AGM, 12.09.23

East Sussex Healthcare NHS Trust Annual General Meeting Agenda

Date: Tuesday 12th September 2023

Time: 14:00 – 16:00

Venue: St. Mark's Church Hall, Green Lane, Bexhill, East Sussex, TN39 4BZ

	Item	Lead
1	**Welcome and apologies**	Chair
2	**Minutes of the AGM held on 29th September 2022**	Chair
3	**East Sussex Healthcare NHS Trust Year in Review** **Receive:** • **2022/23 Annual Report and Accounts**	CEO
4	**Questions from members of the public**	CEO

Key:	
Chair	Trust Chair
CEO	Chief Executive

[signature]

Steve Phoenix
Chairman
August 2023

EAST SUSSEX HEALTHCARE NHS TRUST

ANNUAL GENERAL MEETING

Minutes of a meeting of the Annual General Meeting held in public on Tuesday, 29th September 2022 at 10:00 at Hydro Hotel, Eastbourne

Present:
Mr Steve Phoenix, Chairman
Mrs Joe Chadwick-Bell, Chief Executive
Mrs Tara Argent, Chief Operating Officer
Mrs Vikki Carruth, Chief Nurse & DIPC
Mrs Jackie Churchward-Cardiff, Non-Executive Director
Mrs Miranda Kavanagh, Non-Executive Director
Mrs Karen Manson, Non-Executive Director
Mr Paresh Patel, Non-Executive Director
Mr Damian Reid, Chief Finance Officer
Mrs Nicola Webber, Non-Executive Director

Non-Voting Directors:
Mr Steve Aumayer, Chief People Officer
Mr Richard Milner, Chief of Staff

In attendance:
Mr Chris Hodgson, Director of Estates and Facilities
Mrs Charlotte O'Brien, Director of Transformation and Improvement
Mr Peter Palmer, Acting Company Secretary (minutes)

1 **Welcome**

Mr Phoenix welcomed everyone to the Trust's Annual General Meeting. He noted that Dr Simon Merritt had been newly appointed as Chief Medical Officer and paid tribute to Dr David Walker who had done a fantastic job during his seven years as Medical Director. He noted that this would be Miranda Kavanagh's final AGM as a Non-Executive and thanked her for all she had done for the Trust. The meeting was also Mrs Argent's final AGM before she moved on to St. George's in London, and he thanked her for all she had done, particularly during the pandemic.

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

Mrs Amanda Fadero, Associate Non-Executive Director
Ms Carys Williams, Associate Non-Executive Director
Dr Simon Merritt, Chief Medical Officer

2. **Minutes**
The minutes of the Annual General meeting held on 10th August 2021 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 2021/22.

Mrs Chadwick-Bell thanked Mrs Argent for her support during what had been a particularly challenging period for the Trust and for the NHS, and wished her well for the future. She noted that Charlotte O'Brien was in the audience, who had recently joined the Trust as Director of Transformation and Improvement, and welcomed her.

She thanked staff, volunteers and others who had supported the organisation during the year, and noted that she was extremely proud to work for ESHT. She presented highlights of the achievements, progress and challenges that had been faced by the Trust during 2021/22. She reported that the Trust had been recognised in recent weeks as being in sector one of the System Oversight Framework (SOF), reflecting the progress that the Trust had made in recent years.

A video was shown which highlighted some of the key achievements and activities that taken place in the Trust during the year.

She paid tribute to Jacquie Fuller and the work that she had done, alongside estates colleagues, in successfully delivering a new nursery at the Conquest Hospital. She noted that 2021/22 had been the third year in a row when the Trust had reached a breakeven financial position, despite significant increases in activity compared to the previous year. A £15m efficiency plan for the year had been successfully delivered, and a £36.3m of capital had been invested into the organisation.

Despite a 30% increase in referral to treatment waiting times, no patients at ESHT had waited for more than 78 weeks for treatment, the only Trust in the ICS to deliver this. Cancer performance had been delivered in line with agreed recovery trajectories, and the Trust was the best performing in the country during January for the faster diagnostic standard for lower gastrointestinal cancers. She praised the work of clinicians, waiting list teams, bookers and other staff who had contributed to these achievements.

An increased demand on services was seen during the year, including a 19% increase in suspected cancer referrals compared to pre-pandemic levels. She encouraged patients to continue to seek treatment and to speak to their GPs at an early stage when they felt unwell.

A new community diagnostic centre would open in Bexhill in autumn 2022 in which would provide additional capacity for diagnostic testing. More rapid pathways for breast assessment had been introduced which would allow quicker access to care.

The Trust was part of the government's plan of 40 new hospitals by 2030, and was in cohort four. The expectation was that significant estates improvements would be delivered by 2030, although timelines had not yet been finalised. Seed funding had been received to establish a project team and initial scoping work, and further information about available finances and timescales for the project was anticipated in autumn 2022.

A second video was shown which highlighted the Trust's plans for becoming an outstanding organisation by 2026.

Mrs Chadwick-Bell thanked the communications team, and James Payne in particular for his work on the presentations and the videos shown.

Mr Phoenix explained that the Trust could not do what it did without the collaborative support of GP partners, colleagues in social services and constructive working relationships with system partners. He thanked the Friends of the hospitals for their support to the organisation, and the Trust's volunteers for all that they did.

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

Questions to the Board from members of the public and staff were received, including some which had been submitted in advance of the meeting. Topics included:

- The Trust's approach to managing increasing violence and aggression to staff.
- Public transport to hospitals, and between the hospital sites, particularly in light of the current review being undertaken by East Sussex County Council.
- The courtyards at Conquest Hospital and what was being done to improve these.
- The importance of elderly care and frailty as a priority for the organisation.
- Concerns about A&E, and all other NHS staff, due to the considerable pressures that they have been under for a long period, and how their efforts could be recognised appropriately to try to stop staff from leaving the NHS.
- The Trust's ambition to achieve an outstanding rating before 2026, and whether a roadmap could be published setting out annual aims.
- A broken Patient Experience link on the Trust's website.
- The need for a medical supporting letter in order to receive a blue badge, and the potential for the Trust to supply this supporting information for free.
- Whether frailty and advancing years were considered under inequality strategies for the ICS.
- Thanks to the NHS and the Trust for everything that they do.

6. **Close of Meeting**

Mr Phoenix thanked everyone for attending the AGM. He also thanked staff and the Trust Board for their hard work during the previous year.

Signed ……………………………………………

Position …………………………………………..

Date ………………………………………………

Annual Report

2022/23

www.esht.nhs.uk

0300 131 4500

@ESHTNHS

Contents

Contents	
Welcome from our Chair and Chief Executive	3
Overview and Performance	6
About the Trust	7
Trust News	9
Our Strategy	18
Summary of Performance	25
Accountability Report	33
Directors' Report	34
Remuneration and Staff Report	58
Annual Governance Statement	118
Annual Accounts	142

Welcome from our Chair and Chief Executive

We want to welcome you to the East Sussex Healthcare NHS Trust Annual Report for 2022 / 2023.

In an exceptionally busy year, we want to begin by expressing our gratitude, and that of the Board, to each one of our colleagues and volunteers for their ongoing hard work. We are aware that our people are our greatest asset. They continue to work with the utmost professionalism, resilience and dedication to provide care for all those who depend on us.

The hard work and strong performance we have delivered is testament to the efforts of colleagues across the trust to maintain access for patients, even when faced with significant pressures. We are all working hard to ensure we are doing everything we can to ensure patients receive care as quickly as possible. We want to deliver more care, more quickly and everyone is working to that end.

This year saw the opening of the Bexhill Community Diagnostic Centre, which provides a range of tests including x-rays, ECGs, ultrasound, as well as MRI and CT scans. This new centre is part of a national programme to increase access to NHS diagnostics in local communities and involved a herculean effort from several teams to complete the centre in less than a year.

The Care Quality Commission carried out an inspection of our maternity services in October. In their report they found that our services remain well-led, but also identified areas for us to focus on. We look forward to continuing to further improve our maternity services and ensure that our communities have the high quality, safe and compassionate care that they deserve.

Social Media

YouTube: @ESHTNHS
Twitter: @ESHTNHS
Facebook: @ESHTNHS
Instagram: @ESHTNHS

In December, we received final approval of our plans to improve our cardiology and ophthalmology services. The proposals will improve the quality of care for all those who need it, cut waiting times and reduce how long people have to stay in hospital and the number of times they need to visit for appointments or tests. This scheme is an example of how, working together as a system, we can deliver better patient outcomes. Work will now begin to implement the improvements to the two services.

Other notable developments this year saw us develop a new dedicated discharge lounge at Eastbourne to enable us to free up beds as early as possible each day; the introduction of virtual wards to allow patients who would otherwise be in hospital to receive the same level of care in their own home; and secure over £27 million of investment for Eastbourne District General Hospital as we work towards achieving the NHS net zero carbon commitment.

Sussex Premier Health launched in April 2022 as the new brand for all private healthcare undertaken across our sites, following the completion of our agreement to take over the service previously provided by Spire in Hastings. This new service delivers outstanding private healthcare to patients in Sussex, Kent and surrounding areas and makes an important contribution to our NHS finances.

We continued to focus on making sure our finances remain sustainable and we ended the year having spent over £625m, generating a surplus of £28k. This is the fourth year in a row we have met our financial targets and is a significant achievement given the challenging financial climate.

The experience of all colleagues is incredibly important to us and we continue to listen carefully to what our staff are saying and feeling, so that we can make improvements where necessary. We are focused on being a great place to work as we want to recruit and retain the best people, so we can continue to provide outstanding care and be the best employer we can.

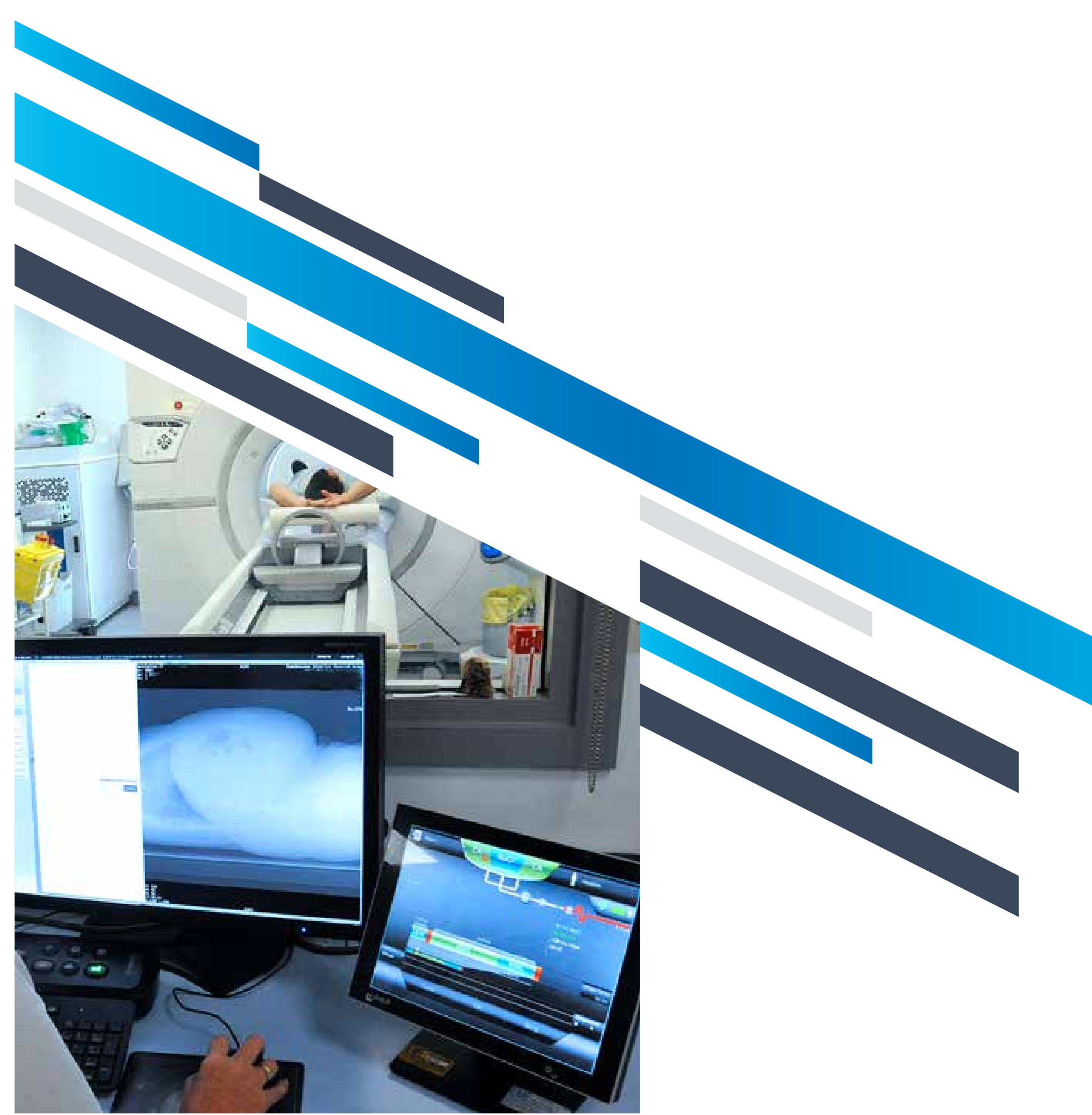
We are aware that an annual report can never give a full picture of the past year; of the thousands of stories of compassion, dedication, innovation and hard work that never cease to amaze us. But we can use this opportunity to shine a spotlight on some of the incredible work undertaken across the trust. As you read through the report this year, you will see we have included stories throughout highlighting the roles of some of our colleagues and the difference they are making to our patients.

We'd also like to thank the many organisations and bodies that work with us and enable us to deliver great care for our communities. Most notably we thank the Leagues of Friends whose fundraising efforts each year make a real difference to our staff and patients. We also thank our partners in the Sussex health and care system, voluntary and community groups and most importantly, our patients, whose feedback helps us improve; we thank you for your support.

Steve Phoenix
Chairman

Joe Chadwick-Bell
Chief Executive

Overview and Performance



About the Trust

East Sussex Healthcare NHS Trust provides 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 £657 million and we are the only integrated provider of acute and community care in Sussex. Our extensive health services are provided by over 8,300 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 District General Hospital (EDGH) 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 EDGH, while our centre for trauma services and obstetrics is at Conquest.

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.

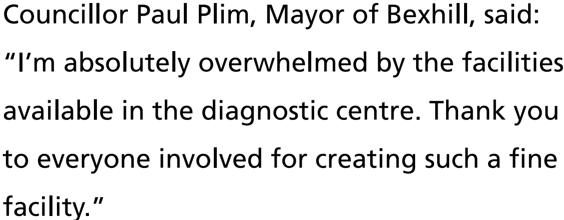
In the community, we deliver services that focus on people with long term conditions living well outside hospital, through our Integrated Locality Teams working with District and Community Nursing teams. Community members of staff also provide care to patients in their homes and from a number of clinics,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

Trust News

Bexhill Community Diagnostic Centre officially opened

In March 2023, Bexhill Community Diagnostic Centre, was officially opened by the Mayor of Bexhill, Councillor Paul Plim. The Centre provides services such as cardiac diagnostics, x-rays, echo-ECGs, ultrasound, lung function and phlebotomy, as well as MRI and CT scans on a rotational basis.



Councillor Paul Plim, Mayor of Bexhill, said: “I’m absolutely overwhelmed by the facilities available in the diagnostic centre. Thank you to everyone involved for creating such a fine facility.”

Funds raised for new surgical robot

£500,000 has been raised to replace the Da Vinci robot at Eastbourne District General Hospital. Having been used for many hundreds of operations over the last seven years, the existing robot needed to be replaced by a newer model to ensure the urology team could continue to provide the high quality, minimally invasive surgical care that the robot enabled them to do as a regional centre for urology cancer.

Thanks to contributions for the Friends of Eastbourne Hospital, as well as donations from the Masonic Charities, Medi Tech and former urology patients, half a million pounds has been raised to replace the robot and ensure that procedures can continue.

Trust News

Over £27 million investment to improve energy efficiency at Eastbourne DGH

Funded by the Public Sector Decarbonisation Scheme, in Summer 2022 work began to install clean, efficient heat pumps and energy efficiency upgrades across the majority of the Eastbourne site. This includes insulation being added to the outside of the building, new fascia, new windows, new roofing, air source heat pumps and the addition of solar panels.

These improvements to the building will reduce the heating required and the upgraded heating system, powered by cleaner renewable energy, will reduce the use of fossil fuels, reducing our carbon footprint.

Lord-Lieutenant for East Sussex visits Eastbourne DGH

Andrew Blackman, the Lord-Lieutenant for East Sussex and the Queen's personal representative in the county, visited Eastbourne DGH to thank staff for their efforts during the COVID-19 pandemic.

The Lord-Lieutenant was given a tour of the trust by our Chairman and Chief Executive, and met with members of staff from Jevington Ward, the Critical Care Unit, and the Outpatients Department.

Trust News

Sussex Premier Health celebrates first anniversary

Sussex Premier Health celebrated its first anniversary of providing healthcare under the ownership of East Sussex Healthcare NHS Trust on 1 April 2023.

Sussex Premier Health, now a private division of the trust, offers private inpatient and outpatient services for a wide range of specialities, including orthopaedics, general surgery and ophthalmology.

The division does not use NHS resources, and profits are reinvested back into the trust.

Organ donation bench unveiled

To mark Organ Donation Week in September 2022, a special bench dedicated to the memory of our organ donors was unveiled at Conquest Hospital. The bench, situated in a peaceful location overlooking the lagoon at the hospital, is a thank you to all of the individuals who have given the gift of life to others through organ donation at the trust.

Trust News

Hospital care in your own bed

From when it launched in December 2022 to the end of 2022/23, the trust's virtual wards have seen more than 300 patients, providing a range of hospital-grade services to patients in the comfort of their own home.

"It's about providing the care that a patient would ordinarily expect in a hospital bed, but at home" explains Sam Morley, Advanced Clinical Lead for Virtual Wards. "By monitoring vitals like blood pressure, heart rate and oxygen levels remotely and administering IV antibiotics at home, we've made a real difference to the experience and comfort of a big cohort of patients."

New discharge lounge opens at Eastbourne

In March 2023, the trust opened the new discharge lounge at Eastbourne DGH. The lounge provides a purpose-built environment for patients who are waiting to return home, freeing up beds in our hospital while ensuring patients are kept safe and supported before they leave. The lounge has both beds and recliner chairs available, meaning that patients can wait for their transport home in comfort.

Trust News

Highly commended at Care at Home awards

The trust was highly commended in three of the categories at the South East Care at Home awards in June 2022.

The Rehab, Restoration and Recovery forum were highly commended in recognition of their excellence and achievement in being an outstanding team for prevention and rehabilitation; the Rapid Access Clinic for muscular conditions were highly commended in recognition of their excellence and achievement in being an outstanding team for innovation and improvement; and the acute access virtual clinic team for patients attending Emergency Department with musculoskeletal conditions were highly commended in recognition of their excellence and achievement in being an outstanding team for digital transformation.

Conquest SCBU leads the way

The Special Care Baby Unit at Conquest Hospital became the first level one unit in the country to receive a Gold accreditation in the Bliss Baby Charter in May 2022. The Charter provides a framework for neonatal units to assess the quality of their family-centred care. Wendy Thompsett, joint ward matron, said : "This is a fantastic achievement for the team and for our parents".

Trust News

Cardiology and Ophthalmology changes get the go ahead

Planned improvements to cardiology and ophthalmology services across East Sussex were given the go ahead by the East Sussex Health Overview and Scrutiny Committee on December 2022.

The improvements will see ophthalmology services provided by the trust consolidating at Eastbourne DGH and Bexhill Hospital, which will support better patient care and the establishment of one-stop clinics.

Cardiology care at Conquest and Eastbourne hospitals will be strengthened through new cardiac response teams, who will provide more agile, specialist cardiac care to emergency department patients.

Conquest Emergency Department expands with modular units

New modular units, created by specialist healthcare modular construction firm Health Spaces, arrived at Conquest Hospital in April 2022. These new units provide staff in our busy Emergency Department with space to change before and after their shifts, as well as a dedicated area to rest, eat and drink on their breaks while at work.

Trust News

Sensory garden for critical care patients opens

Plans to convert a courtyard at Conquest Hospital into a sensory garden for patients in the Critical Care Unit came to fruition in December 2022.

The £30,000 needed for the works was raised thanks to the hard work of the Critical Care team, supported by the Friends of Conquest Hospital and local businesses. The garden, which was planted and is maintained by the trust groundskeeping team, provides a restful place for our most unwell patients to experience different surroundings while being cared for, as well as a pleasant environment for their visitors and trust staff.

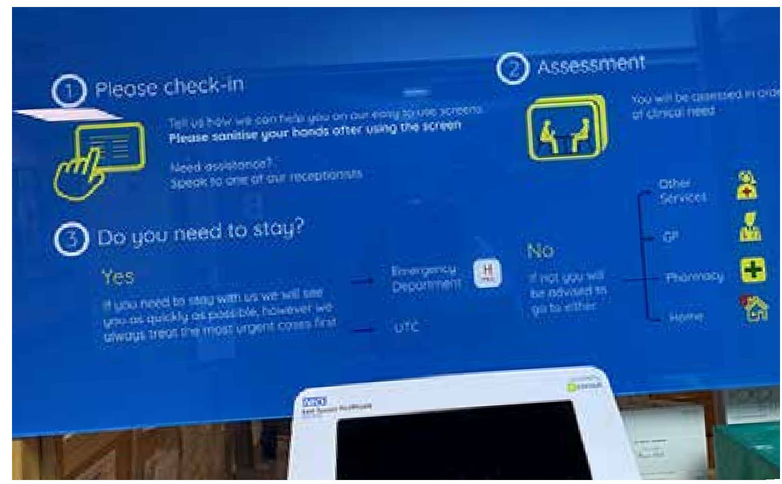
New oximeters provide better, safer care for newborns

In November 2022, the Tiny Tickers charity donated ten pulse-oximetry machines to the trust. The machines are used on our maternity units to help diagnose congenital heart defects in newborn babies. The machines can save the lives of babies by giving an earlier diagnosis of serious heart conditions, allowing clinicians to take action earlier.

Trust News

Tablets speed up emergency department experience

In May 2022, we implemented the use of the tablet-based eTriage system in our emergency departments. Patients arriving at our emergency departments are asked to check in using our new eTriage tablets. The tablets ask a series of simple questions to enable us to assess everyone and see the most urgent patients first. This helps us to identify which patients need care quickly, reducing waiting times and improving their experience.



Staff restaurant refurbishment

Our staff restaurants at Conquest and Eastbourne have been refurbished with a mixture of modern, vibrant furniture in a fresh, open and spacious environment. Both sites' refurbishment were supported by the Trust Charity.

The staff restaurant refurbishment at Eastbourne was supported by the Friends fo Eastbourne Hospital.

In the last year…

3,053 babies were born in our hospitals

Our emergency departments had over 150,000 attendances

We carried out 283,000 x-rays and scans

1.2 million calls were answered by our switchboard team

We received over 27,000 cancer referrals

52,000 people had planned surgery 87% of these were day cases

Over 7 million pathology tests were undertaken

There were over 410,000 outpatient appointments nearly 300,000 were consultant-led

over 470,000 medicines were dispensed

42,000 referrals were made to community nursing10,100 were seen within 24hrs

Our Strategy

In 2021 we published our ambitious strategic plan which sets the overall direction for our services; enabling our residents to access the best care in the most appropriate place – at home, in the community or when they need to come into hospital.

With our Board, staff and partners we developed our five-year forward strategy "Better Care Together for East Sussex", which we believe is best for our residents and consistent with the Sussex-wide priorities. Our plan is built on four strategic aims:

Improving the health of communities	Collaborating to deliver care better	Empowering our people	Ensuring innovative and sustainable care

Improving the health of our communities

- Despite the challenges of the past year we have been able to implement new approaches to address critical challenges affecting the health of our communities. The new Virtual Ward service (featured on both BBC South East Today and ITV News Meridian) started in December 2022 and has been a great success so far. Enhanced Care in Care Homes is becoming a meaningful offer, the piloting of 'HomeFirst' pathways was successful and we are about to develop business cases for the expansion of all three services.

- We have focused especially during the year on reducing waiting times and inequalities.

