Berkshire Healthcare
NHS Foundation Trust

ANNUAL REPORT AND ACCOUNTS

2019/20

Berkshire Healthcare NHS Foundation Trust
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Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

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CHAIR'S REPORT

Introduction

This has been an eventful year. The advent of the COVID-19 outbreak has brought out the best in all those working for the Trust. Staff, led excellently by the Executive, have responded with the highest professionalism. The Trust quickly and calmly implemented their leadership reorganisation for such events without fuss, albeit with considerable work by all.

Staff at the front line continued to focus fully on the care of their patients, whilst dealing with a rapidly changing circumstance, and at times, regulatory uncertainty. Many staff have moved from areas where demand was temporarily reduced to take on quite different roles to help in higher priority clinical areas. Morale of staff has remained high.

Digital working

Although it has become very difficult to meet face to face, either as colleagues or with patients, the Trust's digital expertise has proved to be a game changer. Nearly half the Trust's staff are working from home using digital communications; the Executive holds weekly briefings to staff with the majority of staff joining via video-conference keeping them informed and able to ask questions in real time; the Board meets virtually; patient consultations are held virtually too. All this has been made possible by the investment the Trust has made in digital, as recognised by our award as a Global Digital Exemplar.

Although it will need time to reflect on these changes, the experience of working digitally confers considerable advantages. We are keen to understand and embed these advantages of digital working for the future.

Care Quality Commission Inspection

The other major event for the year, somewhat overshadowed by COVID-19, was our Care Quality Commission Inspection. The Trust at its previous inspection in 2018] was rated Good with two services rated Outstanding along with the Trust's leadership.

One of the important features of the Trust has been the adoption of a Quality Management approach to continuous improvement giving front line staff the tools and freedom to analyse and develop improvement solutions within their own areas, guided by clear corporate priorities. It was a great pleasure that the Trust, at its latest Care Quality Commission Inspection in December 2019, was rated as Outstanding overall with four core services also rated outstanding in addition to our leadership. This is a particularly commendable in view of the complexities of leading combined mental health and community services over a large geographical area. Our financial performance remains excellent with the Trust remaining in NHS Improvement's highest category.

Staff

There are of course many factors that give rise to such an excellent performance, but key among them is our staff. The commitment of our staff and the way the Trust respects and support staff is the principal factor in excellence. Our staff engagement score in the national NHS Staff Survey 2019 places

us as joint second place for combined mental health and community health trusts in the country which reflects the Trust's commitment to supporting staff. But we are not complacent. We know that our Black, Asian and Minority Ethnic (BAME) staff whilst positive still have concerns. The reinvigoration of our staff networks for BAME, LGBT and disabled staff have proved very positive. Nevertheless, in spite of progress we are still not seeing enough BAME staff in senior positions and this is an issue that we are determined to resolve.

System Working

The Trust continues to play an active part in two Integrated Care Systems: Frimley Health and Care, and Berkshire West, Oxfordshire and Buckinghamshire. Although the exigencies of responding to COVID-19 have paused some aspects of their development, the rapid joint response of NHS Trusts, Clinical Commissioning Groups, Primary care and local authorities to COVID-19 have demonstrated what can be achieved between partners without undue overhead.

Governance

The Board said farewell to Bev Searle, Director of Strategy and Corporate Affairs. Ms Searle had made a significant contribution to the work of the Trust, particularly in relation to Equalities and Diversity and strategic planning. The Board also said farewell to Ruth Lysons who has been a very diligent Non-Executive Director and Chair of the Quality Assurance Committee for many years.

We welcomed Kathryn MacDermott, Acting Executive Director of Strategy. We also welcomed, as a new Non-Executive Director, Aileen Feeney who joined the Board in December 2019. The Board now works remotely and experience of doing so is, so far, proving positive. Our Governors had, prior to COVID-19, been working well. We welcomed several new members and the support and constructive challenge of the governors has proved a real asset. We are still in the process of deciding how best to continue to discharge the Governors role in an era where face-to-face meetings are impractical.

Summary

Although COVID-19 has proved a substantial challenge, it has been much easier to manage as a result of confident leadership, the excellent commitment of our staff and the availability of digital services to enable work to continue with minimum disruption. I, and my Non-Executive colleagues, are full of admiration for the way the Trust has responded and look forward to being able to learn the positive lessons from events and to celebrate with staff the Care Quality Commission Outstanding rating.

Martin Earwicker

Trust Chair

PERFORMANCE REPORT

Overview

The purpose of this section is to provide an understanding of the Trust, as well as setting out our performance in 2019/20.

Brief History and Summary Information

Berkshire Healthcare NHS Trust was established in 2001. The Trust successfully gained NHS Foundation Trust status in May 2007. The Trust was issued with its provider licence in April 2013. In line with the Trust's provider licence, the principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England.

The Trust is the main provider of mental health and community health services to a population of 900,000 people across Berkshire. We operate from over 100 sites across the county, including 323 inpatient beds across 16 wards over 8 locations. The majority of our healthcare and therapy services are provided to people within their own homes.

The Trust employs approximately 4,500 staff which includes medics, registered nurses, therapists, psychologists, and both clinical and non-clinical support staff.

We work with our health and social care partners as across two Integrated Care Systems; Berkshire West, Oxfordshire and Buckinghamshire Integrated Care System and Frimley Health and Care Integrated Care System.

The Trust is commissioned to provide services and works closely with its two main Clinical Commissioning Groups (CCGs); Berkshire West, covering Reading, West Berkshire and Wokingham and Berkshire East covering Bracknell, Slough, Windsor and Maidenhead. In addition, there are a smaller number of services that are commissioned by NHS England and NHS Specialist Commissioning.

In addition to our NHS partners, the Trust works with our six local unitary authorities, West Berkshire, Reading, Wokingham, Windsor and Maidenhead, Slough and Bracknell Forest.

We are structured to reflect the localities in which our services are delivered, with Community Health and Community Mental Health services in both the East and West of the county. In addition to these services, we operate a Mental Health Inpatient service at Prospect Park Hospital in Reading, and our Children and Young People Service which spans our geography. All these services are supported by our central corporate teams.

Our Information Management and Technology programme is a key enabler for the delivery of all our strategic goals and we achieved "Global Digital Exemplar – Mental Health" development status in 2017 (accreditation due in 2020). This status along with the supporting investment has enabled us to become one of the most digitally mature NHS providers.

Our Trust Vision and Values

We are committed to our vision:

"To be recognised as the leading community and mental health service provider, by our patients, staff and partners"

We have three core values which guide us in the way we behave and what we prioritise.

During the year we have reviewed and updated our Strategic Plan, informed by both the NHS Long Term Plan published in June 2019 and the Integrated Care System's five-year plan submissions in November 2019. We will be publishing this in 2020/21.

Statement on Performance

This year we have seen strong performance from across the organisation. We have improvement in both the safety and quality of our services as well as continued to deliver on our financial commitments.

We have continued our commitment to providing high quality services that meet the requirements of our Care Quality Commission (CQC) registration and in compliance with the conditions of our provider licence.

In November 2019, the Trust underwent a comprehensive Inspection by the Care Quality Commission which resulted in the Trust being awarded an overall "Outstanding" rating, including outstanding in the well-led domain for the second year running.

The Trust was rated "Good" across the Safety, Effectiveness, Caring domains and 'Outstanding' in the Responsiveness and Well Led domain. Both our Community Physical Health services for adults and our End of Life service have also been recognised as Outstanding. They join our Learning Disability In-

Patients and our Older Peoples Community Mental Health services who also hold an Outstanding rating. All our services are now either rated “Outstanding” or “Good”.

We are all immensely proud of this achievement and it is testament to the hard work and dedication of all our staff that we have achieved this result.

We continually seek assurance that the quality of care that we provide is of the highest standards and that we provide a safe and supportive working environment for our staff. We have employed our Quality Improvement methodology to improve performance in three key areas, linked to these priorities and we call these our ‘breakthrough objectives’. Over the past year, this approach has seen the Trust reduce the instances of patients’ self-harming and the number of instances of patient falls, as well as ensuring we are continuing to see a downward trend in assaults on our staff. Whilst we are immensely proud of these results, we will continue to strive to reduce these instances further over the coming year.

Despite the challenges of the past year, the Trust has had another successful year financially, delivering our annual financial plan and exceeding our savings target, the Trust reported a £1.0m surplus for the year. We have continued to build and strengthen our estate and technology infrastructure, with over £10m invested during the year. More details can be found in the Financial Performance section of this report.

The Board of Directors is responsible for preparing this Annual Report and the Annual Accounts and the Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust’s performance, business model and strategy.

The Trust’s accounts have been prepared under a direction issued by NHS Improvement under the National Health Service Act 2006. Accounting policies for pensions and other retirement benefits (as set out in the notes to the accounts) and details of senior employees’ remuneration can be found in the remuneration report.

The external auditor for Berkshire Healthcare NHS Foundation Trust, as appointed by the Council of Governors, is Deloitte LLP. The Trust’s internal auditors are RSM Risk Assurance Services LLP as appointed by the Trust Board.

Principal Risks and Uncertainties

A key role for the Trust Board and the Executive Team is to manage and mitigate risks to the delivery of our strategic objectives and we therefore operate a robust risk management process that ensures that all key risks are identified, and that mitigation action is taken to address these. Our Board Assurance Framework and Corporate Risk Register are regularly reviewed by both the Trust Board and relevant Executive Groups.

Our key risks relate to the safety of and quality of care we provide to our patients, as well as to the Trust's financial sustainability. We spend considerable time ensuring that financial pressures do not compromise safety and quality. Our risks include:

- Inability to recruit and retain sufficient staff which could impact our ability to meet our commitment to providing safe, compassionate, high quality care and a good patient experience for our service users
- Inability to meet the rising demand for our services due to high referral rates. This is a particular risk for Mental Health Inpatient, Community Nursing, Child and Adolescent Mental Health Services and Common Point of Entry
- The risk of our network and infrastructure being the subject of malware attack which could compromise systems leading to unavailability of clinical systems, loss of data, ransom demands for data and mass disruption.

Along with our Quality Improvement Programme, we have strategic initiatives in place to address and mitigate these risks. Additionally, we continue to invest in our IT Team and infrastructure to defend against the on-going cyber risk.

At this time, we must acknowledge the risk that COVID-19 represents to the operation of the Trust, our workforce and our patients. We continue to adhere to national guidance as well as working closely with our system partners in our collective response to the pandemic.

There is, and remains, significant uncertainty about the likely demand for services and the impact COVID-19 will have on the costs incurred by NHS providers. In response the Department of Health and Social Care (DHSC), NHS England (NHSE) and NHS Improvement (NHSI) have announced a series of measures to ensure the continuity of services, including the provision of additional funding to NHS providers to cover additional costs relating to the COVID-19 pandemic. At this time there remains uncertainty as to when we will fully resume all services, as well as being able to assess the lasting impact that the crisis will have on our workforce.

Going Concern

After giving due consideration to the principal risks and uncertainties contained in the Board Assurance Framework, Corporate Risk Register, including the potential risks and impacts of the United Kingdom's exit from the European Union and making additional enquiries wherever deemed appropriate, the Trust Board has a reasonable expectation that the Berkshire Healthcare NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

Monitoring Performance

The Trust Board oversees delivery against our key performance measures and achievement of strategic objectives. This ensures that the financial and governance requirements of our provider

licence are met, and that the quality and safety of care we provide meets the requirements of the Care Quality Commission.

The Trust takes an integrated approach to performance, measuring itself against targets and benchmarks in clinical care, quality, and finance. Within each are a wide variety of measures, but all are monitored and reported using established and robust systems.

During 2019/20, we launched our new Performance Assurance Framework, built on the principles of our Trust Quality Improvement programme. Our new approach identifies and focuses our attention to key drivers of performance against our "True North" organisation goals of improving agreed metrics for harm free care, supporting our staff, patient experience and financial management, and ensures that resources are focused in these areas, whilst at the same time providing a robust structure to track all other performance elements and resolve instances when performance is outside of accepted thresholds.

The Performance Assurance Framework is monitored and reported monthly to the Trust Board, following detailed review and scrutiny at the Finance, investment and Performance Board sub-committee and the Finance, Performance and Risk Executive Committee. The key performance elements within the scorecard follow our organisational 'True North' goals as well as Regulatory Compliance.

Our Performance Assurance Framework is available for the public to view as part of our published Trust Board papers. We also use benchmark information to inform our assessment of the efficiency and effectiveness of our services in comparison to other providers. We undertake regular data quality audits and Information is also triangulated with data from other sources, such as Trust Board and Governor Quality visits, complaints and patient feedback to provide additional assurance on performance quality.

Our 'True North' Goals

During 2019/20 we have continued to embed our Quality Improvement Programme across the organisation, which will help us to achieve our vision and deliver our 'True North' goals of:

- **Harm-free care** – to provide safe services, prevent self-harm and harm to others
- **Supporting our staff** - to strengthen our highly skilled and engaged workforce and provide a safe working environment
- **Good patient experience** – to provide good outcomes from treatment and care
- **Money matters** – to deliver services that are efficient and financially sustainable

Our organisational goals provide the structure for our annual "Plan on a Page" and are supported by specific measures which enable us to focus our efforts and track our progress effectively. We use our Trust "Plan on a Page" as a template to inform both teams plans and individual objectives for all our staff. For 2019/20, our "Plan on a Page" set out the following specific measures against each of our goals:

True North goal 1: **Harm-free care**

✓ **To provide safe services, prevent self harm and harm to others**

- We will reduce harm to our patients by reducing self-harm and suicide, falls, medication errors, pressure ulcers and preventable deaths from septicaemia
- At least 95% of our reported incidents will be low or no harm to patients
- All patient facing teams will have evidence-based objectives for reducing patient harm in their plans for 2019/20
- All our support services will work with patient facing services to identify ways that they can support safety of patients
- With our health and social care partners: We will work to achieve reduced urgent admissions and delayed transfers of care.

True North goal 2: **Supporting our staff**

✓ **To strengthen our highly skilled and engaged workforce and provide a safe working environment**

- We will achieve high levels of staff engagement across all our services - scoring four or more in our staff survey. We will increase the numbers of staff feeling they can recommend our Trust as a place to receive treatment to more than 85%
- We will aim to achieve a vacancy level of less than 10%, a staff turnover rate of less than 16% and a sickness level of less than 3.5%
- We will promote an inclusive and compassionate culture, with zero tolerance of aggression, bullying and exclusion, and reduced assaults on staff by 20%
- We will achieve our objectives for equality of opportunity and staff wellbeing
- With our health and social care partners: We will enhance career development opportunities and improve our workforce planning.

True North goal 3: **Good patient experience**

✓ **To provide good outcomes from treatment and care**

- We will achieve a 95% satisfaction rate in our Friends and Family Test (FFT)and 60% of staff using patient feedback to make informed decisions in their department
- All our services will focus on delivery of outcomes of care that are important to our patients, based on a good understanding of our diverse population
- With our health and social care partners: We will contribute to Integrated Care System (ICS) work streams to improve patient experience and outcomes

True North goal 4: **Money matters**

✓ **To deliver services that are efficient and financially sustainable**

- We will achieve our financial target of a £1.9m surplus so that we can continue to invest in improving our services, buildings and equipment
- All our teams will work on achieving a 2% efficiency or productivity improvement to benefit patients and staff
- We will continue to achieve reduced use of agency staff and deliver an additional 1% reduction in corporate costs
- With our health and social care partners: We will play our part to achieve the financial targets in Berkshire West and Frimley Health and Care Integrated Care Systems.

Regulatory Performance

NHS Improvement Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential level of support needed. The framework looks at five themes:

1. Quality of care
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

Based on information from these themes each provider is placed into one of four segments, from '1', those providers able to operate with the maximum level of autonomy and with the lowest level of perceived risk, to '4', those providers deemed to require the most support. A Trust will usually only be placed in segments '3' or '4' if they have been found to be in breach, or suspected breach, of their licence.

Throughout the year, we have operated in compliance with our NHS Provider Licence and continue to be in segment 1 within NHS Improvement's Single Oversight Framework.

Finance and Use of Resources

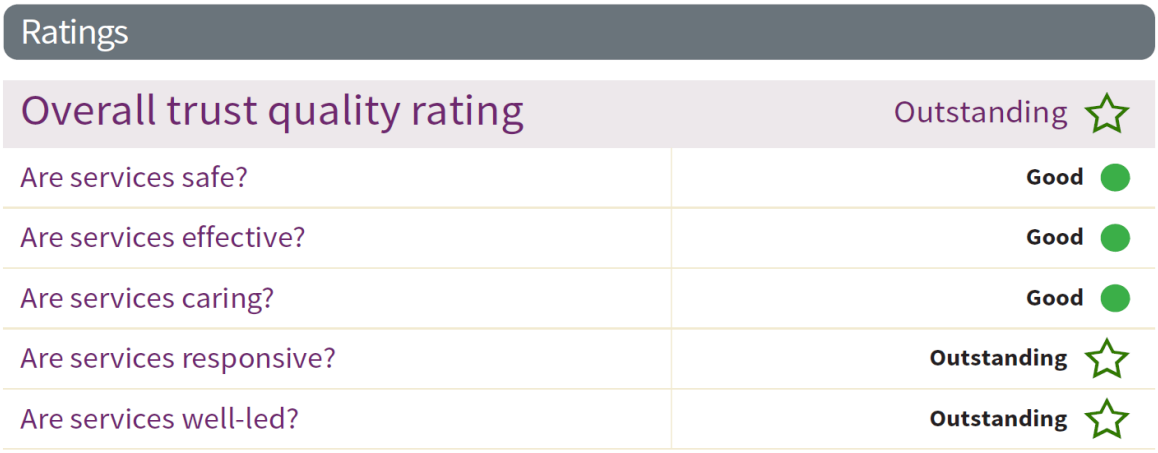
The table below provides the Trust's Finance and Use of Resource Ratings. This is the scoring methodology used to rate the financial health of each NHS provider. The scoring rates each element from a high of 1 to a low of 4, with each carrying an equal weighting in determining the overall Financial Risk Rating.

Rating	2019/20				2018/19			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Capital Service Cover Rating	2	2	2	3	2	2	2	2
Liquidity Rating	1	1	1	1	1	1	1	1
I&E Margin Rating	2	2	2	3	1	1	1	1
I&E Margin: Distance from Plan	1	1	1	1	1	1	1	1
Agency Rating	1	1	1	1	1	1	1	1
Overall Score	**1**	**1**	**1**	**2**	**1**	**1**	**1**	**1**

The overall score in Quarter 1 of 2019/20 was in line with our plan and was driven by the phasing of a one-off element of the national pay awards paid to qualifying staff in April 2019.

Care Quality Commission (CQC)

In November-December 2019, following a comprehensive Inspection by the Care Quality Commission, the Trust was awarded an overall "Outstanding" rating. The graphic overleaf illustrates our scores across each of the assessment domains.



Regulatory Metrics

The Single Oversight Framework includes a range of targets which the Trust must monitor itself against and which inform the regulatory view of the Trust. The table below provides a summary of the Trust's performance against these targets for 2019/20.

Metric	Target	Performance
Mental Health: 7 Day Follow Up	95%	96%
C.Diff Due to Lapse in Care	0	0
Cardio Metabolic Assessment & Treatment for People with Psychosis is Delivered Routinely in IP Wards	90%	42%
Cardio Metabolic Assessment & Treatment for People with Psychosis is Delivered Routinely in EIP	90%	88%
Cardio Metabolic Assessment & Treatment for People with Psychosis is Delivered Routinely in Audit of Community Health Services	65%	21%
Meticillin-Resistant Staphylococcus Aureus (MRSA) Infection Rate per 100,000	6	0
Meticillin-susceptible Staphylococcus aureus (MSSA) Bacteraemias	0	1
Mixed-sex Accommodation Breaches	0	0
Never Events in Rolling Six-Month Period	0	0
Number of Children & Young Persons under 16 who are Admitted to Adult Wards	0	0
EIP: People Experiencing a First Episode of Psychosis Treated with a NICE Approved Package within 2 Weeks of Referral	56%	89%
A&E: Maximum Waiting Time of 4 Hrs from Arrival to Admission/Transfer /Discharge	95%	94%
People with Common Mental Health Conditions Referred to IAPT Treated within 6 Weeks from Referral	75%	95%
People with Common Mental Health Conditions Referred to IAPT Treated within 18 Weeks from Referral	95%	100%
People with Common Mental Health Conditions Referred to IAPT Completing a Course of Treatment Moving to Recovery	50%	54%
% Clients in Mental Health Services in Settled Accommodation	58%	59%
% clients in Mental Health Services in Employment	9%	12%
Diabetes - RTT (Referral to Treatment) Waiting Times < 18 Weeks	95%	100%
CPP - RTT (Referral to Treatment) Waiting Times < 18 Weeks	95%	100%
Sickness Rate:	3.5%	4.1%
Financial Use of Resources	1	1
Mental Health Data Set Data Quality Maturity Index Score (DQMI)	95%	98%
Patient Safety Alerts Not Completed by Deadline	0	0

Financial Performance

The Trust delivered its financial plan for 2019/20 and ended the financial year reporting a surplus of £2.7m, surpassing our NHS Improvement Control Total of £1.9m by £0.8m. This includes £2.4m of Provider Sustainability Funding, (PSF) from NHS England/Improvement. After accounting for the impact of donations and non-operating fixed asset impairments of £1.7m, we have reported a surplus of £1.0m.

