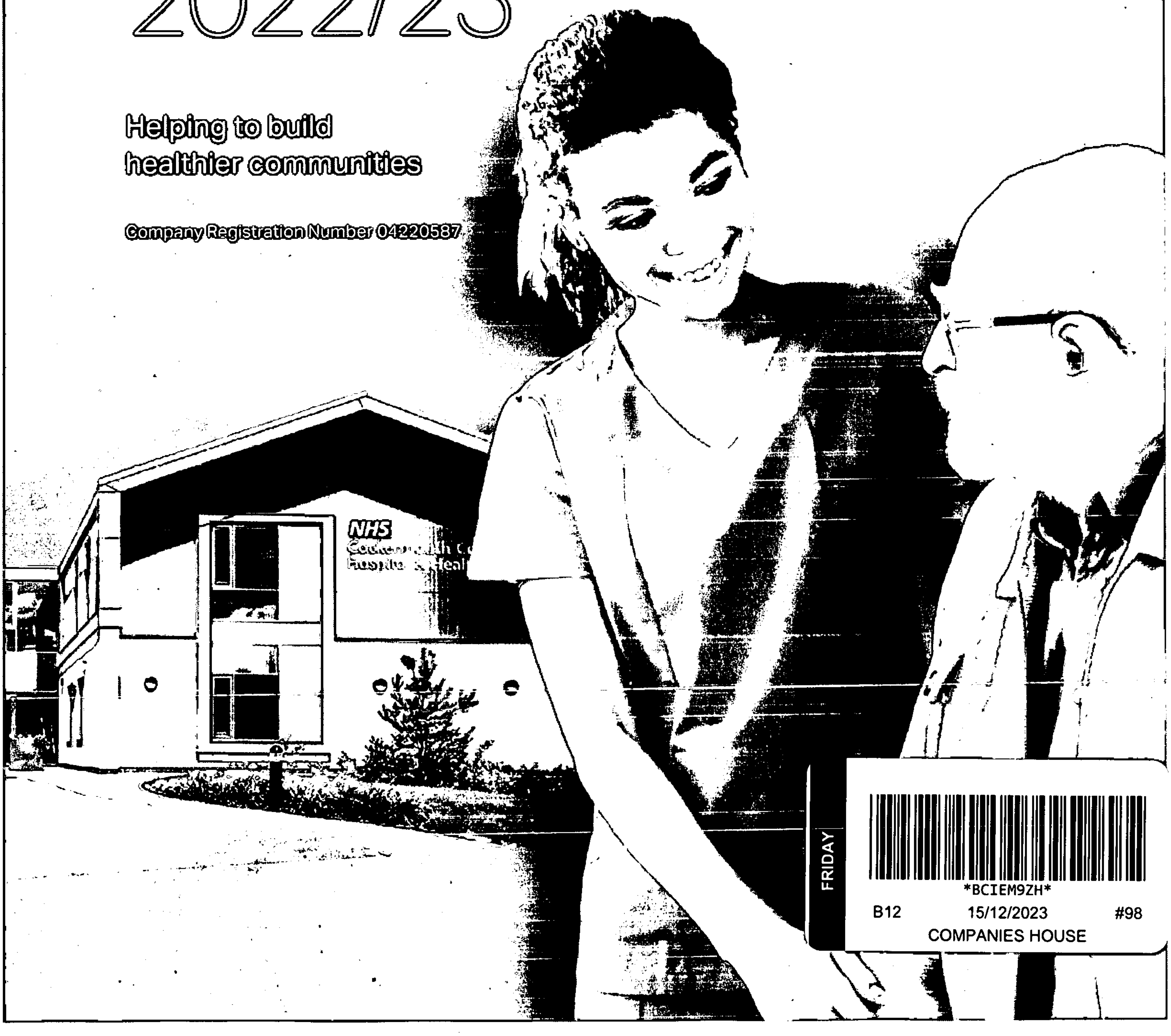
Community Health Partnerships

Annual report 2022/23

Helping to build healthier communities

Company Registration Number 04220587



Company Registration Number 04220587

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Chair's message

This year has been one of very good performance for the Company against the backdrop of the NHS working extremely hard to deal with the backlog of patients following the pandemic and the launch of the Integrated Care Boards (ICBs). The organisation has met its business plan and I am proud to say that we achieved all our performance targets, both financial and non-financial, this year which puts us in good stead as we move forward.

Not only this but the organisation has set a five year forward strategic framework to deliver both the Department of Health and Social Care (DHSC) Shareholder priorities and meet the needs of a changing NHS. Our five year strategy, outlined in this report, will guide our thinking, planning and delivery.

We have proved once again why our buildings are considered core NHS estate as they are in good condition with no backlog maintenance and can quickly and effectively be repurposed to meet changing health needs. We successfully delivered eight Community Diagnostic Centres in our buildings alongside our biggest ever investment in the NHS Local Improvement Finance Trust (LIFT) estate at £14.8 million; all this while keeping our 308 LIFT buildings running as smoothly as possible.

£14.8m

investment in the LIFT estate

We have strongly supported the move to community and place-based care, bringing diagnostics and treatment out of acute hospital settings and closer to patients from the communities who need it most.

During the year, we have undertaken proactive work to engage with our public and private sector partners to ensure that the LIFT estate continues to deliver value for money and ensuring the optimal usage of these assets following the improvements in the last year. Increasingly we will view our future activity through the lens of securing these assets for their next term and be working with our partners as the first lease terms move towards expiry.

The expert advisory part of our business continues to grow and develop supporting the NHS in strategic infrastructure planning. The successful work on primary care data and our involvement in the data mapping, analysis and insight tool SHAPE has provided us with a very strong foundation for developing the work on Integrated Care Systems (ICS) infrastructure

73%
tenant satisfaction

strategies and beyond and the whole team has worked extremely hard to get us to this excellent position.

I was particularly pleased to note that the satisfaction of our tenants increased to 73% - a clear improvement from last year's 59% figure. Our customers are really important to us and we will continue to improve both our range of feedback methods and our focus on excellent customer service. Thank you to everyone whose work has contributed to this.

Equally we were pleased to see employee satisfaction improve substantially from a score of 66 to 75. The organisation has re-shaped to better meet the changing organisational structures in the NHS.

Any transition creates uncertainty but after a period of change it is good to see that the new stability is being recognised and appreciated by employees.

At the end of August 2023 the terms for Non-Executive Directors Charanjit Patel and Geraldine Strathdee expired. The Board expressed their thanks for all that they have done for the organisation during their time on the Board and I appreciate the support they have given me. We have recently appointed two new NEDs - Peter Cornforth and Eric Guillaume - who joined us on 1 November. A very warm CHP welcome to them both.

On reflection, a good year on which we will continue to build for the future.

Catherine Mason
Chair

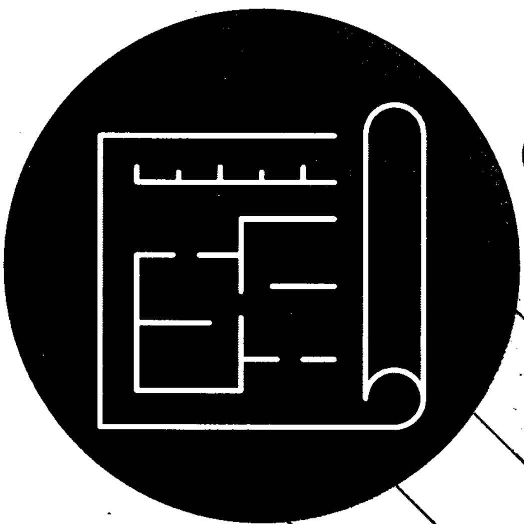
CEO introduction

2022/23 has passed by very quickly as the NHS continues to face the challenges of reducing waiting lists and responding to the health needs of the country.

CHP are successfully playing a major role in this work – both through our buildings, which are such valuable core NHS assets, and our strategic and operational focus. We have worked very hard to repurpose and adapt facilities to support the shift of activity from acute into community facilities, and the LIFT estate is well placed to support this.

As a DHSC owned company, we have made a real contribution to the delivery of health and wellbeing services in the last year. We are particularly proud of our achievements in progressing the development of community diagnostic centres which provide key services to local communities.

In terms of facing the future, we are supporting Integrated Care Systems in planning for their infrastructure strategies. These are key pieces to support local healthcare planning and set the direction for the future LIFT estate. As we plan for this, we have revisited our company strategy and forward direction. This is detailed in this report.



"We have worked very hard to repurpose and adapt facilities to support the shift of activity from acute into community facilities"

In 2022/23 we achieved all our Department of Health and Social Care Key Performance Indicators which is a testament to the hard work and commitment from the whole CHP Team. This annual report details our achievements and shows how we make a difference.

Our plans for 2023/24 and beyond build on these excellent foundations and describe our direction of travel as we focus on our future delivery. You can read more about our forward plans in this report.

As Chief Executive, I am very proud to be part of CHP and the great work we do in supporting local communities. Of course, none of this could be delivered without our people and teams working to support our customers. A huge thank you to all for your continued commitment to the work we do, and I look forward to another successful year.

Wendy Farrington-Chadd
Chief Executive Officer

Strategic report

The Directors present their report for the Company for the year ended 31 March 2023.

Our purpose

As a DHSC owned NHS company we provide innovative and sustainable spaces for patient care.

Our vision

To be a leader in shaping the care environment for locally based services.

OUR VALUES

In 2022-23 we refreshed our company values, simplifying these and supporting them with a set of expected behaviours.

These underpin how we work with our customers and partners and our ongoing work on organisational culture.

Commitment

- Do what we say we will do
- Work together
- Deliver solutions for our customers and partners

Accountability

- Lead by example
- Take responsibility for your words, actions and results
- Hold others to account

Respect

- Actively listen and feedback
- Treat people with dignity and professionalism

Inclusivity

- Value everyone for who they are
- Communicate effectively
- Be open minded

Our strategic aims

- **Leading** the future shape of the care environment for the future, advising on policy as leaders and innovators
- **Working with partners and customers** as part of the local integrated systems to provide facilities solutions
- **Delivering sustainable infrastructure**, offering safe, flexible, well-used and welcoming spaces
- **Providing value for money** to our partners and customers
- **Supporting our people** to develop as individuals and as part of the local team

How we deliver

Community Health Partnerships has three core business areas:

- Strategic Business Development
- Property and Operations
- Investment and Finance

These are supporting by our enabling functions of People, Digital and Communications.

We are one company working through regional multidisciplinary teams.

KEY STATISTICS

350
buildings

308
buildings leased by CHP

£100m
invested

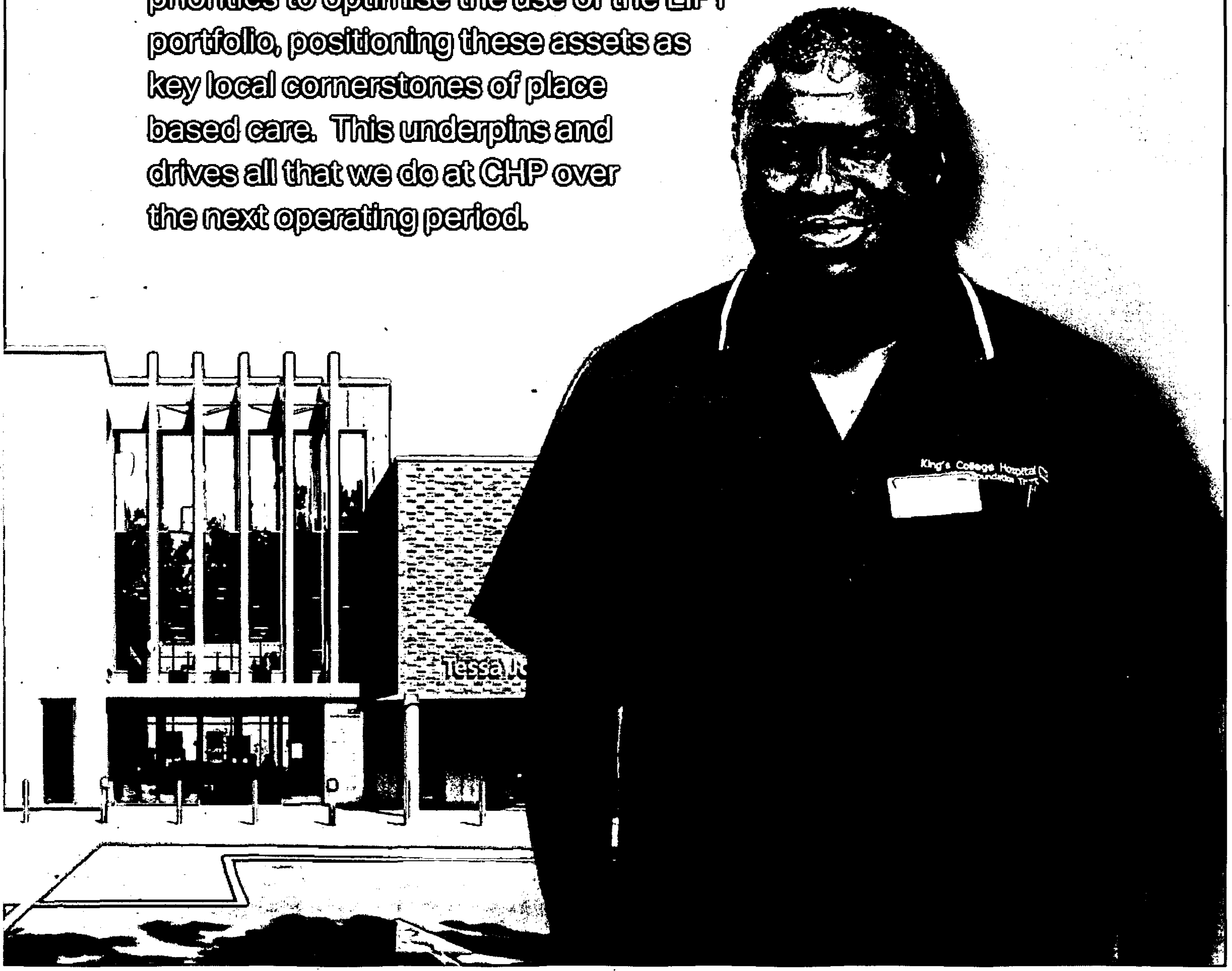
No
backlog maintenance

£2.7bn
property portfolio worth

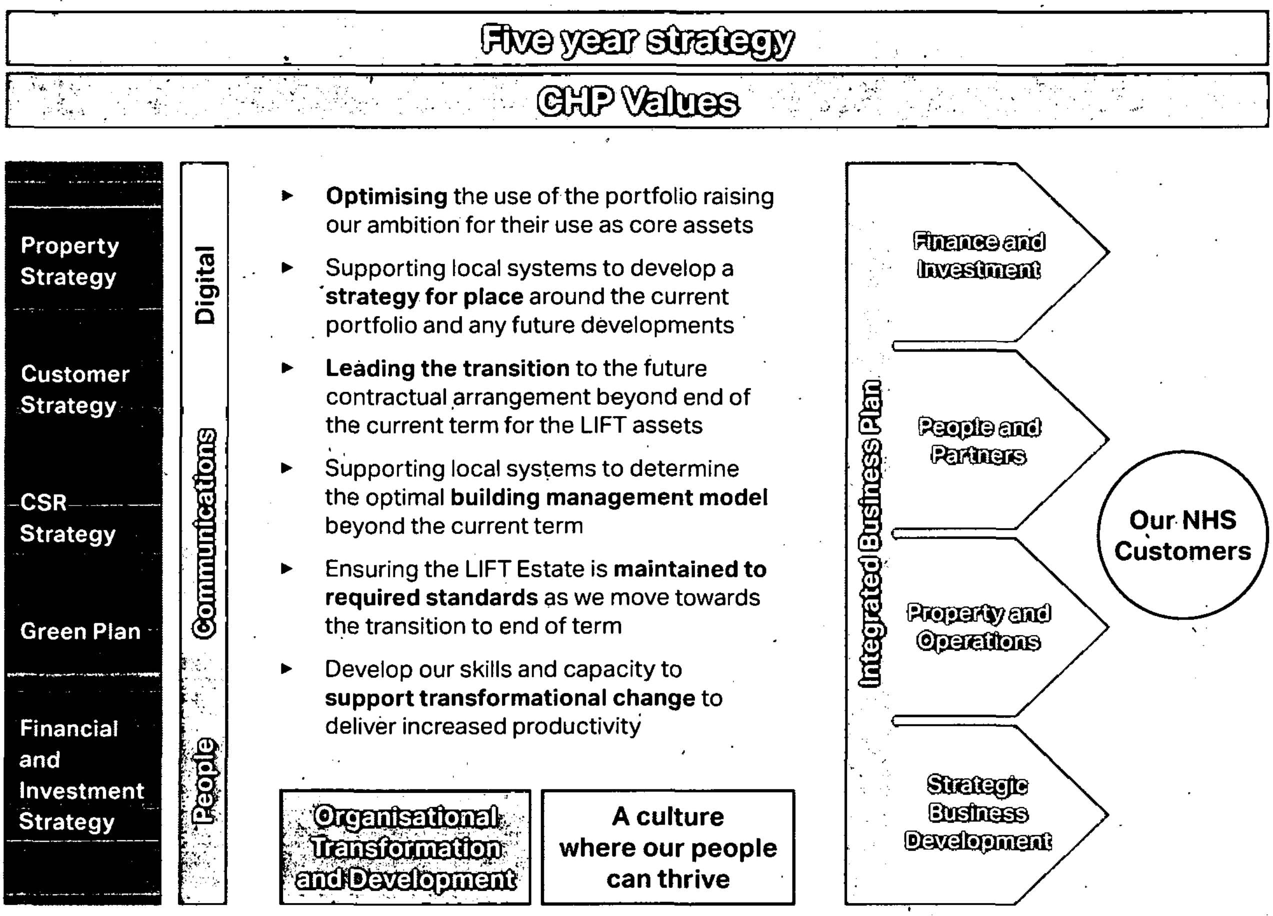
£1.3m
social value generated from our Buildings at the Heart of Communities initiative

Our forward strategy

During the year, we developed and launched our five-year strategy setting out our priorities to optimise the use of the LIFT portfolio, positioning these assets as key local cornerstones of place based care. This underpins and drives all that we do at CHP over the next operating period.



We are entering a new phase for the LIFT model; within the next five years this property portfolio will move to the end of the current contract arrangements. Our focus therefore is to secure the future of the LIFT portfolio as core assets to the delivery of local care. NHS England has endorsed them as core to local care delivery mainly as they are in excellent condition. We must capitalise on this by working with partners and customers to identify the strategic need for the buildings and use our local intelligence within our regional teams to proactively present estate solutions to support place based care.



Our strategy has been published and is available on our website.

Delivery of our strategy is driven by our annual business plans. Last year we set out an ambitious set of KPIs and deliverables which as you can read in the rest of this report we performed incredibly well.

CHP Business Plan 2023/24 which was published in April 2023 and builds on our achievements of 2022/23, setting out our delivery priorities aligned to our forward strategy.

Our achievements in 2022-23

CHP's response to the challenges over the past 12 months has been one of focus, effective change management and systems development driven by a significant and ongoing commitment by the Board, Senior Leadership Team and staff to effectively and efficiently deliver our objectives and provide a high quality of service for our customers.

As well as monitoring key financial metrics the Board monitors the progress of the Company by reference to a range of output-based measures and these are monitored through the Company's Performance Framework Report. The Senior Leadership Team is in place to deliver the Integrated Business Plan, focused on the collaborative delivery of the Company's strategic objectives and achievement of the annual KPIs.

CHP returns any surpluses generated to its Shareholder, DHSC, as a contribution to revenue budgets. The results of the Company for the year, as set out on pages 71 to 118 show a surplus before tax of £17.2m (2022: surplus of £9.6m) predominantly relating to fair value gains on investments.

£85.5m

overall cash position (at the year end)

Management focuses on operating performance as this reflects the company's day to day operations and excludes movement in fair value. The operating surplus for the year ended 31 March 2023 was £5.9m before tax (2022: £3.9m), increasing as a result of one off finance income. CHP also look to identify and deliver internal efficiency savings each year, whether through improved use of supply chains or through more efficient ways of working to manage headcount effectively.

During the year, the Working Capital Loan balance with DHSC was reduced by £1.7m (2022 £0.9m) in exchange for share capital and the transfer of liabilities held with other NHS organisations. At the year end, the overall cash position is higher than in the prior year at £85.5m (2022: £68.1m).

KPIs

An Integrated Business Plan and associated operational plan were agreed for 2022/23 with key indicators being presented to the Board throughout the year by way of a Performance Framework Report. The achievement of the Company's strategic objectives was measured and monitored through 9 key performance indicators.

Company performance for 2022/23 against these KPIs is summarised as follows.