Collaborating to deliver better care

- We took the opportunity to reshape collaborative arrangements across East Sussex 'Place' early on - working together to improve joint health and social care governance and priorities and holding open conversations with system colleagues about shared objectives to improve health, social care and wider determinants of health. We have taken a lead role in driving the purpose of good collaboration forward and continue to set the example. We now have the platform in place to jointly target our agreed health outcome priorities and the development of Integrated Neighbourhood operating models.

- We also made progress in key areas where the old system structure was a barrier. Ranging from tailoring the Integrated Care System (ICS) drive for an 'Admission Avoidance Single Point of Access' with partners in East Sussex so that it works for our population and our colleagues across primary care, social care and ambulance services; to our now formally-emerging Sussex Pathology Network, which has made a real leap forward by procuring a Sussex-wide Laboratory Information Management System; through to collaborating with Primary Care colleagues to develop an innovative support structure to bring GPs into our new virtual wards.

Empowering our people

- This year has been an exciting time for the design and build phase for our People Strategy. During the year we developed new ways of working to better market how attractive the turst is to work, train, look after and retain our people.

- These included developing HR Solutions on our Extranet, which provides One Stop HR support; introducing Totara/My Learn for training, career mapping and harnessing talent, enhancing our workforce reporting to provide richer information; launching a suite of support programmes for our people including Trauma Risk Management; being awarded Disability Confident Leader status; establishing a Staff Partnership Forum; and including our bank workforce in local Pulse and National staff surveys for the first time.

Ensuring Innovative and sustainable care

- Innovation has been a surprising feature of a challenging year. After the difficulties of the pandemic and changes to the new ICS model there was a risk that we would just focus on delivering the normal as well as we could. However, as it turns out we were able to really push the benefits of being an integrated organisation forward.

- We have developed new ways to offer services in our Emergency Department such as virtual GP appointments, referral to pharmacies and electronic streaming. We now use remote monitoring technology to check vital signs for people in their own homes; and we are piloting Point of Care pathology testing in key areas to understand what benefits that may offer and we are implementing Digital Histopathology capability which means consultants can review high resolution images of tissue samples from anywhere.

Principal Risks to our Strategy and Objectives

The Board considers and agrees its principal risks quarterly via the Board Assurance Framework. During 2022-23 the Board undertook a review of the Board Assurance Framework and agreed refreshed and revised strategic risks, risk scores and risk appetite. Enhanced details of the top risks the organisation faces are provided within the Annual Governance Statement section of this annual report.

The following table shows East Sussex Healthcare NHS Trust's 2022/23 strategic risks, from our Board Assurance Framework, along with the movement of the total residual risk scores following mitigating actions during 2022/23.

Acting on patient feedback: patient experience

To ensure our services meet the needs of patients and their families, the Quality and Safety Committee receives a regular report triangulating learning from several sources of feedback. As a learning organisation, themes and trends are identified with associated actions, leading to changes in practice and improvements in patient experience.

Number of complaints

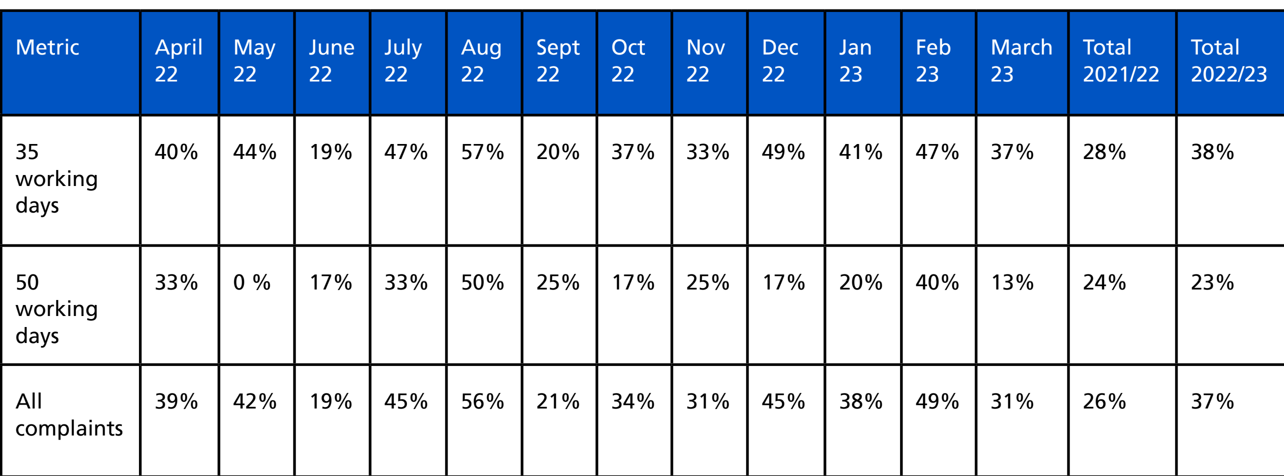
The trust received 436 complaints for this period (465 complaints were received in 2021/22).

Complaints response rates

The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 state that complaints should be responded to within 6 months (commencing on the day on which the complaint was received). ESHT responded to all complaints within 6 months.

The trust aims to respond to non-complex complaints within 35 working days and complex complaints within 50 working days, these are internally set targets and are comparable with other NHS organisations. Throughout the year monitoring takes place to analyse where the delays occur in responding to complaints, often this is due to operational pressures within clinical divisions impacting staff ability to investigate and respond to a complaint.

Overall the complaints response rate for 2022/23 was 37%, an 11% improvement compared to 26% complaint response rate in 2021/22.



Metric	April 22	May 22	June 22	July 22	Aug 22	Sept 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	March 23	Total 2021/22	Total 2022/23
35 working days	40%	44%	19%	47%	57%	20%	37%	33%	49%	41%	47%	37%	28%	38%
50 working days	33%	0 %	17%	33%	50%	25%	17%	25%	17%	20%	40%	13%	24%	23%
All complaints	39%	42%	19%	45%	56%	21%	34%	31%	45%	38%	49%	31%	26%	37%

100% complaints were acknowledged within three working days this year.

Number of plaudits and compliments

Plaudits and compliments are received in the form of letters, cards or emails addressed directly to the clinical services. These can be submitted via a patient or carer completing a Friends and Family Test (FFT).

Metric	2021/22	2022/23
All Compliments	23105	19866
Compliments from FFT feedback	21534	18807
Compliments from thank you cards/emails	1521	1058
4 and 5 star reviews (NHS website)	50	78

Staff Stories

Preventing hospital admissions and supporting discharge: how the urgent community response team care for patients in their own home

For many patients, the urgent community response team is their last opportunity to avoid a trip to hospital. The team provide rapid care to patients in their own homes and head off the need for admission.

"It's about getting people the care that they need quickly, so that they can stay at home if possible," Emily Funnell, Advanced Nurse Practitioner, explains. "We make interventions as early as possible – ideally before someone's needs are so acute that a hospital trip is inevitable."

Made up of nurses, nurse associates and HCAs, the clinical team can visit people in their own homes and provide assessment, investigations and review diagnostics, as well as prescribe appropriate medication and monitor a patient's condition. Patients will normally be under the team's care for up to five days, but in some cases it can be longer.

The social team involve the clinical team on clinical assessments and treatment, as well as arranging equipment and packages of care. The team is made up of integrated support workers, occupational therapists and rehabilitation support workers, all able to provide an astonishingly wide range of care for the diverse needs these patients have.

"We support discharge and help get patients out of hospital beds and back home – even if a full package of care is still being arranged. We bridge the gap so the patient can be back home in more comfortable surroundings – and freeing up a hospital bed."

Emily has been with the community team for 24 years and loves her work. "Seeing patients inside their home is a genuine privilege and providing wider, holistic care gives you a chance to build real relationships. I wouldn't want to do anything else."

Public Engagement

As an NHS trust we will only achieve our vision by working in collaboration with the people and communities who receive our care. Engaging and involving our patients and the public helps us to understand their experiences and will support us to improve our organisation, the clinical care we provide and their own experience in hospital and community settings.

The Sussex ICS's 'Working with people and communities strategy' was published in July 2022 and sets out the goals, principles, approaches, methods, governance and reporting structure, and immediate priorities for how the ICS will work with people and communities. It aims to provide a framework that will enable the ICS to sustain and improve existing, and develop new and different, ways of working with people and communities.

In the past year as a trust we returned to holding our Board Meetings in public in community venues across East Sussex. We invite members of the public to attend these meetings allowing them to ask questions of the Board. We also held our 2021/22 AGM in public at the Hydro Hotel in Eastbourne, which was attended by colleagues, stakeholders and members of the public. We reviewed our year, highlighting the work of colleagues and developments over the past year.

We have also undertaken work to refresh the trust website (esht.nhs.uk). Menus have been reorganised to aid the user experience and all website content has been checked to ensure it is up-to-date and relevant to our patients. The trust is also actively engaged with social media and the number of people following our official accounts rose over the last year across all channels. There are more than 5,485 followers on Facebook, 5,187 on LinkedIn, 14,884 on Twitter, 375 on Instagram (which we launched onto this year) and 669 subscribers on YouTube, which enables us to create regular two-way communication with patients, staff, clinicians and interested members of the public.

Summary of Performance

Operational performance is measured against key access targets and outcome objectives set out in the single oversight framework:

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

Indicator	Detail (national standard)	2022/23
Standards	Four-hour A&E (95% target)	67.91%
	RTT (92% target)	57.35%
	Cancer 62 days urgent referral (85% target)	70.93%
	Cancer 62 day Screening Standard (90% target)	48.00%
	Diagnostics (99% target)	83.87%
Length of Stay	Acute elective (days)	2.87
	Non-elective (days)	5.10
	Bexhill (days)	34.70
	Rye (days)	28.99
Community (seen within 13 weeks)	Podiatry	66.62%
	Dietetics	79.04%
	Speech and Language	70.25%
	Neurological physiotherapy (all sites)	67.98%
	MSK Hastings and Rother	74.37%
	MSK Total (all sites)	75.80%
	MSK Triage (all sites)	89.24%
Community nursing	Rapid Response within two hours (2 hour response now sits under Urgent Community Response)	1
	24 Hour Referrals	7,950
Urgent Community Response	Rapid Response within two hours	19,834
	24 hour referrals	3,686

A&E standard:

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

During 2022/23, 67.91% of patients who attended our Emergency Departments were seen within four hours. We saw an increase in attendances to A&E in comparison to the previous year, and the acuity of patients presenting also increased which had a direct impact on the time required per patient to work up and treat.

The trust relies on health and social care to support timely discharge for patients who are medically fit but may need additional support in returning to their home or to another care setting. The availability of community, rehabilitation and social care beds has dropped significantly, which impacted on our ability to discharge patients with our bed occupancy remaining high as a result. Where bed occupancy is higher than 92% consistently, patient flow through the hospital becomes compromised with a knock-on effect on length of stay.

Referral To Treatment standard:

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

The ongoing effects of the pandemic are reflected in a reduction of delivery against the referral to treatment (RTT) standard in 2022/23 to 57.3% against the national standard of 92%. This is just below the national average of 60%. We achieved 78.6% in 2019/20.

We focussed on reducing the number of long waiting patients (>52, >78 and >104 weeks respectively), and the trust reported 0 patients who waited over 104 weeks and 22 patients over 78 weeks in 2022/23. The number of patients waiting over 52 weeks for treatment was 1,783 at the end of 2022/23. All patients who wait over 52 weeks for treatment undergo a Clinical Harm Review by the clinical team responsible for their care.

Diagnostic standard:

Maximum 6-week wait for diagnostic procedures

Although the impact of the pandemic continued to be felt, we saw an improvement in diagnostic performance compared to the previous year from 81.1% to 83.87% against the diagnostics standard of 99%. Prior to the pandemic, in 2019/20, following a period of significant improvement against this standard, the trust's performance was 98.5%. This improvement looks set to continue to improve as modalities work on recovery plans.

Cancer standard:

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

The trust has seen an increase in demand for suspected cancer and is now seeing an average of 2,400 referrals per month compared to a 2,000 average the previous year. We continued to achieve the 2-week wait cancer standard of >93% in 2022/23. The cancer 62-day standard (all patients with a cancer diagnosis to receive first treatment by day 62 of their pathway) target of 85% was not achieved. We delivered an average of 71% overall. With the increase in referrals, there is added pressure to the various diagnostic teams to be able to offer timely diagnosis and any necessary treatment. This has impacted our 62-day performance.

The trust has worked with the Integrated Care System to set up a community diagnostic centre in Bexhill. This has helped to alleviate some pressure on a number of our diagnostic modalities and has enabled us to provide quicker access to services for those patients on a suspected cancer pathway. The trust has met the Cancer 28-day Faster Diagnosis standard in February and March. The trust is seeing an overall improving position for this metric.

The trust continues to work closely with healthcare partners and the Cancer Alliance to develop and share positive new pathways to support an improvement in performance and enhance patient experience.

Increased demand

Demand has grown across all our services and with patients waiting longer for treatment, acuity can often be higher impacting on treatment plans and length of stay. This has a direct effect on patient flow at the front door through A&E and our capacity for elective admissions.

Indicator	2020/21	2021/22	2022/23
Day case and Elective Inpatients	38,104	49,911	49,834
Non-Elective	51,017	57,102	52,126
Outpatient	337,910	421,154	416,439
A&E Attendances	116,213	150,864	152,068
Cancer Referrals	21,172	26,892	27831

We continue to work closely with our adult social care and commissioner partners to meet these increasing demands, whilst also recovering our elective care performance and continuing to work through the pandemic.

Length of Stay

The trust is an outlier for occupancy rate for the percentage of patients with a Length of Stay of more than 21 days. During November 2022 the average occupancy rate was 32%. By the end of the year there was an improved picture with the weekly average standing at 24.6%. The national average occupancy rate is 20.8%

This performance report was approved by the Board on 29 June 2023 and signed on its behalf by:

Joe Chadwick-Bell, Chief Executive
29 June 2023

BAF Ref	RISK SUMMARY	Monitoring Committee	Strategic Aims Impacted				Inherent Risk	Current position (Residual risk)				Risk Appetite	Target Risk
								2022/23					
								Q1	Q2	Q3	Q4		
1	Minimal benefits from collaboration (e.g. better resource use & improved outcomes) for those in greatest need, due to System/Place focus on governance and architecture	Strat	X			X	12	9	6	6	6	Seek / Significant	6
2	Failure to attract, develop & retain a workforce that delivers the right care, right setting, right time	POD		X	X	X	15	12	12	12	20	Open	9
3	Decline in staff welfare, morale and engagement that impacts standards of care in 22/23	POD		X	X	X	20	16	16	16	16	Cautious / Open	12
4	Failure to deliver income levels/manage cost/expenditure impacts savings delivery	F&P			X	X	20	20	16	8	4	Cautious	8
5	Insufficient focus on recurrent delivery of income/cost/savings creates a viability issue post 22/23	F&P			X	X	15	10	10	16	16	Seek	10
6	The Trust's aging estate and capital allowance limits the way in which services and equipment can be provided in a safe manner for patients and staff	F&P		X	X	X	20	16	16	16	16	Cautious	8
7	Vulnerability of IT network and infrastructure to prolonged outage and wider cyberattack	Audit	X	X	X	X	20	16	16	16	16	Minimal	12

The risk scores are formed based on the 'likelihood' multiplied by the 'consequence' rating as follows:

		CONSEQUENCES / IMPACT				
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
LIKELIHOOD	Certain (5)	5	10	15	20	25
	High probability (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Rare (1)	1	2	3	4	5

Low	Moderate	High	Extreme
1 – 3	4 – 6	8 – 12	15 – 25

Staff Stories

Hospital care in your own bed

Virtual wards provide a range of hospital-grade services to patients in the comfort of their own home. Sam Morley, Advanced Clinical Lead for Virtual Wards, tells us how the service makes a difference to the way patients experience their care.

"It's about providing the care that a patient would ordinarily expect in a hospital bed, but at home," explains Sam. "It's really that straightforward. Monitoring of vitals like blood pressure, heart rate and oxygen levels, administering IV antibiotics. We can't do things like x-rays, but for the cohort of patients that need routine monitoring and treatment and would normally have had to stay in a hospital bed for it, it's made a real difference."

There are dedicated, consultant-led virtual wards for patients with heart failure, respiratory illnesses and in need of frailty care. The team are able to provide care for those who have had falls, providing a physical assessment in situ, then monitoring, medication and follow-up – all without the patient needing to go to hospital.

Visits by the virtual ward team can be scaled up and down according to clinical need. The remote monitoring system utilises a wearable monitor that records patient clinical information and transmits it for review. The system comes with an iPad, where patients can contact the team directly by text or video if they feel unwell and need to talk to a clinician – just like they would press a call bell in a hospital bed.

"There are so many benefits to patient health and wellbeing through being cared for at home," explains Sam. "They can eat their usual diet and they normally sleep better in their own bed than on a shared ward. Being able to use their own loo, with that extra privacy and comfort, means they're less likely to become constipated. Patients with dementia experience less disruption to their routines, so it makes a big difference to mental health. Family and friends can drop in easily and people can continue their life without too much disruption. It all adds up to a really big improvement to overall wellbeing."

Emily has been with the community team for 24 years and loves her work. "Seeing patients inside their home is a genuine privilege and providing wider, holistic care gives you a chance to build real relationships. I wouldn't want to do anything else."

Staff Stories

Community rehabilitation: keeping patients moving

The Joint Community Rehabilitation (JCR) service plays an important role in getting patients safely out of hospital and back to their homes – as well as stopping them from coming into hospital in the first place.

"There are two parts to the service," Georgia Daines, Associate Practitioner, explains. "There's the rehabilitation side where people have been unwell and need support to recover their strength and mobility or special equipment to be able to move around and carry out everyday activities, and the reablement side, something that's essential to many patients."

Reablement is the support patients need to get back to living their life. "It's about relearning the skills they need to cope at home, to regain their independence and their confidence," says Georgia.

The reablement arm of the service is delivered by a mix of clinical and adult social care colleagues, whose combined experience means that they get a complete picture of a patient's needs when they are assessed but are also able to deliver the range of support that they need at home.

Georgia works largely in patient assessment, working with referrers to understand the patient's needs and support continuity of care, but also delivers treatment directly to patients. The involvement of the service can make the difference between someone staying active in their own home or needing a trip to hospital.

Similarly, when a patient is medically fit for discharge, a reablement package of care can be arranged to help get the patient home quickly.

"When we get a referral it's helpful if we can get as much information as possible. The physical and cognitive functions of the patient are important, but so is an idea of the sorts of activities they want to be able to manage in their home," Georgia explains.

"We help patients return to a good quality of life, even after they've been quite seriously ill," she says. "We're there to help them get over that last hurdle and get on with living their lives. That means a lot to me."

Accountability Report

Directors' Report

Trust Board

The Board of Directors is responsible for setting and driving forward the strategic direction of East Sussex Healthcare NHS Trust. The Board is made up of Executive Directors and Non-Executive Directors who develop and monitor the trust's strategic aims and performance against key objectives and other indicators. Together, their role is to receive, accept and challenge reports to fulfil all of their responsibilities.

The composition of the Board helps to ensure that the skills and strengths provided by the Non-Executive and Executive Directors throughout the year provide a good, well-balanced Board. The balance is reviewed throughout the year, as well as whenever Director level vacancies, both Executive or Non-Executive, arise. The Board members provide a breadth of public and private sector expertise.

The trust has ensured a constitutional option to vary the numbers slightly as and when the need arises, provided always that the Board retains a majority of Non- Executive Directors. The Board may delegate any of its powers to a sub-Committee. The Board has reserved the issues set out in its Scheme of Reservation and Delegation and further guidance about the operation is set out in the Standing Orders and Standing Financial Instructions.

Members of the Board undergo an annual performance assessment, reviewing performance against agreed objectives, personal skills and competencies and progress with personal development plans.

The composition of the Board of Directors as of 31 March 2023 was as follows:

Non-Executive Directors	
Steve Phoenix Chair 	Steve has been Chair of the Trust Board since February 2019. He joined the Board after a long career in health care leadership. His first NHS executive Board appointment was in 1988. He spent 13 years as a Director and 16 years as a Chief Executive (10 in the NHS and 6 at Hamad Medical Corporation, Qatar). He has held Non-Executive roles in the NHS, the private sector and social enterprise. He held an academic appointment at the London School of Economics between 1990 and 1994. Steve is married and has lived in Sussex since 1987. Trust Roles: • Member of Finance and Productivity Committee • Member of Strategy and Transformation Committee • Member of Remuneration Committee

Jackie Churchward-Cardiff Vice Chair and Senior Independent Director 	Jackie has extensive experience of healthcare having worked in both the private and public sector. She lives near Heathfield and qualified as a nurse in 1981. Jackie worked in the NHS for 22 years with her last position being Director of Operations at Barts and Royal London NHS Trust. She then worked for an infrastructure company for 11 years ending as CEO. After retiring in 2013 Jackie set up her own healthcare consultancy company. She became Chairman of Avante Care and Support until 2022, and was also appointed as a Non-Executive Director for 2Gether Support Solutions in 2019. Jackie has a career-long commitment to providing safe and effective services. Trust Roles: • Senior Independent Director • Chair of Strategy and Transformation Committee • Chair of Remuneration Committee • Member of Finance and Productivity Committee
Karen Manson Non-Executive Director 	Karen has over 20 years research, communications, and global drug access experience in the pharmaceutical industry, holding senior positions in Johnson & Johnson and Janssen, working in the UK, US, and sub-Saharan Africa. Originally trained as a veterinary surgeon, she practiced in New Zealand and the United Kingdom. Karen also operated Manson Associates, a global business consultancy specialising in healthcare and sustainability. She is the Treasurer of the Bexhill Community Land Trust. Karen is passionate about issues of patient experience, access and affordability (in healthcare and housing), and integrating refugees into our communities. Trust Roles: • Chair of Charity Committee • Member of Audit Committee • Member of Quality and Safety Committee • Member of Remuneration Committee

<table>
<tr><td>Paresh Patel
Non-Executive Director
 </td><td>Paresh has extensive experience in strategic business development built up during a successful 25-year career in financial services and healthcare. He has held senior roles at PwC and Fidelity International. In 2008 he developed a single specialty eye hospital Optegra, and significantly expanded the company's ophthalmic business throughout the UK as well as in Europe and China. He also held the position of The Director of Strategy and Business Growth at Ramsay Healthcare UK, a leading provider of independent hospital services in England. He is currently Chief Executive of OCL Vision Ltd, and is passionate about improving patient experience and quality and focussing on the development of constructive healthcare solutions that meet complex, evolving market needs.

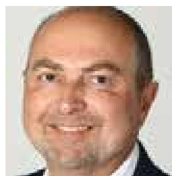
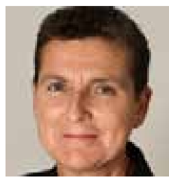
Trust Roles:
• Chair of Audit Committee
• Member of Finance and Productivity Committee
• Member of Strategy and Transformation Committee
• Member of Charity Committee</td></tr>
<tr><td>Nicola Webber
Non-Executive Director
 </td><td>Nicola is a fellow of the Institute of Chartered Accountants of England and Wales and previously spent 15 years working in the financial sector in London, including with Deloitte LLP, Actis LLP and INSYNERGY Investment Management. She is an experienced audit and finance committee chair and holds non-executive director roles with Westfield Health and 2Gether Support Solutions Limited. She has a genuine passion for working with businesses with a purpose, working in the non-for-profit, social purpose and healthcare sectors.

Trust Roles:
• Chair of Finance and Productivity Committee
• Member of Audit Committee
• Member of Strategy and Transformation Committee</td></tr>
<tr><td>Carys Williams
Non-Executive Director
 </td><td>Carys is a Lay Member of the House of Commons Committee on Standards and a member of the Welsh Government Board. She is also Chair of Age UK East Sussex and a Non-Executive Director of IBAS. The majority of her professional career has been spent as a Senior Executive in financial services working for the Financial Ombudsman Service, Lloyds Banking Group and KPMG. Carys joined ESHT in August 2019.