A summary of our financial performance can be seen in the table below. Full details of our financial statements can be found in the Annual Accounts later in this report.

	Actual £'m	Plan £'m	Variance £'m
Patient Care Income	250.8	240.1	10.7
Other Income	22.7	21.7	1.0
Provider Sustainability Funding	2.4	2.3	0.1
Total Income	**275.9**	**264.0**	**11.9**
Staff Costs	196.6	185.1	(11.5)
Other Non Pay	58.0	58.1	(0.0)
PFI Lease	6.5	6.7	0.2
Other Net Interest	3.7	3.6	(0.1)
Depreciation	6.7	6.6	(0.1)
Public Dividend Capital	1.7	2.0	0.3
Total Expenditure	**273.2**	**262.1**	**(11.2)**
Control Total	**2.7**	**1.9**	**0.8**
Donatated Depreciation	0.1	0.1	0.0
Impairments	1.7	0.0	(1.7)
Reported Surplus / (Deficit)	**1.0**	**1.8**	**(0.8)**

We have continued to develop and strengthen our working relationships with our Integrated Care System partners. As in 2018/19, our Trust's individual financial Control Total was aggregated together with our partner totals to create an agreed system wide Control Total for each of our Integrated Care System. This has ensured a shared responsibility for effective use of our collective resources as we all aimed to achieve financial balance across systems.

Our planned surplus has contributed positively to both our Integrated Care Systems' financial performance. This helped Frimley Integrated Care System deliver their system Control Total for 2019/20, but unfortunately was insufficient to mitigate financial pressures across the wider Berkshire West, Oxfordshire and Buckinghamshire Integrated Care System as it failed to deliver its system Control Total.

The Trust's revenues are predominantly generated from other NHS organisations, and we have generated income £3.0m in excess of planned levels this year, excluding donations. In addition, our account recognises £7.9m of unplanned income covering the increased employers' pension contribution cost for the year.

Despite the challenges in recruiting and retaining staff, the Trust successfully increased its overall workforce this year. However, due to on-going workforce pressures and escalating demand for our services we were unable to release a similar level of temporary staffing resource. We did see a continued reduction in our reliance on agency staff, with costs in this area falling £1.3m over the year and being contained well within our agreed NHS Improvement agency ceiling. Our reported Pay costs (further to a national NHS financial reporting direction in March 2020) also include £7.9m reflecting increased employers' pension contributions which were fully funded centrally and is required to be reported in Trust income. Overall our Pay costs were £11.5m in excess of plan for the year.

Overall the Trust has managed to contain its Non-Pay costs plan this year with spend £0.3m below plan. The accounts include £0.3m of additional costs arising from our response to COVID-19, as well as matched funding.

Our financial performance, and final external funding payments for achieving our Global Digital Exemplar programme (total of £5m over three years), has generated the cash that has allowed the Trust to invest £10.3m into our estate and IT capabilities over the year. As a Global Digital Exemplar (GDE) we have continued to ensure our staff have access to the latest technology and equipment. This enables our community teams to have access to clinical systems whilst working across our geography as well as providing a safe and secure platform for on-line interactions with our patients. Overall our investment in technology was £5.5m this year. We have also continued to ensure our facilities are safe and of good quality. This year we have invested £4.8m in our estate, including £2.3m completing our development on the Reading University campus, jointly housing teams from both the Trust and the Royal Berkshire Hospital NHS Foundation Trust.

The Trust finished the year with a closing cash balance of £26.4m, which represents a net cash increase of £0.8m.

The Trust has continued to increase the level of annual savings delivered with total savings amounting to £4.6m. This is £0.6m higher than the £4.0m planned.

Looking forward to 2020/21, the Department of Health and Social Care and NHS Improvement have provided measures to ensure the costs incurred in response to the COVID-19 pandemic are met providing the Trust with financial assurance in the short term whilst we deal with the COVID-19 pandemic. However, longer term we recognise the increasing financial challenge that we are facing, particularly the need to achieve recurrent and sustainable savings considering increased demand and funding constraints of our partners.

The Trust has no overseas operations.

Social, Community, Anti-Bribery and Human Rights Issues

The Board of Directors conducts its business in an open and transparent way. We are committed to the prevention of bribery as well as combating fraud. To limit our exposure to bribery we have in place a Standards of Business Conduct Policy, a Freedom to Speak Up: Raising Concerns Policy and our Duty of Candour and Being Open policy.

We hold a register of interest for directors, staff, and governors and ask staff not to accept gifts or hospitality that will compromise them or the Trust. We employ TIAA, our local counter fraud specialists who investigate, as appropriate, any allegations of fraud, bribery or corruption supported by our Counter Fraud policy.

As a public sector body, we are committed to fully meet our obligations under all aspects of Human Rights Act 1998, Mental Health Capacity Act 2005 and the Equality Act 2010 and ensure we have supporting policies in place within the Trust including Mental Capacity Act and Deprivation of Liberty Safeguard policy, Section 132 Detained Patient's Rights policy and Equal Opportunities and Diversity policy. Trust policies are available to all staff and are routinely updated and reviewed.

Important Events Since Year End

Since mid-March 2019, the Trust, along with the entire NHS and our social care partners, have been responding to the COVID-19 pandemic. During this short time, we have made significant and almost unimaginable changes to the way we operate and how our services are being delivered.

Operational planning for 2020/21 has been suspended until July 2020, with the Trust operating under a fixed income guarantee plus additional payments to ensure financial stability during this period.

In line with national guidance, and with due consideration of the impact on our patients, we have suspended the operation of several our services, with staff in these services being redeployed to support colleagues within remaining operational services.

The timing of when we will revert to our existing operating state and recommence all services is unclear at this present time, as is the timing and process for establishing the financial plan beyond July 2020.

Better Payment Practice Code

The Trust aims to pay suppliers and providers of goods and services promptly and has a target of paying 95% of all invoices within 30 days of receipt. The Trust did not make any payments in respect of interest under the Late Payment of Commercial Debts (Interest) Act 1998 during 2019-20.

The actual performance for the Trust for financial year 2019-20 was as follows:

Non-NHS Payables	No of Invoices (count)	% of activity	Value of Invoices (£'000s)	% of value
Paid within 30 days	25,561	92%	74,572	91%
Paid over 30 days	2,212	8%	7,463	9%
Total	**27,773**	**100%**	**82,035**	**100%**

NHS Payables	No of Invoices (count)	% of activity	Value of Invoices (£'000s)	% of value
Paid within 30 days	646	85%	5,132	84%
Paid over 30 days	114	15%	1,011	16%
Total	**760**	**100%**	**6,143**	**100%**

Sustainability and Climate Change

Overview

Berkshire Healthcare NHS Foundation Trust recognises that it has a responsibility to maximise its contribution to a sustainable National Health Service, help combat climate change and to reduce its overall carbon footprint in line with the United Kingdom target of being net zero by 2050.

The Trust has used national guidance to help develop and update its current Sustainable Development Management Plan (SDMP). This plan sets out the strategic direction for the Trust with regards to sustainability, climate change mitigation and adaptation and how, as an organisation, it will work to achieve its Sustainable Development Policy, which is to:

"Provide healthcare that is sustainable, efficient, flexible and resilient; taking every reasonable opportunity to enrich the health and wellbeing of the communities we serve."

The Trust's Sustainable Development Management Plan sets out five overarching sustainability goals that are supported by a number of key objectives. These goals are:

1. Provision of sustainable healthcare
2. Partnerships that embrace sustainability and maximise efficiency
3. Working towards sustainable and climate ready environments

4. Enhance and optimise the estate
5. Measure, monitor and purchase sustainably

Year on Year Progress

During the 2019-20, we have continued to progress in embedding sustainability and tackling climate change across the operational core of the organisation. The key successes for the year are:

- Continued to ensure that sustainability and carbon management were key considerations in all major procurement and service commissioning tenders;
- Implemented a rolling programme for LED re-lamping across the estate;
- Continued to implement the adopted Trust wide Green Travel Plan;
- Continued rationalisation of the estate – to sustain and future proof service provision;
- Improved monitoring and further developed the necessary processes to ensure that none of the Trust's waste ended up in landfill;
- Highlighted the sustainable benefits of service delivery through joint work with external organisations to provide a better clinical service, which are also more sustainable.
- Continued to support and expand the award-winning therapy garden at West Berkshire Community Hospital; and
- Agreed to install 8 electric vehicle charging points at a new hub site for the Trust, with scope to expand this by a further 16 as demand requires.

We have fully adopted and embedded the current Sustainable Development Management Plan, which provides a structured plan to combat the impact of climate change and build a positive sustainability culture across the organisation. The current iteration of the Trust SDMP will undergo a full review and refresh in line with new guidance and will be rebranded as the Trust's Green Plan.

Summary of Performance – Non-Financial and Financial

The information presented in the table below represents the apportioned data for the sites the Trust occupies. As well as providing the information on waste and utilities, the Trust is also able to provide data on direct business transport miles as well as the associated carbon emissions (tonnes of CO_2e) for all the specific areas reported on.

Area		Non-financial data (applicable metric) 2018/19	Tonnes CO_2e*	Non-financial data (applicable metric) 2019/20	Tonnes CO_2e*		Financial data (£) 2018/19	Financial data (£) 2019/20
Waste minimisation & management	General (t)	294	6.28	274	5.85	Total cost of waste disposal	£183,524	£170,920
	Recycling (t)	163	3.48	149	3.18			
	Clinical (t)	81	1.73	100	2.14			
	Total	538	11.49	523	11.17			
Finite Resources	Water (M^3)	54,321	19	54,510	20	Water	£132,952	£163,166
	Electricity (GJ)	22,888	1,625	20,801	1,451	Electricity	£860,504	£942,996
	Gas (GJ)	42,719	2,182	40,038	2,043	Gas	£354,540	£383,260

Area		Non-financial data (applicable metric) 2018/19	Tonnes CO_2e*	Non-financial data (applicable metric) 2019/20	Tonnes CO_2e*		Financial data (£) 2018/19	Financial data (£) 2019/20
Business transport	Vehicle miles	3,503,516	1,020	3,647,499	1,063	Cost	£1,687,320	£1,825,724
Total CO2e			4,857		4,588			

*Please note, all conversion factors used to calculate the tonnes CO_2e were extracted from the UK Government Conversion Factors for greenhouse gas (GHG) reporting (2019, version 1.2)

Waste data notes

- It is not possible to provide specific cost by waste stream because the Trust does not receive this information from the two Private Finance Initiative (PFI) hospital sites.
- There has been a marginal reduction in general waste and recycled waste, but an increase in clinical waste stream. Although the total waste tonnage produced by the Trust has reduced on a year on year comparison.

Finite Resources notes

- Water consumption is nearly the same, although cost has increased in line with general cost increases.
- Despite the reduction in electricity consumption, there was still a substantial increase in electricity cost, which it is believed is primarily due to the increase in the non-commodity costs and third-party price increases.
- Gas consumption showed a reduction in consumption, although this was not reciprocated in the financial data, which saw an increase and is believed to be due to commodity price fluctuations and third-party price increases.

Business transport

- This is a new set of data and constitutes direct business mileage only. It highlights the considerable mileage that is undertaking by the Trust in delivering its wide-ranging services across the communities it serves.
- It also highlights the financial cost incurred by the Trust, as well as the associated carbon emissions from all directly related business road vehicle activity.

Carbon emissions

- CO2e emission levels for the individual resources directly reflect the consumption levels. The total CO2e emissions level has reduced by 269 tonnes when comparing 2018-19 to 2019-20, which is a 5.5% reduction.
- The carbon data included in this report will be utilised to measure and monitor the Trust's efforts to contribute to the counties and NHS (England) target of becoming Net zero on or before 2050.

Governance, Partnerships and Monitoring

The governance structure to support and drive forward the Sustainable Development Management Plan has been established in accordance with Department of Health and Social Care guidance and recognised best practice. We have established collaborative working relationships with key public service providers across Berkshire.

Berkshire Healthcare has a dedicated Sustainability Manager who champions and coordinates our work on sustainability and climate change. Statutory reporting operates through a number of routes, including the Estate Return Information Collection, the Care Quality Commission and NHS Improvement.

We use the standard reporting template developed by the NHS Sustainable Development Unit, Department of Health and Social Care and other NHS organisations, in line with the data requirements set out in HM Treasury's Sustainability Reporting Guidance.

Future priorities and targets

Our Sustainable Development Management Plan continues to inform our activities and we have confirmed specific targets against our overarching goals. This vital strategic document will undergo a comprehensive review and update in 2020-21 whilst embracing the new guidance and strategic direction being provided by NHS England.

These include a number of initiatives supported by increased use of technology to provide on-line support to patients, reduction of energy use and green travel. It also includes a number of key targets in relation to carbon emissions, waste, utility and transport.

One area where this will be endorsed by the Trust is to understand how it will work towards contributing to the nation's carbon emissions target of net zero by 2050.

The Trust will further develop and expand the levels of engagement across the organisation and its service delivery partners. This will be achieved by implementing a detailed and innovative communications strategy and campaign, which will directly inform, support and promote the Trust's new Green Plan.

Emergency Preparedness, Resilience and Response

In line with its statutory obligations under the Civil Contingencies Act 2004, the Trust has in place arrangements for EPRR (Emergency Preparedness, Resilience and Response). We undertake joint emergency planning with healthcare partners, local authorities and other emergency services. This work is undertaken through regional forums, such as the Local Health Resilience Partnership Framework and the Berkshire Resilience Group.

Development and improvement of the Trust's integrated emergency management system is overseen by the EPRR Governance group. This Group reports to the Executive Non-Clinical Risk Management Committee, chaired by the Chief Financial Officer. The designated Accountable Emergency Officer for the Trust is the Chief Operating Officer, who is responsible for ensuring our compliance against NHS England's Core Standards for EPRR.

Berkshire Healthcare is assessed against the NHS EPRR Core Standards on an annual basis. Provider organisations are required to undertake a self-assessment against the relevant individual core standards and rate their compliance. These assessments are reviewed and assured by the Clinical Commissioning Groups. Individual ratings will then inform the overall organisational rating of compliance and preparedness, which provider organisations are required to take to a public Trust Board meeting and also publish in their Annual Report.

For 2019-20 Berkshire Healthcare assessed itself as fully compliant with 52 of the 54 EPRR core standards applicable to Community and Mental Health Trusts. The overall compliance rating is therefore 'Substantial'. An improvement plan has been produced which sets out actions against those core standards where full compliance has yet to be achieved.

NHS England South EPRR Assurance compliance ratings

To support a standardised approach to assessing an organisation's **overall preparedness rating** NHS England have set the following criteria:

Compliance Level	Evaluation and Testing Conclusion
Full	The organisation is **100%** compliant with all core standards they are expected to achieve. The organisation's Board has agreed with this position statement.
Substantial	The organisation is **89-99%** compliant with the core standards they are expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months.
Partial	The organisation is **77-88%** compliant with the core standards they are expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months.
Non-compliant	The organisation is compliant with **76%** or less of the core standards they are expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months. The action plans will be monitored on a quarterly basis to demonstrate progress towards compliance.

Diversity and Inclusion

The Trust's Equality and Inclusion strategy 2016-2020 sets out the seven equality objectives that will support the staff and patients across the organisation. The Diversity Steering group (DSG) continues to provide leadership, scrutiny and accountability to ensure all Equality, Diversity and Inclusion has been in line with these objectives.

Planning is currently underway to develop the new Equality, Diversity and Inclusion strategy by September 2020. This will provide direction, building upon the great work achieved over the past four years and further embed inclusion and belonging at the heart of the organisation for staff as well as patients.

The National NHS Staff Survey results for 2019 are encouraging and there is progress around Equality, Diversity and Inclusion and we are passionate about continuing to drive the changes needed to make Berkshire Healthcare NHS Foundation Trust a great place to work for everyone.

We continue to focus on how we can ensure our services are accessible to everyone in the communities in which we serve.

Public Sector Equality Duty

The Public Sector Equality Duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

The Trust's Equality and Inclusion strategy was approved by the Trust Board in June 2016 and the seven goals of the strategy support compliance under the Public Sector Equality objectives, as required by the Equality Act 2010.

1. Increase the representation of Black, Asian and Minority Ethnic (BAME) staff in mid-level management bands, aiming for 20% representation at each of these grades. This reflects the Berkshire population at the time of developing the strategy. The target of 20% BAME staff at mid-level bands has been achieved and the National NHS staff survey showed an 8% increase in BAME staff reporting they believe the Trust provides equal opportunities for career progression and promotion. Work is underway to continue to develop stretch targets in the new strategy regarding career progression for our BAME workforce with an additional focus on talent management.
2. Ensure there is no difference in perceptions of equal opportunity in career progression between white and BAME staff (as measured by our annual National NHS Staff Survey). The National NHS Staff Survey results from 2019 have shown an improvement of 8% from the previous year.
3. Reduce harassment and bullying as reported by staff, and in particular, BAME staff, in the annual National NHS Staff Survey. We are aiming to reduce experiences of harassment and bullying to lowest quartile rankings compared with other Mental Health Trusts. We also wish to achieve equity in reporting between BAME and white staff. The 2019 National NHS Staff Survey showed that there remains a 5 % gap between our BAME and white staff.
   The percentage of BAME staff experiencing harassment and bulling from other staff has remained the same at 20% and reduced by 1% to 30% of BAME staff reporting experiencing bulling and harassment from patients, compared to 2018. Staff reporting experiencing discrimination from managers and work colleagues has improved from 17% to 13%.
4. Significantly improve the wellbeing of disabled staff and a reduction in the proportion of staff experiencing stress related illness. Stress related illness remains the top cause of work-related absence and we now have a dedicated person focusing on wellbeing across the Trust.
5. Take a more robust approach to making reasonable adjustments for disabled people, in particular, implementation of the NHS Accessible information standard. The National NHS Staff Survey results showed there was a 1% improvement in staff saying their manager has made adequate reasonable adjustments to enable them to carry out their work. We have reviewed our current performance regarding the accessible information across the Trust and

are reviewing the recommendations to improve compliance as well as consistency across the Trust.

6. Attain top 100 Stonewall Workplace Equality Index Employer status, with a ranking in the top five health and social care providers. A top 100 ranking was not achieved, but our overall score increased. We remain committed to continue to make meaningful improvements to the experience of our LGBT staff and patients.
7. Engage with diverse groups, in particular Black, Asian and Minority Ethnic, Lesbian, Gay, Bisexual and Trans, and disabled people to inform our understanding of their needs, with a view to ensuring good patient experience and equity of access in both Mental and Community Health Services. A fixed term community engagement post was created in the east of Berkshire to expand on the good work done in the west. This included running a number of engagement events with diverse populations.

The Trust has three established staff networks:

- BAME (Black, Asian and Minority ethnic people);
- Purple (Disabled staff); and
- Pride (Lesbian, Gay, Bisexual and Trans)

The Networks are supporting the progress in addressing the associated inequalities with these protected characteristics. Each of the Staff Networks has an Executive Director sponsor who is responsible for supporting the development of each Network and bringing together shared experiences.

This year each Network continued to focus on the priorities for their membership, whilst also working collaboratively together promoting shared experiences. A working group was established to review the equalities calendar and support the staff Networks to celebrate and promote important events throughout the year.

The Trust developed two films in partnership with the staff Networks and wider workforce which celebrates staff from across the organisation. We created a film featuring staff talking about their experiences. One film focuses on the internal experience of our staff and the other focuses externally, on the many reasons we celebrate diversity within in our organisations.

Diversity Roadshows

The Diversity Roadshows were launched in May 2018, aiming to widen participation and connect with staff members who are unable to attend celebrations off site. In 2019 the Diversity Roadshows ran a theme of “belonging” with eight events being held between October and December 2019.