Strategy: Partners and Customers

Objective	Weighting	Result	Year end performance
Increase tenants providing feedback on the tenant satisfaction survey by 5%	10%	Achieved	Feedback increased by 6% through increased customer engagement
Increase overall tenant satisfaction within the tenant satisfaction survey by 5%	10%	Achieved	Increased by 14%

Strategy: Sustainable Facilities

Objective	Weighting	Result	Year end performance
Maintain 98% across all statutory compliance areas	10%	Achieved	All areas over 98%
85% of minor works with ORM delegated authority achieved within 4 weeks	10%	Achieved	86% achieved

Strategy: Value for Money

Objective	Weighting	Result	Year end performance
Deliver £7.4m of capital investment	10%	Achieved	Capital investment spend within tolerance
Reduce non-let space by 4000sqm	10%	Achieved	Reduced by 4,494sqm

Strategy: Finance

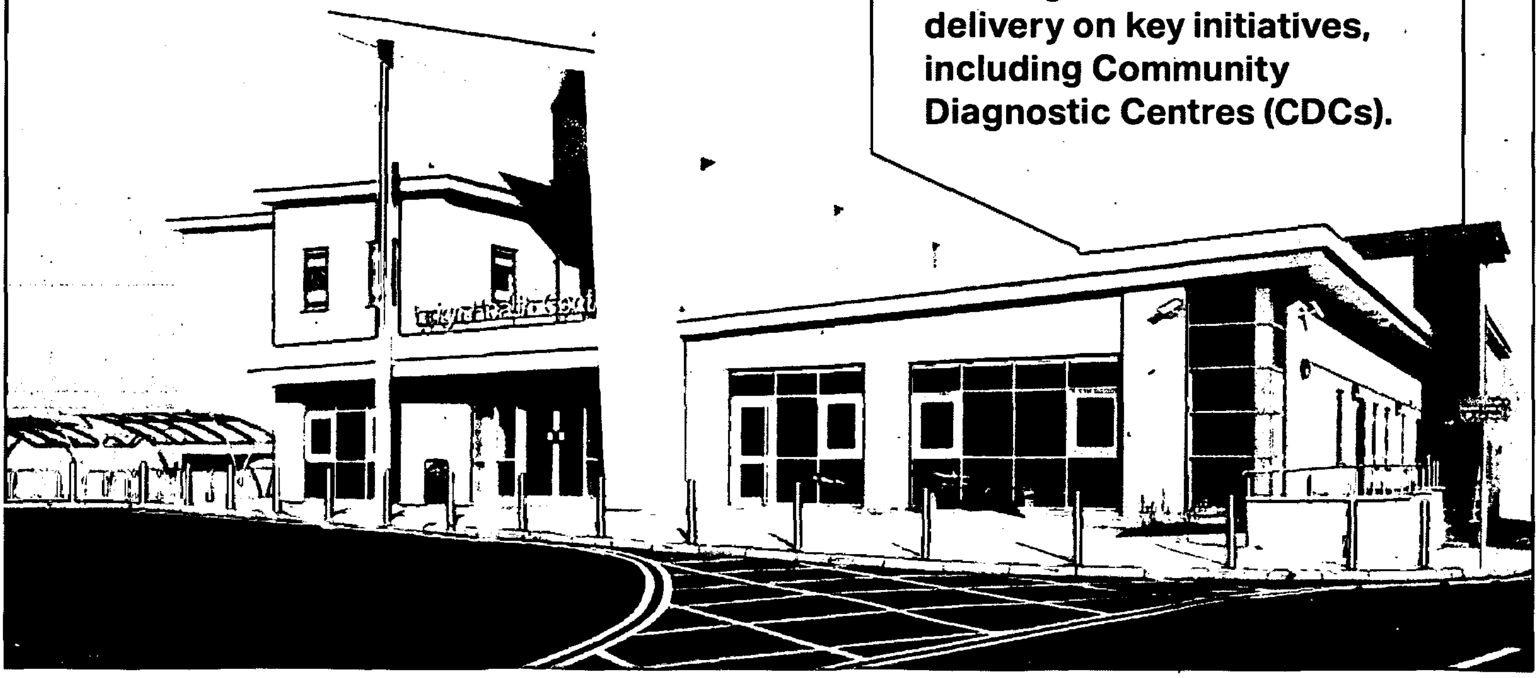
Objective	Weighting	Result	Year end performance
Deliver £4m of surplus (10% tolerance)	20%	Achieved	£5.932m
Maintain current debtor days at 65 or below (10% tolerance)	10%	Achieved	56 days
75% of ICSs committed to and 50% making direct payments on behalf of GPs	10%	Achieved	77% committed, 51% making direct payments

Partnership working

Working at national level

We work with DHSC and NHS England's National and Regional Estates Teams to support strategic initiatives across the NHS estate. With constraints on capital funding, optimising the use of high-quality estate is essential to support key priorities such as recovery of elective and primary care and delivery of place based care.

We are also active members of national Boards focused on infrastructure, offering solutions to drive delivery on key initiatives, including Community Diagnostic Centres (CDCs).



Improving utilisation of core assets – a shared objective

We work in partnership to optimise the use of the LIFT estate and drive utilisation. Making the best use of high-quality core estate is in everyone's interests, enabling better patient care and experiences while generating greater value for money.

How we achieve this is through a proactive approach to collaboration and engagement. This is demonstrated in our work.

CASE STUDY

Bath Street Health and Wellbeing Centre

Expanding breast screening services at Bath Street Health and Wellbeing Centre, Warrington

CHP worked with NHSE, NHS Cheshire and Merseyside, Warrington and Halton Teaching Hospitals NHS Foundation Trust (WHH) and Renova Developments Ltd to increase the breast screening capacity at the Centre. CHP provided £930k capital funding to repurpose underutilised office space into new clinical rooms and extra space for the service. Funding also came from NHS England, NHS Cheshire and Merseyside and WHH, as the service provider.

The reconfiguration of the space also made it possible to create four more clinical rooms and a meeting space, paving the way for a range of other health services to be offered in the future.

Read more about this project

Supporting PCNs

In 2022, we were commissioned by NHS England to support Primary Care Networks (PCNs) in the development of their strategic service and estate plans across 34 Integrated Care Boards (ICBs) (more than 860 PCNs).

Our approach was underpinned by our work on the Primary Care Data Gathering Programme (PCDG) which covered 8000 GP premises.

We are supporting PCNs with specialist planning support, identifying future services' needs, deliverable investment and disinvestment outcomes whilst underpinning the need to optimise the existing strategically important primary and community care infrastructure. We have delivered more than 500 service plans and 300 estate plans so far, with the remaining plans to be complete by early 2024.

This forms the foundation of our advisory services and demonstrates our ability to work with the NHS to meet their planning needs and support our partners to make informed decisions using robust data, while understanding the strategic needs around the LIFT buildings.

75% of ICB partners satisfied with their point of contact at CHP

In July 2022 Integrated Care Boards (ICBs) were established taking over the commissioning of clinical services from Clinical Commission Groups (CCGs) and decision making on NHS estates. Engagement via our regional teams continued to build on existing relationships and form new contacts as the NHS settled into its new arrangements. Our PCN work was also building our reputation with the new ICBs.

In February 2023 we conducted a partner satisfaction survey, to understand how well we were perceived by ICBs. We achieved high satisfaction scores from our customers in relation to their CHP points of contact and the survey gave us a range of insight into what these partners value from CHP.

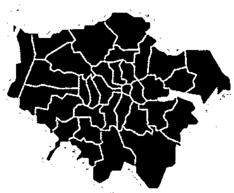
Successfully working in partnership **across the region**

CHP is one team, regionally facing. We deliver for the NHS through our local teams.

A key priority for our regional teams is to drive utilisation of the LIFT portfolio by acting on opportunities such as supporting elective care recovery through the development of community diagnostics, presenting solutions to ICBs to support place-based care and primary care recovery.

In addition, through regional delivery we have increased our green and social value activities, putting our buildings at the heart of their communities.

London



1

Enhancing patient experience locally

The creation of a dental school for NHS Barts Healthcare Trust in Kenworthy Road is an excellent example of partnership working, as was the installation of a second static MRI in Finchley Memorial Hospital. More than 180,000 additional patients have had diagnostic tests since the CDC, hosted by NHS Royal Free London NHS FT, opened.

Another CDC, Eltham Community Hospital, has recently become operational. This CDC is hosted by NHS Lewisham and Greenwich Trust, and we expect to see additional services offered as construction is completed.

The Operational and Relationship Managers (ORMs) in our buildings across the region have made spectacular efforts in supporting our social value activities.

Good examples are community gardening projects which continue to thrive across London with the produce available to those who need it.

2

New Wellbeing Hub in South London

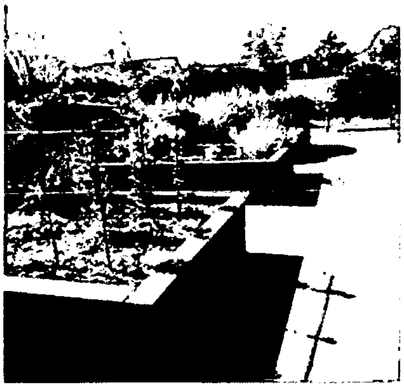
A new Wellbeing Hub has been created at Akerman Health Centre in South London, following the recommendation in a Community Needs Assessment report commissioned by investors, Fulcrum Infrastructure Group. By reconfiguring ground floor space, five rooms are now available for free for a range of local community groups to use in their work to improve health and wellbeing in hard-to-reach communities.

Diverse community groups use the Akerman Wellbeing Hub including providing support with technology, a young person's clinic, a safe space for young carers and free events for young children and families with English as a second language.

3

Better access to GPs in East London

A £800,000 investment funded by CHP, working in collaboration with the local ICS and CHP's local LIFTCo partner RWF Health and Community Developers Ltd, enabled a new GP practice to move into purpose-built accommodation in Comely Bank Clinic. This will improve the delivery of GP services for the local community and transform the way healthcare services work to benefit patients.

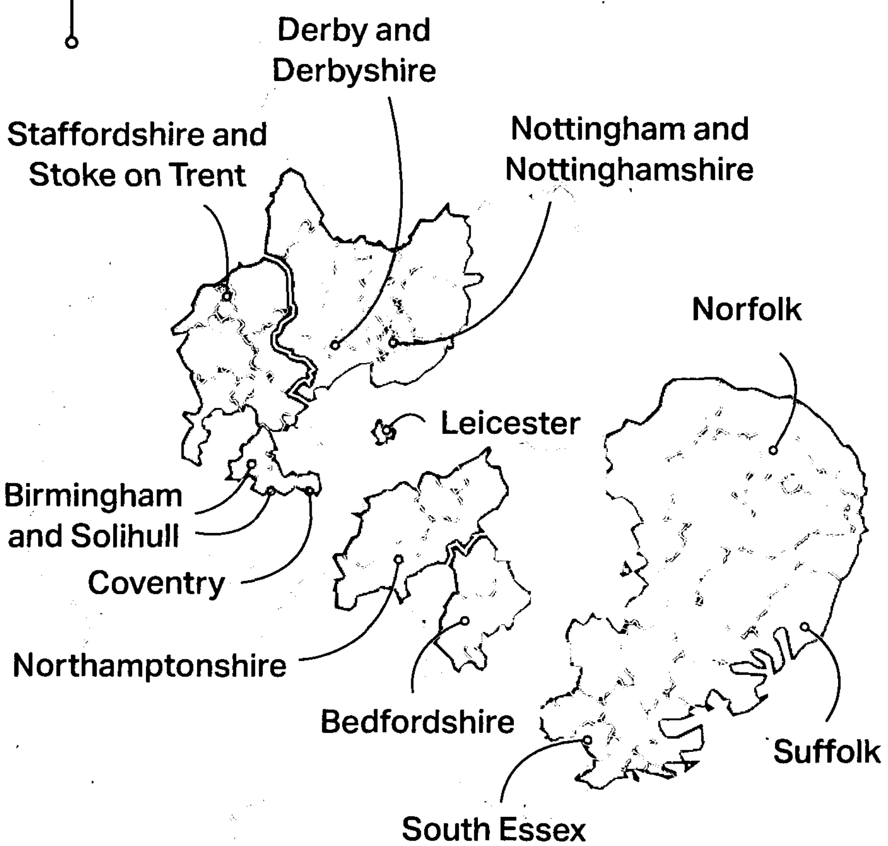


Enhancing patient experience locally – *community garden at Finchley memorial hospital*

New Wellbeing Hub in South London

Successfully working in partnership **across the region**

Midlands and East



1 Improving utilisation to meet tenants' needs

A number of projects have greatly improved utilisation of buildings across this region.

2 An integrated health hub at Canvey Primary Care Centre

Work was completed to form an integrated health hub in 2022-23. The building is now fully used and houses three GP Practices, a full X-Ray suite, ultrasound, phlebotomy, physiotherapy, a minor ops suite, audiology and a full range of out-patient facilities.

3

Reconfiguring buildings

Working with the Integrated Care Board (ICB), University Hospitals Leicester has taken over 1000 m2 of previously underused space at St Peter's Health Centre, Leicester.

Work was completed at Brierley Hill Health and Social Care Centre to create three additional clinical rooms for existing tenants. This variation was third-party funded demonstrating CHP's collaboration with the wider health system to initiate change for the benefit of patients and communities.

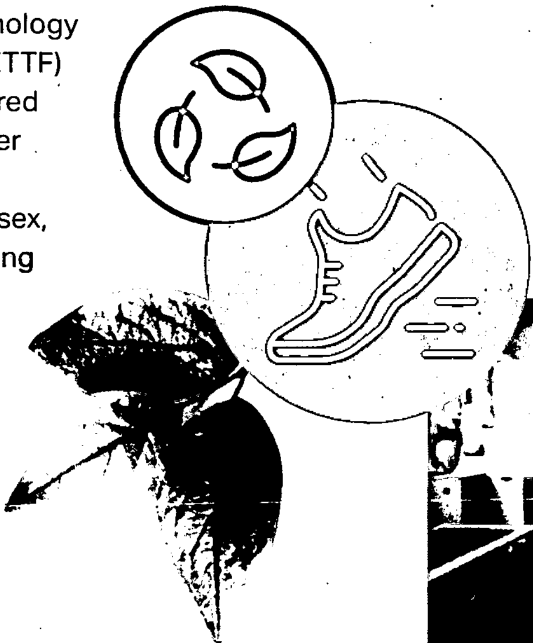
NHS Estates and Technology Transformation Fund (ETTF) funding has been secured to expand the Mayflower GP Practice at Fryatt Hospital, Harwich in Essex, to accommodate housing growth in the local area. The project will see unused administrative space converted for the practice to expand.

A major project to remodel the internal clinical space at the Enhanced Services Centre, Bedford, is progressing at pace.

4

Green priorities

Across the region, the team have been involved in ICB Green Boards, advising them about the CHP Green Plan and the current sustainability activities, such as lifecycle initiatives to replace items with greener alternatives and sustainability groups. In Leicester, the Portfolio Manager and the team have created tenant-engaged energy walks, with the ICB looking to potentially implement these more widely.



5

Supporting place based care in Birmingham

Through 2022-23 work progressed at Washwood Heath Primary Care and Wellbeing Centre on a £2.2 million CDC development. The CDC was formally opened in July 2023.

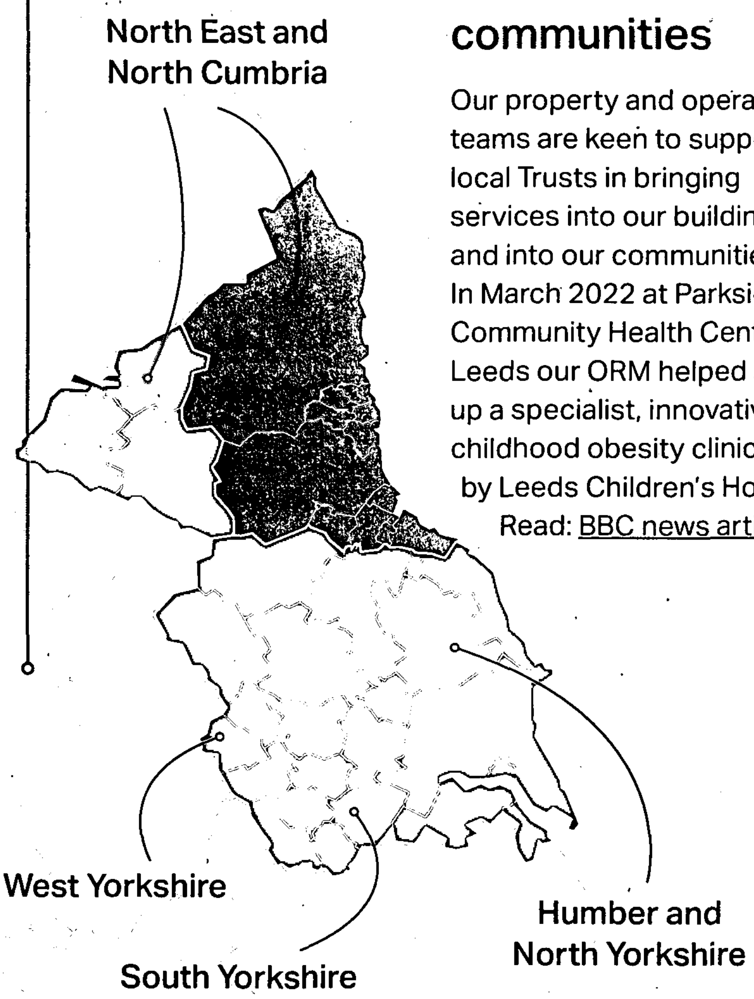
Plans are also well underway for a CHP capital funded development for Forward Thinking Birmingham (CAMHS – Children and Adolescent Mental Health Services) also at Washwood Heath.

When complete, the building will be full and offer a wide range of services, including two GP practices, diagnostics, urgent care, community services and CAMHS.

Supporting place based care in Birmingham – *Official opening at Washwood Health Primary Care and Wellbeing Centre*

Successfully working in partnership **across the region**

North East



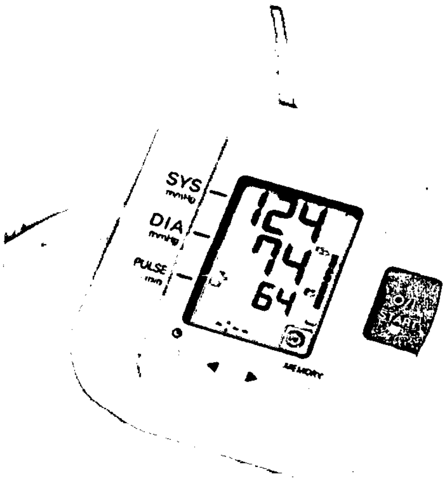
1 Bringing services into local communities

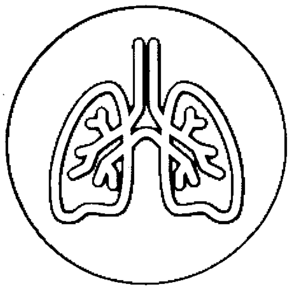
Our property and operations teams are keen to support local Trusts in bringing services into our buildings and into our communities. In March 2022 at Parkside Community Health Centre in Leeds our ORM helped set up a specialist, innovative childhood obesity clinic run by Leeds Children's Hospital. Read: BBC news article.

2 CDCs and diagnostics

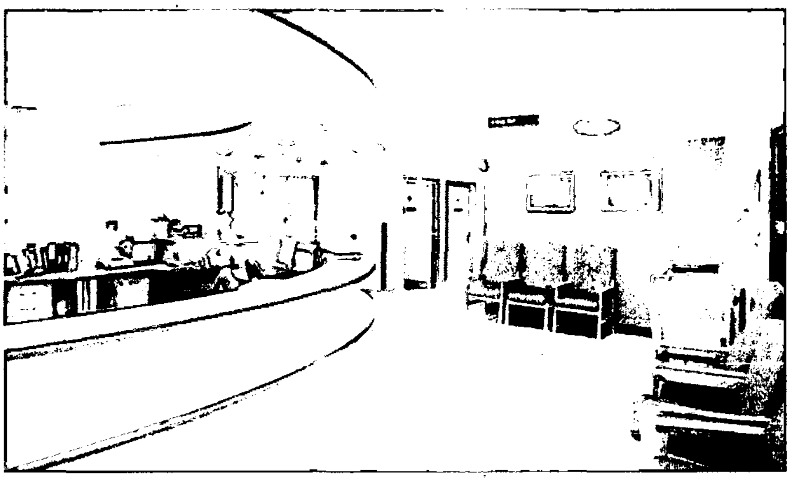
There are two planned CDCs - Lawson Street CDC in Hartlepool has echocardiogram (ECG) and ultrasound diagnostics. Plans, which include refurbishment works, are progressing for the Armley Moor CDC in Leeds which will have blood pressure monitoring, blood tests, ECG and ultrasound.

Lung function mobile CT diagnostic units provided by medical charity Cobalt Health, working with the Bradford Place team, were on site at Westbourne Green and Hillside Bridge in Bradford this year as part of the Targeted Lung Health Checks Programme. This programme focuses on smokers or former smokers in areas of high health need aiming to identify lung cancer early - even before symptoms develop.





Between April and December 2022 more than 4000 patients were booked in for appointments to have a Lung Health Check and 1,100 patients were referred for a CT scan at the mobile unit at Hillside Bridge. The Targeted Lung Checks Programme will be continuing in Bradford in 2023 as part of the national rollout of the programme.



Enhanced services for people in Bradford –
Westbourne Green Community Health Centre

Enhanced services for people in Bradford

3

The Bradford Place, the ICS, identified an urgent need to provide additional space to accommodate the delivery of outpatient and community services.

We worked closely with the ICS and NHS Property Services (NHSPS) colleagues and proposed a solution which involved remodelling Westbourne Green Community Health Centre to enable services to move from an unfit for purpose site and allow for its disposal by NHSPS.

This will improve building utilisation on the first floor, and provide a better treatment environment for patients, carers and staff. The project is progressing during 2023-24 following the need for a public consultation, with which we supported the local NHS.

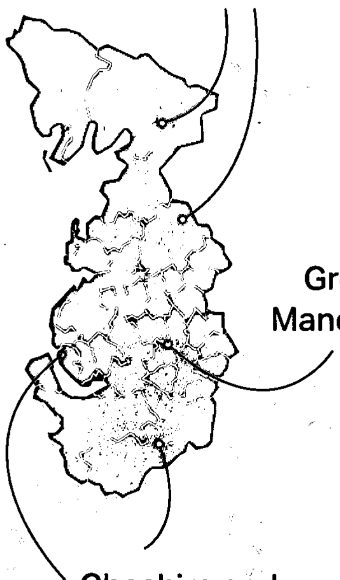
One Life Hartlepool

4

CHP invested £190,000 to expand the number of clinical rooms for the Chadwick Practice at One Life Hartlepool Medical Centre (OLH). Access to the additional space enabled the GP Practice to manage their increasing patient list size.

Successfully working in partnership **across the region**

North West



1

A key integral partner to the NHS

Over the year we have worked hard to build our local relationships and are recognised as a key and integral partner for ICSs across the region. We have positioned the LIFT buildings as core to their emerging ambitions and priorities for how services will be refocussed at place level.

In 2022-23 we delivered many local projects that have both increased clinical space and the mix of services within our buildings, including women's and children's service provision and a wider range of diagnostic services.

2

Breightmet Health Centre, Bolton

A £560,000 project at Breightmet Health Centre in Bolton was completed in Autumn 2022. The building reconfiguration added clinical space for three new consultation rooms and a dedicated waiting area, supporting the need for more local podiatry and physiotherapy services. CHP provided targeted capital investment and the work was delivered in partnership with NHS Greater Manchester Integrated Care Partnership, the One Partnership (LIFTCo), Eric Wright Building Consultancy and builders Eric Wright Construction. The building is also the base for Bolton's eating disorder services alongside a GP team and a library.

3

Nye Bevan House, Rochdale

Following the opening of a £1.25m musculoskeletal hub at Nye Bevan House in Rochdale, Rochdale Mind opened a Wellbeing Café in July 2022. Initiatives such as this further place our buildings at the heart of their community.

To promote the benefits of partnership working at Nye Bevan House and across the NW CHP produced a video demonstrating our work alongside Eric Wright, One Partnership and Mind Rochdale.

4

Lowe House Health Centre, St Helens

In 2022 CHP invested £736k to create a new pulmonary rehabilitation suite including a gym for Mersey Care NHS Foundation Trust, and two maternity birthing suites. The project increases local birthing location options for women and reduces the need to travel to hospitals.

Social value

5

Our NW team supported many Buildings at The Heart activities over 2022/23 demonstrating exceptional community partnership working - winning a CHP limelight award for their efforts.

The team have hosted social prescribers, NHS staff supporting mental health and wellbeing, Health Start initiatives and dementia support for older people. As well as charities such as local hospices, organisations working with military veterans and diverse community groups.

