EAST SUSSEX HEALTHCARE NHS TRUST

ANNUAL GENERAL MEETING

The Annual General Meeting of East Sussex Healthcare NHS Trust will be held on Tuesday 10th August 2021, commencing at 13:00 and livestreamed.

AGENDA

1.	Welcome and Apologies for Absence		Chair
2.	Minutes of the Annual General Meeting held on 7th July 2020	A	Chair
3.	East Sussex Healthcare NHS Trust Year in Review Receive the 2020/21 Annual Report and Accounts	B	CEO
4.	Questions from members of the public		CEO

Key:	
Chair	Trust Chairman
CEO	Chief Executive

Steve Phoenix
Chairman

7th June 2021

EAST SUSSEX HEALTHCARE NHS TRUST

ANNUAL GENERAL MEETING

Minutes of a meeting of the Annual General Meeting held in public on Tuesday, 7th July 2020 at 14:00 held virtually.

Present: Mr Steve Phoenix, Chairman
Dr Adrian Bull, Chief Executive
Mrs Joe Chadwick-Bell, Deputy Chief Executive
Mrs Jackie Churchward-Cardiff, Non-Executive Director
Mrs Miranda Kavanagh, Non-Executive Director
Mrs Karen Manson, Non-Executive Director
Mr Damian Reid, Director of Finance
Mrs Nicola Webber, Non-Executive Director
Dr David Walker, Medical Director

Non-Voting Directors:
Mr Imran Devji, Interim Chief Operating Officer
Miss Monica Green, Director of Human Resources
Mr Richard Milner, Director of Strategy Innovation & Planning
Mr Paresh Patel, Associate Non-Executive Director
Mrs Lynette Wells, Director of Corporate Affairs
Ms Carys Williams, Associate Non-Executive Director

In attendance:
Mr Peter Palmer, Assistant Company Secretary (minutes)

1 **Welcome**

Mr Phoenix welcomed everyone to the Annual General Meeting.

Apologies for Absence
Mr Phoenix reported that apologies for absence had been received from:

Ms Vikki Carruth, Director of Nursing

2. **Minutes**
The minutes of the Annual General meeting held on 6th August 2019 were considered and agreed as an accurate account of the discussions held. The minutes were signed by the Chairman and would be lodged in the Register of Minutes.

3. **Matters Arising**
There were no matters arising from the previous Annual General Meeting.

4. **East Sussex Healthcare NHS Trust Year in Review**
The Board formally adopted the Annual Report, Summary Financial Statements and Quality Account for 2019/20.

Dr Bull made a presentation highlighting the achievements, progress and challenges that had been faced by the Trust during 2019/20.

5. **Presentations**

Two further presentations were made:

1. Our Journey to Financial Sustainability – Damian Reid
2. Response to Covid-19 in East Sussex – Dr David Walker

6. **Questions from members of the public**

Questions to the Board from members of the public were received. Topics included:

- Recovery plans for elective surgery
- A renewed Trust Strategy
- The future of cardiology, maternity and ophthalmology services following their temporary relocation to Eastbourne due to the pandemic
- Trust support for care homes in East Sussex
- The potential for Pride of ESHT awards in 2020

Close of Meeting

7. Mr Phoenix thanked everyone for their attendance at ESHT's Annual General Meeting. He also thanked staff and the Trust Board for their hard work during the previous year, and particularly during the pandemic.

Signed ……

Position ……..

Date ……

East Sussex Healthcare NHS Trust

Annual Report 2020-2021

WHAT **MATTERS** TO YOU
MATTERS TO US ALL

Contents

Welcome and overview

It is our pleasure to present the 2020/2021 annual report.

This year has been an extraordinary one, both for the Trust and the NHS as a whole. It has been dominated by the Covid-19 pandemic and our response to it.

We started the year on a strong footing, achieving financial breakeven, and announcing the positive news that we had received an overall 'Good' rating from the CQC, with 'Outstanding' ratings for being Caring and Effective. This further strengthened our reputation as a place to work and receive care.

These strong foundations - built on improvement and transformation - stood us in good stead as we faced one of the most challenging periods in our history. Over this year, we have been amazed and grateful to see the ways in which colleagues and volunteers have risen to the challenge and adapted to the unique and constantly changing challenges presented by Covid-19, upholding our values of working together, respect and compassion, improvement and engagement.

Colleagues stepped up across the board and worked beyond their usual roles to support the safe care of patients. We have seen individuals and services across the organisation show great innovation and resilience. Every colleague, ward, department and service has been affected by the pandemic; together we have made sure that we continue to provide the best possible care for our patients, keeping them and each other safe.

The Trust response to the pandemic followed the national model and was led by our Emergency Preparedness, Resilience and Response Team with support from our Clinical Advisory Group. Together, they ensured that our response was always clinically-led.

Colleagues worked tirelessly to care for people with Covid-19, while also making sure that people in need of urgent and emergency care were seen and treated safely. We have been humbled by the amazing stories of great care, and people going above and beyond their roles to care for patients.

Our Community teams worked with Adult Social Care to improve discharge processes and keep people being cared for at home, helping to reduce the spread of the virus. Our Intermediate Care teams at Bexhill and Rye supported those recovering from Covid-19 with intense therapy and rehabilitation.

Clinical, Operational, Digital and Estates and Facilities teams worked together to rapidly reconfigure our infrastructure, moving wards and services, increasing bed capacity, expanding critical care facilities and moving services off-site.

Our Digital team accelerated technological solutions to allow people who did not need to be on site to work effectively from home. We took the very difficult decision to pause our elective programme and reduce some routine services, to allow us to care for those who most needed it; the Digital team adopted technology that allowed clinical staff to review and assess more patients by telephone or virtually. We also had to restrict visiting, to reduce the number of people coming into our buildings and Digital improved WiFi access (in line with national policy) enabling family members to stay in touch with patients using Trust mobile tablets.

Our Estates and Facilities team rapidly increased medical oxygen capacity, doubling our oxygen facilities at both acute hospitals to help with our Covid-19 response. Our Housekeeping, Portering and Catering teams worked tirelessly to make sure that our buildings remained clean and that our patients were fed and moved in a safe and timely way. Colleagues in Procurement and Electronics and Medical Engineering worked behind the scenes to make sure we had enough Personal Protective Equipment (PPE), ventilators, beds and other vital equipment to support the provision of safe patient care.

Our HR team increased recruitment, both temporary and permanent, inviting people who had left the NHS to return to work. Our teams were boosted as newly qualified doctors and nurses joined the workforce. Hundreds of colleagues were redeployed, volunteering to work in different teams. Colleagues with previous clinical experience put on their uniforms again and non-clinical members of staff volunteered to be redeployed to help support core patient services. Our Education team supported staff with their training and supported the hundreds of people who took on new roles at the Trust.

Our Health and Wellbeing team offered colleagues enhanced support, including our employee assistance programme, giving access to counselling, psychologists and mental health practitioners. We introduced and refined a risk assessment process for all members of staff, allowing us to ensure that those with chronic illnesses or who were at increased risk of the impact of Covid-19 were protected and that all colleagues remained safe and well. We also introduced an environmental risk assessment process to help teams to make adjustments to their work place.

We saw a fantastic response from our local community with organisations and individuals offering to assist us in many different ways. We received a wide range of cards, messages and donations to support our staff, along with people offering their time to volunteer and support our teams. We created new volunteer roles including pharmacy delivery drivers, front door welcome volunteers and digital support. We are hugely grateful for these amazing acts of kindness.

While our response to the pandemic was our focus for the majority of the year, much of our normal business continued as we maintained our improvement work. Our staff survey results showed important progress in the way colleagues view the Trust as a place to work and receive care. More of us believe that care of patients is our top priority and would say that we are happy with the standard of care we offer. More of our people would recommend us as a place to work.

We have continued to invest in our physical infrastructure. At Eastbourne DGH we have seen the creation of the new Devonshire Ward, the refurbishment of our Emergency Department and a new emergency nurse practitioner suite, alongside new staff parking facilities. At Conquest we started the rebuild of our nursery, invested in new wayfinding, refurbished theatres and created a bright, welcoming front entrance.

We also continued our investment in digital innovation, rolling out Nervecentre to all wards and creating paperless Emergency Departments. We were delighted with the announcement that our Community teams, together with Sussex Community NHS Foundation Trust, will receive up to £6m over the next three years to support digital transformation.

We made progress with our 'Building for our Future' programme, our ambitious project to significantly refurbish, and in some cases expand, large parts of our hospitals at Bexhill, Eastbourne and Hastings between 2025 and 2030. At the end of the year, we were pleased to submit our first business case for the programme to the Department of Health and Social Care for approval.

We also continued to focus on making sure our finances remain sustainable, even though during the pandemic there has been a specific financial regime in place. At year end, we have spent £529m, resulting in a small surplus of £346k for the year.

The cross-Sussex partnerships that we have been nurturing over the last few years have been strengthened and developed, achieving Integrated Care System (ICS) status. In East Sussex we are an Integrated Care Partnership (ICP) and we continue to share new ways of working and innovative ways of doing things – not just across the NHS, but jointly with social care, care homes, voluntary and third sector providers.

The year ends with a great deal of hope for our future. In the last few months of 2020/21 we provided lateral flow Covid-19 testing for members of staff and our Pathology team and healthcare scientists introduced a new Covid-19 testing facility, allowing us to increase the number and speed of testing for patients.

We also launched our two vaccination hubs at Conquest and Eastbourne DGH during the second wave of the Covid-19 pandemic. These two hubs have vaccinated 25,000health and social care workers across East Sussex, including 96% of our own staff,

volunteers and temporary workforce. This is a significant achievement and its success is a testament to the hundreds of staff who were involved.

Covid-19 numbers significantly reduced, and in March we began to restart much of our elective programme and services. We will gradually increase activity while the pressure on our critical care services reduces, while making sure that we offer the right physical and psychological support and space to give our staff a chance to come to terms with what they have been through.

All of the events of this year have led us to think more about our future; restarting and recovering services while continuing on our trajectory of improvement and delivering exceptional standards of care in a financially responsible way. We are ambitious for our Trust and for our future. We aspire to offer outstanding services, and be in the top quarter of NHS trusts for performance, quality and financial sustainability.

The next 12 months will be exciting and challenging for us. One of the positives from our experience of Covid-19 is the proof it has given that by working together with our colleagues, volunteers, system partners and local people we can innovate, share knowledge, expertise and experience and take co-ordinated action in response to the big issues for our Trust and our local communities.

We are grateful for and proud to work as part of our amazing Trust team.

Joe Chadwick-Bell
Chief Executive

Steve Phoenix
Chairman

About the Trust

We are proud to provide 'Outstanding' care and to be a great place to work

At East Sussex Healthcare NHS Trust (ESHT) we provide safe, compassionate and high quality hospital and community care to the half a million people living in East Sussex and those who visit our local area.

We are one of the largest organisations in East Sussex with an annual income of £534 million and we are the only integrated provider of acute and community care in Sussex. Our extensive health services are provided by over 7,000 dedicated members of staff working from two acute hospitals in Hastings and Eastbourne, three community hospitals in Bexhill, Rye and Uckfield, over 100 community sites across East Sussex, and in people's own homes.

In 2020 the Care Quality Commission (CQC) rated us as 'Good' overall, and 'Outstanding' for being Caring and Effective. The Conquest Hospital in Hastings and our Community Services were rated 'Outstanding' and Eastbourne DGH was rated 'Good'

Our two acute hospitals have Emergency Departments and provide 24 hour a day care, offering a comprehensive range of surgical, medical, outpatient and maternity services, supported by a full range of diagnostic and therapy services. Our centre for urology and stroke services is at Eastbourne DGH, while our centre for trauma services and obstetrics is at Conquest, Hastings.

During 2020/21, we saw a reduction in inpatient spells as a result of the pandemic to 89,000 from 112,000 the previous year. We also saw 116,000 attendances at our Emergency Departments and there were over 330,000 outpatient attendances.

At Bexhill Hospital we offer a range of outpatients, day surgery, rehabilitation and intermediate care services. At Rye, Winchelsea and District Memorial Hospital we offer outpatients, rehabilitation and intermediate services. At Uckfield Hospital we provide day surgery and outpatient care. We also provide rehabilitation services jointly with East Sussex County Council Adult Social Care.

In the community, we deliver services that focus on people with long term conditions living well outside hospital, through our Integrated Locality Teams working with district and Community Nursing teams. Community members of staff also provide care to patients in their homes and from a number of clinics, health centres and GP surgeries.

To provide many of these services we work in partnership with East Sussex County Council and other providers across Sussex, as part of a locally focused and integrated health and social care network. We aspire to provide locally-based and accessible services that are outstanding and always improving and our values shape our everyday work. Working together we drive improvements to care, services and the experience of local people and members of staff.

Outstanding and Always Improving

Our vision, values, priorities and objectives have been embedded across the organisation and made meaningful in our everyday work. They form the foundations for personal objectives, internal communications, and external communications with partner organisations and other stakeholders.

Our Objectives:

- **Safe patient care is our highest priority:** Delivering high quality services that achieve and demonstrate the best outcomes and provide an excellent experience for patients
- **All members of staff will be valued and respected**: Members of staff will be involved in decisions about the services they provide and offered training and development to fulfil their roles and help them progress
- **Our clinical services will be sustainable**: Working with commissioners, our local authority and other stakeholders we will plan and deliver health and care services that meet the needs of our local population now and in the future
- **We will operate efficiently and effectively:** Diagnosing and treating patients in a timely fashion that supports their return to health
- **We will use our resources efficiently and effectively:** Ensuring our services are financially sustainable for the benefit of our patients and their care

Innovating and Improving in 2020/21

Macmillan cancer support worker project

A two year project to assess the impact of Macmillan Cancer Support Workers was launched, supported by the Trust's Cancer Nursing and Acute Oncology teams.

First Physiotherapist in South East qualified to take blood

Helen Hunnisett, from the Trust's Frailty Practitioner Service, was the first physiotherapist in the South East trained with the skills to take blood.

Positive experience provided by maternity service

A national survey on maternity services undertaken on behalf of the CQC found that maternity care at the Trust had improved across a number of areas.

RITA brought in to help out on the ward

A new digital therapy system called RITA, or 'Reminiscence Interactive Therapy Activities', was purchased by MacDonald Ward at Conquest, following successful fund raising activities by the ward. RITA is an innovative, evidence-based, state-of-the-art digital therapy system which allows patients to use apps, games and other leisure activities.

Trust welcomes over 150 new Junior Doctors

Over 150 junior doctors and other grade doctors joined our medical teams at the Trust during 2020/21.

ESHT maternity team launched the 'PETALS' project

Pregnant women are now able to access support offered by the multidisciplinary 'PETALS' team, to help them maintain their perineal health as well as preventing complications during birth.

2,000th baby born at Eastbourne Midwifery Unit

The team at Eastbourne Midwifery Unit (EMU) celebrated after the 2,000th baby was born in the Unit in September.

New Wheelchair Tilt and Bariatric Chair

The Podiatry Department at Eastbourne DGH took delivery of a wheelchair tilt and bariatric chairs in October thanks to a donation by the Friends of Eastbourne Hospital. The chair helps to reduce stress and afford maximum dignity to the patient.

Specialist support for people diagnosed with sight loss

The Royal National Institute of Blind People (RNIB) and the Trust launched a new service providing emotional and practical support to people newly diagnosed with sight loss.

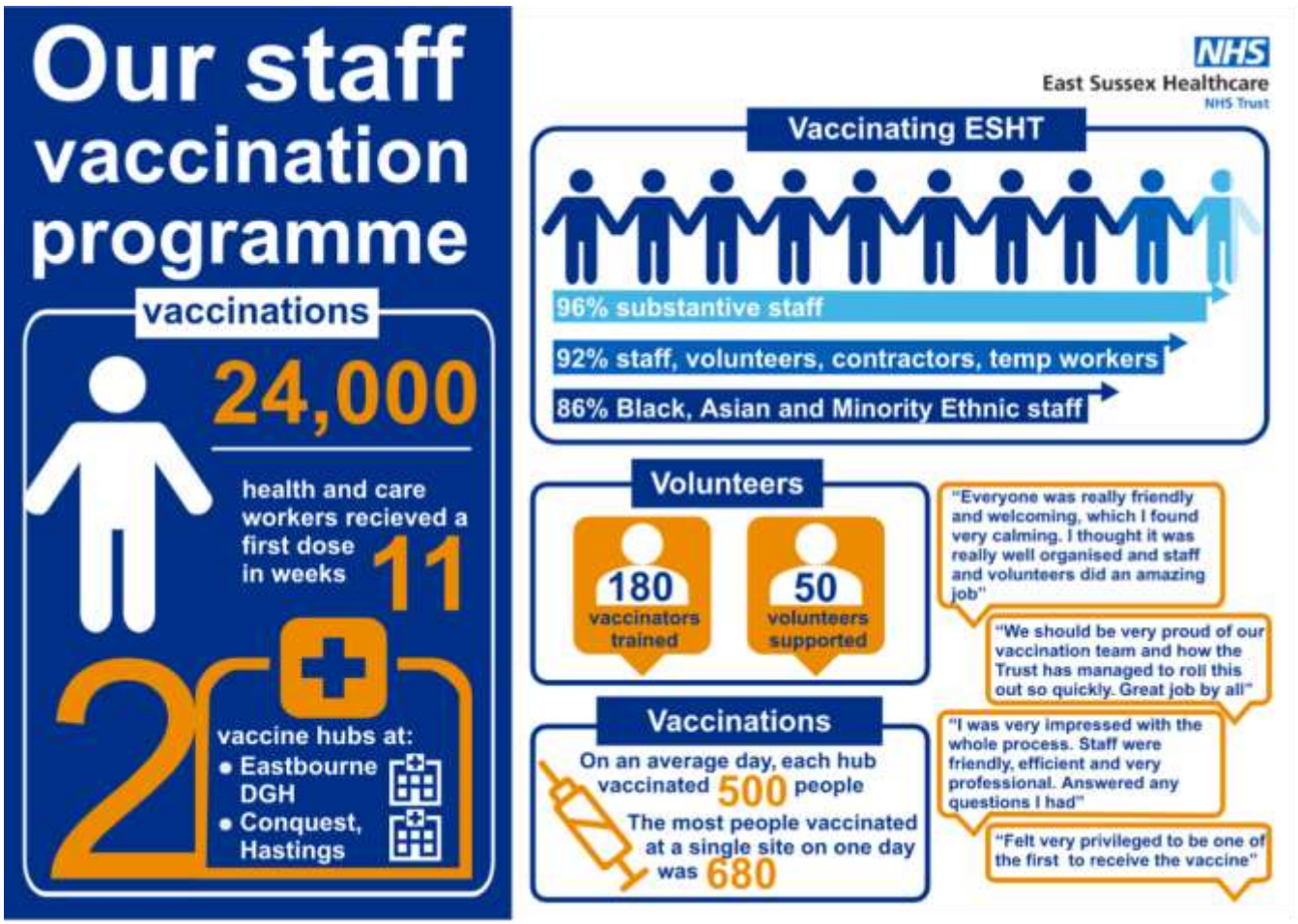
New prenatal seasonal flu and whooping cough vaccination clinics

A new service offering prenatal vaccinations against seasonal flu and whooping cough was introduced by community midwives for those who are pregnant.

New Radioactive Iodine (RAI) treatment service for Thyroid Disorders

A new Radioactive Iodine (RAI) treatment service at Conquest was set up by the Endocrinology team to help treat thyroid disorders.


NHS staff survey
results
2020
Response rate
Over
3,700
members
of staff
51%
NHS
East Sussex Healthcare
NHS Trust
Improvements
Good managers
Equality and diversity
Health and wellbeing
Team work
Safety culture
Morale
The care we provide
9 in 10
"My role makes a difference to patients"
8 in 10
"Care of patients is ESHT's top priority"
8 in 10
"I am satisfied with the quality of care I give"
Recommend ESHT
100
0
Place to receive treatment
Place to work
'16 '17 '18 '19 '20
Focus in 2021
Further support for staff wellbeing
More involvement in decision making
Further progress to address bullying and harassment


Our staff
vaccination
programme
vaccinations
24,000
health and care workers recieved a first dose in weeks
11
2
vaccine hubs at:
• Eastbourne DGH
• Conquest, Hastings
NHS
East Sussex Healthcare
NHS Trust
Vaccinating ESHT
96% substantive staff
92% staff, volunteers, contractors, temp workers
86% Black, Asian and Minority Ethnic staff
Volunteers
180
vaccinators trained
50
volunteers supported
Vaccinations
On an average day, each hub vaccinated 500 people
The most people vaccinated at a single site on one day was 680
"Everyone was really friendly and welcoming, which I found very calming. I thought it was really well organised and staff and volunteers did an amazing job"
"We should be very proud of our vaccination team and how the Trust has managed to roll this out so quickly. Great job by all"
"I was very impressed with the whole process. Staff were friendly, efficient and very professional. Answered any questions I had"
"Felt very privileged to be one of the first to receive the vaccine"

Developments at ESHT in 2020/21

Refurbished Operating Theatres at Conquest

We modernised two operating theatres and their adjoining anaesthetic rooms, including mood lighting, music and calming graphics.

New Emergency Nurse Practitioner Suite

This opened in the Emergency Department at Eastbourne DGH to care for patients with minor injuries and illnesses.

Modernised Emergency Department at Eastbourne DGH

Modernising work was completed and included new air conditioning, treatment cubicles, cardiac monitoring equipment, eco-friendly lighting, and an improved waiting area

E-consult introduced allowing patients to be seen at home

We reduced the number of people who had to come to our hospitals by adopting technology that allowed clinicians to see more patients by telephone or virtually.

New wayfinding signage at Conquest

New wayfinding signage dividing the hospital into coloured zones and levels was installed to help people navigate.

Work started on a new nursery building at Conquest Hospital

We started work on a new purpose-built nursery at Conquest Hospital, to replace the existing temporary nursery building. The new nursery is due to open in autumn 2021.

New main entrance at Conquest Hospital

Work on a new main entrance at Conquest Hospital was completed including major reconfiguration and refurbishment. A more open area for visitors and patients was created, with digital booking-in facilities for clinics and a new waiting area.

Extra car parking spaces at Eastbourne DGH

Additional car parking spaces were created. A planning application has been submitted to increase parking at Conquest

Expanded ‘Same Day Emergency Unit’ opens

The newly expanded £900k Unit at Conquest Hospital has eight treatment cubicles and three treatment rooms for assessments and procedures. It offers patients greater privacy and dignity.

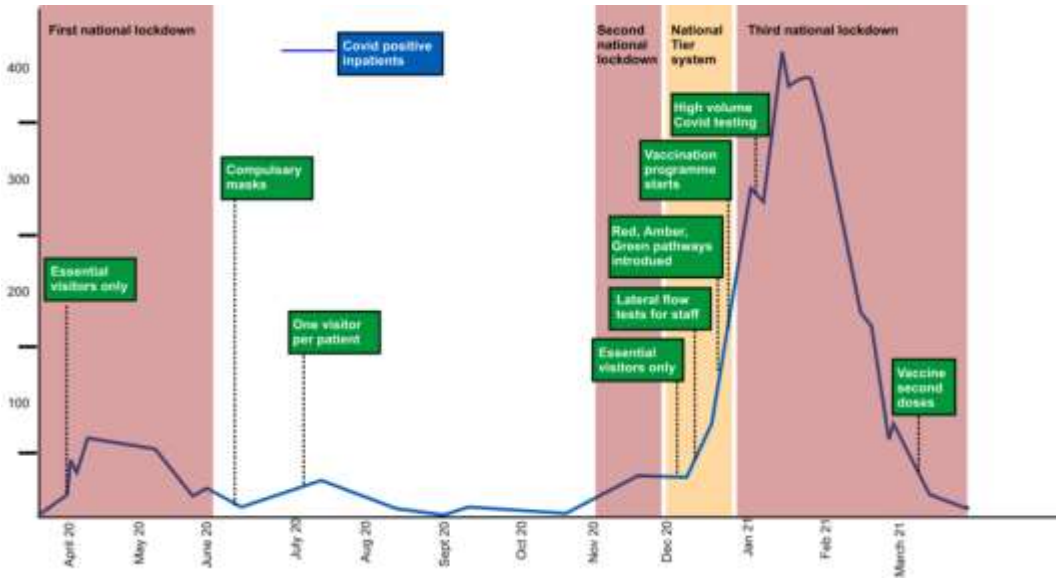
Newly refurbished wards at Eastbourne	Two newly refurbished wards opened at Eastbourne DGH after a complete refit	
Nervecentre went live across the Trust	This new clinical system revolutionises patient safety and productivity, creating a paperless Emergency Department and alerting clinicians to deteriorating patients.	
Refurbished Residences at Conquest	The work included new bathrooms and kitchens and extensive redecoration.	