The main aims were to:

- Raise the profile of our Trusts' Equality goals, strategy and initiatives to our People and our key stakeholders;
- Establish links with the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), the accessible information standard (AIS) and Stonewall’s Workplace Equality Index;
- Share good and best practice within each of our divisions and our annual *Plans on a Page*;

- To educate staff on Diversity, Equality, and what is to be an inclusive NHS employer. With the hope that our people feel a sense of belonging and comfortable to be themselves at work; and
- Enable conversations which will encourage and engage in good quality conversations be inspired to share what they have learned with their connections.

Over 500 people attended the Diversity Roadshows, with 92% of those who completed an evaluation form stating they were satisfied with the events. We continue to work towards achieving greater representation from staff within the lowest bands within the organisation. The Diversity Roadshows in 2020 will continue the theme of belonging but with a greater focus on widening participation for example being more accessible to our night staff.

Workforce Equality, Diversity and Inclusion

As at 31 March 2020, the Trust employed 4,475 members of staff (3,802 full time equivalents):

- 82.4% were female and 17.6% were male
- 24.8% of staff were from visible minority ethnic backgrounds, compared with 20% of the Berkshire population (2011 census); 7.1% were from non-British white backgrounds compared to 7% of the Berkshire population.
- 4.8% were disabled people compared with 7.7% of the workforce in the South East (Labour Force survey).

There are 10% less White people working for the Trust compared to the Census data of the population and 6% more Black people compared to the Berkshire Population. However, Black staff remain underrepresented in the higher bands within the organisation. The National NHS Staff Survey does not record gender identity and therefore we are unable to report the number of Trans staff employed within the Trust.

Equality and Diversity of the workforce is monitored through the people dashboard and data is presented to the Board on a monthly basis, enabling review and action to address any patterns emerging:

Table 1: Workforce Diversity

	Staff March 2019	**Staff March 2020**
Total	***(4341)***	***(4475)***
16 – 25 years	6.5% (283)	6.3% (281)
26 – 35 years	21.1% (915)	21.9% (978)
36 – 45 years	26.2% (1138)	26.0% (1,162)
46 – 55 years	27.6% (1200)	27.0% (1,209)
56 – 65 years	16.8% (731)	17.1% (767)
66 plus years	1.7% (74)	1.7% (78)
White British	62.5% (2713)	61.7% (2,762)
White Other and Irish	8.8% (382)	8.7% (391)
Mixed	2.2% (97)	2.3% (104)
Asian or Asian British	10.1% (437)	11.4% (508)
Black or Black British	8.9% (386)	9.6% (428)
Other Ethnic Group	2.1% (91)	1.5% (69)

	Staff March 2019	Staff March 2020
Not specified	5.4% (235)	4.8% (213)
Women	82.3% (3576)	82.4% (3,686)
Men	17.7% (765)	17.6% (789)
Not specified		
Disabled staff	4.9% (217)	4.8% (214)

In addition, figures reported as at 31 March 2020 show:

- 50.1% of our workforce identify themselves as Christian, 13.9% Atheist, 3.6% Islam, 3.3% Hindu, 10.5% other religious beliefs, and 18.6 % do not declare;
- 2.5% (114) staff identify themselves as Lesbian, Gay or Bisexual, 83.2% Heterosexual, and 14.3% do not declare.

We have developed an Equality Diversity and Inclusion video that celebrates the positive benefits of having a truly diverse and inclusive culture and continue to work to create an environment where staff feel confident to disclose their protected characteristics.

Senior Management and Leadership ethnic diversity

Senior Managers/Leaders As at 31st March 2020	Gender		Ethnicity		
	Male	Female	White	Non-White Minority ethnic	Undisclosed
Non-Executive Board (7)	57.1%	42.9%	57.1%	14.3%	28.6%
Executive Board (6)	66.7%	33.3%	66.7%	16.7%	16.7%
Directors (Locality, Clinical and other)	16.7%	83.3%	66.7%	16.7%	16.7%
Heads of Service	12.5%	87.5%	78.1%	18.8%	3.1%
Senior Managers (8c and above)	27.9%	72.1%	82.4%	11.8%	5.9%
Berkshire Healthcare staff (total headcount)	789	3,686	3,153	1,109	213

Equality Impact

The Trust continues to publish equality analyses with corresponding policies. The Trust board papers also include an equality impact paragraph as part of the cover sheet to ensure that equality is taken into account. A new equality impact assessment is being developed that provides greater guidance around all of the equality considerations services need to consider.

NHS Equality Delivery System (EDS)

We are awaiting the release of the Equality Delivery System 3 and remain in contact with NHS England to track progress. The Trust has continued to use the NHS equality delivery system (EDS2) as a framework for the themes around equality, diversity and inclusion. A new cycle of formal review has been agreed by the Board and evidence against the Trust's objectives will be reviewed on a four-yearly cycle, providing the time needed to undertake the actions identified with our community partners.

A working group was set up to undertake a mapping exercise reviewing all of the Equality, Diversity and Inclusion objectives, standards and statutory requirements. This process has been used to inform the development of the new Equality Diversity and Inclusion action plan for 2020 and key objectives within the Annual *Plan on a Page*.

National NHS Staff Survey

The overall engagement score for the National NHS Staff Survey score is 7.4, this is the second highest for all of the combined Community and Mental Health Trusts.

The results provided some positive indications that the continued focus and visibility of the importance of Equality, Diversity and Inclusion, is having a positive impact.

"87.1% of our staff feel the organisation acts fairly with regard to career progression/promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age (compared to 85.1% of the national average)"

The Trust is committed to providing a culture of belonging for every employee within the organisation. The findings from the results of the National NHS Staff Survey will be incorporated in the strategy development and ensuring the golden thread of equality, diversity and inclusion is included in all work across the Trust, remains a significant focus for the organisation in 2020-21.

Stonewall Equality Workplace Index

Berkshire Healthcare participated in the Stonewall Equality workplace index in 2019 and the top 100 were announced in February 2020.

This year saw the highest submissions to date with over 500 participants from across all sectors, an increase of 58 organisations. This year we were placed 142, which is down 9 places compared to 2019 but increased our overall score. There were 64 entrants from health and social care; we achieved 15th in the sector. A Stonewall account meeting is planned to review feedback and develop a clear action plan for the upcoming year.

We firmly maintain an aspiration to achieve the top 100 and these will be achieved by delivering the best working environment and services to our LGBT+ colleagues and patients.

Progress on the three themes of the Trust's Equality Strategy

Workforce Race Equality Standard (WRES) –The workforce race equality strategy action plan was approved in 2019 and is embedded within the Equality Employment Plan (EEP). The work to deliver the change needed to support our BAME staff continues to be a priority within the Trust.

The *Making it Right* programme for staff in middle pay bands, is aimed at building the confidence and empowering our BAME workforce to progress into higher pay bands within the organisation. The *Making it Right* programme is made up of four one day workshops which focus on developing participants' attitudes, knowledge and skills, enabling staff to:

- Compete effectively for jobs;

- Feel empowered to conduct themselves constructively when faced with discrimination or conflict at work; and
- Have access to a mentor and individual tailored support.

The *Making it Right* programme ran a further three cohorts over 2019/2020, with a total of 37 participants. The Trust is currently undertaking a review of The *Making it Right* programme in partnership with the BAME Network to ensure this continues to meet the needs of the workforce and make any changes identified as necessary. There continues to be a strong commitment to deliver a talent management programme and to extend the opportunity out to other staff networks.

Following on from the previous Annual Report, the Trust committed to developing a *Making it Right for Managers programme* and a pilot was launched in June 2019. This was developed in partnership with the three staff networks. The learning from the pilot is being evaluated as part of an Organisational Development review.

Berkshire Healthcare NHS Foundation Trust has connected with the Thames Valley BAME Employer's Network, set up by The University of Reading, Oracle and Thames Water. This has enabled us to develop a greater outward looking perspective to the challenges faced by staff and employers and benefit from cross organisational conferences. The Director of People presented at the first conference on cultural harmony within the workplace.

The BAME Network has continued to grow and currently has 384 members and is the most established of the three staff networks. The BAME Committee has been integral in developing the WRES action plan and reviewing the National NHS Staff Survey data.

In June 2019, the BAME Network ran two events across East and West Berkshire to celebrate Windrush Day and Asian heritage Month. In October 2019, the Network hosted an event called: "Inspire and Empower" to celebrate Black History, with additional capacity being made available due to demand.

There were cultural performances, stories shared by staff and patients and a presentation from J.S. Bamrah, Consultant Psychiatrist and Honorary Reader, University of Manchester, around Happy Staff, Happy patients.

The BAME Executive Director sponsor David Townsend, Chief Operating Officer launched a campaign to join all staff together in tackling bullying and harassment in response to the National NHS Staff Survey results. This was launched within National Anti-Bullying week in November 2019.

The National NHS Staff Survey 2019 highlighted some positive progression in the experience of our BAME staff compared to white staff but also highlights the continued need for focused and targeted work.

In 2020-21 the Trust will continue to prioritise equality of opportunity for BAME staff, discrimination from managers, harassment, bullying or abuse from colleagues or patients.

	WRES 2016 NSS 2015	WRES 2017 NSS 2016	WRES 2018 NSS 2017	WRES 2019 NSS 2018	WRES 2020 NSS 2019
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	**BAME 32%** White 21%	**BAME 27%** White 23%	**BAME 27%** White 22%	**BAME 31%** White 22%	**BAME 30%** White 22%
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	**BAME 23%** White 19%	**BAME 27%** White 19%	**BAME 21%** White 18%	**BAME 20%** White 14%	**BAME 20%** White 15%
Percentage believing that trust provides equal opportunities for career progression or promotion	**BAME 76%** White 88%	**BAME 68%** White 91%	**BAME 74%** White 89%	**BAME 68%** White 89%	**BAME 76%** White 91%
In the last 12 months have you personally experienced discrimination at work from any of the following? Manager / team leader or other colleagues	No data	**BAME 17%** White 5%	**BAME 11%** White 7%	**BAME 17%** White 7%	**BAME 13%** White 6%

Disability Equality

The Workforce Disability Equality Standard (WDES) came into force in April 2019 and incorporates a set of specific measures that will enable NHS organisations to compare the experience of disabled and non-disabled staff. Berkshire Healthcare NHS Foundation Trust submitted the first WDES return in September 2019 and an action plan was developed with the Purple Network and is embedded within the Equality Employment Plan (EEP). NHS England will produce the first Workforce Disability Equality annual report in May 2020.

The Purple Network has continued to grow and currently has 310 members. Following on from the successful symposium in March 2019 the Network has focused on sharing personal stories, supporting staff members around issues relating to disability and raising awareness of the importance of making reasonable adjustments.

The Purple Network launched a staff survey to develop a clear plan around the support our disabled workforce needs, the feedback has been analysed with a follow up conference planned for 2020, supported by the Executive Director sponsor Alex Gild, Deputy Chief Executive and Chief Financial Officer.

The WDES data as well as the 2019 National NHS Staff Survey results highlighted the need for targeted work around reasonable adjustments to support the recruitment, selection and retention of our disabled workforce. The Human Resources team have developed a reasonable adjustments policy and working with the Purple Network some guidelines has been developed. A communication plan will support the training required for managers to understand their responsibility around making reasonable adjustments and successfully communicate the rich business case for employing disabled talent.

A review of the Trust's performance against the Accessible information standard was undertaken and a set of recommendations have been presented to the Trust Board for consideration.

The National NHS Staff Survey has shown some encouraging improvements for our disabled staff around satisfaction, with steady improvement or sustained scores across the four areas.

	2018	2019
Percentage of staff who believe that their organisation provides equal opportunities for career progression or promotion	**Disabled 82.6%** Non-disabled 86.2%	**Disabled 85.8%** Non-disabled 87.7%
Percentage of staff who have felt pressure from their manager to come to work, despite not feeling well enough to perform their duties	**Disabled 26.7%** Non-disabled 16.9%	**Disabled 22.7%** Non-disabled 16.9%
Percentage of staff satisfied with the extent to which their organisation values their work	**Disabled 44.2%** Non-disabled 58.4%	**Disabled 53.8%** Non-disabled 61.1%
Percentage of disabled staff saying their employer has made adequate adjustment(s) to enable them to carry out their work	**Disabled 73.6%** Non-disabled 76.7%	**Disabled 74.6%** Non-disabled 76.9%
Staff engagement score (0-10)	**Disabled 7.0%** Non-disabled 7.4%	**Disabled 7.0%** Non-disabled 7.4%

Sexual Orientation and Trans Equality

Berkshire Healthcare submitted into the Stonewall Equality Index. NHS England has launched the LGBT+ team, headed up by Dr Michael Brady, who will be leading on the national agenda and reviewing the potential for a LGBT workforce standard.

The Trust participated in Reading Pride in August 2019, with over 70 volunteers from across the organisation with a visible presence from a number of Executive Directors and Senior Leaders.

The Pride Network celebrated LGBT+ History Month by sharing stories from LGBT+ employees and a significant focus on the role of allies. The Acting Executive Director of Strategy, Kathryn MacDermott, became a visible ally and encouraged others to show their support.

The Trust launched the NHS Rainbow badges and were overwhelmed with staff members making contact to a pledge. Currently 338 people have made pledges across the organisation and will be wearing their NHS Rainbow badges with pride.

The Pride Network had a successful re-launch celebration event in February 2020, which had personal stories from LGBT+ employees and allies and a presentation from Mermaids charity around improving the experience of Trans staff and patients. The membership has grown rapidly over 2019 from 15 members to 132 members and allies.

The National NHS Staff Survey continues to demonstrate the low self-declaration rates around Sexual orientation, this is a priority for the Network and organisation to better understand the reasons; and ensure that the Trust is a "feels like a safe place" for people to bring their whole self to work.

The Trust continues to be a key member of the Thames Valley LBGT+ Employers Network and is co-chaired by the Equality, Diversity and Inclusion Manager for the Trust. This forum brings together over 30 employers from the public and private sector across Thames Valley.

The Trust has continued funding the clinical supervision of four counsellors the local charity Support U team. This service has worked with 38 LGBT+ patients to access the support they needed within a safe space.

The Trust is leading on a trans patients improvement project, the project aims to improve the experience of our Trans patients through improved systems, processes and training. The three networks have come together to develop a joint newsletter, celebrating intersectionality and inclusion. The Trust has invested in a video promoting all three staff networks to build capacity for the Network chairs and create greater visibility. The video will be used at training and induction events across the Trust.

Register of interests

The Trust maintains a Register of Interests for all members of the Trust Board providing details of any Company Directorships and any other relevant significant business interests held that may conflict with any management responsibilities. This Register is published on the Trust's website at: https://www.berkshirehealthcare.nhs.uk/about-us/key-documents/reports-policies-and-procedures/ or may be obtained upon request to the Trust's Company Secretary.

Stakeholder relations

Berkshire Healthcare is a key partner in two Integrated Care Systems. East Berkshire is a partner in Frimley Health and Care. West Berkshire is part of the wider Berkshire West, Oxfordshire and Buckinghamshire (BOB) Integrated Care System with a dedicated Berkshire West Integrated Care Partnership. The purpose of these partnerships is to:

- Improve the health and wellbeing of the population served by the organisations within the Integrated Care System or Partnership. This includes the experience of the people who use our services, as well as improving the outcomes of care and treatment; and
- Improve the use of our collective resources as a whole system.

These arrangements include work on some key priorities that we are contributing to, and which reflect the NHS Long Term Plan that was published in 2019:

- Working with Primary Care Networks to deliver integrated Health and Social Care Teams, known as Multidisciplinary Team (MDTs), delivering care and treatment in a more joined up way;

- Redesigning our Community Health Urgent Crisis Response services to provide a rapid (within 2 hours) response to a patient in crisis and a 2-week reablement response for patients that need care to prevent them moving into crisis;
- Working with Primary Care Networks and other partners, including the voluntary and community sector to deliver community based mental health services providing a stronger focus on prevention and maintaining well health;
- Improving services for people in crisis; and enabling more children and young people to access mental health services;
- Reducing the number of people that receive acute mental health inpatient care out of our area;
- Continuing the development of our electronic Shared Care record, known as Connected Care – which will also include a "patient portal" so that people can view and contribute to aspects of their own record; and
- Continuing joint planning about our use of our buildings, a shared approach to workforce planning and development of our support workforce.

We work closely with our six Local Authority partners and have links with community and voluntary sector organisations at local level. This includes building on the work we have started to reach out to groups of people who may not readily access services, but who have specific health needs. We participate in and have constructive relationships with the six Health and Wellbeing Boards, Local Integration Groups and Local Authority Health Scrutiny arrangements.

We meet regularly with representatives from all six Health Watch Groups in Berkshire - which is coordinated by our Patient Experience Team. In 2019 we commissioned a programme of work that will enable us to measure more effectively how patients experience our services – this is part of our Quality Improvement Programme and will complement the "Friends and Family" test which asks whether patients would recommend our services to their friends and family.

The stakeholder survey that we undertook and reported on in last year's Annual Report was repeated in 2019. This asks the leaders of some of our key stakeholder organisations about:

- how effectively we have engaged with them
- how they view our working relationship
- how they see us as System Leaders and how confident they are that we would act on feedback about our services

We were extremely pleased with the results of this survey – which showed 89.8% of ratings were "very good" or "fairly good", and our aim is to maintain a rating of 85% or more.

Julian Emms
Chief Executive
June 2020

OPERATING REVIEW AND SERVICE DEVELOPMENTS

Operational goals and priorities

The operational goals in 2019-20 were to support the delivery of the Trust's Strategic Plan by maintaining and improving service delivery, supporting strategic projects and working with partners to improve patient experience and outcomes.

Operational priorities for 2019-20 for each clinical service and locality are produced using a *Plan on a Page* which determines operational and service goals. These have been used to determine the key priorities and for cascade to Front Line staff and inclusion in Operational Managers' objectives.

The priorities for the Trust over the year were:

- **To provide safe services, prevent harm and harm to others** by reducing self-harm, suicide, falls, medication errors, pressure ulcers and preventable deaths from septicaemia.
- **To strengthen our highly skilled and engaged workforce and provide a safe working environment** by achieving high levels of staff engagement across our services, increasing the numbers of our staff feeling they can make improvements at work and recommending our Trust as a place to receive treatment. To reduce our vacancy level, staff turnover rate and sickness levels. To reduce staff assaults and promote an inclusive and compassionate culture with zero tolerance of aggression, bullying and exclusion.
- **To provide good outcomes from treatment and care** by achieving 95% satisfaction in our Friends and Family Test and use of patient feedback to inform decisions.
- **To deliver services that are efficient and financially sustainable** by achieving our financial targets, improving productivity and reducing the use of agency staff.

In addition, the following key improvement programmes were prioritised:

- Roll out of the Quality Improvement programme
- Reduction in the use of Out of Area Placements
- Development of the Emotionally Unstable Personality Disorder Pathway
- Recruitment and retention programmes
- Delivery of improved clinical space and buildings
- Delivery of improved technology solutions for staff and patients
- Delivery of the Equality and Inclusion Strategy priorities and action plans

Service Review and Developments

Improvements in Community Physical Health Services for Adults

Dental Service

The Dental Service implemented an initiative to reduce the waiting time from referral to consultation. This has resulted in a reduction in the number of people on the waiting list, with 91% of patients seen for initial consultation within 12 weeks. The service has also employed a part-time administration

assistant to remind patients of their appointments, which has resulted in a reduction of the number of patients who did not attend their appointments.

Community Dietetic Service

The Community Dietetic Service has produced five patient videos on Nutritional support and Home Enteral Nutrition. These videos have the potential to prevent hospital admissions and reduce the length of stay in hospital. The videos can be sent to patients before an appointment allowing them to start making changes at that point. This also allows the Dietitian to focus on more complex areas at the patient's first appointment, potentially reducing the total number of appointments required. A Specialist Home Enteral Nutrition Dietician has worked with the Motor Neurone Disease Multidisciplinary Team to enable early identification of patients suitable for enteral nutrition, leading to a planned and holistic approach to their tube placement.

Three new Dietetic Assistant Practitioner roles have been developed to support prevention of malnutrition in Nursing Homes. An enhanced service is being offered for patients with Irritable Bowel Syndrome (IBS) living in the east of the county. This has resulted in quicker and easier access to information, with the potential of reducing the number of patient appointments. Finally, the service now offers a group intervention to help patients put their Type 2 Diabetes into remission.

