wrote to NHS England chief nursing officer Ruth May, and test and trace and PHE joint medical adviser Susan Hopkins, about PPE guidance and whether FF3 masks should be issued as standard. The network held a series of member-only roundtables with parliamentarians, including a session with health minister Edward Argar MP on cancer services, as well as with advisers to No. 10 Downing Street.

Our Community Network, which is jointly delivered with NHS Providers, wrote to the Secretaries of State for health and social care and communities and to local government over the disruptive retendering of local authority public health contracts and Agenda for Change funding for local authority staff working on NHS contracts. The network lobbied for funding to support discharge to assess, both publicly and privately, and submitted representations to both the autumn Spending Review and the Budget in March 2020. We also worked with national stakeholders such as Social Enterprise UK to ensure that non-statutory providers are properly considered in national policy discussions.

Throughout this year, the Mental Health Network (MHN) has consistently met with politicians from across parties to ensure the needs of the mental health sector remain a priority. The network continued to engage with NHSEI over specific challenges that this past year has presented, met regularly with Claire Murdoch and held meetings with key stakeholders, including Lord David Prior, chair of NHS England, and Baroness Dido Harding, chair of NHS Improvement. The MHN invited representatives from the Care Quality Commission (CQC) to several member events, as well as meeting privately with senior CQC leaders. The network also met with senior representatives from Public Health England, Health Education England, the Department of Health and Social Care and HM Treasury, to discuss the Mental Health Act review, workforce, funding, increased demand for services and the future of public mental health.

Our PCN Network represented member views in the media on issues such as the PCN Direct Enhanced Services contract, distribution of PPE and the vaccine roll out. Members had the opportunity to learn about new tools and developments through facilitated sessions with NHSX, NHS Digital and Carnall Farrar, and the network held a meeting with Number 10's health and care taskforce on the use of digital in primary care. The network also kept in regular contact with senior leaders at NHSEI to represent members' behalf on issues including the PCN DES; PCN development and support; the Additional Roles Reimbursement Scheme; social prescribing; clinical leadership; winter pressures; shielded patients; public health management and anticipatory care.

NHS Employers submitted evidence to the Doctors' and Dentists' Review Body and the Pay Review Body on behalf of employers, with both submissions being informed by a continuous cycle of engagement with a full range of NHS organisations. Employers' views were also represented to the government in its proposals to introduce new flexibilities to the NHS Pension Scheme, calling to reduce the pensions tax issue and introduce greater flexibilities for all NHS employees.

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NHS Employers also collated and submitted evidence, both independently and as part of the Cavendish Coalition, to the Migration Advisory Committee's call for evidence on the shortage occupation list. This response was informed by workforce data, alongside strong engagement with employers on the domestic and overseas recruitment challenges faced over the last year.

The Northern Ireland NHS Confederation (NICON) supported the HSC Chairs Forum to establish a set of regular, six-weekly meetings with the Minister of Health Northern Ireland (NI), to represent the views of colleagues in the system. This new opportunity supports the move to develop greater partnership working and a wider NI collaborative approach across the 17 arm's-length bodies, and the department and is already building more open and trusting relationships.

In the spring, NICON wrote to the Minister of Finance and led media work to seek to influence the outcome of the 2021/22 Budget. This achieved a large amount of media coverage and created awareness of the overall budget issues both in the system and by the wider public. NICON has also ensured that NI health and social care information has been fed into the emerging agreements underpinning the UK withdrawal from the EU, and the ongoing development of arrangements support the Northern Ireland Protocol.

The Welsh NHS Confederation developed a briefing and animation for the Senedd election to highlight the big issues facing health and social care in the next five years, and members' priorities continue to influence party manifestos through meetings and roundtable events, including a hustings with all party health spokespeople.

Members' voices were heard in the Welsh parliament through regular engagement with ministers and Senedd members, and written responses were submitted to 14 Senedd inquiries and Welsh Government consultations, with the Welsh NHS Confederation being mentioned over 30 times in the Senedd.

Members in Wales have been increasingly represented in the media in the past 12 months, with the Welsh NHS Confederation strengthening its media engagement through a wider range of channels. Through over 100 press releases, media statements and blogs, as well as over 200 press and broadcast media mentions and over 40 radio and TV interviews, the Welsh NHS Confederation has become the go-to organisation for the media in Wales.

During 2020/21, our NHS European Office exerted influence that ensured NHS priorities were identified and addressed in the Brexit deal; helped secure NHS access to the Horizon Europe research programme; represented NHS needs in the EU Joint Action Towards the European Health Data Space; and strengthened and established new communication channels with the EU post-Brexit to represent NHS interests.

Connected

We convened a chairs forum, which brought together chairs and non-executives from across England, Northern Ireland and Wales, and facilitated member sessions with decision-makers on

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issues including the phase three guidance, provider collaboration, test and trace, and Brexit. The acute forum also worked with members to start discussions on a new policy framework for elective care, and hosted sessions with the Health Foundation to explore modelling ahead of the Spending Review.

The Community Network published a briefing on working with primary care networks, as well as a number of examples of good practice of integrated, neighbourhood-level working. Members were brought together at a number of events to discuss topics including digital tools and the third phase of the pandemic response.

ICS chairs and leaders had the opportunity to support and be supported by their peers and share good practice through dedicated networks and events held by the PCN Network, with virtual meetings of the ICS chairs network regularly attracting around two-thirds of all ICS chairs. A community of system reset leads was established, with fortnightly calls to support peer sharing on a range of topics including health inequalities, digitally-enabled care and demand management. A new working group supports ICSs affected by potential boundary changes, and specific groups were convened in partnership with the wider NHS Confederation to connect ICS mental health leads and ICS workforce leads to support peer learning and support across systems.

The Mental Health Network held over 20 Medical Directors Forum meetings, which were regularly joined by high-profile speakers from organisations such as NHSEI, CQC and the Royal College of Psychiatrists. Since the start of the pandemic, MHN has brought together NHS chairs every week to ensure quality governance is maintained, and to hear from national speakers including Prerana Issar, chief people officer at NHSEI, and Steve Baker, national mental health adviser for the College of Policing and National Police Chief's Council. In partnership with the Independent Healthcare Provider Network, MHN brought together providers of independent acute mental health services with regular meetings between chief executives, and the network continued to support members on their journeys from ICSs to sustainability and transformation partnerships (STPs) with quarterly ICS/STP mental health leads meetings. These were often joined by system leaders and commissioners who led formative discussions and shared a raft of good practice. The network also partnered with the PCN Network to deliver a series of joint meetings between MHN and PCN Network members, focusing on approaches to demand, community mental health services and health inequalities.

The PCN Network launched a mobile app for PCN teams to connect, network, share learning and access information and guidance easily. New regional networks were created in the south east, east and north west of England, with more in the pipeline, while a PCN managers' forum, a nurse clinical directors group and a wider clinical directors' reference group were also established. Through blogs, vlogs, media, and opportunities to join webinar panels, the network provided a platform for PCN clinical directors, managers and their wider teams, while also holding regular meetings with clinical directors, PCN managers and nurse clinical directors. PCN teams were helped to connect with the wider NHS Confederation and its networks through meetings, joint events and briefings, and the network also facilitated connections between PCNs and their ICS/STP leads and chairs. Working with

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wider stakeholders including the BMA, Royal College of GPs, NHS Clinical Commissioners (NHSCC) and the National Association of Primary Care, the PCN Network ensured that PCNs are represented as effectively as possible.

Through its national engagement service, NHS Employers provided critical support to the NHS during the pandemic with high-intensity engagement activity across HR director networks. HRD meetings increased by 125 per cent compared to the previous year, resulting in over 1,000 contacts with trusts and trade unions and enabling provider organisations, regional workforce teams, system leaders and trade unions to work in partnership on a joint response to the pandemic.

Though the Strategic Workforce Forum on 13 and 14 October 2020, which was held virtually this year, 350 HRDs and their deputies connected to focus on the key issues and challenges facing employers. NHS Employers has also successfully delivered several more virtual events to keep workforce leaders connected during the pandemic, including our first virtual staff experience conference and first joint national and regional Social Partnership Forum virtual partnership conference, titled Regroup, Reflect, Recharge: Enhancing Staff Experience in the NHS.