Covid-19 at ESHT

The first Covid-19 patients were admitted to our hospitals in late March 2020. We set up an Incident Control Centre (ICC) and all the guidance, information, and requests for information coming through to the Trust, as well as issues that needed resolving within the organisation, were managed through the ICC to ensure that we had a single place where decisions could be made, recorded and shared with the incident management team (IMT). The ICC was supported by a range of tactical groups and our Clinical Advisory Group, who ensured that decisions taken were clinically led. We paused some services, relocated others, and moved others on-line. We also stopped elective surgery with the exception of surgery for clinically urgent and cancer patients.

We received incredible support during this first wave from local businesses, the general public, the Friends of our hospitals, volunteers and many others. We received a huge number of donations of food, drink and care products for our staff. Local schools sent us any spare PPE they had as national supply chains struggled to meet the demand, and we received hundreds of letters of support from local school children. We also worked closely with our system colleagues throughout the pandemic.

The first wave of the pandemic peaked on 11th April 2021 when the Trust had 75 inpatients with Covid-19. This initial wave reduced to manageable levels by early June following the first national lockdown. As the first wave receded, the Trust entered a recovery phase, restarting services that had been paused and our elective surgical programme. Enhanced infection control processes, donning and doffing of PPE and other measures meant that productivity was reduced from pre-pandemic levels, and we worked hard to develop systems to allow us to continue to care for our patients in a safe and efficient manner.



Covid-19 levels in Hastings were particularly low during the first wave and remained so during the summer months, although there were some minor outbreaks in Eastbourne. A new 3 Tier system was introduced in England from 31st October 2020.

A “circuit-breaker” lockdown was implemented from 5th November, but in December 2020 the Trust saw a significant increase in the number of Covid-positive admissions. This was due to the new Kent variant of Covid-19, and resulted in a significant and rapid spread within our local communities. In the first wave, activity peaked at 75 definite cases; this was dwarfed by the peak of the second wave when the Trust had 450 confirmed positive inpatients, equating to 50% of all the Trust’s beds.

Over 1,000 Trust staff tested positive for Covid-19 in December 2020 and January 2021. These high staff sickness rates had a profound impact on staffing levels and in response to this workforce shortage, the Trust redeployed staff from across the organisation to help. We also received support from RE:ACT, a humanitarian charity consisting of veteran military volunteers who work worldwide as a response team, the RAF and the Army.

The impact of Covid-19, including its impact on the workforce, is sadly but inevitably likely to have affected quality. However, our staff have worked incredibly hard in unprecedented circumstances to do the very best they could.

By the end of March, the number of Covid-19 patients in the Trust had reduced to a very low level, and we will again look to restore our elective performance to pre-pandemic levels.

Our colleagues have responded to the pandemic in an extraordinary manner. Many were redeployed to new areas, supporting our frontline teams by becoming ward runners, helping with discharges, working in vaccination hubs and other key roles that have helped us to meet this most challenging of years. We could not be more proud of how everyone has gone above and beyond during 2020/21, and we are hugely grateful to all our colleagues for everything that they have done.

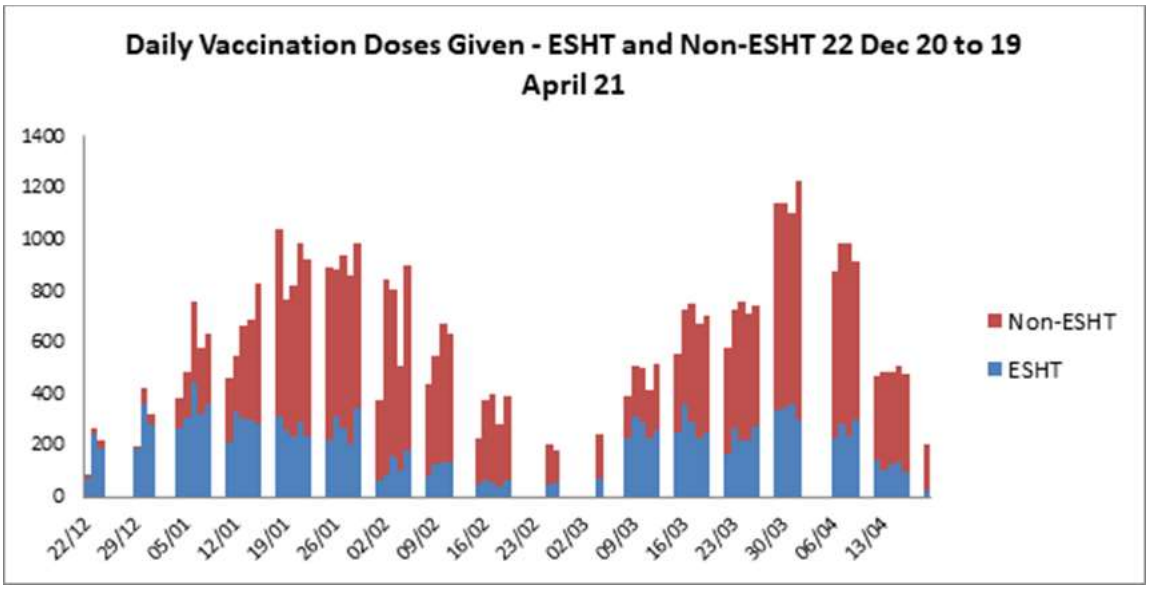
Covid-19 Vaccination Hubs

In November 2020 the Trust was asked whether it could develop a large scale Covid-19 vaccination service and be a designated “Hospital Hub” as part of the earliest tranches of the national Covid-19 vaccination programme. Hubs would be required at both Conquest and Eastbourne DGH, and needed to be able to deliver up to 500 vaccinations per site, per day, of the Pfizer/BioNTech vaccine.

Despite being in the middle of the second wave of Covid-19, the Trust put itself forward to be amongst the earliest providers of Covid-19 vaccine in the country. We recognised the importance of the programme to our staff and to our local population.

Led by a multi-disciplinary project team, and in collaboration with NHS and Local Authority system colleagues from across Sussex, we were able to go from a standing start to opening our first Hospital Hub at Conquest on 22December and our second at Eastbourne DGH on 4 January. The hubs focused on vaccinating frontline health and social care staff from across East Sussex.

The challenges, which at times seemed insurmountable, cannot be over-stated. We had to train 180 vaccinators to provide a vaccinator pool large enough to fill the service’s rosters, and over 500 Trust staff and volunteers contributed to make this project successful, all without disrupting any other clinical services. Throughout the project we dealt with rapidly changing guidance, protocols, IT systems, governance and very short notice of delivery of the complex Pfizer vaccine with significant logistical challenges.



Despite the difficulties, during 17 weeks of operation our hubs vaccinated 24,000 people, with 48,000 doses given; roughly one third of these vaccinations were given to Trust staff. By mid-March we had given 96% of our substantive staff a first dose of the vaccine and a second dose by 28April. 98% of people who gave feedback in our hubs reported a ‘good’ or ‘very good’ service.

The success of this project exemplifies how the Trust is able to adapt rapidly and deliver successfully in a complex situation by coming together and focusing collectively on a clear goal, however challenging that appears to be. We would like to thank the hundreds of members of staff who helped make this happen – for us and for East Sussex.

In memory

On the 23rd March 2021, a year after the start of the first lockdown, we paid tribute to all those who sadly died as a result of Covid-19. Tragically, this included colleagues from the Trust.

Pooja Sharma, Trust Pharmacist

Pooja worked as a Pharmacist at Eastbourne DGH and sadly died of Covid-19 in London. She was a much loved and respected member of the pharmacy team, whose enthusiasm and sense of humour will be missed terribly.

Michael Winchester, Housekeeping Supervisor

Michael was a Housekeeping Supervisor at Eastbourne DGH. He was a popular, well respected and kind colleague who sadly passed away after being diagnosed with Covid-19. He worked for the Trust for over 16 years, and was described by colleagues as one of the nicest, kindest gentlemen that you could ever meet.

Tony Morrison, Temporary Workforce

Tony was a member of the Temporary Workforce team, and worked in Human Resources. He very quickly became a valuable and well liked member of the team. He was very conscientious and will be remembered for his positive, friendly manner.

We also recognise our staff who suffered a significant impact and thank our staff who cared for those colleagues admitted to our wards and Critical Care Units.

My ESHT Story

In May 2020, colleagues from across the organisation were invited to be at the centre of a new project to record their personal experiences of working at ESHT - their ESHT story. The project would help us to understand and talk about what we had experienced during the last few months and years, how we had coped and the feelings we had.

The aim of the project was to build a picture of the organisation, letting staff talk about how it had developed and changed over the last few years, how it had coped with the Covid-19 challenge, and how it could continue to develop and grow in the future. The project would help us to remember and retain what had helped us to meet the challenges, processing some of the difficulties we faced, and building on the things that would help us to be the best we could be in the future.

A diverse group of 50 members of staff were recruited and trained in 'appreciative enquiry' via a series of online training sessions led by Vijaya Nath, the founder of Contemplative Spaces. These trained 'Chroniclers' were then invited to interview and collect the experiences of any members of staff who wanted to tell their story.

Over the two months of the project, we gathered the stories and experiences of over 100 colleagues from across the organisation.

These 30 minute stories were recorded and chroniclers took part in a final workshop to discuss their experiences, the stories they collected, and to pull out key themes, strengths and areas for development for the organisation as a whole. These stories and themes were combined to produce a narrative of the Trust through its recent history and through its response to the Covid-19 pandemic – Our ESHT Story.

The outcomes of these final workshops were reflected in these two illustrations: a river of words and an illustration of the project as a whole which captured the experience of the organisation for our own reflection and as part of the history of the organisation.

Building for our future

At the end of 2019, the Trust was announced as being one of the participants in the Government's manifesto and Health Infrastructure Plan to build 40 new hospitals by 2030, to be delivered through the New Hospital Programme. In the summer of 2020, the Trust launched its ambitious 'Building for our Future' (BFF) programme. This once in a generation programme aims to repair, redevelop and expand our hospitals at Eastbourne, Hastings and Bexhill, transforming the environment in which we provide care for generations to come.

The vision for BFF is to create modern, welcoming and practical facilities from which we provide transformational care to the people of East Sussex.

We are only at the beginning of the BFF programme, and we have a number of stages to go through before we get approved funding so that we can start building. We are working closely with the Government's New Hospital Programme team, and it is important that we start developing and finalising our plans in readiness for submission and approval. Over the next year we want to develop our plans with local people, our partners and healthcare professionals.

Our plans are ambitious and include the repair, refurbishment and in some cases expansion of large parts of our hospitals at Bexhill, Eastbourne, and Hastings. Our plans include:

- New, refurbished or expanded emergency floors that will more effectively enable patients to receive care from a multi-disciplinary team within a single setting
- Freshly designed wards that offer more single rooms and bathrooms for privacy and dignity
- New or expanded theatre suites
- Co-located outpatient services at each hospital that will be supported by the latest technologies
- Incorporation of digital technologies and facilities that will transform the ways that we work and we care for our patients

Issues and risks to delivering our objectives

Increased demand and ageing population

Our hospitals and community services continue to get busier every year as demand for our services increases. This places ever greater pressure on our staff and requires us to work more efficiently and think of innovative ways to ensure that we meet the changing needs of our population. We continue to work closely with our adult social care, commissioner and other partners, and through our Sussex Integrated Care Partnership, to plan for increases in demand.

The population that the Trust cares for is relatively elderly. East Sussex has a relatively low birth rate and high inward migration amongst elderly age groups. Demographic trends in East Sussex indicate that pressure on health and social care services may increase more quickly in the future. Our over 85 population is also projected to grow at 3.5% per annum.

In populations that are over 75 (and more so in those over 85), certain factors tend to markedly increase the need for hospital or community based healthcare. More people are living with 'frailty' and older people are also more likely to have multiple, ongoing health problems (like high blood pressure, angina, diabetes and emphysema) which means that they are more likely to become ill and need hospital attention.

We are focused on becoming the best at managing frailty in the country, and know that we need to make the 'acute' phase of someone's illness as short as possible, address frailty and the risks of frailty outside hospital, and manage ongoing health conditions as well as possible.

Our ability to manage this trend as a Trust and as a Sussex-wide healthcare system – in particular the impact of an increase in those living with frailty – will be a key priority over the next five to ten years to create a sustainable system.

Trust finances and capital investment

Like all NHS organisations, the impact of Covid-19 has had a material impact on the Trust's finances, both in regards to the levels of expenditure and income, and also to the financial regime in which we have operated.

Funding levels were calculated and prescribed at a fixed level by NHS England and NHS Improvement (together NHSE/I) to enable the continued delivery of core services. In addition, NHS organisations were able to recover incremental costs caused by their response to the Covid-19 pandemic.

This has allowed the Trust to deliver a small surplus of £0.3m for 2020/21 despite expenditure increasing from £468.2m to £527.96m. The increased expenditure has been driven by the costs of treating patients with Covid-19 but also additional spending on temporary staff to cover staff sickness, personal protective equipment and the need to run differentiated pathways for other services.

Alongside responding to the pandemic we have continued on our journey to financial sustainability and this includes building upon earlier plans to continue to improve our services, taking a methodical approach to those services which require more significant change. All plans are subject to a full quality impact assessment by our Medical and Nursing Directors. The

plans are translated into detailed budgets covering activity, cost, revenue, and workforce for the individual divisions and clinical specialties. Assurance of performance against these plans is measured throughout the year during integrated performance review meetings.

We are pleased to report that the Trust was able to invest a significant amount into capital in the year with the support of the ICS and additional funding received from NHSE/I and the Department of Health and Social Care (DHSC). Total capital expenditure of property plant and equipment was £37.4m in 2020/21 compared to £27.2m in 2019/20.

However, whilst this has helped address some of the historical issues, we have an ageing estate with significant backlog maintenance to address and there is also an ongoing need to invest in capital items such as IT and medical equipment. We have limited capital funds to invest in these areas and will require additional external funding to be able to make this much-needed investment. This presents a risk that essential works may not be affordable.

The Trust was identified by the DHSC for investment under the New Hospital Building Programme (HIP2) and initial funding provides the opportunity to reconsider, remodel and redesign our estate to ensure that it is fit for purpose to meet the health care needs of our population, delivering safe and sustainable service in the future. During 2020/21 the Trust received and spent £7.6m allowing us to develop and submit a strategic outline case and to begin some enabling works on the sites.

Covid-19

The second wave of the Covid-19 pandemic had a significant impact on the Trust during the last six months of 2020-21. We made available as much inpatient and critical care capacity as possible in order to respond to the large numbers of Covid-19 patients who required acute care. Actions taken included the suspension of non-urgent elective activity, increasing equipment and beds stocks, redeploying staff, and minimising the burden on the organisation by streamlining governance arrangements.

Risks related to the pandemic were identified and included on a risk register; these included challenges presented by staff sickness and staff who were self-isolating or shielding. A range of tactical groups and a Clinical Advisory Group met throughout the period to review and make recommendations on any relevant matters. Internal auditors reviewed Covid related governance in the Trust and reasonable assurance was given.

The reduction of non-Covid activity during 2020/21 has resulted in an increased number of patients waiting for their treatment and has impacted the Trust's compliance with statutory and regulatory performance requirements. At the time of writing, a recovery programme is being developed.

Going Concern

The Trust Board has assessed the Trust's ability to continue for the foreseeable future in the light of the DHSC Group Accounting Manual guidance. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

The Trust has not been informed by NHSE/I that there is any prospect of reconfiguration or dissolution within the next 12 months. In terms of the sustainable provision of services, there has been no indication from the DHSC that the Trust will not continue to be a going concern. Furthermore, continuity of service provision in the future can be demonstrated by the requirement to continue to respond to 'normal' healthcare activity as well as the NHS response to the Covid-19 pandemic.

Taking the above into account, the Trust Board has a reasonable expectation that ESHT will continue to provide healthcare services. Consequently, as in previous years, the Trust has prepared its 2020/21 Annual Accounts on a going concern basis.

Performance analysis

Operational performance at ESHT is measured against key access targets and outcome objectives set out in the single oversight framework drawn up by NHS improvement (NHSI). These are:

A&E standard:	A&E maximum waiting time of four hours from arrival to admission, transfer or discharge
RTT Standard:	Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate
Cancer standard:	All cancers – maximum 62-day wait for first treatment from: • Urgent GP referral for suspected cancer • NHS cancer screening service referrals
Diagnostic Standard:	Maximum six-week wait for diagnostic procedures

Alongside the performance standards, we developed and delivered ESHT 2020 which contained a set of five overarching 'foundations' to enable us to achieve our vision and to be recognised as an 'Outstanding' organisation. Our Business Plan sets out our priorities under each of these strategic objectives for the year in order provide an additional means of measuring progress, and to support us in delivering our long-term vision of providing safe, compassionate, and high quality care to improve the health and wellbeing of the people of East Sussex.

We used an extensive framework to monitor our performance against these standards and to ensure sustained delivery. This supports scrutiny, assurance, and where necessary, further action and follow up.

Oversight of performance is from 'floor to board'. Performance is discussed at all levels of the organisation. This review process is underpinned by business intelligence that analyses our performance data, highlighting any deviation from anticipated outcomes, as well as potential drivers for change and improvement, such as changing demand for services.

1: Safe patient care is our highest priority

Summary of performance

Indicator	Detail	2020/21	2019/20
Mortality	RAMI	88 (Feb 19 to Jan 20)	84 (Feb 18 to Jan 19)
	SHMI	0.96 (Dec 18 to Nov 19)	0.97 (Dec 17 to Nov 18)
	Crude mortality	1.55% (Feb 19 to Jan 20)	1.53% (Feb 18 to Jan 19)
Inpatient falls	Falls total	1,487	1,453
	Per 1,000 bed days	6.7	5.5
	Resulting in harm	13	21
	Falls assessment compliance	96.0%	95.9%
Pressure ulcers (grade 3/4)	Total	9	15
Infection control	Clostridium Difficile	45	50
	MSSA	23	21
	MRSA	2	3
Serious incidents		44	68
Never events		5	5
Patient complaints	All	365	583
	Per 1000 bed days	1.60	2.21
Friends and Family Test Overall Satisfaction Score	Inpatient	99.4%	97.7%
	A&E	96.2%	93.7%
	Maternity	100%	97.0%
	Community	97.6%	98.2%
	Outpatients	97.4%	97.7%

*Please note that the falls rate was significantly higher in the second wave of Covid-19 during December and January, and thishas distorted the overall rate for 2020/2021.

Patient Safety and Quality

Indicator	2020/21	2019/20
Patient Falls • Total falls reported • Falls per 1000 bed days • Falls resulting in harm	 1,487 6.7 13	 1,453 5.5 21
Serious Incidents	44	68
Never Events	5	5

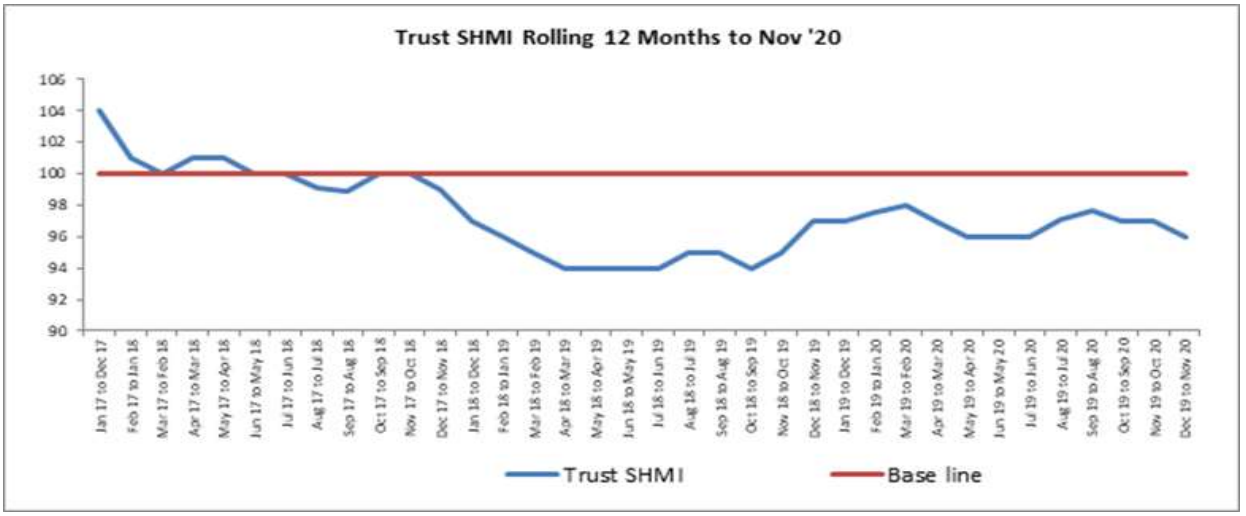
We reported 1,487 falls in 2020/21 which was a slight increase on the previous year. The rate of falls per 1,000 bed days also increased in comparison to the previous year and very considerably during the second wave of Covid-19 in December and January. As the impact of Covid-19 eased towards the end of the year, the rate of patient falls reduced to 5.0. There was a decrease in the number of falls leading to severe harm during 2020/21. Reducing falls will remain a focus in 2021/22 supported by the restarted Quality Improvement Programme.

Serious Incidents and Never Events

Despite the challenges of the pandemic, there was a reduction in the number of Serious Incidents reported to 46 (with two subsequently downgraded) in 2020/21, down from 68 in 2019/20. There were five Never Events reported in 2020/21.

Mortality and Review of Deaths

Our mortality rates are monitored by three separate indices, all considering slightly different factors. These all provide evidence that we have seen significant improvements and are within the expected range for our peer group. These improvements are due to better reporting and recording within the Trust, and the progress that we have made to the number of patients being screened for sepsis and then receiving treatment within one hour.



The requirements set out in the Care Quality Commission Learning from Deaths review have been incorporated into Trust policy and are reported to the Trust Board on a quarterly basis. The mortality database reflects the new review process and all plaudits and care concerns raised by family or carers of the deceased are recorded.

Research Participation

The Trust acts as a participating site for national and international research studies, recruiting patients to take part in novel treatments. All research in the NHS is approved centrally by the Health Research Authority.

ESHT usually delivers research recruitment to around 60 National Institute of Health Research (NIHR) Portfolio studies and during 2019/20 1,533 participants took part in research across many clinical specialties. Despite the pandemic, during 2020/21 we increased this number to 2,048 participants during 2020/21;a significant achievement.

Early in the pandemic we were instructed to pause current studies, and open Urgent Public Health (UPH) research as a priority. We maintained the safety of patients already on active treatment trials. On 28 January 2020, the Department of Health requested activation of the UPH response in relation to Covid-19, and asked Trusts to open a UPH study (ISARIC - CPMS 14152) as a matter of urgency. This was the first of many study requests opened at ESHT during the year, including several studies which were cited as part of Downing Street briefings.