Trust Roles:
• Chair of People and Organisational Development Committee
• Member of Strategy and Transformation Committee
• Member of Remuneration Committee</td></tr>
</table>

Associate Non-Executive Directors	
Ama Agbeze Associate Non-Executive Director * 	A large part of Ama's career has been spent as a professional athlete culminating in captaining Team England to netball gold at the 2018 Commonwealth Games. She was recently a board member for the 2022 Commonwealth Games in Birmingham. Alongside sport, Ama has worked as a lawyer in a variety of disciplines including family, corporate, charity and banking. As an ambassador and trustee for a number of charities Ama has a focus on the benefits of physical activity on health outcomes, using sport to help realise potential, and children and young people. She regularly speaks and advocates for diversity and inclusion, improving life opportunities in areas of deprivation, cultural development and organisational change, leadership and mental health. Ama is a non-voting director. Trust Roles: • Member of Audit Committee • Member of Quality and Safety Committee • Member of Charity Committee
Amanda Fadero Associate Non-Executive Director * 	Amanda had an extensive and varied career in the NHS for over 40 years. She held a number of senior executive roles in the NHS working as Chief Executive of NHS Sussex; Area Director for NHS England for Surrey and Sussex; and as Deputy/Interim Chief Executive at a large University Hospitals. During her career she gained valuable experience in developing partnerships and integrating communities, managing complexity, using problem solving and conflict resolution to progress and manage change. Since leaving her full time career in the NHS, Amanda has developed a career portfolio that includes two Non-Executive roles on NHS Trust boards, CEO of St Barnabas and Chestnut Tree hospices alongside supporting complex change programmes as a consultant. Amanda is a non-voting director. Trust Roles: • Chair of Quality and Safety Committee • Member of People and Organisational Development Committee • Member of Strategy Committee

Frank Sims Associate Non-Executive Director * 	Frank lives in Seaford and has spent over 30 years in the NHS, including working as a Chief Executive for acute and community providers as well as NHS commissioners. He is driven by a desire to improve care and the experience for patients. Frank has worked in the social enterprise movement and discovered the importance of including staff in all decision-making. Most recently he has moved into the charity sector, with a focus on mental health, both as a CEO and Trustee. Frank is a non-voting director. Trust Roles: • Member of Finance and Productivity Committee • Member of People and Organisational Development Committee

Executive Directors	
Joe Chadwick-Bell Chief Executive 	Joe became Chief Executive in 2020. She has a vast experience of the NHS having worked in Ambulance and Acute Provider Trusts along with a period of time at a Strategic Health Authority. Joe joined the trust from Care UK, the UK's largest independent provider of health and social care, where she was Regional Director for London. Prior to that she was a Board Director at Surrey & Sussex Healthcare NHS Trust. Joe originally started her NHS career working in the Pharmacy department at Eastbourne DGH.
Steve Aumayer Deputy Chief Executive and Chief People Officer 	Steve is an experienced HR Director who, after starting has career as a Royal Naval officer, has held a number of senior leadership roles in Healthcare and across other sectors. His healthcare experience includes Executive Director of Human Recourses and Organisational Development at University Hospitals Bristol NHS Foundation Trust; Executive Director of Organisational Development and Strategic Human Recourses at Hamad Medical Corporation, the public healthcare provider for the 2.5 million residents in Qatar; Group HR Director Optegra Eye Care; and most recently running his own consultancy firm focused on supporting healthcare organisations, Teyr Consulting. Prior to moving into healthcare, Steve held a number of senior leaderships posts in companies including Hay Management Consultants, Deloitte, Orange UK and COLT Telecom. Steve has also undertaken various Non-Executive Director roles, including at Avon Partnership for Occupational Health and Skills for Health.
Vikki Carruth Chief Nurse and Director of Infection Prevention and Control (DIPC) 	Vikki joined the trust in 2017. Originally from Dublin, Vikki qualified as a registered nurse in the UK undertaking a number of post graduate studies at the University of Brighton. She has worked in the NHS since 1989, holding a variety of senior nursing posts in a number of trusts in London and the South. Vikki is passionate about ensuring that the care that patients receive is the very best it can be and that staff have the right training, leadership and support to deliver this to every patient, every time. She has a clinical background in acute medicine and has a particular interest in the care of vulnerable patients and those with more complex needs.

Dr Simon Merritt Chief Medical Officer 	Simon is a Consultant in Respiratory, General and Sleep Medicine at Conquest Hospital and the Chief Medical Officer. He trained at United Medical and Dental School of Guy's and St Thomas's Hospitals, London gaining a BSc in Psychology, before graduating with Honours in 2000. After completing his general medical training in East London, he undertook specialist training at the Kent and Sussex, Lewisham, St. Thomas' and Conquest Hospitals. During his time at St Thomas's he spent three years working in the internationally renowned Sleep Disorders Centre and the Lane Fox Unit. He carried out innovative research into the connection between OSA and severe Diabetic Retinopathy, and also into the physiology of breathing in the very obese.
Damian Reid Chief Finance Officer 	Damian was appointed as Chief Financial Officer in 2020 having joined ESHT from Bedford Hospital NHS Trust where he was Director of Finance. Damian is a qualified Chartered Management Accountant. He started his career in the Ministry of Defence, followed by a series of appointments in the public sector and at EC Harris and Compass Group. Damian is an experienced Finance Director having held a number of senior positions within national, regional and local NHS organisations, including acute and community providers. Damian's portfolio at ESHT includes finance, procurement and digital.
Richard Milner Chief of Staff * 	Richard joined the trust having held senior positions at several NHS Trusts in London covering community, mental health and the acute sector. He has worked predominantly in operations and service improvement, and brings his experience of leading transformation programmes to improve care for patients. His interests are technology-enabled change and working across organisational boundaries to improve care outcomes. Richard began his career working for a US-based strategy consultancy before joining the NHS on the Gateway to Leadership programme. Richard is a non-voting director.
Interim Winter Director *	

* Non-voting Board member/officer

Responsibilities of the Chair, Senior Independent Director and Chief Executive

Trust Chair

Our Chair, Steve Phoenix, leads our Trust's Board and is responsible for ensuring effective governance processes which are consistent with the Nolan principles and the NHS values. He is pivotal in creating the conditions necessary for overall Board and individual director effectiveness and has five key responsibilities:

1. **Strategic:** ensuring the Board sets the trust's long-term vision and strategic direction and holds the chief executive to account for achieving the trust's strategy.
2. **People:** creating the right tone at the top, encouraging diversity, change and innovation, and shaping an inclusive, compassionate, patient-centred culture for the organisation.
3. **Professional acumen:** leading the Board both in terms of governance and managing relationships internally and externally.
4. **Outcomes focus:** achieving the best sustainable outcomes for patients and service users by encouraging continuous improvement, clinical excellence and value for money.
5. **Partnerships:** building system partnerships and balancing organisational governance priorities with system collaboration.

Senior Independent Director

Our Senior Independent Director (SID) is Jackie Churchward-Cardiff; she is also our trust's Vice Chair. The role of the SID is to be available to members of the trust if they wish to raise concerns which contact through the usual channels of line manager, Speak Up Guardian, Chair or Chief Executive have failed to resolve or where it would be inappropriate to use such channels.

The SID also has a key role in supporting the Trust Chair in leading the Board and acting as a sounding board and source of advice for the Chair. She holds a meeting with the other Non-Executive Directors in the absence of the Chair on an annual basis as part of the Chair's appraisal process.

Chief Executive Officer

Joe Chadwick-Bell is our Chief Executive Officer (CEO) and is responsible for leading a team of Executives who oversee almost every aspect of making sure that the trust performs safely and efficiently. She is responsible for ensuring that the correct balance is found between managing day-to-day operations while leading strategic development initiatives required for long-term success. Her areas of responsibility include:

- Responsibility for delivering the best quality of patient care
- Leadership and creating a positive and productive culture
- Setting and following standards for operational excellence
- Hiring and maintaining appropriate levels of qualified staff
- Implementing clinical procedures and policy
- Ensuring compliance with NHS regulations as well as hospital policies
- Developing a relationship with outside organizations, including the ICS, wider NHS and local stakeholders
- Delivering strong financial performance

Board changes during 2022/23 are outlined below:

Name	Role/Position	Date of Change
Lynette Wells	Retired as Director of Corporate Affairs	21 April 2022
Richard Milner	Job title changed from Director of Strategy, Inequalities and Partnerships to Chief of Staff	6 June 2022
Dr David Walker	Retired as Medical Director	31 August 2022
Dr Simon Merritt	Joined as Chief Medical Officer	5 September 2022
Ama Agbeze	Joined as Associate Non-Executive Director	10 October 2022
Tara Argent	Resigned as Chief Operating Officer	28 October 2022
Interim Winter Director	Started role	1 November 2022
Steve Aumayer	Became Deputy Chief Executive and Chief People Officer	1 November 2022
Miranda Kavanagh	Retired as Non-Executive Director	9 November 2022
Carys Williams	Changed role to Non-Executive Director from Associate Non-Executive Director	9 November 2022
Frank Sims	Joined as Associate Non-Executive Director	1 November 2022

Attendance at Trust Board meetings 2022/23

	12/04/22	14/06/22	08/08/22	11/10/22	13/12/22	14/02/23	
Steve Phoenix	✔	✔	✔	✔	✔	✔	6/6
Jackie Churchward-Cardiff	✔	✔	✔	✔	✔	✔	6/6
Miranda Kavanagh	✔	✔	✔	✔	Retired on 09/11/22		4/4
Karen Manson	✔	x	✔	✔	✔	✔	5/6
Paresh Patel	✔	x	x	✔	x	✔	3/6
Nicola Webber	✔	✔	✔	✔	x	✔	5/6
Carys Williams	x		✔	✔	x	✔	4/6
Ama Agbeze*	Joined on 10/10/22			x	✔	x	1/3
Amanda Fadero*	✔	✔	x	x	x	✔	3/6
Frank Sims*	Joined on 01/11/22				✔		2/2
Joe Chadwick-Bell	✔	✔	✔	✔	✔	✔	6/6
Tara Argent	✔	✔		✔	Left on 28/10/22		4/4
Steve Aumayer	✔	✔	x	✔	✔	✔	5/6
Vikki Carruth	✔	✔	✔		x		5/6
Dr. Simon Merritt	Joined on 05/09/22			✔	✔	x	2/3
Damian Reid	✔	✔	✔	✔	✔	✔	6/6
Dr David Walker	✔	✔	✔	Retired on 31/08/22			3/3
Richard Milner*	✔	✔	✔		✔	✔	6/6
Interim Winter Director*	Joined on 01/11/22				✔	x	1/2
Lynette Wells*	Retired on 21/04/22						0/0

* Non-voting Board member/officer

Trust Board Register of Interests

There are no company Directorships held by members of the Trust Board where companies are likely to do business or are seeking to do business with the trust. Should there be a potential conflict of interest, we have mechanisms to ensure that there is no direct conflict of interest and those Directors would not be involved. Based on the Register of Directors' Interests and known circumstances, there is nothing to preclude any of the current Non-Executive Directors from being declared as independent.

The Register of Interests is held by the Chief of Staff and Board members' declarations are set out below, and are also available on the trust's website at (www.esht.nhs.uk).

The Board have individually signed to confirm that they meet the requirements of the Fit and Proper Persons Test.

	Name	Interests
Non-Executive Directors	Steve Phoenix	• Wife is a Non-Executive Director at Surrey and Sussex NHS Trust
	Ama Agbeze	• None
	Jackie Churchward-Cardiff	• Chair of Avante Care and Support • Non-Executive Director 2gether Support Solutions Limited’
	Amanda Fadero	• Director at Consilium Partners,
	Karen Manson	• Shareholding in Johnson & Johnson
	Paresh Patel	• CEO of OCL Vision Ltd
	Frank Sims	• CEO Surrey Wellbeing partnership • Trustee, Sussex Cancer Fund • Trustee, (treasurer), Anglian Community Trust • Director, Social Enterprise, east of England • Non-executive director, make An Impact (social enterprise) • Public Governor, University Hospitals Sussex, NHS Trust
	Nicola Webber	• Non-Executive Director of 2gether Support Solutions Limited • Mother-in-law is Associate Non-Executive Director at Maidstone and Tunbridge Wells NHS Trust • Non-Executive Director of the Westfield Contributory Health Scheme Limited • Director and Treasurer of Pevensey Bay Sailing Club Ltd
	Carys Williams	• None
Executive Directors	Joe Chadwick-Bell	• Board Director SMKSPE - MSK Services - Joint board between ESHT and Horder as partners
	Steve Aumayer	• Director of Coombe Edge Management Ltd
	Vikki Carruth	• Trustee on Board of Care for the Carers
	Dr Simon Merritt	• 3-4 private clinics per month at Sussex Premier Health • Chief medical officer for Kokoon technology.
	Richard Milner	• None
	Damian Reid	• None

Statement as to disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The accounts have been prepared under a direction issued by NHS England (NHSE) and recorded in the Accounting Officer's statement later in this report. The Directors are responsible for ensuring that the accounts are prepared in accordance with regulatory and statutory requirements. A Director is regarded as having taken all the steps that they ought to have taken as a Director in order to do the things mentioned above, and:

- made such enquiries of his/her fellow Directors and of the company's auditors for that purpose; and
- taken such other steps (if any) for that purpose, as are required by his/her duty as a Director of the company to exercise reasonable care, skill and diligence.

Relevant audit information means information needed by the NHS Trust's auditor in connection with preparing their report.

Schedule of Matters Reserved to the Board	
1.	**Structure and governance of the trust, including regulation, control and approval of Standing Orders and documents incorporated into the Standing Orders:**
	1.1. Approve, including variations to: 1.1.1. Standing Orders for the regulation of its proceedings and business. 1.1.2. this Schedule of matters reserved to the Trust Board. 1.1.3. Standing Financial Instructions 1.1.4. Scheme of Delegation, including financial limits in delegations, from the Trust Board to officers of the trust. 1.1.5. suspension of Standing Orders 1.2. Determine the frequency and function of Trust Board meetings, including: 1.2.1. administration of public and private agendas of Board meetings 1.2.2. calling extraordinary meetings of the Board 1.3. Ratify the exercise of emergency powers by the Chair and Chief Executive 1.4. Establish Board committees including those which the trust is required to establish by the Secretary of State for Health or other regulation ; and: 1.4.1. delegate functions from the Board to the committees 1.4.2. delegate functions from the Board to a director or officer of the trust 1.4.3. approve the appointment of members of any committee of the Trust Board or the appointment of representatives on outside bodies 1.4.4. receive reports from Board committees and take appropriate action in response to those reports 1.4.5. confirm the recommendations of the committees which do not have executive decision making powers 1.4.6. approve terms of reference and reporting arrangements of committees 1.4.7. approve delegation of powers from Board committees to sub- committees 1.5. Approve and adopt the organisational structures, processes and procedures to facilitate the discharge of business by the trust; and modifications thereto. 1.5.1. Appoint the Chief Executive 1.5.2. Appoint the Executive Directors 1.6. Require, from directors and officers, the declaration of any interests which might conflict with those of the trust; and consider the potential impact of the declared interests 1.7. Agree and oversee the approach to disciplining directors who are in breach of statutory requirements or the trust's Standing Orders.

	1.8. Approve the disciplinary procedure for officers of the trust. 1.9. Approve arrangements for dealing with and responding to complaints. 1.10. Approve arrangements relating to the discharge of the trust's responsibilities as a corporate trustee for charitable funds held on trust. 1.11. Approve arrangements relating to the discharge of the trust's responsibilities as a bailee for patients' property.

2.	Determination of strategy and policy:
	2.1. Approve those trust policies that require consideration by the Trust Board. These will be determined by the individual directors responsible for adopting and maintaining the policies. 2.2. Approve the trust's strategic direction: 2.2.1. annual budget, strategy and business plans 2.2.2. definition of the strategic aims and objectives of the trust. 2.2.3. clinical and service development strategy 2.2.4. overall, programmes of investment to guide the letting of contracts for the supply of clinical services. 2.3. Approve and monitor the trust's policies and procedures for the management of governance and risk.
3.	Direct operational decisions:
	3.1. Approve capital investment plans: 3.1.1. the annual capital programme 3.1.2. all variations to approved capital plans over £1 million 3.1.3. to acquire, dispose of, or change of use of land and/or buildings 3.1.4. capital investment over £2.5 million in value, supported by a business case and in line with the approval guidance issued by NHS England (NHSE) . 3.1.5. contracts for building works, which exceed the pre-tender estimate by over 10% (minimum £100k). 3.2. Introduce or discontinue any significant activity or operation which is regarded as significant (if it has a gross annual income or expenditure, before any set off, in excess of £1 million.

	3.3. Approve individual contracts and commitments to pay, other than Commissioning Contracts, of a revenue nature amounting to, or likely to amount to over £2.5 million: 3.3.1. Tenders and quotations over the lifetime of the contract 3.3.2. Revenue funded service developments, in line with the approval guidance issued by the NHS England (NHSE) 3.3.3. Orders processed through approved supply arrangements 3.3.4. Orders processed through non-approved supply arrangements 3.3.5. Receipt of loans and trials equipment and materials 3.3.6. Prepayment agreements for services received 3.4. Decide the need to subject services to market testing
4.	Quality, financial and performance reporting:
	4.1. Appraise continuously the affairs of the trust through receipt of reports, as it sees fit, from directors, committees and officers of the trust. 4.2. Monitor returns required by external agencies; and significant performance reviews carried out by, including, but not exclusively limited to: 4.2.1. The Care Quality Commission 4.2.2. NHS England (NHSE) 4.3. Consider and approve of the trust's Annual Report including the annual accounts. 4.4. Approve the Annual report(s) and accounts for funds held on trust. 4.5. Approve the Quality Account.
5.	Audit arrangements:
	5.1. Approve audit arrangements recommended by the Audit Committee (including arrangements for the separate audit of funds held on trust). 5.2. Receive reports of the Audit Committee meetings and take appropriate action. 5.3. Receive and approve the annual audit reports from the external auditor in respect of the Financial Accounts and the Quality Account. 5.4. Receive the annual management letter from the external auditor and agree action on recommendations of the Audit Committee, where appropriate. 5.5. Endorse the Annual Governance Statement for inclusion in the Annual Report.

The following table outlines the notice periods for directors and officers in post at 31 March 2023:

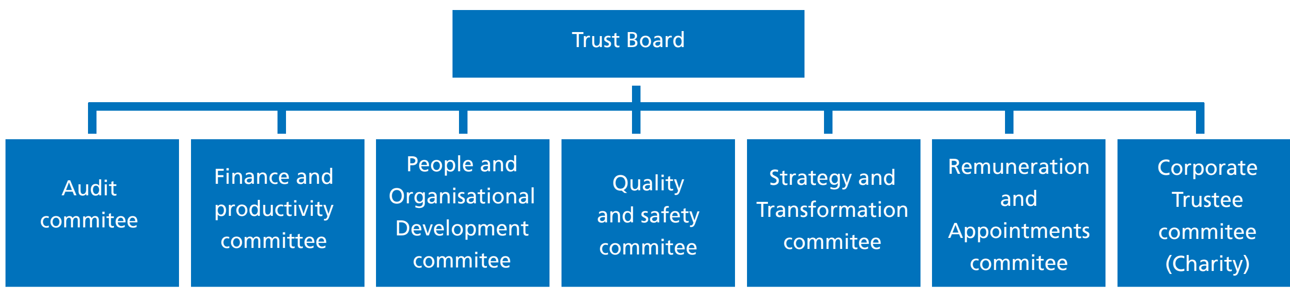
Name	Start Date	Notice period
Joe Chadwick-Bell Chief Executive	November 2016	6 months
Vikki Carruth Chief Nurse and Director of Infection Prevention and Control	October 2017	6 months
Steve Aumayer Deputy Chief Executive and Chief People Officer	November 2020	6 months
Richard Milner Chief of Staff	May 2020	6 months
Damian Reid Chief Finance Officer	June 2020	6 months
Dr Simon Merritt Chief Medical Officer	September 2022	6 months

For statements on salary and pension benefits for all senior management who served during 2022/23, please see tables on pages 61-63.

Board Committees

The Trust Board has established a number of formal sub-committees that support the discharging of the Board's responsibilities. Each Committee is chaired by a Non-Executive Director.

These committees do not operate independently of each other but, where appropriate, operate together (and indeed report to one another) to ensure full coverage and clarity on all areas of trust activity. The schematic below shows the inter-relationships of the Committees and the Board.



Audit Committee

The Audit Committee has a particular role in the review and provision of assurance to the Board on the trust's overall governance, risk management and internal control procedures. This includes arrangements for the preparation of the Annual Accounts and Annual Report, the Board Assurance Framework and the Annual Governance Statement.

The Audit Committee met on eight occasions during 2022/23 and consists of three independent Non-Executive Directors, at least one of whom (the Committee Chair) is a qualified accountant in the period up to 31 March 2023. In addition to Committee members, Executive Directors and senior staff are regularly invited to attend the Committee to answer questions and inform agenda content, and internal and external auditors are also present at meetings. Private meetings with both internal or external auditors are held as and when required. During the year, there were no changes in either internal or external audit providers.

During 2022/23, the Audit Committee undertook the full range of its responsibilities, including:

- Reviewing the effectiveness of the framework of controls within the trust
- Reviewing the Annual Governance Statement and supporting assurance processes in conjunction with the Head of Internal Audit opinion
- Approving a risk-based internal audit plan and actively reviewing the findings of all audits and monitored progress
- Approving the plan and reviewing the work of the local anti-fraud specialist
- Reviewing and approving the updated standing orders, standing financial instructions and scheme of delegation
- Agreeing on the nature and scope of the external audit plan and reviewing the reports, recommendations and management responses
- The adequacy of arrangements for managing risk and how these are implemented
- Reviewing the effectiveness of the Committee
- Agreeing updated Terms of Reference for the Committee and recommending these to Board for ratification
- Reviewing procurement waivers
- The review of the annual report and accounts

The Audit Committee reviews auditor independence both as part of its scrutiny of the annual report and accounts, and as part of its annual review of the auditors' work. The Committee has also engaged regularly with the external auditors throughout the year, including in private session.

The Committee is satisfied that to the best of its knowledge, there are no issues that compromise the external auditors' independence. The Chair of the Committee regularly discusses the effectiveness of both internal and external auditors with the Chief Financial Officer.

The following steps were taken during 2022/23 to ensure that auditor objectivity and independence is safeguarded:

- At each meeting of the Audit Committee attended by the external auditors they were asked to declare any interests that they may have in any of the items on the agenda. No such declarations were made.
- The external auditors have confirmed their compliance with the APB Ethical Standards for Auditors, and do not consider that their professional judgement or objectivity has been compromised.
- The trust and the auditors ensured that fees for the provision of non-audit services by the external auditors did not exceed 70% of the audit fee, as mandated by the updated Auditor Guidance Note 1 issued in December 2016. The external auditors also did not perform any of the prohibited non-audit services set out in the guidance note. Details of the fees that were charged for non-audit work have been disclosed in the external auditors' report, and no further fees were charged.
- The external auditors have continued throughout the year to review their independence and ensure that appropriate safeguards are in place. These include the rotation of senior partners and professional staff, and the involvement of additional partners and professional staff to carry out reviews of the work performed and to advise as necessary.

The trust's external auditor is Grant Thornton UK LLP, appointed in 2022 for a period of three years with two twelve-month options to extend. The trust's internal auditor and provider of counter fraud services during 2022/23 was Tiaa. From 1 May 2023, RSM will provide internal audit and counter fraud services for the trust, appointed for a period of three years with two twelve-month options to extend.

Quality and Safety Committee

The trust is committed to providing safe, effective and high-quality care. The Chief Nurse and DIPC is the Executive Lead for quality within the trust. Working in close partnership with the Chief Medical Officer and supported by the Head of Governance, who manages the Risk and Safety team, the Chief Nurse has overall responsibility for the delivery of the quality governance agenda for the trust.

Effective monitoring of the quality agenda ensures a focussed and transparent approach to quality improvement within the trust.

The trust uses a range of metrics including patient safety, patient experience, clinical effectiveness and workforce metrics to measure quality governance. These are reported bi-monthly to the Board via the trust's Integrated Performance Report (IPR) with more detailed data presented to the Quality and Safety Committee, incorporating commentary from senior leadership teams to aid analysis of the data on a monthly basis. This data also triangulates other quality governance metrics such as the delivery of outstanding care, patient experience, safe staffing and performance against national standards to provide assurance that the trust has effective systems and processes in place to ensure the delivery of high-quality governance.