The NICON 20 virtual conference connected more than 700 colleagues, patients and partners in October 2020, allowing them to connect, learn and contribute to the key debates in 45 sessions.

During the year, HSC chairs joined the NHS chairs monthly meetings, which kept them in touch with emerging NHS thinking and developing wider relationships. NICON also invested in its partnership with the Chief Executives Forum, bringing key health and social care issues to the attention of the wider public sector and increasing influencing capacity around population health and recovery issues.

The Welsh NHS Confederation produced a series of thought leadership webinars for its members and wider stakeholders, on topics including the role of health and care in social and economic recovery; the impact of the new immigration system on the Welsh health and care workforce; and the journey towards delivering the Well-being of Future Generations Act with the Future Generations Commissioner. These sessions connected over 400 attendees across eight online events, with over 300 retrospective views on YouTube.

The Welsh NHS Confederation also delivered events to engage proactively with key stakeholders and to build and maintain relationships across the system. Through hosting webinars for members with the Children's Commissioner, the Older People's Commissioner and the Welsh Government on the introduction of the Socio-Economic Duty, ongoing conversation and connections were forged between NHS leaders and external stakeholders, which have built strong foundations for the future.

Our EU Office brought members together to share lessons and expertise on leveraging international engagement for NHS income generation, professional development and service improvement, and enabled member input to the development of the NHS Export Collaborative.

Members had opportunities to engage in international funding and development opportunities, and to be linked with their international counterparts for shared learning.

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Supported

The NHS Confederation's programme of peer learning and support for first-time provider chief executives continued this year, generating a report on learnings from the first wave, and contributing to the creation of NHSEI's executive suite.

Our successful Health and Care Women Leaders Network published *Action for Equality: The Time is Now*, which provided renewed impetus for greater gender representation and diversity on NHS boards. The network also commissioned a survey to better understand the impact of the pandemic on women working across health and care services.

The BME Leadership Network has been a vital source of support for BME leaders throughout the pandemic and a leading voice on combatting inequalities. Its reports on the impact of the pandemic on BME staff and communities have helped members and government identify the actions they can take to address racism.

We launched the Health and Care LGBTQ+ Leaders Network, which aims to increase the numbers and visibility of LGBTQ+ people on boards and in senior leadership and to improve the experience of LGBTQ+ staff and patients. The network celebrated National Coming Out Day by publishing a compilation of coming-out stories from some of our LGBTQ+ leaders.

In November, all three equality networks hosted a festival of learning, wellbeing and inclusion, attended by over 170 delegates and featuring speakers including former Australian Prime Minister Julia Gillard. One hundred per cent of delegates who provided feedback said they would recommend the event to a colleague and felt it was good value for money.

Through our regional teams covering the seven English NHS regions, we have supported provider members through bespoke regional events, while working with organisations outside the NHS to explore issues such as the relationship between the NHS and colleges; how the NHS and voluntary and community sector can work better together; and how the NHS can put sustainability at the heart of what it does. Member briefings summarised issues of interest including the Spending Review 2020, phase three guidance, understanding long COVID and the urgent and emergency care clinical review of standards.

The Community Network worked with NHSEI on a webinar and blog series on urgent community response, and provided support through the regional teams in each of the seven English NHS regions. Roundtable and member events kept community providers informed and supported on issues such as the phase three guidance, and the network made the case for the vital role community health services are playing through opinion pieces by Community Network chair Andrew Ridley.

ICS chairs received bespoke support from the ICS Network, including a masterclass on building psychological safety and resilience in the context of system working from Amy Edmondson, Novartis professor of leadership at Harvard Business School. The network also published a report, *Building Common Purpose*, which shone a light on five success factors that are required for high-performing

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engagement and communications at system level. As with the community and acute networks, the ICS Network provided support through its regional teams across the seven English NHS regions, including regular bespoke regional integrated care bulletins.

Following extensive engagement, the Mental Health Network published the NHS Reset report Mental Health Services and COVID-19: Preparing for the Rising Tide, in response to the COVID-19 crisis. MHN also partnered with NHSCC to deliver a webinar on modelling demand and published the findings in Looking Forward: How the Mental Health System Will Model and Meet the Demand. The network's new Digital and Housing Forums released three publications on delivering mental health services digitally, including a guide to digital inclusion in mental health. To help ensure the sector had everything it needed through the winter, the network created a government briefing with Mental Health Policy Group (MHPG) partners calling for a mental health winter support package.

MHN partnered with NHSCC and the PCN Network to produce Ensuring Appropriate Employment Support for People with Mental Health Problems, which helps systems understand the importance of employment support for people with mental health problems and how it can look in practice. After hosting two impactful webinars, the PCN Network published follow-up briefings looking at partnership working to meet rising demand and improve patient care. Working with NHS Employers and the Nuffield Trust, the network researched how to attract more people to become mental health nurses and published the findings in Laying Foundations: Attitudes and Access to Mental Health Nurse Education. In another briefing, Supporting Mental Health in Communities During the Coronavirus Crisis, the network gave practical advice for statutory service commissioners and providers on building effective partnerships locally with their voluntary and community sector partners.

The PCN Network's range of member support included briefings and case studies, as well as webinars on policy and operation protocols such as the PCN DES, the role of pharmacy in supporting care homes, working with mental health and community services providers, the operational response to phase three of the COVID-19 response, and the early diagnosis of cancer specifications, vaccine delivery. Monthly bulletins for PCN teams gave essential information, guidance, shared learning, thought leadership and helpful resources. A major report and webinar from the network, PCNs: One Year On, provided a temperature check as well as setting out to national policymakers where further support and development is needed. The network established a clinical director mentoring programme, matching PCN clinical directors to acute, community and mental health provider chief executives, and held discussions and workshops with PCNs on their development needs and access to support, putting them in touch with others where appropriate.

NHS Employers has played a critical role in producing guidance and resources to support the health and care workforce's response to the pandemic, leading agreements with trade unions through the Social Partnership Forum and NHS Staff Council. NHS Employers was also asked by the chief people officer to produce the COVID-19 risk assessment guidance for NHS staff. The NHS Employers website

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attracted a record number of over five million visitors last year, driven by the COVID-19 guidance for NHS workforce leaders which was accessed 943,914 times.

NHS Employers successfully concluded negotiations with the BMA to introduce a new contract for specialty and associate specialist (SAS) doctors, and produced resources and guidance to help employers implement the changes. Negotiations were also concluded with NHS Staff Council unions to resolve the long-standing Flowers implications for annual leave payments. In addition, NHS Employers commissioned First Actuarial, the independent advisers to the Scheme Advisory Board for the NHS Pension Scheme, to develop a ready reckoner calculator tool to help staff understand the benefits they are building up in the NHS Pension Scheme and the annual allowance tax implications.

During the pandemic, NICON shared best practice and key information between the HSC system and the NHS Confederation, including staff resources on mental health and integration. Health and social care monitoring was provided for 1,000 colleagues, and weekly emails became daily during the pandemic to keep colleagues and partners up to date with emerging issues.

NICON ran eight discussion sessions throughout the year, keeping colleagues and members apprised of emerging policy, as well as offering the opportunity for NICON members to join a variety of wider Confed events due to them being held virtually.

The Welsh NHS Confederation supported over 60 NHS Wales representatives to provide oral evidence to Committee inquiries, including the Health, Social Care and Sport Committee inquiry into COVID-19; the Equality, Local Government and Communities Committee inquiry into the impact of COVID-19 on the voluntary sector; and the Finance Committee inquiry into the Welsh Government's draft Budget 2021-22.

The COVID-19 response was supported by over 40 member briefings and six case studies showcasing partnership working across Wales to support the pandemic response.

The Welsh NHS Confederation also enhanced its programme infrastructure for NHS executive director peer groups in response to COVID-19, providing secretariat and administrative support to ten executive director peer groups in the development and delivery of their response to the pandemic. Through more than 170 individual and cross-group meetings, peer groups received as much support as required to enable meetings and the delivery of agreed actions. This was in addition to supporting over 100 meetings of NHS chairs, vice chairs and chief executives.