Project Short title	Disease area	Project site status	Recruited (org)	Project site date open to recruitment	Project site Planned closing date	UK Sample Size	Principal Investigator
Clinical Characterisation Protocol for Severe Emerging Infection ISARIC	Infection	Open	1,642	11/02/2020	28/02/2023	200,000	Carruth, Vikki
COVID-19 infection in patients with haematological disorders	Blood	Open	Anon data only	07/10/2020	01/04/2022		Cowley, Dr Anna
COVID19-OR	Respiratory	Open	10	27/05/2020	08/05/2022	266	Highgate, Dr J
GenOMICC	Critical Care	Open	12	15/05/2020	28/02/2030	40,000	Highgate, Dr J
RECOVERY - Respiratory Support failed to recruit -equipoise re CPAP / HFNO arms	Respiratory	Open	0	05/05/2020	20/04/2021	4,002	Kankam, Dr Osei
RECOVERY trial	Infection	Open	133	08/04/2020	31/12/2021	42,000	Marshall, Dr Andrew
SARS-COV2 immunity and reinfection evaluation (SIREN)	Infection	Open	207	24/08/2020	27/11/2021	40,000	Cowley, Dr Anna
The PROMISE Study Version 1	Mental Health	Open	14	26/03/2020	28/02/2021	2,000	Still, Mrs Liz
UKOSS: Pandemic Influenza in Pregnancy	Womens Health	Open	tbc	01/04/2020	01/03/2023	500	Still, Mrs Liz
Pregnancy and Neonatal Outcomes in COVID-19	Womens Health	Closed	8	11/06/2020	31/03/2021	100	Mason, Dr N

2: All our people will be valued and respected

Staff Health and Wellbeing

The importance of looking after our staff has never been more significant than during the past year. As a Trust, our aim was to work alongside all our colleagues to ensure that they felt supported, cared for and physically and psychologically safe.

Key achievements and challenges for the year

During the pandemic, we ensured that safety measures were in place for our staff. These included adequate PPE, undertaking risk assessments, and changing the layout of offices to ensure social distancing. Many colleagues worked from home where possible and we offered advice and guidance to anyone who had concerns or felt vulnerable. We also put a number of additional programmes in place to support the health and wellbeing of our staff during an incredibly testing year. These included:

- Weekly contact with clinical leads to capture actions that would make a difference to staff and then taking action on these.
- A range of psychological interventions particularly focused on staff dealing with the trauma of the pandemic.
- 24 hour support for staff, through the Trust's Employee Assistance Programme.
- A 'Time to Talk' helpline for staff feeling anxious or worried.
- Provision of hot meals and refreshments daily for patient facing staff during the busiest periods.
- Co-ordinating the incredible generosity of members of the public, ensuring that all staff benefitted from donations received. Since March 2021, over 500 wellbeing boxes have been delivered to staff and departments.
- Worked in partnership with unions and the Friends of Conquest and Eastbourne who co-ordinated public appeals for support. During the year they each donated in excess of £20,000, which was used to support staff and enhance staff rest areas.
- Our on-site nurseries remained open throughout the pandemic, and provided 56 additional places to care for the children of clinical staff whose nurseries had closed.

Transformation /Improvements

- A significant amount of work was undertaken to enhance the psychological wellbeing and safety of staff.
- The Health and Wellbeing team successfully bid for funds from NHS Charities Together to deliver Trauma Risk Management (TRiM) across the Trust.
- Planning permission was granted and work started on building a new nursery at Conquest, which is expected to open in September 2021.
- Occupational Health embraced telephone and virtual consultations, a measure well received by staff.

- Many of the leadership development offerings were provided virtually, improving access for staff.
- The Trust has been recognised for its work in improving health, wellbeing, leadership and culture at both regional and national levels.

Summary of performance

Indicator	Detail	20/21	19/20
Staff Recruitment	Fill rate all staff Vacancies medical staff Vacancies registered nurses and midwifes [1] Vacancies unregistered nurses Vacancies Allied Health Professionals	89.2% -4.2% -1.8% 2.4%	91.3% 16.6% 6.3% 10.1%
Staff Turnover		9.5%	10.1%
Bank usage % total Full Time Equivalents [2]		12.4%	8.3%
Agency usage % total Full Time Equivalents [2]		2.7%	1.9%
Annual sickness		4.8%	4.6%
Appraisal rates	Medical staff [3] AfC staff	0% 71.6%	100% 76.6%
Front line staff having the flu vaccine		82%	87%
Staff completing the NHS annual staff survey		51%	52%

Notes

- [1] Vacancies were reduced following a resetting of the budgeted establishment in Sept 20 to reflect available funding
- [2] Figures for March 2021. The reporting system changed in March 2021 to no longer report a month in arrears, inflating numbers for that month.
- [3] Due to Covid-19 NHS England supported suspension of medical appraisals in 2020/21

Staff Survey

The number of staff who took part in the annual NHS staff survey reduced slightly from 52% in 2019/20 to 51% in 2020/21. The survey was carried out during the pandemic and the response rate achieved by the Trust was excellent; similar Trusts within our sector saw an average response rate of just over 45%. The staff survey showed continued good progress in a number of important areas, as well as highlighting areas where we need to do more.

Staff answered nearly 90 questions, which were distilled into broad themes covering all aspects of the experiences of staff working at the Trust. Key areas of improvement included:

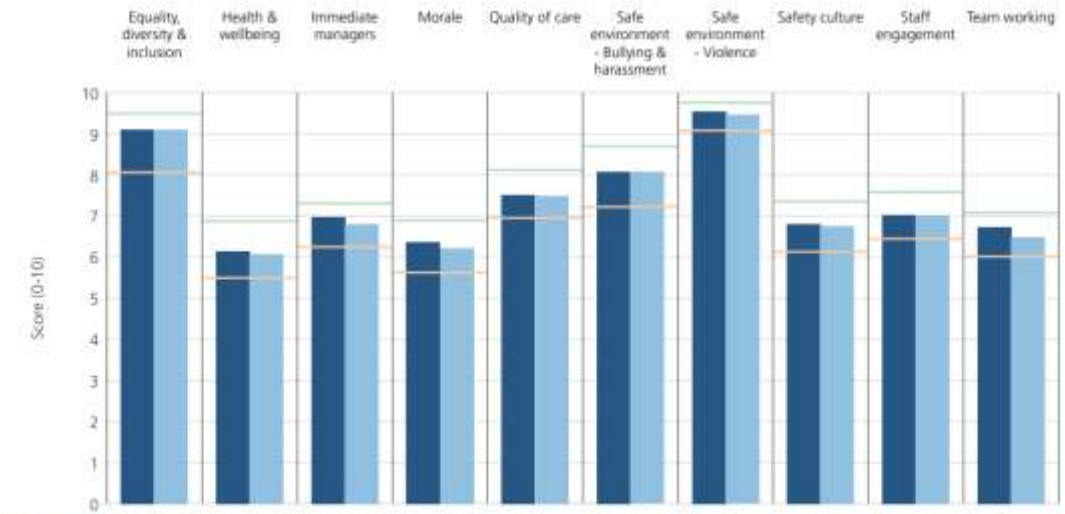
- **Quality of Care**: More of us believe that care of patients is our top priority and would say that we are happy with the standard of care we offer
- **Place to work**: More people would recommend us as a place to work

Improvements were also made in equality and diversity, with fewer staff saying that they had experienced discrimination and more staff saying that career progression at the Trust was fair. More staff said that the Trust took positive action about health and wellbeing and were positive about their line managers and team working.

Importantly, more staff also said that the Trust encourages the reporting of incidents and that when they are reported the Trust acts fairly and offers useful feedback.

The results highlighted areas where there is work to do to build on our ambition to be the best place to work.

- **Health and Wellbeing**: Staff told us that musculoskeletal disorders and stress should be a focus for the Trust.
- **Involvement:** Staff told us that they want to be more involved in decisions about their work and the care that we provide.
- **Bullying and Harassment**: Staff told us that in some areas we need to make more progress to address bullying and harassment.



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.1	6.2	7.0	6.4	7.5	8.1	9.5	6.8	7.0	6.7
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	3,675	3,689	3,691	3,679	3,113	3,659	3,659	3,682	3,696	3,651

3: We will work closely with commissioners, other providers and health and care partners to create sustainable clinical services

Trust Priorities

The Trust's ambition is to be an outstanding and always improving organisation with a commitment to providing sustainable clinical services that achieve the best clinical outcomes and provide an excellent experience for patients. In order to support this ambition, the Trust developed a five year sustainability plan in 2018 which sets out six key strategic programmes that will help us achieve this ambition.

1. **Planned care:** We have been working closely with commissioners and primary care providers to streamline our pathways to drive efficiency and productivity in both the demand for services and in making sure we deliver them in the most effective way – for both the patient and in our use of resources.

2. **Becoming The Best at Managing Frailty:** We have continued to invest in our Frailty team so that they can support the reduction in unnecessary admissions but also speed up safe discharges and get patients home safely and quickly.

3. **Creating a sustainable model for Urgent Care:** We invested significantly in redesigning our 'front door' A&E departments meaning that we will offer Urgent Care facilities in partnership with primary care so that A&E only sees patients who need these vital services.

4. **Integrating Community Services:** We have worked with our local authority colleagues to develop an integrated target operating model which will reduce the gaps in our services and provides a more holistic and streamlined range of services for patients in the community.

5. **Implementing Sustainable Service Models:** We worked with clinical teams to develop new models of care that will deliver improved outcomes for patients and make the best use of our resources.

6. **Business Processes and Cost Control:** We have worked closely with corporate and divisional teams to find ways to maintain quality and drive efficiency, enabling us to invest in improvements to patient care.

Quality Improvement

The Trust has a Quality Improvement (QI) Strategy, which sets out a programme of work to ensure there is constant focus across the organisation on improving the quality of care that is provided. The Trust adopted the NHSI Quality Improvement and Service Redesign (QSIR) methodology and programme as its chosen approach to embedding continuous improvement across the organisation.

The Strategy, Innovation and Planning (SIP) team supported members of staff to attend the National QSIR training programme,enabling us to deliver in-house training and support to all staff on QI. QI awareness is now included in the Trust Induction and is supported by a robust training programme with levels ranging from a one hour pop up session to five day practitioner training. Bespoke training is also available for teams. This inclusive approach to QI will ensure that we are always improving.

We will continue to develop this programme and support not only individual QI projects and programmes, but also enable staff to become skilled in utilising the QI skills they learn in all the work they do. The Trust is also working with East Sussex system partners to share the approach to quality improvement, so that there is a common framework for quality planning and quality assurance throughout Sussex.

Working with the wider system

Across Sussex, the NHS and local councils that look after social care and public health are working together to improve health and care. The Sussex Health and Care Partnership (SHCP) brings together 13 organisations into what is known as an integrated care system (ICS). SHCP takes collective action to improve the health of local people, ensuring that health and care services are high-quality and make the most efficient use of resources.

Over the last few years, the Trust and other health and care organisations across Sussex have increasingly worked together as the SHCP to make sure the experience of local people using services is more joined-up and better suited to their individual needs. This way of working is based on the priorities and outcomes that matter to local communities and allows all organisations to work together towards the same plan to improve health and wellbeing. This will help local people to stay healthy for longer, to receive more support and treatment at home and, if they do get ill, to ensure they get the right care, in the right place, at the right time.

Healthwatch

As part of a national network, there is a local Healthwatch in every local authority area in England. Healthwatch East Sussex works with the public of East Sussex to ensure that health and social care services work for the people who use them. Their focus is on understanding the needs, experiences and concerns of people of all ages who use services and to then speak out on their behalf. Their role is to ensure that local decision makers and health and care services put the experiences of people at the heart of their work and decision making. They do this by gathering people's experiences and identifying issues that are important to them and, when addressed, which will make services better for everybody. This year Healthwatch conducted qualitative research on patients' experience of virtual appointments in the Trust, identifying that two thirds of our patients found these to be a positive experience.

Public Engagement

The Trust will only achieve its vision by working in collaboration with those people and communities affected by the care we provide. We want to enable the public to input into and improve our organisation, the clinical care we provide and their own experience in hospital and community settings.

Covid-19 severely restricted our ability to engage with members of the public as much as we would usually do. Restrictions on visiting and meeting in person made traditional public engagement events impossible. However, we adapted and during the year:

- We used Microsoft Teams to hold our Board Meetings in public. At first we recorded these, putting the video on the website after the event. Subsequently, we have invited members of the public to attend these meetings allowing them to ask questions of the Board.

- We held our 2019/20 AGM virtually, broadcasting it to members of staff and the public. We reviewed our year, and presented a number of videos highlighting the work that the Trust had done during the year and in response to Covid-19.

- When it became clear that Coronavirus was going to have a huge impact on the NHS, we quickly established dedicated Coronavirus information pages on our website. This included the latest Coronavirus information, symptoms to look out for, advice about keeping safe, details of changes to our hospital procedures, hospital visiting arrangements, changes to our inpatient procedures and the wearing of face coverings. This information was updated regularly. We also published information videos, including advice from our own clinicians which were subtitled and in British Sign Language (BSL). We provided links to information and advice published by the NHS and the UK Government. During the year, these pages were viewed over 100,000 times.

- Our Equality and Diversity team has engaged with 114 organisations and groups within East Sussex, reflecting the diversity of our community. These ranged from small gardening groups that support people with mental health issues to larger organisations such as Care for the Carers.

  Through this engagement we have started to identify the different ways that people like to be communicated with, and what styles of engagement fit different groups of people. We have created a platform that helps guide engagement with specific groups of people when we have projects, programmes and services that we want to discuss.

  Examples of this include engagement with the transgender alliance about our transgender record keeping and with BSL communities on the development of the BSL app.

- We undertook large-scale public engagement with our local population around Building For our Future, asking local residents about the improvements they would like to see made to our hospitals.

Patient Experience

- **Patient stories**
  Patient stories continued to be recorded and shared with the Quality and Safety Committee. These stories are used to highlight practice and service changes which have occurred following feedback received from patients.

- **Quality Account priority "perfecting discharge"**
  Perfecting discharge was one of the three priorities from the 2019/20 Quality Account; these priorities were carried forward to 2020/21 due to the pandemic. A Quality Improvement (QI) approach has been adopted to identify the specific areas to target to maximise improvement:

  - Discharge process
  - Communication
  - Medication
  - Training
  - Education

  Striving to perfect discharge will lead to an improved experience for patients, as well as improved patient flow through our hospitals.

- **CQC National Adult Inpatient Report (2019 but released 2020)**
  There were no statistically significant differences between the 2018 and 2019 results of the CQC National Adult Inpatient Report. The Trust's results were about the same as those for other organisations for 59 of the 63 questions asked. There were two questions where the Trust scored significantly lower than other organisations, and these will be areas of focus for the organisation moving forward.

Volunteering

While 2020/21 was a challenging year for voluntary services, it also presented a number of opportunities. The pandemic emphasised the enthusiasm of our local communities to help the Trust and we are keen to attract and harness this enthusiasm while improving opportunities for volunteering in different ways and to a wider demographic. We would like to thank our volunteers for all that they do to support the Trust; they are an incredible asset and work so hard to improve the lives of both patients and our staff.

- **Supporting our volunteers.** The pandemic meant that the way that we supported our volunteers had to be adapted as the year progressed. By the end of March 2020, we had to stop all volunteer roles in the Trust, but we maintained contact through emails and newsletters. In June we held a 'Celebrating our Volunteers' week and sent thank you cards to all of our volunteers with a message from our Chief Executive. We normally give small trophies to long serving volunteers, but this year our pharmacy delivery drivers took food hampers to their homes to thank them for all they do for us.

- **Transforming our volunteer recruitment processes.** During the year we received a substantial number of offers to volunteer from our local communities. In response, we transformed our volunteer recruitment processes and developed a new volunteer

induction and training handbook. We are now able to recruit volunteers within two to four weeks; prior to the improvements, it could be more than two months before a new volunteer could start.

- **Volunteering Opportunities.** We remain committed to raising the profile of volunteering in the Trust, and engaging with our staff to identify opportunities where volunteers can add value and enhance patient experience. Volunteer roles include:

    - Pharmacy Drivers
    - Conquest Courtyard and Eastbourne DGH Garden Volunteers
    - Discharge Checking Service Volunteers
    - Pathology Volunteers
    - Safety Station Champion (SSCs) Volunteers

- **Volunteer profiles and demographics.** Our volunteers offer a wide range of skills and expertise to the Trust, contributing to our continued commitment to provide high quality care for our patients. In March 2020, our volunteer age demographic for the Trust was predominantly over 60 years old and less than 3% were aged 18-25 years old. Young volunteers have increased by 615% during the year, enhancing both patient and staff experience.

- **Young People.** The Trust has generously been funded by the Pears #iwill Fund to introduce a number of new sustainable opportunities for young people (16-25 years old) to volunteer in both patient and non-patient facing roles. This has helped us to deliver a pilot of remote volunteering support for our patients using technology for virtual appointments. Some of our young pathology volunteers have subsequently successfully secured employment with the Trust.

- **Collaborative Working.** We will continue to seek collaborative working opportunities with local voluntary sector services, further education, re-employment initiatives, Healthwatch East Sussex and Health and Social Care Services.

Volunteer Numbers	EDGH	Conquest	Bexhill	Rye	TOTAL
Current Active volunteers	60	39	8	9	116
Stood down March 2020	90	83	28	12	213
Returned volunteers	15	16	6	6	44
New volunteers	25	35	2	8	58

For more information about volunteering at the Trust, please email us at esh-tr.voluntaryservices-hastings@nhs.net or call us:

Conquest: 0300 131 5334 **Eastbourne DGH:** 0300 131 4500

4: We will operate efficiently and effectively when diagnosing and treating patients

The table below gives a summary of performance during 2020/21. Further detail is provided in the narrative.

Indicator	Detail (national standard)	20/21	19/20
Standards	Four hour A&E (95%)	88.9%	83.9%
	RTT (92%)	78.5%	90.3%
	Cancer 62 days urgent referral (85%)	75.8%	76.9%
	Cancer 62 day Screening Standard (90%)	65.3%	55.0%
	Diagnostics (99%)	70.0%	98.5%
Length of Stay	Acute elective (days)	3.7	3.2
	Non-elective (days)	4.4	4.2
	Bexhill (days)	22.2	29.3
	Rye (days)	16.6	18.1
Community (seen within 13 weeks)	Podiatry	100%	100%
	Dietetics	100%	99.8%
	Speech and Language	86.8%	97.4%
	Neurological physio	58.3%	57.0%
	MSK (H&R)	64.1%	41%
Community nursing	Rapid Response within two hours	1,392	2,240
	Urgent Referrals Seen on the Same Day	3,437	2,513
	24 Hour Referrals	7,817	5,999

Regulatory standards

We use an extensive framework to monitor our performance against these standards and to ensure sustained delivery. This supports scrutiny, assurance, and where necessary, further action and follow up. Oversight of performance is from 'floor to board'. Performance is discussed at all levels of the organisation. This review process is underpinned by business intelligence who analyse our performance data, highlighting any deviation from anticipated outcomes, as well as potential drivers for change and improvement, such as changing demand for services.

A&E standard

95% of patients attending the Emergency Departments at either Eastbourne DGH or Conquest Hastings should have a maximum waiting time of four hours from arrival to admission, transfer or discharge.

During 2020/21, the Trust achieved an annual average of 88.9%. The effects of the pandemic resulted in a 14.5% decrease in attendances to A&E in comparison to 2019/20.

Performance against the four hour standard is dependent on the health and social care system, the Emergency Departments, the flow into wards and patient discharges home or to another place.

The continued improvements that we have seen in our Emergency Departments reflect the hard work that has been going on across the organisation to improve patient care, quality and flow. It is also a result of effective joint working with East Sussex County Council and our local commissioners.

Referral To Treatment standard

Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate

The effects of the pandemic are reflected in a reduction of delivery against the referral to treatment (RTT) standard in 2020/21 to 78.5% against the national standard of 92%. We achieved 90.3% in 2019/20.

This performance placed the Trust in the upper quartile of providers for 2020/21, comparing well against the performance of our peers. Throughout the pandemic, the Trust continued to focus on out-patient and theatre transformation initiatives and productivity in order to continue to provide patients services where safe to do so.

Diagnostic standard:

Maximum 6-week wait for diagnostic procedures

The impact of Covid-19 was again seen in diagnostic performance, resulting in a reduction to 70% against the diagnostics standard of 99%. In 2019/20, after a period of significant improvement against this standard, the Trust's performance was 98.5%.

Cancer standard:

All cancers – maximum 62-day wait for first treatment from urgent GP referral for suspected cancer and NHS cancer screening service referrals

The Trust has continued to achieve the two week cancer standard, breast two week wait symptomatic standard and 31 day cancer standard. Compliance against the standard of treating 85% of patients within 62 days has continued to be challenging, especially through the peak of the pandemic.

During the recovery period following the first wave of the pandemic, the Trust focused efforts on the 62 Day standard which resulted in the Trust achieving all the cancer waiting time standards in November 2020.

The pandemic surge in winter resulted in the 62 Day standard not being sustained and in turn led to an increase in waiting lists in some areas due operational pressures and patient choice.

The Trust is working closely with healthcare partners and the Cancer Alliance, and has developed a comprehensive improvement plan to reduce long waiting patients and develop positive new pathways to support an improvement in performance and enhance patient experience, leading to achievement in cancer standards.

Increased demand

The pandemic has had a significant impact on demand over the past year which has seen a reduction in demand within all our activity indicators.

Indicator	2020/21	2019/20	Variance
Day case and Elective Inpatients	38,104	54,102	-29.6%
Non-Elective	51,017	58,376	-12.6%
Outpatient	337,910	403,969	-16.4%
A&E Attendances	116,213	135,877	-14.5%
Cancer Referrals	21,172	22,526	-6.0%

We continue to work closely with our adult social care and commissioner partners to plan for increases in demand as the effects of the pandemic reduce and we begin recovering our elective care performance

Length of Stay

Non-elective length of stay increased during 2020/21 as a result of the pandemic, from 4.2 days to 4.4 days.

5: We will use our resources efficiently and effectively for the benefit of our patients and their care

Meeting our financial plan

Like all NHS organisations the impact of Covid-19 has had a material impact on the Trust's finances, both in regards to level of expenditure and income, but also in the financial regime in which we have operated.

Funding levels were calculated and prescribed at a fixed level by NHSE/I to deliver core services. In addition, NHS organisations were able to recover incremental costs resulting from their Covid-19 pandemic response.

During the year, a revised plan was agreed with NHSE/I for a deficit of £6.0m. However the Trust was able to outperform this and deliver a small surplus of £0.3m. This was achieved through additional income support of £4.1m not included in the plan and £1.9m of additional efficiency and cost control.

Cost Improvement

The Covid-19 pandemic had a material impact on our ability to deliver efficiency savings through a normal Cost Improvement Programme (CIP), which looks to reduce costs without reducing quality or safety of the care we provide.

Despite this context, we maintained a reduced CIP programme and were able to deliver cash-out efficiency savings of £2.6m. This is based on the Model Hospital and Getting It Right First Time (GIRFT) programmes, which aim to improve quality and safety and thereby deliver efficiencies.

We achieved these savings by reducing our use of expensive agency staff, embracing new technology such as the digital management of medical notes, reducing unnecessary lengths of stay in hospital and by making efficiencies in medicine management. These changes have reduced the amount we spend, whilst also providing better care and outcomes for our patients.

Digital

The pandemic meant that a number of planned digital programmes were delayed, as staff were redeployed and we were reluctant to undertake large scale change while staff were under additional pressure from the pandemic. The two biggest projects delayed were electronic medicine and pharmacy administration (ePMA) and Badgernet, the replacement system for use in maternity.

Nonetheless, we introduced a number of digital improvements, including virtual consultation for outpatient appointments, the rollout of over 600 additional laptops and the doubling of the capacity of the virtual private network (VPN) to enable staff to work from home. We supported clinical department relocations and thousands of amendments to the Patient Administration

System (PAS) to support all of the clinical changes that took place due to the pandemic. We also rolled out Microsoft Teams across the whole organisation, allowing meetings to be held virtually and changing the way we work forever.