Adult Speech and Language Therapy Service

The Adult Speech and Language Therapy Service have undertaken a Rapid Improvement Event to reduce waiting times for patients with communication and swallowing difficulties. The wait time for these patients was 9 months before this project started. Several changes have been made as a result. For example, referrals are now made via the Health Hub, triaged by Speech and Language Therapy within two working days and identified as Swallowing/Dysphagia or Communication problem. This has resulted in a significant improvement in wait time, with all dysphagia referrals now offered an appointment within 3-4 working weeks, those with communication problems offered an appointment within 4-6 weeks and those requiring communication groups offered therapy in a group setting within 6-12 weeks.

Continence Advisory Service

The Continence Advisory Service have utilised a service rebate to develop the continence service for children, and to promote continence in this group. The service has purely provided products for management of incontinence in the past and are aware that these children can become lifelong users of the service. By investing in a range of staff the service can support families with children who have disabilities to reach greater potential by becoming toilet trained, resulting in improved outcomes for children and decreased expenditure on products

Berkshire West Community Diabetes Service

The Berkshire West Community Diabetes Service has expanded and developed their nurse led community clinics to support people with Type 1 Diabetes. These clinics are run three times a week in community venues across Berkshire West and bring specialist care, services and technologies to patients closer to home. The success of these clinics has contributed to Berkshire West having some of the best outcomes for people with Type 1 diabetes. The Service is also involved in the redesign of

the Type 1 diabetes pathway across Berkshire West which will see further change and expansion to current clinic provision. For the fifth year running, the service were winners at the national XPERT awards for their delivery of Type 2 diabetes education and improving patient outcomes.

East Berkshire Diabetes Service

East Berkshire Diabetes Service are Improving their insulin pump service by training more Diabetes Specialist Nurses in pump therapy, running pump clinics and improving the insulin pump process and documentation. The team are also providing 'FreeStyle Libre' education sessions which enable eligible patients to access flash glucose monitoring. The service has seen a greater use of technology overall, with more people are utilising continuous glucose monitoring systems to manage their Diabetes.

East Berkshire Musculoskeletal (MSK) Physiotherapy Service

The East Berkshire Musculoskeletal Physiotherapy Service have introduced a new MSK triage service across the whole of East Berkshire. All referrals to Orthopaedics are triaged to ensure primary care options have been fulfilled, with 25% of them sent back to primary care. This reduces unnecessary first outpatient appointments and subsequent interventions. Analysis shows this has resulted in reductions of; 20% on outpatient spend in Bracknell, 10% in Windsor and Maidenhead and 10% in acute spend for Hip/Knee surgery.

The service has also developed several staff as First Contact Practitioners in GP surgeries. These practitioners see patients that would otherwise have to be seen by a GP. This has resulted in a positive patient response, as well as helping the GP workforce. As Musculoskeletal pain and symptoms have a large psychological impact on patients, the service now work with the Mental Health team to deliver a Persistent Pain Programme. The service has introduced a paid 'open gym' for patients that have finished with rehabilitation classes, allowing them to keep up the momentum of exercising by using our gym equipment for a nominal fee.

Berkshire West Musculoskeletal (MSK) Physiotherapy Service

The Berkshire West Musculoskeletal Physiotherapy Service currently runs 6 different joint/condition specific classes in order to maximise a patient's recovery and return them to previous fitness levels. A pilot shoulder rehabilitation class was introduced in August 2019 with positive patient feedback and a significant positive improvement in patient specific functional goals. A full audit of this data will be undertaken in April 2020.

Berkshire West Musculoskeletal Oncology Physiotherapy Team

The Berkshire West Musculoskeletal Oncology Physiotherapy have given patients the opportunity to improve on their general fitness, exercise tolerance and gain confidence to manage their holistic wellbeing and health in relation to their condition after receiving medical oncology treatment. A 12-week programme called "Aiming High" was launched which focuses on upper limb strengthening in conjunction with cardiovascular exercise. This has received very positive feedback to date.

Rehabilitation Services in Berkshire West

All Berkshire West adult community physical health services that are under the banner of rehabilitation, are now managed collectively. These services include the community inpatient beds,

intermediate care services providing rehabilitation in a patient's own home, and a range of neuro-rehabilitation services which include both bed-based and home-based services. This has strengthened their links and helped them put the patient at the centre of their care.

An inpatient governance role has been introduced to the service to support the ward teams in reviewing and auditing their work, leading to improved practice and sharing of learning across the wards. The service is also working with their health and social care partners to develop a post-stroke pathway to optimise resources and avoid duplication. Community Neurology services have always been well received by our patients but have experienced increased waiting lists due to increasing demand. In response, the service has undertaken some rapid improvement work, using Quality Improvement methodology that has led to an agreed plan for investment in community-based neuro rehabilitation. Additional staff have been successfully recruited, which will result in a reduction in the wait time for these patients. The community falls pathway has also been reviewed to ensure it is fit for purpose and consistent for all patients that are referred for a fall's assessment. The inpatient wards have also embraced new technology to help reduce the incidence of falls in their areas.

Berkshire West Health and Social Care System

Berkshire West Health and Social Care system has recognised the historical variation in the delivery of intermediate care rehabilitation/reablement pathways across the three West localities. In response, the Trust has led a system-wide review of this pathway, with its health and social care partners, to identify a consistent offer for patients regardless of where their home is situated. A range of resources have been produced to support this work and the new pathway should be fully in place during 2020-21. Work has also been undertaken to improve the flow of patients into services, to ensure that patients receive timely care and that acute partners can free up their beds for those acutely unwell patients who need their care. Home and community rehabilitation services and the acute trust hold regular operational calls to secure the right service for each patient in a timely manner.

Reading Community Nursing Team

Reading Community Nursing Team have undertaken a Quality Improvement project to reduce the number of missed patient visits in their service. The project team found that staff had to stay late on 90% of days to complete their workload. This was delaying patient care and impacting on staff morale. Quality Management Improvement System principles were followed, with several countermeasures implemented and tested that had a positive impact on patient care, reducing the average number of missed patient visits from nine before the project to six between August and December 2019.

East Berkshire Community Nursing Team

The East Berkshire Community Nursing Team have reviewed their service and developed some core new roles to enhance care and support staff. Clinical Leads have been introduced to provide clinical expertise, support new staff in developing competencies, undertake joint complex visits and carry out formal six-monthly caseload reviews**.** The majority of band 6 district nurses/sisters have undergone additional training to obtain a Specialist Practitioner Qualification. More band 3 staff are undertaking Nursing Associate Training and Apprentice Degree training, leading to a more skilled workforce. Two new dedicated Wound Care nurses have been recruited to provide local training, support and assessment of complex wounds. Three new Continence Health Care Assistants have been introduced,

resulting in quicker assessment of patients and more robust processes to ensure patients are receiving continence pads. 3.6 whole time equivalent new phlebotomy roles have also been introduced to undertake venepuncture for patients. A care home staff nurse position has been piloted in Bracknell to work with specific care homes on dedicated days to support their patients. This has resulted in a reduction in travel and a more efficient way of working. A new clinical Governance role has been introduced to help review incidents across the team and share the learning. Finally, use of iPads has allowed staff to access and update of patient information more easily.

East Berkshire Heart Function Team

Most staff in the East Berkshire Health Function Team are now non-medical Prescribers, allowing them to titrate medications immediately in clinic or within the home setting.

East Berkshire Assessment and Rehabilitation Centre (ARC) team

East Berkshire Assessment and Rehabilitation Centre Team are a supportive discharge and In-reach service facilitating safe and faster admissions to services across integrated care**.** Weekly Consultant lead Multi-disciplinary teams are in place across the community clinics**.**

East Berkshire Lower Limb Service

The East Berkshire Lower Limb Service is now a fully commissioned service offering patients expert and timely lower limb management in either a clinic or GP Practice setting. Healing rates are well above the service target of 70% of patients with non-complex lower limb wounds healed within 12 weeks (the healing rate achieved by the service was 89% in October 2019). The service follows up all patients with healed leg ulcers every six months to reduce the risk of recurrence.

Henry Tudor Ward at St Marks Hospital, Maidenhead and Jubilee Ward at Upton Hospital, Slough

Henry Tudor Ward at St Marks Hospital, Maidenhead and Jubilee Ward at Upton Hospital, Slough are community inpatient wards in East Berkshire. They have introduced twice weekly consultant ward rounds with daily medical and Advanced Nurse Practitioner cover. Their weekly Multi-Disciplinary Team (MDT) meetings now have additional Community Nursing, Matron and Local Authority input. Two new clinical admission pathways have been introduced to support patient flow and the average length of stay on these wards is under 21 days which is below the national target.

East Berkshire Specialist Wheelchair Service

East Berkshire Specialist Wheelchair Service has relocated to a more suitable premises at Abell Gardens in Maidenhead. This has provided an improved working environment, with better patient experience also reported due to the improved wheelchair access to the waiting area, larger clinic rooms and changing facilities. All powerchairs and tilt-in-space manual wheelchairs have been reviewed, with all those over 5 years old being replaced. A quarterly Patient Focus Group has also started.

Improvements in GP Out-of-hours Services and Urgent Care Services

WestCall GP Out-Of-Hours Service

The process of managing the results of pathology tests (such as blood, urine, swabs, cultures) ordered by the service clinicians has been considerably refined this year and was noted as an area of excellent practice at the time of the Care Quality Commission inspection. All results are seen by a doctor on the evening they are published, and patients are contacted by the WestCall doctor without delay if it is necessary to change any aspect of their treatment. Any actions taken are also entered into the Adastra patient record system and notified to the GP by resending the modified clinical details. This is a first-class service and it was noted that there are no other known examples of Out-of-hour services in the country undertaking these important tests for their patients.

WestCall carry out a monthly audit of Advanced Care Plans entered by GPs onto the Adastra patient record system, for patients who have subsequently passed away. Results are reported back to the GP practices and Clinical Commissioning Groups as a measure of the quality of the information provided. Since this project began, the quality of the plans has improved so that 65% are now good compared with 40% in January 2019. This means that the information given to Out of Hours doctors and nurses looking after End of Life patients is better than before and their clinical management is improved.

An audit of antibiotic use in the management of urinary tract infections in out-of-hours patients found that the service was working effectively in this area but that specific improvements could be made. Efforts to achieve this will be measured by repeating the audit the following October 2019.

Recording of learning points discussed at WestCall clinical meetings have received increased emphasis and are clearly listed and sent out with the minutes of each meeting to all the WestCall doctors and clinicians. This was commented upon favourably by Care Quality Commission.

A monthly publication containing a Medical Bulletin and Clinical Governance Newsletter are now produced by senior clinical staff in the WestCall office.

Improvements in Services for Children, Young People and Families (CYPF), including Child and Adolescent Mental Health Services (CAMHS)

Participation in Special Educational Needs and Disability (SEND) Inspections

The Children and Young People and Families division have participated in both the Wokingham area SEND inspection and the Royal Borough of Windsor and Maidenhead SEND reinspection. These inspections also involved the Care Quality Commission (CQC) and the Office for Standards in Education, Children's Services and Skills (Ofsted). Findings were broadly positive for the Trust, although concerns were raised about waiting times in specific areas such as autism assessment, the Attention Deficit Hyperactivity Disorder (ADHD) service and Occupational Therapy.

Children and Young People and Families (CYPF) Division Away Days

Over 400 members of staff attended three CYPF Division away days in June and July 2019. An ex-service-user, who had also been part of a young person's Child and Adolescent Mental Health Service (CAMHS) participation group, delivered an inspirational and thought-provoking talk to staff at each of these events, describing their early difficulties, experiences with professionals and services and their Autistic Spectrum Disorder diagnosis. This helped staff reflect on the way they interact with service-users and deliver the service.

Identity and Transition

CYPF services are working with an increasing number of young people who are questioning their identity or have made the decision to transition. An introduction to trans awareness session was introduced to help staff better support these young people, explain to staff how transgender people experience the world and advise on the terminology that trans people prefer.

School-aged Immunisation Service

The School-aged Immunisation Service have once again exceeded expectations in their delivery of the annual childhood flu programme. As in prior years, this year saw an additional year group added to the programme, resulting in all children in primary school years (Reception to Year 6) being included in the programme. Since the beginning of October 2019, the service has vaccinated approximately 55,000 school aged children in 11 weeks at over 300 school and clinic settings. Some communities remain reluctant to vaccination, and the service has adapted and found that by offering an alternative to delivery in schools, many parents are willing to bring children to a clinic. Overall the service expects to once again exceed the national target of immunising 65% of the cohort.

Health Inequalities Nurse

A new Health and Inequalities Nurse position has been developed to engage with, educate and empower families regarding immunisations. This nurse can administer immunisations for those aged 5-19 years that are hard to reach and/or vulnerable and struggle to access their GP surgery. The Nurse also focuses on empowering and educating the families of children aged under 5 about immunisations.

Health Visiting and School Nursing

The delivery of the Ages and Stages Questionnaire has been reviewed following feedback that it was extremely reliant on parents' perception of their child's development, with limited opportunity for professional input. A group format has been implemented that gives an opportunity for children and their parents to play together with age appropriate toys in a facilitated group, as well as an opportunity for a one-to-one conversation with a health practitioner. Parents experiencing both formats, expressed that they found the new format a better and more interactive experience.

A targeted massage group for mothers identified with low mood has been set up in Reading, in response to evidence supporting the benefits of baby massage for this group of mothers. Eligibility for this group is based on several risk factors around perinatal mental health which are assessed by Health Visitors. The Group is facilitated by Community Nursery Nurses and Community Staff Nurses, with positive client feedback received so far.

Baby Friendly Initiative (BFI) accreditation

The Health Visiting Service continues to audit both staff knowledge and mothers' experiences on a regular basis as part of BFI accreditation. The service scored over the 80% pass mark for all BFI Standards in 2019, with results showing that staff knowledge around the importance of breastfeeding, helping to build a close and loving relationship and safe formula feeding is high. The service plan to re-accredit again in October 2020, with a view to achieving the next level of Gold accreditation 6 months after this date.

A peer to peer record keeping audit took place in July 2019 on the Health Visiting and School Nursing RiO (electronic patient record system) records. The audit gave positive reassurance that records were of good quality. Some issues were identified and record keeping templates have been designed to ensure consistency in the way records are written up and to save time. Training and reminders regarding the expected high standard of record keeping have been given to all staff.

Health Visitor service user feedback has grown considerably, with significant increases in Friends and Family Test card submissions as well as an increase in the use of a new online App. Feedback from service users has supported change, including development of a specialist group for children with additional medical needs.

Children and Young People's Integrated Therapy (CYPIT) Speech and Language Therapy Early Years team in Newbury

The Children and Young People's Integrated Therapy Speech and Language Therapy Early Years Team in Newbury are trialling some evening parent workshops. The aim is to provide parents and carers of children under five years of age with information about the importance of speech, language and communication skills, how to support their child's development and where to get further support and information if needed. The team have run five workshops so far with a total of 55 parents and carers attending. Each session has been interactive and verbal and written feedback from those who have attended has been overwhelmingly positive.

The Team Lead for the Specialist Dietetic Service won an award for Professional Lead for the year following a recommendation from a parent

Child and Adolescent Mental Health Services (CAMHS)

Psychological Perspectives in Education and Primary Care (PPEPCare) training has been delivered by CAMHS to professionals working with children and young people and their families/carers. This training is designed to help staff in primary care and education to recognise and understand mental health difficulties and offer appropriate support and guidance using psycho-education and evidence based psychological techniques and resources. Verbal and written feedback consistently shows a significant increase in peoples understanding of mental health issues, confidence in talking with young people and skill in applying the ideas to everyday interactions.

Supporting Children in Care

CAMHS are involved in a two-year national pilot project which aims to understand how to improve mental health and emotional wellbeing assessments for children and young people who are entering the care system. West Berkshire Council, in partnership with NHS Berkshire Clinical Commissioning Group, were successful in becoming one of nine national sites to pilot the development of a new assessment framework for these young people.

The Children and Young People in Care Teams have continued to work with the six children's services providers in Berkshire to improve the timeliness of initial health assessments. The work with Slough Children's Services Trust has produced a significant improvement in the timeliness of initial health assessments for children placed within a 20-mile radius of Berkshire.

CAMHS Service user participation groups are being held on a monthly basis allowing young people and their families to give feedback on their experience of the CAMHS service, highlight their priorities, carry out actions to achieve the priorities and to give their views on various developments.

Neurodiversity

Online autism assessments are being offered by the Autism Assessment Team following a successful proof of concept pilot. These will be offered to families where it is appropriate to do so, with appointments conducted from the family's own home. They can also be booked in the evening and at weekends.

Parent/carer workshops to support children with anxiety and autism and/or ADHD have been successfully piloted. Positive feedback has been received from parents attending the pilot workshops, with plans to run more sessions in the coming year.

A pioneering pilot of three trainee Children's Wellbeing Practitioners has been successful across the autism and ADHD teams. These practitioners provide brief evidence-based interventions for children and young people with anxiety, low mood and emotional regulation difficulties. This has provided valuable support for children, young people and families while their child has been waiting for assessment or following a diagnosis. Placements will be offered again this year.

24/7 online support to families of children with an autism diagnosis or who are waiting for an autism assessment continues to be offered through the Trust's online "SHaRON Jupiter" platform. The moderating team have increased in number this year with representatives from The Autism Group and Trust colleagues in the CAMHS Anxiety and Depression Team. The team aim to add peer moderators this year and are supporting colleagues in the Anxiety and Depression Team as they go live with their own SHaRON platform.

Training on adapting therapeutic interventions for autistic children, young people, adults and their families has been provided to trust staff in CAMHS and adult mental health services, with positive feedback. Three linked CAMHS clinical effectiveness seminars on autism are also planned and two more members of the team have been trained to deliver autism training as part of Psychological Perspectives in Education and Primary Care (PPEPCare).

Digital Appointment Correspondence has been introduced resulting in families now having online access to their appointment information.

Improvements in Services for Adults with Learning Disabilities

Inpatient Services for People with Learning Disabilities

The Campion Unit at Prospect Park Hospital in Reading have continued to work on the Trust breakthrough objective to reduce patient assaults on staff. The team have been working together with the Intensive Support Team to increase the confidence of staff members, increase their competence in alternative communication skills and the development of individual Positive Behaviour Support Plans. These, together with other local measures, have resulted in a significant decrease in the frequency of assaults. The support provided to staff following an incident has also been improved

and is now more consistently offered since adopting quality improvement methodologies supported by the Trust Quality Improvement Team**.**

Community Teams for People with Learning Disabilities (CTPLD)

Three GP education events were held in the east of the county. The topics presented included annual health checks for people with LD, dementia, challenging situations and Deprivation of Liberty Standards/Mental Capacity Act. The Clinical Commissioning groups also presented on the Learning Disabilities mortality work that is being undertaken. People with Learning Disabilities and parents also attended the event to share their powerful health stories.

A Learning Disability screening tool has been implemented in Slough CTPLD. The aim of this tool is to help ascertain whether a new person being referred to the team was likely to have a Learning Disability and therefore be eligible for Trust Learning Disability Services. Training has been given to staff in this area and changes made following feedback from staff. This is now being reviewed to consider the learning and potential for wider use.

A Health Checklist has been developed for out of county teams who are planning to move people with a Learning Disability from outside the county into the Berkshire area. This tool helps to facilitate the move and aids discussion of any concerns or additional help the person may require. It also ensures that all necessary risk assessments/legal reports go with the person.

Sepsis and Constipation Educational Group Work was undertaken for people with Learning Disabilities and paid carers. The signs and symptoms of each were highlighted and handouts on this area disseminated together with easy read information.

Compassionate Peer Support Groups have been set up as part of the Trust's compassionate leadership charter. This initiative also supports the Trust's 'Supporting our Staff' True North Goal and will be a space where staff can be mindful about issues happening at work and ways to maintain a healthy work life balance. The aim is to introduce the practice of self-soothing techniques, such as Mindfulness into the workplace setting. The session seeks to explore the emotions felt by team members during the previous week. People are given an opportunity to explore their feelings. This has resulted in discussion about bereavement and loss as well as more practical outcomes such as organising a presentation on how to chair a meeting.

A Transition initiative is planned in Bracknell with Child and Adolescent Mental Health Services (CAMHS) and other stakeholders. As part of this plan, a health member of the CTPLD will aim to attend the persons last review at 17 ½ years to ensure all health-related documents and reports are in place and to ensure there is a sufficient handover/transfer of care. In addition, Slough CTPLD plan to develop a health transition checklist.

The Provision of Therapy for Vulnerable Adult or Intimidated Adult Witnesses Prior to a Criminal Trial (2001) documentation was summarised to help therapists decide when and when not to offer therapy to vulnerable witnesses. The Practice Guidelines for the Learning Disability Service have been circulated to therapists within and outside of the Trust Learning Disability service.