The Quality and Safety Committee is a sub-Committee of the Trust Board and is chaired by a Non-Executive Director; it includes representation from Executives and members of the trust's senior leadership team. The Committee's remit is to scrutinise and evaluate all aspects of quality. The Committee receives assurance reports via the trust's steering groups inclusive of areas of challenge requiring escalation. During 2022/23, the Quality and Safety Committee met on ten occasions. Areas of focus during the year included:

- Reviewing serious incidents and never events
- Reviewing patient experience metrics, including complaints
- Receiving the annual nursing establishment review
- Reviewing the mortality indicators report and learning from death reports
- Reviewing the Board Assurance Framework and Corporate Risk Register for the risks associated with the work of the Committee
- Receiving assurance about the safety and quality of the trust's services in light of the increasing pressures that were experienced, particularly as a result in the increase of 'no criteria to reside' patients exacerbating winter pressures

- Monitoring the improvement journey of maternity services, including progress in meeting the requirements that arose from the Ockenden Report and review of maternity services at East Kent, and the outcomes of the CQC's inspection of the trust's maternity services
- Approving a number of annual reports relevant to its work, including CNST (Maternity), Patient Experience, Infection Control and Safeguarding

Finance and Productivity Committee

The Finance and Productivity Committee is responsible for supporting the Board by ensuring that all appropriate action is taken to achieve the financial and operational performance objectives of the trust through regular review of financial and operational strategies and performance, investments, and capital plans. This includes the approval of business cases in line with the trust's Standing Financial Instructions, the development and oversight of the trust's Financial and Capital Strategy and the tracking of monthly financial and capital performance against budgets.

People and Organisational Development Committee

The People and Organisational Development Committee supports the Board by providing strategic oversight of workforce development, planning and performance. It provides assurance to the Board that the trust has the necessary strategies, policies, procedures and capabilities in place to ensure a high performing and motivated workforce that supports trust objectives and organisational success. Where broader organisational policies or processes inhibit the performance or motivation of individuals and their ability to contribute to the delivery of trust strategy and goals, it highlights such issues as appropriate for further consideration and review. The Committee also considers cultural development within the trust to align behaviours with strategic objectives to promote a learning and supporting work environment; this encompasses staff development, career progression and managerial culture.

Strategy and Transformation Committee

The Strategy and Transformation Committee is responsible for overseeing and scrutinising the formulation, direction and delivery of strategy and related performance matters at the trust, giving assurance to the Board on the delivery of its strategy.

Committee Attendance

Non-Executive Directors are members of the Audit Committee, Finance and Productivity Committee, People and Organisational Development Committee, Quality and Safety Committee and Strategy and Transformation Committee. Non-Executive Committee Attendance during 2022/23 was as follows:

	Audit (8 meetings)	Finance and Investment (12 meetings)	People and Organisational Development (10 meetings)	Quality and Safety (10 meetings)	Strategy and Transformation (5 meetings)
Ama Agbeze	1/2	-	-	2/5	-
Jackie Churchward-Cardiff	1/1	11/12	-	-	5/5
Amanda Fadero	-	-	9/10	10/10	1/1
Miranda Kavanagh	-	6/12	6/6	-	3/3
Karen Manson	8/8	2/2	-	9/10	2/2
Paresh Patel	7/8	10/12	-	-	5/5
Steve Phoenix	-	11/12	-	-	5/5
Frank Sims	-	5/5	4/4	-	-
Nicola Webber	8/8	9/11	1/1	-	1/1
Carys Williams	-	-	10/10	-	5/5

All of the meetings of the trust's Committees during 2022/23 were quorate.

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 Chair of the Board and two other Non-Executive directors. The Chief Executive and Chief People Officer 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 Chair or, in their absence, the Trust Chair. 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 of 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 2022/23 included:

- Chief Executive's report on individual Directors' performance and objectives
- Annual performance review for Chief Executive
- Review of Very Senior Manager (VSM) Salaries
- Approval of relevant appointments and terminations

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

Name and Title	2022.23						2021.22					
	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 Chairman	50 - 55	0	0	0	0	**55 - 60**	50 - 55	100	0	0	0	**50 - 55**
Jackie Churchward-Cardiff Vice Chairman	15 - 20	0	0	0	0	**15 - 20**	15 - 20	0	0	0	0	**15 - 20**
Joanne Chadwick-Bell Chief Executive	200 - 205	200	0	0	65 - 67.5	**265 - 270**	195 - 200	0	0	0	105 - 107.5	**300 - 305**
Tara Argent Chief Operating Officer (resigned 28th October 2022)	80 - 85	0	0	0	47.5 - 50	**125 - 130**	130 - 135	0	0	0	65 - 67.5	**200 - 205**
Interim Winter Director *** (started 1st November 2022)	130 - 135	0	0	0	0	**130 - 135**						
Richard Milner Chief of Staff (from 6th June 2022)	115 - 120	0	0	0	30 - 32.5	**145 - 150**	110 - 115	0	0	0	47.5 - 50	**160 - 165**
Victoria Carruth Chief Nurse & DIPC	135 - 140	0	0	0	35 - 37.5	**170 - 175**	130 - 135	0	0	0	40 - 42.5	**170 - 175**
Stephen Aumayer Chief People Officer and Deputy Chief Executive (from 1st November 2022)	135 - 140	0	0	0	32.5 - 35	**170 - 175**	125 - 130	0	0	0	27.5 - 30	**155 - 160**
Damian Reid Chief Financial Officer	145 - 150	0	0	0	37.5 - 40	**185 - 190**	140 - 145	0	0	0	35 - 37.5	**175 - 180**
David Walker Medical Director (retired 31st August 2022) *	80 - 85	0	0	0	0	**80 - 85**	205 - 210	200	0	0	0	**205 - 210**
Simon Merritt Chief Medical Officer (started 5th September 2022) **	115 - 120	0	0	0	5 - 7.5	**120 - 125**						

Lynette Wells Director of Corporate Affairs (retired 21st April 2022)	75 - 80	0	0	0	0	**75 - 80**	90 - 95	0	0	0	30 - 32.5	**120 - 125**
Chris Hodgson Director of Estates & Facilities	115 - 120	0	0	0	32.5 - 35	**150 - 155**	110 - 115	0	0	0	32.5 - 35	**145 - 150**
Charlotte O'Brien Director of Transformation & Improvement (started 5th September 2022)	75 - 80	0	0	0	42.5 - 45	**120 - 125**						
Miranda Kavanagh Non-Executive Director (retired 9th November 2022)	5 - 10	0	0	0	0	**5 - 10**	10 - 15	0	0	0	0	**10 - 15**
Karen Manson Non-Executive Director	10 - 15	0	0	0	0	**10 - 15**	10 - 15	0	0	0	0	**10 - 15**
Nicola Webber Non-Executive Director	10 - 15	0	0	0	0	**10 - 15**	10 - 15	0	0	0	0	**10 - 15**
Carys Williams Non-Executive Director (started 9th November 2022)	10 - 15	0	0	0	0	**10 - 15**	10 - 15	0	0	0	0	**10 - 15**
Ama Agbeze Associate Non-Executive Director (started 10th October 2022)	5 - 10	0	0	0	0	**5 - 10**						
Frank Sims Associate Non-Executive Director (started 1st November 2022)	5 - 10	0	0	0	0	**5 - 10**						
Paresh Patel Non-Executive Director	10 - 15	0	0	0	0	**10 - 15**	10 - 15	0	0	0	0	**10 - 15**
Amanda Fadero Non-Executive Director Designate	10 - 15	100	0	0	0	**10 - 15**	10 - 15	0	0	0	0	**10 - 15**

* - Board related salary for the part year of £22k. Salary above includes both Board and Non-Board roles.
** - Board related salary for the part year of £28k. Salary above includes both Board and Non-Board roles.
*** - Off-payroll salary costs excluding VAT.

Previous roles held since 1st April 2022:
Richard Milner
Director of Strategy, Inequalities & Partnership (to 5th June 2022)
Carys Williams
Associate Non-Executive Director (to 8th November 2022)

Pension Benefits (audited)

crease in nsion sion age (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 2023 (bands of £5000) £'000	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5000) £'000	Cash equivalent transfer value at 1 April 2022 £'000	Real increase in Cash Equivalent Transfer value £'000	Cash equivalent transfer value at 31 March 2023 £'000	Employer's contribution to stakeholder pension £'000
5- 5	0 - 2.5	60 - 65	130 - 135	1073	56	1191	0
- 2.5	0	25 - 30	40 - 45	379	15	437	0
- 2.5	0	35 - 40	50 - 55	525	25	583	0
5 - 5	0 - 2.5	45 - 50	90 - 95	806	37	886	0
5 - 5	0	10 - 15	0	173	21	220	0
5 - 5	0 - 2.5	35 - 40	40 - 45	600	28	672	0
0	0	0	0	0	0	0	0
- 2.5	0	40 - 45	85 - 90	668	17	708	0
0	0	25 - 30	0	376	0	0	0
- 2.5	0 - 2.5	45 - 50	100 - 105	893	42	979	0
- 2.5	0 - 2.5	40 - 45	70 - 75	595	16	659	0

Key

Single total figure table page 61 and 62

* - Board related salary for the part year of £22k. Salary above includes both Board and Non-Board roles.
** - Board related salary for the part year of £28k. Salary above includes both Board and Non-Board roles.
*** - Off-payroll salary costs excluding VAT

Previous roles held since 1st April 2022: Richard Milner
Director of Strategy, Inequalities & Partnership (to 5th June 2022)

Carys Williams Associate Non-Executive Director (to 8th November 2022)

Pension Benefits (audited) page 63

* - Dr Walker chose not to be covered by the pension arrangements during the reporting year.
** - Dr Merritt chose not to be covered by the pension arrangements from 1st May 2022.
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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures.

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 2022/23.

Payment for loss of Office(audited

No payments for loss of office were made during the year 2022/23.

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)

Year	25th Percentile Pay	Median Pay Ratio	75th Percentile Pay
2022-23	8.41:1	6.10:1	4.53:1
2021-22	9.18:1	6.51:1	4.76:1

The pay ratios have decreased from those of 2021/22 as a result of the banding of the highest paid director decreasing in 2022/23 and the effect of the fixed amount pay agreement for Agenda for Change staff (see below).

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, as well as showing the 25th and 75th Percentiles.

Year	2021-22	2020-21	% change
Average cost per FTE for all employees excluding highest paid director (Annualised basis)	£45,307	£44,358	+2.14%

The increase in average cost is principally due to the wage awards applicable from 1st April 2022.

Year	2021-22	2020-21	% change
Band of highest paid director	£205k-£210k	£235k-£240k	-2.41%

The banded remuneration of the highest paid director in the trust in the financial year 2022/23 was £200k-£205K (2021/22 £205k-£210k). This was 6.10 times (2021/22 - 6.51) the median remuneration of the workforce, which was £33,182 (2021/22, £31,896).

2021-22	25th Percentile	Median	75th Percentile
Total remuneration (£)	24,086	33,182	44,657
Salary component of total remuneration (£)	24,086	33,182	44,657
Pay ratio information	8.41:1	6.10:1	4.53:1
2020-21			
Total remuneration (£)	22,611	31,896	43,592
Salary component of total remuneration (£)	22,611	31,896	43,592
Pay ratio information	9.18:1	6.51:1	4.76:1

In 2022/23 there were twenty-four (a decrease from thirty-four employees in 2021/22) employees who received remuneration in excess of the highest paid director. Remuneration ranged from £5,000 to £308,644 (2021/22 £5,000 to £330,100).

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 Stories

Hospital care in your own bed

Allied Health Professionals play a vital part in providing care to patients in the NHS.

Encompassing a wide range of therapist professionals as well as radiographers, dieticians, podiatrists, osteopaths, operating theatre practitioners, orthoptists, prosthetists and paramedics, the ongoing treatment and welfare of our patients couldn't continue without their dedication and expertise.

"One of the things I like about working as an occupational therapist has been how holistically we work, focusing on the things that matter to patients in their day to day lives," says Fran Williams, Occupational Therapy Development Lead. "We're here to help patients resume their lives, to get back to normal as much as they can when they've had a change in their condition or functioning and need our support." This can be anything from helping someone recovering from a stroke to be able to get out of bed as they recover, to supporting people with dementia to develop a daily routine.

"The longstanding joke is that occupational therapists are here to help people learn to make cups of tea again," she laughs. "It's a lot more than that, but that's also quite a good example. If people are unsteady on their feet around the kitchen or if they have a cognitive impairment that makes remembering where the teabags are or what the stages of making a cuppa are, we work with them to get it right and gain confidence. That's how we work – whether it's something as small as a cup of tea or something bigger like being able to visit family and friends, we help them get back to living their lives."

Staff Report

Staff fact file

As of 31 March 2023:

76.3% of our staff are female

5.2% of staff identified themselves as disabled

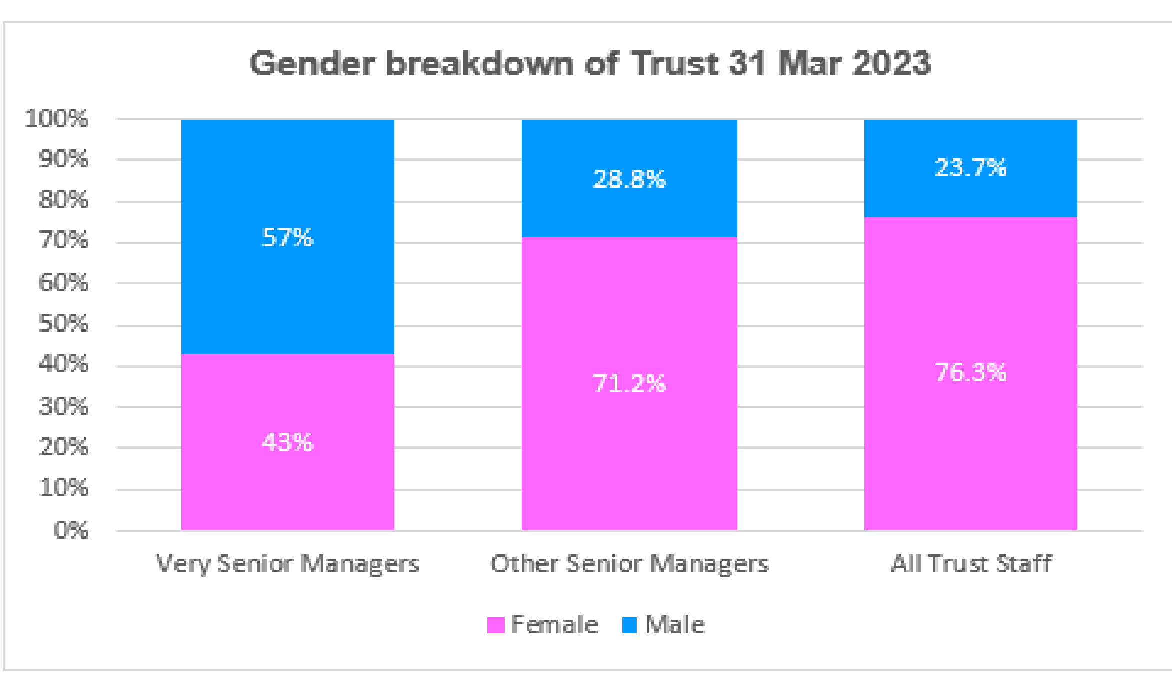
37.6% of all staff work part-time

3.1% identified themselves as either gay, lesbian, bisexual or other sexual orientation

35.5% of staff are over 50 years old

21.5% of staff are from a black or minority ethnic (BME) origin

Gender distribution by Directors, Other Senior Managers and Staff



Senior Managers include all staff on Agenda for Change Bands 8a-9.

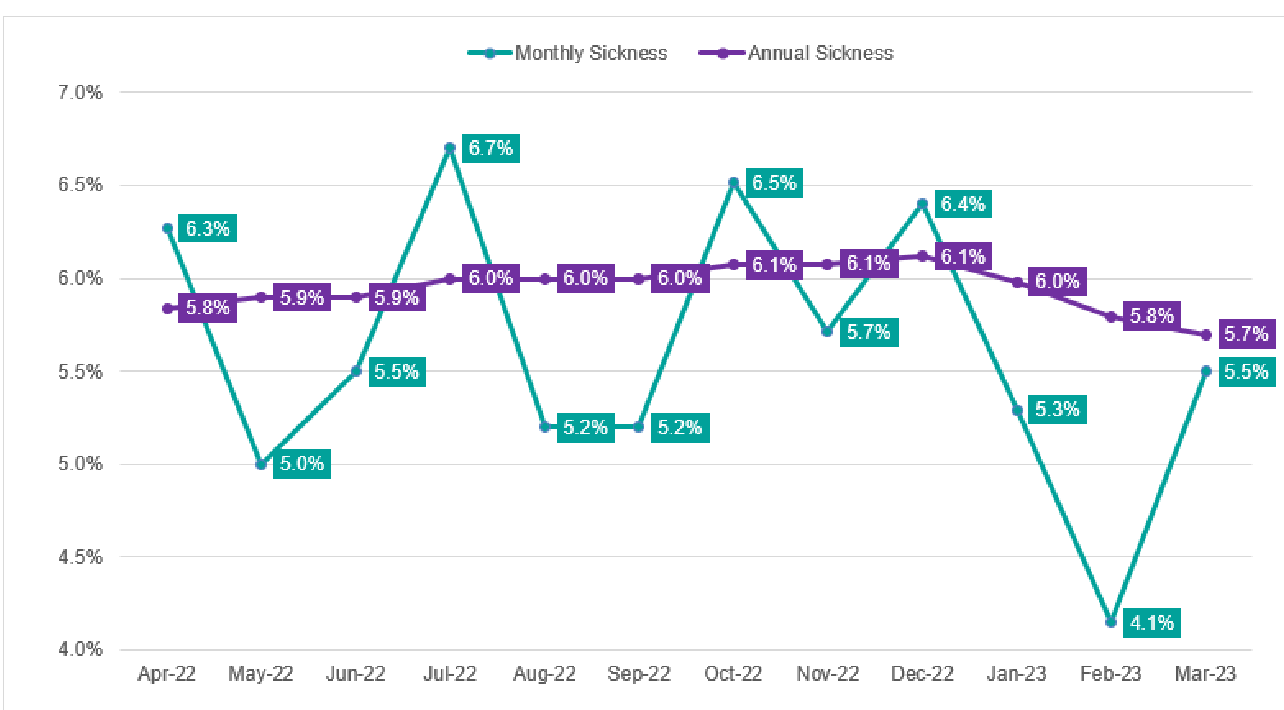
Number of Senior Managers by band at 31 March 2023

Senior Managers	FTE
Very Senior Managers payscale	7.0
Agenda for Change Band 9	12,9
Agenda for Change Band 8d	9.2
Agenda for Change Band 8c	40.8
Agenda for Change Band 8b	89.5
Agenda for Change Band 8a	243.2

(NB FTE = Full-time Equivalent)

Staff Absence Data

Our annual sickness rate reduced slightly from 5.8% at the outset of the year, to 5.7% by March 2023. Sickness rates peaked at 6.1% from October to December 2022, reflecting the continuing impact of the pandemic, which began to reduce as we moved into 2023. The average working days lost due to sickness per full time equivalent member of staff during the calendar year 2022 was 13.8 (according to Cabinet Office methodology).



Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2022	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
7,102	97,735	2,592,220	158,549	13.8

NHS Sickness Absence Figures for NHS 2022/23 Annual Report and Accounts

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse

Period covered: January to December 2022

Data items: The Electronic Staff Record system (ESR) does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Staff Stories

Keeping staff happy and healthy at work

"My role is focused on staff retention," says Liz Lipsham, People Potential Manager. "One hot topic is how to retire and continue to work for us in some capacity," says Liz. "We don't want to lose experience and knowledge and we want colleagues who do leave to feel part of a community, so we're setting up an alumni, which all leavers will be invited to join," she continues. "Alongside this, we're piloting Stay Interviews. My ambition is that conversations about development, progression and opportunities will become the norm, encouraging colleagues to stay and thrive."

Another area is the psychological wellbeing and safety of colleagues. "Everyone is under immense pressure," continues Liz, "and the greatest challenge is trying to sustain and protect our own and each other's wellbeing. We know that when we are exhausted it's very difficult to remain positive and motivated.

"During and following the pandemic, colleagues didn't have time to stop, reflect on or process everything they faced – and that's still true for many as we deal with ongoing high operational demands," she says. "We're so used to putting patients first that it can be difficult to invest in our own wellbeing too.

"Many colleagues have experienced trauma, and it can be difficult to move on. The trauma risk management (TRiM) framework, alongside the interventions delivered by our therapists, really support colleagues. We know these programmes have prevented colleagues from walking away – not only from the trust, but from their career entirely.

"I love finding ways to improve things. The range of support now is the best it has ever been. What the NHS does is so important and I'm passionate about supporting my colleagues in the best way I can."

People Policies

Vacancies for positions within the trust are advertised both internally and externally, through our trust website and NHS Jobs. 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 have the opportunity to join our Disability Staff Network which aims to support implementation of the new Workforce Disability Equality Standard (WDES) and promotes inclusive practices across the trust.

When necessary, our Human Resources Department provides support for staff and 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 and 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, and all new staff receive this training as part of their induction. 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.

Culture and workforce wellbeing

Our aims for the trust are ambitious. We want to:

- be outstanding for patients and the communities we serve;
- be outstanding for people, including employees, trainees, students on placements, and volunteers; and
- to be recognised as outstanding by the CQC while making every moment the best it can be.

We have set out a number of key objectives that will support our trust's culture in enabling us to achieve these aims:

- to define our trust's desired culture;
- to hold senior leaders, including the Executive leadership team, to account for behaviours;
- to create 'one team' behaviours where silo working does not exist; and
- to work with "challenged areas" in our trust.

We actively listen to our colleagues through the national staff survey, other surveys, listening events and visits to clinical and non-clinical areas. We use this feedback to inform leaders across the trust and to help them plan their culture and wellbeing plans and activities.

A refresh of trust values has begun, which will be co-designed with the Partnership Forum, our staff representative group, as well as work with trust leaders to refresh the trust behaviours framework.

Freedom to Speak Up Guardians

The National Guardian's Office and the role of the Freedom to Speak Up Guardian were created in response to recommendations made in Sir Robert Francis QC's report "The Freedom to Speak Up" in 2015. This report found that NHS culture did not always encourage or support workers to speak up, and that patients and workers suffered as a result. There are now over 900 guardians in NHS and independent sector organisations, national bodies and elsewhere.

At ESHT we have two Freedom to Speak Up Guardians (FTSUG) who provide a service from Monday to Friday. Staff are encouraged to raise and share concerns with line managers, supervisors and clinical leads. The FTSUG provide an additional route for colleagues to speak up, working in partnership with all colleagues to ensure those who speak up are thanked, that the issues they raise are responded to, and making sure that the person speaking up receives feedback on the actions taken.

The FTSUG work proactively to support the organisation in tackling barriers to speaking up. They ensure that:

- when things go wrong, we make sure that lessons are learnt, and improvements are made;
- if we think something might go wrong, that colleagues all feel able to speak up to stop potential harm; and
- when things are good, but could be even better, colleagues are supported to speak up and be confident that suggestions will be used as an opportunity for improvement.

The FTSUG had 239 contacts between April 2022 and March 2023, with Nursing and Midwifery staff reporting the most concerns in each quarter. Data demonstrates that colleagues at all levels have accessed the FTSUG including agency staff and volunteers. The key themes at ESHT are in line with national trends and the FTSUG report on these on a quarterly basis to the National Guardian office.

Speak Up - National Report Metrics

Year	Quarter	Anonymous	Detriment	Bullying	Patient Safety	Worker Safety	Attitude Behaviour	Total Issues Logged
2022/23	1	0	2	9	18	1	30	57
	2	0	3	11	9	2	22	62
	3	0	1	7	2	2	25	54
	4	0	0	4	10	6	23	66
	Total	**0**	**6**	**31**	**39**	**11**	**100**	**239**

The 2022 staff survey saw results for questions concerning speaking up and assurance when staff speak up at ESHT decline, in line with those across many other NHS Trusts and Foundation Trusts. However, at ESHT our data and partnership working has highlighted that staff at ESHT do feel supported in speaking up. We continue to seek consistent and timely responses with feedback for staff when they speak up to enable review, support, learning and improvement. The FTSUG report to the Board on a regular basis and were delighted by the Board's commitment and support for the mandatory roll out of training for all Managers and leads in the trust.