We also started on our journey to Electronic Patient Records (EPR) by enhancing the systems we use to monitor beds and patients in the Trust (the 'live bed state'). We have migrated patient bed side observations across to NerveCentre and in our Emergency Departments. This is the start of a single patient record across the Trust which will expand over the next five years as part of the Digital Transformation Strategy. We continued the rollout of SystmOne across the community and improved other services that had already gone live.

We supported the two hospital vaccination hubs with a booking system and local devices for booking in and recording each vaccination; this required the support of a large team who worked incredibly hard to organise appointments, often at short notice, to ensure no vaccine was wasted.

The Voice over Internet Protocol (VoIP) telephone system continued to be rolled out across both acute sites, reducing the need for the legacy phone system which will be turned off in 2021. The training teams adapted at pace to support learning using Microsoft Teams and also to produce a vast array of online training for all our clinical systems.

During 2020/21:

- 97% of Trust devices were upgraded to Windows 10
- Switchboard maintained the ISO9001 standard
- We moved our IT Service Desk in-house from NEL commissioning Support Unit
- The replacement bleep system went live
- We made major progress in migrating our servers to a new fully supported environment
- We were awarded £2.45m of funding over the next two years to invest in digital for our community services through the Digital Aspirant programme
- We developed our Digital Strategy, setting out what we plan to achieve in the next five years

In response to Covid-19 we:

- Introduced Attend Anywhere for video outpatient appointments
- Built a remote radiology reporting system
- Issued over 400 laptops and 450 VPNs to give staff working remotely access to our network
- Supported relocations of clinical departments
- Actioned thousands of changes to locations and clinics on our Patient Administration System
- Built and delivered computers on wheels to wards, improving access to our systems for our clinical colleagues
- Supported wards to use NerveCentre to track Covid-19 patients
- Increased training on our Patient Administration System to support redeployed staff
- Built and delivered tablets donated by the local community so patients could keep in touch with their loved ones

Care Quality Commission (CQC) rating

We are required to register with the Care Quality Commission (CQC) and are currently registered for the following eight activities across fifteen locations in East Sussex:

- Treatment of disease, disorder or injury
- Surgical procedures
- Diagnostic and Screening procedures
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Termination of pregnancies
- Family Planning Services
- Assessment or medical treatment for persons detained under the Mental Health Act 1983

During the first wave of the pandemic, we temporarily added an additional site to accommodate our infusion unit and during the second wave we added an extra rehabilitation facility for a limited time. Some elective surgery was also carried out using facilities at the Sussex Spire Hospital, the Horder Centre and at Benenden Hospital.

Following the publication of our latest CQC inspection report in February 2020, where the overall rating for the Trust was Good, an action plan was developed to address recommendations. A total of 34 ‘should do’ actions were identified by the CQC to improve on service quality and throughout the year significant progress has been made in addressing these. There are eight issues not yet fully resolved, all of which have been curtailed due to many staff being redeployed in responding to the pandemic. They are regularly monitored and will be completed in due course. Examples include: Community Adult Services ensuring that patients are able to access the frailty team for support in a timely manner; formalising the major incident plan for mortuary services; managing waiting times from referral to treatment for non-admitted pathways within national standards; ensuring play specialists are available to support inpatient children; and working with the Children and Adolescent Mental Health Services (CAHMS) team to review access for children presenting with mental health concerns at weekends, in line with national guidance.

In October 2020, the CQC developed a support tool known as Patient FIRST for emergency departments to consider; this was reviewed by our departments and learning was identified.

Throughout this year, the CQC have adapted their methods for monitoring services to use a transitional approach focusing on safety, how effectively a service is led, how easily people can access the service, and targeting inspection activity only where they have concerns. They monitor and review information from all available sources and then have a conversation with us either online or by phone to discuss any issues identified.

Throughout 2020-21, the CQC have found no breaches that justified regulatory action, no requirement notices were issued and no enforcement actions were taken.

Finance

Important Financial Results

The following tables key financial performance values taken from the accounts.

Accounts Highlights	2020/21	2019/20	2018/19
	£000	£000	£000
Surplus/(Deficit) for the year	346	50	(44,781)
Public Dividend Capital Payable	(5,785)	0	875
Value of Property, Plant and Equipment	251,886	229,484	223,584
Value of Borrowings (including loans)	0	235,896	202,815
Cash at 31 March	66,559	2,100	2,100
Creditors - trade and other	(53,806)	(28,802)	(23,230)
Debtors - trade and other	16,390	47,318	19,655
Revenue from Patient Care Activities	456,591	406,433	375,312
Clinical Negligence Costs	10,662	9,443	10,117
Gross Employee Benefits	357,704	318,391	292,871

Better Payment Practice Code Figures

	2020/21		2019/20		2018/19	
	Number	£000	Number	£000	Number	£000
Non-NHS Payables						
Total non-NHS trade invoices paid in the year	98,756	171,278	104,781	159,726	119,305	169,057
Total non-NHS trade invoices paid within target	73,410	153,734	86,171	141,801	141,801	129,104
Percentage of non-NHS trade invoices paid within target	74.3%	89.8%	82.2%	88.8%	88.8%	76.4%
NHS Payables						
Total NHS trade invoices paid in the year	1,970	25,001	2,705	22,830	3,179	32,831
Total NHS trade invoices paid within target	1,739	24,049	2,305	21,518	2,668	32,058
Percentage of NHS trade invoices paid within target	88.3%	96.2%	85.2%	94.3%	83.9%	97.6%

Operating and Financial Review

In 2019/20 the Trust reduced its financial deficit from £45m to £34m in line with our agreed financial recovery trajectory. This gave the Trust access to the provider sustainability fund meaning the final position was breakeven for the first time in many years.

Our trajectory for 2020/21 was to make further progress and reduce the deficit to £28m whilst still maintaining and improving our quality and performance outcomes. However, like all NHS organisations, our financial and operating performance was dramatically impacted by the effect of the Covid-19 pandemic.

Over the course of the year, financial arrangements were put in place to provide the financial resources to NHS organisations that they needed to respond to the pandemic. Funding levels were calculated and prescribed at a fixed level by NHSE/I to deliver core services. In addition, NHS organisations were able to recover incremental costs caused by responding to Covid-19.

This has allowed the Trust to deliver a small surplus of £0.3m for 2020/21 despite expenditure increasing from £468.2m to £527.96m in the year driven by the costs of Covid-19: both in terms of treating patients with Covid-19 but also on staff sickness, personal protective equipment, and the need to run different pathways for other services.

During the year, a revised plan was agreed with NHSE/I for a deficit of £6.0m. However, the Trust was able to outperform this and deliver a small surplus. This was achieved through additional income support of £4.1m not included in the plan and £1.9m of additional efficiency and cost control above the baseline expectation.

We achieved these savings by reducing our use of expensive agency staff, embracing new technology such as the digital management of medical notes, reducing unnecessary lengths of stay in hospital and making efficiencies in medicine management. These changes have reduced the amount we spend, whilst also providing better care and outcomes for our patients.

We have a clinical strategy in place which will ensure clinical and financial stability across all of our key services. We have used the national Model Hospital toolkit, GIRFT initiative, other benchmarking tools, and worked with NHSE/I teams to help us develop and address the issues driving our deficit. The 2020/21 financial plan, and the associated Cost Improvement Plan, were based around these drivers, including income recovery, service sustainability, workforce costs, infrastructure costs and technology requirements, and have been where we have focused our attention in to help us deliver a balanced financial position.

We are pleased to report that the Trust was able to invest a significant amount of capital in the year through support of the ICS and additional funding from NHSE/I and DHSC. Total capital expenditure of property plant and equipment was £37.4m in 2020/21 compared to £27.2m in 2019/20. In addition, we have used alternative forms of capital funding (e.g. leasing) to make improvements across our sites. The continued generosity of the Friends of our Hospitals must be noted, as these donations directly improve patient care and experience – these donations have continued across the year and are welcomed by our staff.

However, whilst this has helped address some of the historical issues, we have an ageing estate with significant backlog maintenance. There remains an ongoing need to invest in capital items such as IT and medical equipment. We have limited internal capital funds to

invest in these requirements and will not be able to meet these needs without externally sourced funds. This presents a risk that essential works may not be affordable.

In September 2019, the DHSC published a paper on a “New Hospital Building Programme” (HIP2). This set out a long-term programme of investment in health infrastructure that included capital to build new hospitals, invest in diagnostics and technology, and to help eradicate critical safety issues in NHS estates. The Trust was identified for investment under the programme and initial funding provides the opportunity to reconsider, remodel and redesign our estate to ensure that it is fit for purpose, to meet the health care needs of our population and to deliver safe and sustainable service in the future. During 2020/21, the Trust received and spent £7.6m allowing us to develop and submit a strategic outline case and to begin some enabling works on the sites.

Looking forward to 2021/22, we will be looking to maximise every opportunity of obtaining capital funding to supplement our capital plan of c.£16m. Our capital budget, which has more demands on it than funds available, will support the much needed investment in infrastructure, IT and equipment across the organisation.

Despite the external environment, the Trust continued to make significant progress in improving its financial governance in 2020/21, including acting on the key drivers of the underlying deficit and maintaining financial control. To make sure these improvements are maintained, we will continue to strengthen our financial controls, our financial planning and to improve our reporting.

In 2020/21, the Trust continued to strengthen its cash flow management procedures, with a more robust set of forecasting and tracking tools in use to enable a more targeted approach to payment of suppliers. The Trust remains committed to supporting local suppliers and routinely reviews its creditor position to ensure that delays in payment are minimised.

In 2021/22, we will continue to use Service Line Reporting and Patient Level Information Costing as tools to increase clinical engagement in understanding and improving our cost drivers and profitability, as well as providing management with better information on which to make business decisions. The Trust is fully engaged in the national operational productivity programme, led by NHSI, and the GIRFT clinical improvement programme.
These programmes help the Trust understand the links between clinical activity and cost across the organisation and, working with our partners within the local health economy, to ensure that the right models of care are put in place to ensure that we continue to deliver high quality care to all of our patients.

The Trust Board gains assurance on financial matters through the Finance and Investment Committee, which ensures that all material financial risks and developments are closely scrutinised and that senior management is properly held to account for the Trust’s financial performance. Clinical representation at this Committee helps to ensure that clinical quality and patient safety issues are always considered alongside financial performance and risk.
In addition to the scrutiny provided by the Finance and Investment Committee, key financial risks form part of the Trust-wide high level corporate risk register, which is regularly updated and assessed by the Audit Committee and referred onwards to the Trust Board where significant risks are considered and appropriate action taken.

The Trust has also continued to work with and alongside key partners in the local health economy, including the clinical commissioning groups (CCG) and East Sussex County Council, to strengthen local plans for the improvement of health outcomes for the East Sussex

population. The local health economy faces financial challenges and the management of these is being addressed on a system wide basis. This includes joint working on key change programmes, including supporting the development of primary care and community services to provide support and care closer to home.

Despite the pandemic, close working continues to take place with our CCGs to ensure that we can achieve financial balance as a system. To do this, the system must:

- realise more recurrent cost improvement plans for the Trust and quality, innovation, productivity and prevention (QIPP) plans for the CCGs;

- significantly reduce recent increases in demand trends in our Accident and Emergency Departments as well as reducing non-elective demand;

- change the pattern of investment with more investment in out of acute settings, front loading clinical capacity at the acute 'front door' clinical services and reducing unnecessary or lower planned care interventions and acute outpatient services; and

- transform the system's operating model to one with a lower cost base per head.

All of this must be achieved within a constrained capital and revenue investment environment and in the context of high growth in our over 85 population – the patient cohort most in need of support. The Trust has worked together with our local CCGs and local partners on progressing system financial sustainability to ensure that our patients receive the highest quality care in an appropriate setting for their needs.

Looking ahead to 2021/22, the existing financial arrangements relating to Covid-19 will continue during the first six months of the year. At a system level we are expected to break-even and the Trust is planning on delivering a balance position to support this. This will require the Trust to deliver efficiency savings over and above the national planning ask. The arrangements for the second half of the year have not yet been issued and the Trust will work with system partners to ensure we are in the best possible position to return to normal financial arrangements when these resume.

Fundraising

We are extremely grateful for the efforts of a wide range of charities and individuals whose generosity supports our work. Over the year, £422,373 was donated or bequeathed to our charitable funds. We use this funding to enhance our clinical services and patient outcomes and to contribute to the development and welfare of our staff.

The pandemic dominated the year for the Trust's charity, and East Sussex Healthcare NHS Charitable Fund is incredibly grateful for the support that they received from NHS Charities Together (NHSCT). NHSCT provided £246,600 of funding that was used to:

- Support staff during the first and second wave of Covid-19
- Support 'What Matters to You', a campaign to buy staff small items that would make a big difference to their working environment
- Support a sunflower lanyard scheme, helping staff and patients to recognise and champion those with hidden disabilities
- Support the introduction of TRiM trauma support, helping staff deal with traumatic events during the pandemic
- Develop an app for our BSL patients, translating important patient information as well as Trust and national announcements

Examples of major purchases made by the East Sussex Healthcare NHS Charitable Fund during 2021/22 included:

- A state-of-the-art oncology multi-header microscope
- The creation of a remembrance garden area for staff at the Irvine Unit
- A Paxman scalp cooling system to help reduce hair loss during chemotherapy
- Bio-impedence scales, to accurately map the make-up of a patient's body allowing for complex nutritional needs to be identified
- Attendance at a non-medical prescribing course for staff
- New seating and over-chair tables for patients
- A bladder scanner
- Attendance at a British Sign Language course for staff

The charity continues to operate a lottery to raise funds to support the Trust, open to staff and members of the public. Details of the lottery can be found at http://www.esht.nhs.uk/lottery. You can donate to ESHT's charitable funds in a number of ways:

- Online at https://www.justgiving.com/esht

- Send us a cheque, addressed to:

  Charitable Funds
  St Anne's House
  729 The Ridge
  St Leonards-on-Sea
  TN37 7PT

- Cash, via the Cashier's Offices at Eastbourne DGH or Conquest

Friends of our Hospitals

The Friends of our hospitals are some of our biggest supporters, and they were again massively generous throughout 2020/21. The speed with which they responded during the first wave of the pandemic in raising money to support staff, and helping the Trust to purchase items to look after staff welfare was humbling. As well as this, the Friends continue to purchase equipment which improves the care and support that the Trust is able to offer to patients, and the Trust is incredibly grateful for the generosity of the Friends' support.

If you would like to support or become involved with the Friends please contact:

Friends of Bexhill Hospital	Tel: 01424 217449
Friends of the Conquest Hospital	Tel: 01424 755820
Friends of Crowborough War Memorial Hospital	Tel: 01892 664626
Friends of the Eastbourne Hospital	Tel: 01323 417400 ext 4696
League of Friends Lewes Victoria Hospital	Tel: 01273 474153
Friends of Rye Hospital	Tel: 01797 223810
Uckfield Community Hospital League of Friends	Tel: 01825 767053

Emergency Preparedness, Resilience and Response (EPRR)

As a Trust we need to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care at any of our sites. These could be anything from extreme weather conditions to an outbreak of an infectious disease or a major transport accident. The Civil Contingencies Act (2004) requires NHS organisations to show that they can deal with such incidents while maintaining services. At ESHT we have a dedicated emergency preparedness team, but every member of staff plays a vital role in ensuring a professional NHS response to an incident.

The Trust remained fully compliant with the 70 NHS core standards for EPRR during 2020/21 which is a significant achievement considering the Trust was responding to the Covid-19 pandemic for the majority of the year.

The EPRR team undertook a key role in supporting and co-ordinating the Trust's approach and response to the pandemic, both internally and externally with NHS and other multi-agency partners across Sussex, via the Sussex Resilience Forum. The Incident Control Centre was operational seven days a week, reporting to the Incident Management Team to ensure that on-call managers had access to changing guidance and updates in real time.

In addition to the pandemic, the Trust also responded to a number of other incidents during the year, including:

- A heatwave incident during Summer 2020
- Planning and preparedness for the EU Exit
- Ensuring that robust plans were in place for winter and the impact of severe weather on service delivery

We also undertook a table top exercise for the EU Exit to test the Trust's preparedness and ability to respond to the scenarios set out in the exercise. We will continue to plan further exercises in the coming year.

The EPRR team will continue to work with the operational and clinical leads to provide training but also to ensure that Business Continuity Plans for services are developed, locally owned and embedded across the Trust. A review of the Major Incident Response plan is underway to ensure that learning from the pandemic response is incorporated along with other service changes. The EPRR team works closely with the Sussex ICS resilience team and will do so going forward to support the restart and recovery of services over the coming months.

Security

The Trust had generally low levels of crime in 2020/21. During the year, the Trust developed a Violence and Aggression workstream which set the tone of the organisation's zero tolerance stance against violence and aggression towards our staff. We have worked hard to ensure that staff know that violence and aggression, in whatever form, is not acceptable and will not be tolerated. Action has been, and will continue to be, taken against perpetrators. Other areas of focus for the workstream included:

- A training needs analysis for staff, highlighting key areas for improvement. A training company is now being sought to deliver the required training.
- The introduction of lone worker devices to support staff working in the community.
- Staff engagement and wellbeing measures, to ensure staff are supported following incidents, including TRiM trained staff who will conduct debriefs.
- All of these measures will be supported by improved communications.

In February 2020, a new Trust Security Advisor joined the Trust resulting in an increased focus on security, helping us to create a safer place for public and staff. Key focus areas included access control, improved CCTV and the protection of patients' property.

It was recognised that the Covid-19 pandemic would put an additional strain on the security department, and an extra security guard was employed on each site to support existing guards. As a result, staff felt safer, incidents were responded to quicker, and flashpoints of violence and aggression were prevented from escalating, preventing injury or harm to staff and the public. The team also actively supported both vaccination hubs.

In 2021, investment will be made in upgrading our CCTV and access control systems. This infrastructure will assist in laying the foundations for creating a safer environment within our hospitals. Training will continue to help staff better manage violence and aggression and workstreams will continue to evolve to make sure we do all we can to keep our hospitals a safe place to work and visit.

Sustainability

Care Without Carbon – Delivering Sustainable Healthcare at ESHT

Throughout 2020-21 we have continued to work on being more sustainable and have revised our Sustainable Development Management Plan (SDMP) or Green Plan - Care Without Carbon (CWC) to continue to build on the good work across the Trust since 2015. Through this programme, we are working with three key aims in mind:

1. Long term financial sustainability.
2. Minimising our impact and even having a positive impact on the environment.
3. Supporting staff wellbeing to enable a healthy, happy, productive workforce.

At the same time, we are aligning our work on sustainability with the Trust's clinical objectives and the improvement of quality, safety and operational standards.

CWC sets out the actions we need to take across all areas of the Trust through the seven elements detailed in figure 1 below. This ensures a coordinated approach. The seven elements are designed to integrate sustainable thinking and planning, into core operational activities so that it becomes part of business as usual and key to the way the Trust functions.

Our impact on the environment as a Trust, as well as our performance in 2020-21 against each of the elements of CWC are detailed below.

Figure 1: The elements of CWC

Our environmental impact

Our environmental impact is measured by our carbon footprint. This is made up from our operations including: the energy used to heat our premises; the electricity we consume; the water we use; emissions from Trust owned vehicles and from our business travel or 'grey fleet' mileage, which includes the miles driven in staff-owned vehicles. Our carbon footprint in 2020-21 is illustrated using figures 2 and 3 below.

Figure 2: ESHT Carbon emissions against 2020 target

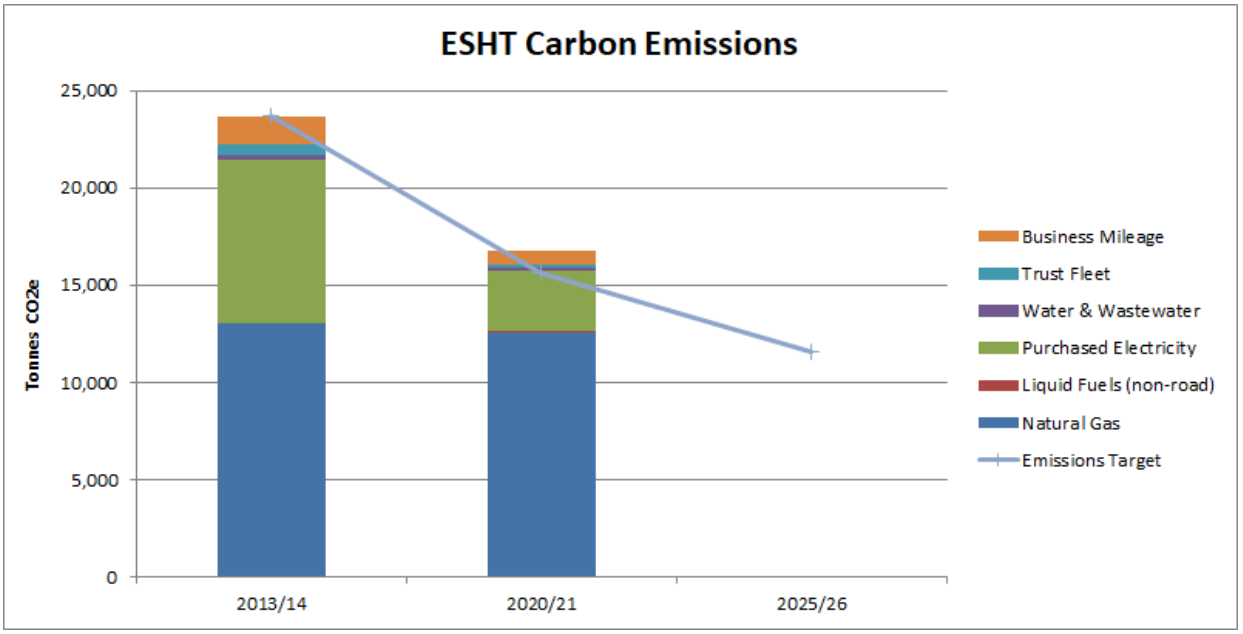


Figure 3: ESHT Carbon Footprint

EMISSION SOURCE	2020-21	2013-14 (BASE YEAR)
ESHT Carbon Footprint – tonnes CO_2e[1]		
Natural Gas	12,604	13,021
Liquid Fuels	49	12
Purchased Electricity	3,094	8,447
Water & Wastewater	171	207
Trust Fleet	132	519
Business Mileage	683	1,471
TOTAL	**16,734**	**23,678**

The Trust's absolute carbon footprint has reduced by 29% (6,945 tonnes CO2e) since our base year in 2013/14 against a 2020/21 target of a 34% reduction. We are aware of the need to continue to make considerable emissions reductions to meet our net zero carbon target by 2040 in line with the recent targets set out in the national strategy '*A net zero National Health Service'*. The Trust is in the process of updating its strategy for sustainability and has also been liaising with external contractors through the Energy Performance Contract (EPC) and HIP2 funding scheme to develop an approach to meeting the net zero carbon goal.

Our journeys, which include all business related travel and staff driving their own vehicles for work purposes are also measured using our carbon footprint. We have seen a reduction of 53.6% since our base year; reductions over the past 12 months, particularly in staff travel can

be attributed to the response to the pandemic and the increased use of MS Teams to facil,itate video conferencing by staff.

We also measure and monitor the waste we generate at our five main sites. During 2020/21 we used 137 tonnes of reusable sharps containers. Covid-19 cases caused an increase of infectious waste at the Trust from 303 tonnes in 2019/20 to 501 tonnes in 2020/21.

Sustainability and Covid-19

Covid-19 had an undeniably profound impact on the NHS in 2020/21. From a sustainability perspective the pandemic significantly increased the purchase, use and disposal of healthcare items including a marked increase in PPE. The introduction of digital technologies for clinical consultations was expedited, alongside a shift to videoconferencing for both internal and external meetings which has contributed to a reduction in travel.