The NHS European Office delivered newsletters, briefings and member webinars to explain how Brexit changes affect its members, as well as publishing a monthly NHS international intelligence scanning service to highlight relevant learnings from other health services.

Members' expertise and successes were showcased on international platforms, while the UE Office also identified the NHS operational issues associated with post-Brexit changes and facilitated their resolution

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Plans for 2021/22

Throughout our work programme for the coming year we will continue to represent, connect and support our members throughout the NHS Confederation group. We will do this through focusing on our three strategic priorities:

1. Be the voice of leadership across all parts of the health system, establishing new membership offers to ICSs, primary care and acute providers.
2. To make tangible improvements in key areas of policy and practice on the issues that are most critical to our members and to achieving high-quality care, reduced health inequalities and more efficient services.
3. To become a high-performing organisation, which is financially sustainable, efficient, provides value for money for our members, and which is a modern and inclusive employer.

Here is how we will achieve this.

The recognised voice of leadership

We will develop the governance mechanisms for the ICS Network, including recruitment of a Chair and Advisory Board, and ensure the ICS Network is represented in NHS Confederation trustee structures. This will mean the network is effectively governed and that members can feel ownership of network projects and activities.

Regional engagement structures will be developed for the ICS Network to increase reach and engagement with ICS leaders and chairs and understand particular issues in each region. We will also deliver a range of projects that respond to the specific asks of ICS leaders and that demonstrate our impact in this space.

We will develop, strengthen and deliver a comprehensive offer for all existing and future acute and integrated members of NHS Confederation.

Our acute and integrated sector insight will be strengthened to best represent and meet the needs of these provider organisations, to ensure the NHS Confederation is recognised as an influential and respected leadership voice for these specific sectors. We will do this through individual and regional member engagement; through the New CEOs group; the non-executive chairs group; Proud2BOps; The Shelford Group; AACE; and our Community Network.

We will strengthen and deliver a comprehensive system-wide mental health offer for all statutory, voluntary and independent members and commissioners in the Mental Health Network, so that we retain existing members and recruit new members to the Mental Health Network.

Through delivering a high-quality, value-for-money conference and exhibition for mental health providers and commissioners within the wider system, we will increase engagement with members and non-members and provide a platform for leaders within the mental health sector to showcase

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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their work and engage with members on the trends, priorities and future of mental health policy and practice.

Our PCN Network will support and represent PCNs to be equal partners in the system and work collaboratively, so that PCNs can deliver services that meet the needs of their population, and the NHS Confederation can represent member views to influence policy makers. The network will create a safe and secure space in which to connect and support developing PCNs, to develop a broader knowledge base to inform policy and a direct route to keep PCNs informed of guidance.

Nurses and other clinical professionals will be supported to grow as leaders and take on clinical director roles, to create greater diversity of knowledge and clinical experience in PCN leadership. GP federations will be supported and represented to have a national voice, to be an equal partners in the system and work collaboratively so that they can provide services in primary care at scale in settings that could not be delivered otherwise.

On an international level, we will deliver NHSEI support by influencing policy associated with Brexit in the interests of the NHS by informing members of relevant Brexit-related changes; by influencing EU legislation and strategy towards the interests of the NHS; by representing NHS interests in the UK's international-facing policy, strategy, and trade deals; and by supporting members practically in learning from international experience and getting the most from their international engagement.

Decision-makers for international agreements that affect the NHS and wider health sector will be made aware of NHS and health sector priorities and incorporate them into their decision-making. The NHS and wider health sector will be made aware of the practical implications of any relevant developments and preparations they may have to make.

NHS Employers will continue to deliver its 12 agreed work programmes, objectives and KPIs commissioned by DHSC, so that our system leadership role around current and future workforce priority areas of health and social care organisations is maintained.

NHSCC will continue to deliver its core offer and high-profile projects to support CCGs, such as medicines and working with local government. The offer will transition to the ICS Network by March 2022, with the aim of retaining the bulk of our CCG membership and stakeholder relationships. A final NHSCC member event in the coming year will bring the CCG and ICS community together nationally.

The Northern Ireland NHS Confederation will continue to represent the views of leaders across all parts of the HSC system, to ensure the system in which its members operate is working in the best interests of service users, citizens and staff. NICON will maintain its effective relationships with minister and leaders to share ideas, insights and best practice, and provide the means and networks to enable members to respond to the challenges they face.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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To improve key areas of policy and practice

All parts of the NHS Confederation will participate in shared policy priorities that reflect members ambitions for:

- system working
- improving population health
- workforce
- finance
- improved regulation

In support of the ICS Network, we will deliver a series of projects specifically funded by NHSEI including ambulance trusts in systems, voluntary and community sector engagement, and place-based working.

We will grow, deepen and strengthen our acute stakeholder network and levers to directly and indirectly influence acute and integrated sector policy developments towards the interests of our members.

The acute and integrated perspective will be considered in wider issues being addressed by Confed, to ensure the acute and integrated provider perspective and interests are well represented in our strategic policy and communication products.

In mental health, we will use our influence, expertise and resources to ensure mental health is effectively represented across all key policy areas, so that all members of the NHS Confederation are supported to understand mental health priorities and place within the system.

NHS Employers will deliver across its portfolio of external contracts, including the Ministry of Defence, The Prince's Trust, Step into Health and DoOD, to increase our income and our collaborative working between different organisations.

Internationally, we will represent the UK as the DHSC-appointed competent authority for the EU Joint Action (JA) Towards Sharing Health Data. This will protect UK interest against the setting of different EU regulatory norms and standards; ensure UK has access to EU data as a Third Country; influence GDPR and health data legislation and implementation; and maintain the UK's position as a thought-leader in health.

The PCN Network will connect PCNs across England and provide support on key issues, so that PCNs are prepared and informed to meet the demands of the year ahead. Specific work will be carried out in Cumbria and Lancashire to connect PCN clinical directors and inform system working on role of PCNs at place and system level, to enable development of PCNs in this region. NHSCC will share good practice and learning on continuing healthcare (CHC) for system working, identifying key areas for policy change to achieve a shared vision on what needs to change around NHS CHC.

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NHSCC will also work with NHSEI to support CCG transition to ICSs; translate the legislative proposals to implementation on the ground; and support CCG staff in transition, in order to achieve a smooth transition from CCGs to ICS/place arrangements by April 2022.

NICON will provide the means and networks to bring together leaders across all parts of the HSC and their key partners to share ideas and develop solutions to the most critical challenges they face, both as leaders of organisations and in an individual leadership capacity.

To be a high-performing organisation

We will embed new ways of working across the NHS Confederation, identifying new values and behaviours to guide our culture and improve the support we offer to our staff. We are committed to improving equality and inclusion and have a particular focus on being an anti-racist organisation

We will develop a long-term funding strategy for the ICS and Primary Care Networks, including a fee-paying model so that the ICS Network is a fully funded network in the future.

We will evolve the NHS European Office offer to provide valued, post-Brexit international functions for government departments and arm's-length bodies, to achieve sustainability including secured funding for the European Office (international office) function post-Brexit.

NHS Employers will promote and demonstrate its skill and expertise through delivery of its work programme, and support the delivery of the NHS People Plan in England.

Internally, our corporate services will provide an excellent service to their member-facing and policy colleagues, delivering clear systems and policies for all managers and teams and ensuring staff are supported with any issues they experience.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

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

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

About us

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

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

All our work is underpinned and driven by our vision of an empowered, healthy population supported by world-class health and care services.

We uphold our duty of public benefit by being an outstanding membership organisation that brings together and speaks on behalf of organisations that plan, commission and provide NHS services in England, Northern Ireland and Wales. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit as outlined here and on page 5.

Board of trustees

The charity's existing articles of association allow for a board size of at least ten trustees. Trustees are appointed to the board in accordance with each network or country's constitutional and management arrangements.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The charity intends to adopt new articles of association and byelaws at a general meeting of members on 16 June 2021. Once adopted, the articles will allow a board size of at least three and no more than 15 trustees. Also, for the purposes of the Companies Acts, the trustees will become the only members of the charity ("Company Law Members") and any member decision required under company law will be reserved for Company Law Members.