The National Guardian's Office, in association with Health Education England, launched three training modules during the year:

- The first module, Speak Up, provides core training for all workers including volunteers, students and those in training, regardless of their contract terms. Its aim is to help everyone working in health to understand what speaking up is, how to speak up and what to expect when they do.
- The second module, Listen Up, focusses on listening to concerns and understanding the barriers to speaking up. Managers are expected to complete both Speak Up and Listen Up to ensure they understand what speaking up is and how they should respond when someone speaks up to them.
- The third module, Follow Up, was developed for senior leaders throughout healthcare, including executive and non-executive directors. This module aims to promote a consistent and effective Freedom to Speak Up culture across the system which enables workers to speak up and be confident they will be listened to and action taken.

All members of the Board at ESHT have completed all three modules of the training, which was subsequently rolled out to senior leaders across the organisation.

The FTSUG regularly liaise with colleagues across the organisation to provide insight into staff wellbeing, patterns and trends, helping to identify areas which may benefit from additional targeted support from the trust. Walkabouts and attendance at team and divisional meetings enable the FTSUG to promote a speak up culture as part of everyday business for the trust.

Recruitment and staffing

During the year we were delighted to see a 30% increase in our overall recruitment activity with a significant increase in the number of external applications for roles at all levels. We received a total of 55,313 applications for jobs in the trust. This continued interest in the trust, alongside our planned approach to target hard-to-recruit posts with external support, meant that we successfully filled a number of hard-to-recruit posts, particularly at consultant level. There remains a national shortage of candidates for some roles, so along with other NHS organisations across the country, the trust still has shortfalls in some areas.

We reduced the average time taken to hire a new member of staff from 70 days in 2021/22 to 63.1 days during 2022/23. The introduction of new document processing procedures has assisted in reducing time to hire. Continued activity to further reduce the overall time to hire is underway, alongside ways to improve the overall candidate experience. A candidate survey will be introduced in May 2023 to assist with this.

This year also saw the introduction of a bank colleague staff survey for the first time, and we were pleased that the trust's response rate was the best in the region. Action plans were developed to ensure that we continually deliver the best candidate experience.

International nurse recruitment has been maintained, with the trust welcoming 120 new international nurses since April 2022. The trust is looking to recruit 70 further international nurses between April and November 2023. Candidates have been recruited from a number of countries around the world, with a key focus on the Philippines and India. This forms part of a wider campaign to reduce the number of nurse vacancies at the trust.

During the year:

- We conducted around 8,494 interviews
- We carried out 3,336 virtual Right to Work checks on new starters
- We appointed 306 colleagues to medical roles, including junior doctors
- Temporary Workforce activity increased by 8%
- Temporary Workforce filled 59% of shifts requested
- We now have 6,000 staff registered on our colleague Bank

Staff Stories

"The best decision I could have made" – returning to midwifery practice

Many NHS colleagues will work at different trusts or NHS bodies over the course of their career. Some will even leave the NHS altogether for part of their working life – but many are choosing to return later in their careers.

Dr Suzanne Lee, Consultant Midwife, rejoined the NHS in 2021.

"It was really about wanting to be part of something," Suzanne explains. "The pandemic really brought home to me how much I missed delivering hands-on care. I enjoyed supporting colleagues and new midwives, but I missed making a difference to women and people giving birth and providing that support. I missed what had led me to become a midwife in the first place, so I looked at how I could come back into practice."

Although it had been nearly 10 years since she had been a practising midwife, Suzanne found the process of going back to providing hands-on care quite straightforward. "The fundamentals of care and practice haven't changed that much. The changes that were more noticeable were more on the administrative side," she explains. "But the team here are great and so supportive. I can help a new midwife in improving her clinical practice and she helps me wrestle with the computer systems. We support each other."

Reflecting on her decision to return to practice, Suzanne has no regrets. "It was the best decision I could have made. It isn't where I thought I'd be 10 years ago, but I wouldn't want to be anywhere else."

NHS Staff Survey 2022

Our response rate was 43.4%% compared with the national average of 44.6%. Like many trusts we saw a decline in the health and wellbeing of our people, including burnout, which is echoed nationally and is indicative of the challenges faced over the last three years. The trust results compared to other similar organisations are good.

Positive messages:

'We are compassionate and inclusive' - We are proud that 86% of our people feel their role makes a difference to patients/service users.

'We are always learning' - 71% of our people say their manager is interested in listening to them when describing challenges.

'We are recognised and rewarded' - 73% of us feel that our immediate manager values our work.

'We each have a voice that counts (raising concerns)' - 71% of our people feel secure in raising concerns about unsafe clinical practice and 90% of us feel trusted to do our job.

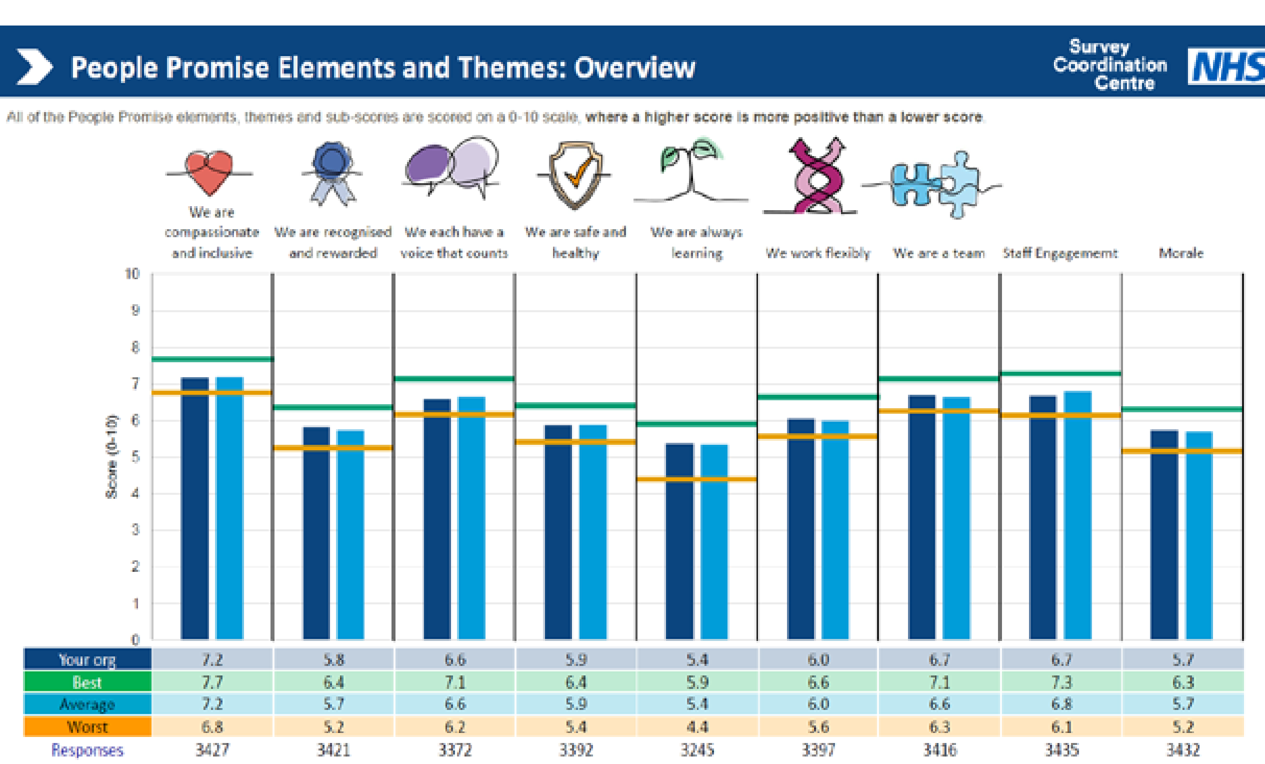
'We work flexibly' - 68% of us feel we can approach our immediate manager to talk openly about flexible working.

'We are a team' - 74% of our people say they work in a team with a set of shared objectives.

'We are safe and healthy' - 73% of our people say that they, or a colleague, reported when they experienced physical violence or harassment and bullying at work.

In 2022 there was an opportunity for our Bank colleagues to take part in the survey for the first time. This is really important as it ensures all people working at the trust can tell us about their experiences at work. Results have shown that 88% of our Bank colleagues feel that their role makes a difference to patients and service users and 84% reported that they enjoy working with the colleagues in their team. Results have also highlighted that our Bank people are less likely to feel involved and more likely to experience discrimination and violence in the workplace.

There is acknowledgement of an increase in the numbers of our people reporting poor behaviours from patients and the public, witnessed across the NHS. Our focus on equality, diversity and inclusion is ongoing and we continue to champion our values and behaviours that underpin those values.



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.2	5.8	6.6	5.9	5.4	6.0	6.7	6.7	5.7
Best	7.7	6.4	7.1	6.4	5.9	6.6	7.1	7.3	6.3
Average	7.2	5.7	6.6	5.9	5.4	6.0	6.6	6.8	5.7
Worst	6.8	5.2	6.2	5.4	4.4	5.6	6.3	6.1	5.2
Responses	3427	3421	3372	3392	3245	3397	3416	3435	3432

Our trust has committed to improving the quality of services by:

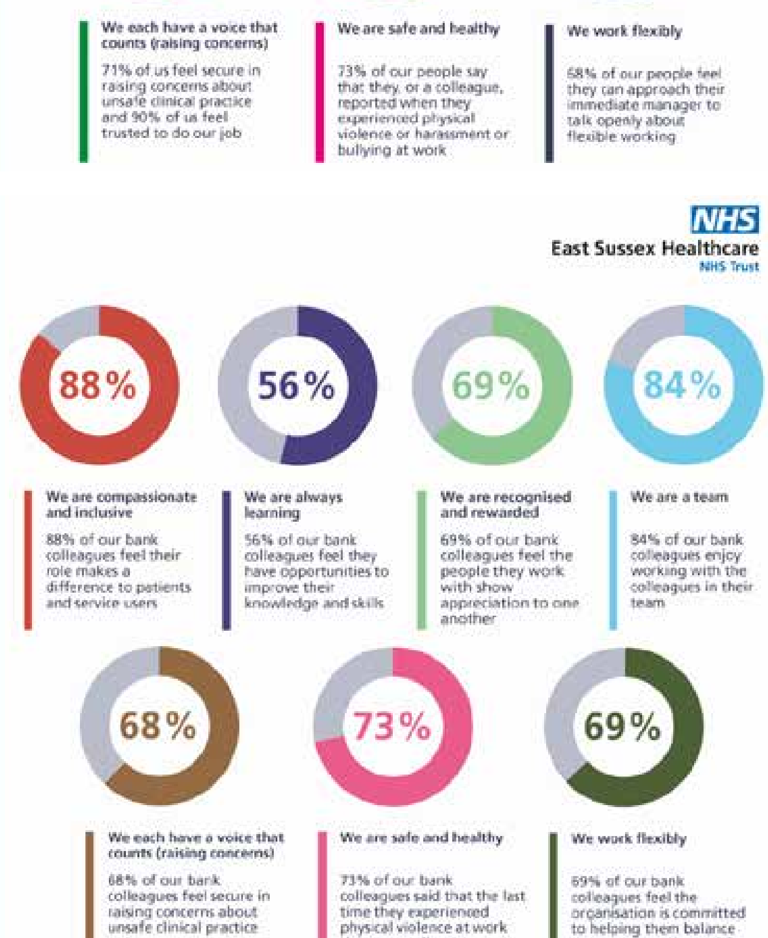
- Analysing the NHS staff survey results and using the information to identify key priorities not only for the whole organisation to focus on, but also for each of our divisions. To deliver on these priorities each division is tasked with engaging with its people, implementing action plans and enabling those involved to be effective in change.
- We have established engagement groups from a cross representation of staffing groups and disciplines to focus on key themes where we have seen a decline in a positive response to key questions.
- We have established multi-disciplinary groups to focus on workforce data.
- NHS People Pulse, a national online pulse survey: this has undergone national changes in 2022 and our intention is to use and show the results in an interactive and meaningful way.
- We have established a framework linked to the staff survey results for divisions and moving forward our intention is to measure and demonstrate action taken in the year.

NHS Staff Survey Results 2022

43%

Response rate

3,453 members of staff completed questionnaires



Equality, Diversity and Human Rights

Throughout the year we continued to see health inequalities, including those associated with COVID-19, disproportionately affect some of our communities. This included people from socially deprived neighbourhoods, minority ethnic communities, vulnerable groups such as older people, people who are pregnant, the disabled community, homeless people and people in contact with the criminal justice system. The Trust remains committed to addressing health inequalities and promoting equality, diversity and inclusion and continues to work to improve the experiences of all our patients and our workforce.

The trust has developed two focussed programmes of work to help support equality and diversity. The first focusses on addressing health inequalities, including the trust's equality duties in respect of patients and the wider community. The second focusses on equality and diversity in the workforce. Key achievements of each workstream are set out on the following page.

.

Health Inequalities

The trust continues to work with System and Place partners including NHS commissioners, neighbouring healthcare trusts, local authorities and the voluntary and community sector to develop and implement focussed action on health inequalities. We have reviewed local data alongside local, system and national priorities (including NHS Planning Guidance, and the NHSE CORE20PLUS5 model) to develop a new health inequalities delivery plan for the trust, identifying priority areas for action. A selection of our achievements against each priority in 22/23 is set out below.

Priority 1 - Strengthen data

We have:

- Undertaken initial segmentation of our waiting lists
- Undertaken an audit of patient information systems to identify the ability of our systems to collect health inequalities data
- Worked with East Sussex County Council Public Health, Adult and Children's Social Care teams to secure additional funding and develop a project to improve demographic data

Priority 2 - Embed Prevention

We have:

- Implemented smoking cessation services for pregnant women, starting with young smokers, and are now expanding this to all pregnant women
- Worked with our neighbouring trust UHSx to develop a Sussex Acute model and business case for inpatient tobacco dependence services
- Begun to develop targeted work on the respiratory pathway with the commissioners
- Worked with East Sussex Public Health and the Integrated Care Board (ICB) to secure resources to develop new Alcohol Care Teams, funded by ICB Health Inequality funding

Priority 3 – Review services for their impact on health inequalities

We have:

- Reviewed and developed a new Equality and Health Inequality Impact Assessment approach and resources and are taking these through the trust's assurance processes
- We have held initial conversations with Care for the Carers (CfC) to enable the embedding of CfC care support workers in the trust in collaboration with NHS Sussex
- Participated in a Sussex-wide Universal Healthcare programme to support development of a methodology to review and co-produce activity to address health inequalities.

Priority 4 – Equality Duties

We have:

- Reviewed our interpretation and translation offer
- Secured a provider so that we can offer British Sign Language Video interpreting 24-hours a day , 7-days a week, alongside spoken languages
- Strengthened staff awareness of the availability and need to use interpreting and translation services and to record needs on patient records
- Reviewed our approach to appointment letters and are creating new digital approaches with our service provider to automatically print letters in large print for visually impaired patients (rather than having a separate system of production)
- Reviewed and updating trust Equality and Diversity policies

Workforce Equality and Diversity

Through system wide working and collaborative working within the trust, this year the Workforce Equality and Diversity team have contributed to:

- **Project Search and Little Gate Farm.** The trust continues to offer intern placements for individuals with learning difficulties through Project Search and Little Gate Farm. We provided placements in areas such as Portering, Catering, Facilities and Estates
- **Diversity Toolkit.** We continue to use the Diversity Toolkit, an innovative toolkit which helps our Divisions review their diversity data and support effective succession planning, retention, and leadership development
- **Staff Networks.** The trust now has four staff networks: a (Dis)Ability network, a new Faith and Belief network, an LGBTQI+ network and a Multicultural network,. These meet bi-monthly, and organise events and advocate for change within the trust. We have introduced a collaborative network meeting for all the Chairs of the networks to come together to support each other and promote intersectionality
- **South Asian Heritage Month.** Planning for this month has begun in collaboration with our Multicultural Staff Network. This is a new event to be celebrated within the trust
- **Disability Confident.** We have submitted our externally validated accreditation and were successful in becoming a Level 3 Disability Confident Leader during 2022/23. We launched a review of our (Dis)Ability & Health passport and supporting documents
- **Wellbeing Team.** During Black History Month 2022, the Health and Wellbeing team held menopause cafe workshops tailored for our black, Asian and ethnically diverse people. The team also supported the Disability History Month wellness event by offering an introduction to mindfulness that was very well received

- **Ramadan.** The Faith and Belief Network Chair and trust Chaplain worked with the EDI Team to produce a wellbeing pack for our people observing Ramadan, a first for the trust. The pack contained: a packet of dates, a bottle of water, support information and a message from a local Imam
- **Trust Awards.** A new award category has been introduced to recognise those who work to embed inclusion and diversity, whether that is by acting on equality, working to reduce health inequalities, driving positive change for our colleagues and patients or making the NHS a more open and transparent employer
- **Recruitment.** The EDI team continue to work closely with colleagues in recruitment with the ambition of debiasing the recruitment process by creating inclusive and accessible advertisements, interviews, and information
- **System wide working.** We have worked with partners across the system to address the health disparities present among our minority ethnic population. We have supported the development of an anti-racist statement through the Sussex Race Equality Transformation Board and promoted this within our literature; we have also supported the development of an anti-racist strategy for the ICB

Staff Stories

Meet Mike Dickens, multicultural network chair

Mike Dickens is the trust's medical education manager and chair of the multicultural staff network.

"I've worked for the trust for eight years as a medical education manager," says Mike.

"I have been a member of the multicultural network since 2017. I became co-chair in 2021 and I am now chair. I wanted to join the network as it was my view that the trust still had a bit of a journey to travel in terms of achieving full race equality and I wanted to be more of a driver for this necessary change.

"I find that running the multicultural staff network is generally fulfilling, but it can also be a challenge at times in terms of the time commitment on top of your day job. Overall it has connected me with like-minded individuals who want to see a vastly improved working environment for our ethnic minority colleagues.

"My own experience of working at the trust has mostly been positive, as I work with several really committed and dedicated colleagues who are quite forward thinking. However, on the other hand there are some colleagues who are quite challenging and are blocks to real change.

"My ambition is that the network continues to thrive and be a 'critical friend' to senior management to ensure that the necessary changes are driven from the top of the organisation. I'm proud to be an effective advocate for change."

Wellbeing of our People

We continued to support the physical and emotional wellbeing of colleagues during the year by adapting the range of support that we offered during the pandemic to reflect the impact of ongoing pressures. We focussed on the things our people told us make the biggest difference.

We supported teams with evidence-based psychological support, delivered by trauma therapists, which has been accessed by staff and teams from across the organisation in both clinical and support roles. Rapid access for individual staff members suffering from work-related trauma continued to be available and was very well received. Thanks to funding received from NHS Charities Together, we now have 30 fully trained Traumatic Risk Management (TRiM) practitioners, with a further cohort of 6 completing their training. We have seen a significant increase in referrals for TRiM for both individuals and teams, particularly since the start of 2023. We have also trained 80 staff in the Mental Health First Aid qualification and a further 48 are due to be trained during 2023/24. We have continued to support Wellbeing Conversations with colleagues in the trust.

During the year, our Occupational Health department:

- received 2,098 employee referrals, resulting in an appointment with an occupational health specialist
- supported the recruitment of 3,468 candidates, offering health clearance and advice to both managers and newly recruited employees
- provided advice through our duty nurse to 2,665 colleagues

We adapted our wellbeing menu of support during 2022/23 to focus on self-care, while continuing to offer support and information for individuals, teams and managers on subjects our people are telling us are important to them including menopause, men's health, and mindfulness. In conjunction with One You Sussex we provided 144 health checks for colleagues aged between 40-74 and supported 38 of our international nursing colleagues with welcome, wellbeing checks and support.

During the year we also focussed on financial wellbeing, partnering with the local foodbank to enable our wellbeing team to issue vouchers directly to those in need. We have also been able to provide support via external wellbeing funding access to supermarket vouchers to support those with additional cost pressures. We have provided information that signposts those struggling or in financial distress to places where they can seek assistance. We have also partnered with Barclays Bank who have given our people free access to webinars on managing money and budgets. We arranged for their Barclays community bus to visit our acute and community sites, and these visits will continue throughout the coming year.

We increased the number of visits from the wellbeing team to our community teams and provided 24 bespoke sessions from our menu of support in community venues and to community teams. We also utilised external funding to provide our people who spend time in cars visiting patients with 'Spring into Wellbeing' packs. We continued to thank and celebrate the achievements of our people with events throughout 2022/23, including celebrating the Jubilee with a delivery of scones, cream and jam to all wards and all teams, and in December, our executive team joined us in giving out refreshments and taking time to talk to and thank all colleagues.

Violence and Aggression

To create a safer environment for patients, visitors and colleagues, we have maintained our level of security officers, with one designated to each Emergency Department/Urgent Care Division. Our security strategy reviewed the use of CCTV within both Emergency Departments and, in conjunction with project work, we have increased the coverage and number of cameras. This has not only helped reassure colleagues but has also enabled the trust to provide evidence to secure convictions against those that have assaulted our people, or committed crime within the department. Where possible, prosecutions and sanctions have been implemented, which has increased the confidence of our people to report assaults and verbal abuse, further enforcing the trust's stance against violence and aggression. The trust has worked hard to ensure that through improved communication, training and awareness, our people know that violence and aggression, in whatever form, is not acceptable and will not be tolerated. The trust continues to adopt a proactive approach to ensure that action has been and will continue to be taken against perpetrators.

The Security Department has further developed and expanded links with Sussex Police on many levels in the last year; this includes regular meetings with local neighbourhood policing teams, police mental health liaison officers and senior police management. Through information sharing, developing best practice and reviewing incidents, the Security department will continue to strive for positive action being taken against offenders and increased support from the police force. Operation Cavell, an initiative launched by Sussex Police in 2022 with the aim of supporting healthcare staff and reducing offences against them, is now being adopted by the trust and has already seen successes.

There is further work to be done, which will focus on the prevention of violence and aggression and includes better interorganisational and cross border working to make sure that information is shared appropriately and training is delivered on a system wide level. Work is being progressed through networks including the Integrated Care Board (ICB) for Sussex, as part of the trust's alignment to the NHSE Violence Prevention and Reduction standards and the ICB regional strategy.

Counter Fraud

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.

Sustainability

Care Without Carbon (CWC) is shorthand for a sustainable NHS. It is a simple idea that reflects not only the trust's strategic goal 'value and sustainability', but also its wider philosophy and vision to ensure the high quality of care being delivered today is available in the future.

This is reflected in the trust's Sustainable Healthcare Principles:

- Healthier lives: making use of every opportunity to help people to be well, to minimize preventable ill-health, health inequalities and unnecessary treatment, and to support independence and wellbeing.
- Streamlined processes and pathways: minimising waste and duplication within the trust and wider health system to ensure delivery of safe and effective care.

- Respecting resources: Where resources are required, prioritizing use of treatments, products, technologies, processes and pathways which lower carbon emission as well as environmental and health impacts.

Our sustainability principles also align with the trust's clinical objectives and the improvement of quality, safety and operational standards, to align with trust's ambition to provide 'Better Care Together for East Sussex'.

Our CWC strategy is set out in the Green Plan (Board approved in January 2022) which is line with NHS England's climate change strategy 'Delivering a Net Zero National Health Service'. The Green Plan includes targets for the trust to reach Net Zero Carbon (NZC) by 2040 for its direct emissions, and 2045 for its indirect emissions.

CWC sets out the actions we need to take across all areas of the trust through the eight elements (detailed below) to ensure a coordinated approach. The eight elements are designed to integrate sustainable thinking and planning into core operational activities, so that they become 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 2022/23 against each of the elements of the Green Plan are detailed below.

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.