Improvements in Mental Health Services for Adults, Including Talking Therapies and Older Peoples Mental Health Team

Improving Access to Psychological Therapies (IAPT) - Talking Therapies

Video Consultations are now being offered by the IAPT Talking Therapies Service allowing clients access to treatment from their home or workplace. These consultations have; improved client experience, helped the service retain experienced staff, reduced the cost of accommodation, enabled the team to work more efficiently, enabled waitlist support across Berkshire and supported the wellbeing of the IAPT clinicians. There is a plan to continually increase the number of video sessions offered each month.

Using Virtual Reality (VR) in treating height phobias

For some mental health disorders (for example, specific phobias) the use of virtual reality can be used to improve patient outcomes as it allows them to complete exposure work within their treatment session with the therapist, rather than undertaking this on their own. It also allows patients to face feared situations which they might otherwise find difficult to come across. The team have begun the roll-out and evaluation of VR for height phobias in conjunction with Oxford VR (an Oxford University spin-off company) and building upon the research of Professor Daniel Freeman. 40 patients have been successfully treated so far with positive feedback received. The team are looking forward to potential new VR applications in the future.

The Employment Advice Service

The Employment Advice Service has been funded to extend its provision of advice to clients receiving treatment in Talking Therapies. 459 referrals have been received between 1st March and 30th November 2019, with excellent feedback received from both clients and therapists.

Digital Innovations

As part of the Global Digital Exemplar (GDE) programme the service have developed programmes with Silver Cloud around long- term conditions and sleep. The team have increased the number of people with access to these programmes which now have a >70% recovery rate -an improvement of 10%. A resilience programme has also been introduced which also has a >70% recovery rate. The team were shortlisted for a Health Service Journal (HSJ) award in the 'Mental Health, Working Together' category for their digital work. The service is implementing a digital patient pathway and have also established an instant access to treatment pathway where a patient can use a link (URL) to sign up to Talking Therapies and get immediate access to silver cloud and the service.

A new website for IAPT Talking Therapies

A new website for IAPT Talking Therapies has been created as part of the Global Digital Exemplar (GDE) Programme. This will make information and referral forms easily accessible to their clients. 'Browsealoud' software will also be added to allow clients to translate the website content into a variety of different languages. For those with sight impairment, the software can also read aloud the website content.

Adult Mental Health Services

Slough Community Mental Health Team (CMHT)

Slough Community Mental Health Team has worked with Slough Borough Council to produce an award-winning initiative entitled 'Enabling Town Slough: Slough Mental Health Services'. This initiative, which includes projects to explore and reduce isolation, and promote inclusion across Slough, was shortlisted in two categories for National Awards in Positive Practice in Mental Health, winning the award in the 'Addressing Inequalities in Mental Health Through Coproduction and Inclusion' category, and receiving a commendation for positive practice in the 'Primary and Secondary Mental Health Services' category. 'Enabling Town Slough' will also feature in the National All Age Crisis Care Pathways Report which places it on a national map of positive examples of coproduction and asset-based mental health services.

Bracknell Community Mental Health Team (CMHT)

Bracknell Community Mental Health Team have started a Quality Management Improvement System (QMIS) project to reduce the number of re-referrals to their service. 33.8% of total referrals into the service between March 18 and February 19 were re-referrals of patients within 6 months of discharge. The team utilised the A3 tool to explore this problem and test some countermeasures, resulting in a 7% reduction in re-referrals since March 2019.

Physical Health Lead

East Berkshire Mental Health teams have focussed on recognising the importance of providing good physical health care to patients with severe mental illness (SMI), to tackle health inequality. The teams now have senior Physical Health clinicians working in each of their CMHTs. In Bracknell a weekly physical health clinic has been set up for SMI patients who are open to secondary care in Bracknell CMHT. This has improved the percentage of patients having annual cardiometabolic checks and those on long acting injectable medication having the correct physical health screens completed. Verbal feedback from patients has also been extremely positive and, due to the success of this clinic, a similar model is going to be piloted in Maidenhead in 2020.

East Berkshire Psychological Medicine Service (PMS)

East Berkshire Psychological Medicine Service have successfully gained accreditation from the Psychiatric Liaison Accreditation Network through the Royal college of Psychiatrists. Accreditation requires stringent external evaluation against a comprehensive set of standards, and this provides assurance that the service is providing a high standard of care.

Individual Placement support (IPS)

Employment support service for people with Severe mental illness – the service has continued to operate successfully in all CMHTs, EIP and IMPACTT, and has supported over 100 people with a severe mental illness to access paid employment in the first 9 months of the year**.**

Family Safeguarding

The Trust provides adult mental health services to the multi-agency Family Safeguarding Teams in Bracknell and West Berkshire, to support patients with a mental health need and thus improve outcomes for children subject to safeguarding. The adult mental health workers have become fully integrated into the team, working alongside domestic abuse, substance misuse workers and children's social care, and have demonstrated positive outcomes for families as well as increase in mental health awareness amongst colleagues.

West Berkshire Psychology Medicine Service (PMS)

West Berkshire Psychology Medicine Service have applied lean improvement techniques to map the route patients take through their care pathway and implement a process whereby all patients requiring a PMS assessment in the Emergency Department can be seen within the 1-hour referral criteria. Lean tools have also been embedded in day-to-date working.

Berkshire Eating Disorders Service (BEDS)

100% of service users accessing the adult BEDs service said they were either likely or extremely likely to recommend the service to a friend or family member via the friends and family tests. Service users are also being involved in the recruitment process.

The Intensive Management of Personality Disorders and Clinical Therapies Team (IMPACTT)

The Intensive Management of Personality Disorders and Clinical Therapies Team is a specialist service providing comprehensive assessment and evidence-based treatments for individuals aged 18 and over with a diagnosed personality disorder, primarily Borderline Personality Disorder/Emotionally Unstable Personality Disorder (BPD/EUPD), but who may also have comorbid Antisocial Personality traits. The team consists of specialist staff who are highly skilled and experienced in working with these patients. Two NICE recommended evidence-based treatments are offered: Dialectical Behavioural Therapy (DBT) and Mentalization-Based Treatment (MBT). The team have created a service user group and are working with North West Boroughs NHS Trust to arrange training for staff to deliver a comprehensive carers programme. The team have also been delivering training events across the organisation to help staff working with patients with personality disorder. Psychologically Informed Consultation and Training (PICT) for secondary care has begun, with a weekly bite-size programme also in place for all ward staff. A successful bid was made for additional funding to develop PICT for primary care in the East of Berkshire. The service has helped develop coherent therapy interventions and development of the Personality Disorder pathway has continued throughout the year.

Community Mental Health Transformation

In September 2019, Frimley Integrated Care System was one of 12 who were awarded funding to develop primary care mental health services in line with the newly published Community Mental Health Framework (September 2019). The new framework describes joined up care, responsive to individual strengths and needs, and delivered in partnership with the voluntary and community sectors. Since September 2019, East Berkshire has worked closely with our counterparts in Surrey, as well as with local voluntary and statutory services in east Berkshire, to develop a service model which will provide mental health expertise to patients with severe mental Illness in primary care and reduce

barriers between primary and secondary mental health services. The service is due to be launched in selected East Berkshire Primary Care Networks in Spring 2020.

Early Intervention in Psychosis (EIP) Service

The Early Intervention in Psychosis Service have established peer support groups in the east and west of the county to allow service users to share their experiences. This has also led to the development of further groups, such as an art group. A rolling educational programme for carer's has also been developed in co-production with a carer's peer support worker.

Berkshire West Crisis Resolution and Home Treatment Team (CRHTT)

Berkshire West Crisis Resolution and Home Treatment Team now have a dedicated person collecting and collating patient and carer feedback. The carer's group continues to go from strength to strength and the team have been piloting iPads for mobile working and a Mood App for patients to access their safety plans and record their mood.

East Berkshire Crisis Resolution and Home Treatment Team (CRHTT)

East Berkshire Crisis Resolution and Home Treatment Team is one of 14 NHS England Pilot test sites that are allocating referrals into one of three response categories; Emergency- 1 to 2-hour response, Urgent- 4 to 6-hour response and Routine - 24-hour response. The teams are also involved in a research project looking into the use of Brief Suicide-specific Psychological Interventions within a CRHTT service. An additional Police Street Triage Practitioner will also be recruited which will place the service in a position of readiness in case they need to extend this service over a 7-day period.

Community Mental Health Team (CMHT) - West Berkshire

Community Mental Health Team West Berkshire have introduced a new pre-therapy, compassion focussed group, known as the "OuR" group. This group has sustained 12 core members for 10 months. They have also started using a Structured Clinical Management Plan in June 2019 as part of a new Emotionally Unstable Personality Disorder (EUPD) pathway. The former short-term and long-term teams have been reconfigured into the Duty and the Intervention and Treatment team respectively. The wait list management system has recently been adapted to ensure a more rapid response and reduce the likelihood of service users falling through gaps. Finally, the team have increased their Friends and Family recommendation rate to 95% and are increasing requests for feedback from service users.

Berkshire Trauma Service

The Berkshire Trauma Service have developed a number of resources, including a client booklet, facilitators manual for the compassionate resilience group and a 'living life after trauma therapy' booklet for clients. They are also developing the content of their psychoeducation group. A service user involvement group is in the process of being set up. New outcome measures that better reflect the primary presenting problem of clients have also been introduced. Finally, a clinician has been recruited to work on a birth trauma pathway, the evaluation of which is being written up for publication.

The Common Point of Entry (CPE) Team

The Team have introduced a new system to manage requests for reviews by the Psychiatry team. Use of this new system has resulted in their waitlist reducing from approximately 300 patients to 30 patients, with reviews regularly being booked for the following day. The new system also allows a "pre-assessment" review to be booked which can prevent unnecessary full mental health assessments. A CPE Pharmacy has been introduced to undertake medication reviews, greatly reducing wait times. A "Duty Rota" has also been was produced and made accessible on Microsoft Teams, resulting in there always being at least one psychiatrist on Duty). Virtual consultations are now being offered by the team as an alternative to the traditional face-to-face appointments. A small project was also undertaken to update CPE administrative practices. MDT discussions have been increased due to implementation of multi-disciplinary Daily Referrals Meetings and psychiatry team changes. There is now greater transparency for MDT discussion and psychiatry reviews due to the visibility of every review, which also allows for a greater deep-dive analysis. Finally, one of the CPE Psychiatrists is undertaking research comparing the quality of telephone and face-to-face assessments, the results of which will guide future consultations and inform whether different approaches are necessary.

The Veterans Mental Health Transition, Intervention and Liaison Service (TILS) and Complex Treatment Service (CTS)

TILS support veterans and those about to leave military service and provides support and advice to support their mental health and emotional wellbeing. This may include, if appropriate, referring the veteran into the Complex Treatment Service (CTS), who provide specialist mental health support for those veterans who have complex mental health issues that are military attributable. These services are delivered across Berkshire, Buckinghamshire, Oxfordshire, Hampshire and the Isle of Wight. During 2019/20 both services have received additional funding to expand further and have successfully recruited more clinical staff to support this work. Monthly veterans drop-in support sessions have been introduced at the Royal British Legion in Reading, with a wide selection of veterans' charities and other support organisations also attending these. Both TILS and CTS have also successfully moved into a local hub in Portsmouth. Regular service user forums are in place to gather feedback and this has resulted in a series of short videos being produced that explain more about the service and what happens at an appointment.

The CTS team has started the 'True Strength Group' for clients which facilitates a Compassion-Focused Therapy group approach to addressing issues with anger. It was developed by Russell Koltz, an American psychologist who uses it with American Veterans, and has been adapted by CTS for use with our Veterans. Finally, the Trust has signed the Armed Forces Covenant, supporting its principles that; the armed forces community should not face disadvantage compared to other citizens in the provision of public and commercial services; and special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.

The Berkshire and Hampshire Liaison & Diversion (L&D) Service

The Berkshire Hampshire Liaison and Diversion Services has expanded its service footprint from April 2019 to include delivery of services across Hampshire and Isle of Wight in partnership with Nacro Organisation. An all age, extended hours delivery model is now delivered across all areas that the service covers to ensure consistent levels of delivery across each county. Following publication of the

Ministry of Justices Female Offender Strategy, the L&D team have worked with partners across Criminal Justice to develop a female pathway. Armed Forces Veterans can encounter criminal justice agencies due to their needs and vulnerabilities. As a result, The Liaison and Diversion service, together with Thames Valley Police, the third sector and a former serviceman, have worked together to create a system of identification, screening and assessment at custody, with pathways of support mapped out to the third sector and veterans' services. Additional funding has also been made available to extend the service into Winchester and Reading Crown Courts, where both services have been well received and established.

A Lived Experience and Peer Support element has been added and the Service have worked together with NHS England and the revolving door organisation to recruit volunteers and peer support workers with the lived experience of criminal justice and vulnerabilities. These workers will help engage those clients who are difficult to reach or entrenched with their difficulties. individuals to make positive changes to their health and social circumstances. The service has also developed apprenticeship opportunities for individuals with the lived experience. The feasibility of using of Skype Technology to remotely assess clients detained within outlier suites is being looked into as a 'proof of concept'.

Older Peoples Mental Health Services (OPMH)

A Living with Mild Cognitive Impairment (MCI) Support Group

The Living with Mild Cognitive Impairment Support Group has been initiated in Reading Memory Clinic to provide additional post-diagnostic support and treatment to clients diagnosed with MCI and their relatives. The aim is to offer interventions that go further than assessment, diagnosis and discharge, as difficulties (cognitive and psychosocial) can be significant and on-going. The group comprises three two-hour weekly sessions for 4/5 patients with MCI and their relatives or, sometimes a close friend. These MCI groups are currently being evaluated, with positive feedback from clients and their families alike.

Newbury Community Mental Health Service for Older Adults

Newbury Community Mental Health Service for Older Adults have initiated weekly peer supervision groups with all Community Psychiatric Nurses in the team allocated into groups with the medics. This has resulted in regular discussion of patients on caseload and has reducing the volume of email traffic to the medics. A West Berkshire Community Hospital liaison role has also been created to keep regularly contact and hold drop-in workshops with the ward staff about dementia specific support. Lastly, a 'priority patient' assignment has been created for new referrals that do not meet Home Treatment Team criteria but do need to be seen soon. This is a proactive approach to reduce the traffic into the Home Treatment Team.

Wokingham Memory Clinic

Wokingham Memory Clinic have been working to reduce the wait time for medication prescribed in the Clinic. Patients were waiting 14 days to receive the medication and a lot of waste was also identified in the process which impacted on the waiting time. Following root cause analysis and using the Plan Do Study Act (PDSA) approach, the team tested using FP10 prescriptions. This method of prescribing has reduced steps in the process for patients receiving their medication and has enabled

staff more time to spend delivering patient care. The new process has decreased wait time to an average of 3 days - a 76% reduction.

COVID-19 Pandemic

On 19 March 2020, NHS England and Improvement released guidance entitled "COVID-19 Prioritisation within Community Health Services". Within the document there was detailed and specific guidance on expected service changes to ensure that services critical to the COVID-19 pandemic response were prioritised. On 25 March 2020, NHS England and Improvement also published "Managing Capacity and Demand within Inpatient and Community Health, Learning Disabilities and Autism Services for all Ages". The objective of the service changes was to free up capacity within the NHS to cope with COVID-19 and to ensure:

- Discharge of patients from acute and community beds and ensure patients cared for at home received urgent care when they needed it;
- Use of digital technology by default to provide advice and support to patients whenever possible; and
- Prioritisation of support for high-risk individuals.

Quality Impact Assessments were conducted for all service changes as a result of the COVID-19 pandemic and included:

- Services that have been introduced/enhanced as a result of the COVID-19 pandemic (for example, Discharge to Assess Pathways, additional Community Inpatient Beds and COVID-19 testing);
- Services that have been altered, for example ceasing of clinic/group sessions;
- Services that have a revised service offer through remote working and use of digital technology (for example, using telephone and digital consultations where appropriate); and
- Routine patient contacts that have been suspended: and
- The small number of services that have been totally suspected (for example, the School Immunisation Service).

On 29 April 2020, NHS England and NHS Improvement issued guidance on the "Second Phase of NHS Response to COVID-19" which set out the actions NHS provider organisations needed to take during the social distancing phase of the pandemic. The Trust has developed a Recovery Plan in response to the national guidance.

Patient experience

Since quarter four 2012/13 compliments have been routinely reported directly by services through the web based Datix system. This is a way of sharing good practice and praise through our localities and across the organisation. The system continues to be developed, following feedback from our staff to capture a variety of compliments, including people verbally saying thank you, as well as gestures such as flowers and cards, and with implementation of a batch upload option for multiple compliments. 5,666 compliments were reported during 2019/20; a slight decrease from 5,965 in 2018/19 and a sustained increase from 4784 in 2017/18 and compared with 4,950 in 2016/17, and 4,620 reported in 2015/16.

Our online web system to log concerns that they have dealt with at a local level; referred to as local resolution continues to be supported by the Patient Experience Team, with information provided to our Clinical Directors via a real time dashboard. This is an additional tool for measuring quality, before the escalation to a more formal complaint and is driven by our front-line services resolving concerns effectively, with support and training available from the Complaints Office and wider Learning and Development department.

The number of formal complaints received about the Trust has increased slightly to 231 from 230 in 2018/19 and compared with 209 received in 2016/17 and 2017/18, 218 in 2015/16 and 244 in 2014/15. The Trust actively promotes feedback as part of 'Learning from Experience', which within the complaint's office includes activity such as enquiries, services resolving concerns informally, and responding to the office of Members of Parliament who raise concerns on behalf of their constituents.

Our Patient Experience team have continued to support people investigating complaints to maintain contact with complainants and we have consistently achieved response rates of over our 85% target, as shown in the table below:

Q1 Cumulative	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
100%	100%	98%	100%

During quarter three, the Trust had the first instance of not responding to a complainant in the agreed timescale for over three years. The service has put actions in place locally to stop this from recurring.

Our complaint handling and response writing training which is available to staff has continued to be rolled out on a regular basis across the different localities, in addition to bespoke, tailored training for specific teams which has taken place to staff groups and teams.

From mid-March 2020, in response to the Covid-19 pandemic, a revised complaints process was developed, which saw the Complaints Office supporting Investigating Officers with compiling response to complaints, triaging complaints in a different way to escalate concerns about patient safety, and following a review, placing a small number of formal complaints on hold (or paused). These

complainants were all contacted and informed of this, advising them to contact the Complaints Office if they had any concerns. New complaints continued to be logged.

The NHS Friends and Family Test (would you recommend us) gives an opportunity for patients and people who care for them to share their views in a consistent way across the Health Service. We have embraced this further as part our True North; our objectives as part of our Quality Improvement programme. The Trust is ready to 'go live' with the new Friends and Family Test question (this has been postponed by NHS England/Improvement).

We continue to offer the Friends and Family Test to carers, as we recognise that the experience of people in our services may be very different to the experience of the crucial people who care for them, and we are committed to ensuring that this is as positive as possible. The number of responses that we receive from carers continues to grow, and this information is shared with services and with carer leads.

From mid-March 2020, to align with national guidance and directives, the active collection of the Friends and Family Test was suspended and the information shown for March 2020 is taken from responses received up to this point, both in hard copy and electronically.

An overview of our Friends and Family Test activity for 2019/20 is below:

Timeframe	Response Rate
Q1	12.20%
Q2	10.86%
Q3	10.69%
Q4	9.29%
Annual	10.60%

Year	% Recommendation
2019/20	92
2018/19	93
2017/18	98
2016/17	95
2015/16	91

	Year	%
Community Hospital Inpatients	2019/20	97
	2018/19	96
	2017/18	97
	2016/17	95
	2015/16	94

	Year	%
Mental Health Inpatients	2019/20	72
	2018/19	70
	2017/18	67
	2016/17	74
	2015/16	70

	Year	%
Community mental health and physical health combined (excluding Urgent Care Centre and WestCall)	2019/20	92
	2018/19	90
	2017/18	96
	2016/17	97
	2015/16	95

Our quarterly patient experience report includes benchmarking information on how we compare to other local Trusts on both the response rate to the Friends and Family Test and the percentage recommendation to a friend.

In addition to on-going engagement, the Trust holds a quarterly Healthwatch meeting to review complaint themes (including action plans from the Parliamentary and Health Service Ombudsman), action plans arising from deep dive surveys and acts as a forum for shared learning.

Our complaints process works alongside our Serious Incidents processes and Mortality Review Group having a direct link to ensure that any complaint involving a patient death is reviewed.