The trustee nomination and appointment system as set out in the byelaws will take effect from July 2022. The byelaws will empower the board to appoint nominated trustees from networks and devolved jurisdictions, and co-opt additional trustees for their skills and experience, provided that the board size does not exceed 15.

Trustees will also have the power to appoint and remove a person to act as chair in accordance with the byelaws.

Induction of new trustees

New trustees have induction meetings with the board chair and relevant members of the senior management team. As trustees are mainly drawn from the boards of member organisations, they are conversant with board procedures, the activities of the NHS Confederation and the wider context within which the charity operates. From time to time, lawyers or other advisers are invited to attend board meetings to update trustees on charity governance issues and remind the board of their legal and fiduciary duties.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Strategic report

Trustees

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

Lord Victor Adebawale, Chair	
Sir Andrew Cash, Vice Chair	
Dr Owen Williams, Vice Chair	(resigned 30 October 2020)
Dr Graham Jackson	
Jennifer Ruth Poole	
Joseph Harrison	(appointed 25 March 2021)
Julia Hickey	(resigned 31 March 2021)
Mark Spencer	(appointed 10 December 2020)
Michael Bloomfield	
Nanda Ratnavel	(appointed 25 March 2021)
Paul Jenkins	
Prem Singh, Senior Independent Trustee	
Prof. Vivienne Burnet	

Attendance of trustees at NHS Confederation board meetings

The board of trustees formally met on 21 May 2020, 16 July 2020, 17 September 2020, 10 December 2020, and 25 March 2021. Trustee meetings also took place on 23 April 2020 and 28 Oct 2020. The attendance record from formal board meetings is as shown below.

Name	Attendance
Victor Adebawale	5/5
Andrew Cash	5/5
Graham Jackson	4/5
Michael Bloomfield	3/5
Paul Jenkins	4/5
Ruth Poole	4/5
Prem Singh	4/5
Vivienne Harpwood	5/5
Julia Hickey	5/5
Owen Williams	2/3

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Mark Spencer	2/2
Joe Harrison	1/1
Nanda Ratnavel	1/1

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Scheme of delegation

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

Committees of the board

The board had three sub-committees in 2020/21: the audit committee, the remuneration committee and the investment committee. Following a review of the sub-committee structure (as part of a wider governance review) the board approved an expanded remit for the investment committee and agreed its reconstitution as the finance and operations committee from 1 April 2021. The board also approved a slightly expanded remit for the audit committee.

The audit committee is comprised of three trustees and two independent members and is responsible for advising the board on the charity's annual accounts, including compliance with statutory and other legal requirements, the oversight of risk and the associated control structure, and for managing the relationship with internal and external auditors. The committee was chaired by Julia Hickey until her resignation on 31 March 2021, and Nanda Ratnavel was appointed as chair on 25 March 2021.

Audit committee members	Attendance
Julia Hickey (outgoing Chair) – to 31 Mar 2021	4/4
Nanda Ratnavel (incoming Chair) – from 25 Mar 2021	n/a
Paul Jenkins	4/4
Michael Bloomfield	4/4
Liz May (independent)	3/4
Mark Stevenson (independent)	4/4

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The remuneration committee is comprised of three trustees and was chaired by Dr Owen Williams until his resignation on 30 October 2020. Valerie Morton was selected as chair-elect in April 2021 and will be formally appointed to the board in July 2021 following the adoption of the new articles of association.

The remuneration committee is responsible for determining the executive pay framework and agreeing specific recommendations relating to executive pay; determining the policy for and scope of the annual cost of living or performance-related award for all NHS Confederation staff, and ensuring that application of this remuneration policy is equitable, fair and transparent; ensuring that contractual terms on termination and any payments made are fair to the individual and the organisation and that failure is not rewarded; and reviewing remuneration trends across the organisation. The committee met five times in 2020/21.

Remuneration committee	Meetings attended
Dr Owen Williams (Chair) – to 30 Oct 2020	3/3
Julia Hickey – to 31 Mar 2021	5/5
Dr Graham Jackson	4/5

The investment committee is comprised of two trustees and an independent member. The committee chaired by Prem Singh met four times in 2020/21 and contributed to the strategic direction of the charity's investment portfolio.

The investment committee was reconstituted with an expanded remit as the finance and operations committee in April 2021. The committee's remit is intended to give the board a closer and clearer understanding of the charity's core financial and operational processes, while ensuring the regular review of its financial performance, delivery of infrastructure projects, and adequacy of insurance cover. The committee will continue to advise the board on the charity's investment strategy.

To ensure that the work of the finance sub-committees is aligned, the chair of the audit committee will also be a member of the finance and operations committee.

Investment committee	Meetings attended
Prem Singh (Chair) – from 16 July 2020	3/3
Julia Hickey – to 31 Mar 2021	4/4
Dr Owen Williams – to 30 Oct 2020	1/2
Suneet Kumar (independent)	4/4

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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Network and country boards

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

The charity expects to adopt new byelaws at a general meeting of members on 16 June 2021, which will entitle networks and the devolved jurisdictions in Wales and Northern Ireland to manage their own affairs, subject to the provisions of the byelaws and network and jurisdiction group terms of reference.

Pensions and remuneration package

The organisation operates three pension schemes.

The NHS Confederation maintains access to the NHS Pension Scheme (for a maximum of five years) and the Civil Service Pension Schemes for staff who are recruited from these sectors (or are employed on protected terms) and already contribute to these defined benefit schemes. The organisation contributes 14.38 per cent to the NHS Pension Scheme and 20.9 per cent to 24.5 per cent to the Civil Service Scheme. 30 staff are on the NHS Pension Scheme and 15 are in the Civil Service Scheme.

The organisation contributes either 6 per cent or 9 per cent (staff contributing 3 per cent or 6 per cent) to a defined contribution pension scheme for all other employees who wish to receive it.

There are also a range of other benefits available to all employees including flexible working; non-contributory life assurance cover; season ticket loans; childcare vouchers and a cycle-to-work scheme (via a salary sacrifice scheme).

Chief executive and director pay

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

Related parties

Sir Andrew Cash's term as interim chair was remunerated through invoice payments made to Unique Health Solutions, a management consultancy firm of which he is a director.

Dr Graham Jackson's GP partnership, Whitehill Surgery, is recompensed for his time spent working for NHS Clinical Commissioners to allow them to backfill his time away from practice business and direct patient care. Dr Jackson is also paid directly for consultancy services for up to 90 days per year.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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

- organising and delivering the NHS Confederation annual conference and exhibition
- a range of other conferences and events
- delivering sponsorship and exhibition services for the NHS Confederation and third parties
- entering into joint ventures or similar.

The directors of the subsidiary company are Jennifer Ruth Poole (chair), Jonathan Morris (non-executive director), Danny Mortimer (subsidiary board director), John O'Brien (subsidiary board director) and Nikki Barraclough (subsidiary board director).

The NHS Confederation has no financial or controlling interest in any other organisation.

Certain costs incurred by the charity are recharged to the subsidiary reflecting an estimation of their usage. The methodology for this recharge is agreed by both parties as part of the budget setting process each year.

Trustee remuneration

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

As detailed above in related parties, an agreement is in place with Dr Graham Jackson's practice, Whitehill Surgery, to provide recompense for his time spent as chair of NHS Clinical Commissioners. Dr Jackson is paid directly for his consultancy work with the PCN and ICS Networks and both payment arrangements are reviewed on an annual basis.

No other trustees received remuneration for their services. Trustees also incurred no travel, accommodation, and subsistence expenses while on NHS Confederation business in 2020/21.

Governance review

The board of trustees undertook an extensive review of the charity's governance arrangements, to ensure a better fit with the NHS Confederation's evolving membership base in England.

Following member consultation, the board approved new draft articles of association and byelaws, which will be put to vote at a general meeting of members on 16 June 2021.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Data protection

The NHS Confederation is fully committed to meeting the requirements of the Data Protection Act 2018 and the UK General Data Protection Regulation.