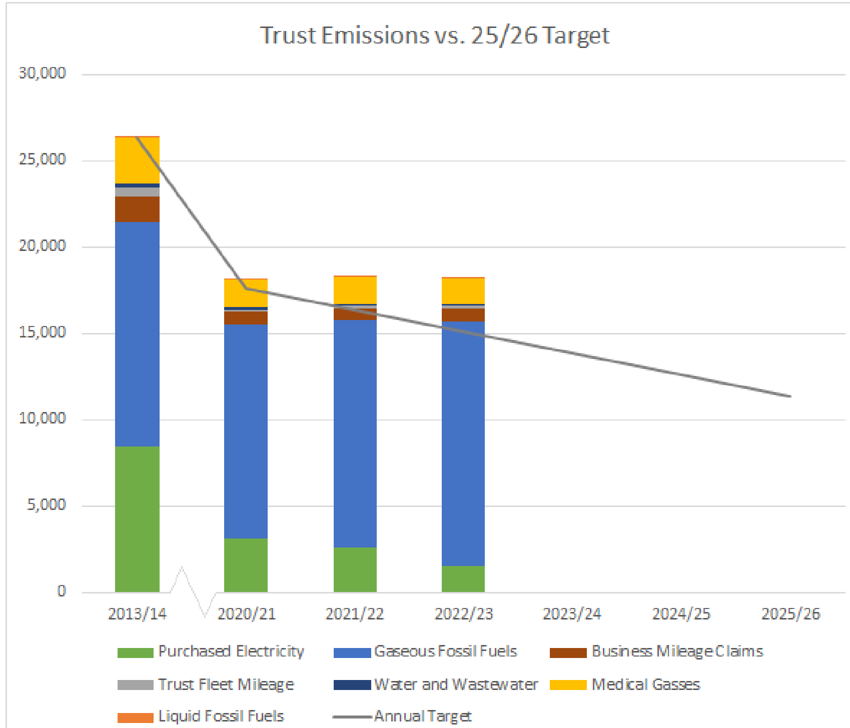


Figure 2: Carbon emissions against 2025 targets

EMISSIONS SOURCE	2013-14 (BASE YEAR)	2021-22	2022-23
ESHT Carbon Footprint – tonnes CO_2e			
Gaseous Fossil Fuels	13,021	13,187	14,251
Purchased Electricity	8,447	2,575	1,470
Liquid Fossil Fuels	71	44	57
Trust Fleet Mileage	515	178	185
Medical Gasses	2,660	1,634	1,443
Water and Wastewater	207	69	66
Business Mileage Claims	1,473	653	733
TOTAL	**26,394**	**18,342**	**18,206**

Figure 3: Carbon Footprint

The trust's absolute carbon footprint has reduced by 31% (8,188 tonnes CO2e) since our base year in 2013/14. Emissions from the energy used within our buildings are higher than in 21/22 due to increased use of the Combined Heat and Power (CHP) unit at EDGH compared to the previous year. However, emissions from grid electricity continue to fall due to the decarbonisation of the national grid. The trust will begin to further benefit from this as the heating system at EDGH is moved over to an electrically powered, low carbon technology. Additionally, the recent installation of a large solar PV array and improvements to the building fabric at EDGH will see the trust's emissions drop significantly over the coming years. This is expected to bring the trust's carbon footprint well below the target line by 25/26.

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 in travel emissions of 54% since our base year. This is partly due to more agile working practices since the pandemic.

Governance

The delivery, monitoring and reporting of our sustainability strategy or, Green Plan is supported by Sussex Community NHS Foundation Trust's Sustainability and Environment Team. The team assists with implementing key aspects of the program, working alongside teams within in the trust and feeding into the Trust's lead for sustainability, Chris Hodgson, Director of Estates and Facilities, reporting progress to board twice a year.

Staff Stories

Supporting recovery from life-changing injuries

Trauma patients are those that have suffered and survived some of the most severe injuries that the NHS treats. These are people who have been involved in vehicle collisions, who have been shot or stabbed or who have experienced other severe, life-changing injuries that have required serious and often complex surgery to save their lives – but what happens next?

"These patients have many complex needs," Kirsti Bennett-Koster, Clinical Lead Physiotherapist in our after trauma team, explains. "An individual patient may have suffered a brain injury, a spinal injury, have needed abdominal surgery or have needed treatment for broken or even missing limbs. Our team works to coordinate and deliver the wide range of complex care that these patients need to be able to return to their lives."

The complicated nature of these patients' needs is reflected in the scope of the expertise of the team. "We can support any patients with complex, trauma-related needs – even if they haven't come through the major trauma pathway."

Patients who have suffered trauma often have difficult prognoses. The care provided by the after trauma team can address the range of needs patients may have and provide a road map to recovery – even if their injuries are life-changing ones.

"Our aim is to get patients up, get them going and get them home, but that isn't always straightforward," continues Kirsti. "It's about helping these patients achieve the best outcome possible for their situation. Many can go back to their lives with comparatively few changes, but that's often not the case. For some patients, even being able to roll themselves over in bed may now be a challenge – but we're here to help them help themselves as much as we can."

Key highlights this year

CWC has developed both in terms of its approach and its reach. The new strategy is in its infancy but we can report on progress to date against each of the eight elements.

Places - Ensuring our places are low carbon and protect local biodiversity whilst supporting wellbeing for staff, patients and visitors.

The EDGH site has undergone a significant transformation over the past year following a successful bid for £28million of government funding through the Public Sector Decarbonisation Scheme. This has seen the installation of large scale, air source and water source heat pumps to provide low carbon heating to the site. Additionally, roof spaces and external walls have been insulated and new glazing fitted to retain heat within the building during the winter months. A large scale solar panel array has also been installed over the existing car parking area to the North of the site to provide renewable power to the site throughout the year. This is a pioneering project and the first of its kind of this scale in the South East.

Journeys - Ensuring the transport and travel that links our care and our communities is low cost, low carbon and conducive to good health and wellbeing.

The trust continues to develop and implement agile working;

- Continuing use of video appointments, an important feature of the COVID-19 pandemic response, reducing patient travel emissions associated with unnecessary journeys.
- Furthering trust use of Microsoft Teams which has significantly reduced the need for staff travel across sites. The environmental benefits of this transition are being quantified.

A comprehensive staff and visitor Travel Plan Survey was performed. Results are under review to identify required changes to the travel plan in order to meet our Journeys commitments. A Sustainable Travel Plan is now in development.

Working in partnership with the wider health and care system across Sussex, the trust are preparing a bid to the Energy Saving Trust and Department of Transport to conduct a fleet vehicle review that will identify opportunities to transition to lower carbon forms of transport.

The trust is now offering NHS Fleet Solution Lease offers to staff, with tax incentives for Ultra Low Emissions and Zero Emissions Vehicles. Work is ongoing with procurement and finance colleagues to review the lease car fleet to encourage the use and uptake of electric and hybrid vehicles.
A new Parking Permit scheme was initiated during the year. The survey data will provide essential insights into staff commuting behavior to help inform trust Travel Policy.

Furthermore, Electric Vehicle charging infrastructure plans to install 20 charging points at EDGH for fleet vehicles and, potentially, staff vehicles, during 2023 have been developed.

Circular economy - Respecting our health and natural resources by creating an ethical and circular supply chain.

Clinical and non-clinical Waste Recycling and energy recovery continues to improve in line with Green Plan targets. We have recycled 91.5 tonnes of scrap metal and raised an income of £14K, recycled 48 tonnes of cardboard and increased rates of pallet recycling. Our non-clinical recycling target of 40% is expected to be met in 2023.

Clinical Waste Disposal Targets of; 60% low temp incineration, 20% alternative treatment, 20% high temp incineration targets have been maintained across the year and we are now producing more low temperature incineration waste and reducing the volume of high temperature incineration waste. General and offensive waste was sent to Energy Recovery Facilities which converts the waste to renewable energy and fed back to the national grid. It has saved 79.69kg of carbon. Equivalent to powering 48 average sizes domestic homes, planting 275 trees or taking 30 petrol cars off the road. This process also avoids waste going to landfill.

Sustainable waste management initiatives have been introduced across the trust including metal collection and recycling and food waste collection at Conquest Hospital main kitchen, Bexhill Hospital and Sussex Premier Health. Further energy efficiencies have been realised as the food waste is now processed through anaerobic digestion systems to create renewable energy which is fed into to the national grid - Patient meals have produced 60 tonnes of waste sent for anaerobic digestion and converted into renewable energy.

A further project to introduce Re-usable sharps containers was delivered. This saved 103,815kg of carbon from reusing reusable sharps containers, 40 tonnes of plastic have been saved which is equal to 21,935 plastic single use sharps containers.

A second general waste Compactor was installed at Conquest Hospital in June 2022, reducing the number of waste collections to 1 per week. This is expected to generate £30k of cost savings per year.

In procurement, a 10% weighting allocation for sustainability criteria has been integrated into the procurement decision process. Weightings for social value have also been incorporated and will be further developed to include more sustainability measures.

Paper-use is under review to progress to trust-wide use of 100% recycled paper.

Evolving Care - Developing and enabling lower carbon and more sustainable models of care.

Ahead of the NHSE announced plans to decommission Desflurane by 2024, we have supported anaesthetic and surgery colleagues to eliminate the use of desflurane at EDGH. Desflurane is over 2,500 times more warming than carbon dioxide. An hour's anaesthetic with this gas will warm the atmosphere by the equivalent of at least 30- 60kg of carbon dioxide – the equivalent of driving 125-250 miles (200-400km). Excess Desflurane will be disposed of via the appropriate waste stream identified to ensure harmful greenhouse gases are not released to the atmosphere.

Elimination of Desflurane use at Conquest Hospital is expected in 2023.

In partnership with clinical and estates colleagues, we are nearing completion of the shift from using pipeline and manifold nitrous oxide to providing it in bottles. A Nitrous Oxide use audit was performed at ESGH and Conquest Hospital by external company, Greener Edge, to identify further opportunities to reduce usage, including reducing waste/leaks, optimising processes and equipment and exploring opportunities for cracking technology.

Anaesthetics using nitrous oxide have a significant environmental impact, hundreds of times greater than local anaesthetic alone. Using 500ml of nitrous oxide every minute for an hour-long procedure warms the atmosphere by an equivalent of 16kg of carbon dioxide – the same as driving 65 miles (106 km) in a small car. Nitrous oxide is often used in large volumes and remains in the atmosphere for 110 years, during which it continues to have a warming effect.

The reduction of anaesthetic gases has continued, falling 12% since the previous year. However, a review of their carbon impact shows that they still account for around 10% of the trust's total direct (Scope 1) carbon emissions.

Digital transformation continues to facilitate the drive for remote consultations, which has continued since Covid. Patient initiated follow-ups are prioritized and the My Health and Care App is being used to determine the most appropriate and low carbon mode of consultation to meet the patient need.

Culture - Empowering and engaging people to create change to progress us towards net zero.

A cultural review of our organisation was initiated in October 2022. This project aims to define trust values, behaviours and capabilities across varying levels of seniority. Sustainable healthcare principles and Green Plan ambitions will be integrated into this process. The role of trust ambassadors will also be reviewed to include Green Plan championship.

We have worked with colleagues across the Sussex health and care system and the wider South East region to promote our work through Green Plan and sustainability webinars that have been open to all staff.

This year we ran Travel Smarter September in line with all trusts in our region, promoting active travel choices to reduce local air pollution and we continue to embed sustainable thinking into the trust, for example in business cases.

Wellbeing - Supporting people to make sustainable choices that enhance their wellbeing.

Staff Wellbeing is being measured through an ongoing program with staff survey leads for each division, meeting monthly with Engagement and Wellbeing Leads and divisional HRBP ensuring analysis feeds directly into our People Plan.

Staff Wellbeing is being communicated through the new staff email 'Connected' which launched during the year. Staff Wellbeing has been further promoted via refreshed and rebranded social media communications and through the installation of Wellbeing Boards – a program is underway to install boards across every ward and department at the trust.

We are creating green spaces for staff and visitors, for example improving and developing our courtyards, and working in partnership the wellbeing team and estates colleagues, are planning to improve the spaces in the Conquest Hospital and Eastbourne DGH staff restaurants and coffee shop areas, including new and improved layouts, furniture and facilities.

The annual Travel Smarter September campaign supported staff in making choices to choose more active forms of travel to and from work.

Partnerships and Collaboration - Enhancing our impact by working with others.

We have good working relationships with sustainability colleagues in the Sussex health and care system and our actions are coordinated. Our Green Plan has been incorporated into the Sussex-wide Care Without Carbon sustainable healthcare model and the NHS Sussex Together to Zero plan for a greener NHS in Sussex. As mentioned above, we have participated in regional sustainability webinars promoting our work within the trust and across Sussex.

We will now develop an external facing communications plan to showcase our key projects, such as building a zero-carbon future at EDGH with the £28million grant funding.

The core focus for this year has been on the development of our Green Plan action plan, governance and delivery. The Green Plan Steering Committee has been established to report on Green Plan delivery. A 12-month action plan for 23/24 is being finalized to focus our efforts and drive delivery of the Green Plan.

The ICS Green Plan (Together to Zero) Delivery Plan is currently being finalised. The action plan has been completed and approved subject to agreement on the resourcing plan.

Climate Adaptation - Building resilience to our changing climate in Sussex.

Using a computerised model of flow dynamics, we are exploring how we might improve ventilation to compensate for higher summertime temperatures over the next 10-15 years and looking to apply that in practice to our Conquest Hospital wards.

The Sussex ICS Climate Change Impact Assessment is currently being finalised, highlighting key climate and health impacts on the trust's services, estates, staff, patients and wider community. The impacts and mitigations identified in the final report will be incorporated into the trust's Business Continuity plans, EPRR processes and inform updates to Green Plan and Corporate Risk Register.

Analysis of Staff and Costs for 2022/23 (audited)

Staff Costs

	Permanent £000	Other £000	2022/23 Total £000	2021/22 Total £000
Salaries and wages	291,773	28,597	**320,370**	286,016
Social security costs	31,248	3,024	**34,272**	28,152
Apprenticeship levy	1,492	147	**1,639**	1,446
Employer's contributions to NHS pension scheme	45,828	4,704	**50,532**	46,776
Pension cost - other	95	10	**105**	94
Other post-employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	36
Temporary staff	-	12,776	**12,776**	12,207
Total gross staff costs	**370,436**	**49,258**	**419,694**	**374,727**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**370,436**	**49,258**	**419,694**	**374,727**
Of which				
Costs capitalised as part of assets	510	-	**510**	1,646

Average Number of Employees (WTE Basis)

	Permanent Number	Other Number	2022/23 Total Number	2021/22 Total Number
Medical and dental	721	113	**833**	803
Ambulance staff	-	-	**-**	-
Administration and estates	1,324	59	**1,383**	1,382
Healthcare assistants and other support staff	2,162	329	**2,491**	2,358
Nursing, midwifery and health visiting staff	2,038	210	**2,248**	2,130
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	640	36	**676**	675
Healthcare science staff	154	12	**167**	165
Social care staff	-	-	**-**	-
Other	7	-	**7**	8
Total average numbers	**7,047**	**758**	**7,805**	**7,522**
Of which:				
Number of employees (WTE) engaged on capital projects	8	0	**8**	24

Exit Packages (audited)

	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	-	3	**3**
£10,000 - £25,000	-	2	**2**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	1	**1**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**6**	**6**
Total cost (£)	£0	£107,000	**£107,000**

Reporting of compensation schemes - exit packages 2022/23

	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	-	-	**-**
£25,001 - 50,000	-	2	**2**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**4**	**4**
Total resource cost (£)	£0	£82,000	**£82,000**

Exit packages: other (non-compulsory) departure payments

	2022/23		2021/22	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	1	46
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	6	107	3	36
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**6**	**107**	**4**	**82**
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 2022/23, the trust's total spending on consultancies was £53,000 (see Accounts, note 7)

Off-payroll Engagements

Table 1: Length of all highly paid off-payroll engagements:

For all off-payroll engagements as of 31 March 2023, for more than £245 per day :

	Number
Number of existing engagements as of 31 March 2023	3
Of which, the number that have existed:	
- for less than one year at the time of reporting	3
- for between one and two years at the time of reporting	0
- for between two and three years at the time of reporting	0
- for between three and four years at the time of reporting	0
- for four or more years at the time of reporting	0

Table 2: Off-payroll workers engaged at any point during the financial year

For all off-payroll engagements between 1 April 2022 and 31 March 2023, for more than £245(1) per day

	Number
No. of temporary off-payroll workers engaged between 1 April 2022 and 31 March 2023	14
Of which…	
No. not subject to off-payroll legislation	0
No. subject to off-payroll legislation and determined as in-scope of IR35(2)	0
No. subject to off-payroll legislation and determined as out of scope of IR35	14
the number of engagements reassessed for compliance or assurance purposes during the year	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 2022 and 31 March 2023

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	1
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements (2)	22

This accountability report was approved by the Board on 29/06/2023 and signed on its behalf by:

Chief Executive
29/06/23

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

The Chief Executive of NHS England 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.

J Chadwick-Bell

Chief Executive
29/06/23

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 2023 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 March 2023.

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 these include 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 July 2022. 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 report 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 (IPRs) which take place monthly and involve divisions and the executive team.

The High Level Risk Register is scrutinised by the monthly Corporate Risk Register meeting and is also presented to the Audit and Quality and Safety Committees. The trust's Board Assurance Framework (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 Productivity 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 BAF and Risk Management processes in January 2023. The audit recognised that the BAF had undergone significant revision during the year, noting that risk appetite had been applied in line with good practice. Overall processes regarding the design, adequacy and effectiveness of the BAF and Risk Management arrangements remained compliant. Improvement actions identified included suggestions for improving the trust's risk management policy, introducing a training programme for risk management for staff of all grades and considering the organisational structure for risk within the organisation.

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.

The ongoing pressures being faced nationally by the NHS continue to impact on our people. However, we continue to work with health and social care partners to develop and embed workforce safeguards. As well as the recognised models for Safer Staffing already being utilised such as Shelford and Birth Rates Plus, we are continuing to embed Community Nursing and Emergency Care models using nationally recognised guidance.

The trust People Strategy is in its second year of implementation and supports the delivery of healthcare excellence across the short, medium and long-term. This plan supports both the NHS People Plan and the ICS Workforce Strategic priorities; maintaining a highly efficient 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. This is all monitored By our People and Organisation Development Committee. 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, presented at meetings that are open to public scrutiny.

Annual ward nurse staffing establishment reviews are undertaken and support the business planning process and the timing is synchronised to deliver safe, quality care based on the level of activity, to in turn deliver financial sustainability. All plans are developed and reviewed through a number of operational 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 doctors, 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.

There are new planning and deployment tools available for leaders and the management teams to plan, monitor and risk assure workforce planning level by skill set including new rostering performance infographics and Chief of Nurse led compliance review meetings.

The trust continues to work to optimise rosters for all staff groups to ensure the maximisation of substantive resource, reducing pressure on our Temporary Workforce Solutions resources and improving fill rates for all services. This includes mapping of processes, digitalisation of all manual entry where appropriate and an education leaders' programme to support workforce planning and deployment excellence.

This is all supported by improved workforce information being provided to leaders to assist them with decision making. The outputs focus on technology, process and people whereby they inform a programme of continuous improvement to maximise and refine the benefits of developing workforce safeguards.

For ward nursing, the Safecare Lead has successfully focused on compliance assurance and acts as a 'critical friend' for the teams over and above the support service already provided. Nursing teams also access the trust Excellence in Care dashboard to review and monitor agreed 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 ward nursing staff; however there continues to be an absence of any national

The Developing Workforce Safeguards action plan and recommendations are being monitored via the People and Organisational Development Committee to reach full compliance and the information provided to the Board in the IPR has been strengthened to increase visibility of staff deployment across all staff groups. Our People Strategy sets out the key people priorities, programmes of work, enablers and initiatives. As part of this, the trust is supporting the design and development of a workforce planning sensitivities model that will map the safer staffing profile for the trust today and how our profile will change in the Future as part of our Building For Our Future Transformation plans. This will work less by the traditional division and function, and more by focusing on patient pathways using safer staffing tools.

Care Quality Commission (CQC): The trust is fully Compliant with the registration requirements of the CQC. The trust was last inspected in full 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.

Maternity services at Conquest Hospital and Eastbourne District General Hospital were inspected in October 2022 as part of a national maternity inspection programme. The overall rating for our maternity service at Conquest remains good, whilst at Eastbourne the rating was requires improvement, both sites were rated as being good for well-led..

Register of Interests: The trust has a policy in place in respect of declarations of interest. Declarations are accessed and recorded through the electronic staff record system, with ongoing communication to raise awareness of the requirements and process. The trust regularly publishes an updated register of interests on its website, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance), 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. The trust has equality objectives which detail how the trust will eliminate discrimination, advance equality and foster good relations between people who share certain protected 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 and Disability Equality Standards as well as the Gender Pay Gap. Equality and Health Inequality Impact Assessments are completed for all trust policies, significant projects and service redesign to identify and address existing or potential inequalities. The trust has developed a health inequalities action plan reflecting wider action to deliver equitable access, experience and outcomes for all patients. A new health inequalities Steering Group provides opportunities for sharing practice across the trust.

Climate Change: The trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The trust ensures compliance with its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

4. 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 support an effective incident reporting culture, although levels of incidents relating to patient harm remain low.

The trust's internal auditors undertake an annual review of risk management and the BAF. In their report issued in January 2023, they provided an assessment of reasonable assurance for the trust's risk management processes. They identified areas of good practice which included the establishment of a Corporate Risk Register Management Group (which monitors and provides challenge for the corporate risk register) and praised the manner in which the BAF had been updated for 2022/23 including the application of risk appetite in line with best practice.

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 twenty one Serious Incidents during 2022/23, a further reduction on the previous year. Each incident was investigated and actions agreed and implemented. The trust had one Never Event in 2022/23 (also included in the SI figures). This is also a reduction on the previous year. 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.

5. 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 updated and strengthened and approved by the Trust Board in February 2023.

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 2022/23. Miranda Kavanagh retired from her role as Non-Executive Director, and was replaced by Carys Williams who had previously been an Associate Non-Executive Director. Ama Agbeze and Frank Sims joined the trust as Associate Non-Executive Directors.

Dr David Walker retired from his role as Medical Director and was replaced by Dr Simon Merritt who joined the Board as Chief Medical Officer. Tara Argent left her role as Chief Operating Officer and was replaced by an Interim Winter Director while recruitment was undertaken for a substantive Chief Operating Officer. Lynette Wells retired from her role as Director of Corporate Affairs. Richard Milner's role changed from Director of Strategy, Inequalities and Partnerships to Chief of Staff. Charlotte O'Brien joined the trust as Director of Transformation and Improvement.

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.

During the year, members of the Board undertook 'Out and About' visits to teams and departments in order to develop their understanding of the organisation and the organisation's visibility and 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.

Committee Structure: The Trust Board meets bi-monthly in public and also holds seminars covering key issues and Board development in months where there are no public Board meetings. Committees of the Board include Audit, Remuneration and Appointments, Finance and Productivity, Quality and Safety, People and Organisational Development and Strategy and Transformation. All the 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.

During the first part of the year, The Board continued to hold its meetings virtually as a result of the COVID-19 Pandemic. Members of the public were able to join virtual public Board meetings as observers, and recordings of the public Board meetings were put onto the trust's website to ensure the public accountability remains. In August 2022 Board meetings in public reverted to being held in person, with members of the public in attendance. Committee meetings continue to be held virtually.

Information Governance (IG): During 2022/23 staff reported 189 IG incidents on our trust incident reporting system. 176 of these were scored against the trust's incident scoring as either 'negligible or none' for severity, 11 were scored as 'low or minor', one was scored as 'medium or moderate' and, one was scored with a severity of '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, four incidents were reported to the Information Commissioner's Office (ICO), but all were closed by the ICO with no enforcement action taken against the trust.

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.

In addition, the trust employed a Data Quality and Assurance Lead during the year who was instrumental in developing a Data Quality Strategy for the organisation, as well as setting up a Data Quality Steering Group, Data Quality Framework and Data Quality Assessment Matrix. Key areas of focus have been identified and the trust is working with a third party organisation to start building improved Business Intelligence reporting.

6. 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 2022/23 financial year with a £28,000 surplus.

7. 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 Annual Quality Account for 2022/23 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.

8. 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.

The trust has used the internal audit service to investigate areas where it was felt that the trust would benefit from independent scrutiny and, consequently, four areas of 'limited assurance' were identified. Action plans were put in place to address the issues identified and progress with implementation was regularly monitored by the Audit Committee.

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 new-born 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 Productivity and Strategy and Transformation 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.

Workforce and Wellbeing

The past two years have seen a significant impact on colleagues across all parts of the trust as we have dealt with the impact of COVID-19 and its after effects. These have included operating at near capacity in terms of hospital beds, dealing with ongoing COVID spikes, increased difficulty in discharging patients who need further non-acute care and seeing increased numbers of patient attendances at our sites. Partly as a result of these additional pressures, we have seen an increase in the size of our workforce by over 900 whole time equivalents. We now need to review these increases and ensure that we work to deliver a workforce that is sized to efficiently deliver the planned levels of activity forecast for 2023/24.