We continue to promote Patient Leaders within the Trust and we are working with the Royal Berkshire Hospital to share opportunities for engagement and co-creation with the Trust. There were five volunteers ready to start the programme, which has been postponed due to the Covid-19 pandemic.

There are two volunteers as part of the Patient Experience Team. One is based at St Marks Hospital, and has received further training to be able to support activities and patients on the ward and in services, in addition to collecting feedback. The other is based at Prospect Park Hospital in Reading and primarily collects feedback from the wards.

Patient and Public Involvement (PPI) Champions are fully established and embedded within the Children, Young People and Families locality. Participation representatives from the services act as champions for service user feedback and participation. The champion role provides opportunities for passionate and enthusiastic staff, at all levels, to play an active role in generating a positive focus towards the progression of service user feedback and participation, with direct support from both their peers and corporate services. Services with a Champion are seeing an increase in the response rates for the Friends and Family Test and wider participation.

Looking ahead

Over the next year, the Patient Experience Team has the following objectives, aligned to the Trust True North Goals:

True North goal 1: Harm-free care

✓ **To provide safe services, prevent self harm and harm to others**

We will do this by:

- Supporting services by acting on negative feedback
- Supporting services by understanding the cause of complaints about our True North Breakthrough Objectives for Harm Free Care
- Using the information, we collect from the Patient Experience Team to inform locality Patient Safety and Quality meetings

True North goal 2: Supporting our staff

✓ **To strengthen our highly skilled and engaged workforce and provide a safe working environment**

We will do this by:

- Giving staff the skills and tools to collect patient feedback
- Reviewing how staff named in a complaint and IOs are supported
- Developing and maintaining skills within the Patient Experience Team
- Promoting Freedom to Speak Up, with our PALS Manager being a Champion
- We will pro-actively promote the Patient Leadership Programme; both as a training opportunity and as an opportunity involvement and co-creation
- We will further roll out the opportunity for PPI Champions

True North goal 3: Good patient experience

✓ **To provide good outcomes from treatment and care**

We will do this by:

- Working with services to continue to improve the Friends and Family Test response rate
- Learning from complaints
- Being responsive to our patients

True North goal 4: Money matters

✓ **To deliver services that are efficient and financially sustainable**

We will do this by:

- Maximising the resources and tools within the Patient Experience Team
- Reducing instances of patient feedback being delayed

ACCOUNTABILITY REPORT

Directors' Report

The Board of Directors comprises five Executive Directors and six Non-Executive Directors, plus the Chair and Chief Executive of the Trust. The Chair and the Non-Executive Directors are appointed for three-year terms of office by the Council of Governors. At the end of the first three-year term of office, the Council of Governors can re-appoint the Chair and the Non-Executive Directors for a further three-year term of office.

Up until December 2016, formal meetings of the Board of Directors were held every month (except August). Following the Board's evaluation of its effectiveness in October 2016, it was agreed that the Board needed more time to discuss strategic issues and therefore from January 2017, the formal public Board of Directors meets seven times a year and holds four private discursive meetings. An additional meeting is scheduled in August if required. At the formal public Board meetings, no business can be conducted unless at least one third of Directors are present, including at least one Executive Director and one Non-Executive Director. Board meetings are held in public.

The Board is responsible for:

- the exercise of the powers and the performance of the NHS Foundation Trust
- setting strategy, following discussion with the Council of Governors
- ensuring the provision of safe, high quality services
- ensuring the highest level of corporate governance
- ensuring that the Trust operates an effective process for the management and mitigation of risk.

The Non-Executive Directors are 'held to account' for the performance of the Board by the Council of Governors. The Board meets formally with the Council twice a year and Governors normally meet Non-Executive Directors on a further two occasions each year. Executive Directors routinely attend Council of Governor meetings and the Chief Executive presents to Council a quarterly performance report covering key aspects of the Trust's performance, both financial and service related.

During the year, the Council of Governors approved the re-appointment of the Trust Chair, Martin Earwicker, the re-appointment of Mark Day, Non-Executive Director and appointed a new Non-Executive Director, Aileen Feeney.

Bev Searle, Director of Strategy and Corporate Affairs retired from the Trust in December 2019. Kathryn MacDermott, Director of Strategy was seconded to the role of Executive Director of Strategy pending the recruitment of a permanent Director of Strategy and Corporate Affairs in 2020-21. Alex Gild, Deputy Chief Executive and Chief Financial Officer' portfolio was expanded to include Executive Director responsibility for the Human Resources part of the role.

Directors in post during 2019-20 are shown in the following table:

Name	Position	From	To
Martin Earwicker	Chair (Non-Executive Director)	01.12.16	30.11.22
Naomi Coxwell	Non-Executive Director	13.12.17	12.12.20
David Buckle	Non-Executive Director	01.06.15	31.05.21
Mark Day	Non-Executive Director	01.09.16	31.08.22
Chris Fisher	Non-Executive Director	01.10.14	30.09.20
Aileen Feeney	Non-Executive Director	01.11.19	31.10.22
Mehmuda Mian	Non-Executive Director	01.06.15	31.05.21
Julian Emms	Chief Executive	01.03.05	N/A
Debbie Fulton	Director of Nursing and Therapies	01.12.18	N/A
Alex Gild	Deputy Chief Executive and Chief Financial Officer	01.04.11	N/A
Minoo Irani	Medical Director	14.07.16	N/A
Bev Searle	Director of Strategy and Corporate Affairs	01.10.12	13.12.19
Kathryn MacDermott	Interim Executive Director Strategy	14.12.19	N/A
David Townsend	Chief Operating Officer	01.01.13	N/A

Board assessment and review

The Board commissioned an independent consultancy firm, Ernst and Young Global Ltd (EY) to conduct an external Governance review during 2015-16. Ernst and Young had no other connection with the Trust. The Board was satisfied that this review and other audit activity demonstrated that it had an effective system of internal controls. Ernst and Young made a number of recommendations to further enhance the Trust's governance arrangements. The Trust developed an action plan to address each of the recommendations and the September 2016 Board meeting agreed that the actions had been implemented and approved the closure of the action plan.

The Trust Board undertook its annual review of effectiveness in October 2019. Overall the results were very positive. The Board continued to appreciate the opportunity to discuss strategy at the Discursive meetings. The main area identified for improvement related to getting the right balance between strategic issues and the Trust's day to day operational issues. The Board also welcomed the new format of the new True North Performance Scorecard and business rules ensured that the Board focussed on performance trends rather than in month changes to individual metrics.

In January 2018, the Trust conducted an internal self-assessment against NHS Improvement's Well-Led Development Framework. The Trust identified a number of areas for further development, including developing a three-year strategy document, presenting the quarterly Quality Concerns paper to the Trust Board as well as to the Quality Assurance Committee and developing visual performance management as part of the Trust's Quality Improvement Programme work. An action plan was developed to address the gaps identified and was approved at the February 2018 Trust Board meeting. The completed action plan was signed off by the Trust Board at its February 2019 meeting.

At its meeting in February 2019, the Trust Board discussed the timing of its next external Well-Led Review and agreed that it would not add value if the external Well-Led review replicated the Care

Quality Commission's Well-Led inspection which had rated the Trust as "Outstanding" in the Well-Led domain. The Trust Board requested that the Executive Team undertake a self-assessment exercise against NHS Improvement's Well-Led Framework with a view to identifying any areas which required further improvement.

The Executive Team identified the following areas:

- The Trust's strategy needed to align with the NHS Long Term Plan. The Trust also needed to consider how the new GP Contract and developments in system working would impact the Trust.
- The NHS Five-Year Forward View for Mental Health set out the national priorities in relation to Mental Health but there was no national policy in relation to Community Services. The Trust needed to develop a Community Services strategy which was aligned to the NHS Long Term Plan.
- The Trust's new performance management reporting system aligned to the Quality Improvement's True North objectives (introduced in May 2019) would further improve the Trust's processes for manging risks, issues and performance. The new system needed to be tested over a period of months to ensure that it met the Board's performance reporting requirements.
- The Trust needed to give further consideration the involvement of service users and support for carers.

At its meeting in April 2019, the Trust Board agreed to delay commissioning an external Well-Led Review until the work to address the gaps identified above had been completed.

Focus on quality

The Trust's latest comprehensive inspection by the Care Quality Commission took place in November and December 2019. The Trust received an overall rating of "Outstanding". The Care Quality Commission

The Care Quality Commission's ratings in respect of the five quality domains in set out below:

CQC Domains	Rating	
Are Services Safe?	Good	
Are Services Effective?	Good	
Are Services Caring?	Good	
Are Services Responsive?	Outstanding	
Are Services Well-Led?	Outstanding	
Overall Rating	**Outstanding**	

The Care Quality Commission re-inspected the WestCall GP Out of Hours Service in September 2019 and rated the service overall as “Good”. The service was also rated “Good” across all the Care Quality Commission domains (Well-Led, Safe, Caring, Responsive and Effective). The Care Quality Commission had last inspected the service in July 2018 and had given a “Requires Improvement” rating.

In April 2017, the Trust launched its Quality Improvement Programme with the aim of enabling the organisation to apply a consistent approach to continuous improvement by developing the ability of each and every staff member to become problem solvers and make improvements to the way we deliver care for our patients.

Quality of service and patient experience remain top priorities for the Board with quality being set at the top of the Trust Board’s agenda each month. Non-Executive Directors continue to make Board visits to services and continue to be involved in the 15 Steps Challenge programme.

One of the principles of Quality Improvement is to increase Executive Directors’ value adding activity, with value being defined by the customer. The ultimate customer in Healthcare is the patient/service user, but for some services could be another team or partner organisation. One of the things we have introduced to support our goal of increasing Executive Director value is through Gemba visits/walks. Gemba is a Japanese word defined as “the actual place” and in Quality Improvement “where value is added”. Gemba is the place where real value is created or delivered for the customer – so this is normally where care givers are directly helping patients/service users, as that is what they value.

The purpose of a Gemba visit is to take time to observe and interact with people at the Gemba, to learn and understand what is really happening.

There are a number of benefits from this:

- People going to Gemba can see and understand how things are really done to help them with their own “value adding” work.
- Leaders can support front line staff by seeing and hearing about the improvement work and identify things which can be escalated and supported.
- People can see how our Quality Management Improvement System is operating at the Gemba to help with their Quality Improvement training, learning and the development of Quality Improvement in our Trust.
- It provides an opportunity to practise Quality Improvement skills and Quality Improvement leadership behaviours

The Board agenda either includes a patient story video or a Director’s report of their visit to a service area.

The Quality Executive Committee, chaired by the Chief Executive meets monthly to review quality related issues, such as serious incidents, quality concerns and the minutes of the locality and service monthly Patient, Safety and Quality meetings. The Quality Assurance Committee, which meets quarterly, continues to provide an opportunity for Non-Executive and Executive Directors to debate and scrutinise the Trust’s quality strategy, processes and performance in greater depth and to provide a forward-looking perspective on the quality agenda.

In accordance with national guidance, from March 2020, the Trust has re-configured its services in order to focus its resources on meeting the challenges posed by COVID-19. This has included scaling back or pausing non-essential services as defined by NHS England and where appropriate, significantly increasing the volume of online and/or telephone consultations.

NHS Foundation Trust Code of Governance compliance

Berkshire Healthcare NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a "comply or explain" basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the United Kingdom Corporate Governance Code issued in 2012.

Modern Day Slavery Statement

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and sets out the steps that Berkshire Healthcare NHS Foundation Trust has taken, and is continuing to take, to make sure that modern slavery or human trafficking is not taking place within our business or supply chain during the year ending 31 March 2020.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Berkshire Healthcare has a zero-tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the Trust or our supply chain.

Our Policies on Slavery and Human Trafficking

Berkshire Healthcare is aware of our responsibilities towards patients, service users, employees and the local community and expects all suppliers to the Trust to adhere to the same ethical principles. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our internal policies replicate our commitment to acting ethically and with integrity in all our business relationships.

Standard NHS Contracts and the Trust's contract specifications contain a provision around Good Industry Practice to ensure each supplier's commitment to anti-slavery and human trafficking in their supply chains; and that they conduct their businesses in a manner that is consistent with Berkshire Healthcare's anti-slavery policy. In addition, an increasing number of suppliers are implementing the Labour Standards Assurance System (LSAS) as a condition of contract for tenders within high risk sectors and product categories and indeed this has been referenced in the Government's Modern Slavery Strategy. Many aspects of the LSAS align to the seven reporting areas that the Government has outlined and should appear within any slavery and human trafficking statement.

We operate a number of internal policies which ensure that we are conducting business in an ethical and transparent manner. These include:

- **Recruitment** - We operate a robust recruitment policy, including conducting eligibility to work in the United Kingdom checks for all directly employed staff. Agencies on approved frameworks are audited to provide assurance that pre-employment clearance has been obtained for agency staff, to safeguard against human trafficking or individuals being forced to work against their will
- **Equal Opportunities** - We have a range of controls to protect staff from poor treatment and/or exploitation, which complies with all respective laws and regulations. These include provision of fair pay rates, fair terms and conditions of employment, and fair access to training and development opportunities
- **Safeguarding** - We adhere to the principles inherent within both our safeguarding children and adults' policies. These are compliant with the Berkshire multiagency agreements and provide clear guidance so that our employees are clear on how to raise safeguarding concerns about how colleagues or people receiving our services are being treated, or about practices within our business or supply chain.
- **Whistleblowing** - We operate a whistleblowing/raising concerns policy so that everyone in our employment knows that they can raise concerns about how colleagues or people receiving our services are being treated, or about practices within our business or supply chain, without fear of reprisals, and the various ways in which they can raise their concerns.
- **Standards of business conduct** - This code explains the manner in which we behave as an organisation and how we expect our employees and suppliers to act.

Our approach to procurement and our supply chain includes:

- Ensuring that our suppliers are carefully selected through our robust supplier selection criteria/processes
- Requiring that the main contractor provides details of its sub-contractor(s) to enable the Trust to check their credentials
- Randomly request that the main contractor provide details of its supply chain
- Ensuring invitation to tender documents contain a clause on human rights issues
- Ensuring invitation to tender documents also contains clauses giving the Trust the right to terminate a contract for failure to comply with labour laws
- Using the standard Supplier Selection Questionnaire that has been introduced (which includes a section on Modern Day Slavery)
- Trust staff must contact and work with the Procurement department when looking to work with new suppliers so appropriate checks can be undertaken.
- Supplier adherence to our values. We are zero tolerant to slavery and human trafficking and thereby expect all our direct and indirect suppliers/contractors to follow suit.
- Where it is verified that a subcontractor has breached the child labour laws or human trafficking, then this subcontractor will be excluded in accordance with Regulation 57 of the Public Contracts Regulations 2015. The Trust will require that the main contractor substitute a new subcontractor.

Training

Advice and training about modern slavery and human trafficking is available to staff through our mandatory safeguarding children and adults training programmes, our safeguarding policies and

procedures, and our safeguarding leads. It is also discussed at our corporate induction training which is mandatory for all our new starters. We are looking at ways to continuously increase awareness within our organisation, and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking in our supply chains and in our business.

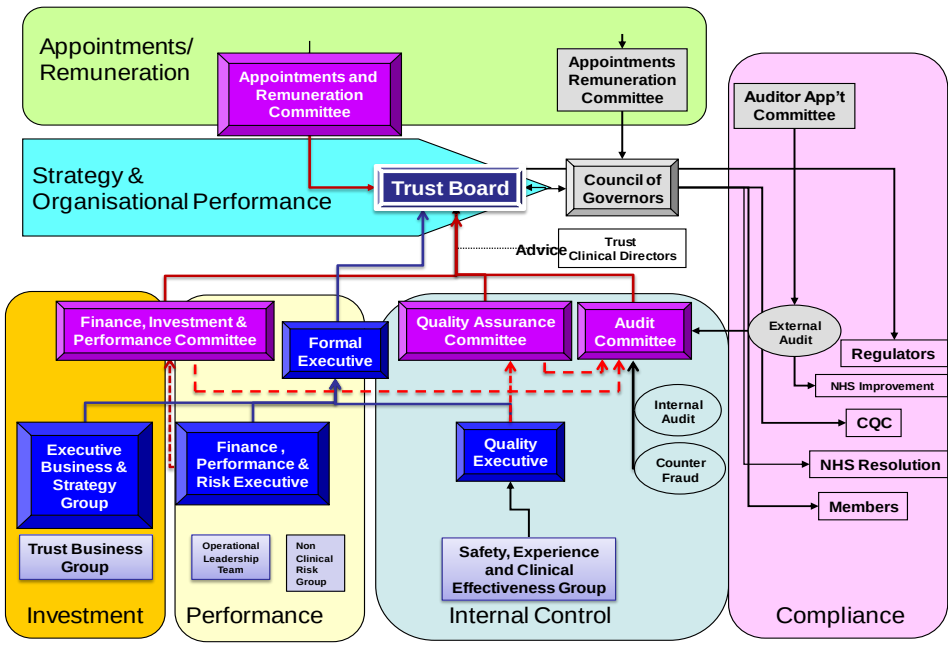
Our Performance Indicators

We will know the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain if there are no reports received from our staff, the public, or law enforcement agencies to indicate that modern slavery practices have been identified.

Governance framework

The Trust operates a comprehensive structure and reporting arrangements which facilitate robust governance throughout the organisation involving the Council of Governors, the Board of Directors and various committees.

The diagram below provides a view of the high-level governance and reporting arrangements that were in place during 2019-20 to provide appropriate governance and assurance.



The effectiveness of the Trust's governance arrangements is regularly assessed, including through internal and external audit. The Trust Board places great emphasis on the achievement of high-quality services and uses several different sources of information to monitor and triangulate performance and to provide robust assurance. The Trust Board receives a detailed True North Performance Scorecard report at each meeting which presents information across the whole spectrum of the Trust's activity with reference to quality measures. This report is scrutinised further on behalf of the Trust Board by the Finance, Investment and Performance Committee.

Streams of assurance on quality include internal and external audit activity, patient and staff satisfaction surveys, quarterly patient experience reports to the Trust Board, visits to clinical services conducted by members of the Trust Board and by Governors via their Quality Assurance Group work programme. Reports are also received on subjects such as compliments and complaints, learning from deaths, serious incidents requiring investigations (including details of any lessons learned), infection prevention and control and compliance with Care Quality Commission regulations. These and other information sources are used to provide assurance to the Trust Board in relation to its duty to provide regular declarations on quality to NHS Improvement.

Clinical Directors are responsible for maintaining a focus on local quality issues and for ensuring that best practice is identified and shared across the organisation. This is supported by the corporate governance arrangements in place and by the patient safety function which undertakes activity to monitor the Trust's compliance with the Care Quality Commission's regulations.

Quality thrives within a culture of openness and trust and during 2019-20 the Trust continued its major staff engagement initiative *Listening into Action* aimed at stimulating a more engaged dialogue between staff and managers and leading to greater empowerment of frontline staff. In addition, the Trust has successfully introduced an organisational Quality Improvement Programme which will enable us to apply a consistent approach to continuous improvement by developing the ability of each and every staff member to make improvements to the way we deliver care for our patients.

The Trust operates fully in compliance with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 Regulation 5: Fit & Proper Persons and all Directors are required to meet these requirements and to declare such annually. In addition, in the case of all new Directors, appropriate checks are made in accordance with the fit and proper person regulations before an appointment can be confirmed. In addition, members of the Trust Board are required to abide by the Board's Code of Conduct which reflects the high standards of probity and responsibility which is required of all Board members.

In line with constitutional requirements, the Trust maintains a register of interests for Directors which is available on the Trust's website or from the Company Secretary. The Company Secretary attends the Trust Board and its Sub-Committee meetings and produces detailed minutes of the discussions. Any individual concerns about a proposed course of action would be recorded in the minutes in line with requirements of the NHS Foundation Trust Code of Governance.

The attendance of Directors at Board and Board Committee meetings is shown on pages 58-59 and biographical information for all Directors in post during the year is also provided.

Trust Board Committees

During 2019-20 the Trust Board had five standing committees that helped it discharge its duties.

Audit Committee

The Audit Committee, comprising only Non–Executive Directors is responsible for making sure the Trust governs itself well by concluding on the adequacy of the Trust's systems of internal control and its assurance framework. The main role and responsibilities are set out in the terms of reference approved by the full Trust Board, which are consistent with national guidance.