Mandatory data protection training for staff and trustees is delivered through an e-learning module and compliance reports on data breaches and subject access requests are provided to the audit committee at each of its meetings.

Risk management

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

The trustees are responsible for considering the strategic risks, which are documented on a risk register that evaluates the residual risk (post-mitigating action) against the risk appetite set by the trustees. The register and the mitigating actions are regularly reviewed by the group executive to ensure that the actions are having the desired impact and that the risk is therefore at an acceptable level. During the year, the register was expanded to include a board assurance framework. The audit committee reviews the register at every meeting and the chief executive attends these meetings to report on corporate risk.

Principal risks and uncertainties

The three principal strategic risks faced by the organisation are summarised here:

Strategic risk	Mitigating actions
Major contracts Contracts with major funders are either not renewed or the income is reduced, particularly during the expected upcoming tightening in public expenditure.	Strong relationships are in place with core funders and new contract awards indicate that this continues to be recognised. New and existing income streams are being developed and will mitigate the impact of any loss of contract income.
Membership The organisation is unable to maintain sufficient members from across the health and care sector to assert its position and influence as a system-wide leader. The changing landscape of the sector presents risks to the current membership model.	The new membership model was successfully launched during the year. The new integrated operating model has strengthened our work with existing members while forming the basis for extending our reach across the health and care sectors. The new fee structure will ensure that the cost of supporting member activities is fully funded.

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<p>The impact of COVID-19 on ConfedExpo and the ongoing viability of both ConfedExpo and the Horizon facility</p>	<p>A virtual ConfedExpo event is planned for this year and revenue from both attendees and sponsors is in line with budget. A return to a face-to-face event is planned for 2022 and actions have been taken to mitigate the cost impact of the venue cancellation.</p> <p>ConfedExpo is run by the commercial director and is a major focus of both the executive team and our stakeholders. The event is a core part of our offer and is central to the strategic direction of both the Confed and NHSEI.</p> <p>The commercial team, with the oversight of the subsidiary board, are taking all possible actions to return the Horizon facility to a breakeven position. While it is unlikely that the facility will be retained beyond the life of the current lease, its financial performance is closely monitored.</p>
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The financial risks relating to COVID-19 are covered in detail in the going concern section below.

KPIs

Trustees receive a comprehensive management accounts pack each month. We are also developing a suite of KPIs to bring further focus to the trustees for required areas of monitoring

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Finance review

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the review of the three-year plan (which moves from a deficit budget in year one, to breakeven in year two and then surplus in year three), forecast data and a 12-month forward-looking cash flow. Our membership income remains robust, with the new membership offer in England being launched April 2021. Contract income is stable and commercial income opportunities are likely to increase as our conference and event activity increases. The organisation has a strong cash balance and holds healthy reserves.

Income and expenditure

Income for the year reduced by £1.9 million to £15 million (2020: £16.9 million) largely due to lower events and partnerships income, which was impacted by COVID-19 lockdown and social distancing measures. We received £0.1m of CJRS income in the financial year.

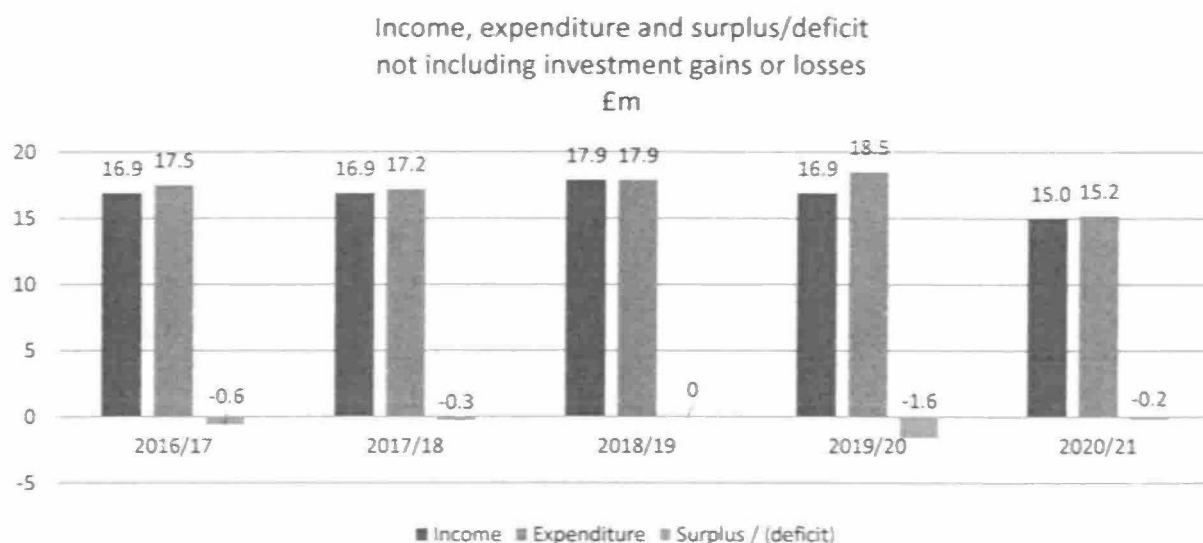
Expenditure for the year was £15.2 million (2020: £18.5 million). The reduction is due to reduced contract expenditure, fewer events delivered, and savings made on travel and office costs. The operating deficit for the year was £0.2 million (2020: £1.6 million) which, after including the investment gain of £0.9 million (2020: £0.2m loss), improved to a £0.7 million surplus for the year (2020: £1.8 million deficit).

Over the period 2016/17 to 2019/20 income was relatively stable at around £16.9 million, with a peak of £17.9 million in 2018/19. The charity then saw a significant reduction of £1.9 million from 2019/20 to 2020/21. The reduction was driven by reduced contract, and events and partnership income. Income is budgeted to increase in 2022 (and subsequent years) due to the rollout of our new fee structure under the new membership model, our plans to run a virtual annual conference in June 2021 (and a return to a full face-to-face conference in 2022 and thereafter) and increased baseline contract income.

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021



Balance sheet

Net assets stood at £8.3 million (2020: £7.6 million). Free reserves excluding restricted funds and fixed assets were £7.7 million (2020: £6.9 million).

Trade debtors stood at £3.2 million (2020: £5.6 million). Trade debtors are at a high point in March as this is when membership invoices are issued - £2.8 million of this amount relates to annual membership fees (2020: £2.3 million).

Cash balances were £5.3 million (2020: £1.4 million) reflecting lower trade debtors and the withdrawals from our investment portfolio (see below).

The investment portfolio was valued at £5.2 million (2020: £5.5 million). This year-end position is net of cash withdrawals of £1.3 million, which were made from our investment portfolio during the year in order to fund anticipated cash flow requirements over the next financial year ending 31 March 2022. In view of our improving operating performance, no further cash withdrawals from the portfolio are anticipated during the year to 31 March 2022.

Total funds for the year stood at £8.3m (2020: £7.6m).

Reserves policy

The target for free reserves continues to be based on the closure costs for the organisation. The target range for reserves remains at £4.1 million to £6.2 million. At 31 March 2021, the free reserves

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

stood at £7.7 million (2020 £6.9 million), which was higher than the target range. The 2021/22 business plan includes spending of £0.4 million from reserves, primarily to develop new membership services for the PCN and ICS networks and finalise the implementation of the new customer relationship management system. This reserve spend was carried over from 2020/21 – no additional reserve spend has been budgeted in 2021/22. The reserves policy will be reviewed in 2021/22 to ensure the range is still appropriate.

Investment policy

The trustees determined that the objective of holding the investment portfolio is to secure a balance between income and long-term capital growth, achieving total returns in real terms over a five-to-seven-year timeframe. The portfolio is managed by Sarasin & Partners LLP, a firm of investment managers, and the funds have been invested in the Sarasin Endowment Fund and the Sarasin Income and Reserves Fund. The investment committee continues to review the investment policy and objectives and the performance of the investment portfolio. The gain on the investment portfolio was £0.9m for 2020/21.