To ensure both the continued availability and welfare of our workforce we have a number of controls and support mechanisms in place that are reviewed though our People and Organisational Development Committee, our Workforce Efficiency Group and our Health and Wellbeing teams. Our Board Assurance Framework includes risks relating to workforce that are reviewed at Board level, and Divisional and Departmental risk registers also include workforce risks that are managed by the local teams. We have also built our capabilities around mental health first aid, Trauma management and health and wellbeing support significantly.

We have a number of ways in which we engage with our workforce to provide additional assurance and support. These include the national Staff survey, through our Partnership forum, listening events and through our colleagues networks.

Finance and scale of efficiency programme

Looking ahead to 2023/24, the financial arrangements that exist under the COVID-19 regime are continuing to move more towards a local contractual relationship with an increased emphasis on delivering activity above 2019/20 levels and adjusting some additional services that have been implemented during COVID. NHS planning guidance has set out an expectation that at a system level we are expected to break even and the trust, as well as the wider Sussex Integrated Care System, have submitted plans in line with this. The scale of productivity improvement is £22.5m of cost efficiencies and £10m of improved elective productivity. This includes significant risks including the on-going impact of strikes, exposure to unfunded inflationary pressures and continued impact of the high number of patients not meeting criteria to reside which will also impact on the trust's ability to deliver on elective activity targets. The Trust Board is carefully considering these risks, albeit these pressures are not unique to the trust.

Waiting lists and requirement to increase activity levels

To ensure we work towards the activity levels by point of delivery as outlined in the Operational Plan we are reviewing the process of managing our patient clinical pathways across services. This will include the validation and management of our Patient Tracking Lists which reflects our waiting lists for patients in different parts of their pathway. The Operational Plan outlines the expected activity level delivery to align with the national ambition to increase the activity levels for specialties above the delivered activity levels in 2019/20. Our specialties have developed plans to increase the delivered activity, which include reviewing our productivity opportunities as well as increasing our capacity where required. The risk relates mainly to the breadth of review and improvement required to effect the required degree of improvement in a short period of time so that we make changes to our processes and pathways and at the same time increase capacity at short notice.

Estate and backlog

The trust's aging estate and capital allowance does potentially limit the way in which services and equipment can be provided in a safe manner for patients and staff. There are a number of risks included on the trust's risk register that both impact upon the clinical environment and can cause estates type critical engineering and building infrastructure risks which impact upon clinical acuity. We proactively manage these risks by directing/allocating capital investment to mitigate the most critical clinical/business risks and direct investment into the estates critical engineering and building infrastructure.

9. Conclusion

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

J Chadwick-Bell

Joe Chadwick-Bell
Chief Executive

Annual Accounts

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

29/06/23 Chief Executive

29/06/23 Chief Financial Officer

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 2021/22 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 England (NHSE), 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, 29/06/23

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 England (NHSE).

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

Joe Chadwick-Bell, Chief Executive, 29/06/23

Meeting our financial plan

Like all NHS organisations the impact of COVID-19 continues to have 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. The longer-term impacts of increased acuity and much higher number of patients who do not meet the criteria to reside in our bed base are substantial, not just operationally but also financially.

Funding levels were calculated and prescribed at a fixed level by NHS England to deliver core services. In addition, NHS organisations were able to recover some incremental costs resulting from their COVID-19 pandemic response albeit the majority of this was fixed based on national expectations of spend.

The trust had a plan for breakeven over 2022/23 and despite the challenges faced we are pleased to report we were able to deliver this position and return a small surplus.

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 relative to activity levels without reducing quality or safety of the care we provide. This is both because of the limitations the pandemic created on service changes but also as the trust transitions between a state of emergency response to the pandemic to more business as usual activity. This trend has continued in 2022/23 with the longer term effects of the pandemic being seen in increased acuity and higher number of patients who do not meet the criteria to reside; this has impacted our ability to find and deliver traditional CIP.

Despite this context, we significantly increased our CIP programme from £14.7m in 2021/22 to £23.0m in 2022/23, which we are pleased to report we have been able to deliver. This is based on the Model Hospital and 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.

Operating and Financial Review

During 2022/23 the trust continued to experience increased cost from the longer-term impact of the COVID-19 pandemic 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. In 2022/23 we have seen continued increased acuity and much higher number of patients who do not meet the criteria to reside in our bed base. The impact of this has been substantial not just operationally but also financially with the requirement to maintain escalation beds open throughout the year.

Continuing the approach to the 2021/22, apart from for a small number of specific services, the trust operated on a fixed level of income regardless of how costs fluctuated. This created significant pressure on the trust's financial position due to the unexpected national trend for increased numbers of patients not meeting the criteria to reside.

The financial arrangements continued to be that income was calculated and prescribed at a fixed level by NHS England to deliver core services. In addition to this the trust had access to the Elective Recovery Fund (ERF) to support the delivery of elective activity to recover services and begin to address the backlog and was able to significantly over-perform the national baseline meaning we were able to treat more patients as well as receiving additional financial support.

The trust had a plan for breakeven over 2022/23 and despite the challenges faced we are pleased to report we were able to deliver this position and return a small surplus. This is now the fourth year in a row the trust has delivered its Financial plan. We were able to deliver this through additional funding under the ERF as set out above and also by delivering our efficiency plan of £23.0m.

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 NHS England teams to help us develop and address the issues driving our deficit. The 2022/23 financial plan, and the associated CIP, 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 NHS England and Department of Health and Social Care. Total capital expenditure of property plant and equipment was £62.5m in 2022/23 compared to £36.3m in 2021/22. In addition, we have used alternative forms of capital funding (e.g. leasing) to make improvements across our sites. This included £24.3m relating to a grant from the public sector decarbonisation fund to improve energy efficiency at the Eastbourne District General Hospital site. 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 allow us to enhance the care that we can offer to our patients by replacing aging equipment.

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 2022/23, the trust received and spent £0.5m allowing us to continue enabling works and developing our business case building on the strategic outline case developed during 2020/21.

Looking forward to 2023/24, we will be looking to maximise every opportunity of obtaining capital funding to supplement our core capital allocation of c.£23.3m with a total expected capital expenditure of £59.9m. Significant national funded schemes relate to the elective hub, implantation of a new Electronic Patient Record and Laboratory information management system; the local ICB is supporting capital for the cardiology and ophthalmology reconfigurations. Our capital budget, which has more demands on it than funds available, will support 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 2022/23, including acting on the key drivers of the underlying deficit and maintaining financial control with particular focus on capital controls given the significant levels of expenditure. To make sure these improvements are maintained, we will continue to strengthen our financial controls, our financial planning and to improve our reporting.

In 2022/23, the trust continued to strengthen its cash flow management procedures, maintaining a healthy cash balance throughout the period and making sustained improvements on the "Better Payment Practice Code". The trust remains committed to supporting local suppliers and routinely reviews its creditor position to ensure that delays in payment are minimised.

In 2022/23 we continued 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 Productivity Committee, which ensures that all material financial risks and developments are closely scrutinised and that senior management is 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 Productivity 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 ICB 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 ICBs 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 ICB;
- Significantly reduce recent increases in demand trends in our 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 ICB 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 2023/24, the financial arrangements that existing under COVID-19 regime are continuing to move more towards a local contractual relationship with discretion to amend the values and overall approach. However, national guidance is fairly prescriptive and both the trust and local commissioners intend to follow this approach to build contract values and general approaches taken in 2022/23; this means the arrangements that will be operating in Sussex are broadly similar to 2022/23. NHS planning guidance has set out an expectation that at a system level we are expected to break-even and the trust, as well as the wider Sussex ICS, have submitted plans in line with this. However, this includes very significant risks around the scale of efficiency savings this will require, on-going impact of strikes, exposure to unfunded inflationary pressures and continued impact of high number of patients not meeting criteria on the ability to deliver on elective activity targets. The Trust Board is carefully considering this risk and is in discussion with the ICB in this regard, albeit these pressures are not unique to the trust and are felt widely across the NHS.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by the trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Accounts Highlights	2022/23	2021/22
	£000	£000
Surplus/(Deficit) for the year	28	68
Public Dividend Capital Payable	(8,924)	(7,850)
Value of Property, Plant and Equipment	344,706	278,183
Value of Borrowings (including loans)	(11,062)	0
Cash at 31 March	47,518	61,108
Creditors - trade and other	(66,456)	(41,650)
Debtors - trade and other	39,676	13,261
Revenue from Patient Care Activities	590,089	527,270
Clinical Negligence Costs	14,030	13,142
Gross Employee Benefits	419,694	374,727

	2022/23	2021/22
Financial Position	£000	£000
Operating Income from Patient Care	590,089	527,270
Other operating income	67,170	41,066
Annual Income	**657,259**	**568,336**
Total Spend for the Year	(625,607)	(561,882)
Operating Surplus/(Deficit) from continuing operations	**31,652**	**6,454**
Finance Expenses	(7,917)	(7,820)
Other Gains/(Losses)	(134)	10
Surplus/(Deficit) for the year	**23,601**	**(1,356)**
Remove Impairments	112	811
Remove impact of capital grants	(23,746)	375
Remove net impact of inventories received from DHSC group bodies for COVID-19 response	61	238
Adjusted financial performance Surplus/(Deficit)	**28**	**68**

	2022/23	2021/22
Financial Headline	£000	£000
Capital Spend (Gross)	62,527	37,916
Total Income for the Charity	113	286
Total Income from NHS Charities Together	0	105
Consultancy Costs	53	37

Independent auditor's report to the Directors of East Sussex Healthcare NHS Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of East Sussex Healthcare NHS Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2022 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2022-23 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS England or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 27 June 2023 we referred a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 in relation to the Trust reporting a breach of its statutory breakeven duty for the year ending 31 March 2023 and planning to breach its breakeven duty for the year ending 31 March 2024.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

• We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).

- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:

– the identification, evaluation and compliance with laws and regulations;
– the detection and response to the risks of fraud; and
– the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, fraudulent revenue and expenditure recognition, and validity of capital additions. We determined that the principal risks were in relation to:

– Journal entries which met a range of criteria defined as part of our risk assessment;
– Revenue recognition for material streams of operating revenues which are variable in nature; and
– Fraudulent expenditure recognition to meet externally set targets.

- Our audit procedures involved:

  – evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;

  – journal entry testing, with a focus on large and unusual manual journals and those manual journals with a direct impact on the financial performance of the Trust;

  – challenging and testing for reasonableness the information and assumptions used by the professional valuer in estimating the valuation of land and buildings;

  – testing the information provided by the Trust to the professional valuer for them to undertake the valuation of land and buildings;

  – substantive testing of material streams of income and expenditure;

  – challenging assumptions and judgements made by management in its significant accounting estimates in respect of year-end revenue and expenditure accruals;

  – increased testing of capital additions recognised late in the financial year; and

  – assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The team communicated with management and the Audit Committee in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of land and buildings and accruals.

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  – understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  – knowledge of the health sector and economy in which the Trust operates;
  – understanding of the legal and regulatory requirements specific to the Trust including:
  – the provisions of the applicable legislation;
  – NHS England's rules and related guidance;
  – the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:
  – The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  – The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual

Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We certify that we have completed the audit of East Sussex Healthcare NHS Trust for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

John Paul Cuttle

John Paul Cuttle, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

London

29 June 2023

Statement of Comprehensive Income

	Note	2022/23	2021/22
		£000	£000
Operating income from patient care activities	3	590,089	527,270
Other operating income	4	67,170	41,066
Operating expenses	7, 9	(625,607)	(561,882)
Operating surplus from continuing operations		**31,652**	**6,454**
Finance income	11	1,130	34
Finance expenses	12	(123)	(4)
PDC dividends payable		(8,924)	(7,850)
Net finance costs		**(7,917)**	**(7,820)**
Other gains / (losses)	13	(134)	10
Surplus / (deficit) for the year from continuing operations		**23,601**	**(1,356)**
Surplus / (deficit) for the year		**23,601**	**(1,356)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(2,720)	(4,851)
Revaluations	17	14,629	11,981
Other recognised gains and losses		(596)	-
Total comprehensive income for the year		**34,914**	**5,774**

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	14	3,079	3,632
Property, plant and equipment	15	333,166	278,183
Right of use assets	18	11,540	
Receivables	20	2,659	2,615
Total non-current assets		**350,444**	**284,430**
Current assets			
Inventories	19	10,239	8,595
Receivables	20	37,017	10,646
Cash and cash equivalents	21	47,518	61,108
Total current assets		**94,774**	**80,349**
Current liabilities			
Trade and other payables	22	(66,456)	(41,650)
Borrowings	24	(1,571)	-
Provisions	25	(797)	(322)
Other liabilities	23	(3,251)	(7,230)
Total current liabilities		**(72,075)**	**(49,202)**
Total assets less current liabilities		**373,143**	**315,577**
Non-current liabilities			
Borrowings	24	(9,491)	-
Provisions	25	(1,878)	(4,793)
Total non-current liabilities		**(11,369)**	**(4,793)**
Total assets employed		**361,774**	**310,784**
Financed by			
Public dividend capital		460,049	444,694
Revaluation reserve		103,305	97,745
Income and expenditure reserve		(201,580)	(231,655)
Total taxpayers' equity		**361,774**	**310,784**

The notes 1 to 36 form part of these accounts.

Name Joanne Chadwick-Bell

Position Chief Executive
Date 29 June 2023

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**444,694**	**97,745**	**(231,655)**	**310,784**
Implementation of IFRS 16 on 1 April 2022	-	-	**721**	**721**
Surplus for the year	-	-	23,601	**23,601**
Other transfers between reserves	-	(5,753)	5,753	-
Impairments	-	(2,720)	-	**(2,720)**
Revaluations	-	14,629	-	**14,629**
Other recognised gains and losses	-	(596)	-	**(596)**
Public dividend capital received	15,355	-	-	**15,355**
Taxpayers' and others' equity at 31 March 2023	**460,049**	**103,305**	**(201,580)**	**361,774**

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**425,217**	**90,615**	**(230,299)**	**285,533**
Deficit for the year	-	-	(1,356)	**(1,356)**
Impairments	-	(4,851)	-	**(4,851)**
Revaluations	-	11,981	-	**11,981**
Public dividend capital received	19,477	-	-	**19,477**
Taxpayers' and others' equity at 31 March 2022	**444,694**	**97,745**	**(231,655)**	**310,784**

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.

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	2022/23	2021/22
		£000	£000
Cash flows from operating activities			
Operating surplus		31,652	6,454
Non-cash income and expense:			
Depreciation and amortisation	7	20,937	16,871
Net impairments	8	112	811
Income recognised in respect of capital donations	4	(24,935)	(760)
(Increase) / decrease in receivables and other assets		(25,224)	5,069
Increase in inventories		(1,644)	(440)
Increase in payables and other liabilities		20,416	588
Decrease in provisions		(2,444)	(1,074)
Other movements in operating cash flows		396	(54)
Net cash flows from operating activities		**19,266**	**27,465**
Cash flows from investing activities			
Interest received		1,130	34
Purchase of intangible assets		(191)	(1,656)
Purchase of PPE and investment property		(61,874)	(44,186)
Sales of PPE and investment property		68	68
Receipt of cash donations to purchase assets		23,629	760
Net cash flows used in investing activities		**(37,238)**	**(44,980)**
Cash flows from financing activities			
Public dividend capital received		15,355	19,477
Capital element of lease liability repayments		(1,716)	-
Other interest		(1)	-
PDC dividend paid		(9,256)	(7,413)
Net cash flows from financing activities		**4,382**	**12,064**
Decrease in cash and cash equivalents		**(13,590)**	**(5,451)**
Cash and cash equivalents at 1 April - brought forward		**61,108**	**66,559**
Cash and cash equivalents at 31 March	21	**47,518**	**61,108**

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 2022/23 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.

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 with an agreed monthly payment plan, and then an activity reconciliation is performed between the paid and final agreed amounts, and adjustments are applied where appropriate. For 2022/23 this has only applied for 3 elements, High Cost Drugs, Community Diagnostic Centre, and Virtual Wards.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23 fixed payments are set at a level assuming the achievement of elective activity targets. These are termed 'aligned payment and incentive' contracts. There was to be a variable element, with financial adjustments made to reflect performance against the Elective Recovery Fund targets, but this was rescinded during the year.

Elective recovery funding provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

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. Some research income alternatively falls within the provisions of IAS 20 for government grants.

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.

Revenue from education and training
Where education and training contracts fall under IFRS 15, revenue is recognised as and when 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 grant 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 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 1.8 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. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

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.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

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.

De-recognition
Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the Trust by the Department of Health and Social Care or NHS England 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 1.9 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.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software
Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

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 1.10 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 weighted average cost formula, therefore, drugs are valued in this way. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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 1.11 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 1.12 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 or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities are 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.

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 as 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 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

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

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

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

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

Note 1.14 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 from 31 March 2023.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

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 25.1 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 1.15 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 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, 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 1.16 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 utilisedby the Trust, is payable as public dividend capital 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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 1.18 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 1.19 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 1.20 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 1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

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:

Valuation of Land and Buildings

The Department of Health and Social Care (DHSC) guidance specifies that the Trust's land and buildings should be valued on the basis of depreciated replacement cost (DRC), applying the Modern Equivalent Asset (MEA) concept. This concept is defined as "the cost of a modern replacement asset that has the same productive capacity as the property being valued." Therefore the MEA is not a valuation of the existing land and buildings held by the Trust, but a theoretical valuation for accounting purposes of what the Trust could need to spend in order to replace the existing assets. In determining the MEA, the Trust has to make assumptions that are practically achievable, however the Trust is not required to have any plans to make these changes.

The Trust is satisfied that the assumptions underpinning the MEA valuation are practically achievable, would not change the services provided by the Trust, and would not impact on service delivery or the level and volume of service provided.

The land and buildings asset valuation carried out on 31 March 2023 was completed on a modern equivalent asset basis (MEA). The Trust's estate was classified as specialised operational properties and an existing use value alternative, was used. This assumes that the assets would be replaced with a modern equivalent, and although not necessarily a building of identical arrangement and composition, the service provision would be the same as the existing asset.

The alternative modern equivalent asset may be smaller under the Trust's alternative modern equivalent asset valuation with modern hospitals giving rise to the same service potential but on a smaller footprint, Gross Internal Area (GIA), to serve the catchment area of the local population.

The MEA valuations used by the Trust have been provided by the external valuers, Gerald Eve LLP.

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
The estimation of the valuation of Property and Land is based on professional valuer methodologies for applying modern equivalent asset (MEA) concepts to the estimation of depreciated replacement cost (DRC).

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 of buildings including dwellings is £216,209k and a 5% reduction or increase in floor area or building costs would lead to a reduction or increase in valuation of £10,810k.

Note 2 Operating Segments

The Trust has considered IFRS 8 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)	2022/23	2021/22
	£000	£000
Acute services		
Income from commissioners under API contracts*	416,226	384,687
High cost drugs income from commissioners (excluding pass-through costs)	45,145	41,986
Other NHS clinical income	23	469
Community services		
Income from commissioners under API contracts*	50,841	49,839
Income from other sources (e.g. local authorities)	10,480	9,477
All services		
Private patient income	6,640	1,547
Elective recovery fund	14,709	10,470
Agenda for change pay award central funding***	14,305	
Additional pension contribution central funding**	15,424	14,265
Other clinical income	16,296	14,530
Total income from activities	**590,089**	**527,270**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

**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.

***In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	**£000**
NHS England	84,969	69,096
Clinical commissioning groups*	105,198	435,558
Integrated care boards*	365,436	-
Department of Health and Social Care	20	20
Other NHS providers	4	39
Local authorities	10,480	9,477
Non-NHS: private patients	6,640	1,547
Non-NHS: overseas patients (chargeable to patient)	498	252
Injury cost recovery scheme	792	804
Non NHS: other**	16,052	10,477
Total income from activities	**590,089**	**527,270**
Of which:		
Related to continuing operations	590,089	527,270

*On 1 July 2022, Clinical Commissioning Groups were closed and Integrated Care Systems (ICS) were established. Integrated Care Boards (ICB's) are an element of the ICS, and the majority of the Trust's funding is received from them.

**Services to Sussex MSK Services £15.8m (2021/22 £10.4m)

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

	2022/23	2021/22
	£000	£000
Income recognised this year	498	252
Cash payments received in-year	206	92
Amounts added to provision for impairment of receivables	61	137
Amounts written off in-year	66	11

Note 4 Other operating income

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	427	-	**427**	864	-	**864**
Education and training	13,366	819	**14,185**	11,751	697	**12,448**
Non-patient care services to other bodies	13,991		**13,991**	9,410		**9,410**
Reimbursement and top up funding	2,116		**2,116**	7,006		**7,006**
Income in respect of employee benefits accounted on a gross basis	1,002		**1,002**	1,163		**1,163**
Receipt of capital grants and donations and peppercorn leases		24,935	**24,935**		760	**760**
Charitable and other contributions to expenditure		2,316	**2,316**		2,361	**2,361**
Revenue from operating leases		1,185	**1,185**		1,245	**1,245**
Other income	7,013	-	**7,013**	5,809	-	**5,809**
Total other operating income	**37,915**	**29,255**	**67,170**	**36,003**	**5,063**	**41,066**
Of which:						
Related to continuing operations			67,170			41,066

The Trust received £24,301k in Government Funding in 2022/23, from the Public Sector Decarbonisation Scheme and is for affordable, low carbon heating and energy efficiency upgrades to reduce the Trust's carbon footprint at Eastbourne DGH

Note 4.1 Analysis of 'Other Income'

	2022/23	2021/22
	£000	£000
Car Parking income	716	509
Catering	445	386
Staff accommodation rental	1,664	1,635
Staff contribution to employee benefit schemes	93	129
Crèche services	618	607
Clinical excellence awards	146	123
Other income generation schemes (recognised under IFRS 15)	2,980	2,092
Other income not already covered (recognised under IFRS 15)	151	328
	7,013	5,809

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

	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	7,230	2,361

Note 6 Operating leases - East Sussex Healthcare NHS Trust as lessor

This note discloses income generated in operating lease agreements where East Sussex Healthcare NHS Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

The Trust leases office space, and space to third parties to provide food and beverages, and laundry services. The Trust also leases space recognised as specialised assets to Sussex Partnership NHS Foundation Trust to provide mental health services, and to University Hospitals Sussex NHS Foundation Trust to provide radiotherapy services. The terms of these leases vary between one and twenty five years.

Note 6.1 Operating lease income

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	800	1,245
Variable lease receipts / contingent rents	385	-
Total in-year operating lease income	**1,185**	**1,245**

Note 6.2 Future lease receipts

	31 March 2023
	£000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	802
- later than one year and not later than two years	802
- later than two years and not later than three years	702
- later than three years and not later than four years	642
- later than four years and not later than five years	77
- later than five years	1,101
Total	**4,126**

	31 March 2022
	£000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	786
- later than one year and not later than five years;	2,891
- later than five years.	1,178
Total	**4,855**

Note 7 Operating expenses

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	3,643	4,005
Purchase of healthcare from non-NHS and non-DHSC bodies	9,355	7,884
Staff and executive directors costs	419,175	373,024
Remuneration of non-executive directors	166	154
Supplies and services - clinical (excluding drugs costs)	45,239	45,352
Supplies and services - general	7,052	5,866
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	57,916	51,800
Consultancy costs	53	37
Establishment	7,056	6,607
Premises	21,386	17,772
Transport (including patient travel)	1,332	773
Depreciation on property, plant and equipment and right of use assets	20,162	16,224
Amortisation on intangible assets	775	647
Net impairments	112	811
Movement in credit loss allowance: contract receivables / contract assets	131	220
Increase in other provisions	176	445
Change in provisions discount rate(s)	(313)	44
Fees payable to the external auditor		
audit services- statutory audit (including £30k irrecoverable VAT)	180	115
Internal audit costs	196	194
Clinical negligence	14,030	13,142
Legal fees	267	147
Insurance	342	362
Education and training	2,796	2,226
Expenditure on short term leases (current year only)	139	-
Expenditure on low value leases (current year only)	222	-
Operating lease expenditure (comparative only)	-	2,825
Early retirements	9	11
Redundancy	-	46
Other services, eg external payroll	506	-
Other	13,504	11,149
Total	**625,607**	**561,882**
Of which:		
Related to continuing operations	625,607	561,882

Professional Fees of £10.0m are included within Other Operating Expenditure (2021/22 £9.2m)

Note 7.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2021/22: £2 million).