These responsibilities include:

- monitoring the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance, and reviewing significant financial reporting judgements contained in them;
- reviewing the Trust's internal financial controls and the internal control and risk-management systems;
- monitoring and reviewing the effectiveness of the Trust's internal audit function;
- reviewing and monitoring the external auditor's independence and objectivity, and the effectiveness of the audit process, taking into consideration relevant requirements;
- monitoring progress and output from the Trust's clinical audit activity.
- Reviewing the annual clinical audit plan.

The Audit Committee has met these responsibilities by:

- Overseeing internal audit, counter fraud and external audit services by:
    - reviewing the audit and counter fraud strategies and annual plans;
    - receiving progress reports;
    - considering the major audit findings and management's responses;
    - holding discussions with internal and external audit;
    - ensuring co-ordination between external and internal auditors;
    - reviewing the external audit management letter;
    - reviewing clinical audit summary reports.
- Reviewing and monitoring compliance with the Trust's Standing Orders and standing financial instructions;
- Monitoring and advising the Trust Board on the Trust's Board Assurance Framework and Corporate Risk Register;
- Reviewing schedules of losses and special payments;
- Reviewing the annual accounts of the Trust before submission to the Trust Board and Charitable Funds Trustees, focusing particularly on:
    - changes in and compliance with accounting policies and practices
    - major judgmental areas
    - significant adjustments resulting from the audit
- Receiving and reviewing minutes from the Finance, Investment and Performance Committee and the Quality Assurance Committee;
- Ensuring that both internal and external auditors have full, unrestricted access to all the

Trust's records, personnel and the Audit Committee members.

The Audit Committee reviewed financial and operating performance and compliance against national and regulatory standards. The Committee's review was supported by reporting from the Chair of the Finance, Investment and Performance Committee.

In depth reviews of strategic and operational risks have further supported the Committee's understanding and review of the key issues facing the Trust.

During 2019-20, there were no significant issues considered by the Committee in relation to the Trust's financial statements. The continuing effectiveness of both the internal and external auditors is monitored by the Committee, as is the Committee's own effectiveness through self-assessment against best practice standards.

The Audit Committee also considers the key risks identified by the External Auditor and uses its resources and the internal audit programme to provide assurance around the following key areas: management override, property valuations and completeness of accruals.

Auditor's Independence

The Trust requires its Auditors to demonstrate the policies and procedures they use to ensure they remain independent while carrying out their duty. During 2019-20 Deloitte's remit was to undertake external audit work and provided assurance on the Quality Accounts.

Finance, Investment and Performance Committee

The Finance, Investment and Performance Committee, comprising both Non-Executive and Executive Directors is responsible for reviewing financial and operational performance and for reviewing and providing expert comment on all significant financial investment and disinvestment decisions. They also scrutinise reporting on safe staffing and business development activity.

Quality Assurance Committee

This Committee provides a forum for detailed scrutiny and consideration of the Trust's quality agenda. Comprising both Non-Executive and Executive Director membership, the Committee obtains assurance on behalf of the Board on the quality of clinical services. This includes reviewing the quarterly reports on the Learning from Deaths and receiving the Guardians of Safe Working Hours of Doctors and Dentists in Training reports.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee is comprised of all Non-Executive Directors and is chaired by Mark Day, Non-Executive Director. The Committee is responsible for ensuring that there is a robust process in place for appointing Executive Directors and Very Senior Managers and for determining Executive Director and Very Senior Managers remuneration.

The Chief Executive attends meetings but is not present for discussions relating to his own remuneration or terms and conditions. The Committee is supported by the Director of People and the Company Secretary.

More information about Non-Executive and Executive Director remuneration can be found in the Remuneration Report later in this report.

The Appointments and Remuneration Committee should not be confused with the Council of Governors Appointments and Remuneration Committee, which considers the appointment and conditions of Non-Executive Directors.

Attendance at Board meetings and Committees 2019-20

Board Meetings

Name	Position	Meetings attended/possible*
Martin Earwicker	Chair	10/11
David Buckle	Non-Executive Director	10/11
Naomi Coxwell	Non-Executive Director *(Senior Independent Director from 1 November 2019)*	11/11
Mark Day	Non-Executive Director	10/11
Chris Fisher	Non-Executive Director *(Vice-Chair from 1 November 2019)*	10/11
Ruth Lysons	Non-Executive Director *(Senior Independent Director and Vice Chair) (until 31 October 2019)*	05/06
Aileen Feeney	Non-Executive Director *(from 1 November 2019)*	03/05
Mehmuda Mian	Non-Executive Director	10/11
Julian Emms	Chief Executive	11/11
Debbie Fulton	Director of Nursing and Therapies	10/11
Alex Gild	Deputy Chief Executive and Chief Financial Officer	10/11
Minoo Irani	Medical Director	11/11
Bev Searle	Director of Strategy and Corporate Affairs *(until 13 December 2019)*	08/08
Kathryn MacDermott	Acting Executive Director of Strategy *(from 14 December 2019)*	03/03
David Townsend	Chief Operating Officer	09/11

**Includes attendance at both the Public Trust Board meetings and four private discursive meetings.*

Audit Committee Meetings

Name	Position	Meetings attended/possible
Chris Fisher (Chair)	Non-Executive Director	5/5
Naomi Coxwell	Non-Executive Director	5/5
Mehmuda Mian	Non-Executive Director	2/5
Mark Day**	Non-Executive Director	3/5

*Mr Day deputised for Mehmuda Mian, Non-Executive Director

Finance, Investment and Performance Committee Meetings

Name	Position	Meetings attended/possible
Naomi Coxwell (Chair)	Non-Executive Director	7/7
Mark Day	Non-Executive Director	7/7
Ruth Lysons	Non-Executive Director *(until 31 October 2019)*	5/5
David Buckle	Non-Executive Director *(from 1 November 2019)*	2/2
Julian Emms	Chief Executive	4/7
Alex Gild	Chief Financial Officer	7/7
David Townsend	Chief Operating Officer	6/7
Debbie Fulton	Director of Nursing and Therapies	6/7

Appointments and Remuneration Committee Meetings

Name	Position	Meetings attended/possible
Mark Day (Chair)	Non-Executive Director	3/3
Martin Earwicker	Trust Chair	2/3
David Buckle	Non-Executive Director	3/3
Naomi Coxwell	Non-Executive Director	3/3
Chris Fisher	Non-Executive Director	3/3
Ruth Lysons	Non-Executive Director *(until 31 October 2019)*	2/2
Aileen Feeney	Non-Executive Director *(from 1 November 2019)*	0/1
Mehmuda Mian	Non-Executive Director	2/3
Julian Emms	Chief Executive	2/3

Quality Assurance Committee

Name	Position	Meetings attended/possible
Ruth Lysons (Chair)	Non-Executive Director *(until 31 October 2019)*	3/3
David Buckle	Non-Executive Director *(Chair from 1 November 2019)*	4/4
Mehmuda Mian	Non-Executive Director	¾
Aileen Feeney	Non-Executive Director *(from 1 November 2019)*	1/1
Julian Emms	Chief Executive	2/4
Minoo Irani	Medical Director	4/4
Debbie Fulton	Director of Nursing and Therapies	4/4
David Townsend	Chief Operating Officer	¾

All Board Committees are supported by the Company Secretary and such other senior personnel as required.

Board members

Martin Earwicker – Chair

Martin Earwicker became Chair of Berkshire Healthcare NHS Foundation Trust in December 2016, prior to this he was Vice Chair of Dorset County Hospital NHS Foundation Trust. He retired from being Vice Chancellor of London South Bank University in 2013. Before this he was Director and Chief Executive of the Science Museum Group. However, his main career was in scientific research working for the Ministry of Defence interspersed with senior appointments in Whitehall; for the last five years of which he was Chief Executive of the Ministry of Defence's Research Laboratories, the Defence Science and Technology Laboratory.

In addition to his interest in health, he is a keen supporter of Further Education colleges, and has been chair for more than six years each of two Further Education colleges: Tower Hamlets College in the east end of London serving a particularly disadvantaged community, and Farnborough College of Technology, which he still chairs. He is also a Trustee of his local Citizens Advice Bureau.

He read Physics at Surrey University graduating in 1970. He was appointed a Fellow of the Royal Academy of Engineering in 2000 and has been a vice president of the Academy and was awarded an Honorary Doctorate of Surrey University in 2009. He is an Emeritus Professor of London South Bank University.

Naomi Coxwell – Non-Executive Director, Chair of the Finance, Investment and Performance Committee and Senior Independent Director from 1 November 2019

Naomi Coxwell joined Berkshire Healthcare as a Non-Executive Director on 13 December 2017. She lives in Farnham, Surrey and is also a Non-Executive Director for Arco - a safety specialist company, James Walker Group Ltd - a global manufacturing and engineering firm, and Citizens Advice Hart - providing free, impartial and confidential advice for the benefit of the Hart community.

Naomi is a former Vice President of BP and has worked in the oil and gas industry for over 30 years. She is a graduate of Exeter University where she received a bachelor's degree in Geology in 1984, and has studied at The Warton School, University of Pennsylvania, where she received BP's Chief Financial Officer Excellence certificate in 2012.

Naomi started her career in 1984 with Petrofina and was one of the first women to work as a Geologist on offshore rigs in the United Kingdom. She joined BP in 2000 and spent the following 16 years working overseas in increasingly senior positions. She has led diverse, multicultural teams in the development of strategy, management of risk, and in driving continuous improvement across six continents.

Naomi believes that that the physical and psychological health of individuals is the single biggest contributor to societal strength and productivity and sees Berkshire Healthcare as being a major contributor to that cause.

Dr David Buckle – Non-Executive Director, Chair of the Quality Assurance Committee from November 2019

David worked as a GP in Woodley, Berkshire for 30 years. In 1995 he was awarded Fellowship of the Royal College of General Practitioners. He later became senior partner and was a GP trainer for many years. In 2000 he joined the local Primary Care Trust (PCT) Board and later became the clinical chair

for Berkshire PCT. That decision started a long career of clinical leadership and then medical management.

Having been a Medical Director for an NHS Primary Care Trust and then a Commissioning Support Unit, David was appointed Medical Director to Herts Valleys Clinical Commissioning Group in spring 2015.

David was appointed a Non-Executive Director for Berkshire Healthcare Foundation NHS Trust in 2015. Having enjoyed this role, it encouraged David to expand his Non-Executive roles and in September 2018 he became an Associate Non-Executive Director for East and North NHS Hertfordshire Hospital Trust.

David has been a member of the Society for the Assistance of Medical Families for nearly 30 years and early this year he was voted president of the charity. He has also been appointed a trustee for the Stroke Association which is a large national charity.

David believes that his clinical knowledge his understanding of primary care and the wider NHS will help strengthen BHFT for the benefit of patients.

Mark Day – Non-Executive Director and Chair of the Appointments and Remuneration Committee

Mark Day joined Berkshire Healthcare as a Non-Executive Director on 1 September 2016. Mark is a member of the Professional Council of the Global Executive Network and is currently the Chairman of Haven West Berkshire Homeless Charity. Haven operates a Soup Kitchen in Newbury for the homeless and vulnerable in West Berkshire.

Mark started his career with Crookes Healthcare (subsequently Boots Pharmaceuticals) and then moved to the Automobile Association where he embarked on his Human Resources career path. A number of different Human Resources related roles were undertaken until the organisation was acquired by the Centrica Group. Feeling that the time was right for a move into a different industry sector mark joined the Board of the Hospital Saving Association as Director of Human Resources.

Shortly after joining the Hospital Saving Association (subsequently becoming Simplyhealth) Mark assumed Director responsibility for the customer service operation and focussed on improving the personal service provided by the organisation. In addition to achieving consistent years of being in the Sunday Times 100 Best Companies to Work For, many industry awards were achieved for the exceptional service provided to both corporate clients and individual customers.

Until recently Mark was a Trustee of the Society of St James, a charity based in Southampton, which supports the homeless together with alcohol and drug dependant people. During his six years working for the charity Mark chaired the Personnel Committee and latterly became the Vice Chairman of the Society.

Mark firmly believes that people can be the only true differentiator in organisations and is keen to see Berkshire Healthcare continue to provide support across our communities based on this principle.

Chris Fisher – Non-Executive Director, Chair of the Audit Committee and Vice-Chair from 1 November 2019

Chris Fisher took up the role as Non-Executive Director on 1 October 2014. He lives with his family in Maidenhead and most of his career has been spent in the area.

He trained as an accountant locally and qualified in 1983 whilst working for the Avis Europe group of companies where he held a number of senior positions in financial, commercial and operational roles over a period of almost 22 years.

He completed an MBA at Henley in 2001 and joined the NHS the same year as Finance and Performance Director for a local Primary Care Trust. He went on to lead on commercial matters for the regional Strategic Health Authority in Newbury before taking planned partial early retirement in 2009.

Most recently, he led the project on behalf of Heatherwood and Wexham Park Hospital NHS Foundation Trust for its acquisition by Frimley Park Hospital and previously he was project director for Berkshire Healthcare's acquisition of the east and west Berkshire community health services provider organisations.

Chris chairs Health Education Thames Valley's (HETV) Assurance Committee – HETV is the organisation responsible for developing the future clinical and medical staffing required in the area. He is also a member of the Assurance Board for the Southern Region of Health Education England, taking the lead on Assurance work.

Other interests include golf and walking his dogs. Chris has also recently become a grandfather.

Ruth Lysons – Non-Executive Director, Chair of the Quality Assurance Committee, Deputy Chair and Senior Independent Director until 31 October 2019

Ruth Lysons is a veterinary surgeon who graduated from Cambridge University in 1982. She worked in two private veterinary practices, specialising in farm animal medicine. She joined the Veterinary Laboratories Agency, progressing through a number of roles to become Head of its national network of veterinary diagnostic laboratories.

From 2002 until 2011, Ruth was Deputy Director, at the Department for Environment, Food and Rural Affairs (Defra). She advised Defra Ministers on animal health policy, led a team of 40 staff, and was accountable for a budget of £50 million per annum. She was also a member of various Government committees assessing the risks posed to human health from animal diseases and was a senior veterinary decision-maker on actions to be taken to control major animal disease outbreaks, including Foot and Mouth Disease, Avian Influenza and Swine Influenza.

Since leaving Defra, Ruth worked for Waitrose on food safety surveillance, and subsequently became an independent veterinary consultant. She is a Non-Executive Director of the British Veterinary

Association, and a Trustee of the charity My Cancer My Choices (Registered Charity 1162165), which provides complementary therapies to support cancer patients in Berkshire.

Born and brought up in Reading, Ruth has lived in West Berkshire with her husband for the last 35 years. They have two grown up children, two dogs and a cat.

Aileen Feeney, Non-Executive Director from 1 November 2019

Aileen Feeney joined Berkshire Healthcare NHS Foundation Trust as a Non-Executive Director in November 2019, and has lived in Wokingham, Berkshire for almost 25 years. Her career has spanned both the commercial and charity sectors, most recently as Chief Executive for a UK-wide patient support charity.

Aileen spent most of her career working in the Electricity, Oil and Gas industry, including seven years as Chief Information Officer for British Gas Business and five years in a Global Strategy and Marketing role for SAP. She has held a wide variety of senior leadership roles that have primarily focussed on the leadership of strategic business transformation both in the UK and overseas.

Aileen holds several voluntary positions including being a Trustee of Oakleaf Enterprise (a Surrey based social enterprise charity providing vocational training for those impacted by mental health issues), a Member of Wokingham School's Circle Trust and a volunteer for the Prince's Trust.

Aileen has an Honours Degree in Biomedical Electronics, is a Chartered Engineer and an Associate of the London College of Music. In her spare time, she enjoys spending time with her family and being outdoors cycling, walking and swimming; recently completing the Land's End to John O'Groats cycle. She also plays in a symphony orchestra.

Mehmuda Mian – Non-Executive Director

Mehmuda Mian practised as a solicitor specialising in commercial and professional indemnity litigation. Her commitment to rigorous, high standards in public life led her to take on a regulatory function at the Law Society, investigating complaints against solicitors, and also chairing independent review panels for the NHS. She left to take up an appointment at the Police Complaints Authority. Mehmuda was subsequently appointed as one of the first Commissioners to the Independent Police Complaints Commission and is a former BBC Trustee, Non-Executive Director of the Independent Safeguarding Authority, and of the Disclosure and Barring Service.

Mehmuda is currently a Non-Executive Director on the Independent Press Standards Organisation and a member of the Disciplinary Committee of the Royal College of Veterinary Surgeons.

Julian Emms – Chief Executive

Julian was appointed Chief Executive in July 2012, following a nine-month period during which he was the acting Chief Executive. Julian started his career in the Probation Service as a Support Worker and went on to undertake a variety of roles in the service over a 10-year period before joining the NHS in 1997.

An NHS Executive Director since 2004 Julian has wide ranging experience in organisational leadership and service improvement. Julian was part of the Trust's successful NHS foundation trust application in 2007 and was the project director who oversaw the integration of community health services into the Trust in 2011.

Julian's senior management roles prior to becoming a director were all joint posts with social care and focused on providing better integrated care for local people.

Julian is also the chair of the NHS Benchmarking mental Health Reference Group, a position he has held since January 2016.

Debbie Fulton - Director Nursing and Therapies

Debbie qualified as a nurse in 1989. She has enjoyed a varied career having held a variety of nursing as well as clinical and operational management positions across Berkshire since 1998 and prior to that as a nurse and ward manager at Frimley Park Hospital. Before commencing her current post in December 2018, Debbie has worked within Berkshire Healthcare since the merger with East and West Community organisations in 2011.

During her time with the Trust, Debbie has held both Clinical and Locality Director positions and from July 2015 was the deputy director of nursing for patient safety and quality.

Debbie lives locally in Berkshire she has 2 grown up children and became a grandmother in 2017, a role which she very much enjoys.

Alex Gild – Deputy Chief Executive and Chief Financial Officer

Alex joined the Trust in September 2006. A business graduate and a qualified accountant he started his NHS finance career as a trainee finance assistant in 1996 and had spells working in the acute trusts in Oxford (Radcliffe Infirmary, Oxford Radcliffe and Nuffield Orthopaedic) before latterly joining South Central Strategic Health Authority.

Alex was Deputy Director of Finance at Berkshire Healthcare NHS Foundation Trust and was appointed Director of Finance, Performance and Information in April 2011 (his title changed to Chief Financial Officer in March 2017) and was appointed Deputy Chief Executive in April 2019. Alex is a member of the Board of Trustees of the Healthcare Financial Management Association and was President of the Association in 2018.

Dr Minoo Irani – Medical Director

Minoo has been working in Berkshire as Consultant Paediatrician (Community Child Health) since 2001 and has held positions as Lead Paediatrician, Clinical Director, Lead Clinical Director and Acting Medical Director in the Trust before being appointed as Medical Director in July 2016. Minoo has a master’s in health management from Imperial College, London and professional qualifications from the United Kingdom, India and the United States.

Minoo has experience of working on projects and committees within the Royal College of Paediatrics and Child Health, General Medical Council, Department of Health and Berkshire Research Ethics Committee. He founded and led the Specialists Network where he championed integrated working practices for professionals across primary and secondary healthcare services, authored health policy reports on Integration of healthcare services and has published and presented on this topic at national meetings.

Bev Searle – Director of Strategy and Corporate Affairs until December 2019

Originally trained as an Occupational Therapist, Bev worked within Child and Adolescent Mental Health Services, inpatient and integrated community Mental Health and Substance Misuse Services, both in Berkshire and in Devon. She then worked as a general manager in NHS Services and continued into clinical, lecturing and managerial roles across a broad range of services in health, social care and housing.

Bev has been working in Berkshire since 1997, in a number of joint health and social care roles and prior to her current role, Bev was Director of Joint Commissioning with NHS Berkshire. She joined the Trust as Director of Corporate Affairs in October 2012 and has subsequently become a member of the Board of the Social Care Institute for Excellence since 2013.

Kathryn MacDermott - Acting Executive Director of Strategy (from 14 December 2019)

Kathryn started in the NHS over thirty years ago with Wandsworth Community Health Trust as Head of Research for an Admission Avoidance and Early Discharge programme of work.

She has worked in community health and primary care, commissioning and transformation. Kathryn joined Berkshire Healthcare in April 2019 as Director of Strategic Planning. She was appointed as Acting Executive Director of Strategy in December 2019.

David Townsend – Chief Operating Officer

David started working for the NHS in 2004 having worked in senior roles for leading private sector, customer focused businesses. These included BP, MacDonalds, Initial and major international food producer Geest Plc. In addition to his commercial responsibilities, he led a number of transformational projects and spent 10 years in senior leadership positions.

His first role with the NHS was to set up a new collaborative organisation for the South-Central region to which he was appointed Managing Director. In 2010, David was appointed Director of Operations for Berkshire Healthcare and Chief Operating Officer in 2013.