Key Highlights in 2020/21:

- **Buildings**: This year, the Trust's EPC reached practical completion and this has seen the installation of a new Combined Heat and Power (CHP) unit at Conquest along with a new chiller that can produce cooling, in part, by utilising waste heat from the CHP. New burners have been installed on the boilers at Eastbourne DGH and high efficiency LED lighting has been installed across the Trust's estate. The project will pay for itself through the revenue generated by the CHP over the contract term. Additionally, the modernisation of the site's heating systems has helped to reduce backlog maintenance risk as well as future-proofing the site for low carbon heating retrofits once new technologies become available.

- **Journeys**: Pool car use was impacted by Covid-19 because car sharing was suspended. The switch to more online meetings also had an impact and is an important step towards reducing unnecessary travel. To avoid the pool cars sitting idle, they were instead used to support Community Covid-19 Testing and PPE deliveries. Total mileage in our hybrid engine pool cars was 50,000 miles. The Trust has also taken advantage of the relaxed rules about cycle scheme payment limits to offer staff more generous allowance and repayment terms for both of the schemes available. In the last financial year, we received 74 applications from staff, twice as many as the previous year.

- **Circular economy**: This year the waste team's work has primarily focused on the operational response to Covid-19. Next year, we are planning to drive waste minimisation by restarting our waste audit programme across wards and clinical spaces, revisiting our community sites and improving the team's health and wellbeing by carrying out weekly nature walks.

- **Governance**: The delivery, monitoring and reporting of our Green Plan is supported by Sussex Community NHS Foundation Trust's Sustainability and Environment Team. In 2020-21 we worked to refresh our strategy in line with the targets set out in the NHS Long Term Plan and the more recent '*A Net Zero National Health Service Strategy*' with a medium term target of 51% reduction in CO2 emissions and a longer term target of net zero carbon by 2040. The Sustainability and Environment Team assists with

implementing key aspects of the programme, working alongside teams within in the Trust and feeding into Chris Hodgson, Director of Estates and Facilities who is the Trust Board's lead for sustainability. In 2021-22 we will finalise our strategy and implement a new sustainability related governance group to further embed our work within the Trust.

- **Culture**: The reduction of anaesthetic gases has continued and a recent review of their carbon impact shows that they account for around 11% of the Trust's total carbon emissions. As part of our work in 2021/22, we will include anaesthetic gases into our reported carbon footprint. Also, this year the Trust took part in the regional sustainability campaign, 'Swap in September' aiming to improve local air quality and promote active travel. In 2021/22 we will look to restart our sustainability related communications.

- **Wellbeing**: During the pandemic the Trust has continued to work on ensuring staff wellbeing. The previously mentioned *Swap* in September campaign also aims to encourage more forms of active travel, whilst improving local air quality and reinforcing the links between climate and health.

- **Future**: We are continuing to support joint working within the Sussex ICS. In 2021/22, we plan to work with our partners in the region to deliver joint sustainability projects. The climate change risk assessment we had planned for 2020/21 was postponed due to the pandemic and we now plan to complete this next year.

This performance report was approved by the Board on 9th July 2021 and signed on its behalf by:

Signed  Joe Chadwick-Bell, Chief Executive

Date 09.07.21

Accountability Report

Directors' Report

Trust Board

The Board of Executive and Non-Executive directors manage the Trust, with the Chief Executive being responsible for the overall running of our healthcare services as the Accountable Officer.

Board members as at 31 March 2021	
Chair Steve Phoenix	• Chair of Trust Board • Chair of Finance and Investment Committee • Chair of Strategy Committee • Member of Remuneration Committee
Chief Executive Joanne Chadwick-Bell	
Non-Executive Directors	
Jackie Churchward-Cardiff	• Vice Chair of Trust Board • Senior Independent Director • Chair of Quality and Safety Committee • Chair of Remuneration Committee • Member of Finance and Investment Committee • Member of Strategy Committee
Miranda Kavanagh	• Chair of People and Organisational Development Committee • Member of Finance and Investment Committee • Member of Remuneration Committee • Member of Strategy Committee
Karen Manson	• Member of Audit Committee • Member of Quality and Safety Committee • Member of Strategy Committee • Member of Remuneration Committee
Paresh Patel	• Member of Audit Committee • Member of Finance and Investment Committee • Member of Strategy Committee
Nicola Webber	• Chair of Audit Committee • Member of Finance and Investment Committee • Member of Strategy Committee

Associate Non-Executive Directors	
Amanda Fadero	• Member of People and Organisational Development Committee • Member of Finance and Investment Committee • Member of Quality and Safety Committee • Member of Strategy Committee
Carys Williams	• Member of People and Organisational Development Committee • Member of Strategy Committee

Executive Directors and Officers
Tara Argent, Chief Operating Officer
Vikki Carruth, Chief Nurse & Director of Infection Prevention and Control (DIPC)
Damian Reid, Chief Finance Officer
Dr. David Walker, Medical Director
Steve Aumayer, Chief People Officer*
Richard Milner, Director of Strategy Innovation & Planning *
Lynette Wells, Director of Corporate Affairs*

* *Non-voting Board member/officer*

Board changes during the year are outlined below:

Name	Role/Position	Dates of Change
Vikki Carruth	Job title changed from Director of Nursing to Chief Nurse & Director of Infection Prevention and Control (DIPC)	1April 2020
Damian Reid	Chief Finance Officer	Joined 6 April 2020
Catherine Ashton	Changed role from Director of Strategy to Director of Covid-19 Planning	1 May 2020 Retired 30 June 2020
Richard Milner	Director of Strategy Innovation & Planning	Joined 1 May 2020
Barry Nealon	Non-Executive Director	Retired 30 June 2020

Jackie Churchward-Cardiff	Became Vice Chair and Senior Independent Director	1 July 2020
Paresh Patel	Changed role from Associate Non-Executive Director to Non-Executive Director	1 July 2020
Amanda Fadero	Associate Non-Executive Director	Joined 1 July 2020
Joanne Chadwick-Bell	Changed role from Chief Operating Officer to Deputy Chief Executive Changed role from Deputy Chief Executive to Chief Executive	6 July 2020 25 September 2020
Imran Devji	Interim Chief Operating Officer	Joined 6 July 2020 Left 8 November 2020
Dr. Adrian Bull	Chief Executive	Retired 25 September 2020
Tara Argent	Chief Operating Officer	Joined 1 November 2020
Steve Aumayer	Chief People Officer	Joined 16 November 2020
Monica Green	HR Director	Retired 30 November 2020

Attendance at Trust Board meetings 2020/21

	7/4/20	2/6/20	4/8/20	6/10/20	1/12/20	9/2/21	
Steve Phoenix	✓	✓	✓	✓	✓	✓	6 / 6
Barry Nealon	✓	✓	-	-	-	-	2 / 2
Jackie Churchward-Cardiff	✓	✓	✓	✓	✓	✓	6 / 6
Miranda Kavanagh	✓	✓	✓	✓	✓	✓	6 / 6
Karen Manson	✓	✓	✓	✓	✓	✓	6 / 6
Paresh Patel	✓	✓	x	✓	✓	✓	5 / 6
Nicola Webber	✓	✓	✓	✓	✓	✓	6 / 6
Carys Williams*	✓	✓	✓	✓	✓	✓	6 / 6
Dr. Adrian Bull	✓	✓	✓	-	-	-	3 / 3
Joe Chadwick-Bell	✓	✓	✓	✓	✓	✓	6 / 6
Catherine Ashton*	✓	✓	-	-	-	-	2 / 2
Vikki Carruth	✓	✓	✓	✓	✓	✓	6 / 6
Monica Green*	✓	✓	✓	✓	-	-	4 / 4
Damian Reid	✓	✓	✓	✓	✓	✓	6 / 6
Dr. David Walker	✓	✓	✓	✓	✓	✓	6 / 6
Lynette Wells*	✓	✓	✓	✓	✓	✓	6 / 6
Richard Milner*	-	✓	✓	✓	✓	✓	5 / 5
Imran Devji	-	-	✓	✓	-	-	2 / 2
Amanda Fadero*	-	-	✓	✓	✓	✓	4 / 4
Tara Argent	-	-	-	-	✓	✓	2 / 2
Steve Aumayer*	-	-	-	-	✓	✓	2 / 2

** Non-voting Board member/officer*

Trust Board Register of Interests

Non-Executive Directors	Steve Phoenix	• Wife is chair of Sussex Beacon and Sussex Audiology
	Barry Nealon	• Chairman of Rye, Winchelsea & District Memorial Hospital.
	Jackie Churchward-Cardiff	• None
	Amanda Fadero	• Non-Executive Director at the Royal Papworth NHS Foundation Trust • Trustee of the Nelson Trust Charity
	Miranda Kavanagh	• None
	Karen Manson	• Director of Manson Associates (Global) Limited (MAGL) • Shareholding in Johnson & Johnson
	Paresh Patel	• None
	Nicola Webber	• Non-Executive Director of 2gether Support Solutions • Mother-in-law is Associate Non-Executive Director at Maidstone & Tunbridge Wells NHS Trust
	Carys Williams	• None
Executive Directors	Dr. Adrian Bull	• None
	Joanne Chadwick-Bell	• None
	Tara Argent	• None
	Catherine Ashton	• None
	Steve Aumayer	• Owner of Teyr Consulting Ltd, which was dissolved on 23.3.21
	Vikki Carruth	• None
	Imran Devji	• None
	Monica Green	• None
	Richard Milner	• None
	Damian Reid	• None
	Dr. David Walker	• Trustee of Parchment Trust • Private Cardiology Practice at Spire Sussex Hospital
	Lynette Wells	• None

Each director has confirmed that as far as he/she is aware there is no relevant audit information of which the Trust's auditors are unaware and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The following table outlines the notice periods for directors and officers in post at 31 March 2021:

Name	Start Date	Notice period
Joe Chadwick-Bell Chief Executive	November 2016	6 months
Dr. David Walker Deputy Chief Executive & Medical Director	September 2016	6 months
Tara Argent Chief Operating Officer	November 2020	6 months
Steve Aumayer Chief People Office	November 2020	6 months
Vikki Carruth Chief Nurse & DIPC	October 2017	6 months
Richard Milner Director of Strategy Innovation & Planning	May 2020	6 months
Damian Reid Chief Finance Officer	June 2020	6 months
Lynette Wells Director of Corporate Affairs	February 2012	6 months

For statements on salary and pension benefits for all senior management who served during 2020/21, please see tables on pages 78-80.

Trust Committees

Audit Committee

The Audit Committee was chaired by Nicola Webber and met on seven occasions during 2020/21.

The Committee is responsible for providing the Board with advice and recommendations on matters which include:

- the effectiveness of the framework of controls within the Trust
- the adequacy of arrangements for managing risk and how these are implemented
- the adequacy of plans of internal and external audits and how they perform against these
- the impact of changes to accounting policy
- the review of tenders and waivers issued by the Trust
- the review of the annual report and accounts

The Trust's external auditor is Grant Thornton UK LLP, appointed for a period of three years in 2018.

Committee Attendance

Non-Executives form the Audit Committee, Finance and Investment Committee, People and Organisational Development Committee, Quality and Safety Committee and Strategy Committee.

Committee Attendance during 2020/21 was as follows:

	Audit (7 meetings)	Finance & Investment (5 meetings)	People & Organisational Development (7 meetings)	Quality & Safety (10 meetings)	Strategy (5 meetings)
Jackie Churchward-Cardiff	4/5	4/5	-	10/10	4/5
Amanda Fadero	-	-	6/7	7/9	5/5
Miranda Kavanagh	-	5/5	7/7	-	5/5
Karen Manson	5/5	1/1	-	10/10	5/5
Barry Nealon	1/2	1/1	-	-	-
Paresh Patel	6/6	5/5	-	-	5/5
Steve Phoenix	-	5/5	-	-	4/5
Nicola Webber	7/7	5/5	-	1/1	5/5
Carys Williams	2/2	-	6/7	-	5/5

All of the meetings of the Trust's Committees during 2020/21 were quorate.

Modern Slavery and Human Trafficking Act 2015 Annual Statement

The Trust's commercial income does not reach the £36m threshold at which we are required to prepare an annual slavery and human trafficking statement.

Anti-Bribery and Anti-Corruption

One of the basic principles of public sector organisations is the proper use of public funds. The majority of people who work in the NHS are honest and professional and they find that fraud and bribery committed by a minority is wholly unacceptable as it ultimately leads to a reduction in the resources available for patient care.

The Trust Board is committed to maintaining high standards of honesty, openness and integrity within the organisation. It is committed to the elimination of fraud, bribery and corruption within the Trust, and to the rigorous investigation of any suspicions of fraud, bribery or corruption that arise.

The Trust has procedures in place that reduce the likelihood of fraud, bribery or corruption occurring. These include Standing Orders, Standing Financial Instructions, authorised signatories, documented procedures, procurement procedures, disclosure checks, and "Whistleblowing". Additionally, the Trust, aided by its Local Counter Fraud Specialist (LCFS), attempts to ensure that a risk (and fraud) awareness culture exists within the organisation. The Trust adopts a zero tolerance attitude to fraud and bribery within the NHS. The aim is to eliminate all fraud and bribery within the NHS as far as possible.

Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

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

As far as I am aware, there is no relevant audit information of which the Trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed  Chief Executive

Date 9th July 2021

Annual Governance Statement

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of East Sussex Healthcare NHS Trust, to evaluate the likelihood of those risks materialising and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in East Sussex Healthcare NHS Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

There are robust processes in place throughout the organisation to enable identification and management of current risk and anticipation of future risk. Leadership arrangements for risk management are clearly documented in the Trust's Risk Management Policy which provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, management and financial processes across the organisation. This Policy was updated in December 2020.

Leadership starts with the Chief Executive having overall responsibility, with delegation to named Executive Directors and Divisional and clinical leaders. The leadership is further embedded by ownership at a local level by managers taking responsibility for risk identification, assessment and analysis. Terms of reference clearly outline the responsibilities of committees for oversight of risk management.

All new members of staff are required to attend a mandatory induction that encompasses key elements of risk management. This is further supplemented by local induction. The organisation provides mandatory and statutory training that all staff must complete, and in addition to this, specific training about individuals' responsibilities is also provided. There are many ways that the organisation seeks to learn from good practice and this includes incident reporting procedures and debriefs, complaints, claims and proactive risk assessment. This information is filtered to frontline staff through incident reporting feedback, team meetings and briefings, the extranet and newsletters.

4. Risk and Control Framework

The Trust has in place an ongoing process to:

- Identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically;
- Ensure lessons are learnt from concerns and incidents in order to share best practise and prevent reoccurrence.

Risk management requires participation, commitment and collaboration from all staff. Risks are identified, analysed, evaluated and controlled through a robust governance process which includes incident reporting, risk assessment reviews, clinical audits and other clinical and non-clinical reviews with a clearly defined process of escalation to risk registers.

The risk registers are real-time documents which are populated through the organisation's risk assessment and evaluation processes. This enables risks to be quantified and ranked. A corporate high level risk register populated from the risk registers of divisions and departments is produced and establishes the organisational risk profile. The Trust's risk appetite has been defined by the Board and was refreshed in September 2020. The appetite indicates how much, or little, risk the Trust wishes to accept when reviewing service changes or investment.

The Trust manages its financial risks using a wide range of management tools. Performance against budgetary targets is recorded, analysed and reported monthly. This information is monitored and challenged both internally and externally. In addition to performance assessment, financial control and management is continually assessed by internal and external audit, and counter fraud teams. Reports from these parties are presented to the Audit Committee. Operational management, finance, purchasing and payroll teams are segregated to reduce conflicts of interest and the risk of fraud. Segregation is enhanced and reinforced by IT control systems which limit authority and access.

Compliance with statutory and regulatory requirements is monitored and actions agreed. This includes Board reviews of an integrated performance at each Board meeting, tracking performance against standards and actions taken to address variances.

Data security is reported at each meeting of the Audit Committee. Through the Trust's Information Governance Steering group, risks are highlighted and mitigating actions scrutinised.

All risks are routinely reviewed at Divisional Governance Meetings and Team Meetings and discussed at Integrated Performance Reviews (IPR) which take place monthly and involve divisions and the executive team. The High Level Risk Register is scrutinised by the Senior Leaders Forum and is also presented to the Audit and Quality and Safety Committees at each meeting. The Trust's BAF provides assurance that a robust risk management system underpins the delivery of the organisation's principal objectives. It clearly defines the:

- Trust's principal objectives and the principal risks to the achievement of these objectives
- Key controls by which these risks can be managed
- Independent and management assurances that risks are being managed effectively
- Gaps in the effectiveness of controls and assurance; and
- Actions in place to address highlighted gaps

The BAF is updated quarterly and was regularly reviewed and revised by the Board and by all of its sub-committees. Gaps in control and assurance related to workforce and finance were also considered by the People and Organisational Development Committee and Finance and Investment Committee. The Board considered that the BAF identified the principle strategic risks to the organisation and that these risks were effectively controlled and mitigated in order for the Trust to achieve its strategic aims and objectives.

Internal audit gave Reasonable Assurance over the BAFand Risk Management processes in March 2021. The audit recognised that despite the unique pressures of the response to the pandemic, risk management has been substantially maintained and there had been recent updating of risk appetite, incorporating best practice guidance. There were actions identified in relation to ensuring that target risk scores were aligned to the Trust's risk appetite and ensuring that all risks were reviewed regularly.

NHS Provider Licence Conditions: The Trust Board completes an annual self-certification to confirm the organisation can meet the obligations set out in the NHS provider licence and has complied with governance requirements.

Workforce Safeguards: 'Developing Workforce Safeguards' (DWS), a comprehensive set of national guidelines on workforce planning was introduced in 2019 and includes recommendations on reporting and governance approaches to support safe, sustainable and productive workforce planning.

Due to impact of the global pandemic, further focused work on refining the processes and documents associated with DWS has been limited. The Trust workforce plan strategy is currently being redefined to support the delivery of healthcare excellence across short, medium and long term timelines. This plan continues to integrate with the ICS/STP Workforce Strategic priorities; maintaining workforce through retention, boosting workforce supply through recruitment, meeting demand differently through skill mix/transformation and reducing temporary staff usage through efficiency to ensure we maintain the right staff, with the right skills, in the right place, at the right time. These themes have not changed, as they are recognised as both regional and national challenges so a greater focus has been placed on developing a collaborative system solution to address workforce priorities.

Ensuring that staffing processes are safe, sustainable and effective is paramount in all aspects of planning and deployment. A robust governance framework is in place to facilitate this; including workforce governance and quality and safety governance policies, effective systems and processes. In addition, the Quality and Safety Committee scrutinise a broad range of detailed information to provide assurance, oversee the mitigation of risk and focus on achieving excellent patient and staff outcomes. The Trust Board receives

quality, performance, workforce and financial information in the IPR on a bi-monthly basis. This is presented at a meeting that is open to public scrutiny.

Annual staffing establishment reviews are included within the business planning process. However, due to the pandemic, there is a greater emphasis on the system driven targeting of activity levels to return to a stable pre-Covid level. All plans are developed and reviewed through a number of meetings, groups and committees to assure quality, safety, financial and logistical impacts have been assessed and approved appropriately. Where available, clinical staffing establishments are developed using evidence based tools as well as guidance, professional judgement and outcomes. Not all specialties and staff groups have a formal model in place to ratify planning assumptions. However, where the tools and guidance are available, they are used to support establishment setting. The consistency of information is being strengthened across all staff groups and provided to the clinical leads to support the establishment review process with professional judgement and consideration of patient and staff outcomes by specialty.

Staff deployment through e-rostering is in place with further development of e-job planning to ensure coverage of medics, Specialist Nurses and AHPs. This supports efficient deployment and identification of opportunities for improving productivity and the elimination of waste, focusing on freeing up clinicians' time with patients. The Trust is undertaking a Rostering Planning & Deployment Review for all staff groups to ensure the maximisation of substantive resource, reducing pressure on our Temporary Workforce Solutions team and resources and improving fill rates for all services. This will include mapping of processes, digitalisation of all manual entry where appropriate and an education leaders' programme to support workforce planning and deployment excellence.

For nursing, there is a Safecare Lead who will focus on compliance assurance and act as a 'critical friend' for the operational teams over and above the support service already provided to each service. Nursing also access the Excellence in Care dashboard to review and monitor quality, safety and workforce key metrics. There are also twice daily staffing reviews using Safe Care to ensure that staff are safely deployed on the day. Assurance is also provided via a monthly safer staffing meeting. Care Hours Per Patient Day (CHPPD) is in place for nursing staff; however there is an absence of any national metrics / NHSI/ E guidance for other professional staff groups.

The Developing Workforce Safeguards action plan and recommendations are being monitored via the People and Organisational Development Committee to reach full compliance and the IPR work is underway to strengthen visibility of staff deployment across all staff groups.

Care Quality Commission (CQC): The Trust is fully Compliant with the registration requirements of the CQC. The Trust was last inspected at the end of 2019 and was rated Good overall; Outstanding for being caring and effective; and Good for being safe, responsive and well-led. Conquest Hospital and Community services were both rated outstanding overall. The Trust was rated Requires Improvement for using its resources productively.

Register of Interests: The Trust has a policy in place in respect of declarations of interest and a new process for recording declarations was introduced during the year. Declarations are now accessed and recorded through the electronic staff record system. Communication is ongoing to raise awareness of the requirements and process. The Trust

published an up-to-date register of interests on its website, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

NHS Pension Scheme: As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure compliance with all employer obligations contained within the Scheme's regulations. These include ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Equality and Diversity: Control measures are in place to ensure that the Trust complies with obligations under equality, diversity and human rights legislation are complied with. The Trust has an Equality Strategy which details how the Trust will eliminate discrimination, advance equality and foster good relations between people who share certain characteristics and those who do not. The Board also considers an Annual Equality Information Report and progress against delivering the outcomes of the Equality Delivery System and Workforce Race Equality Standards. Equality impact assessments are completed for all Trust policies, significant projects and service redesign to identify and address existing or potential inequalities.

Climate Change: The Trust has undertaken risk assessments and has a sustainable development management plan in place in accordance with emergency preparedness and civil contingency requirements which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures compliance with its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

5. Review of the effectiveness of risk management and internal control

The Trust has a robust process in place for incident reporting and investigation, complaints handling, risk management and the BAF. There is a programme of training for root cause analysis and risk, and incident reporting and duty of candour are embedded across the organisation. Training and awareness supports an effective incident reporting culture, although levels of incidents relating to patient harm remain low.

Categories of Serious Incidents are outlined in a national framework and include acts or omissions in care that result in: unexpected or avoidable death; unexpected or avoidable injury resulting in serious harm - including those where the injury required treatment to prevent death or serious harm; abuse; Never Events; incidents that prevent (or threaten to prevent) an organisation's ability to continue to deliver an acceptable quality of healthcare services; and incidents that cause widespread public concern resulting in a loss of confidence in healthcare services.

The Trust reported 46 Serious Incidents during 2020/21, a reduction on the previous year. There were two serious incidents which were subsequently downgraded. Each incident was investigated and actions agreed and implemented. The Trust had five Never Events in 2020/21 (also included in the SI figures).

In late 2020, there was a significant rise in Serious Incidents reported and an increase in those categorised as treatment delay. A review was undertaken of all severity three, four and five incidents reported between 01/11/20 and 31/12/20 to establish any themes or

trends, including those categorised as treatment delay. The outcome was that no specific trends or themes were identified. In quarter four, the number of Serious Incidents reduced as did the number of those attributed to treatment delay. Serious Incidents are reviewed by the Quality and Safety Committee and Trust Board.

The Trust has a Duty of Candour Policy and ensures that, as part of any investigation into Serious Incidents or complaints, there is clear, open and honest communication with patients and their families/carers and that a process for shared learning is in place.

The Trust has an accountability framework which sets out expectations regarding roles, responsibilities and accountability; the leadership model at all levels; and the Trust operating structure to ward and service level.