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

Crowe cost review

The trustees requested that a cost review was undertaken in the financial year. Crowe UK was appointed in May 2020 following a formal tender exercise. The work was completed over a five-week period starting in June 2020. The key themes emerging from the review were:

- culture, structure, and employee costs
- core costs and recharges
- contract costing and pricing
- systems and process.

An implementation group was established to ensure the recommendations were progressed. Most recommendations were implemented within the financial year, any outstanding will be delivered in 2021/22.

Qualifying third party indemnity provisions

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

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TRUSTEES' REPORT (CONTINUED) (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Auditor

In accordance with the existing articles of association, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company was put to a general meeting of members on 16 June 2021.

Statement of disclosure to auditor

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

The trustees' report is prepared under the Charities Act 2011, which also contains all information required in a Directors' Report by the Companies Act 2006 and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the board of trustees

on 15 July 2021 and signed on their behalf by:

Signed: 
Victor O Adebowale 2021-07-15 10:24:10

Name: Victor O Adebowale

Trustee

THE NHS CONFEDERATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

Opinion

We have audited the financial statements of The NHS Confederation (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure account, Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

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

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the parent charitable company's governing document and employment tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

Enquiries were made of management and Trustees, and minutes of Trustees meetings were reviewed, in relation to laws and regulations where non-compliance could have an indirect impact on the financial statements.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and agreeing income to third party documentation.

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

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

Use of our report

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

RSM UK Audit LLP

LUCY ROBSON (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

Date: 20/09/21

THE NHS CONFEDERATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Charitable activities	3	14,156,866	139,943	14,296,809	14,769,103
Other trading activities	4	473,233	-	473,233	1,962,241
Investments		173,049	-	173,049	189,845
Other income		102,685		102,685	-
Total income		14,905,833	139,943	15,045,776	16,921,189
Expenditure on:					
Charitable activities	5	14,039,830	139,943	14,179,773	16,590,407
Other trading activities	7	1,031,765	-	1,031,765	1,941,982
Total expenditure		15,071,595	139,943	15,211,538	18,532,389
Net gains/(losses) on investments		911,770	-	911,770	(180,977)
Net movement in funds		746,008	-	746,008	(1,792,177)
Total funds brought forward		7,566,012	-	7,566,012	9,358,189
Total funds carried forward		8,312,020	-	8,312,020	7,566,012

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

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

THE NHS CONFEDERATION

Company Registration No. 04358614

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible fixed assets	11		97,438		-
Tangible fixed assets	12		480,135		682,110
Investments	13		<u>5,160,812</u>		<u>5,549,042</u>
			5,738,385		6,231,152
Current assets					
Debtors	14	3,599,490		6,119,428	
Cash at bank		<u>5,298,836</u>		<u>1,392,066</u>	
		8,898,326		7,511,494	
Creditors: amounts falling due within one year	15	(6,324,690)		(6,176,634)	
Net current assets			<u>2,573,635</u>		<u>1,334,860</u>
Total assets less current liabilities			<u>8,312,020</u>		<u>7,566,012</u>
Income funds					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		577,572		682,110	
General unrestricted funds		7,734,448		6,883,902	
Total funds	19		<u>8,312,020</u>		<u>7,566,012</u>

The notes on pages 45-70 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 15 July 2021 and are signed on their behalf.

Signed: 
Victor O Adebawale (14 July 2021, 15:43:07)

Name: Victor O Adebawale

Trustee

THE NHS CONFEDERATION

Company Registration No. 04358614

CHARITY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible fixed assets	11		97,438		-
Tangible fixed assets	12		480,135		682,110
Investments	13		<u>5,160,812</u>		<u>5,549,042</u>
			5,738,385		6,231,152
Current assets					
Debtors	14	3,564,484		5,601,938	
Cash at bank		<u>4,930,318</u>		<u>1,216,475</u>	
		8,494,802		6,818,413	
Creditors: amounts falling due within one year					
	15	(5,923,549)		(5,957,957)	
Net current assets					
			<u>2,571,253</u>		<u>860,456</u>
Total assets less current liabilities					
			<u>8,309,638</u>		<u>7,091,608</u>
Income funds					
<u>Unrestricted funds:</u>					
Funds represented by fixed assets		577,572		682,110	
General unrestricted funds		7,732,066		6,409,498	
Total funds					
	19		<u>8,309,638</u>		<u>7,091,608</u>

The charitable company's gross income for the year was £14,573,121 (2020 - £13,653,970) and result for the year was a net increase in funds of £1,218,030 (2020 – net decrease of £1,827,686)

The notes on pages 45-70 form part of these accounts.

The financial statements were approved and authorised for issue by the board of trustees on 15 July 2021 and are signed on their behalf.

Signed: 

Name: Victor O Adebawale

Trustee

THE NHS CONFEDERATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by operations)	20	<u>2,531,159</u>		<u>(4,060,965)</u>	
Net cash inflow/(outflow) from operating activities		2,531,159		(4,060,965)	
Cash flows from investing activities					
Purchase of intangible fixed assets		(97,438)		(661,227)	
Proceeds from sale of fixed assets				40	
Proceeds from sale of investments		1,300,000		2,000,000	
Interest received		<u>173,049</u>		<u>189,845</u>	
Net cash generated from investing activities		<u>1,375,611</u>		<u>1,528,658</u>	
Net increase/(decrease) in cash and cash equivalents		3,906,770		(2,532,307)	
Cash and cash equivalents at beginning of year		1,392,066		3,924,373	
Cash and cash equivalents at end of year		<u><u>5,298,836</u></u>		<u><u>1,392,066</u></u>	

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

Charity information

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

Accounting convention

The financial statements have been prepared in accordance with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

Parent statement of financial activities

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

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Basis of consolidation

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Going concern

The group had a net increase in funds during the year of £746,008 (2020 - net decrease of £1,792,177) At the time of approving the financial statements, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Reassurance is achieved through the review of the three-year plan, forecast data and a 12-month forward looking cash flow. The trustees have included the operational and financial impacts of COVID-19 in their considerations. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Incoming resources

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

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

Membership subscriptions

Income is all released in the first month of the financial year in which it relates to.

Contract income

Income is recognised based on delivery under the terms of the contract. Where contracts span more than one year, revenue is recognised based on costs incurred. Contract income can be recognised using a percentage of work delivered if deemed more appropriate.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

Events, sponsorship, exhibition, and delegate income

Income is recognised at the date of the event.

Grant income

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

Deferred income

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

Government grants

Government grants have been received in the year relating to the Government Coronavirus Job Retention Scheme ('Furlough'). These are recognised in "Other Income" within Income & Expenditure in the same period as the related expenditure.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

All expenditure is accounted for on an accrual basis and is classified under headings that aggregate all costs related to the category.

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

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, IT, human resources, and governance costs which support the charity programmes and activities.

Expenditure is shown net of VAT but includes any irrecoverable VAT.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

Intangible fixed assets

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

Expenditure on developing new finance and HR systems for internal use has been capitalised during the year in accordance with FRS 102, and will be amortised on a straight line basis over five years from the point at which they are ready to use (1 April 2021), five years being the expected useful life of the asset.

Tangible fixed assets

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

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

Furniture, fixtures, and fittings	40 per cent straight line or over the term of the lease
Computer and other equipment	33 per cent straight line

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

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

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

Cash and cash equivalents

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include trade debtors, accrued income, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

Derecognition of financial assets

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Employee benefits

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

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

Retirement benefits

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Accounting policies (Continued)

Multi-employer plans

The charity participates in two multi-employer pension schemes for its employees, as outlined in note 18. For both schemes there is insufficient information to use defined benefit accounting, they are therefore treated as defined contribution schemes for accounting purposes and the contributions recognised in the period to which they relate.

Leases

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

Agency arrangements

The charity acts as an agent for the NI Public Sector Chairs forum. Related receipts and subsequent payments are excluded from the Statement of Financial Activities to the extent that the charity does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included in creditors.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Critical accounting estimates and judgements

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

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

Critical judgements

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

Revenue recognition

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

Key sources of estimation uncertainty

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

Impairment of debtors

The charitable company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the trustees consider factors including the ageing profile of the debtor. See note 14 for the net carrying amount of the debtors.