Note 8 Impairment of assets

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	112	811
Total net impairments charged to operating surplus / deficit	**112**	**811**
Impairments charged to the revaluation reserve	2,720	4,851
Total net impairments	**2,832**	**5,662**

The net impairments of £112k relate to a change in value of the Trust's estate following the annual review carried out by the external valuer, Gerald Eve LLP (2021/22 £5,662k)

Note 9 Employee benefits

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	320,263	286,016
Social security costs	34,272	28,152
Apprenticeship levy	1,639	1,446
Employer's contributions to NHS pensions	50,532	46,776
Pension cost - other	105	94
Termination benefits	107	36
Temporary staff (including agency)	12,776	12,207
Total gross staff costs	**419,694**	**374,727**
Total staff costs	**419,694**	**374,727**
Of which		
Costs capitalised as part of assets	510	1,646

Note 9.1 Retirements due to ill-health

During 2022/23 there were 2 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £156k (£531k in 2021/22).

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

Note 10 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 for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

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 2022/23 (3% for 2021/22). Trust contributions under the NEST scheme for 2022/23 financial year totalled £105k (£94k for 2021/22).

Note 11 Finance income

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	1,130	34
Total finance income	**1,130**	**34**

Note 12 Finance expenditure

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

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on lease obligations	118	-
Interest on late payment of commercial debt	1	-
Total interest expense	**119**	**-**
Unwinding of discount on provisions	4	4
Total finance costs	**123**	**4**

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

	2022/23	2021/22
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	-

Note 13 Other gains / (losses)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	59	10
Losses on disposal of assets	(193)	-
Total gains / (losses) on disposal of assets	**(134)**	**10**
Total other gains / (losses)	**(134)**	**10**

Note 14 Intangible assets - 2022/23

	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	6,975	6,975
Additions	191	191
Reclassifications	31	31
Valuation / gross cost at 31 March 2023	7,197	7,197
Amortisation at 1 April 2022 - brought forward	3,343	3,343
Provided during the year	775	775
Amortisation at 31 March 2023	4,118	4,118
Net book value at 31 March 2023	3,079	3,079
Net book value at 1 April 2022	3,632	3,632

Note 14.1 Intangible assets - 2021/22

	Development expenditure £000	Total £000
Valuation / gross cost at 1 April 2021 - as previously stated	5,319	5,319
Additions	1,656	1,656
Valuation / gross cost at 31 March 2022	6,975	6,975
Amortisation at 1 April 2021 - as previously stated	2,696	2,696
Provided during the year	647	647
Amortisation at 31 March 2022	3,343	3,343
Net book value at 31 March 2022	3,632	3,632
Net book value at 1 April 2021	2,623	2,623

Note 15 Property, plant and equipment - 2022/23

	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 2022 - brought forward	11,049	204,373	-	4,629	95,571	255	53,628	5,562	375,067
Additions	-	15,125	361	30,711	5,924	169	9,689	357	62,336
Impairments	-	(3,613)	(65)	-	-	-	-	-	(3,678)
Reversals of impairments	-	379	140	-	-	-	-	-	519
Revaluations	36	8,104	303	-	-	-	-	-	8,443
Reclassifications	-	(7,411)	7,411	-	-	-	(31)	-	(31)
Disposals / derecognition	-	(748)	-	-	(984)	-	(32)	-	(1,764)
Valuation/gross cost at 31 March 2023	11,085	216,209	8,150	35,340	100,511	424	63,254	5,919	440,892
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	65,632	223	27,002	4,027	96,884
Provided during the year	-	6,224	322	-	6,105	5	5,428	311	18,395
Reversals of impairments	-	(185)	(142)	-	-	-	-	-	(327)
Revaluations	-	(6,006)	(180)	-	-	-	-	-	(6,186)
Disposals / derecognition	-	(33)	-	-	(975)	-	(32)	-	(1,040)
Accumulated depreciation at 31 March 2023	-	-	-	-	70,762	228	32,398	4,338	107,726
Net book value at 31 March 2023	11,085	216,209	8,150	35,340	29,749	196	30,856	1,581	333,166
Net book value at 1 April 2022	11,049	204,373	-	4,629	29,939	32	26,626	1,535	278,183

Note 15.1 Property, plant and equipment - 2021/22

	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 2021 - as previously stated	**15,900**	**180,314**	**-**	**4,427**	**90,978**	**223**	**43,123**	**5,433**	**340,398**
Additions	-	18,357	-	202	7,029	32	10,505	135	**36,260**
Impairments	(4,851)	(811)	-	-	-	-	-	-	**(5,662)**
Revaluations	-	6,513	-	-	-	-	-	-	**6,513**
Disposals / derecognition	-	-	-	-	(2,436)	-	-	(6)	**(2,442)**
Valuation/gross cost at 31 March 2022	**11,049**	**204,373**	**-**	**4,629**	**95,571**	**255**	**53,628**	**5,562**	**375,067**
Accumulated depreciation at 1 April 2021 - as previously stated	**-**	**-**	**-**	**-**	**61,404**	**223**	**23,249**	**3,636**	**88,512**
Provided during the year	-	5,468	-	-	6,606	-	3,753	397	**16,224**
Revaluations	-	(5,468)	-	-	-	-	-	-	**(5,468)**
Disposals / derecognition	-	-	-	-	(2,378)	-	-	(6)	**(2,384)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**65,632**	**223**	**27,002**	**4,027**	**96,884**
Net book value at 31 March 2022	**11,049**	**204,373**	**-**	**4,629**	**29,939**	**32**	**26,626**	**1,535**	**278,183**
Net book value at 1 April 2021	**15,900**	**180,314**	**-**	**4,427**	**29,574**	**-**	**19,874**	**1,797**	**251,886**

Note 15.2 Property, plant and equipment financing - 31 March 2023

	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
Owned - purchased	11,085	211,664	8,150	11,039	25,592	196	30,814	1,279	**299,819**
Owned - donated/granted	-	4,545	-	24,301	4,157	-	42	302	**33,347**
Total net book value at 31 March 2023	**11,085**	**216,209**	**8,150**	**35,340**	**29,749**	**196**	**30,856**	**1,581**	**333,166**

Note 15.3 Property, plant and equipment financing - 31 March 2022

	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
Owned - purchased	11,049	200,281	-	4,629	25,319	32	26,609	1,331	**269,250**
Owned - donated/granted	-	4,092	-	-	4,620	-	17	204	**8,933**
Total net book value at 31 March 2022	**11,049**	**204,373**	**-**	**4,629**	**29,939**	**32**	**26,626**	**1,535**	**278,183**

Note 15.4 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	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
Subject to an operating lease	-	8,979	-	-	-	-	-	-	**8,979**
Not subject to an operating lease	11,085	207,230	8,150	35,340	29,749	196	30,856	1,581	**324,187**
Total net book value at 31 March 2023	**11,085**	**216,209**	**8,150**	**35,340**	**29,749**	**196**	**30,856**	**1,581**	**333,166**

Note 16 Donations of property, plant and equipment

The following organisations donated assets to the Trust during 2022/23:

Friends of Eastbourne Hospital £421,913 (2021/22 £204,822)

The League of Friends of the Bexhill Hospital CIO £119,935 (2021/22 £97,844)

Friends of Conquest Hospital CIO £0 (2021/22 £407,740)

East Sussex Healthcare NHS Charitable Fund £67,301 (2021/22 £48,196)

The League of Friends of Uckfield Community Hospital £24,553 (2021/22 £8,364)

Note 17 Revaluations of property, plant and equipment

The freehold property known as East Sussex Healthcare NHS Trust was valued as at 31 March 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RCIS Valuation - Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on an Existing Use Value basis.

As a result of the revaluation carried out at 31 March 2023, the Trust's assets were valued upwards by £11,797k (2021/22 upwards £6,319k). The revaluation resulted in gains of £14,629k (2021/22 £11,981k) which were applied to the Revaluation Reserve, and impairments of £2,832k (2021/22 £5,662k: £4,851k to Revaluation Reserve, £811k to I&E), of which £112k was taken to I&E, and the remainder was applied to the Revaluation Reserve.

The annual review of asset lives resulted in an in year increase in depreciation of £266,648 (2021/22 £424,392 increase). Reducing asset lives increases in-year depreciation costs but decreases the number of years in which depreciation is charged for individual assets.

The range of lives of property, plant and equipment and intangibles are as follows:
Buildings, between 11 and 81 years (as per valuation)
Plant and machinery, 3 to 80 years
Motor vehicles, 4 to 7 years
IT equipment, 3 to 15 years
Furniture and fittings, 3 to 70 years
IT in-house software (intangibles), 5 to 7 years

Note 18 Leases - East Sussex Healthcare NHS Trust as a lessee

This note details information about leases for which the Trust is a lessee.
The Trust has leasing arrangements including building leases, equipment leases and vehicle leases.

The Trust is a lessee of space and property with NHS Property Services, and also the following properties:
Amherst Road, Bexhill-on-Sea
Apex Enterprise Park, Hailsham
Beeching Road, Bexhill-on-Sea
Brampton Road, Eastbourne
Family Learning Centre Egerton Park, Bexhill-on-Sea
Rye Memorial Care Centre, Rye
St.Nicholas Centre, St. Leonards-on-Sea
Wheel Farm Business Park
Firwood House, Eastbourne
Leaf Hospital, Eastbourne

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 15.2 Property, plant and equipment financing - 31 March 2023

	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
Owned - purchased	11,085	211,664	8,150	11,039	25,592	196	30,814	1,279	**299,819**
Owned - donated/granted	-	4,545	-	24,301	4,157	-	42	302	**33,347**
Total net book value at 31 March 2023	**11,085**	**216,209**	**8,150**	**35,340**	**29,749**	**196**	**30,856**	**1,581**	**333,166**

Note 15.3 Property, plant and equipment financing - 31 March 2022

	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
Owned - purchased	11,049	200,281	-	4,629	25,319	32	26,609	1,331	**269,250**
Owned - donated/granted	-	4,092	-	-	4,620	-	17	204	**8,933**
Total net book value at 31 March 2022	**11,049**	**204,373**	**-**	**4,629**	**29,939**	**32**	**26,626**	**1,535**	**278,183**

Note 15.4 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

Buildings

Note 18.1 Right of use assets - 2022/23

	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	12,176	1,478	**13,654**	9,429
Disposals / derecognition	-	(459)	**(459)**	-
Valuation/gross cost at 31 March 2023	**12,176**	**1,019**	**13,195**	**9,429**
Provided during the year	1,370	397	**1,767**	949
Disposals / derecognition	-	(112)	**(112)**	-
Accumulated depreciation at 31 March 2023	**1,370**	**285**	**1,655**	**949**
Net book value at 31 March 2023	**10,806**	**734**	**11,540**	**8,480**

Net book value of right of use assets leased from other NHS providers	528
Net book value of right of use assets leased from other DHSC group bodies	7,952

Note 18.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 24.

	2022/23
	£000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	12,933
Interest charge arising in year	118
Early terminations	(273)
Lease payments (cash outflows)	(1,716)
Carrying value at 31 March 2023	**11,062**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.These payments are disclosed in Note 7.

Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 18.3 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023	31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	1,571	898
- later than one year and not later than five years;	5,277	3,587
- later than five years.	4,214	3,575
Total gross future lease payments	**11,062**	**8,060**
Net lease liabilities at 31 March 2023	**11,062**	**8,060**
Of which:		
Leased from other DHSC group bodies		8,060

Note 18.4 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	2021/22
	£000
Operating lease expense	
Minimum lease payments	2,825
Total	**2,825**

	31 March 2022
	£000
Future minimum lease payments due:	
- not later than one year;	2,498
- later than one year and not later than five years;	7,142
- later than five years.	5,992
Total	**15,632**

Note 18.5 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	**15,632**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**14,967**
Less:	
Commitments for short term leases	(294)
Commitments for leases of low value assets	(550)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(1,412)
Other adjustments:	
Differences in the assessment of the lease term	(71)
Rent decreases reflected in the lease liability, not previously reflected in the IAS 17 commitment	(404)
Other adjustments	697
Total lease liabilities under IFRS 16 as at 1 April 2022	**12,933**

Within the 2021/22 accounts (Note 1.22) the Trust calculated that the impact of applying IFRS16 within 2022/23 would be £28,671k for Right of Use Assets, and Lease Liabilities of £28,560k. These estimates included service charges and VAT. Following a full re-assessment of NHS and non-NHS leased property charges, these elements have been excluded from the calculations in 2022/23, the result being a recalculation downwards of £15,017k.

Note 19 Inventories

	31 March 2023	31 March 2022
	£000	£000
Drugs	5,139	4,032
Consumables	4,922	4,370
Energy	178	193
Total inventories	**10,239**	**8,595**
of which:		

Inventories recognised in expenses for the year were £75,237k (2021/22: £70,983k).
Write-down of inventories recognised as expenses for the year were £0k (2021/22: £0k).

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 2022/23 the Trust received £1,690k of items purchased by DHSC (2021/22: £1,946k).

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 20 Receivables

	31 March 2023	31 March 2022
	£000	£000
Current		
Contract receivables	27,373	6,271
Capital receivables	1,306	396
Allowance for impaired contract receivables / assets	(322)	(280)
Deposits and advances	40	71
Prepayments (non-PFI)	5,949	2,397
PDC dividend receivable	281	-
VAT receivable	1,653	1,129
Other receivables	737	662
Total current receivables	**37,017**	**10,646**
Non-current		
Contract receivables	2,572	2,584
Allowance for impaired contract receivables / assets	(588)	(603)
Other receivables	675	634
Total non-current receivables	**2,659**	**2,615**
Of which receivable from NHS and DHSC group bodies:		
Current	22,391	3,290
Non-current	675	634

Note 20.1 Allowances for credit losses

	2022/23	2021/22
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April - brought forward	**883**	**695**
New allowances arising	-	220
Changes in existing allowances	131	-
Utilisation of allowances (write offs)	(104)	(32)
Allowances as at 31 Mar 2023	**910**	**883**

Note 20.2 Exposure to credit risk

The expected credit loss is only applied to non-NHS debt. NHS and other DHSC organisations are excluded from the calculation as NHS transactions are considered to be part of the DHSC group accounts, with balances therefore eliminated on consolidation. As the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has a low exposure to credit risk.

Note 21 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.

	2022/23	2021/22
	£000	£000
At 1 April	**61,108**	**66,559**
Net change in year	(13,590)	(5,451)
At 31 March	**47,518**	**61,108**
Broken down into:		
Cash at commercial banks and in hand	109	53
Cash with the Government Banking Service	47,409	61,055
Total cash and cash equivalents as in SoFP	**47,518**	**61,108**
Total cash and cash equivalents as in SoCF	**47,518**	**61,108**

Note 21.1 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 2023	31 March 2022
	£000	£000
Monies on deposit	27	15
Total third party assets	**27**	**15**

Note 22 Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Current		
Trade payables	376	318
Capital payables	1,292	830
Accruals	51,061	27,963
Receipts in advance and payments on account	27	-
Social security costs	4,286	4,230
Other taxes payable	3,799	3,707
PDC dividend payable	-	51
Pension contributions payable	4,881	4,551
Other payables	734	-
Total current trade and other payables	**66,456**	**41,650**
Of which payables from NHS and DHSC group bodies:		
Current	3,201	6,899

Note 23 Other liabilities

	31 March 2023	31 March 2022
	£000	£000
Current		
Deferred income: contract liabilities	3,251	7,230
Total other current liabilities	**3,251**	**7,230**

Note 24 Borrowings

	31 March 2023	31 March 2022
	£000	£000
Current		
Lease liabilities*	1,571	-
Total current borrowings	**1,571**	**-**
Non-current		
Lease liabilities*	9,491	-
Total non-current borrowings	**9,491**	**-**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 18.

Note 25 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2022	**38**	**1,837**	**102**	**3,138**	**5,115**
Change in the discount rate	(2)	(311)	-	(606)	**(919)**
Arising during the year	1	32	132	638	**803**
Utilised during the year	(13)	(185)	(66)	(1,418)	**(1,682)**
Reversed unused	-	-	(14)	(646)	**(660)**
Unwinding of discount	-	4	-	14	**18**
At 31 March 2023	**24**	**1,377**	**154**	**1,120**	**2,675**
Expected timing of cash flows:					
- not later than one year;	11	187	154	445	**797**
- later than one year and not later than five years;	13	630	-	27	**670**
- later than five years.	-	560	-	648	**1,208**
Total	**24**	**1,377**	**154**	**1,120**	**2,675**

The provision for pensions early departure costs, and pensions injury benefits costs, are calculated by current payments to the NHS Pensions Agency and adjusted for average life expectancy and discounted using the HM Treasury published discount rates.

The provision for legal claims provides for the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES). The provision covers the excess amount payable by the Trust and not the full liability of the claims which is borne by NHS Resolution under the non-clinical risk pooling scheme. The timings of cash flows are based on estimated dates for the finalisation of the claims. All are expected to be settled within one year.

The Clinicians' Pension Scheme relates to clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in the previous tax year (2021/22) face a tax charge in respect of the growth of their NHS pensions benefits above their pension savings annual allowance threshold and will be able to have this charge paid by the NHS Pension Scheme. NHS England have used the information provided by Government Actuary's Department (GAD) and Business Services Authority (BSA) and calculated a national 'average discounted value per nomination'. A provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2021/22 commitment. This will be offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. Clinicians' Pension provision has been disclosed within other provisions and totals £689k.

Note 25.1 Clinical negligence liabilities

At 31 March 2023, £216,307k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of East Sussex Healthcare NHS Trust (31 March 2022: £301,897k).

Note 26 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(48)	(48)
Employment tribunal and other employee related litigation	(4,037)	(185)
Gross value of contingent liabilities	**(4,085)**	**(233)**
Net value of contingent liabilities	**(4,085)**	**(233)**

The contingent liability for legal claims represents the Liability to Third Party Schemes (LTPS) and Public & Employers Liability Scheme (PES) notified to the Trust by NHS Resolution. The timings of the cash flows are based on estimated dates for the finalisation of the claims. All are expected to be settled within one year.

Note 27 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	11,821	4,730
Intangible assets	-	371
Total	**11,821**	**5,101**

Note 28 Financial instruments

Note 28.1 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 2023 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 28.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	31,077	**31,077**
Cash and cash equivalents	47,518	**47,518**
Total at 31 March 2023	**78,595**	**78,595**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	8,382	**8,382**
Cash and cash equivalents	61,108	**61,108**
Total at 31 March 2022	**69,490**	**69,490**

Note 28.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	11,062	**11,062**
Trade and other payables excluding non financial liabilities	49,707	**49,707**
Total at 31 March 2023	**60,769**	**60,769**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Trade and other payables excluding non financial liabilities	31,610	**31,610**
Total at 31 March 2022	**31,610**	**31,610**

Note 28.4 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 2023	31 March 2022
	£000	£000
In one year or less	51,278	31,610
In more than one year but not more than five years	5,277	-
In more than five years	4,214	-
Total	**60,769**	**31,610**

Note 28.5 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 compromise 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 29 Losses and special payments

	2022/23		2021/22	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	23	21	10	8
Bad debts and claims abandoned	147	82	55	23
Stores losses and damage to property	67	269	61	194
Total losses	**237**	**372**	**126**	**225**
Special payments				
Ex-gratia payments	53	19	44	25
Total special payments	**53**	**19**	**44**	**25**
Total losses and special payments	**290**	**391**	**170**	**250**

Note 30 Related parties

Details of related party transactions with individuals are as follows:

Income from St.Barnabas House Hospice: £23,421 (2021/22: £15,662).
Related party: Amanda Fadero, Non Executive Director who was interim CEO of the above organisation until May 2022.

Income from Spire Sussex Hospital: £0 (2021/22: £670,955).
Related party: David Walker, Medical Director (until August 2022) who has a private practice operating out of Spire Sussex Hospital.

Income from Spire Sussex Hospital: £0 (2021/22: £670,955).
Related party: Simon Merritt, Medical Director (from September 2022) 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 2022/23 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

East Sussex CCG

Health Education England

Kent and Medway CCG

Kent and Medway ICB

NHS England - Core

NHS England Central Specialised Commissioning Hub

NHS England South East Regional Office

Royal Surrey NHS Foundation Trust

Sussex ICB

Sussex Community NHS Foundation Trust

Sussex Partnership NHS Foundation Trust

University Hospitals Sussex 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 received revenue and capital payments of £360,386 (2021/22: £279,549) from East Sussex Healthcare NHS Trust Charitable Fund. The Chair is a Non Executive Director of the Trust Board. At 31 March 2023, £110,192 was owed to the Trust by the Charitable Fund (2021/22: £87,457).

The East Sussex Healthcare NHS Charitable Fund is not consolidated with the Trust accounts on the grounds of materiality.

Note 31 Events after the reporting date

Events after 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 32 Better Payment Practice code

	2022/23	2022/23	2021/22	2021/22
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	109,320	239,752	109,186	209,410
Total non-NHS trade invoices paid within target	93,185	228,985	89,688	197,100
Percentage of non-NHS trade invoices paid within target	85.2%	95.5%	82.1%	94.1%
NHS Payables				
Total NHS trade invoices paid in the year	1,841	33,365	1,932	35,374
Total NHS trade invoices paid within target	1,819	33,359	1,831	35,232
Percentage of NHS trade invoices paid within target	98.8%	100.0%	94.8%	99.6%

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 33 External financing limit

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

	2022/23	2021/22
	£000	£000
Cash flow financing	27,229	24,928
External financing requirement	**27,229**	**24,928**
External financing limit (EFL)	29,808	24,928
Underspend against EFL	**2,579**	**-**

Note 34 Capital Resource Limit

	2022/23	2021/22
	£000	£000
Gross capital expenditure	62,527	37,916
Less: Disposals	(1,071)	(58)
Less: Donated and granted capital additions	(24,935)	(760)
Charge against Capital Resource Limit	**36,521**	**37,098**
Capital Resource Limit	39,100	39,865
Under spend against CRL	**2,579**	**2,767**

Note 35 Breakeven duty financial performance

	2022/23
	£000
Adjusted financial performance surplus (control total basis)	28
Breakeven duty financial performance surplus	**28**

Note to the Statement of Comprehensive Income	**2022/23**	**2021/22**
Adjusted financial performance (control total basis):		
Surplus / (deficit) for the year	23,601	(1,356)
Remove net impairments not scoring to the Departmental expenditure limit	112	811
Remove I&E impact of capital grants and donations	(23,746)	375
Remove net impact of inventories received from DHSC group bodies for COVID response	61	238
Adjusted financial performance surplus	**28**	**68**

Note 36 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		350	(4,704)	87	522	(23,094)	88	(47,997)
Breakeven duty cumulative position	1,745	2,095	(2,609)	(2,522)	(2,000)	(25,094)	(25,006)	(73,003)
Operating income		282,807	299,623	385,281	387,400	364,240	384,876	356,152
Cumulative breakeven position as a percentage of operating income		0.7%	(0.9%)	(0.7%)	(0.5%)	(6.9%)	(6.5%)	(20.5%)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(43,792)	(53,878)	(44,781)	68	346	68	28
Breakeven duty cumulative position	(116,795)	(170,673)	(215,454)	(215,386)	(215,040)	(214,972)	(214,944)
Operating income	379,307	387,934	408,783	476,581	533,988	568,336	657,259
Cumulative breakeven position as a percentage of operating income	(30.8%)	(44.0%)	(52.7%)	(45.2%)	(40.3%)	(37.8%)	(32.7%)

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: Prior 2019-20 the Trust has been in technical breach of the statutory breakeven duty (NHS Act 2006) for some time. Since then Trust has delivered a breakeven position for the last four accounting periods albeit through non-recurrent support and covid funding. It is likely to be a number of years before the underlying deficit is resolved. The Trust is in regular contact with NHS Improvement via the Sussex Integrated Care Board.

Follow us on

YouTube: @ESHTNHS

Twitter: @ESHTNHS

Facebook: @ESHTNHS

Instagram: @ESHTNHS

www.esht.nhs.uk

esh-tr.enquiries@nhs.net

0300 131 4500