6. Governance Framework

Agreed Standing Orders, a Scheme of Matters Reserved to the Board, a Scheme of Delegation to officers and others and Standing Financial Instructions are in place. These documents, in conjunction with policies set by the Board provide the regulatory framework for the business conduct of the Trust and define its ways of working. The Standing Orders, Scheme of Delegation and Standing Financial Instructions were reviewed and strengthened and approved by the Trust Board in February 2021.

Best practice in governance states that the Board should be of sufficient size that the balance of skills, capability and experience is appropriate for the requirements of the business. The Trust Board has a balance of skills and experience appropriate to fulfilling its responsibilities and is well balanced with a Chairman, five non-executive directors and five voting executive directors. In line with best practice, there is a clear division of responsibilities between the roles of Chairman and Chief Executive. The Board complies with the HM Treasury/Cabinet Office Corporate Governance Code where applicable.

There were a number of changes to the Board during the period. Dr Adrian Bull retired in September 2020 and Joanne Chadwick-Bell was appointed interim Chief Executive. Catherine Ashton, Director of Strategy, left the Trust in July 2020 and Richard Milner took up the position. Monica Green retired in November 2020 and Steve Aumayer joined as Chief People Officer. Damian Reid joined the Trust as Chief Financial Officer in April 2020. Barry Nealon, Non-Executive, reached the end of his tenure in July 2020 and was replaced by Paresh Patel, who was formerly an Associate Non-Executive Director. Amanda Fadero joined the Board as Associate Non-Executive Director in July 2020.

In addition to the responsibilities and accountabilities set out in their terms and conditions of appointment, Board members also fulfil a number of “Champion” roles where they act as ambassadors for matters including health and safety, staff wellbeing, business continuity, maternity and organ donation.

The Trust has nominated a non-executive director, Jackie Churchward-Cardiff, as Vice Chairman and Senior Independent Non-Executive Director (SID). The role of the SID is to be available for confidential discussions with other directors who may have concerns which they believe have not been properly considered by the Board, or not addressed by the Chairman or Chief Executive, and also to lead the appraisal process of the Chairman. The SID is also available to staff in case they have concerns which cannot, or should not, be addressed by the Chairman, Executive Directors or the Trust’s Speak Up Guardians as outlined in the Trust’s Raising Concerns (Whistleblowing) Policy.

The Trust has a Fit and Proper Persons Policy and processes to ensure that people who have director level responsibility for the quality and safety of care, and for meeting the Care Quality Commission fundamental standards, are fit and proper to carry out their roles. Directors and officers complete an annual declaration that they remain 'Fit and Proper Persons' to be directors and this is reviewed by the Remuneration Committee.

Board Effectiveness: All Board members participate in the annual appraisal process and objectives are agreed and evaluated.

The Board has a tailored seminar programme in place to support the development of Board knowledge and allow in depth discussion and exploration of key issues. The Board also undertakes development both as a group and individually. This includes facilitated sessions as well as attendance at national events and individual coaching and mentoring.

Pre-Covid, Board members undertook 'board walks' to develop their understanding of the organisation and the organisation's understanding of the Board. These visits add to and complement the assurance provided to the Board through regular reporting on compliance with local, national and regulatory quality standards. Board members undertook some virtual meetings with teams during the pandemic and the programme of visits has been restored safely in April 2021.

Committee Structure: The Trust Board meets bi-monthly in public and also holds seminars covering key issues and Board development in the month where there is no public Board meeting. Committees of the Board include Audit, Remuneration and Appointments, Finance and Investment, Quality and Safety, People and Organisational Development and Strategy. The Chairman of the Trust chairs the Finance and Investment and Strategy Committees; all other Committees are chaired by a non-executive director of the Trust and membership of the Audit and Remuneration and Appointments Committees comprise only non-executive directors. Terms of reference outline both quoracy and expected attendance at meetings, and the Board receives a report from each Committee Chair at each Board meeting.

The Board and its Committees streamlined their agendas and moved to virtual meetings in response to the Covid 19 Pandemic. Members of the public were able to join virtual public Board meetings as observers. Committee chairs have held regular calls with executive colleagues and a weekly Board catch up meeting was scheduled to ensure everyone was appraised of key matters.

Information Governance (IG): During 2020/21 staff reported 178 IG incidents on our Trust incident reporting system, 161 of these were scored against the Trust's incident scoring as either 'negligible or none' for severity, 11 were scored as 'low or minor', three were scored as 'medium or moderate' and, one was scored as a 'major'. This indicates that the majority of incidents had no impact upon information security. All incidents are investigated and actions implemented to prevent reoccurrence. During the year, two incidents were reported on the Data Security & Protection Toolkit, but neither of them reached the threshold for onward reporting to the Information Commissioner's Office.

Data Quality: Data quality and integrity is central to our commitment to provide continual assurance at a Trust level, within forums and through quality assurance audits, including external review by TIAA audits and other external companies. The Trust assures the quality and accuracy of NHS Constitutional mandatory reporting and at an operational

level, patient tracking lists (PTL), including those on the 'Referral To Treatment' and cancer pathways, are scrutinised in weekly PTL and performance meetings.

7. Review of economy, efficiency, effectiveness of the use of resources.

Financial governance arrangements are reviewed by internal and external auditors to provide assurance of economic, efficient and effective use of resources. The Trust also reviews data such as the Model Hospital to benchmark itself against other providers and seeks to make improvements. There has been positive engagement with the GIRFT workstreams across the organisation.

The Trust ended the 2020/21 financial year with an £11,000 surplus.

8. Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. The timeline for the production of the Annual Quality Account was deferred to 15 December 2020 due to the Covid-19 pandemic. The Annual Quality Account for 2020/21 is being developed in line with relevant national guidance and priorities have already been developed following feedback from patients, staff and external stakeholders.

Quality is a core component of our strategy to be Outstanding and always improving and through the hard work and commitment of our staff we continue to deliver safe, effective and high quality services whilst at the same time targeting priority areas for improvement. Quality is considered through our divisional governance structure and this feeds up to the Quality and Safety Committee.

9. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and Quality and Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The review of effectiveness of the system of internal control is informed by the work of the Trust's internal auditor, TIAA, who deliver a risk based annual plan of audits over a wide range of areas and track progress on implementing agreed recommendations arising from their work. The auditor's overall opinion was that reasonable assurance could be given that there was a generally sound system of internal control, designed to meet the organisation's objectives, and that controls were generally being applied consistently. There were some weaknesses in the design and/or inconsistent application of controls which put the achievement of particular objectives at risk and the Trust will continue to work with auditors to increase assurance in these areas.

In addition, the Trust has received external accreditation from other external bodies such as JAG accreditation for endoscopy services and quality assurance reports for services including cervical screening and antenatal and newborn screening.

My review of the effectiveness of the systems of internal control has also taken account of the work of the executive management team within the organisation, which has responsibility for the development and maintenance of the internal control framework and risk management within their discrete portfolios.

The Board and its sub-committees maintain continuous oversight of the effectiveness of the Trust's risk management and internal control systems. The Board meets every other month in public and holds seminars in the month where there are not public meetings. The Audit Committee supports the Board by critically reviewing the governance and assurance processes on which the Board places reliance. This encompasses: the effectiveness of Trust governance; risk management and internal control systems; the integrity of the financial statements of the Trust, in particular the Trust's Annual Report; the work of internal and external audit and any actions arising from their work; and compliance by the Trust with relevant legal and regulatory requirements.

As one of the key means of providing the Trust Board with assurance that effective internal control arrangements are in place, the Audit Committee requests and receives assurances and information from a variety of sources to inform its assessments. This process has also included calling managers to account, when considered necessary, to obtain relevant assurance and updates on outcomes. The Committee also works closely with executive directors to ensure that assurance mechanisms within the Trust are fully effective, and that a robust process is in place to ensure that actions identified by internal audits and external reviews are implemented and monitored by the Committee. The need to provide assurance of controls in place in relation to cybersecurity, transition to meet the requirements of the General Data Protection Regulations and updates on the work of both internal and external audit and counter fraud have been reviewed by the Committee.

Alongside the Audit Committee, the Finance and Investment and Strategy Committees provide support to the Trust Board to understand the financial challenges, risk and opportunities for the Trust and to provide oversight of the effectiveness of the Trust's financial governance.

The Quality and Safety Committee assists the Board in being assured that the Trust is meeting statutory quality and safety requirements and to gain insight into issues and risks that may jeopardise the Trust's ability to deliver quality improvement. During the year, the Quality and Safety Committee reviewed and endorsed the Trust's quality improvement priorities for subsequent publication in the Quality Account. It undertook "deep dive" reviews of areas highlighted through external review and internal risk management processes.

Strategic oversight of workforce development, planning and performance is within the People and Organisational Development Committee's remit. It provides assurance to the Board that the Trust has the necessary strategies, policies and procedures in place to ensure a high performing and motivated workforce that is supporting the Trust's objectives and organisational success.

Covid-19 pandemic

Our controls and assurances were tested by the second wave of the Covid-19 pandemic which had a significant impact on the Trust in the last six months of the financial year. We made available the maximum possible inpatient and critical care capacity in order to respond to the large numbers of Covid-19 patients requiring acute care. This included suspending non-urgent elective activity, increasing equipment and beds stocks, redeploying staff and minimising the burden by streamlining governance arrangements.

To ensure co-ordinated and effective controls were in place a governance framework was implemented to support managing the incident including a daily multi-disciplinary management meeting. Risks related to the pandemic were identified and included on a risk register, including challenges faced by staff sickness and self-isolating or shielding. A range of tactical groups, including a clinical advisory group, met to review and make recommendations on any clinical matters and reported in to the Incident Management Team. Internal auditors reviewed Covid related governance in the Trust and reasonable assurance was given.

The suspension of activity has resulted in an increased number of patients waiting for their treatment and impacted the Trust's compliance with statutory and regulatory performance requirements. At the time of writing a recovery programme is being developed.

10. Conclusion

In line with the guidance on the definition of the significant internal control issues, I have not identified any significant control issues.

Joanne Chadwick-Bell
Chief Executive

Statement of Directors' Responsibilities in Respect of the Accounts

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

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

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

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

9th July 2021 Date Chief Executive

9th July 2021 Date Chief Financial Officer

Remuneration and Staff Report

Remuneration Report

The Remuneration and Appointments Committee is a non-executive subcommittee of the Board and oversees the appointments of the Chief Executive and Executive Directors and agrees the parameters for the senior appointments process. The Committee agrees and reviews the Trust policies on the reward, performance, retention and pension matters for the executive team and any relevant matters of policy that affect all staff.

The Committee is chaired by the Senior Independent Non-executive Director and membership also comprises the Chairman of the Board and two other non-executive directors. The Chief Executive, Human Resources Director and Director of Corporate Affairs attend meetings in an advisory capacity except when issues relating to their own performance, remuneration or terms and conditions are being discussed.

Quoracy for the meeting is three members of which one must be the Committee Chairman or, in his absence, the Trust Chairman. Under delegated authority from the Trust Board, the Committee determines the appropriate remuneration and terms of service for the Chief Executive and Executive Directors having proper regard to national arrangements and guidance.

The Committee also advises on, and oversees, the appropriate contractual arrangements with the Chief Executive and Executive Directors, including the proper calculation and scrutiny of termination payments, taking account of national guidance as appropriate.

The remuneration rates are determined by taking into account national benchmarking and guidance in order to ensure fairness and proper regard to affordability and public scrutiny. The remuneration of the Chief Executive and executive directors are set at base salary only without any performance related pay. In line with national guidance, remuneration for all new executive directors includes an element earn back pay related to achievement of objectives. The earn back figure is included in the base salary. Treasury approval for “Very Senior Managers” pay exceeding the Prime Minister’s salary is also required.

In addition, the Committee monitors the performance of the Chief Executive and executive directors based on their agreed performance objectives.

Matters considered in 2020/21 included:

- Chief Executive’s report on individual Directors’ performance and objectives
- Annual performance review for Chief Executive
- Review of Senior NHS Salaries
- Approval of relevant appointments and terminations
- Clinical Excellence Awards

Due to nature of the business conducted, Committee minutes are considered confidential and are therefore not in the public domain. The Chair of the Committee draws to the Board’s attention any issues that require disclosure to the full Board or require Executive action.

Salary and Pension entitlements of senior managers - Single total figure table – audited

Table A

A)	Single total figure table	2020.21						2019.20					
	Name and Title	Salary (bands of £5,000) £'000	Expense payments (taxable) to nearest £100 £	Performance pay and bonuses (bands of £5,000) £'000	Long Term Performance pay and bonuses (bands of £5,000) £'000	All pension-related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000	Salary (bands of £5,000) £'000	Expense payments (taxable) to nearest £100 £	Performance pay and bonuses (bands of £5,000) £'000	Long Term Performance pay and bonuses (bands of £5,000) £'000	All pension-related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000
	Steve Phoenix	35 - 40	100	0	0	0	**40 - 45**	35 - 40	200	0	0	0	**40 - 45**
	Chairman												
	Barry Nealon	0 - 5	0	0	0	0	**0 - 5**	5 - 10	0	0	0	0	**5 - 10**
	Vice Chairman (retired 30th June 2020)												
	Jackie Churchward-Cardiff	10 - 15	0	0	0	0	**10 - 15**	5 - 10	200	0	0	0	**5 - 10**
	Vice Chairman (from 1st July 2020)												
	Dr Adrian Bull	95 - 100	0	10 - 15	0	0	**110 - 115**	190 - 195	400	0	0	0	**190 - 195**
	Chief Executive (retired 30th September 2020)												
	Joanne Chadwick-Bell	165 - 170	0	0	0	170 - 172.5	**335 - 340**	140 - 145	200	0	0	60 - 62.5	**205 - 210**
	Chief Executive (from 25th September 2020)												
	Imran Devji ***	70 - 75	0	0	0	0	**70 - 75**						
	Interim Chief Operating Officer (6th July 2020 to 8th November 2020)												
	Tara Argent	50 - 55	0	0	0	60 - 62.5	**110 - 115**						
	Chief Operating Officer (started 1st November 2020)												
	Catherine Ashton	30 - 35	0	0	0	27.5 - 30	**55 - 60**	95 - 100	100	0	0	17.5 - 20	**115 - 130**
	Director of Covid-19 Planning (1st May 2020 to 30th June 2020) ****												
	Richard Milner	100 - 105	0	0	0	85 - 87.5	**185 - 190**						
	Director of Strategy, Innovation & Planning (started 1st May 2020)												
	Victoria Carruth	120 - 125	0	0	0	37.5 - 40	**160 - 165**	120 - 125	0	0	0	22.5 - 25	**140 - 145**
	Chief Nurse & DIPC												
	Monica Green	85 - 90	0	0	0	0	**85 - 90**	120 - 125	100	0	0	5 - 7.5	**130 - 135**
	Director of Human Resources (retired 30th November 2020)												
	Stephen Aumayer	45 - 50	0	0	0	10 - 12.5	**55 - 60**						
	Chief People Officer (started 16th November 2020)												
	Damian Reid	135 - 140	0	0	0	67.5 - 70	**205 - 210**						
	Chief Financial Officer (started 6th April 2020)												

Single total figure table (Continued)

	2020.21						2019.20					
Name and Title	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long Term Performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	**TOTAL (bands of £5,000)**	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long Term Performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	**TOTAL (bands of £5,000)**
	£'000	**£**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£**	**£'000**	**£'000**	**£'000**	**£'000**
David Walker	235 - 240	300	0	0	0	**235 - 240**	225 - 230	300	0	0	0	**230 - 235**
Medical Director *												
Lynette Wells	110 - 115	0	0	0	45 - 47.5	**160 - 165**	100 - 105	0	0	0	22.5 - 25	**125 - 130**
Director of Corporate Affairs												
Miranda Kavanagh	10 - 15	0	0	0	0	**10 - 15**	5 - 10	0	0	0	0	**5 - 10**
Non-Executive Director												
Karen Manson	10 - 15	0	0	0	0	**10 - 15**	5 - 10	0	0	0	0	**5 - 10**
Non-Executive Director												
Nicola Webber	10 - 15	0	0	0	0	**10 - 15**	5 - 10	0	0	0	0	**5 - 10**
Non-Executive Director												
Carys Williams	10 - 15	0	0	0	0	**10 - 15**	5 - 10	0	0	0	0	**5 - 10**
Associate Non-Executive Director												
Paresh Patel	10 - 15	0	0	0	0	**10 - 15**	5 - 10	0	0	0	0	**5 - 10**
Non-Executive Director (from 1st July 2020)												
Amanda Fadero	5 - 10	0	0	0	0	**5 - 10**						
Non-Executive Director Designate (started 1st July 2020)												

** - Board related salary for the full year of £52k. Salary above includes both Board and Non-Board roles. 2019/20 has been restated for comparative purposes.*
*** - represents reimbursement of travel costs incurred subject to UK income tax and disclosed to nearest £100.*
**** - Off-payroll salary costs excluding VAT.*
***** - Post salary costs incurred by Trust and funded by NHS England/NHS Improvement.*

Previous roles held since 1st April 2020:
Jackie Churchward-Cardiff
Non-Executive Director (to 30th June 2020)

Joanne Chadwick-Bell
Deputy Chief Executive (6th July 2020 to 24th September 2020)
Chief Operating Officer (to 5th July 2020)

Catherine Ashton
Director of Strategy (to 30th April 2020)

Paresh Patel
Associate Non-Executive Director (to 30th June 2020)

Pension Benefits (audited)

Table B

Pension Benefits

Name and Title	Real increase in pension at pension age (bands of £2500) £'000	Real increase in pension lump sum at pension age (bands of £2500) £'000	Total accrued pension at pension age at 31 March 2021 (bands of £5000) £'000	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5000) £'000	Cash equivalent transfer value at 1 April 2020 £'000	Real increase in Cash Equivalent Transfer value £'000	Cash equivalent transfer value at 31 March 2021 £'000	Employer's contribution to stakeholder pension £'000
Dr Adrian Bull	0	0	0	0	0	0	0	0
Chief Executive (retired 30th September 2020) *****								
Joanne Chadwick-Bell	7.5 - 10	15 - 17.5	50 - 55	115 - 120	759	147	943	0
Chief Executive								
Tara Argent	2.5 - 5	2.5 - 5	15 - 20	35 - 40	246	32	308	0
Chief Operating Officer								
Catherine Ashton	0 - 2.5	0 - 2.5	25 - 30	45 - 50	455	5	501	0
Director of Covid-19 Planning (to 30th June 2020)								
Richard Milner	2.5 - 5	5 - 7.5	25 - 30	45 - 50	380	67	468	0
Director of Strategy, Innovation & Planning								
Victoria Carruth	2.5 - 5	0 - 2.5	40 - 45	85 - 90	680	35	745	0
Chief Nurse & DIPC								
Monica Green	0	0 - 2.5	50 - 55	155 - 160	1,234	0	0	0
Director of Human Resources (retired 30th November 2020)								
Stephen Aumayer	0 - 2.5	0	5 - 10	0	118	0	135	0
Chief People Officer								
Damian Reid	2.5 - 5	2.5 - 5	30 - 35	40 - 45	458	55	543	0
Chief Financial Officer								
David Walker	0	0	0	0	0	0	0	0
Medical Director ******								
Lynette Wells	2.5 - 5	0	20 - 25	0	284	33	338	0
Director of Corporate Affairs								

***** - As Dr Bull has reached the normal pension age, cash equivalent transfer value will not be shown*

****** - Dr Walker opted out of the Pension Scheme.*

Non-executive Directors do not receive pensionable remuneration, hence there are no entries in respect of pensions.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 200826.

The Government Actuaries Department has revised the NHS Pension Scheme's CETV factors following HM Treasury's published change to the discount rate used for calculating CETVs. The impact of the change in the discount rate is to increase all CETV factors. This does not affect the calculation of the real increase in pension benefits, column (a) and (b) of Table 2, or the Single total figure table, column (e) of Table 1.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

Payments to Past Directors (audited)

No payments to past directors were made during the year 2020/21.

Payment for Loss of Office

No payments for loss of office were made during the year 2020/21.

Note on Pension-related benefits (Table A)

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Factors determining the variation in the values recorded between individuals include but are not limited to:

- A change in role with a resulting change in pay and impact on pension benefits
- A change in the pension scheme itself
- Changes in the contribution rates
- Changes in the wider remuneration package of an individual

Pay Ratios (audited)

	2020/21	2019/20
Band of Highest Paid Director	£235k-£240k	£230k-£235k
Median Total Remuneration	£30,799	£29,753
Ratio	1 : 7.71	1 : 7.81

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director / member in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the Trust in the financial year 2020/21 was £235k-£240K (2019/20 £230k-£235k). This was 7.71 times (2019/20 - 7.81) the median remuneration of the workforce, which was £30,799 (2019/20, £29,753).

In 2020/21 there were six (a decrease on eight employees in 2019/20) employees who received remuneration in excess of the highest paid director. Of these, three were employed consultants and three were bank staff. Remuneration ranged from £5,000 to £336,500 (2019/20 £5,056 to £366,408).

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

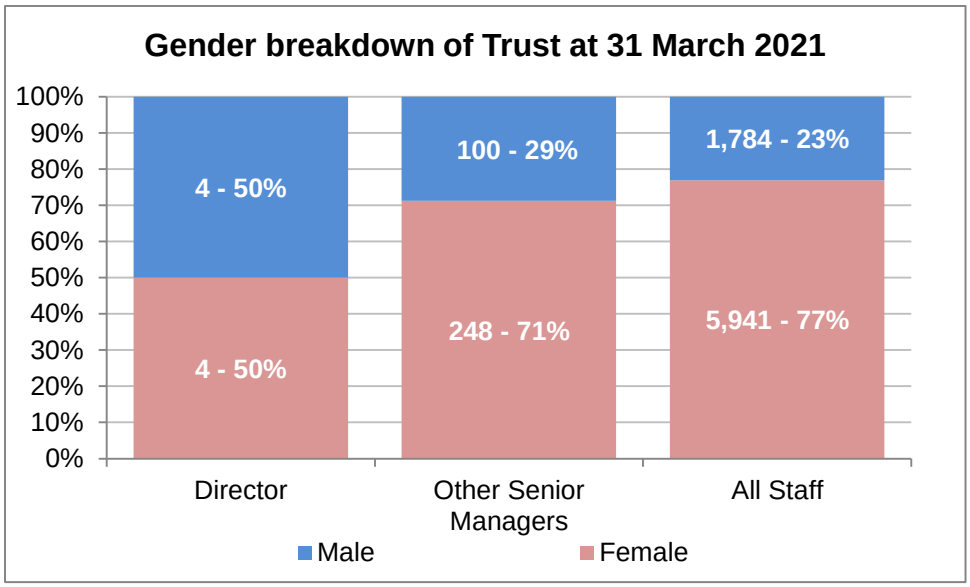
Staff Report

Number of Senior Managers by band at 31st March 2021

Senior Managers	FTE
Directors	7
Other Senior Managers (Ad Hoc payscales)	0.4
Agenda for Change Band 9	9
Agenda for Change Band 8d	10.8
Agenda for Change Band 8c	37.9
Agenda for Change Band 8b	74
Agenda for Change Band 8a	199.6

(NB FTE = Full-time Equivalent)

Gender distribution by Directors, Other Senior Managers & Staff



Senior Managers include all staff on Agenda for Change Bands 8a-8d.