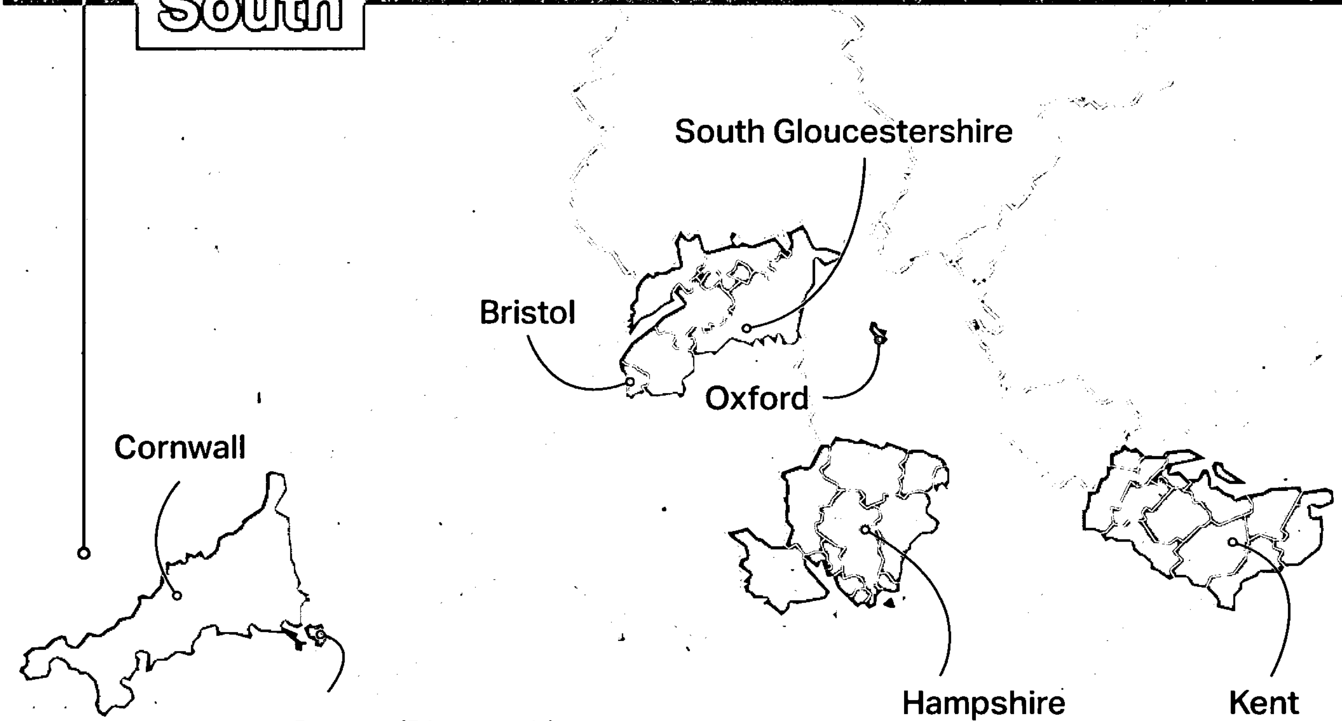
In June 2022, South Liverpool Treatment Centre hosted filming for The Brain Charity, a national charity based in Liverpool, focusing on how the organisation supports people with brain injuries back into work.

Nye Bevan House, Rochdale

Social value – *Fundraising event at Rossendale Hospice*

Successfully working in partnership **across the region**

South



1

More community diagnostics

Working with our partners, we created a Community Diagnostic Centre at Rochester Healthy Living Centre, see case study on page 29. This initiative resulted in a public investment of £2.2 million, increasing the use of space within the building and securing its position as a core asset for the future. Oak Park has also been expanded to accommodate increased diagnostic capacity, resulting in its designation as a Community Diagnostic Centre.

2

Transforming Healthcare Together in Plymouth

Throughout the year, we worked towards achieving the start of a £6.9m partnership project at Mount Gould Local Care Centre (LCC) in Plymouth.

Working with the ReSound Health LIFTCo, NHS Property Services (NHSPS), LiveWell (the neuro service provider), University Hospitals Plymouth NHS Trust and NHS England, we are relocating the Plym Neuro Rehabilitation Service, a specialised in-patient unit for brain and spinal cord injuries, to Mount Gould, creating a more suitable, integrated healthcare environment. Plym Neuro's existing facility required extensive improvements and maintenance.

This partnership is working to achieve remarkable outcomes across a range of NHS services. Capital from property disposal elsewhere on the same site funded the reconfiguration of another building - the Beauchamp Centre – allowing podiatry and orthotics services to be relocated there, freeing up space for the neuro rehabilitation service to move into Mount Gould.

CHP are funding the Mount Gould LCC reconfiguration making this our largest partnership commitment to date.

3

Positive action on utilisation

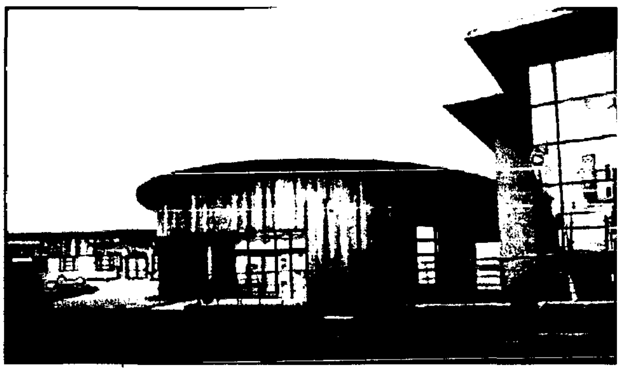
We also took a proactive approach to addressing underutilisation issues at South Bristol Community Hospital. A comprehensive deep dive report highlighted the building's untapped potential for increased patient appointments, presenting a viable alternative to building new facilities. The region is actively seeking support from the ICB and healthcare providers to explore ways to fully utilise the available space to its design potential.

4

At the heart of communities

The region has placed a strong emphasis on social value activities throughout the year, generating over £126,000 of social value, a significant increase from the previous year. There were a diverse range of events, including food and hygiene banks, accessibility improvements, the creation of wildflower meadows, and programs such as smoking cessation and physical wellness.

The region also invested significantly in commissioning Community Needs reports, which specifically address the needs of local communities near our buildings. These reports will serve as a valuable resource, inspiring targeted community activities in the upcoming period.



Transforming Healthcare Together in Plymouth – *Mount Gould Local Care Centre*

At the heart of communities – *Volunteers from the well-being garden at Penntorr Health*

CASE STUDY

Delivering more diagnostic services in the community

In 2022-23 there was a drive from DHSC and NHSE to increase access to diagnostic services through the development of Community Diagnostic Centres (CDCs). This was a great opportunity to show how the LIFT buildings had the capability, capacity and flexibility to support CDC delivery at pace. We promoted a range of solutions for CDCs in many community-based locations, **supporting the buildings as core assets and cornerstones of place based care.**

By the end of March 2023, CHP had enabled the delivery of eight operational CDCs nationwide, with others in the process of delivery. Delivery of CDCs is linked to our Capital Programme, detailed on page 30.

These range from full CDCs providing new and multiple diagnostics services, such as at Finchley Memorial Hospital, Eltham Community Hospital, Rochester Community Healthy Living Centre and Washwood Heath Primary Care and Wellbeing Centre, to local spokes increasing existing diagnostic facilities and operating hours, such as those in Lancashire and Hampshire.

Finchley Memorial Hospital CDC

Finchley Memorial Hospital CDC has provided

over 180,000

additional diagnostic tests since opening.

Watch our video case study to find out more.

Eltham Community Hospital

Our biggest CDC project in delivery, by business case value, is Eltham Community Hospital.

The £12.82m project, once finished, will provide up to 64,000 additional scans and up to 27,000 blood tests by increasing existing capacity in x-ray, ultrasound and phlebotomy and creating new capacity for CT, MRI, respiratory and cardiac diagnostics.

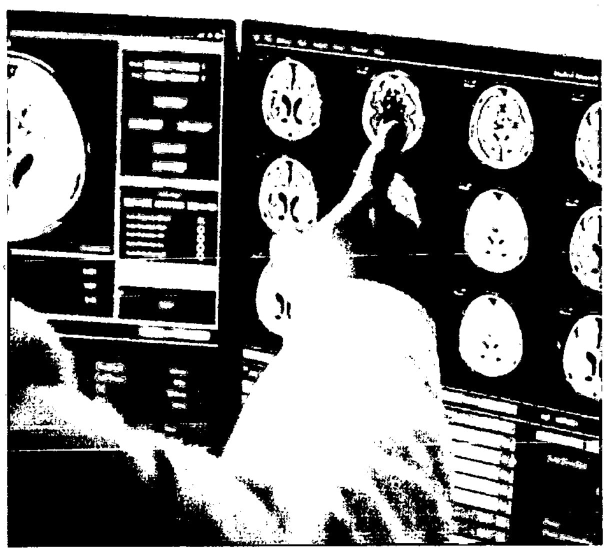
up to 64,000
additional scans

Rochester Healthy Living Centre

Rochester Healthy Living Centre will form part of a hub and spoke model. Sheppey Community Hospital will be the hub and the spoke will be at Rochester Healthy Living Centre.

The hub and spoke will provide imaging, physiological measurement and pathology tests.

Read our case study



Capital Programme 2022-23

CHP delivered its biggest ever investment in the LIFT estate, up 48% from the previous year at £14.8m (of which £9.3m is internal investment with the remainder externally funded through the NHS) in 2022/23.

Our capital programme supports proposals to adapt and repurpose the LIFT portfolio to enable the delivery of place-based care. CHP funded work in 24 LIFT buildings for adaptations to support new models of care, internally investing £7.4m with the remaining spend allocated to minor works, feasibility studies and green project initiatives.

Another 24 externally-funded projects were supported by CHP on behalf of tenants, with a total investment of £5.5m. This includes £4.1m supporting the delivery of the national Community Diagnostic Centre programme, details of which are outlined above.

£14.8m

investment across the CHP portfolio

Improving the accessibility of the LIFT estate

We also invested £0.7m to ensure buildings respond to staff and patients' needs.

Some of these changes include works to improve accessibility across the CHP estate, which were identified through the award-winning CHP AccessAble project, see page 37.

Using the AccessAble Best Practice Guides as a reference, CHP's teams focused on improving the experience for less able visitors resulting in £0.2m worth of enhancements.

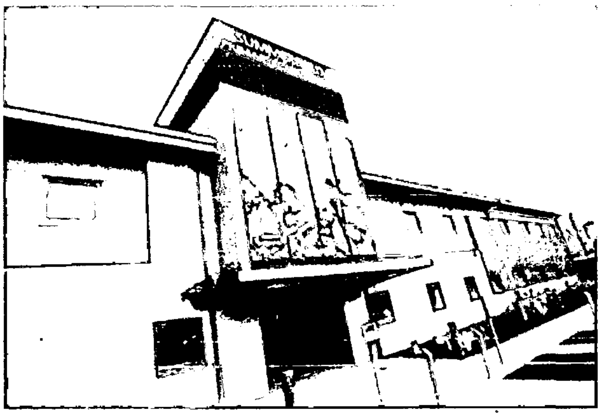
The variations range from installing auto doors to make corridors more wheelchair-friendly to installing lower-level hooks for easier reach. Sanitaryware was also replaced in accessible toilets to help visitors who may have a visual impairment.

Our AccessAble guides

8,000 more patient appointments created at Summerfield Primary Care Centre

Four new clinical rooms opened at the Summerfield Primary Care Centre, Birmingham in August 2022. This increased access to primary care services for people in the west of the city to be treated nearer to home.

A first-floor open plan office that was no longer used, was repurposed to create generic clinical consulting rooms for appointments with GPs and nurses on a bookable basis. As a result 8,000 more patients' appointments per year could be offered. The £400k reconfiguration was funded by CHP capital.



Read more about this project

Driving improvement in operational management

Customer and Tenant Satisfaction improves

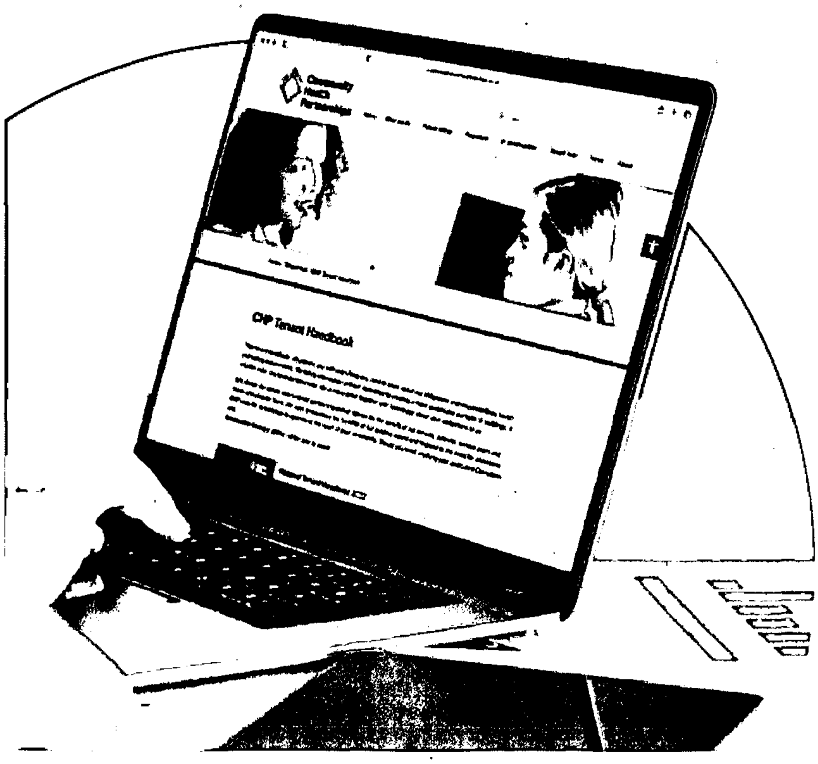
The 2022-23 Annual Tenant Survey reported a 73% overall satisfaction level which is a great achievement and exceeded our expectations.

Improvements were introduced following the previous survey, and we continue to be committed to providing top-quality services for customers.

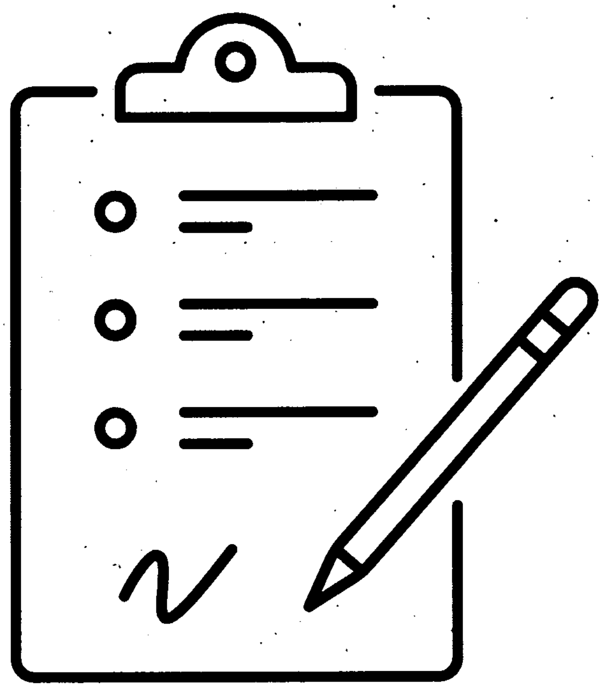
We recognise the services with the greatest impact driving satisfaction are: the building management teams, cleaning and maintenance services, and administration.

Tenants commended 38 of our building managers (ORMs) for their excellent services, some several times over; and there were another 41 commendations for contractors' staff.

To increase tenants' awareness of CHP, communications have been improved with monthly national newsletters. We introduced a Tenant Hub on our website during the year and will continue to develop this.



***73%** overall satisfaction level*



Continued success on tenancies and leases

To deliver sustainable facilities which represent value for money for the NHS, we are committed to getting all the components of estate management right, including documenting tenancies. CHP has a dedicated Leasing Team to support operational management of the LIFT portfolio.

Key achievements in 2022-23 include:

14% increase on lease completions from 2021-22

300% increase on renewal leases from last year

Over **2,200m^2** of void reduction documented

Re-tendered property legal services contract improving value for money

Record-breaking **28** lease completions in four consecutive days.

With more than 1,000 tenancies already documented at the start of the year (representing more than 85% of the estate) increasing this number represented a real challenge. At the end of 2022-2023 regularisation stood at around 88% showing improvement during the year.

We are now focusing as well on renewing those under-tenancies that expire before the end of the Lease Plus Agreements (LPAs). Renewing these leases demonstrates that the NHS is committed to these buildings in the medium to long term. In 2022-2023 we achieved a 300% increase in the number of renewal leases completed.

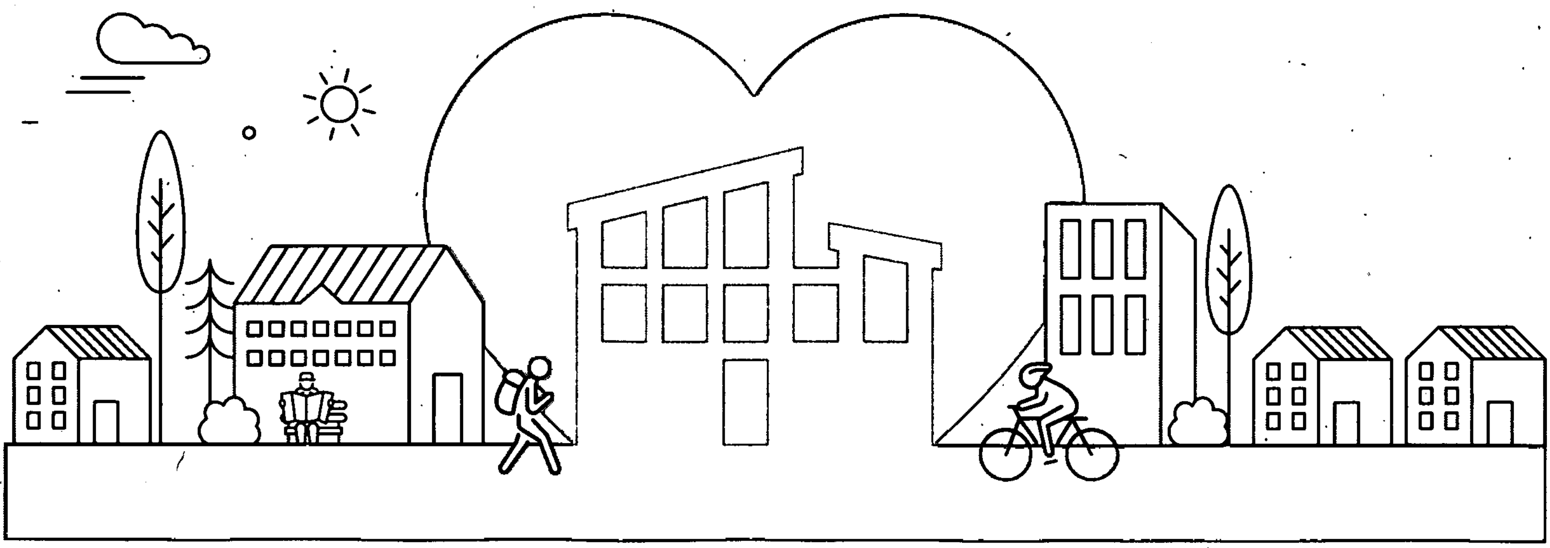
Buildings at the Heart of the Community initiatives go from strength to strength

We aim to put our buildings at the heart of the communities they serve and a huge number of activities take place across our sites, with our operational teams on the ground working hard with tenants and communities to deliver local initiatives.

During 2022/23 we saw an incredible 22,000 community based events take place across our estate, a massive increase on the previous year.

The social value generated by these community initiatives showed a five-fold increase on the previous year – rising from £279,000 to an incredible £1.3m.

We have continued to measure our social value using the National TOMs Framework and in our second year we saw our social and local economic value rise by an incredible 52%, from £25m in our inaugural year to £38.5m as we continue to reach beyond the walls of our buildings and into the communities we serve.



The figures have been independently verified by Social Value Portal and some of the activities that contributed to this total are:

£1.3m

delivered as a result of health awareness days, community events, community gardens and artwork installations.

£169k

social value delivered as a result of improving accessibility in our sites as we strive to make our centres more inclusive for all.

£37m

delivered as a result of health and local employment is a key element in social value as this boosts growth, reduces poverty and increases social cohesion in the local community – all important aspects in putting our buildings at the heart of the community.

CASE STUDY

Thornbury Health and Wellbeing Event

In February, Thornbury Medical Centre hosted a health and wellbeing event.

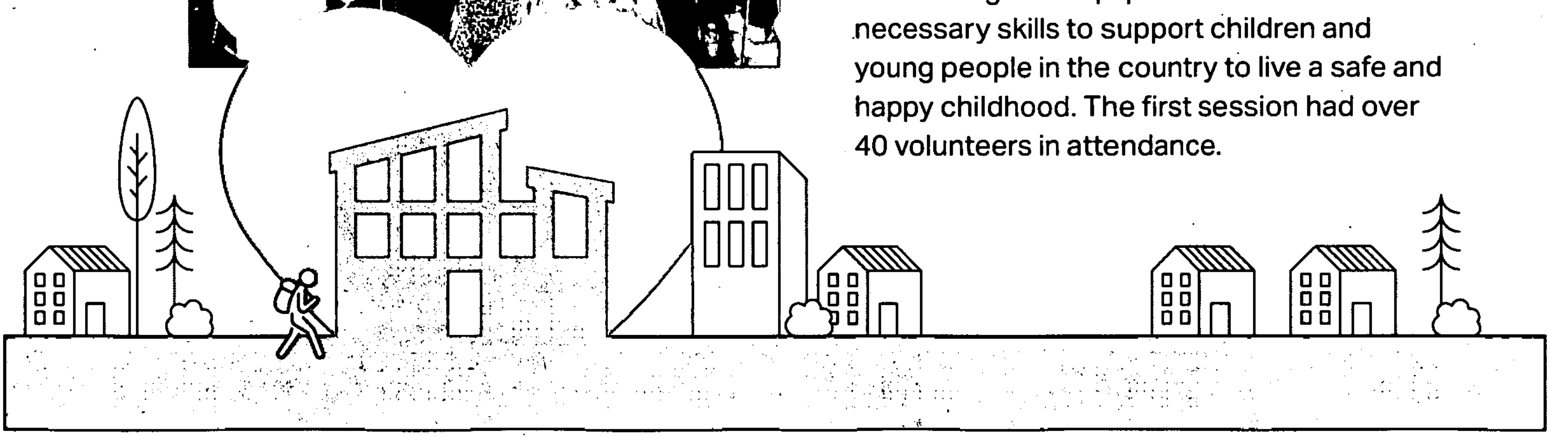
Numerous services were in attendance to provide advice on social prescribing, ranging from healthy lifestyle tips to information about local warm spaces. The event received positive feedback from attendees.