Useful economic lives of intangible and tangible assets

The annual amortisation charge for intangible assets and the annual depreciation charge for tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. See notes 11 & 12 for the carrying amount of the intangible and tangible fixed assets and note 1 for the useful economic lives for each class of assets.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. Income from charitable activities

	2021	2020
	£	£
Membership subscriptions	2,811,806	3,598,652
Contract delivery	10,967,139	10,081,463
Grant income	139,943	247,062
Conference centre income	76,812	602,984
Other income from charitable activities	301,109	238,942
	<u>14,296,809</u>	<u>14,769,103</u>

Grant income of £139,943 (2020: £247,062) is classed as restricted income in this financial year. All other income from charitable activities is classed as unrestricted income in both years.

4. Income from other trading activities

	2021	2020
	£	£
Publications income	3,496	19,831
Audio visual income	1,569	30,099
Membership subscriptions	41,258	39,117
Events and partnerships	387,911	1,764,794
Contract delivery	39,000	108,400
	<u>473,233</u>	<u>1,962,241</u>

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5. Expenditure on charitable activities

	Direct costs	Support costs	Total 2021	Total 2020
	£	£	£	£
Membership subscriptions	2,925,740	755,067	3,680,807	5,105,933
Events and partnerships	147,675	38,111	185,786	531,195
Contract delivery	7,709,022	1,989,524	9,698,546	9,814,483
Grants	139,943	-	139,943	236,666
Digital expenditure	91,560	23,629	115,189	144,167
Conference centre	285,755	73,747	359,502	757,963
	<u>11,299,695</u>	<u>2,880,078</u>	<u>14,179,773</u>	<u>16,590,407</u>

Expenditure of £139,943 (2020: £247,062) is classed as restricted in the year. All other expenditure on charitable activities is classed as unrestricted expenditure in both years.

6. Support costs

	2021	2020
	£	£
Management	798,969	834,979
Governance costs	87,068	100,443
Finance	262,090	296,137
Information technology	480,065	515,570
Human resources	399,882	278,283
Accommodation	852,004	1,115,948
	<u>2,880,078</u>	<u>3,141,360</u>

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Expenditure on other trading activities

	2021	2020
	£	£
Publications expenditure	1,062	6,261
Audio visual expenditure	615	3,256
Membership subscriptions	-	21,075
Events and partnerships	867,579	1,637,331
Contract delivery	-	26,076
Other administrative expenses	162,509	247,983
Expenditure from other trading activities	<u>1,031,765</u>	<u>1,941,982</u>

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

8. Net movement in funds

	2021	2020
	£	£
Net movement in funds is stated after charging		
Fees payable to the company's auditor and its associates in respect of both audit and non-audit services are as follows:		
- Audit	50,024	49,000
- Other non-audit services	2,629	11,588
Depreciation of owned tangible fixed assets	201,976	170,073
Loss on disposal of tangible fixed assets	-	15,975
Operating lease charges	<u>555,478</u>	<u>620,738</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Trustees

During the year, The NHS Confederation interim chair, Andrew Cash, was remunerated £6,276 (2020 - £17,335) and the permanent chair, Victor Adebowale (appointed April 2020), was remunerated £46,591 (2020 - £nil) in accordance with the articles of association and the permission granted by the Charity Commission. Graham Jackson received remuneration of £63,763 (2019 - £51,570) for consultancy services provided to the charity, which is separate from his activities as a trustee.

Expenses incurred on behalf of the charitable company and reimbursed to trustees during the year amounted to £nil (2020 - £103 to four trustees). Expenses paid directly to third parties on behalf of trustees during the year amounted to £nil (2020 - £4,333).

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

10. Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	210	216

Employment costs

	2021 £	2020 £
Wages and salaries	9,174,230	9,677,254
Social security costs	990,568	1,061,472
Pension costs	786,213	774,813
	<u>10,951,011</u>	<u>11,513,539</u>

Wages and salaries includes seconded and agency staff of £157,167 (2020 - £431,090).

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

10. Employees (Continued)

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

	2021 Number	2020 Number
£260,000-£269,999	-	1
£240,000-£249,999	-	-
£170,000-£179,999	1	-
£160,000-£169,999	-	1
£150,000-£159,999	-	1
£140,000-£149,999	1	-
£130,000-£139,999	1	-
£120,000-£129,999	2	3
£110,000-£119,999	3	2
£100,000-£109,999	1	4
£90,000-£99,999	1	1
£80,000-£89,999	4	1
£70,000-£79,999	7	8
£60,000-£69,999	18	13

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Intangible fixed assets

Group and charity

	System Development £	Total £
Cost		
At 1 April 2020	-	-
Additions	97,438	97,438
Disposals	-	-
At 31 March 2021	<u>97,438</u>	<u>97,438</u>
Amortisation		
At 1 April 2020	-	-
Amortisation charged in year	-	-
At 31 March 2021	<u>-</u>	<u>-</u>
Carrying amount		
At 31 March 2021	<u>97,438</u>	<u>97,438</u>
At 31 March 2020	<u>-</u>	<u>-</u>

No amortisation has been charged in the year ended 31 March 2021 as the new Finance & HR system was not brought into use until 1st April 2021.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

Group and charity	Furniture, fixtures and fittings £	Computer and other equipment £	Total £
Cost			
At 1 April 2020	743,530	113,214	856,744
Additions	-	-	-
Disposals	-	(67,933)	(67,933)
At 31 March 2021	<u>743,530</u>	<u>45,281</u>	<u>788,811</u>
Depreciation			
At 1 April 2020	88,179	86,455	174,634
Depreciation charged in year	178,131	23,845	201,976
Eliminated on disposal	-	(67,933)	(67,933)
At 31 March 2021	<u>266,310</u>	<u>42,367</u>	<u>308,677</u>
Carrying amount			
At 31 March 2021	<u>477,220</u>	<u>2,914</u>	<u>480,135</u>
At 31 March 2020	<u>655,351</u>	<u>26,759</u>	<u>682,110</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. Investments

Group and charity	Listed investments £	
Cost or valuation		
At 1 April 2020		5,549,042
Sales		(1,296,000)
Purchases		2,460
Valuation changes		905,310
At 31 March 2021		<u>5,160,812</u>
Carrying amount		
At 31 March 2021		<u>5,160,812</u>
At 1 April 2020		<u>5,549,042</u>
	2021	2020
	£	£
Investments at fair value comprise:		
Fixed income	1,096,408	1,363,133
Equities	3,242,951	3,167,193
Property	101,336	142,872
Alternative investments	412,958	512,096
Liquid assets	307,159	363,748
	<u>5,160,812</u>	<u>5,549,042</u>

Fixed asset investments revalued

At 31 March 2021, the historical cost of investments was £3,200,000 (2020 - £4,500,000) with net gains of £1,960,812 (2020 - £1,049,042).

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

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,181,277	5,585,615	3,053,040	5,279,899
Amounts due from fellow group undertakings	-	-	332,738	-
Other debtors	-	7,466	-	7,466
Prepayments and accrued income	318,409	496,170	178,706	314,573
	<u>3,499,686</u>	<u>6,089,251</u>	<u>3,564,484</u>	<u>5,601,938</u>
Amounts falling due after more than one year:				
Prepayments and accrued income	99,804	30,177	-	-
	<u>99,804</u>	<u>30,177</u>	<u>-</u>	<u>-</u>
Total debtors	<u>3,599,490</u>	<u>6,119,428</u>	<u>3,564,484</u>	<u>5,601,938</u>

15. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	142,871	590,051	135,191	425,928
Amounts due to group undertakings	-	-	-	426,093
Other taxation and social security	1,325,005	724,785	1,325,005	755,040
Other creditors and accruals	1,059,339	1,316,071	1,059,033	1,241,569
Deferred income	3,797,475	3,545,727	3,404,320	3,109,327
	<u>6,324,690</u>	<u>6,176,634</u>	<u>5,923,549</u>	<u>5,957,957</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16. Deferred income

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

	Group £	Charity £
At 1 April 2020	3,545,727	3,109,327
Amount released to Statement of Financial Activities	(4,339,936)	(3,740,111)
Amount deferred in year	4,591,684	4,035,104
	<hr/>	<hr/>
At 31 March 2021	3,797,475	3,404,320

17. Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,204,213	5,790,106
Instruments measured at fair value through net income/(expenditure)	<u>5,160,812</u>	<u>5,549,042</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>1,202,210</u>	<u>1,906,121</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18. Retirement benefits

The organisation contributes to a number of pension schemes.