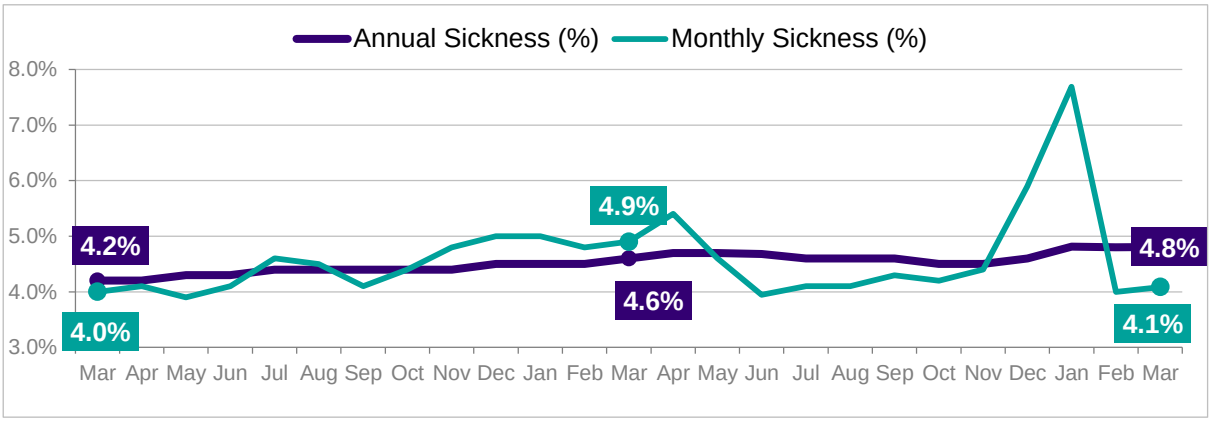
Staff fact file

As of 31 March 2021:

- 77% of our staff are female
- 39% of all staff work part-time
- 35.6% of staff are over 50 years old
- 4% of staff identified themselves as disabled
- 2.2% identified themselves as either gay, lesbian or bisexual
- 17.5% of staff are from a black or minority ethnic (BME) origin

Staff Absence Data

Our annual sickness rate has increased during the year from 4.6% to 4.8%.The average working days lost due to sickness per full time equivalent member of staff during the year to 31st March 2021 was 11.5.



Staff Policies

We aim to ensure that vacancies for positions within the Trust are advertised both internally & externally, through our Trust website and NHS Jobs2. Applicants with a disability are encouraged to apply through the 'Positive about Disability' scheme indicator which enables managers to ensure that all applicants with a disclosed disability, who meet the minimum requirements as set out in the person specification, are called for interview under our guaranteed interview scheme. We treat internal and external applicants in exactly the same way.

We support disabled employees in maintaining their training and career development by undertaking an annual Personal Development Review, with a 6 month follow-up to ensure that agreed actions have been undertaken. Our Learning and Development service gives all our staff access to personal development training, and staff also have the support of the Occupational Health Service. Disabled staff also have the opportunity to join the ESHT Disability Staff Network which aims to support implementation of the new Workforce Disability Equality Standard (WDES) and promote inclusive practices across the Trust.

When necessary, our Human Resources Department will provide support for staff and for line managers to ensure that, wherever possible, staff seeking alternative posts due to health issues are supported to identify alternative suitable employment. Support is made available from the Occupational Health Department, the Equality & Diversity Team and Local Disability Advisors as required.

Our Equality, Diversity and Human Rights Manager takes the lead in ensuring that disability awareness is embedded throughout our Trust's policies, practices and overall culture. All of our staff undergo equality training, with the option of doing this online or face to face. All new staff attend a face to face session. We further ensure that equality is embedded throughout the Trust via Personal Development Reviews, team briefings, and within a variety of Trust communications.

Relevant policies are presented to the Staff Networks to ensure staff with protected characteristics are involved in decision making processes across the Trust.

Freedom to Speak Up Guardian

Freedom to Speak Up (FtSU) Guardians were introduced to the NHS in 2015 following the *Francis Freedom to Speak Up Review*. Every NHS trust must have a FtSU Guardian, giving independent support and advice to staff who want to raise concerns. Our Trust now has two FtSU Guardians, who work together to provide services across our acute and community sites.

When things go wrong, we need to make sure that lessons are learnt and things are improved. If we think something might go wrong, it's important that we all feel able to speak up so that potential harm is prevented. Even when things are good, but could be even better, we should feel able to say something and should expect that our suggestion is listened to and used as an opportunity for improvement.

During 2020/21, our FtSU Guardians were contacted by staff on 241 occasions. Key themes seen during contacts were in line with concerns raised by NHS staff across the country. A significant number of contacts were from staff distressed and fearful about the pandemic, and these staff, and many others, were supported by our FtSU Guardians.

Recruitment and staffing

During 2020/21, the Trust saw a 30% increase in overall recruitment activity. We received a total of 31,365 applications for jobs in the Trust, with just over 10,000 of these being for medical roles. This increase was due partly to the current economic climate, as well as an increased awareness of both the Trust and the NHS due to the pandemic. The increased interest, coupled with a planned approach where we targeted hard to recruit posts with external support, meant that we successfully filled a number of hard to recruit posts, particularly at consultant level. There is a national shortage of candidates for some roles, which means the Trust, and other NHS organisations across the country, still have shortfalls in some areas.

Despite the increase in applications placing increased pressure on the recruitment team, candidates were still being recruited safely and efficiently. The average time taken to hire a new member of staff was reduced during the year from 74 to 72 days. At the height of the second Covid-19 phase critical 'front line' roles were being recruited within 48 hours. Ongoing streamlining of our recruitment processes, including the use of virtual interviews and shortlisting, provided additional support to reduce time to hire, and we will work to reduce this even more by introducing software that allows us to conduct virtual right to work checks.

International nurse recruitment has been maintained, despite Covid-19 travel restrictions and visa delays, with the Trust welcoming 73 new international nurses since September 2020.The Trust is on track to achieve its target of recruiting 100 International nurses in 2021/22 with support from an external provider. Candidates have been sourced from a number of countries around the world, with a key focus on the Philippines and India.

- A total of 526 Healthcare assistants were recruited, with 251 of these being for our Temporary Work Services
- We conducted 7,713 interviews during the year
- We carried out 2,653 ID checks on new starters
- We appointed staff to 567 medical roles

Our Temporary Workforce team receives requests to support staffing across the whole Trust, supplying tall services from housekeeping, nurses to finance and estates. During 2020/21:

- 166,987 shifts were filled across the Trust
- 126,052 shifts were filled by Trust Bank staff
- 40,935 shifts were filled by agency staff

Recruitment campaigns have increased our bank membership by 100% and we now have 6,000 staff registered on the bank.

Other Employee Matters

We aim to treat all staff fairly in relation to all employee matters; all of our policies and processes are monitored in terms of equality and diversity and equal treatment. Staff are not treated differently because of any role or position they hold and all policies are reviewed regularly to ensure they adhere to current legislation.

Trade Union Facility Time 2020/21

Questions	Figure
No of employees who were relevant TU officials in the period	36
FTE employee number	32.00
No of employees who spent 0% time on facility time	25
No of employees who spent 1-50% time on facility time	10
No of employees who spent 51-99% time on facility time	1
No of employees who spent 100% time on facility time	0
Total cost of facility time	£40,364
Total pay bill	£356,870,000
% total pay bill paid on facility time	0.01%
Time spent on paid TU duties as % of total facility time hours	4.20%

Equality, Diversity and Human Rights

2020 was a year in which health inequalities and wider inequalities were highlighted as persistent challenges within our society. A great deal of research was undertaken regarding the impact of Covid-19 on different groups of people, and some of the groups known to be more vulnerable include the Black, Asian and minority ethnic communities, elderly people, people who are pregnant, people with learning disabilities, people with physical disabilities, people who live in deprivation or are homeless, and the deaf community. The Trust remains committed to equality, diversity and human rights and continue to work to improve the experiences of all of our patients and staff and access to our services for our community.

Some of the Equality and Diversity team's achievements this year have included:

- **Recruiting an equality focused workforce.** We have recruited two leads for the Equality Diversity and Human Rights department who are committed to delivering a more equal workforce and eliminating health inequalities in our community.

- **Improving services for transgender and non-binary patients.** The Trust recognises the difference between a person's anatomical gender, and their gender identity / expression, and has developed a transgender and gender reassignment policy that supports this by ensuring the elimination of discrimination against people on the grounds of any process of gender reassignment. This policy was developed as part of the Trust's commitment to creating a positive culture of respect, dignity and equality of opportunity for all individuals. We aim to create an environment where all members of the community feel welcomed and valued and we will not tolerate any transphobic behaviour.

- **Supporting Black, Asian and minority ethnic people in maternity care.** It has been identified that pregnant people with Black, Asian and minority ethnic ethnicity are at greater risk of Covid-19. Maternity services have put in place an action plan that includes daily calls to these women who are suspected to have coronavirus, or have tested positive.

- **New community outreach service.** This service screens for, and treats, Hepatitis C amongst substance misuse clients in the community and has resulted in an increase in the number of people testing for the illness, and receiving treatment.

- **Psychological care for critical care patients.** The first full-time clinical psychologist working in critical care in the South of England was employed at the Trust to provide psychological care for patients during and after their stay in the Critical Care Unit.

- **Wayfinding signage at Conquest.** After robust patient engagement, wayfinding signage was installed to divide the hospital into four coloured zones and four levels. The new wayfinding signage was developed inclusively of the needs of people with dementia and people with visual impairment.

- **Interpreting and translation.** Communication needs of patients continue to be met in a variety of ways, including by telephone, video, audio and email. A wide variety of materials have been translated to ensure minority communities receive up-to-date information regarding the Trust and safety measures in relation to Covid-19 and service delivery.

Integrated Education

We had to reduce the amount of training we provided during the pandemic, but maintained a programme of education for all our staff, including inductions for new members of staff joining the Trust. Feedback we got from new staff following their inductions was very positive.

During the pandemic, we saw our compliance with core skills training and appraisals fluctuate significantly, particularly during the first wave when it was announced that core skills statutory and mandatory training were suspended. We have worked hard to recover this position during the year and ended the year with 88.6% compliance, against the CQC target of 90%.

The uptake of apprenticeship programmes continues to be a success story in the Trust and we supported staff to complete programmes, including the Trainee Nurse Associate programme. At the end of March 2021 we had 177 employees on apprenticeship programmes:

- 75 clinical apprenticeships, including 2 Clinical Levy Transfers in Primary Care
- 102 non-clinical apprenticeships

Five Training Nurse Associates completed their apprenticeships during the year and are now working as Band 4 Registered Nurse Associates.

During the pandemic we saw a number of our doctors in training and medical students volunteering to be redeployed to critical areas such as Critical Care and Respiratory Medicine. We also had over 30 nursing students with six months of their training remaining who worked in the Trust, supporting us during the pandemic. We have since employed a significant number of these students in substantive posts, having now completed their training.

We received funding from the British Medical Association during the year which we used to put in a new doctor's mess at Eastbourne DGH, and to redecorate and refurbish the doctors' mess at Conquest. Equipment and furniture was replaced to provide quiet and calm areas where doctors could rest. We also created a quiet space in the Academic Library at Eastbourne DGH to allow staff to undertake online learning.

We appointed two fixed term Pastoral Fellows to positions that will support staff who are new to the Trust, including Foundation Year doctors and students. They will pro-actively support doctors in training, helping them overcome any problems they may experience.

Analysis of Staff & Costs for 2020/21 (audited)

Staff Costs

			2020/21	2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	241,749	30,031	271,780	243,482
Social security costs	23,122	2,928	26,050	23,489
Apprenticeship levy	1,194	151	1,345	1,230
Employer's contributions to NHS pension scheme	38,980	4,936	43,916	40,587
Pension cost - other	75	10	85	-
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	47
Temporary staff	-	14,528	14,528	9,556
Total gross staff costs	**305,120**	**52,584**	**357,704**	**318,391**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**305,120**	**52,584**	**357,704**	**318,391**
Of which				
Costs capitalised as part of assets	834	-	834	1,526

Average Number of Employees (WTE Basis)

			2020/21	2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	642	133	775	726
Ambulance staff	-	-	-	-
Administration and estates	1,284	71	1,355	1,294
Healthcare assistants and other support staff	1,942	331	2,273	2,094
Nursing, midwifery and health visiting staff	1,885	201	2,085	1,940
Nursing, midwifery and health visiting learners	0	-	0	8
Scientific, therapeutic and technical staff	602	51	653	601
Healthcare science staff	145	15	160	158
Social care staff	-	-	-	-
Other	8	-	8	7
Total average numbers	6,508	802	7,309	6,827
Of which:				
Number of employees (WTE) engaged on capital projects	17	-	17	19

Exit Packages (audited)

	2020/21							
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	No.	£000	No.	£000	No.	£000	No.	£000
Less than £10,000			3	5	**3**	**5**		
£10,000 - £25,000			3	54	**3**	**54**		
£25,001 - £50,000					**0**	**0**		
£50,001 - £100,000					**0**	**0**		
£100,001 - £150,000					**0**	**0**		
£150,001 - £200,000					**0**	**0**		
More than £200,000					**0**	**0**		
Total	**0**	**0**	**6**	**59**	**6**	**59**	**0**	**0**

	2019/20							
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	No.	£000	No.	£000	No.	£000	No.	£000
Less than £10,000			2	15	**2**	**15**		
£10,000 - £25,000			2	32	**2**	**32**		
£25,001 - £50,000					**0**	**0**		
£50,001 - £100,000					**0**	**0**		
£100,001 - £150,000					**0**	**0**		
£150,001 - £200,000					**0**	**0**		
More than £200,000					**0**	**0**		
Total	**0**	**0**	**4**	**47**	**4**	**47**	**0**	**0**

Reporting of Compensation Schemes – Exit Packages 2019/20

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	2	2
£10,000 - £25,000	-	2	2
£25,001 - 50,000	-	-	-
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	-	4	4
Total cost (£)	£0	£47,000	£47,000

Table 2 Analysis of Other Departures

	2020/21		2019/20	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	3	54	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	3	5	4	47
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	6	59	4	47
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Expenditure on Consultancies

During 2020/21, the Trust's total spending on consultancies was £63,000 (see Accounts, note 6)

Off-payroll Engagements

Table 1: Off-payroll engagements longer than 6 months

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2021	15
Of which, the number that have existed:	
for less than one year at the time of reporting	6
for between one and two years at the time of reporting	2
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	1
for 4 or more years at the time of reporting	0

Table 2: New Off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1st April 2020 and 31st March 2021, for more than £245 per day and that last for longer than six months

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	15
Of which	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	15
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year.	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	1
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officers with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	21

The off-payroll engagement of Imran Devji as Interim Chief Operating Officer took place to ensure continuity of cover while substantive recruitment to this role took place. Mr Devji was employed in this from 6 July 2020 to 8 November 2020.

This accountability report was approved by the Board on 24th June 2021 and signed on its behalf by:

Signed  Chief Executive

Date 9th July 2021

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for East Sussex Healthcare NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2020/21 have been completed and this certificate accompanies them.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:

- the financial records maintained by the NHS trust
- accounting standards and policies which comply with the Department of Health and Social Care's Group Accounting Manual and
- the template accounting policies for NHS trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.

2. I certify that the TAC schedules are internally consistent and that there are no validation errors.

3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Trust.

Damian Reid, Chief Financial Officer, 9th July 2021

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Finance Director, as the TAC schedules which the Trust is required to submit to NHS Improvement.

2. I have reviewed the schedules and agree the statements made by the Director of Finance above.

Joe Chadwick-Bell, Chief Executive, 9th July 2021

ESHT: Annual Accounts 2020/2021

Statement of Comprehensive Income

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	456,591	406,433
Other operating income	4	77,397	70,148
Operating expenses	6, 8	(527,958)	(468,175)
Operating surplus/(deficit) from continuing operations		**6,030**	**8,406**
Finance income	11	-	98
Finance expenses	12	(77)	(7,847)
PDC dividends payable		(5,785)	-
Net finance costs		**(5,862)**	**(7,749)**
Other gains / (losses)	13	2	(356)
Surplus / (deficit) for the year from continuing operations		**170**	**301**
Surplus / (deficit) for the year		**170**	**301**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(8,072)	(7,446)
Revaluations	17	8,452	-
Total comprehensive income / (expense) for the period		**550**	**(7,145)**
Note to the Statement of Comprehensive Income			
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		170	301
Remove net impairments not scoring to the Departmental expenditure limit		632	968
Remove I&E impact of capital grants and donations		105	(1,219)
Remove net impact of inventories received from DHSC group bodies for COVID response		(561)	-
Adjusted financial performance surplus / (deficit)		**346**	**50**

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	14	2,623	2,368
Property, plant and equipment	15	251,886	229,484
Receivables	19	2,272	3,030
Total non-current assets		**256,781**	**234,882**
Current assets			
Inventories	18	8,155	7,340
Receivables	19	16,390	47,318
Cash and cash equivalents	20	66,559	2,100
Total current assets		**91,104**	**56,758**
Current liabilities			
Trade and other payables	21	(53,806)	(28,802)
Borrowings	23	-	(234,123)
Provisions	24	(296)	(371)
Other liabilities	22	(2,361)	(1,350)
Total current liabilities		**(56,463)**	**(264,646)**
Total assets less current liabilities		**291,422**	**26,994**
Non-current liabilities			
Borrowings	23	-	(1,773)
Provisions	24	(5,889)	(2,836)
Total non-current liabilities		**(5,889)**	**(4,609)**
Total assets employed		**285,533**	**22,385**
Financed by			
Public dividend capital		425,217	162,619
Revaluation reserve		90,615	90,235
Income and expenditure reserve		(230,299)	(230,469)
Total taxpayers' equity		**285,533**	**22,385**

Notes 1 to 34 form part of these accounts.

Name Joanne Chadwick-Bell
Position Chief Executive

Date 09 July 2021

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**162,619**	**90,235**	**(230,469)**	**22,385**
Surplus/(deficit) for the year	-	-	170	**170**
Impairments	-	(8,072)	-	**(8,072)**
Revaluations	-	8,452	-	**8,452**
Public dividend capital received	262,598	-	-	**262,598**
Taxpayers' and others' equity at 31 March 2021	**425,217**	**90,615**	**(230,299)**	**285,533**

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**159,013**	**97,697**	**(230,786)**	**25,924**
Surplus/(deficit) for the year	-	-	301	**301**
Impairments	-	(7,446)	-	**(7,446)**
Transfer to retained earnings on disposal of assets	-	(16)	16	**-**
Public dividend capital received	3,606	-	-	**3,606**
Taxpayers' and others' equity at 31 March 2020	**162,619**	**90,235**	**(230,469)**	**22,385**

Information on reserves

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

During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital.

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

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

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		6,030	8,406
Non-cash income and expense:			
Depreciation and amortisation	6	15,310	12,964
Net impairments	7	632	986
Income recognised in respect of capital donations	4	(992)	(2,313)
(Increase) / decrease in receivables and other assets		32,327	(29,073)
(Increase) / decrease in inventories		(815)	(513)
Increase / (decrease) in payables and other liabilities		24,388	835
Increase / (decrease) in provisions		2,945	574
Other movements in operating cash flows		(284)	-
Net cash flows from / (used in) operating activities		**79,541**	**(8,134)**
Cash flows from investing activities			
Interest received		-	98
Purchase of intangible assets		(834)	(926)
Purchase of PPE and investment property		(35,227)	(22,418)
Sales of PPE and investment property		8	50
Receipt of cash donations to purchase assets		455	2,313
Net cash flows from / (used in) investing activities		**(35,598)**	**(20,883)**
Cash flows from financing activities			
Public dividend capital received		262,598	3,606
Movement on loans from DHSC		(234,624)	32,887
Other capital receipts		-	204
Interest on loans		(1,315)	(7,602)
Other interest		(1)	(1)
PDC dividend (paid) / refunded		(6,142)	(77)
Net cash flows from / (used in) financing activities		**20,516**	**29,017**
Increase / (decrease) in cash and cash equivalents		**64,459**	**-**
Cash and cash equivalents at 1 April 2020 - brought forward		**2,100**	**2,100**
Cash and cash equivalents at 31 March 2021	20	**66,559**	**2,100**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Under the NHS standard contract, the Trust is paid according to a prescribed timetable based on estimated activity and performance levels. The contract then has a range of mechanisms for raising and resolving performance issues – again within a specified timeframes. A reconciliation is performed between the paid and final agreed amounts and adjustments are applied where appropriate. The Trust have no outstanding performance issues relating to 2020/21.

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Revenue from non-NHS contracts – SMSKE Partnership

The Trust receives income for musculoskeletal services from a non-NHS commissioner. This uses the same contracting arrangements as NHS contracts. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as health care is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the non-NHS commissioner but the customer benefits as services are provided to the patient. Even where a contract could be broken down into separate performance obligations, health care generally aligns with delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

Revenue from non-NHS contracts – Local Authority

The Trust receives income for two distinct services – provision of healthcare services and provision of staff. The healthcare service uses a similar contracting arrangement as the NHS contract. A performance obligation relating to delivery of an episode of health care is generally satisfied over time as health care is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner but the customer benefits as services are provided to the patient. Even where a contract could be broken down into separate performance obligations, health care generally aligns with the delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

For the provision of staff, revenue is recognised as and when performance obligations are satisfied during the period covered by the recharge.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

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

Non-patient care services to other bodies

The Trust supplies a range of staff and goods to a range of customers, and also rents out facilities. For these services, revenue is recognised as and when performance obligations are satisfied during the period covered by the recharge.

Education and Training

Where education & training contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. The Trust may defer revenue into future periods until the performance obligation has occurred.

Note 1.4 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:
• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:
• Land and non-specialised buildings – market value for existing use
• Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

In 2020/21 this includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

Note 1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) methodology, however, the Pharmacy system, uses the weighted average cost formula so drugs are valued in this way. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.10 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

The Trust does not normally recognise expected credit losses in relation to other NHS bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

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

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

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 24.1 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 24.2 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24.2, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:
• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year.

Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for;
(i) donated, grant funded and COVID-19 assets;
(ii) average daily cash balances held in GBS accounts that relate to a short-term working capital facility; and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.16 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.18 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.19 Losses and special payments

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

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation data for IFRS 16 in the UK public sector to 1 April 2022. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 1.22 Critical judgements in applying accounting policies

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

Charitable Funds
Members of the Trust Board act as Trustees of the East Sussex Healthcare NHS Trust Charitable Fund. However, these are not consolidated with the Trust accounts on the grounds of materiality.

Alternative Site Valuation
In 2015/16 the Trust adopted the Modern Equivalent Asset valuation using the alternative site methodology for its main acute hospital sites. The revaluation is on the basis of;
- single siting of the main acute sites;
- removal of all accommodation buildings including admin space;
- removal of St. Anne's House;
- removal of the Education Centre;
- removal of all Commercial Services buildings; and
- removal of the Crèche (at Eastbourne DGH).

See Note 17.

Note 1.23 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Property, Plant and equipment valuations

As at the valuation date, the District Valuer has noted that some property markets have started to function again, 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. Accordingly and in a change from 2019/20, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

The main estimation uncertainty of the modern equivalent asset method would be the cost of the building at a new site and also the floor area required to deliver healthcare services within this new build. The current carrying value is £180,314k and a 5% reduction or increase in floor area or building costs which would lead to a reduction or increase in the valuation by £9,016k.