Social Prescribers at Rainham Healthy Living Centre

Imago is a social action charity working across Kent, Medway, East Sussex and London. They deliver a range of services and projects supporting independance, reducing social isolation and creating opportunities for some of the most vulnerable in local communities.

Kentish Town – Action for Children Training

Action for Children, a UK-based charity organisation, held the first of a series of volunteer training programs at Kentish Town Health Centre in February. The aim of the training is to equip volunteers with the necessary skills to support children and young people in the country to live a safe and happy childhood. The first session had over 40 volunteers in attendance.



CHP supports warm room for patients at Birmingham site

Community Health Partnerships worked with tenants and partners over the winter months to help provide warmth and safety for communities struggling with the continued increase in the cost of living.

At Sparkhill Primary Care Centre, Birmingham, a warm room was created in empty café space where patients from the three surgeries operating out of the building could attend a drop-inn session and enjoy a heated room, a tea and coffee as well as a cup of soup.

The scheme was run by volunteers. Staff from Oakwood Surgery also donated scarves, gloves, biscuits and cakes.

Our award winning AccessAble project

Continuing our work to ensure the CHP estate is inclusive and accessible to all, the AccessAble project, along with project lead Simon Waters, was formally recognised and awarded the Judges' Choice Award at the 2022 Government Property Awards.

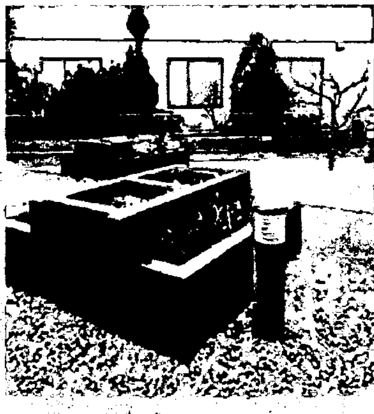
In 2022-23 we continued our partnership with AccessAble, the UK's leading provider of detailed disabled-access information.

In February 2023 we created a new video entitled 'Bringing the Detailed Access Guides to Life' – this video demonstrates how the guides are put to use in real life and the difference they make to an individual who may require additional support.

Read more case studies

Community Gardens

Throughout the year we created several community gardens. Around one in four people per year in England experience a mental health problem of some kind, according to Mind. This makes the role of gardening really important to wellbeing.



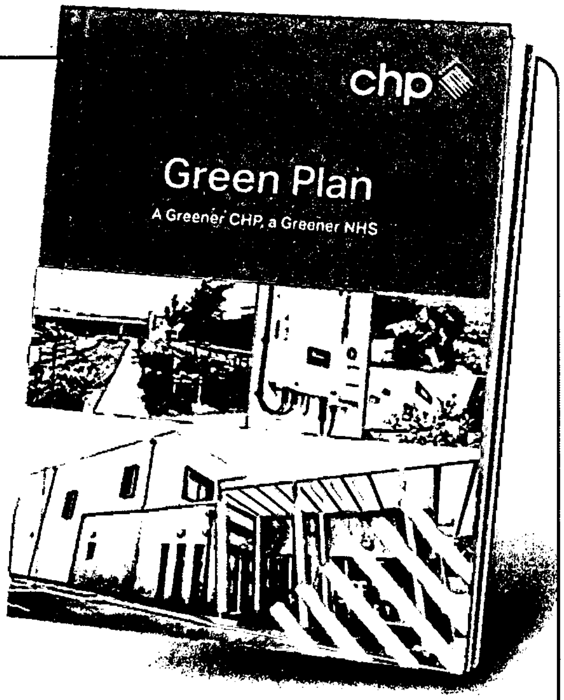
Progress towards Net Zero

We aim to reach Net Zero for our LIFT portfolio by 2040 and 2030 for our corporate activities.

We will also strive to deliver wider sustainability; improving the social, economic, and environmental landscape in which we operate.

We are supporting our customers with their sustainability goals, working in partnership with LIFTCos and Integrated Care Systems (ICSs).

CHP recognises its role in decarbonisation and will focus on the key areas of waste, use of resources, energy and our supply chain so that we will transform the way we function.

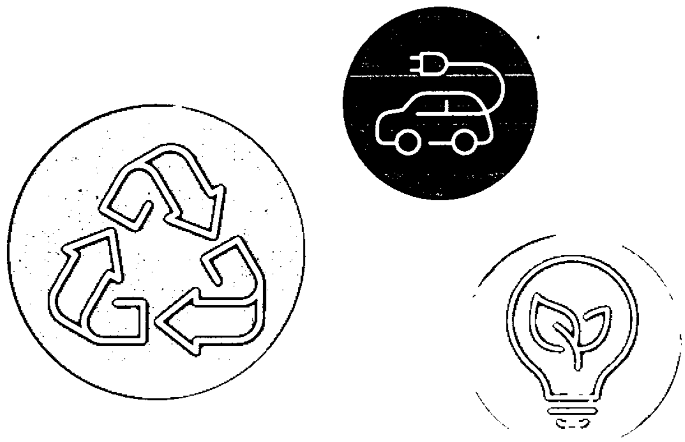


In March 2022, CHP launched its 'Green Plan: A Greener CHP a Greener NHS' and commited to reach Net Zero in line with the NHS ambition to deliver the world's first Net Zero health system.

Read our Green Plan

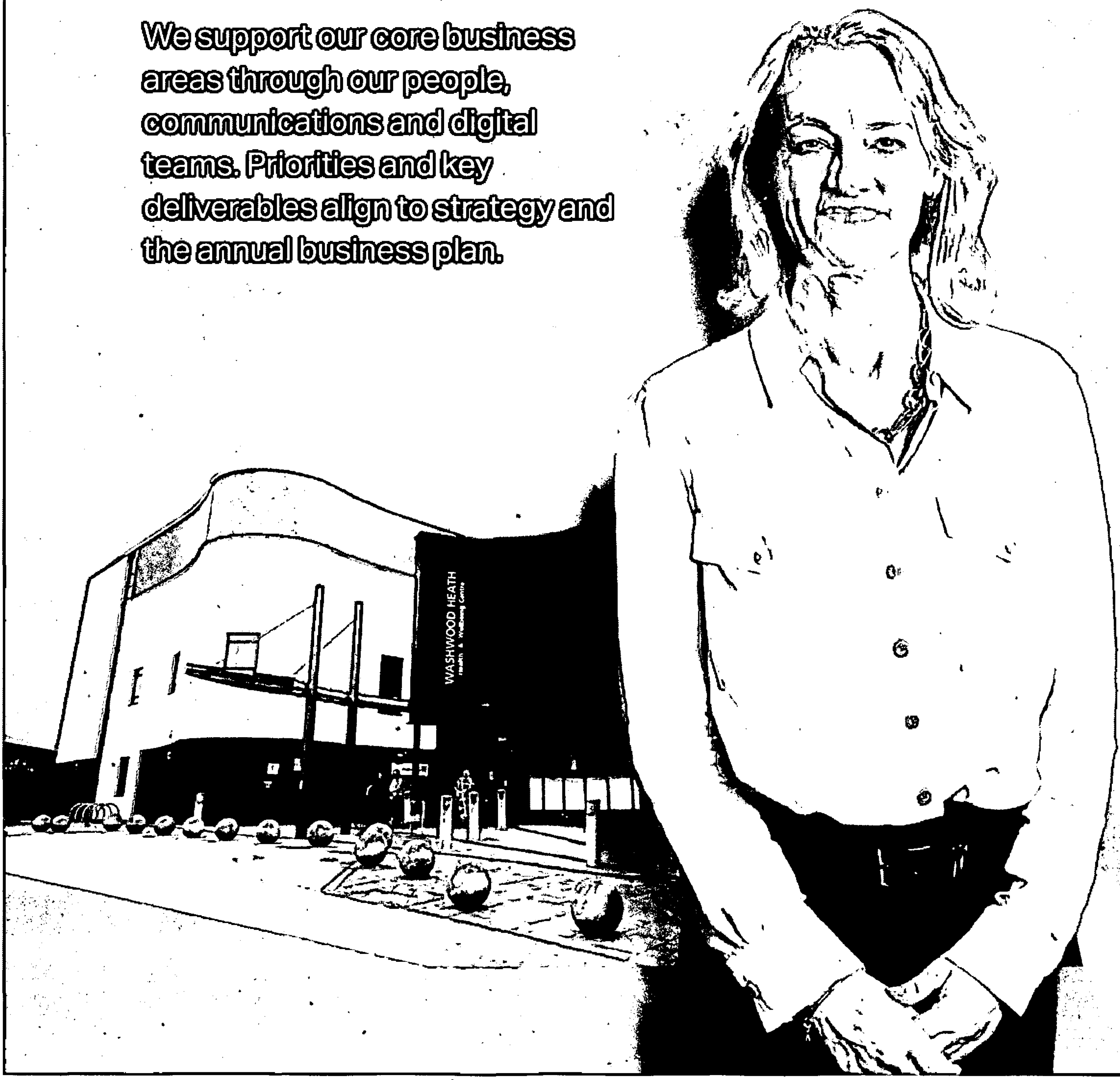
During 2022/23 we have been working hard on our Net Zero journey across both corporate functions and our LIFT estate, resulting in numerous successes and achievements. Highlights include:

- The Carbon footprint baseline has been established for the LIFT estate and CHP corporately, allowing us to prioritise current and future actions.
- Decarbonisation audits were completed for any sites with lower EPC ratings and energy intensive, high consumption.
- A utilities digital platform was created to improve the accuracy and timeliness of reporting.
- Carbon reduction and social value metrics are embedded within the new CHP SoftFM contracts and tenders.
- We have supported the installation of LED lights and photovoltaic projects, improved recycling facilities, and enhanced green space and biodiversity at our buildings. This includes improving communal planting, gardens, biodiversity and plans for our first 'green wall'.
- We are increasing our electric vehicle charging infrastructure and bike storage and encouraging sustainable transport options.
- We are actively supporting the delivery of national projects through NHS England, Greener NHS and Active Travel England and are members of national and regional NHS estates and sustainability groups.
- E-learning for all staff is available.



Enabling our people to deliver

We support our core business areas through our people, communications and digital teams. Priorities and key deliverables align to strategy and the annual business plan.



People Strategy developed

Following a series of engagement sessions in the Autumn, CHP's People Strategy was agreed by the Board in January 2023. Our ambition to is ensure CHP is a place where people want to work, stay and develop. The strategy sets out how we will do this through engagement and co-creating our culture. It provides a framework to enable the delivery of annual business plans and forward strategy.

Investing in our people

We are working hard to ensure we are an employer of choice, investing in our people through our personal development programme, providing career pathways and tools to enable people to succeed.

We have further invested in colleagues' personal development with programmes of learning such as our Leadership Programme, to ensure colleagues develop the skills they require to be successful in their roles and to develop our next generation of leaders. We have also provided access to other training including accredited and professional courses which demonstrates our ongoing commitment to professional development.

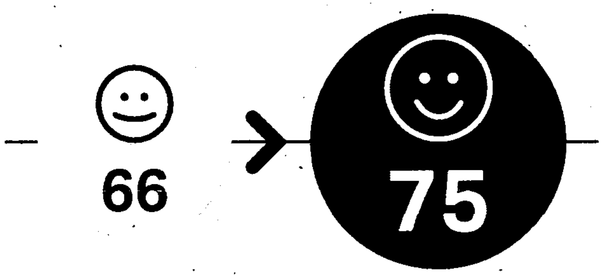
New HR system

We acknowledge we will need to work differently to drive efficiency and greater value for our customers and partners.

This means transforming our systems, processes and operating models. We have provided improved resources, and implemented systems such as People First, and will continue to support the learning and development of our people.

Staff satisfaction improves

We are pleased that our annual staff survey showed that the staff engagement score improved to 75 (it was 66 in 2021/22). We continue to be committed to making CHP an excellent place to work.



Improvements in communications

A refreshed website

A new website was launched in December 2022, incorporating a refreshed brand and a number of new features including a dedicated hub for tenants and microsite for our successful Community Diagnostic Centre (CDC) programme.

At the same time, we increased our reach on social media across LinkedIn and Twitter with more followers and interactions.

Improving tenant communications

In addition to the tenant hub on our new website, we delivered a monthly tenant update and more comprehensive information on a range of topics including sustainability, health and safety and other items of interest to customers.

The Tenant Handbook was refined and redesigned, enabling local versions to be produced for each building with the help of our local Operations and Relationship Managers.

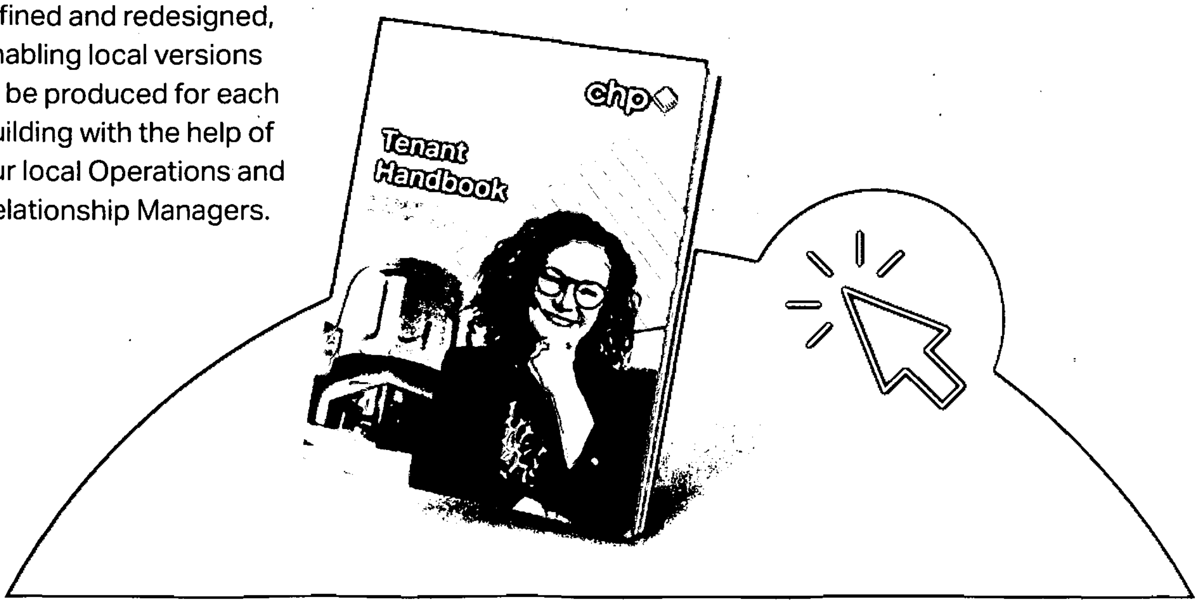
High engagement with internal communications

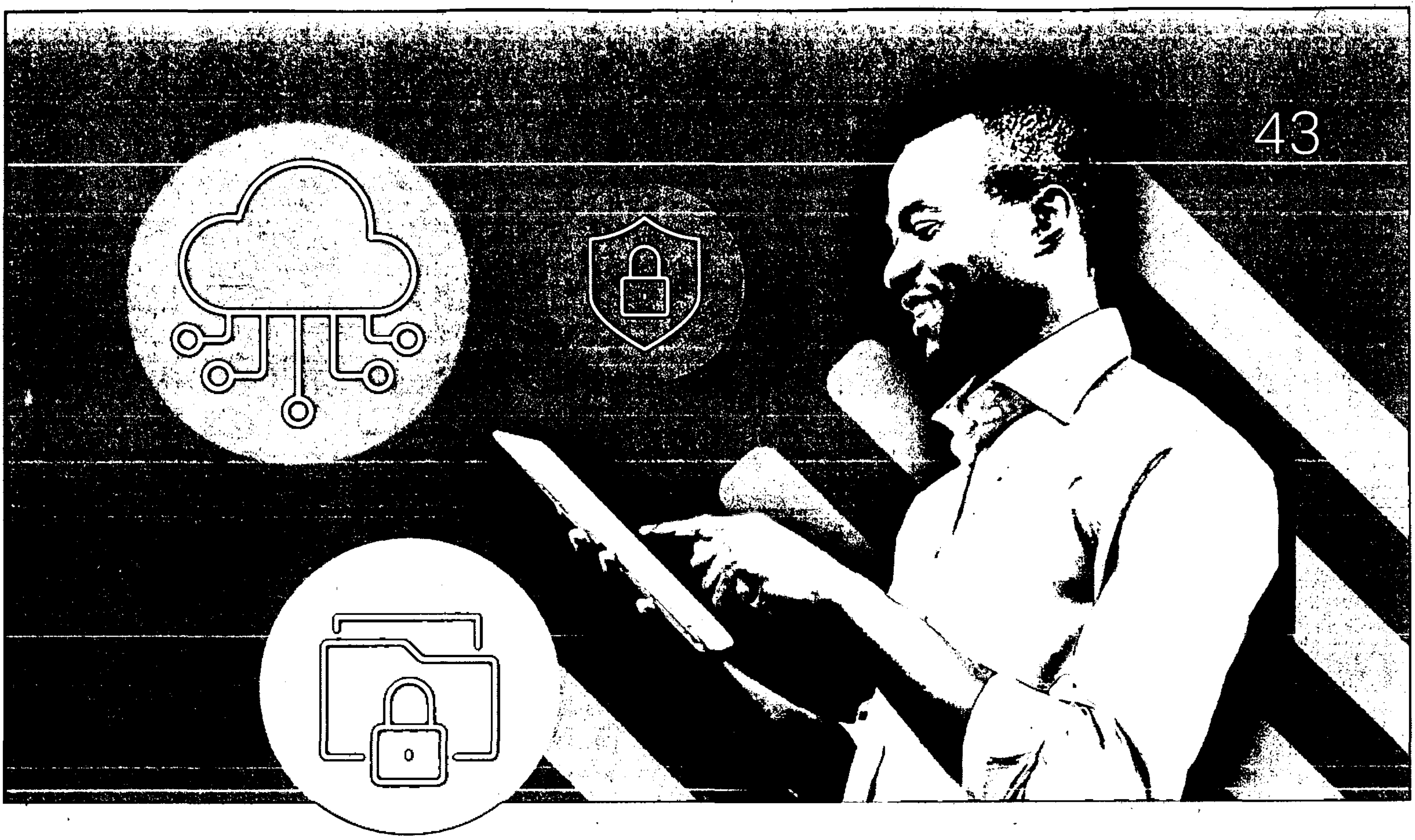
Our Intranet mychp continues to reach almost all of the company, with particular interest in our CEO updates alongside other important information. Company and regional huddles (held fortnightly) bring people together virtually to hear the latest news. We also have Yammer (which recently became Viva Engage) to interact more informally with colleagues.

CHP in the news

Our buildings and services appeared in a number of news outlets, including the BBC (The Jean Bishop Integrated Care Centre in Hull) and across the trade press.

One particular highlight was the opening of the Finchley Memorial Hospital CDC.





Digital

Digital transformation to support the business

Our objective is solution focused digital transformation, incorporating process automation to improve our operational efficiency.

We have developed our internal reporting allowing reports to be automated where possible, focusing on self-service and seamless access to vital information.

To support these initiatives, the team has developed an impressive internal technical skill base in Power BI and Power Apps/ Automate, as well as vital SQL (Structured Query Language) using these to create new reports which provide insights into areas such as property, voids, information and bookable rooms.

Robust cyber security

Cyber security has been a key focus over the last year, and there have been exciting developments in the futureproofing of our digital security.

Our digital team successfully introduced and implemented Sophos anti-virus and web filtering solutions, facilitating fully managed threat detection and remediation. The roll-out of Conditional Access has reduced our exposure to security breaches from overseas, and in conjunction with our Multi Factor Authentication policy, and the move of our servers from North Europe to the UK under the Azure Replatform Project, this has ensured our accounts and data are as safe and secure as possible.

Risk Management

Risk management is part of a system of internal controls to ensure the company can make informed decisions and improve the probability of achieving its strategic and operational objectives.

The Board has responsibility for these internal controls and provides oversight that risks are being managed. Compliance with regulation, legal and ethical standards is a high priority for the Company and the Board.

The Audit and Risk Committee is responsible for assuring the effectiveness of the Risk Management Framework and regularly assesses corporate-level risks.

The Executive Directors are responsible for delivering the company's Integrated Business Plan and managing strategic risks. All risks on the Corporate Risk Register are owned by an Executive Director. Directorate risk registers then provides a structured process for identifying, capturing and managing operational risks within teams. This approach encourages all staff to take responsibility for managing risk.

As a third line of defence, internal auditors provide independent assurance on the effectiveness of risk mitigations and controls. The internal audit plan for 2022/23 focused on known risk areas identified in the Corporate Risk Register and was approved by the Audit and Risk Committee at the start of the year. Key findings from internal audits are reported to the Audit and Risk Committee.

Principal Risks	Mitigation measures
Interest payable burden on the Flexible Loan facility restricts CHP business	▹ Portfolio Investment Returns Master Model (PIRMM) model in place ▹ Debt management action plan to enable repayment of working capital facility ▹ Detailed cash flow forecast with clear aim to reduce flexible loan facility ▹ Interest on Working Capital Loan signed and locked down at 4% until March 2024
External approval requirements impact CHP's ability to deliver business plan priorities	▹ Effective business planning process ensuring resource requirements are identified ▹ DHSC support for business plan and key activities ▹ Procurement timeline includes DHSE approval ▹ Procurement engagement channels with DHSC
End of term programme is not effectively planned	▹ End of Term external advisory support has been recruited – PWC ▹ Regular discussions with DHSC PFI team regarding treasury attitudes to financing. ▹ End of Term Programme Board reviews progress against milestones and recommends strategy
Failure to attract and recruit skilled people	▹ People Team respond to and support Line Managers through the recruitment process ▹ Access to expert knowledge through the supply chain ▹ Use of recruitment platform expands access to the job market e.g. LinkedIn
Non-reimbursables are not paid and aged debt increases	▹ Aged debt reporting ▹ Escalation routes for non-payment ▹ Good lease coverage across estate ▹ Direct payments scheme in place ▹ Escalation of issues/ non -payment through the GP Assurance Panel

Principal Risks	Mitigation measures
Health and Safety statutory obligations are not discharged	▹ Health and Safety Framework in place ▹ H&S Training provided for staff ▹ LIFTCo reports on status on statutory obligations as regards H&S Issues ▹ Monthly and annual compliance checks ▹ H&S committee with regular meetings and reporting ▹ 3rd party supplier contracts and agreements and contingency plans
Internal and IT partner cyber security is ineffective leading to a breach.	▹ Relevant policies in place ▹ Data backup arrangements ▹ Oversight through Audit and Risk Committee ▹ MFA rolled out across organisation ▹ Phishing tests completed ▹ Cyber Security training rolled out
CHP is unable to deliver Green Plan	▹ Robust Green Action Plan developed to underpin Green Plan. ▹ Regular monitoring due to length of programme time and risk.
Company breaches GDPR legislation resulting in large fines and reputational damage	▹ GDPR Policies and procedures in place ▹ Data protection processes in place alongside monitored dedicated inbox ▹ Training materials in place for staff ▹ Annual GDPR Board report ▹ External commissioned review

Principal Risks	Mitigation measures
Loss of key person(s) who are critical to business delivery	▸ Implement succession planning strategy, develop programme. ▸ Line Manager Training Programme established ▸ Total Reward and Recognition ▸ Personal Development Plans linked to performance appraisal and management.