The NHS Confederation is able to maintain access to the NHS Pension Scheme (for a maximum of five years) and the Civil Service Pension Scheme for staff who are recruited from these sectors and already contribute to these schemes.

The Federated Flexiplan No.1 was a defined benefit pension scheme previously operated. This plan is closed to new members and to future accrual of benefits.

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

Contributions amounting to £150,382 (2020 - £143,025) were payable to the schemes at 31 March 2021 and are included within other creditors and accruals.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Unrestricted funds

Group	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Movement in tangible fixed assets £	Other charitable income and expenditure £	Revaluations gains and losses £	
Funds represented by fixed assets	682,110	(104,538)	-	-	577,572
General unrestricted funds	6,883,902	-	(61,224)	911,770	7,734,448
	<u>7,566,012</u>	<u>(104,538)</u>	<u>(61,224)</u>	<u>911,770</u>	<u>8,312,020</u>

Group	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Movement in tangible fixed assets £	Other charitable income and expenditure £	Revaluations gains and losses £	
Funds represented by fixed assets	206,971	475,139	-	-	682,110
General unrestricted funds	9,151,218	(661,187)	(1,425,152)	(180,977)	6,883,902
	<u>9,358,189</u>	<u>(186,048)</u>	<u>- 1,425,152</u>	<u>- 180,977</u>	<u>7,566,012</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. Unrestricted funds (continued)

Charity	Movement in funds				Balance at 31 March 2021 £
	Balance at 1 April 2020 £	Movement in tangible fixed assets £	Other charitable income and expenditure £	Revaluations gains and losses £	
Funds represented by fixed assets	682,110	(104,538)	-	-	577,572
General unrestricted funds	6,409,498	-	410,798	911,770	7,732,066
	<u>7,091,608</u>	<u>(104,538)</u>	<u>410,798</u>	<u>911,770</u>	<u>8,309,638</u>

Charity	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Movement in tangible fixed assets £	Other charitable income and expenditure £	Revaluations gains and losses £	
Funds represented by fixed assets	206,971	475,139	-	-	682,110
General unrestricted funds	8,712,323	(661,187)	(1,460,661)	(180,977)	6,409,498
	<u>8,919,294</u>	<u>(186,048)</u>	<u>- 1,460,661</u>	<u>- 180,977</u>	<u>7,091,608</u>

20. Restricted funds

Income relating to restricted funds was received during the year ended 31 March 2021 but had all been spent by the year-end date, meaning balance on restricted funds at this date was nil.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Cash generated from operations

	2021	2020
	£	£
Surplus/(deficit) for the year	746,008	(1,792,177)
Adjustments for:		
Investment income recognised in statement of financial activities	(173,049)	(189,845)
Loss on disposal of tangible fixed assets	-	15,975
Fair value losses and (gains) on investments	(911,770)	180,977
Depreciation of tangible fixed assets	201,975	170,073
Movements in working capital		
(Increase)/decrease in debtors	2,519,938	(1,380,269)
Increase/(Decrease) in creditors	148,057	(1,065,699)
Cash (absorbed by)/generated from operations	<u>2,531,159</u>	<u>(4,060,965)</u>

22. Operating leases

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

	2021	2020
	£	£
Within one year	577,307	350,930
Between one and five years	1,128,443	1,628,544
	<u>1,705,750</u>	<u>1,979,474</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, being the CEO and the directors of the various directorates, is as follows:

	2021 £	2020 £
Aggregate compensation	1,604,427	1,737,325

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

2021 Related Party	Description of Relationship	Confederation		Services	Confederation	
		Income	Expense	Income	Debtor	
		£	£	£	£	£
Nuffield Health	Chair is Non-Exec Director	9,261	-	-	6,970	
Unique Health Solutions Ltd	Chair is Director	-	6,276	-	-	
Powys Teaching Health Board	Trustee is Chair	35,050	-	-	39,660	
Tavistock and Portman NHS Foundation Trust	Trustee is Chief Executive	9,010	-	-	9,010	
Derbyshire Community Health Services NHS Trust	Trustee is Chair	6,944	-	75	-	
Rotherham, Doncaster & South Humber NHS FT	Spouse of Trustee is Chief Executive	9,940	-	-	9,940	
Milton Keynes Hospital NHS Trust	Trustee is Chief Executive	7,543	-	-	7,543	
NI Ambulance Service	Trustee is Chief Executive	4,539	-	-	4,539	
Calderdale and Huddersfield NHS Foundation Trust	Trustee is Chief Executive	8,927	-	-	8,927	
University of Sheffield	Trustee is Professor (Visiting Chair)	-	9,750	-	-	
Cardiff University	Trustee is Emiratias Professor	-	16,947	-	-	
Whitehill Surgery Aylesbury	Trustee is a partner of the surgery	-	16,650	-	-	
Allocate Software	Trustee is Senior Advisor	-	-	1,500	-	

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Related party transactions (continued)

2020	Related Party	Description of Relationship	Confederation		Services	Confederation		Services
			Income	Expense	Income	Debtor	Creditor	Debtor
			£	£	£	£	£	£
	LaingBuisson Limited	Charity Chair was Chair	-	24,579	2,850	-	18,499	3,420
	Derbyshire Community Health Services NHS Trust	Trustee is Chair	4,944	-	199	4,944	-	-
	Calderdale and Huddersfield NHS Foundation Trust	Trustee is Chief Executive	6,427	-	-	6,427	-	-
	Whitehill Surgery Aylesbury	Trustee is a partner of the surgery	-	16,650	-	-	-	-
	Gateshead Health NHS Foundation Trust	Trustee was Chair, left Sep 2019	1,681	-	533	5,303	-	-
	Care UK	Trustee is Chief Executive	-	-	271	-	-	-
	Tavistock and Portman NHS Foundation Trust	Trustee is Chief Executive	8,010	-	2,714	8,010	-	-
	Northern Health & Social Care Trust	Trustee is Chief Executive	12,448	-	432	8,712	-	210
	Yorkshire & Humber AHSN	Interim chair of charity is a director	-	-	7,657	-	-	6,000
	B Braun Medical Limited	Interim chair is non-executive director	-	-	6,000	-	-	-
	Welsh Health Specialised Services Committee	Trustee is Chair	-	-	1,000	-	-	-
	Rotherham, Doncaster & South Humber NHS FT	Spouse of Trustee is Chief Executive	8,940	-	2,094	8,940	-	(718)
	Powys Teaching Health Board	Trustee is Chair	39,250	-	1,045	44,700	-	-

There are no other related party transactions to disclose.

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

24. Results and net assets of the subsidiary

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

The summary financial performance of the subsidiary alone is:

	2021	2020
	£	£
Turnover	473,235	1,962,240
Cost of sales	(618,044)	(1,542,364)
Gross (loss)/profit	<u>(144,809)</u>	<u>419,876</u>
Administrative expenses	(162,509)	(247,983)
Other operating income	7,189	-
(Loss)/profit before taxation	<u>(300,129)</u>	<u>171,893</u>
Tax	-	-
(Loss)/profit for the financial year	<u>(300,129)</u>	<u>171,893</u>
The assets and liabilities of the subsidiary were:		
Current assets	736,261	1,149,428
Current liabilities	(733,879)	(675,024)
Total net assets	<u>2,382</u>	<u>474,404</u>
Aggregate capital and reserves	<u>2,382</u>	<u>474,404</u>

THE NHS CONFEDERATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25. Agency agreement

The charity acts as an agent for the NI Public Sectors Chairs forum. In the financial year ended 31 March 2021, the charity received £23,085 (2020 - £42,550) and disbursed £25,491 (2020 - £34,481) in its role as agent. An amount of £33,517 (2020 - £35,922) is included in other creditors relating to unrestricted funds held as agent at 31 March 2021.