Note 2 Operating Segments

The Trust has considered IFRS8 Operating Segments and has taken the view that its activities should be reported as a single entity rather than in a segmental manner. Although financial performance is reported to the Executive Board Members at a divisional level, the key financial information for decision making purposes is based on the single entity as a whole. Furthermore, the Trust's business is the delivery of acute and community healthcare across a single economic environment. No separate reportable segments have therefore been identified.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)

	2020/21 £000	2019/20 restated £000
Acute services		
Block contract / system envelope income*	332,884	285,981
High cost drugs income from commissioners (excluding pass-through costs)	38,978	37,236
Other NHS clinical income	3,730	1,891
Community services		
Block contract / system envelope income*	43,351	41,259
Income from other sources (e.g. local authorities)	9,592	10,156
All services		
Private patient income	997	2,966
Additional pension contribution central funding**	13,408	12,392
Other clinical income	13,651	14,552
Total income from activities	**456,591**	**406,433**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2020/21	2019/20
Income from patient care activities received from:	**£000**	**£000**
NHS England	67,703	62,361
Clinical commissioning groups	364,646	316,432
Department of Health and Social Care	24	73
Other NHS providers	45	42
NHS other	24	310
Local authorities	9,592	10,156
Non-NHS: private patients	997	2,966
Non-NHS: overseas patients (chargeable to patient)	47	223
Injury cost recovery scheme	409	947
Non NHS: other*	13,104	12,923
Total income from activities	**456,591**	**406,433**
Of which:		
Related to continuing operations	456,591	406,433

*Services to Sussex MSK Services (£12.6m)

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2020/21	2019/20
	£000	£000
Income recognised this year	47	223
Cash payments received in-year	53	187
Amounts added to provision for impairment of receivables	50	40
Amounts written off in-year	60	-

Note 4 Other operating income

	2020/21			2019/20		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	482	-	**482**	456	-	**456**
Education and training	10,367	518	**10,885**	9,511	305	**9,816**
Non-patient care services to other bodies	5,785	-	**5,785**	14,178	-	**14,178**
Provider sustainability fund (2019/20 only)	-	-	**-**	7,634	-	**7,634**
Financial recovery fund (2019/20 only)	-	-	**-**	24,844	-	**24,844**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	1,467	-	**1,467**
Reimbursement and top up funding	43,326	-	**43,326**	-	-	**-**
benefits accounted on a gross basis	1,112	-	**1,112**	1,101	-	**1,101**
Receipt of capital grants and donations	-	992	**992**	-	2,313	**2,313**
Charitable and other contributions to expenditure*	-	10,937	**10,937**	-	522	**522**
Other income	3,878	-	**3,878**	7,817	-	**7,817**
Total other operating income	**64,950**	**12,447**	**77,397**	**67,008**	**3,140**	**70,148**
Of which:						
Related to continuing operations			77,397			70,148

*The Trust received contributions to expenditure for personal protective equipment consumables, donated from DHSC in response to the COVID pandemic.

Note 5 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,350	1,311

Note 6 Operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,769	4,057
Purchase of healthcare from non-NHS and non-DHSC bodies	6,308	6,747
Staff and executive directors costs	356,808	316,818
Remuneration of non-executive directors	129	98
Supplies and services - clinical (excluding drugs costs)	42,208	32,779
Supplies and services - general	6,159	4,836
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	47,982	47,941
Inventories written down	-	127
Consultancy costs	63	349
Establishment	6,357	7,344
Premises	17,926	13,473
Transport (including patient travel)	940	885
Depreciation on property, plant and equipment	14,731	12,504
Amortisation on intangible assets	579	460
Net impairments	632	986
Movement in credit loss allowance: contract receivables / contract assets	428	51
Increase/(decrease) in other provisions	2,912	(13)
Change in provisions discount rate(s)	71	126
Audit fees payable to the external auditor		
audit services- statutory audit (including £17k irrecoverable VAT)	100	87
Internal audit costs	177	180
Clinical negligence	10,662	9,443
Legal fees	327	162
Insurance	328	309
Research and development	-	-
Education and training	2,178	1,173
Rentals under operating leases	2,850	3,032
Early retirements	3	-
Redundancy	59	47
Car parking & security	15	-
Hospitality	(3)	22
Other	2,260	4,152
Total	**527,958**	**468,175**
Of which:		
Related to continuing operations	527,958	468,175

Note 6.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2019/20: £2 million).

Note 7 Impairment of assets

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Over specification of assets	-	18
Changes in market price	632	968
Total net impairments charged to operating surplus / deficit	**632**	**986**
Impairments charged to the revaluation reserve	8,072	7,446
Total net impairments	**8,704**	**8,432**

Note 8 Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	271,780	243,482
Social security costs	26,050	23,489
Apprenticeship levy	1,345	1,230
Employer's contributions to NHS pensions	43,916	40,587
Pension cost - other	85	-
Termination benefits	-	47
Temporary staff (including agency)	14,528	9,556
Total gross staff costs	**357,704**	**318,391**
Total staff costs	**357,704**	**318,391**
Of which		
Costs capitalised as part of assets	834	1,526

Note 8.1 Retirements due to ill-health

During 2020/21 there were 7 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements are £310k (£42k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

c) National Employees Savings Trust (NEST)

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative for those employees who are not able to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phased employer contribution rate, set at 3% for 2020/21 (3% for 2019/20). Trust contributions under the NEST scheme for 2020/21 financial year totalled £85k (£73k for 2019/20).

Note 10 Operating leases

Note 10.1 East Sussex Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where East Sussex Healthcare NHS Trust is the lessee.

The leases relate to cars, medical equipment, buildings and photocopiers. Lease periods range from 3 to over 5 years.

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	2,850	3,032
Total	**2,850**	**3,032**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	3,209	2,533
- later than one year and not later than five years;	4,915	5,822
- later than five years.	609	277
Total	**8,733**	**8,632**

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2020/21	2019/20
	£000	£000
Interest on bank accounts	-	98
Total finance income	**-**	**98**

Note 12 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	43	7,796
Interest on late payment of commercial debt	1	1
Total interest expense	**44**	**7,797**
Unwinding of discount on provisions	33	50
Total finance costs	**77**	**7,847**

Note 12.1 The late payment of commercial debts (interest) Act 1998/Public Contract Regulations 2015

	2020/21	2019/20
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	1

Note 13 Other gains / (losses)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	2	-
Losses on disposal of assets	-	(356)
Total gains / (losses) on disposal of assets	**2**	**(356)**
Total other gains / (losses)	**2**	**(356)**

Note 14 Intangible assets - 2020/21

	Development expenditure	Total
	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**4,485**	**4,485**
Additions	834	**834**
Valuation / gross cost at 31 March 2021	**5,319**	**5,319**
Amortisation at 1 April 2020 - brought forward	**2,117**	**2,117**
Provided during the year	579	**579**
Amortisation at 31 March 2021	**2,696**	**2,696**
Net book value at 31 March 2021	**2,623**	**2,623**
Net book value at 1 April 2020	**2,368**	**2,368**

Note 14.1 Intangible assets - 2019/20

	Development expenditure	Total
	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**3,559**	**3,559**
Additions	926	**926**
Valuation / gross cost at 31 March 2020	**4,485**	**4,485**
Amortisation at 1 April 2019 - as previously stated	**1,657**	**1,657**
Provided during the year	460	**460**
Amortisation at 31 March 2020	**2,117**	**2,117**
Net book value at 31 March 2020	**2,368**	**2,368**
Net book value at 1 April 2019	**1,902**	**1,902**

Note 15 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**15,972**	**185,038**	**-**	**-**	**79,444**	**223**	**34,926**	**5,158**	**320,761**
Additions	-	12,584	632	3,810	11,689	-	8,197	479	**37,391**
Impairments	(72)	(8,000)	(632)	-	-	-	-	-	**(8,704)**
Revaluations	-	(8,691)	-	-	-	-	-	-	**(8,691)**
Reclassifications	-	(617)	-	617	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(155)	-	-	(204)	**(359)**
Valuation/gross cost at 31 March 2021	**15,900**	**180,314**	**-**	**4,427**	**90,978**	**223**	**43,123**	**5,433**	**340,398**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**11,308**	**-**	**-**	**56,734**	**223**	**19,482**	**3,530**	**91,277**
Provided during the year	-	5,835	-	-	4,819	-	3,767	310	**14,731**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(17,143)	-	-	-	-	-	-	**(17,143)**
Disposals / derecognition	-	-	-	-	(149)	-	-	(204)	**(353)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**61,404**	**223**	**23,249**	**3,636**	**88,512**
Net book value at 31 March 2021	**15,900**	**180,314**	**-**	**4,427**	**29,574**	**-**	**19,874**	**1,797**	**251,886**
Net book value at 1 April 2020	**15,972**	**173,730**	**-**	**-**	**22,710**	**-**	**15,444**	**1,628**	**229,484**

Line movements noted as Revaluations relate to the write out of depreciation on revaluation rather than a revaluation movement for the assets.

Note 15.1 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	**15,972**	**178,557**	**-**	**4,021**	**71,275**	**228**	**28,288**	**4,384**	**302,725**
Additions	-	10,365	557	-	8,938	-	6,608	774	**27,242**
Impairments	-	(7,875)	(557)	-	-	-	-	-	**(8,432)**
Reclassifications	-	3,991	-	(4,021)	-	-	30	-	**-**
Disposals / derecognition	-	-	-	-	(769)	(5)	-	-	**(774)**
Valuation/gross cost at 31 March 2020	**15,972**	**185,038**	**-**	**-**	**79,444**	**223**	**34,926**	**5,158**	**320,761**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**5,552**	**-**	**-**	**53,226**	**228**	**16,856**	**3,279**	**79,141**
Provided during the year	-	5,756	-	-	3,871	-	2,626	251	**12,504**
Disposals / derecognition	-	-	-	-	(363)	(5)	-	-	**(368)**
Accumulated depreciation at 31 March 2020	**-**	**11,308**	**-**	**-**	**56,734**	**223**	**19,482**	**3,530**	**91,277**
Net book value at 31 March 2020	**15,972**	**173,730**	**-**	**-**	**22,710**	**-**	**15,444**	**1,628**	**229,484**
Net book value at 1 April 2019	**15,972**	**173,005**	**-**	**4,021**	**18,049**	**-**	**11,432**	**1,105**	**223,584**

Note 15.2 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	15,900	176,329	4,427	24,695	-	19,816	1,534	**242,701**
Owned - donated/granted	-	3,985	-	4,879	-	58	263	**9,185**
NBV total at 31 March 2021	**15,900**	**180,314**	**4,427**	**29,574**	**-**	**19,874**	**1,797**	**251,886**

Note 15.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020								
Owned - purchased	15,972	169,725	-	18,364	-	15,415	1,324	**220,800**
Owned - donated/granted	-	4,005	-	4,346	-	29	304	**8,684**
NBV total at 31 March 2020	**15,972**	**173,730**	**-**	**22,710**	**-**	**15,444**	**1,628**	**229,484**

Note 16 Donations of property, plant and equipment

The following organisations donated assets to the Trust during 2020/21;
Friends of the Eastbourne Hospital £108,762 (2019/20 £321,973)
The League of Friends of the Bexhill Hospital C O £255,442 (2019/20 £857,373)
The League of Friends of the Conquest Hospital £449,816 (2019/20 £1,015,363)
East Sussex Healthcare NHS Trust Charitable Fund £0 (2019/20 £105,424)
The League of Friends of Uckfield Community Hospital £0 (2019/20 £12,360)
NHS Charities Together £34,500 (2019/20 £0)

Note 17 Revaluations of property, plant and equipment

The Trust first adopted the 'alternative site valuation' methodology in 2015/16. In 2020/21 this methodology was reviewed and the District Valuer instructed to complete the revaluation following the same methodology, as follows;
- single siting of the main acute sites;
- removal of all accommodation buildings including admin space;
- removal of St. Anne's House;
- removal of Education Centre;
- removal of all Commercial Services buildings; and
- removal of the Crèche (at Eastbourne DGH)

The Trust is included in the National Health Infrastructure Programme (HIP2) meaning it is one of the 40 proposed new hospital developments that will take place across the country over the next few years. The Trust has submitted a Strategic Outline Business Case (SOC) and the decision of the SOC may impact on the valuation methodology that is adopted in future years.

The Trust instructed the District Valuer (Mr. Oliver Gronow MSc, MRICS, FAAV) to conduct a full revaluation of the Trust's land and buildings as at 31 March 2021.

As a result of the revaluation carried out at 31 March 2021, the Trust's assets were valued downwards by £8,134k (2019/20 downwards £8,432k), with impairments of £632k. Losses of £8,072k and gains of £8,452k were applied to the Revaluation Reserve.

The range of lives of property, plant and equipment and Intangibles are as follows;
- Buildings, between 4 and 77 years (as per the district valuer)
- Plant and machinery, 3 to 80 years
- Motor vehicles, 4 to 7 years
- IT equipment, 3 to 15 years
- Furniture & fittings, 3 to 70 years
- IT In-house Software (intangibles), 5 to 7 years

The annual review of asset lives resulted in an in year increase in depreciation of £756,627 (2019/20: £42,958 reduction). Reducing asset lives increases in-year depreciation costs but decreases the number of years in which depreciation is charged for individual assets.

Note 18 Inventories

	31 March 2021	31 March 2020
	£000	£000
Drugs	3,572	3,556
Consumables	4,394	3,622
Energy	189	162
Total inventories	**8,155**	**7,340**

Inventories recognised in expenses for the year were £81,406k (2019/20: £60,910k).
Write-down of inventories recognised as expenses for the year were £0k (2019/20: £127k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £10,352k of consumable items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 19 Receivables

	31 March 2021	31 March 2020
	£000	£000
Current		
Contract receivables	11,124	44,428
Capital receivables	342	58
Allowance for impaired contract receivables / assets	(342)	(117)
Deposits and advances	61	75
Prepayments (non-PFI)	3,499	2,163
PDC dividend receivable	386	29
VAT receivable	649	129
Other receivables	671	553
Total current receivables	**16,390**	**47,318**
Non-current		
Contract receivables	1,571	2,450
Allowance for impaired contract receivables / assets	(353)	(253)
Other receivables	1,054	833
Total non-current receivables	**2,272**	**3,030**
Of which receivable from NHS and DHSC group bodies:		
Current	6,457	38,572
Non-current	1,053	833

Note 19.1 Allowances for credit losses

	2020/21 Contract receivables and contract assets	2019/20 Contract receivables and contract assets
	£000	£000
Allowances as at 1 April 2020 - brought forward	**370**	**333**
New allowances arising	428	52
Reversals of allowances	-	(1)
Utilisation of allowances (write offs)	(103)	(14)
Allowances as at 31 March 2021	**695**	**370**

Note 19.2 Exposure to credit risk

As the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk.

Note 20 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2020/21	2019/20
	£000	£000
At 1 April 2020	**2,100**	**2,100**
Net change in year	64,459	-
At 31 March 2021	**66,559**	**2,100**
Broken down into:		
Cash at commercial banks and in hand	37	40
Cash with the Government Banking Service	66,522	2,060
Total cash and cash equivalents as in SoFP	**66,559**	**2,100**
Total cash and cash equivalents as in SoCF	**66,559**	**2,100**

Note 20.1 Third party assets held by the trust

East Sussex Healthcare NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021	31 March 2020
	£000	£000
Monies on deposit	17	16
Total third party assets	**17**	**16**

Note 21 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	11,011	947
Capital payables	8,756	7,129
Accruals	20,217	16,540
Receipts in advance and payments on account	17	63
Social security costs	3,829	(57)
Other taxes payable	3,179	97
Other payables	6,797	4,083
Total current trade and other payables	**53,806**	**28,802**
Of which payables from NHS and DHSC group bodies:		
Current	4,512	5,357

Note 22 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	2,361	1,350
Total other current liabilities	**2,361**	**1,350**

Note 23 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	-	234,123
Total current borrowings	**-**	**234,123**
Non-current		
Loans from DHSC	-	1,773
Total non-current borrowings	**-**	**1,773**

Note 23.1 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Total
	£000	£000
Carrying value at 1 April 2020	**235,896**	**235,896**
Cash movements:		
Financing cash flows - payments and receipts of principal	(234,624)	**(234,624)**
Financing cash flows - payments of interest	(1,315)	**(1,315)**
Non-cash movements:		
Application of effective interest rate	43	**43**
Carrying value at 31 March 2021	**-**	**-**

Note 23.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Total
	£000	£000
Carrying value at 1 April 2019	**202,815**	**202,815**
Financing cash flows - payments and receipts of principal	32,887	**32,887**
Financing cash flows - payments of interest	(7,602)	**(7,602)**
Non-cash movements:		
Application of effective interest rate	7,796	**7,796**
Carrying value at 31 March 2020	**235,896**	**235,896**

Note 24 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other
	£000	£000	£000	£000
At 1 April 2020	**80**	**2,143**	**151**	**833**
Change in the discount rate	1	69	1	-
Arising during the year	3	4	74	3,170
Utilised during the year	(30)	(201)	(27)	-
Reversed unused	-	-	(119)	-
Unwinding of discount	1	32	-	-
At 31 March 2021	**55**	**2,047**	**80**	**4,003**
Expected timing of cash flows:				
- not later than one year;	17	199	80	**-**
- later than one year and not later than five years;	38	785	-	**2,950**
- later than five years.	-	1,063	-	**1,053**
Total	**55**	**2,047**	**80**	**4,003**

The other provision relates to a provision for the final settlement of a capital scheme (£2,950k).

Total £000
3,207
71
3,251
(258)
(119)
33
6,185
296
3,773
2,116
6,185

Note 24.1 Clinical negligence liabilities

At 31 March 2021, £237,721k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of East Sussex Healthcare NHS Trust (31 March 2020: £187,227k).

Note 24.2 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(45)	(41)
Employment tribunal and other employee related litigation	(63)	(299)
Gross value of contingent liabilities	**(108)**	**(340)**
Net value of contingent liabilities	**(108)**	**(340)**

Note 25 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	2,233	4,125
Total	**2,233**	**4,125**

Note 26 Financial instruments

Note 26.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with NHS healthcare commissioners and the way the latter bodies are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

The Trust may also borrow from government for revenue financing subject to approval by NHS England and NHS Improvement. Interest rates are confirmed by the Department of Health and Social Care (the lender) at the point borrowing is undertaken. The Trust therefore has low exposure to interest rate fluctuations.

Credit Risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity Risk

The Trust's operating costs are incurred under contracts with clinical commissioning groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 26.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	14,067	**14,067**
Cash and cash equivalents	66,559	**66,559**
Total at 31 March 2021	**80,626**	**80,626**

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	47,952	**47,952**
Cash and cash equivalents	2,100	**2,100**
Total at 31 March 2020	**50,052**	**50,052**

Note 26.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Trade and other payables excluding non financial liabilities	46,780	**46,780**
Total at 31 March 2021	**46,780**	**46,780**

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	235,896	**235,896**
Trade and other payables excluding non financial liabilities	28,628	**28,628**
Total at 31 March 2020	**264,524**	**264,524**

Note 26.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021	31 March 2020 restated*
	£000	£000
In one year or less	46,780	262,826
In more than one year but not more than five years	-	1,017
In more than five years	-	1,090
Total	**46,780**	**264,933**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 26.5 Fair values of financial assets and liabilities

The fair value of receivables and cash is consistent with the carrying value in the Statement of Financial Position. Receivables comprise of amounts to be collected within 1 year and the non-current receivables for Injury Cost Recovery income. Non current receivables are not discounted as the difference to carrying values is not considered material. Cash is available on demand.

Payables arising under statutory obligations such as payroll taxes are not classified as financial liabilities. The fair value of payables is consistent with the carrying value in the Statement of Financial Position. Payables comprise of amounts to be paid within 1 year and are valued using discounted cashflows.

Note 27 Losses and special payments

	2020/21		2019/20	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	14	14	16	10
Bad debts and claims abandoned	33	92	1	1
Stores losses and damage to property	86	233	63	127
Total losses	**133**	**339**	**80**	**138**
Special payments				
Ex-gratia payments	19	15	25	15
Total special payments	**19**	**15**	**25**	**15**
Total losses and special payments	**152**	**354**	**105**	**153**

Note 28 Related parties

Details of related party transactions with individuals are as follows:

Payments to Rye, Winchelsea and District Memorial Hospital: £340,981 (2019/20: £304,176)
Related party: Barry Nealon, Non-Executive Director who is Chairman of the above organisation.

Income from Spire Sussex Hospital: £920,568 (2019/20: £1,411,636)
Related party: David Walker, Medical Director who has a private practice operating out of Spire Sussex Hospital.

The Department of Health and Social Care is regarded as a related party. During 2020/21 East Sussex Healthcare NHS Trust 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. The bodies listed below have entered into income or expenditure transactions with the Trust over £500,000:

Brighton and Hove CCG
Brighton and Sussex University Hospitals NHS Trust
East Sussex CCG
Health Education England
Kent & Medway CCG
NHS England - Core
NHS England Central Specialised Commissioning
South East Regional Office
Sussex Community NHS Foundation Trust
Sussex Partnership NHS Foundation Trust
West Sussex CCG

In addition, the Trust has had transactions over £500,000 with the following government body:
East Sussex County Council

The Trust has had a number of transactions over £500,000 with central government bodies:
HM Revenue and Customs
NHS Blood and Transplant
NHS Pension Scheme
NHS Property Services
NHS Resolution

The Trust has also received revenue and capital payments of £720,429 (2019/20 £494,217) from East Sussex Healthcare NHS Trust Charitable Fund, whose Trustees are members of the Trust Board. At the Statement of Financial Position date £89,924 was owed to the Trust by the Charitable Fund (2019/20 £549,401).

Note 29 Events after the reporting date

Events after the end of the reporting period are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised. These events can be adjusting or non adjusting. There are no adjusting or non-adjusting events after the reporting period.

Note 30 Better Payment Practice code

Non-NHS Payables	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Total non-NHS trade invoices paid in the year	98,756	171,278	104,781	159,726
Total non-NHS trade invoices paid within target	73,410	153,734	86,171	141,801
Percentage of non-NHS trade invoices paid within target	74.3%	89.8%	82.2%	88.8%
NHS Payables				
Total NHS trade invoices paid in the year	1,970	25,001	2,705	22,830
Total NHS trade invoices paid within target	1,739	24,049	2,305	21,518
Percentage of NHS trade invoices paid within target	88.3%	96.2%	85.2%	94.3%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 31 External financing limit

The Trust is given an external financing limit against which it is permitted to underspend

	2020/21 £000	2019/20 £000
Cash flow financing	(36,485)	36,697
Other capital receipts	-	(204)
External financing requirement	**(36,485)**	**36,493**
External financing limit (EFL)	38,614	36,494
Under / (over) spend against EFL	**75,099**	**1**

Note 32 Capital Resource Limit

	2020/21 £000	2019/20 £000
Gross capital expenditure	38,225	28,168
Less: Disposals	(6)	(406)
Less: Donated and granted capital additions	(992)	(2,313)
Charge against Capital Resource Limit	**37,227**	**25,449**
Capital Resource Limit	51,103	25,449
Under / (over) spend against CRL	**13,876**	**-**

Note 33 Breakeven duty financial performance

	2020/21 £000
Adjusted financial performance surplus / (deficit) (control total basis)	346
Breakeven duty financial performance surplus / (deficit)	**346**

Note 34 Breakeven duty rolling assessment

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Breakeven duty in-year financial performance		350	(4,704)	87	522	(23,094)	88
Breakeven duty cumulative position	1,745	2,095	(2,609)	(2,522)	(2,000)	(25,094)	(25,006)
Operating income		282,807	299,623	385,281	387,400	364,240	384,876
Cumulative breakeven position as a percentage of operating income		0.7%	(0.9%)	(0.7%)	(0.5%)	(6.9%)	(6.5%)

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Breakeven duty in-year financial performance	(47,997)	(43,792)	(53,878)	(44,781)	68	346
Breakeven duty cumulative position	(73,003)	(116,795)	(170,673)	(215,454)	(215,386)	(215,040)
Operating income	356,152	379,307	387,934	408,783	476,581	533,988
Cumulative breakeven position as a percentage of operating income	(20.5%)	(30.8%)	(44.0%)	(52.7%)	(45.2%)	(40.3%)

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

Statutory breakeven duty, overall and recurrent financial position: The Trust delivered a £33.9m deficit (pre PSF) and £68k surplus (post PSF) for the financial year 2019-20, taking account of £1.2m post technical item adjustments for donated assets and £1.0m of reversal impairments. Until 2019-20 the trust has been in technical breach of the statutory breakeven duty (NHS Act 2006) for some time. Breakeven has only been achieved through support of the provider sustainability fund in 2019-20 and system top up in 2020-21 and it will be many years before the underlying deficit is resolved. The Trust has been in regular contact with NHS Improvement to implement financial recovery plan.