Results and Performance

The results of the Company for the year, as set out on pages 71-118 show a surplus on ordinary activities before tax of £17.2m (2022: surplus of £9.6m). The main increase in profit is a result of an increase in investment property fair value (2023: £9.6m gain 2022: £4.6m gain) reported in the Statement of Comprehensive Income (see note 11 on page 71). The shareholders' funds of the Company total £832.8m (2022: £721.6m). The Directors do not propose the payment of a dividend for the financial year (2022: £ nil).

RPI (Retail Price Index) has increased the Company's Revenue and Cost of sales within the Statement of Comprehensive income (page 71). The Company's main Sales and Cost of Sales agreements are linked to RPI which for 2022/23 is 8.18%. There is no overall impact to the gross profit of the Company.

Interest rate pressures impact the Company in both current and future due to the interest rates attached to the Department of Health and Social Care Flexible Loan Facility.

The Company continues to operate within the Department of Health and Social Care Group with income, consisting of Operating Revenue and Financial Income, for the year of £484.7 (2022: £431.5m). The main driver of the increased income year on year is due to RPI increasing income by £36.9m. In addition, the new income stream relating to the Strategic Business Development has resulted in income of £7.5m during 2022/23. Other cost increases have generated more revenue with significant extra utility costs also being a factor. The Company invests equity and subordinated debt in LIFT companies and the projects undertaken by the LIFT companies, often structured via special purpose companies. During the financial year, the Company's investment portfolio decreased from £87.7m to £84.9m as a result of repayment of sub-ordinate debt.

As Head Tenant, the Company continues to put considerable efforts into recovering rents and other charges from both Tenants and Commissioners. Given the clear obligation of debtors to pay, and the NHS funding model in place, this manifests itself as a cash management rather than an income and expenditure risk with the Company ending the year with borrowings of £154.8m (2022: £156.4) against a Department of Health and Social Care Flexible Loan Facility. Wider, non-financial, determinants of performance continue to indicate encouraging results as the Company continues to adapt and deliver its responsibilities. The non-financial KPIs are included on page 13.

During the year, the Working Capital Loan balance with DHSC was reduced by £1.7m (2022 £0.9m) in exchange for share capital. At the year end, the overall cash position is higher than in the prior year at £85.5m (2022: £68.1m).

Debtor days at the end of the financial year were reduced slightly to 56 days (2022:57 days).

Section 172 statement

The Board of Directors, in line with their duty under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its single Shareholder, the Department of Health and Social Care, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Community Health Partnerships is 100% owned by the Secretary of State for Health and Social Care. There is shareholder representation on the CHP Board in the form of a DHSC Non Executive Director . In this way the Shareholder contributes to all key business decisions and approvals made by the Board. Our Key Performance Indicators (KPIs) are agreed with the shareholder and they hold formal quarterly review meetings to assess our progress and performance. We operate as a company with our Board holding collective responsibility through our Chair, Executive and Non – Executive Directors.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor our delivery. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on a number of broader factors, including the impact on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

How we engage and consider our stakeholders in our decision making

Stakeholders play a key role in CHP's long-term decision making and their interests are factored into Board decisions. Consideration of this is key in the formulation of CHP's Annual Integrated Business Plan which supports the delivery of our strategic aims and objectives.

The interests of the Company's Employees

We work to attract, develop and retain the best people, equipped with the right skills for the future. We recognise our people have a crucial role in delivering our strategy and creating value. We support them to develop and empower them to improve the provision of health outcomes for the users of services across our portfolio. We provide additional benefits to employees, including medical support, flexible and hybrid working, performance related pay, a company pension scheme and Personal Development Plans. We also carry out an annual staff survey to identify both good practice and areas for improvement.

Fostering business relationships with suppliers, customers, and others

Our broad customer base has been grouped into five key customer groupings and we have worked to improve our understanding of their needs, including a comprehensive survey of our tenants and qualitative research with our stakeholders. The results of these have been used to develop a Customer Strategy and action plans to improve our service.

Building users and tenants

Our customer base spans all sectors of health and social care. Our tenants include NHS Trusts, GP practices, local councils, pharmacies, dentists and other public sector bodies. We work closely with our building users and tenants to understand their evolving needs so we can improve and adapt. This is achieved through on site relationship management, and regular tenant/building user group meetings. Through our centre management team we interact directly with our building users and tenants. Building User Group meetings capture views and issues, and feedback is formally reported.

Health economies

Significant change to the structure of health economies across England was introduced during 2022/23. Clinical Commissioning Groups (CCGs) are now replaced by Integrated Care Systems (ICSs) and Integrated Care Boards (ICBs) who, since July 2022 manage the use of estate within local and regional health economies, including commissioning and effective utilisation of space. We also work closely with hospital, community and mental health trusts, local authorities and other providers to ensure that we support clinical objectives and help to provide services for patients, particularly in areas of high health needs.

Our buildings are flexible and we work with these stakeholders to meet their infrastructure needs, including variations to the buildings to accommodate space for new tenants and any other changes needed for service provision.

Our strategic business development team and Regional Directors have developed working relationships with key estate decision-makers in CCGs, PCNs and subsequently in 2022 with ICS and ICB teams to provide professional advice to these key stakeholders.

Policymakers

We work with those responsible for developing and implementing national policy in the areas of estates, capital investment and primary care within NHS England and the Department of Health and Social Care (DHSC). We maintain strong relationships within NHS England through joint participation at regular meetings focussed on national estates strategy, while our Regional Directors work with the NHS England regional teams to reflect local decision-making and respond to local needs.

We are a member of the Strategic Infrastructure Board, chaired by the Health Minister.

Suppliers and partners

We nurture and develop relationships with key partners through regular forums with our LIFTCos and private sector partners such as working with the LIFT Council who represent private sector partners. CHP appoint Directors to the LIFTCo Boards in accordance with the LIFTCo Shareholder Agreements, and CHP also has an investment management function which monitors the performance of the CHP investment portfolio. The company's quarterly Finance, Investment and Systems Committee (FISC), Senior Leadership Team and main Board reviews key reports regarding LIFTCo activity and performance as a shareholder in the LIFTCos.

We depend on the capability and performance of our suppliers, contractors and other partners, such as our LIFT companies, Management Service providers, and Facilities Management Service companies to help deliver the products and services we need for our property management operations and our customers. We have dedicated contracts management teams in place to manage the contractual relationships with these parties. Contracts meetings are conducted regularly with suppliers. We are working with them to continuously improve productivity and value for money, finding cost savings wherever possible. We have a performance framework in place to monitor LIFTCo performance, and this is reported to our Board.

We have also continued to strengthen our working relationship with our DHSC partner property company, NHS Property Services, through better and more flexible use of joint estate, and through collaboration on key issues and programmes of work.

The impact of the Company's operations on the community and the environment

CHP is committed to acting in the interest of the community whilst striving to minimise the Company's overall impact on the environment.

In March 2022 CHP launched our Green Plan and commitment to reach Net Zero depicting our Net Zero ambitions. As part of the NHS family, CHP supports the NHS ambition to deliver the world's first Net Zero health system. As a business, CHP recognises our role in tackling climate change and the impact we have on the environment.

Aside from achieving Net Zero we will strive to deliver wider sustainability; improving the social, economic and environmental landscape we operate.

During 22/23 we have been working hard to start our Net Zero journey across both corporate functions and our LIFT estate, through establishing our carbon footprint we have been able to identify our scope 1, 2 & 3 emissions and target actions accordingly.

CHP's environmental report is included on page 52.

We previously launched our Buildings at the Heart of the Community initiative to encourage even greater use of our health and wellbeing centres to support community initiatives by local organisations such as registered charities, local support groups and community organisations, patient or health and wellbeing groups or local schools.

We partnered with the national organisation AccessAble to produce detailed accessibility guides for all our buildings and identify where we can continue to make accessibility improvements.

Maintaining a reputation for high standards of business conduct

In addition, CHP has robust internal controls which enable high standards of business conduct.

In 2022/23, a new Policy Management Framework was implemented to support the creation and maintenance of CHP's policies. A staff-led Policy Review Group was formed to ensure policies are accessible, relevant and consistent.

The annual review of CHP's Standard Financial Instructions (SFIs) was completed in January 2023 to ensure all financial and contractual approval is carried out in line with the authority assigned by Board. All changes to government spending controls were incorporated into the reviewed SFIs.

CHP's Counter Fraud Policy includes a detailed fraud response plan, clearly outlining our approach to identify, capture, and respond to fraud or attempted fraud. Staff are actively encouraged to raise concerns from across the business through the Whistleblowing process, which is overseen by the Chair of the Audit and Risk Committee.

The CHP HR processes are monitored and managed through our Senior Leadership Team and Committees. These are reviewed and updated regularly to reflect legal and Government requirements, including ensuring every employee is recruited appropriately and has access to equal development opportunities.

Complaints handling procedures are in place and the frequency and nature of complaints are monitored through the Customer and Property Committee to oversee remedial action where required.

Data Protection and Information Governance is also closely monitored within CHP. There are several policies relating to data management, which all have relevant training delivered to ensure staff are able to implement these effectively. Reports on data management are monitored by the Audit and Risk Committee and Board.

The Strategic Report was approved by the Board of Directors on 12 December 2023 and was signed on its behalf by:

Catherine Mason
Chair

C L Mason

Date 12/12/2023

Environmental reporting

CHP launched our Green Plan and in March 2022 commitment to reach Net Zero; depicting our ambition to reach Net Zero Carbon (NZC) for our LIFT portfolio by 2040 in line with the NHS and NZC by 2030 for our corporate activities. By reviewing our operations in key areas of energy, business travel, use of resources, and supply chain we will transform business operations. Progress towards Net Zero is detailed on page 38.

CHP's 2030 target, two decades ahead of National Net Zero ambition of 2050, demonstrates our commitment to sustainability and supports the organisations Business Plan direction and the 5 strategic aims: leading, working with partners & customers, delivering sustainable infrastructure, providing value for money & supporting our people.

Aside from achieving Net Zero we will strive to deliver wider sustainability and social value through improving the social, economic, and environmental landscape we operate.

The following table summarises CHP's energy usage and Greenhouse Gas emissions for the year ended 31 March 2023.

	2022/2023			2021/2022		
	Head Office Energy Usage (Electricity) (CO^2kg)	Green House Gas Emissions (CO^2kg)		Head Office Energy Usage (Electricity) MWH	Green House Gas Emissions (CO^2kg)	
	Electricity (Scope 2)	Travel (Rail, Air, Hotel) (Scope 3)	Fuel Consumption (Mileage) (Scope 3)	Electricity (Scope 2)	Travel (Rail, Air, Hotel) (Scope 3)	Fuel Consumption (Mileage) (Scope 3)
	8,117	**27,136**	**54,219**	**7,257**	**20,759**	**37,958**
Tonnes of CO^2 per total £'m sales revenue		0.059	0.118		0.05	0.09

Total Scope 1 - non
Total Scope 2 CO^2 8,117

Methodologies used in calculation of disclosures

"Head office" consists of CHP's three regional premises, London, Manchester and Birmingham and has been calculated using information directly available from the Company's energy providers. Emissions generated by gas are not possible to calculate due to CHP not having any direct supply. Some gas is used through shared services from the Landlord and currently there is no way to obtain this information due to common occupancy of the buildings.

For travel (rail, air and car), Greenhouse Gas emissions have been calculated by converting mileage travelled by CHP staff members into CO^2/kg. Hotel emissions have been calculated based on the duration of the stay in nights. The following conversion rates published by the Government for the year ended 31 March 2023 have been used:

Travel method	KG CO^2 released per mile
Bus	0.10
Car - Diesel	0.25
Car - Petrol	0.23
Flight	0.27
Rail	0.04
1 hotel night	10.95

Slavery and human trafficking statement

We are committed to improving our practices to combat slavery and human trafficking. We are fully aware of our responsibilities we have towards patients, service users, employees, and the local community. We have a robust set of ethical values that we use as guidance for our commercial activities. We also expect all suppliers to Community Health Partnerships (CHP) to adhere to the same ethical principles.

Organisation Structure and Supply Chains

CHP provides high quality services to commissioners and local partners across England with the aim of delivering savings, increasing service integration, and driving optimal use of primary and community health estate.

CHP provides investment opportunities and access to private finance to the benefit of the NHS working with local commissioners, local partners, the Department of Health, the 49 Public Private Partnership LIFT Companies and the private sector.

CHP has an established investment function to manage the existing investment portfolio and to look at new investment opportunities, as part of this there are 49 LIFT companies that have delivered over 340 facilities.

CHP has a property portfolio of 308 integrated health and wellbeing centres, with over 1200 tenants, these include GP Practices, front line Local Authority services, pharmacies, libraries and a range of community and social care providers. As the Head Tenant we provide a professional management service to manage the estate.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business and, in so far as is possible, require our suppliers to hold a similar ethos.

Human Trafficking and Modern Slavery guidance is also embedded into CHP's People processes. The majority of our workforce are employed on a permanent or contract basis and recruitment processes include direct advertising on our website and using reputable agencies. We adhere to employment checks and standards which includes right to work, suitable references, and controls concerning employee bank accounts. We are also committed to paying our people fairly and properly for the work they deliver with established pay review procedures.

We are committed to social and environmental responsibility and have zero tolerance for Modern Slavery and Human Trafficking. Our guidance on Modern Slavery is to:

- Comply with legislation and regulatory requirements.

- Employee code of conduct CHP makes clear to employees the actions and behaviour expected of them when representing the organisation. CHP strives to maintain the highest standards of employee code of conduct and ethical behaviour when operating and managing its supply chain.
- CHP uses only reputable employment agencies to source labour.
- Make suppliers and service providers aware that we promote the requirements of the legislation.
- Consider modern slavery factors when making procurement decisions.
- Develop awareness of modern slavery issues

We will not award contracts where suppliers do not demonstrate their commitment to ensuring that slavery and human trafficking are not taking place in their own business or supply chains. We expect suppliers to implement due diligence procedures for their direct sub-contractors to ensure there is no slavery or human trafficking in their supply chains.

Due Diligence and Reporting

We ensure we undertake appropriate due diligence prior to awarding supplier contracts. We have adopted central government's Social Value Model, which requires a minimum 10% weighting on all procurements, including the elimination of Modern Slavery.

We encourage all out staff, clients, and other parties to report any concerns they may have in relation to any wrongdoing that affects others such as clients, staff, suppliers, or the public. Our Whistleblowing Policy and process allows for anonymous and confidential reporting, so anyone who has concerns about modern slavery issues at CHP or within our supply chain can raise then directly through our reporting routes.

No complaints or concerns were raised about modern slavery or human trafficking taking place in our business for the year ending 31st March 2023.

Risk Assessment and Management

As an NHS organisation wholly owned by the Department of Health and Social Care, we consider that we are low risk for modern slavery and our most significant risks relate to our supply chain. We have a robust Risk Management Framework to identify and manage risks and implement appropriate measures to combat these.

Training and Awareness

A company-wide mandatory training course relating to modern slavery is a requirement for all staff and is refreshed annually to ensure staff have up to date knowledge of the subject. Procurement and supplier training was implemented for all staff during the year, which supported awareness of modern slavery and highlighted our commitment to ethical supply chains.

Effectiveness

We are committed to continuous improvement concerning modern slavery and human trafficking and will review and monitor throughout the next financial year. Where necessary, we will enhance our standards, policies, and procedures as well as improve training and communication about the Act.

We will:

- Include modern slavery conditions or criteria in specification and tender documents,

- Evaluate specifications and tenders with appropriate weight given to modern slavery points,
- Encourage suppliers and contractors to take their own action and understand their obligations to the new requirements,
- Expect supply chain / framework providers to confirm compliance with their obligations in their processes.

Our Procurement staff will:

- Undertake awareness training where appropriate.
- Check and draft specifications to include a commitment from suppliers to support the requirements of the act.

Declaration

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ended 31 March 2023.

Approval for this statement

Wendy Farrington-Chadd
Director

Date 12/12/2023

Catherine Mason
Chair

Date 12/12/2023

Directors' report

The Directors present their Annual Report and audited financial statements for the year ended 31 March 2023. Under s414C(11) of the Act, the directors have included in the strategic report disclosure of matters relating to financial risk management and environmental reporting as required by regulations made under ss416(4) to be disclosed in the directors' report, owing to its strategic importance to the Company in the year ended March 2023.

Directors

The directors who held office during the year and up to the date of signing were as follows:

Name	Position	Appointment Date	Resignation Date
Mrs Wendy Farrington Chadd	Chief Executive Officer	14/07/2021	
Mr Nafees Arif	Chief Financial Officer	01/12/2021	
Mr Malcolm Twite,	Executive Director Property Performance	14/09/2021	
Ms Catherine Mason	Non-Executive Chair	16/09/2019	
Ms Claire Hewitt	Non-Executive Director	30/10/2018	05/06/2022
Dr Geraldine Strathdee CBE	Non-Executive Director	01/03/2019	31/08/2023
Mrs Charanjit Patel	Non-Executive Director	01/03/2019	31/08/2023
Mr Robert Alexander	Non-Executive Director	01/04/2019	
Mr Richard Williams	Non-Executive Director	18/01/2022	
Mr Ben Masterson	Non-Executive Director	06/06/2022	
Mr Peter Cornforth	Non-Executive Director	01/11/2023	
Mr Eric Guillaume	Non-Executive Director	01/11/2023	

Political and charitable contributions

The Company made no political contributions during the year to 31 March 2023 (2022: £nil). During the year, the Company did not make any charitable donations (2022: £nil)

Policy for disabled employees

CHP works to aid the recruitment and retention of disabled staff. Measures in place include guidance for managers and staff in the form of Equality and Diversity training covering such issues as anti-bullying, harassment and discrimination and relevant laws in relation to all individuals with protected characteristics. Qualified HR staff ensure that all necessary regulations are followed, both in terms of recruitment and ongoing employment, and act strictly in accordance with the Equality Act 2010. Training, career development and promotion of disabled people sits inclusively within CHP's relevant policies and provisions are made where required to ensure that these individuals have opportunities equal to their non-disabled counterparts. It should be noted that such measures also apply to employees who may become disabled during the course of their employment with CHP. Occupational and mental health support is readily available to all employees.

The Company is obliged to provide 'reasonable adjustments' under the Equality Act 2010 to employees with a disability. This is to ensure that employees with a disability are able to develop, prosper and fulfil their potential on a level playing field. In doing so, CHP works to provide the necessary accommodation and facilities for employees with a disability or health condition (covering both physical, mental and learning disability conditions). This includes workplace adjustments which can be made to remove barriers including both physical features of the workplace or a change in working arrangements. What constitutes a workplace adjustment will vary depending on the individual and will also involve providing extra support where needed.

Action on employee participation

CHP ensures communication and engagement with staff primarily via its Communications Function. Included in this is the Company's intranet site "myCHP" which is fully embedded throughout the company. The site includes a 'People' section to help staff develop and a resource library which provides access to useful corporate information, templates, policies and procedures. A formal Communications Strategy is produced annually which ensures that employees are systematically provided with information on matters of concern to them. This is accompanied by ad-hoc publications on key emerging issues.

Regular staff huddles take place across four regions and nationally led by Senior Leadership Team members on a rotational basis. This informs staff of all key messages including but not limited to achievements, issues and opportunities relating to the Company and its current operating environment. It provides an opportunity for staff to ask questions on Company matters relevant to them and to feed back from their areas on any issues or successes they want to share. Key issues raised by employees through the staff huddles or directly with a member of the Senior Leadership Team are captured and discussed as necessary by the Senior Leadership and reported to Board as required. The Chair of the Board provides a Companywide update following each Board meeting, informing employees on the main issues discussed at the meeting. Staff feedback is provided in the form of an Annual Staff Survey with results subsequently published and measures initiated by management to address issues raised.

The performance of employees is driven by the Company's Appraisal process which incorporates annual objectives for each employee, informed by both functional and corporate objectives linked to the company's business plan. Bi-annual 'All Staff Days' focus on performance, including financial performance and strategy, encouraging Company-wide involvement in future Company plans. These staff days are attended by all Executive directors and members of the wider Board, providing the opportunity for all employees to engage directly with the Board members on a regular basis.

Following Covid, the company now have a hybrid working model for staff.

When required the Company actively engages with Trade Unions in order to support the needs of staff and resolve any collective issues arising.

CHP's Board holds the interests of its employees as a priority and has recently agreed to evolve the Remuneration Committee into a broader People, Culture and Remuneration Committee in line with best practice. Key employee matters, such as the Company's Health and Wellbeing Strategy will be overseen by this committee. A robust system of reporting is in place to communicate all key matters to the Board and inform decision making with regards to this. KPIs are in place that capture collaboration across our workforce via the aforementioned measures and are monitored by the Board under the Company Performance Framework and reporting procedures. The results of the staff survey are reviewed by the Board along with management's accompanying action plan in response to this. Progress in relation to this action plan is monitored by the Board.

CHP's committees act as the primary channel of communication between operational management and the Board. Whilst formal membership on these committees is restricted to Executive and Non-Executive Board members (including DHSC representatives), all relevant management personnel attend each meeting. These committees provide an open and transparent forum within which management can discuss relevant business matters with Board members. Committee, and hence Board decisions, are driven by the outcomes of these meetings.

Senior management also interact directly with the Board by attending Board meetings on a rotational basis to discuss areas of strategic delivery for which they are responsible. This provides management with the opportunity to input directly into discussions around company strategy and progress, whilst providing the board with insight into management's opinions.

Dividends

The Directors do not propose the payment of a dividend for the financial year (2022: £nil).

Future developments

Our current business plan can be found on our website Business Plan 2023/24 and sets out our ongoing aims in support of the NHS.

Our LIFT buildings are considered core to the NHS estate and we will be continuing our work to ensure their future as the original lease arrangements move towards the conclusion of their asset terms.

This includes both ensuring that these buildings remain at the highest possible standards for tenants, clinicians, patients and other visitors and building on our existing work to increase utilisation and ensure they continue to increase their value for money.

In addition to this, we are proactively working with NHS commissioners and providers to optimise the use of our buildings for diagnostics, including the development of further Community Diagnostics Centres (CDCs) and other diagnostics services. Not only will this bring these services closer to the people and communities who need them most, but it will also support the NHS in dealing with the post-pandemic elective backlog, reducing waiting times for patients.

Our Strategic Business Development team continues to support the NHS to implement transformational change. In particular, we are working with a number of Integrated Care Systems (ICSs) in LIFT areas on planning and infrastructure development.

We will continue to work with NHS England and our wide range of other partners to assist in future solutions and, where appropriate, secure development opportunities in order to deliver for the whole of the NHS.

Our Senior Leadership Team continues to develop, and we have introduced a quarterly business development session for other senior leaders in the Company. This has been instrumental in developing our ongoing work to develop the culture of CHP and to be as efficient and effective as possible in delivering our Company objectives.

Underpinning these developments, we will continue to be proactively developing our sustainability credentials, with our Green Plan being implemented to move towards achieving our targets.

Engagement with suppliers, customers and others

See references in the Section 172 statement from Page 49 onwards.

Financial risk management

The management of the financial risks of the Company is included in the risk management detail included in the strategic report on page 46.

The Company has chosen, in accordance with section 414C (11), to set out in the Company's strategic report information required by section 7.

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The company is not exposed to significant financial risk factors arising from financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the entity in undertaking its activities

The financial instruments are included in the accounting policies note 1 on page 79.

Third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Subsequent events

There are no known events after the end of the reporting period that have occurred that would have a material impact on the financial statements (note 31 of the notes to the financial statements).

Going concern

The Company's business activities and performance are set out in the Strategic Report on pages 8 to 49. Future developments are set out in the Directors' Report on page 59. The financial position of the company, its cash flows, liquidity position and borrowing facilities are also described in the Annual Report.

The Company has considerable financial resources underpinned by a deed of indemnity that commits the Department for Health and Social Care to meeting the overall operating costs of the Company in relation to the assets transferred from Primary Care Trusts to the Company in 2013, ensuring that the company has sufficient cash resources to meet its obligations in relation to the transferred liabilities.

The Company meets its day to day working capital requirements through a Shareholder loan and Flexible loan facilities of £215 million provided by its parent entity, the Department of Health and Social Care.

In April 2023 the Company successfully extended its shareholder loan and flexible loan facilities with the Department of Health and Social Care and these facilities will now both expire on or after 1 April 2025. The Company extends the facility each year and expects to extend these again in 2024.

The Company's cash flow forecast reflects the expected timing of income from tenants and payment of costs in relation to the LIFT estate and the administration costs of the Company. The cash flow forecast has been conducted to 31 March 2025 and using this forecast, the directors conclude that any reduction in the forecast level of cash receipts, due to changes in the timing of tenant income, would not exceed the level of current facilities held and the Company would continue to be able to meet its liabilities for the next 12 months from the approval date. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:

Ms Catherine Mason
Chair

Suite 12B, Manchester One
53 Portland Street
Manchester M1 3LD

Date 12/12/2023

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with international financial reporting standards (IFRS) as issued by the IASB. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance Arrangements

CHP is governed by the Board comprising a Non-Executive Chair, five additional Non-Executive Directors and three Executive Directors, one of which is the Chief Executive Officer who is also the Accountable Officer for the Company. The other executive roles are the Chief Financial Officer and the Executive Director Property and Operations.

The Company does not apply a specific corporate governance code and instead has continued to apply the governance arrangements, as set out below, that are tailored to CHP's specific activities, position within the DHSC, operating structure and requirements. The company considers that the arrangements below provide a sufficient and appropriate level of governance for an organisation of CHP's size.

The Board sets the overall company strategy, agrees the Integrated Business Plan with its associated short and medium-term performance and operational targets, assures itself of the achievement of those targets and the management of the resources available to deliver them.

The Board is responsible for:

- Establishing the vision, overall direction, values, and culture of the company.
- Setting the Company's strategic direction through approval of the Integrated Business Plan
- Monitoring company performance and risk, particularly against its agreed Key Performance Indicators.
- Ensuring the Company meets its legal and statutory obligations.

The Board meets six times per year and additionally holds an annual strategy day. All Board members are supplied in advance with appropriate clear and accurate information covering matters which are to be considered.

During the 12 months to 31 March 2023 the Board met ten times with a total of four apologies received from members. The attendance records of the Board during the Financial year were as follows:

Member	Meetings attended
Catherine Mason	9/10
Robert Alexander	9/10
Richard Williams	9/10
Charanjit Patel	10/10
Geraldine Strathdee	10/10
Claire Hewitt	2/2
Ben Masterson	7/8
Wendy Farrington Chadd	10/10
Nafees Arif	10/10
Malcolm Twite	10/10

The Board is assisted by four Committees which provide more detailed oversight and scrutiny of the company's activities. The Committees are made up of appointed Non-Executive Directors and representatives from the Department of Health and Social Care. The Board and Committee roles and responsibilities, as determined by their Terms of Reference are as follows:

Board

Chair: Catherine Mason

Responsible for:

- Establishing the vision, overall direction, values and culture of the company
- Setting the Company's strategic direction through approval of the Integrated Business Plan
- Monitoring company performance, particularly against its agreed Key Performance Indicators
- Ensuring the Company meets its legal and statutory obligations

Committees

Audit and Risk Committee (Formerly Audit Committee)

Chair: Robert Alexander

Responsible for:

- Monitoring and reviewing the effectiveness of the Company's internal control environment and risk management frameworks
- Reviewing the Company's financial statements, recommending approval of the Annual Report to the Board, and liaison with the external auditors
- Monitoring compliance of the Company against corporate legal and statutory requirements

The Audit Committee met six times during the 12 months to 31 March 2023.

Member	Meetings attended
Robert Alexander	6/6
Charanjit Patel	6/6
Suki Joy*	4/4
Nafees Arif	6/6
Wendy Farrington-Chadd	2/2
Clare Hewitt	2/2

*DHSC representative

People, Culture & Renumeration Committee

Chair: Geraldine Strathdee

Responsible for:

- Approving the Company's Remuneration Strategy and Pay Policy, and major changes to the Employee Handbook relating to policy
- Ensuring compliance against legal and statutory requirements relating to the workforce
- Overseeing delivery of the action plan relating to the annual Staff Survey

The People, Culture and Remuneration Committee met four times during the 12 months to 31 March 2023.

Member	Meetings attended
Geraldine Strathdee	4/4
Catherine Mason	4/4
Ben Masterson	3/3
Clare Hewitt	1/1
Wendy Farrington Chadd	4/4

In addition, Non-Executive Directors Robert Alexander, Charanjit Patel and Richard Williams attended part of the Remuneration meeting in May 2022 for the Performance Related Pay items.

Finance, Investment and Systems Committee

Chair: Charanjit Patel

Responsible for:

- Gaining assurance over the Company's arrangements for strategic financial planning, and monitoring the Company's performance against financial targets
- Oversight and assurance of the Company's investment portfolio performance, including the capital programme
- Oversight of the Company's digital programme

The Committee met on three occasions during the 12 months to 31 March 2023.

Member	Meetings attended
Charanjit Patel	3/3
Richard Williams	3/3
Clare Hewitt	1/1
Matthew Cooper*	2/2
Nafees Arif	3/3
Wendy Farrington Chadd	2/2
Malcolm Twite	3/3

*DHSC representative

Customer and Property Committee
(previously Property and Tenant Management Committee)

Chair: Richard Williams

Responsible for:

- Obtaining assurance over compliance with property-related policies, procedures and statutory requirements including Health and Safety
- Reviewing the performance of the Company's commercial property portfolio
- Overseeing delivery of the Company's Property and Customer strategies, including monitoring Tenant Satisfaction activity

The Committee met three times during the 12 months to 31 March 2023.

Member	Meetings attended
Richard Williams	3/3
Robert Alexander	3/3
Geraldine Strathdee	0/3
Matthew Cooper *	3/3
Malcolm Twite	3/3
Alex Slater	1/1
Wendy Farrington Chadd	1/1

*DHSC representative

Senior Leadership Team

The Senior Leadership Team (SLT) consists of the Executive Directors along with other senior leaders of the Company who do not sit on the Board. The SLT meets monthly to provide strategic leadership to the Company and membership allows a clear line of sight to all areas of the company.

Company Information

Registered Office

Suite 12B, Manchester One
53 Portland Street
Manchester
M1 3LD

Directors

Ms Catherine Mason (Chair)
Mrs Wendy Farrington Chadd
Mr Malcolm Twite
Mr Nafees Arif
Dr Geraldine Strathdee CBE
(Non-Executive Director)
Mrs Charanjit Patel
(Non-Executive Director)
Mr Robert Alexander
(Non-Executive Director)
Mr Richard Williams
(Non-Executive Director)
Mr Ben Masterson
(Non-Executive Director)

Bankers

Barclays Bank PLC
UK Banking
1 Churchill Place
London
E14 5HP
United Kingdom

Auditor

Deloitte LLP
1 City Square
Leeds
LS1 2AL
United Kingdom

Registered Number

04220587

Independent auditors' report

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Community Health Partnerships Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included our assessment of the entity's:

- risks in relation to going concern;
- assumptions used in the forecasts;

- amount of headroom in the forecasts;
- sensitivity analysis; and
- sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the 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.

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, directors and those charged with governance about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included bribery and data protection legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- we identified a significant risk in relation to the calculation of the provision for impairment of receivables including the classification of 'System' versus 'Non-System' debtors and the impact on revenue recognition: to address this risk we have tested the classification of a sample of debtors, performed cash after date testing to identify if additional provisions are required, reviewed management's calculation of the provision, agreed a sample of income to supporting documentation and we performed a substantive analytical review on income.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Hewitson
FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle-upon-Tyne, United Kingdom
13 December 2023

Annual Accounts

Statement of Comprehensive Income

For year ended 31 March 2023

	Note	2023 £000	2022 £000
Continuing operations			
Revenue	3	**459,346**	412,455
Cost of sales		**(259,814)**	(226,777)
Gross profit		**199,532**	185,678
Administrative expenses		**(20,436)**	(17,714)
Fair value gain/(loss) on Investment Property	11	**9,651**	4,609
Operating profit		**188,747**	172,573
Finance and similar income	7	**25,308**	19,015
Finance expenses	7	**(197,984)**	(181,962)
Net Finance Expense		**(172,676)**	(162,947)
Other gains	8	**1,080**	-
Profit/(loss) before Tax		**17,151**	9,626
Taxation	9	**(2,217)**	(3,196)
Profit/(loss) from continuing operations		**14,934**	6,430
Profit/(loss) for the year		**14,934**	6,430
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment	10	**123,475**	147,381
Impairment loss taken to revaluation reserve	10	**(4,718)**	(1,190)
Deferred Tax provision	15	**(24,190)**	(80,302)
		94,567	65,889
Total comprehensive income for the year		**109,501**	72,319

Statement of Financial Position

	Note	2023 £000	2022 £000
Non-current assets			
Property, plant and equipment	10	**2,565,683**	2,482,709
Investment Property	11	**140,682**	130,122
Investments in associates	12	**84,853**	87,687
Investments in subsidiaries	13	**-**	-
Trade and other receivables	16	**10,903**	16,925
		2,802,121	2,717,443
Current assets			
Trade and other receivables	16	**111,826**	109,462
Cash and cash equivalents	17	**85,543**	68,122
		197,369	177,584
Total assets		**2,999,490**	2,895,027
Current liabilities			
Trade and other payables	19	**(141,154)**	(127,346)
Provisions	21	**-**	-
Other financial liabilities	14	**(45,123)**	(44,398)
		(186,277)	(171,744)
Non-current liabilities			
Other interest-bearing loans and borrowings	18	**(160,079)**	(156,448)
Other payables	19	**(26,678)**	(31,912)
Provisions	21	**(2,100)**	(3,123)
Other financial liabilities	14	**(1,523,177)**	(1,568,192)
Deferred tax liabilities	15	**(268,396)**	(241,989)
		(1,980,430)	(2,001,664)
Total liabilities		**(2,166,707)**	(2,173,408)
Net assets		**832,783**	721,619

Statement of Financial Position (continued)

	Note	2023 £000	2022 £000
Equity			
Share capital	24	**73,691**	72,028
Revaluation Reserve		**772,231**	699,660
Merger Reserve	24	**(58,718)**	(58,718)
Retained earnings		**45,579**	8,649
Total equity		**832,783**	721,619

These financial statements were approved by the board of directors on 12 December 2023 and were signed on its behalf by:

Mrs Wendy Farrington Chadd
Director
Company registered number: 04220587
Date 12/12/2023

Statement of Changes in Equity

	Note	Share capital £000	Revaluation reserve £000	Merger Reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2022		**72,028**	**699,660**	**(58,718)**	**8,649**	**721,619**
Total comprehensive income for the year						
Profit for the year		-	-	-	14,934	14,934
Net gain on revaluation of property, plant and equipment	10	-	123,475	-	-	123,475
Impairment loss taken to revaluation reserve	10	-	(4,718)	-	-	(4,718)
Deferred Tax Provision	15	-	(24,190)	-	-	(24,190)
Total other comprehensive income		-	94,567	-	-	94,567
Total comprehensive income for the year		-	94,567	-	14,934	109,501
Transfer between Revaluation Reserve and Retained Earnings in relation to Depreciation of Revalued Assets		-	(21,996)	-	21,996	-
Transactions with owners, recorded directly in equity Issue of shares	24	1,663	-	-	-	1,663
Balance at 31 March 2023		**73,691**	**772,231**	**(58,718)**	**45,579**	**832,783**

Statement of Changes in Equity (continued)

	Note	Share capital £000	Revaluation reserve £000	Merger Reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2021		**71,148**	**651,912**	**(58,718)**	**(15,922)**	**648,420**
Total comprehensive income for the year						
Profit for the year		-	-	-	6,430	6,430
Net gain on revaluation of property, plant and equipment	10	-	147,381	-	-	147,381
Impairment loss taken to revaluation reserve	10	-	(1,190)	-	-	(1,190)
Deferred Tax Provision	15	-	(80,302)	-	-	(80,302)
Total other comprehensive income		-	65,889	-	-	65,889
Total comprehensive income for the year		-	65,889	-	6,430	72,319
Transfer between Revaluation Reserve and Retained Earnings in relation to Depreciation of Revalued Assets		-	(18,141)	-	18,141	-
Transactions with owners, recorded directly in equity Issue of shares	24	880	-	-	-	880
Balance at 31 March 2022		**72,028**	**699,660**	**(58,718)**	**8,649**	**721,619**

The presentation of this report has been updated. The line 'Transfer between revaluation reserve and retained earnings in relation to depreciation of revalued assets' has moved from above 'Total comprehensive income for the year' to below 'Total comprehensive income for the year'.

Cash Flow Statement

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Profit for the year		**14,934**	6,430
Adjustments for:			
Depreciation	10	**43,405**	40,510
Impairment	10	**795**	40
Reversal of previous impairments	10	**(25)**	(482)
Finance and similar income	7	**(25,308)**	(19,015)
Finance expense	7	**197,984**	181,962
Receipt from finance lease debtor	26	**82**	354
Taxation	9	**2,217**	3,196
Fair value (gain) on investment property	11	**(9,651)**	(4,609)
		224,433	208,386
Decrease / (increase) in trade and other receivables	16	**4,255**	(10,215)
Increase in trade and other payables	19	**8,573**	18,808
Provisions utilised	21	**-**	(319)
(Decrease) / increase in provisions	21	**(1,023)**	2,087
		236,238	218,747
Net Interest paid		**(3,363)**	(3,065)
Tax paid		**-**	-
Net cash from operating activities		**232,875**	215,682

Cash Flow Statement (continued)

	Note	2023 £000	2022 £000
Cash flows from investing activities			
Interest received	7,16	**9,564**	10,152
Dividends received	7	**14,907**	8,756
Repayment of subordinated debt investments	12	**2,834**	2,946
Purchase of Property, Plant and Equipment	10,11	**(9,300)**	(8,809)
Repayment of loans provided to associates	16	**-**	-
Net cash from investing activities		**18,005**	13,045
Cash flows used in financing activities			
Proceeds from the issue of share capital	24	**-**	-
New Loans from Associates	18	**5,294**	-
Capital element of payments in respect of finance leases and On-SOFP PFI and LIFT	23	**(44,290)**	(42,805)
Payment of finance costs	7	**(194,463)**	(179,914)
Net cash used in financing activities		**(233,459)**	(222,719)
Net increase in cash and cash equivalents		**17,421**	6,008
Cash and cash equivalents at 1 April		**68,122**	62,114
Cash and cash equivalents at 31 March	17	**85,543**	68,122

Notes to the financial statements

1 Accounting policies

Community Health Partnerships Limited (the "Company") is a private Company limited by shares, incorporated in the United Kingdom under the Companies Act and is registered in England and Wales.

The principal purpose of the company is set out in the Director's report on page 57.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in conformity with the requirements of the Companies Act 2006.

As at 31 March 2023 the Company remained a wholly owned subsidiary of the Secretary of State for Health and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated financial statements. This includes the exemption from preparing consolidated financial statements in relation to the Company's shareholding in 49 LIFT companies. The Company regards all aspects of its business as one segment for the purposes of segmental reporting and presents its results to reflect this position.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a risk of material adjustment in the next year are discussed in note 2.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for property, plant and equipment at revalued amounts and investment property at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

All amounts are in Great British Pounds (GBP), which is the currency of the primary economic environment in which the Company operates and are rounded to the nearest thousand.

1.2 Going concern

The company's business activities and performance are set out in the Strategic Report on pages 8 to 51. Future developments are set out in the Director' Report on pages 57 to 61. The financial position of the company, its cash flows, liquidity position and borrowing facilities are also described in the annual report.

The company has considerable financial resources underpinned by a deed of indemnity that commits the Department for Health and Social Care to meeting the overall operating costs of the Company in relation to the assets transferred from Primary Care Trusts to the Company in 2013, ensuring that the company has sufficient cash resources to meet its obligations in relation to the transferred liabilities.

The company meets its day to day working capital requirements through a Shareholder loan and Flexible loan facilities of £215 million provided by its parent entity, the Department of Health and Social Care.

In April 2023 the company successfully extended its shareholder loan and flexible loan facilities with the Department of Health and Social Care and these facilities will now both expire on or after 1 April 2025. The company extends the facility each year and expects to extend these again in 2024.

The Company's cash flow forecast reflects the expected timing of income from tenants and payment of costs in relation to the LIFT estate and the administration costs of the Company. The cash flow forecast has been conducted to 31 March 2025 and using this forecast, the directors conclude that any reduction in the forecast level of cash receipts, due to changes in the timing of tenant income, would not exceed the level of current facilities held and the Company would continue to be able to meet its liabilities on an ongoing basis as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Financial Instruments

Financial assets are recognised when the Company becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred. Financial assets are initially recognised at fair value.

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured by using the expected lifetime credit loss method. This is calculated, in line with adopted IFRS 9, by analysing available data to estimate the probability of a credit loss against the financial asset. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position (SOFP) when the Company becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value. Balances that have transferred from PCTs including finance leases are initially recognised at carrying value. All financial liabilities are classified as other financial liabilities.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.4 Property, plant and equipment

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All land and buildings are measured subsequently at fair value.

Land and buildings used for the delivery of health services are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. A full valuation of the LIFT portfolio was performed by the District Valuer Service as at 31 March 2015. The District Valuer Service has continued to perform valuation of the LIFT portfolio each year up to and including 2022/23. With effect from and including the 2016 financial year a 3-year rolling valuation approach as at 31 March is taken. On an annual basis, this entails one third of the portfolio obtaining a full valuation with the remaining two thirds receiving a desk top valuation only. This is rotated annually, ensuring that 100% of the portfolio has received a full valuation during the three year cycle. This ensures that revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Following the pressures of COVID-19 during the 2020/21 financial year when the portfolio had been valued on a 100% desk top basis, there was a return to the 3-year cycle of rolling inspections in 2021/22.

Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost.

For buildings used for the delivery of health services, the Company has adopted a policy in line with HM Treasury with a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

For office buildings used for administrative purposes, the Company has adopted a policy of depreciated cost (with cost being the NPV of future lease payments for leased buildings) less subsequent accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Leases in which the Company assumes control of the leased asset are deemed as "right-of-use" assets and, as such, are classified as leases in accordance with IFRS 16. On adopting IFRS 16 in 2019/20, CHP opted for the transitional exemption, foregoing the requirements for full retrospective adoption. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings.

Right-of-use assets acquired by way of lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below. Depreciation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Buildings 50-60 years
- Plant and Equipment 15 years

Right-of-use assets where CHP does not hold a residual interest in the asset, are depreciated over the shorter of the length of lease term or the useful economic life.

At each reporting period end, the Company checks whether there is any indication that any of its tangible non-current assets have suffered an impairment loss. If there is an indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.5 Investment Property

LIFT properties which are considered to not provide a significant level of ancillary services to clients are classified as investment property as such properties accrue rental income.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

After initial reconition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

A full valuation of the LIFT portfolio was performed by the District Valuer Service as at 31 March 2015. The District Valuer Service has continued to perform valuations of the LIFT portfolio each year up to and including 2022/23. With effect from and including the 2016 financial year a 3-year rolling valuation approach as at 31 March is taken. On an annual basis, this entails one third of the portfolio obtaining a full valuation with the remaining two thirds receiving a desk top valuation only. This will be rotated annually, ensuring that 100% of the portfolio has received a full valuation during the three-year cycle. This ensures that revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

The Company has adopted a policy in line with HM Treasury with a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the consolidated statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed.

Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

1.6 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The cash and cash equivalents stated in these financial statements are all bank deposits. These balances are not subject to any pooling arrangements.

1.7 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

Where considered material, the cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Defined Contribution Plans

Some employees are members of the Company personal pension scheme established on behalf of its employees. This is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

NHS Pension Scheme

Some employees who have been TUPE transferred over to the company are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable and rules of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales.

The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme. The cost to the company of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the company commits itself to the retirement, regardless of the method of payment.

1.8 **Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent asset is disclosed where an inflow of economic benefits is probable. Where the time value of money is material, contingencies are disclosed at their present value.

1.9 **Leases**

CHP's Land and buildings, used for the delivery of health services and leased by way of Lease Plus Agreements (LPA's) and Land Retained Agreements (LRA's), are treated as Service Concession agreements under IFRIC12.

Under an LPA agreement, CHP acquires the land as well as the building and has the option to purchase at the end of the lease term. LRA agreements differ in that they do not usually involve a transfer in ownership of the accompanying land and do not come with the option to purchase. It should be noted however, that a small number of exceptions exist, whereby CHP separately inherited the land for some buildings held under LRA agreements when the buildings were transferred from the Primary Care Trusts in 2013. Concession agreements are specifically excluded from IFRS 16.

All other leases are treated in accordance with IFRS 16 and are classified as finance leases, when the Company is deemed as having control of the asset, or as operating leases, where the asset is of low value or lease term is less than twelve months.

During 2022/23 a capital repayment of £1.4m was made and £0.2m was charged to the Statement of Comprehensive Income for lease interest.

The Company as lessee

Property, plant and equipment held under leases and as service concessions, are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Company's net operating profit or loss.

Contingent rentals are recognised as an expense in the period in which they are incurred.

The Company as lessor

Amounts due from lessees under finance leases continue to be treated in accordance with IFRS 16. They are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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

1.10 **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the Treasury's published discount rates.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received, and the amount of the receivable can be measured reliably.

1.11 **Revenue**

Revenue comprises the following income streams:

Lease income from sub-tenants is received as rental income from the Company acting as lessor for the buildings held in the LIFT scheme companies. Income is also received from Commissioners in relation to the building where the Company is acting as a lessor. The other categories of revenue comprise revenue from the Company's procurement support activities, directors' fees received from LIFT

Companies, and income from other advisory services and grants.

All revenue arises from continuing activities and transferred-in activities and is recognised in the period that revenue is earned. Rental income is recognised for the period in which it falls due under a rental agreement. Income from commissioners is recognised as the obligations of the finance lease falls due.

Revenue in respect of services provided is recognised when performance obligations are satisfied by transferring promised services and is measured at the amount of the transaction price allocated to those obligations. At the year end, the Company accrues income relating to obligations satisfied in that year. Where the Company entitlement to consideration for those services is unconditional the income will be recognised within the trade and other receivables under prepayments and accrued income. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised in the deferred income within the trade and other payables.

For SBD (Strategic Business Development) income, funding is received up front and recognised as the service/advice is provided. The upfront income is included within the deferred income within the trade and other payables.

1.12 **Financial Income**

Financing income is comprised of interest receivable on funds invested and dividend income. Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 Expenses

Financing expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Comprehensive Income.

Other Expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.15 Investment in Associates

Investments made in LIFT companies are accounted for as an investment in an associate. The investment is measured at cost with dividend income recognised in the Statement of Comprehensive Income.

Subordinated debt investments are carried at amortised cost.

1.16 NHS LIFT Transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes (including NHS LIFT) where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12.

The Company therefore recognises the LIFT asset as an item of property, plant and equipment or as an investment property depending upon the level of ancillary services provided to the NHS together with a finance lease liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;

b) Payment for the LIFT asset, including finance costs; and

c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

a) **Services received**

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

b) **LIFT assets, liabilities, and finance cost**

LIFT assets leased under an LRA or LPA agreement are recognised as property, plant and equipment or investment property, when they come into use. The assets are measured initially at the present value of the minimum lease payments in accordance with IFRIC12. Subsequently, the assets are measured at fair value and kept up to date through a programme of annual valuations.

A LIFT finance lease liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the present value of the minimum lease payments and is subsequently measured as a finance lease liability in accordance with IFRIC12 due to the exclusion of service concession arrangements under IFRS16.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs'within the Statement of Comprehensive Income. The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IFRIC12, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

c) **Lifecycle replacement**

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. The total cost of lifecycle replacement is spread evenly across the lease term and expensed into the Statement of Comprehensive Income annually. Additional expense relating to the increase in the cost of the lifecycle replacement relating to inflationary increase is also expensed into the Statement of Comprehensive Income as paid to the operator.

Where cost expensed is greater than the lifecycle paid to the operator a liability is recognised on the Statement of Financial Position. Where lifecycle paid to the operator is greater than the cost expensed in the Statement of Comprehensive Income, a prepayment is recognised in the Statement of Financial Position.

Other assets contributed by the Company to the operator

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

1.17 Adoption of new and revised standards

The following IFRSs are newly effective in the current period and have not been applied as they are not expected to have a significant impact on the Company's financial statements.

- Amendments to IAS16 - Property, Plant and Equipment - Proceeds before Intended Use.

- Annual Improvements to IFRS Standards 2018-2020 (May 2020) - Annual Improvements to IFRS Standards 2018-2020 (May 2020).
- Amendments to IFRS 3 (May 2020) – Reference to the Conceptual Framework.
- Amendments to IAS37 (May 2020) – Onerous Contracts – Cost of Fulfilling a Contract.

Standards issued but not yet effective.

The following new and amended standards are not yet effective and have not been applied to these financial statements.

- Amendment to IFRS16 - COVID-19-Related Rent Concessions beyond 30 June 2021.
- IFRS 17 - Insurance Contracts.
- Amendments to IFRS 17 - IFRS17.
- Amendments to IAS1 – Classification of liabilities as current or non-current.
- Amendments to IFRS4 – Extension of the Temporary Exemption from Applying IFRS9.
- Amendments to IAS1 and IFRS Practice Statement 2 – Disclosure of accounting policies.
- Amendments to IAS12 – Deferred Tax related Assets and Liabilities arising from a single transaction.
- Amendments to IAS8 - Definition of Accounting Estimates.
- Amendments to IFRS17 – Initial application of IFRS17 and IFRS9 – comparative information.
- Amendments to IAS12 – International Tax Reform – Pillar two model rules.
- Amendment to IFRS16 – Lease liability in a sale and leaseback.
- Amendments to IAS7 and IFRS7 – Supplier Finance Arrangements.
- Amendments to IAS1 – Non-current Liabilities with Covenants.

2 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate only affects that period, or in the period of the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Judgements

Depreciation

The accounting policy for depreciation, depreciates assets over 50 years which is in excess of the lease term of around 25 years. The assumptions used by the directors recognised that after 25 years using the LIFT model and the associated lifecycle funds generated the building will be in 'day one' condition and should the Company then opt to acquire the building it would continue to service the building in the same way and in doing so would deliver the lifecycle elements needed to maintain the building. Therefore, this leads to a judgement in the Financial Statements regarding the value attributed to depreciation which could be increased if the residual value after 50 years was deemed significantly less.

Property, Plant & Equipment

Included within Property, Plant and Equipment, as disclosed in note 10 to the statements are balances in respect of the NHS LIFT properties for which the Company is the head tenant. These assets are held for the purpose of renting to NHS bodies and other public healthcare providers to enable the delivery of public healthcare services.

The Directors acknowledge that, ordinarily, properties held for the purpose of rental with ancillary services would be classified as Property, Plant and Equipment under IAS16 Property, Plant and Equipment, however, under this accounting standard, judgement is required as to whether the extent of ancillary services provided to tenants are significant to the arrangement as a whole.

The accounting standard sets out, that where ancillary services are deemed significant to the arrangement as a whole, the buildings would be classified as Property, Plant and Equipment in accordance with IAS 16. Where the ancillary services are considered insignificant however, then the buildings would be classified as Investment Property in accordance with IAS 40.

The Directors have undertaken a thorough review of the ancillary services delivered to tenants across the estate, these services include, but are not limited to: provision of catering; supply and maintenance of equipment; supply of consumables including medical gases; provision of reception services; and security and access control. Following this review the Directors have concluded that these services represent an insignificant proportion of the service delivered to the tenant for 21 properties and, on this basis, concluded that treatment under IAS16 Property, Plant and Equipment did not fairly represent the nature of the arrangement. For such properties, IAS 40, Investment Property has consequently been adopted as the most appropriate application of IFRS in this instance and, as such, the Company has classified these assets as Investment Property within note 11 of these Financial Statements. However, for the other properties as detailed in Note 10, the ancillary services delivered to the tenant were considered significant and therefore on this basis, the Directors concluded that such properties should be accounted for in accordance with IAS 16 Property, Plant and Equipment.

Sources of Estimation Uncertainty

LIFT Building Valuations

The fair value is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Entity's property portfolio every twelve months.

Note 10 on page 95 provides carrying amounts and basis for the building value and valuation.

Building valuations has been included as a key estimation due to the nature and fluctuation of building valuations within the current climate along with the material value of the overall LIFT estate within the financial statements. The overall property, plant and equipment value has increased by £83m/3.34% per the valuation as of 31st March 2023. If this overall assumption had been 1% less the impact would have been an increase of £58.1m, £24.8m less than reported.

Impairment of Receivables

The company has used the approach to calculate the expected credit loss allowance using historic debt collection trends and applied to each relevant category of debt.

The company has impaired trade receivables based on an assessment of their recoverability. Impairments are applied to receivables where events or circumstances indicate that the carrying amounts may not be recoverable, including but not limited to, number of days past due. Management have specifically assessed the recoverability of receivables by applying a recovery percentage based on the age of debt. In assessing the risk, management split the portfolio into large debts and NHS customers where management's judgement based on previous experience is applied and non-NHS customers where, in addition, external risks are taken into consideration.

The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through a provision for impairment of receivables. Note 25 financial instruments on page 110 provides carrying amounts of the provision.

The credit note provision for the year ended March 2023 equates to 29% of the total ledger value. If this assumption was to increase by 1% the increase in provision would be £1.4m.

3 Revenue

	2023 £000	2022 £000
Lease Income from Sub-tenants	**346,799**	312,990
Income – Commissioners	**103,934**	98,155
NHS Infrastructure programme	**7,483**	-
Directors Fees reimbursed by LIFT companies	**692**	1,310
Other revenue	**438**	-
	459,346	412,455

4 Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	2023 £000	2022 £000
Depreciation of PPE	**41,632**	38,926
Depreciation of right of use assets	**1,773**	1,584
Impairment of PPE	**795**	40
Reversal of previous impairment of PPE	**(25)**	(482)
Fair value adjustments of investment properties	**(9,651)**	(4,609)
Auditors' remuneration	**195**	96

5 **Staff numbers and costs**

The monthly average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	2023 Number	2022 Number
Administration	**224**	216
Directors	**8**	8
	232	224

The aggregate payroll costs of these persons were as follows:

	2023 £000	2022 £000
Wages and salaries	**11,971**	10,802
Social security costs	**1,380**	1,107
Contributions to company personal pension	**1,026**	870
	14,377	12,779

The aggregate costs of employed through agencies and secondments were as follows:

	2023 £000	2022 £000
Contractors	**1,398**	564

6 Directors' remuneration

	2023				2022			
	Salary £000	Bonus £000	Pension £000	Total £000	Salary £000	Bonus £000	Pension £000	Total £000
Key management personnel								
S O'Connell	-	-	-	-	130-135	15-20	-	145-150
M Holloway	-	-	-	-	100-105	-	10-15	115-120
W Farrington Chadd	**150-155**	**10-15**	**15-20**	**175-180**	110-115	-	10-15	120-125
M Twite	**135-140**	**10-15**	**10-15**	**160-165**	105-110	10-15	10-15	130-135
N Arif	**140-145**	**10-15**	**10-15**	**165-170**	45-50	-	0-5	50-55
	436	**31**	**44**	**511**	505	32	39	576
Non-Executive Directors								
C Mason	**45-50**	-	-	**45-50**	45-50	-	-	45-50
B Conroy	-	-	-	-	15-20	-	-	15-20
R Alexander	**20-25**	-	-	**20-25**	20-25	-	-	20-25
G Strathdee	**15-20**	-	-	**15-20**	15-20	-	-	15-20
C Patel	**15-20**	-	-	**15-20**	15-20	-	-	15-20
R Williams	**15-20**	-	-	**15-20**	0-5	-	-	0-5
	110	-	-	**110**	114	-	-	114
Aggregate Remuneration	**546**	**31**	**44**	**621**	619	32	39	690

* *S O'Connell resigned 14th July 2021. No salary paid during 2023.*

** *M Holloway resigned 22nd December 2021. No salary paid during 2023.*

*** *W Farrington Chadd 2022 salary included from appointment date of 14th July 2021 to 31st March 2022. Full year salary included for 2023.*

**** *M Twite 2022 salary included from appointment date of 14th September to 31st March 2022. Full year salary included for 2023.*

***** *N Arif 2022 salary included in the above from appointment date of 1st December 2021 to 31st March 2022. Full year salary included for 2023.*

Claire Hewitt was a Non-Executive Director and resigned on 5th June 2022. Ben Masterson was appointed on the 6th June 2022. Both were paid directly by the Department for Health and Social Care.

The Executive Directors are considered the key management personnel of the Company and all compensation is disclosed. Pension payments made for 3 Directors (2022: 4) were made under a company's defined contribution scheme.

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was £163,975 (2022: £149,729), and Company pension contributions of £15,347 (2022: £nil) were made to a Company personal pension scheme.

7 Finance income and expense Recognised in Statement of comprehensive income

	2023 £000	2022 £000
Finance and similar income		
LIFT: equity dividends receivable	**14,566**	8,756
Interest from subordinated debt investments	**10,243**	10,252
Refinancing gains	**341**	-
Bank Interest	**158**	7
Total finance income	**25,308**	19,015

	2023 £000	2022 £000
Finance expense		
Interest		
Interest on obligations under LIFT contracts:		
- Main finance cost	113,576	116,206
- Contingent finance cost	80,730	63,418
Lease interest	157	167
Interest on unsecured loan facility	3,521	2,048
Other loan interest	-	123
Total finance expense	**197,984**	181,962

8 Other gains and losses

	2023 £000	2022 £000
Profit from sale of shares	**1,080**	-
Total other gains and losses	**1,080**	-

Profit from the sale of 200 Ordinary shares of £1.00 in Shared Agenda Solutions Limited.

9 Taxation

Recognised in the income statement

	2023 £000	2022 £000
Current tax expense / (credit)		
Current year	-	-
Adjustments for prior years	-	(14)
Total current tax charge / (credit)	-	(14)
Deferred tax		
Origination and reversal of temporary differences	**2,217**	3,043
Prior period adjustments	-	167
Total deferred tax charge	**2,217**	3,210
Total tax expense	**2,217**	3,196

Reconciliation of effective tax rate

	2023 £000	2022 £000
Profit before taxation	**17,151**	9,626
Tax using the UK corporation tax rate of 19% (2022: 19%)	**3,259**	1,829
Effects of:		
UK dividends received	**(2,832)**	(1,664)
Chargeable gains	**205**	-
Disallowed expense items	**224**	264
Income not taxable for tax purposes	**(1,834)**	(84)
Deferred tax change in rates	**2,366**	410
Prior year tax adjustment	-	(14)
Prior year deferred tax adjustment	-	167
Deferred tax not recognised on losses	**829**	2,288
Total tax expense	**2,217**	3,196

The Finance Act 2021, which was substantively enacted on 24 May 2021, included provisions to increase the rate of corporation tax to 25% from April 2023. Accordingly, deferred tax balances have been stated at the rate of 25% (2022: 25%) in these Financial Statements. The Finance Act 2022, which was substantively enacted on 24 February 2022, had no further changes to the main rate of corporation tax.

10 **Property, plant and equipment**

	LIFT land and buildings £000	Other land and buildings £000	Owned land and buildings £000	Plant and equipment £000	Total £000
Cost or valuation					
Balance at 1 April 2021	2,351,872	15,935	3,012	-	2,370,819
Additions	6,327	-	138	1,716	8,181
Revaluations	109,019	-	351	-	109,370
Impairment loss taken to profit/loss	(40)	-	-	-	(40)
Reversal of previous impairments taken to Profit/Loss	482	-	-	-	482
Impairment loss taken to reserves	(1,190)	-	-	-	(1,190)
Balance at 31 March 2022	2,466,470	15,935	3,501	1,716	2,487,622
Depreciation and impairment					
Balance at 1 April 2021	-	(2,414)	-	-	(2,414)
Depreciation charge for the year	(37,960)	(1,584)	(51)	(915)	(40,510)
Elimination of accumulated depreciation on revaluation	37,960	-	51	-	38,011
Balance at 31 March 2022	-	(3,998)	-	(915)	(4,913)
Cost or valuation					
Balance at 1 April 2022	2,466,470	15,935	3,501	1,716	2,487,622
Additions	8,241	134	16	-	8,391
Revaluations	82,067	-	119	-	82,186
Impairment loss taken to profit/loss	(795)	-	-	-	(795)
Reversal of previous impairments taken to Profit/Loss	25	-	-	-	25
Impairment loss taken to reserves	(4,717)	-	-	-	(4,717)
Disposals	-	(511)	-	-	(511)
Balance at 31 March 2023	2,551,291	15,558	3,636	1,716	2,572,201
Depreciation and impairment					
Balance at 1 April 2022	-	(3,998)	-	(915)	(4,913)
Depreciation charge for the year	(41,231)	(1,773)	(58)	(343)	(43,405)
Depreciation on Disposals	-	511	-	-	511
Elimination of accumulated depreciation on revaluation	41,231	-	58	-	41,289
Balance at 31 March 2023	-	(5,260)	-	(1,258)	(6,518)

10 Property, plant and equipment (continued)

	LIFT land and buildings £000	Other land and buildings £000	Owned land and buildings £000	Plant and equipment £000	Total £000
Net book value					
At 31 March 2022	2,466,470	11,937	3,501	801	2,482,709
At 31 March 2023	**2,551,291**	**10,298**	**3,636**	**458**	**2,565,683**

	LIFT land and buildings £000	Other land and buildings £000	Owned land and buildings £000	Plant and equipment £000	Total £000
Asset Financing					
Owned	-	-	3,636	458	4,094
Right-of-Use Assets	-	10,298	-	-	10,298
On-SOFP LIFT contract	2,551,291	-	-	-	2,551,291
Total	**2,551,291**	**10,298**	**3,636**	**458**	**2,565,683**

LIFT land and buildings relates to buildings held under a LIFT service concession arrangement. Other land and buildings relate to buildings held under a right-of-use asset such as LIFT buildings not held under an LPA or LRA lease or office premises.

The Land and Building assets held under LIFT service concession arrangements were independently revalued by the District Valuer Service on 31 March 2023, as described in note 1.4, and the historic cost of the assets as at 31 March 2023 is £1,525m (2022: £1,537m). All buildings are considered specialised buildings and are valued at depreciated replacement cost.

The revaluation of the LIFT land and buildings has seen a significant increase at the valuation date, 31 March 2023 of £82.067m (2022: £109.019m) due to some property markets having started to function again following the Covid-19 pandemic, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value.

The impairment loss taken to reserves of £4.717m (2022: £1.190m) is as a result of a reduction in regional indices resulting in a reduction in the value of assets. Impairment losses of £0.795m (2022: £0.040m) are recognised in the Statement of Comprehensive Income in relation to changes in indexation during valuation. These impairment losses are a result of a clear consumption of economic benefit.

Due to the increase in property valuations during the year, impairment values have been written back to the Statement of Comprehensive Income to the value of £0.025m (2022: £0.482). These have previously been recognised in the Statement of Comprehensive Income from changes in indexation during valuation.

10 **Property, plant and equipment (continued)**

Impairment losses of £nil (2022: £nil) are recognised in the Statement of Comprehensive Income in relation to new buildings upon reaching practical completion and the resulting difference between the finance lease value and the direct replacement cost of the asset. These impairment losses are treated as clear consumption of economic benefit.

The amount of borrowing costs capitalised during the period was £nil (2022: £nil).

11 **Investment property**

	2023 £000	2022 £000
Balance at 1 April	**130,122**	124,885
Additions	**909**	628
Changes in fair value	**9,651**	4,609
Total	**140,682**	130,122

Investment property comprises properties held for the purposes of rental incomes, being NHS LIFT properties where insignificant ancillary services are provided to tenants and therefore accounted for in accordance with IAS 40. The amount of direct operating expenses arising from these investment properties that did not generate rent is £nil (2022: £nil).

	2023 £000	2022 £000
Operating expenses	-	-

Changes in fair value are recognised as gains or losses in the Statement of Comprehensive Income. All gains and losses are unrealised.

Amounts recognised in profit or loss

Rental income was recognised within the Statement of Comprehensive Income during the year of £19.267m (2022: £17.578m).

Measurement of fair values

i. Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Entity's investment property portfolio every twelve months.

The fair value measurement for the investment properties has been categorised as Level 3 based on the inputs to the valuation technique used, which is depreciated replacement cost.

12 Investments in associates

NHS LIFT Investments

As at 31 March 2023, the Company had made equity investments in each of the LIFT companies listed below, including their project financing subsidiaries where applicable. The principal activities of all companies listed below is the operation of leased properties. All shareholdings are of ordinary class of shares. There were no changes in shareholding during the year.

- **Arden Estates Partnerships Ltd** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Assemble Community Partnership Limited** (Shareholding: 40%) Registered Office: 126-128 Buckingham Palace Road, London, SW1W 9SA
- **Barking Dagenham Havering Community Ventures Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Barnsley Estates Partnership Limited,** (Shareholding: 30%) Registered Office: C/O Ems Ltd, Toronto Square, Toronto Street, Leeds, LS1 2HJ
- **Birmingham and Solihull Local Improvement Finance Trust Limited** (Shareholding: 40%) Registered Office: 5 The Triangle, Worcester, WR5 2QX
- **Bradford & Airedale Estates Partnership Limited** (Shareholding: 40%) Registered Office: C/O Ems Ltd, Toronto Square, Toronto Street, Leeds, LS1 2HJ
- **BRAHM LIFT Limited** (Shareholding: 40%) Registered Office: Sceptre House, Preston, PR5 6AW
- **Bristol Infracare LIFT Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Building Better Health – Lambeth Southwark Lewisham Limited** (Shareholding: 40%) Registered Office: 105 Piccadilly, London, W1J 7NJ
- **Bury, Tameside & Glossop Estates Partnership Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Camden & Islington Estates Partnership Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Community 1st Cornwall Limited** (Shareholding: 40%) Registered Office: Blue Support House, St. Austell, PL25 5BS
- **Community 1st Oldham Limited** (Shareholding: 40%) Registered Office: Building 1000 Kings Reach, Stockport, SK4 2HG
- **Community 1st Sheffield Limited** (Shareholding: 40%) Registered Office: Building 1000 Kings Reach, Stockport, SK4 2HG
- **Community Ventures Company (Leeds) Limited** (Shareholding: 36.7%) Registered Office: 4340 Park Approach, Thorpe Park, Leeds, LS15 8GB
- **Doncaster Estates Partnership Limited** (Shareholding: 35%) Registered Office: C/O Ems Ltd, 2nd Floor Toronto Square, Toronto Street, Leeds, LS1 2HJ
- **Dudley Infracare Lift Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Durham & Tees Community Ventures Limited** (Shareholding: 40%) Registered Office: 4340 Park Approach, Thorpe Park, Leeds, LS15 8GB

- **East Lancashire Building Partnership Limited** (Shareholding: 40%) Registered Office: Sceptre House, Preston, PR5 6AW
- **eLIFT Cumbria Limited** (Shareholding: 40%) Registered Office: Leytonstone House, Leytonstone, E11 1GA
- **Foundation for Life Limited** (Shareholding: 40%) Registered Office: Sceptre House, Preston, PR5 6AW
- **GRT Nottingham LIFT Company Limited** (Shareholding: 36%) Registered Office: Unit G1 Ash Tree Court, Nottingham Business Park, Nottingham, NG8 6PY
- **Hull Citycare Limited** (Shareholding: 40%) Registered Office: C/O Sewell Group Plc, Geneva Way, Hull, HU7 0DG
- **Infracare East London Limited** (Shareholding: 38%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Infracare South East London Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Infracare North West London Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Infracare Wolverhampton & Walsall Limited, (Wolverhampton City and Walsall) Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Leicester Lift Company Limited** (Shareholding: 40%) Registered Office: Unit G1 Ash Tree Court, Nottingham Business Park, Nottingham, NG8 6PY
- **Liverpool and Sefton Health Partnership Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **MAST Estates Partnership Limited** (Shareholding: 30%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Medway Community Estates Limited** (Shareholding: 40%) Registered Office: 55 Station Road, Beaconsfield, HP9 1QL
- **NNT LIFT Company Limited** (Shareholding: 27.4%) Registered Office: 1 Park Row, Leeds, LS1 5AB
- **Norlife Limited** (Shareholding: 40%) Registered Office: 128 Buckingham Palace Road, London, SW1W 9SA
- **North London Estate Partnerships Limited** (Shareholding: 40%)
- Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **North Nottinghamshire LIFT Company Limited** (Shareholding: 40%) Registered Office: Unit G1 Ash Tree Court, Nottingham Business Park, Nottingham, NG8 6PY
- **Oxford Infracare LIFT Limited** (Shareholding: 40%) Registered Office: Challenge House, Tewkesbury, GL20 8UQ
- **Prima 200 Limited** (Shareholding: 40%) Registered Office: 5 The Triangle, Worcester, WR5 2QX
- **Prydium Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Realise Health Limited** (Shareholding: 40%) Registered Office: 1 Park Row, Leeds, LS1 5AB
- **Renova Developments Limited** (Shareholding: 40%) Registered Office: 4th Floor 105 Piccadilly, London, W1J 7NJ
- **Resound (Health) Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16

- **RWF Health and Community Developers Limited** (Shareholding: 40%)
- Registered Office: 55 Station Road, Beaconsfield, HP9 1QL
- **Sandwell Estates Partnership Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **Solent Estates Partnerships Limited,** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **South West Hampshire LIFT Limited** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG
- **South West London Health Partnerships Limited** (Shareholding: 40%) Registered Office: 4th Floor 105 Piccadilly, London, W1J 7NJ
- **Southern Derbyshire LIFT Company Limited** (Shareholding: 40%) Registered Office: Unit G1 Ash Tree Court, Nottingham Business Park, Nottingham, England, NG8 6PY
- **West London Health Partnership Limited** (Shareholding: 40%) Registered Office: 4th Floor 105 Piccadilly, London, W1J 7NJ
- **West Sussex Estates Partnerships Limited,** (Shareholding: 40%) Registered Office: 9th Floor Cobalt Square, Birmingham, B16 8QG

Each of the LIFT companies is engaged in providing community-based healthcare facilities and related services.

	Subordinated debt £000	Share Capital £000	Total £000
Balance at 1 April 2021	89,231	1,402	90,633
Loan Repayments	(2,946)	-	(2,946)
Balance at 31 March 2022	**86,285**	**1,402**	**87,687**
Balance at 1 April 2022	86,285	1,402	87,687
Loan Repayments	(2,834)	-	(2,834)
Balance at 31 March 2023	**83,451**	**1,402**	**84,853**

13 **Investments in subsidiary**

	2023 £	2022 £
Investments in subsidiary – Partnerships for Health Limited	**1**	1

Investments above which represent a holding greater than 40% are as follows:

	Country of Incorporation	Class of shares held	Ownership 2023	Ownership 2022
Partnerships for Health Limited	United Kingdom	Ordinary	**100%**	100%

Partnerships for Health Limited (Company number: 06019358 Registered office: Suite12B Manchester One, 53 Portland Street, Manchester, M1 3LD) is a dormant Company incorporated in the United Kingdom and has never traded. Consolidated Financial Statements are not prepared in respect of the group formed by this entity in accordance with section 405 of the Companies Act 2006 as its inclusion is not material.

14 **Other financial liabilities**

	2023 £000	2022 £000
Non-current		
LIFT Financial Lease liabilities	**1,513,912**	1,557,729
Right-of-Use Lease Liability	**9,265**	10,463
	1,523,177	1,568,192
Current		
LIFT Financial Lease liabilities	**43,817**	43,130
Right-of-Use Lease Liability	**1,306**	1,268
	45,123	44,398

15 **Deferred tax assets and liabilities**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 £000	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Property, plant and equipment	-	-	**(257,516)**	(233,522)	**(257,516)**	(233,522)
Investment property	-	-	**(10,880)**	(8,467)	**(10,880)**	(8,467)
Net tax assets / (liabilities)	-	-	**(268,396)**	(241,989)	**(268,396)**	(241,989)

Movement in deferred tax during the year

	1 April 2022 £000	Recognised in income £000	Recognised in equity £000	31 March 2023 £000
Property, plant and equipment	(233,522)	196	(24,190)	**(257,516)**
Investment property	(8,467)	(2,413)	-	**(10,880)**
	(241,989)	**(2,217)**	**(24,190)**	**(268,396)**

The Corporation Tax rate used to calculate deferred tax is 25% (2022: 25%).

Movement in deferred tax during the prior year

	1 April 2021 £000	Recognised in income £000	Recognised in equity £000	31 March 2022 £000
Property, plant and equipment	(152,918)	(302)	(80,302)	(233,522)
Investment Property	(5,559)	(2,908)	-	(8,467)
	(158,477)	(3,210)	(80,302)	(241,989)

16 **Trade and other receivables**

	2023 £000	2022 £000
Current:		
Trade receivables	**86,416**	89,735
Sub Debt interest receivable	**4,463**	3,784
VAT Receivables	**9,818**	5,968
Tax Receivable	**2,415**	2,415
Prepayments and accrued income	**7,308**	5,649
Finance lease receivables	**384**	82
Other receivables	**409**	1,056
Loans receivable from other bodies	**613**	773
Current	**111,826**	109,462
Non-current		
Finance lease receivables	**5,750**	6,134
Other receivables	**5,153**	10,791
Non-current	**10,903**	16,925

17 **Cash and cash equivalents**

	2023 £000	2022 £000
Cash and cash equivalents per balance sheet	**85,543**	68,122
Cash and cash equivalents per cash flow statements	**85,543**	68,122

18 **Other interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2023 £000	2022 £000
Non-current liabilities		
Loan from Parent	**154,785**	156,448
Loans from Associates	**5,294**	-
	160,079	156,448
Current liabilities		
Loan from Parent	-	-
	-	-

Terms and debt repayment schedule

	Currency	Nominal interest rate	Financial Year of maturity	Face value	Carrying amount	Face value	Carrying amount
				2023 £000	**2023 £000**	2022 £000	2022 £000
Shareholder Loan	**£**	**3.50%**	**2025**	**55,000**	**55,000**	55,000	55,000
Working Capital Loan	**£**	**4.00%**	**2025**	**99,785**	**99,785**	101,448	101,448
Associate Loan	**£**	**3.47%**	**2038**	**5,294**	**5,294**	-	-
				160,079	**160,079**	156,448	156,448

All the loans are unsecured.

19 **Trade and other payables**

	2023 £000	2022 £000
Current		
Trade payables	**22,902**	17,935
Other trade payables	**9,450**	14,675
Non-trade payables and accrued expenses	**91,222**	85,073
Social Security Costs	**372**	294
Deferred Income and payments on account	**17,208**	9,369
	141,154	127,346
Non-current		
Accruals	**26,678**	27,740
Other payables	**-**	4,172
	26,678	31,912

20 **Employee benefits**

Pension plans

The Company contributes to the company personal pension scheme established on behalf of its employees and the NHS Pension Scheme. During the year ended 31 March 2023 the Company made contributions totalling £1,026,194 (2022: £870,161). As at 31 March 2023 the Company owed Aviva plc, the company personal pension scheme managers, £Nil (2022: £90,599). As at 31 March 2023 the Company owed the NHS Pension Scheme, £Nil (2022: £12,290).

21 Provisions

	Dilapidation £000	Legal Fees	Total £000
	£000	**£000**	**£000**
Balance at 1 April 2022	**1,023**	**2100**	**3,123**
Provisions made during the year	-	-	-
Provisions used during the year	-	-	-
Provision released unused	(1,023)	-	(1,023)
Balance at 31 March 2023	-	2,100	**2,100**
Current	-	-	-
Non-current	-	**2,100**	2,100
	-	**2,100**	**2,100**

Legal fees represent the costs required to take legal action against GPs to recover unpaid rent and service charges.

22 LIFT – additional information

	31 March 2023 £000	31 March 2022 £000
Charges to operating expenditure and future commitments in respect of ON and OFF SOFP LIFT		
Total charge to operating expenses in year – OFF SOFP LIFT	**35**	38
Service element of ON SOFP LIFT charged to operating expenses in year	**60,663**	55,958
Total	**60,698**	55,996
Payments committed to in respect of OFF SOFP LIFT and the service element of ON SOFP LIFT		
No later than one year	**62,083**	60,663
Later than one year, no later than five years	**264,338**	258,149
Later than five years	**448,502**	516,774
Total	**774,923**	835,586

22 LIFT – additional information (continued)

The estimated annual payments in future years are expected to be materially different from those which the Company is committed to make during the next year. The likely financial effect of this is:

	31 March 2023 £000	31 March 2022 £000
Estimated Capital Value of Project – OFF SOFP LIFT	**900**	900
Imputed "finance lease" obligations for ON SOFP LIFT contracts due		
No later than one year	**154,666**	156,705
Later than one year, no later than five years	**608,542**	610,415
Later than five years	**1,866,669**	2,019,200
Subtotal	**2,629,877**	2,786,320
Less: Interest Element	**(1,072,148)**	(1,185,461)
Total	**1,557,729**	1,600,859

LIFT contracts are subject to repricing in line with the contract terms over a horizon of up to 25 years. The LIFT scheme arrangements give CHP the right to sub-let the LIFT properties. The LIFT contracts carry no further obligations in respect of provision of service or construction of assets; however they do convey the right to the reversionary interest in the LIFT properties at the end of the contract, at which point a commercial decision will be taken in respect of each asset.

23 Notes to the cash flow statement

Changes in liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's cash flow statement as cash flows from financing activities.

	01 April 2021 £000	Financing cash flows £000	Other movements £000	**31 March 2022 £000**
Loan from parent	157,328	-	(880)	**156,448**
Finance lease liabilities	1,655,395	(42,805)	-	**1,612,590**
Total liabilities from financing activities	1,812,723	(42,805)	(880)	**1,769,038**

	01 April 2022 £000	Financing cash flows £000	Other movements £000	**31 March 2023 £000**
Loan from parent	156,448	-	(1,663)	**154,785**
Loans from Associates	-	5,294	-	**5,294**
Finance lease liabilities	1,612,590	(44,290)	-	**1,568,300**
Total liabilities from financing activities	1,769,038	(38,996)	(1,663)	**1,728,379**

Other movements are not cashflows. The 'loan from parent' movement is an offset against share capital.

24 Capital and reserves

Share capital

	Ordinary shares	
	2023 No.	2022 No.
Authorised at 1 April	72,027,830	71,148,276
Authorised in year	1,663,000	879,554
Authorised at 31 March	73,690,830	72,027,830
On issue at 1 April	72,027,830	71,148,276
Issued in exchange of flexible loan facility reduction at par	1,663,000	879,554
On issue at 31 March – fully paid	73,690,830	72,027,830

	2023 £000	2022 £000
Allotted, called up and fully paid		
73,690,830 ordinary shares of £1 each	**73,691**	72,028
	73,691	72,028
Shares classified in shareholders' funds	**73,691**	72,028
	73,691	72,028

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The issued share capital in the year of £1,663,000 is an offset against the working capital loan for a Capital project.

Non-distributable reserves

As at 31 March 2023, the retained earnings balance consists of £32.639m (2022: £25.400m) of non-distributable reserves in respect to historic revaluation gains on investment properties.

Revaluation reserve

Where property, plant and equipment is revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Merger reserve

This reserve records the results of the common control transfer of shareholdings in LIFT companies and the related head leases of buildings owned and operated by these companies. The reserve reflects the value of LIFT assets, financial liabilities, loan debt receivable and the investment value in the associate LIFT Company upon transfer to the Company following the dissolution of the PCTs.

25 **Financial instruments**

(a) Fair values of financial instruments

Investments in debt and equity securities

The fair value of investments is determined by reference to their valuation of future returns at their present value as previously calculated by the Department for Health and Social Care at the balance sheet date. The fair value of investments after initial recognition is determined for disclosure purposes only. Fair value of investments in sub debt is categorised within level three of the financial hierarchy. On this basis, the fair value measurements have been derived indirectly from a discounted cash flow analysis for these investments.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

25 Financial instruments (continued)

(a) Fair values of financial instruments (continued)

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount 2023 £000	Fair value 2023 £000	Carrying amount 2022 £000	Fair value 2022 £000
IFRS 9 categories of financial instruments				
Financial Assets measured at Amortised Cost				
Investments in sub debt (notes 12,16)	**89,316**	**102,748**	91,471	106,577
Loans and receivables				
Cash and cash equivalents (note 17)	**85,543**	**85,543**	68,122	68,122
Other loans and receivables (note 16)	**93,572**	**93,572**	103,613	103,613
Total loans and receivables	**179,115**	**179,115**	171,735	171,735
Total financial assets	**268,431**	**281,863**	263,206	278,312

The fair value of the investments in sub debt is determined by calculating the present value of future cash receipts as per the initial investment models.

	Carrying amount 2023 £000	Fair value 2023 £000	Carrying amount 2022 £000	Fair value 2022 £000
Financial liabilities measured at amortised cost				
Other interest-bearing loans and borrowings (notes 18,19)	**160,079**	**160,079**	156,448	156,448
Other financial liabilities (note 14)	**1,568,300**	**1,568,300**	1,612,590	1,612,590
Trade and other payables (note 19)	**150,252**	**150,252**	149,595	149,595
Total financial liabilities measured at amortised cost	**1,878,631**	**1,878,631**	1,918,633	1,918,633
Total financial liabilities	**1,878,631**	**1,878,631**	1,918,633	1,918,633

25 Financial instruments (continued)

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade Receivables

CHP is exposed to credit risk in relation to its trade receivables which, for the purpose of credit risk assessment, is split into the following 2 categories:

- **System Debt (NHS Debt)**
  57% of ledger value at 31 March 2023
- **Non-System Debt (non-NHS Debt)**
  43% of ledger value at 31 March 2023

Credit risk in relation to CHP's system debt, is deemed as being fully mitigated by the agreement held with the Secretary of State which indemnifies CHP against any financial loss suffered as a result of defaults on payment from system (NHS) debtors. The remaining debt relates to non-system debtors (non-NHS debtors) that are referred to CHP via the relevant Commissioners. CHP has assurance that adequate measures of due diligence are performed throughout the commissioners' procurement processes to assess the creditworthiness of these customers, mitigating the risk of financial loss from defaults.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts primarily undertaken by the Company's Credit Control team. Senior management and the Company's CFO are highly involved in negotiations with customers where debt issues have been escalated.

In this regard, the directors of the Company consider that the Company's credit risk is significantly reduced. No significant increases in credit risk since initial recognition have been identified and no macroeconomic changes are expected.

Historic analysis has shown that a high proportion of non-system debt continues to be collected up to four years following initial recognition, after which collection rates reduce significantly. Management has therefore considered it prudent to assume a life of 4 years from the date of invoice after which the debt is considered as being "defaulted". For this category of debt, historic debt collection trends over the life of debt has been calculated and applied to debt as at 31 March 2023 to produce the credit loss provision.

25 Financial instruments (continued)

(b) Credit risk (continued)

The credit risk of the investment in sub debt has been assessed to be very minimal as the Company also has a trade creditor relationship with the counterparty.

Credit quality of financial assets and impairment losses
The ageing of trade receivables at the balance sheet date was:

	Gross 2023 £000	Credit Loss Provision 2023 £000	Gross 2022 £000	Credit Loss Provision 2022 £000
Not past due	**3,891**	**-**	3,900	-
Past due 0-30 days	**13,622**	**645**	19,523	520
Past due 31-120 days	**15,430**	**771**	13,738	540
More than 120 days	**95,802**	**40,913**	85,843	32,209
	128,745	**42,329**	123,004	33,269

The movement in the credit loss provision, measured at an amount equal to lifetime expected credit losses in respect of trade receivables during the year was as follows:

	2023 £000	2022 £000
Balance at 1 April	**33,269**	30,605
Released in year	**(33,101)**	(30,528)
Credit loss provision	**42,329**	33,269
Utilised during the year	**(168)**	(77)
Balance at 31 March	**42,329**	33,269

The provision for trade receivables is used to reflect the likelihood of non-payment by trade receivables unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The balance of trade receivables written off during the period and still subject to enforcement activity is £nil (2022: £nil).

25 Financial instruments (continued)

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Following the transfer of assets and liabilities to the Company on 1 April 2013 the Department for Health and Social Care requires the Company to operate this area of business on a cost neutral basis (i.e. no profit and no loss) and the financial position is underpinned by a deed of indemnity that commits NHS England to meeting the overall operating costs and the Department for Health and Social Care to ensuring that the Company has sufficient cash resources to meet its obligations.

Maturity of Financial Liabilities

Financial liabilities - 2023	Current £000	1-2 years £000	2-5 years £000	>5 years £000	Total £000
Other interest-bearing loans	-	154,785	-	5,294	**160,079**
Other financial liabilities	45,123	45,089	153,184	1,324,904	**1,568,300**
Trade & other payables	123,574	-	-	26,678	**150,252**
Balance at 31 March 2023	**168,697**	**199,874**	**153,184**	**1,356,876**	**1,878,631**

Financial liabilities - 2022	Current £000	1-2 years £000	2-5 years £000	>5 years £000	Total £000
Other interest-bearing loans	-	156,448	-	-	156,448
Other financial liabilities	44,398	45,164	143,368	1,379,660	1,612,590
Trade & other payables	117,683	-	-	31,912	149,595
Balance at 31 March 2022	162,081	201,612	143,368	1,411,572	1,918,633

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The Company's exposure to market risk is limited due to the agreement of interest rates within the lease plus agreements.

26 Finance and right-of-use leases

Gross right-of-use lease payable:

	2023 £000	2022 £000
Less than one year	**1,444**	**1,417**
Between one and five years	**4,101**	**4,577**
More than five years	**5,845**	**6,693**
Less future finance income	**(819)**	**(956)**
	10,571	**11,731**

During the year the Company held 4 (2022: 6) leases with LIFT companies for the provision of healthcare services and 2 (2022: 3) leases with landlords for office premises.

Finance leases as a lessor
Gross investment in leases:

	2023 £000	2022 £000
Less than one year	**1,000**	706
Between one and five years	**3,885**	3,992
More than five years	**5,169**	6,062
Less future finance income	**(3,920)**	(4,544)
	6,134	6,216

During the year £624,000 of finance income on the net investment lease was recognised in the Statement of Comprehensive Income in respect of finance leases (2022: £660,000).

The Company lets one property under a finance lease. The present value of minimum lease receipts under this lease are as follows:

	2023 £000	2022 £000
Less than one year	**384**	82
Between one and five years	**1,841**	1,770
More than five years	**3,909**	4,364
	6,134	6,216

27 **Operating leases**

Leases as lessor

The LIFT properties are let under operating leases. The undiscounted future minimum lease receipts under non-cancellable leases are as follows:

	2023 £000	2022 £000
Less than one year	**135,022**	122,700
Between one and five years	**341,332**	282,639
More than five years	**436,234**	399,378
	912,588	804,717

During the year £346,799,000 (2022: £312,990,000) was recognised as rental income by the Company.

Included in the rental income is the recovery of contingent rent of £80,730,000 (2022: £63,418,000).

28 **Commitments**

Capital commitments

At the year end the Company had capital commitments of £2,714,570 (2022: £601,941).

29 **Related parties**

During the year none of the Company board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Community Health Partnerships Limited.

As at 31 March 2023, the Company owed the Department of Health and Social Care £154,785,878 (2022: £156,448,878) in respect of the Unsecured Loan Facility and £nil (2022: £nil) in respect of accrued interest.

During the financial year, the Department of Health and Social Care provided accommodation and other services to the Company amounting to £51,000 (2022: £240,446). As at 31 March 2023, the Company owed £51,000 (2022: £59,766) in respect of these services.

As the ultimate parent of the Company, the Department of Health and Social Care is regarded as a related party. During the year Community Health Partnerships Limited has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These include NHS Property Services Limited, NHS England, Integrated Care Boards, NHS Trusts and NHS Foundation Trusts.

The Company has also had a significant number of material transactions with LIFT companies where the Company is both a shareholder and investor. These transactions have taken place in the normal course of business.

Charanjit Patel is a director of the Company and joined The North East London Integrated Care Board on 12th December 2022.

Robert Alexander is a director of Imperial College Healthcare NHS Trust, London Ambulance Service NHS Trust and London North West Healthcare NHS Trust (from October 2022).

Catherine Mason stood down as Chair of Solent NHS Trust in December 2022. Catherine is also an independent member of the Network Rail System Operator Advisory Board.

Geraldine Strathdee was a director of South London and Maudsley NHS Trust for part of the year until July 2022.

	Income		Expenditure	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Department for Health and Social Care	**-**	-	**3,579**	2,288
NHS Property Services Limited	**(1)**	25	**46**	60
NHS England	**7,186**	5,649	**27**	-
Integrated Care Boards	**104,547**	99,452	**22**	5
NHS Trusts	**59,134**	52,467	**180**	201
NHS Foundation Trusts	**146,321**	124,065	**1,042**	1,078
LIFT Companies	**28,335**	20,318	**289,630**	266,519
	345,522	301,976	**294,526**	270,151

29 **Related parties (continued)**

	Receivables outstanding		Payables outstanding	
	2023 £000	2022 £000	**2023 £000**	2022 £000
Department for Health and Social Care	**-**	-	**154,836**	156,508
NHS Property Services Limited	**57**	59	**91**	230
NHS England	**4,305**	2,903	**27**	8,164
Integrated Care Boards	**13,107**	10,707	**389**	1,177
NHS Trusts	**10,710**	13,343	**406**	8
NHS Foundation Trusts	**30,252**	23,757	**258**	282
LIFT Companies	**87,914**	90,069	**1,563,023**	1,600,859
	146,345	140,838	**1,719,030**	1,767,228

30 **Ultimate parent Company and parent Company of larger group**

At the year-end, the Secretary of State for Health owned 100% of the share capital. The Directors regard the Secretary of State for Health as the ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by the Department of Health and Social Care (registered office: 39 Victoria Street, London, SW1H 0EU). These financial statements are produced under IFRS to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. No other group financial statements include the results of the Company.

A copy of the Consolidated Financial Statements of the Department of Health and Social Care for the period can be found at the following website; www.gov.uk/government/publications.

31 **Subsequent events**

There are no known post balance sheet date events that have occurred that would have a material impact on the financial statements outlined in this Annual report and financial statements.