None of the Directors have any declared political activities and all are considered independent.

Board composition

Board composition is determined to be appropriate for purpose. Non-Executive Directors with specific skills have been appointed to ensure good balance. These include skills in finance, commercial

operations and strategy and clinical practice and quality. The Executive Director membership is as set out within statute, Chief Executive, Finance, Medical and Nursing Directors plus the Chief Operating Officer and the Director of Strategy and Corporate Affairs.

Directors Expenses

Directors are entitled to claim expenses in accordance with their terms and conditions of appointment. Expenses primarily relate to travel and car parking charges and for 2019-20, 10 Directors (out of 13) claimed expenses with an aggregate value of £10,413.55.

Remuneration report

Chair and Non-Executive Director Remuneration

The remuneration and expenses of the Chair and Non-Executive Directors are determined by the Council of Governors on the recommendation of the Council of Governors' Appointments and Remuneration. The Committee takes account of relevant market data, including the NHS Providers' Chairs and Non-Executive Directors Annual Remuneration Survey. The Council of Governors' Appointments and Remuneration Committee comprises of four Governors and is chaired by the Trust Chair. When the Committee is reviewing issues pertaining to the Chair, the Lead Governor chairs the meeting and the Trust Chair is not present.

The remuneration of Non-Executive Directors is comprised solely of their annual fee as set out in the table on page 70.

Non-Executive Directors' remuneration was last reviewed in 2013. The Council of Governors' Appointment and Remuneration met in July 2019 and compared the current level of Non-Executive Director remuneration with other local NHS foundation trusts and with the benchmarking data provided by NHS Providers. The Committee agreed to remove the special responsibility allowances for the Vice Chair, the Senior Independent Director and the Chair of the Audit Committee and to increase Non-Executive Director remuneration to £15,000 per annum.

The Council of Governors will have regard to NHS Improvement's paper "Structure to Align Remuneration for Chairs and Non-Executive Directors of NHS trusts and NHS Foundation trusts" published in November 2019 when appointing new Non-Executive Directors.
The Committee also reviewed the Chair's remuneration but was satisfied that the level of his remuneration was in line with other local NHS foundation Trusts and with the national benchmark salary data provided by NHS Providers.

Senior Managers Remuneration

Remuneration of the Trust's 'senior managers' (the Chief Executive, Executive Directors and Very Senior Managers (VSMs) is determined by the Trust Board's Appointments and Remuneration Committee. The Trust Board's Appointments and Remuneration Committee comprises all the Non-

Executive Directors and is chaired by Mark Day, Non-Executive Director. The Chief Executive attends the meetings except when the Committee is discussing his terms and conditions and remuneration.

The Committee does not routinely apply inflationary uplifts or increases and only applies uplifts of any kind where this is thought justified by the context. The primary aim of the Committee is to ensure that Executive and Very Senior Manager remuneration is set at an appropriate level to ensure good value for money, whilst enabling the Trust to attract and retain high quality Directors. Executive Directors and Very Senior Manager remuneration does not currently include a specific performance related element.

Senior Managers Remuneration Policy

The Committee reviewed the Trust's remuneration policy for Executive Directors and Very Senior Managers in April 2019. In developing a new remuneration policy, the Committee was mindful of NHS Improvement's guidance on Very Senior Managers Pay and the remuneration section of the United Kingdom Corporate Governance Code 2018 which identified the following as best practice:

- **Clarity** – the remuneration arrangements should be transparent
- **Simplicity** – remuneration structures should avoid complexity and should be easy to understand
- **Risk** – remuneration arrangements should ensure reputational and other risks from excessive rewards and behavioural risks that can arise from target-based incentive plans
- **Predictability** – the range of possible values and rewards to individual directors should be identified and explained as the time of approving the policy

The Committee also identified the following key considerations for the new remuneration policy:

- **Trust's Values and Behaviours** - to reflect the values of the organisation and ensure the setting of salaries and the annual awards are fair, consistent and recognise not only the contribution of the individual but also the overall performance of the Trust.
- **Trust's Equalities and Diversity Strategy** - The Committee should ensure any changes to senior salaries consider any gender or unconscious bias that may occur. Pay decisions must always consider experience, competence, skills, responsibility, accountability and performance.
- **Hays Directors Pay and Reward Review December 2018** - Following the independent review, it was agreed that the role of the Chief Operating Officer and the Director of Nursing are comparable in terms of accountabilities and responsibilities and this should be reflected when setting the remuneration for the Director of Nursing.

New Executives

The Chair and the Chief Executive would determine the salaries for new starters. This would take account of:

- NHS Improvement and other external salary benchmarking data

- Market conditions, for example, reviewing the number of quality candidates applying and the salary expectations
- Review of experience at Very Senior Manager or equivalent level
- Consideration of the gender pay gap and any unconscious bias

Annual Pay Review of Executives

The Committee agreed that the annual pay review for Executive Directors and Very Senior Managers would take account of:

- The Trust's performance against targets set at the start of the annual performance cycle; the outcome of the Care Quality Commission's Well Led assessment; financial stability; and an assessment against national agreed contracts and performance benchmark data for comparable organisations;
- NHS Improvement and NHS Provider's national salary benchmark data;
- Local recruitment markets (for example, local NHS Trusts' ability to recruit in year and staff turnover etc);
- The annual award for all Agenda for Change staff;
- A review performance of the individual:
    - If performance is not satisfactory, the individual will not be considered for either a consolidated or non-consolidated pay award
    - Base pay position against the NHS Improvement benchmark will take place, if performance is 'good' then consideration of a consolidated or a non-consolidated award would take place
    - If the individual is in the upper quartile of the pay range of NHS Improvement's benchmarks, consideration would be given to awarding a non-consolidated pay increase in line with the Agenda for Change award
    - If the individual's salary is below the upper quartile pay range, the Committee will consider awarding consolidated pay awards until the individual reaches the upper quartile (subject to satisfactory performance).
- In addition, for individuals to be eligible for a pay award:
    - They must have had a satisfactory appraisal in the last 12 months
    - Their performance and/or capability is not being formally managed
    - They do not have a live formal disciplinary sanction on their record
    - They must be up to date with all their statutory and mandatory training
    - If they are a line manager, the appraisals for all their team are completed.
    - If there is something beyond their control which has stopped them from achieving any of the above, then this will be taken into consideration
- Review of exceptional performance:
    - If the performance of the individual has been exceptional, the Committee will determine whether an additional non-consolidated payment should be awarded
    - If the individual earns above the Prime Minister's salary, the Chair will refer the case to NHS Improvement for review and comment prior to submission to the Department of Health and Social Care for the Secretary of State's opinion.

- Gender pay gap and unconscious bias consideration –the Committee will assure itself that no pay discrimination occurs when determining base pay or performance awards. The Committee will use evidence and test the reliability of that evidence when making decisions. Pay decisions will be based on evidence, experience, competence, skills, responsibility, accountability and performance.
- The Committee recognises that salary uplifts are not automatic and are dependent on the performance of the Trust and on the performance of the individual being satisfactory.
- The Committee retains the right not to award any salary uplifts.

Where any senior manager is paid above the Prime Minister's salary (currently c£158,000 per annum), the Appointments and Remuneration Committee will have satisfied itself that the actual level of remuneration paid is reflective of the individual post holder's level of responsibility and performance and that the remuneration has been considered against appropriate benchmark information, local recruitment market conditions and the need to provide a reward package that ensure the recruitment and retention of high calibre senior executives.

Executive and Very senior manager contracts provide for a period of notice of six months on the part of the Trust as agreed by the Appointments and Remuneration Committee. A senior manager may suffer loss of office in a number of situations and in such cases the six-month notice period normally applies, however, the Trust can, at its discretion, choose to make payment in lieu of all or part of the notice period. Where loss of office is due to circumstances where summary dismissal applies, such as gross misconduct or serious performance failure for example, no notice period would apply. If loss of office was due to redundancy then the notice period would apply, as would any redundancy provisions applying generally in the NHS at the point in time; the principle being that very senior managers would be treated neither no less nor no more favourably than other Trust staff.

Annual Statement on Remuneration

In December 2018, the Trust commissioned Hays Executive to undertake a review of Executive pay and rewards to provide an independent external view of the current relevant market pay and reward data, taking into consideration of the health sector and direct peer organisations. The review concluded that the remuneration of Executives and Very Senior Managers was broadly in line with other comparable organisations.

The Hays review identified a small gender pay gap in relation to the Director of Nursing role which was traditionally a female role and therefore there was a risk that any national benchmarking data perpetuated the gender pay gap.

The Committee addressed the gender pay gap as part of the Director of Nursing and Therapies recruitment process which concluded in June 2019.

Gender pay reporting occurs each March and the Trust's gender pay gap is 20%. Further information about the Trust's gender pay gap can be obtained from the Cabinet Office website at: https://gender-pay-gap.service.gov.uk/Employer/C7N4Lu7y/2019

The Committee considers the pay and conditions of other employees, for example, the agenda for change pay settlement and the current pay settlement for senior civil servants when considering remuneration policy but does not actively consult with employees.

During 2019-20, the Trust did not operate a performance related element to very senior managers' remuneration.

The Appointments and Remuneration Committee noted that the NHS Improvement's comparator salary information was based on 2016 data and had not been updated. The Committee therefore agreed that salary uplifts for qualifying staff would be based on the individual's total (consolidated and non-consolidated) salary for 2017-18. After considering NHS Improvement's guidance on very senior managers' pay, the Appointments and Remuneration Committee agreed the following salary uplifts in line with the Trust's remuneration policy:

- Chief Executive: 2% non-consolidated pay uplift on 2018-19 total salary
- Deputy Chief Executive and Chief Financial Officer: 2% non-consolidated pay uplift on 2018-19 total salary
- Director of Strategy and Corporate Affairs: 2% non-consolidated pay uplift on 2018-19 total salary
- Chief Operating Officer: 2% non-consolidated pay uplift on 2018-19 total salary
- Medical Director: 2% consolidated pay uplift on 2018-19 total salary

The Medical Director received a 2% consolidated pay award because his remuneration was below NHS Improvement's benchmark upper quartile benchmark when compared with similar trusts. The Director of Nursing and Therapies was appointed to the substantive role in July 2019 and her salary was not reviewed in 2019-20.

Other very senior managers received between 2% to 2.5% consolidated pay award. The only non-cash element of the most senior managers' remuneration packages is pension related benefits accrued under the NHS Pension Scheme. Contributions are made by both the employer and employee in accordance with the rules of the Scheme.

All of the senior managers are employed on contracts of service and are substantive employees of the Trust. Their contracts are open ended employment contracts which can be terminated by the Trust by six months' notice. Other Trust staff are covered by the terms and conditions of the national NHS 'Agenda for Change' provisions.

The Director of Nursing and Therapies was excluded from the 2018-19 executive director pay review process because she was appointed in July 2019.

All other Trust staff are covered by national NHS Agenda for Change and Medical and Dental pay and conditions.

The Trust Board sets the organisation's corporate objectives annually and these are used as the basis for developing personal objectives for the Chief Executive and Executive Directors. Performance is closely monitored through the year and in the context of annual appraisal.

Mark Day, Chair, Appointments and Remuneration Committee

Details of remuneration for Directors and senior managers are set out in the tables below:
Salaries and Allowances (*the following information is subject to audit)*

2019-20

				2019/20					
Name	Title	From	To	Salary and fees (in bands of £5,000) * £000s	Taxable benefits (total to the nearest £100) £00s	Annual performance related bonuses (in bands of £5,000) £000s	Long-term performance related bonuses (in bands of £5,000) £000s	Pension related benefits (in bands of £2,500)** £000s	Total (in bands of £5,000) £000s
Executive Directors									
Julian Emms	Chief Executive	01/04/2019	31/03/2020	205 - 210	0	0	0	40.0 - 42.5	245 - 250
Deborah Fulton	Acting Director of Nursing	01/04/2019	31/03/2020	125 - 130	0	0	0	147.5 - 150.0	270 - 275
Alex Gild	Deputy Chief Executive & Chief Financial Of	01/04/2019	31/03/2020	155 - 160	0	0	0	145.0 - 147.5	300 - 305
Dr Minocher Irani	Medical Director	01/04/2019	31/03/2020	180 - 185	0	0	0	95.0 - 97.5	275 - 280
Kathryn MacDermott	Acting Director of Strategy	01/12/2019	31/03/2020	35 - 40	0	0	0	0.0 - 2.5	35 - 40
Helen Mackenzie*	Director of Nursing	01/04/2018	13/01/2019	-	-	-	-	-	-
Beverly Searle**	Director of Corporate Affairs	01/12/2019	31/12/2019	100 - 105	0	0	0	0.0 - 2.5	100 - 105
David Townsend	Chief Operating Officer	01/12/2019	31/03/2020	140 - 145	0	0	0	5.0 - 7.5	145 - 150
Non Executive Directors									
David Buckle	Non Executive Director	01/04/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Naomi Coxwell	Non Executive Director	13/12/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Mark Day	Non Executive Director	01/04/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Martin Earwicker	Chair	01/04/2017	31/03/2020	45 - 50	0	0	0	0	45 - 50
Aileen Feeney	Non Executive Director	01/11/2019	31/03/2020	05 - 10	0	0	0	0	05 - 10
Christopher Fisher	Non Executive Director	01/04/2017	31/03/2020	15 - 20	0	0	0	0	15 - 20
Ruth Lysons	Non Executive Director	01/04/2015	31/03/2020	05 - 10	0	0	0	0	05 - 10
Mehmuda Mian	Non Executive Director	01/06/2015	31/03/2020	10 - 15	0	0	0	0	10 - 15

2018-19

				2018/19					
Name	Title	From	To	Salary and fees (in bands of £5,000) * £000s	Taxable benefits (total to the nearest £100) £00s	Annual performance related bonuses (in bands of £5,000) £000s	Long-term performance related bonuses (in bands of £5,000) £000s	Pension related benefits (in bands of £2,500)** £000s	Total (in bands of £5,000) £000s
Executive Directors									
Julian Emms	Chief Executive	01/04/2019	31/03/2020	195 - 200	0	0	0	17.5 - 20.0	215 - 220
Deborah Fulton	Acting Director of Nursing	01/04/2019	31/03/2020	40 - 45	0	0	0	125.0 - 127.5	165 - 170
Alex Gild	Deputy Chief Executive & Chief Financial Of	01/04/2019	31/03/2020	150 - 155	0	0	0	72.5 - 75.0	225 - 230
Dr Minocher Irani	Medical Director	01/04/2019	31/03/2020	175 - 180	0	0	0	122.5 - 125.0	300 - 305
Kathryn MacDermott	Acting Director of Strategy	01/12/2019	31/03/2020	-	-	-	-	-	-
Helen Mackenzie*	Director of Nursing	01/04/2018	13/01/2019	85 - 90	0	0	0	47.5 - 50.0	135 - 140
Beverly Searle**	Director of Corporate Affairs	01/12/2019	31/12/2019	130 - 135	0	0	0	70.0 - 72.50	205 - 210
David Townsend	Chief Operating Officer	01/12/2019	31/03/2020	140 - 145	0	0	0	52.5 - 55.0	195 - 200
Non Executive Directors									
David Buckle	Non Executive Director	01/04/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Naomi Coxwell	Non Executive Director	13/12/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Mark Day	Non Executive Director	01/04/2017	31/03/2020	10 - 15	0	0	0	0	10 - 15
Martin Earwicker	Chair	01/04/2017	31/03/2020	45 - 50	0	0	0	0	45 - 50
Aileen Feeney	Non Executive Director	01/11/2019	31/03/2020	-	-	-	-	-	-
Christopher Fisher	Non Executive Director	01/04/2017	31/03/2020	15 - 20	0	0	0	0	15 - 20
Ruth Lysons	Non Executive Director	01/04/2015	31/03/2020	15 - 20	0	0	0	0	15 - 20
Mehmuda Mian	Non Executive Director	01/06/2015	31/03/2020	10 - 15	0	0	0	0	10 - 15

Notes:

- *Helen Mackenzie terminated her appointment as Director of Nursing and Governance on 13 January 2019
- **Bev Searle terminated her appointment as Director of Corporate Affairs on 31 December 2019.
- No members of the Trust Board received an annual or long-term performance related bonus in 2018-19 or 2019-20.
- Pension Related Benefits are calculated in accordance with the Finance Act 2004. This is commonly referred to as the "HMRC method". The account included is based on the increase in the director's accrued pension in the year. This will generally take into account an additional year of service together with any increases in pensionable pay. This amount is then multiplied by 20 to calculate the amount to be included in the Remuneration Report.

Top to Median Staff Pay Multiple (Ratio) (*the following information is subject to audit*)

The NHS Foundation Trust provides information on the ratio between the highest paid director compared to the median total remuneration for all employees, including agency, bank and other staff of the NHS Foundation Trust. In calculating the median total remuneration, all payments to employees that constitute salary are included, such as basic pay, and enhancements for unsocial, night-time or weekend working. Overtime is not included as that is not regarded as salary. Employer pension contributions and cash equivalent transfer value of pensions are also excluded.

The reduction in the median pay for 2019-20 is due to the Trust's mix of agency and bank staff. During 2019-20 there was a marked increase in the use of bank staff compared to 2018-19 which was offset by a decrease in the use of more expensive agency staff.

	2019/20	**2018/19**
Band of Highest Paid Directors Remuneration (£'000)	£205 - £210	£195-£200
Median Total Remuneration	£28,471	£29,509
Remuneration Ratio	**7.37**	**6.72**

Pension Benefits (the following information is subject to Audit)

				(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Title	From	To	Real increase in pension at pensionable age (bands of £2,500) £,000s	Real increase / (decrease) in pension lump sum at aged 60 (bands of £2,500) £,000s	Total accrued pension at pensionable age at 31 March 2020 (bands of £5,000) £,000s	Lump sum at pensionable age related to accrued pension at 31 March 2020 (bands of £5,000) £,000s	Cash Equivalent Transfer Value at 1 April 2019 £,000s	Real increase / (decrease) in Cash Equivalent Transfer Value £,000s	Cash Equivalent Transfer Value at 31 March 2020 £,000s	Employer's contribution to stakeholder pension £,000s
Executive Directors											
Julian Emms	Chief Executive	01/04/2019	31/03/2020	0.0 - 2.5	2.5 - 5.0	65 - 70	155 - 160	1,238	61	1,299	0
Deborah Fulton	Director of Nursing & Therapies	01/04/2019	31/03/2020	5.0 - 7.5	12.5 - 15.0	35 - 40	75 - 80	605	54	659	0
Alex Gild	Chief Financial Officer	01/04/2019	31/03/2020	5.0 - 7.5	7.5 - 10.0	50 - 55	115 - 120	775	103	878	0
Dr Minocher Irani	Medical Director	01/04/2019	31/03/2020	2.5 - 5.0	0.0 - 2.5	65 - 70	150 - 155	1,272	77	1,349	0
Kathryn MacDermott	Acting Director of Strategy	01/12/2019	31/03/2020	0.0 - 2.5	0.0 - 2.5	25 - 30	80 - 85	643	22	665	0
Beverly Searle	Director of Corporate Affairs	01/12/2019	31/12/2019	0.0 - 2.5	0.0 - 2.5	50 - 55	155 - 160	1,279	(1,279)	0	0
David Townsend	Chief Operating Officer	01/12/2019	31/03/2020	0 0 - 2.5	2.5 - 5.0	25 - 30	80 - 85	646	(646)	0	0

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

Cast Equivalent Transfer Value

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 pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Following the government's announcement that all public sector pension schemes will be required to provide the same indexation on the Guaranteed Minimum Pension (GMP) as on the remainder of the pension, the NHSPS has revised its method to calculate the CETV values. The real increase in CETV will therefore be impacted as it will include any increase in CETV due to the change in GMP methodology

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period. Where a member has a CETV of £0 the member has reached Normal Retirement Age.

McCloud Judgement

The 'McCloud judgment' was a Supreme Court case in which the Court ruled that the additional final salary protections that were given to certain older members of public service pension schemes were age discriminatory. The judgement applies to all public service pension schemes, including the Local Government Pension Scheme ('LGPS'), and the inequalities identified must be remedied.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

During the year, the Government announced that public sector pension schemes will be required to provide indexation on the Guaranteed Minimum Pension element of the pension. NHS Pensions has updated the methodology used to calculate CETV values as at 31 March 2020. The impact of the change in methodology is included within the reported real increase in CETV for the year.

Julian Emms,
Chief Executive
June 2020

Statement as to Disclosure to Auditors

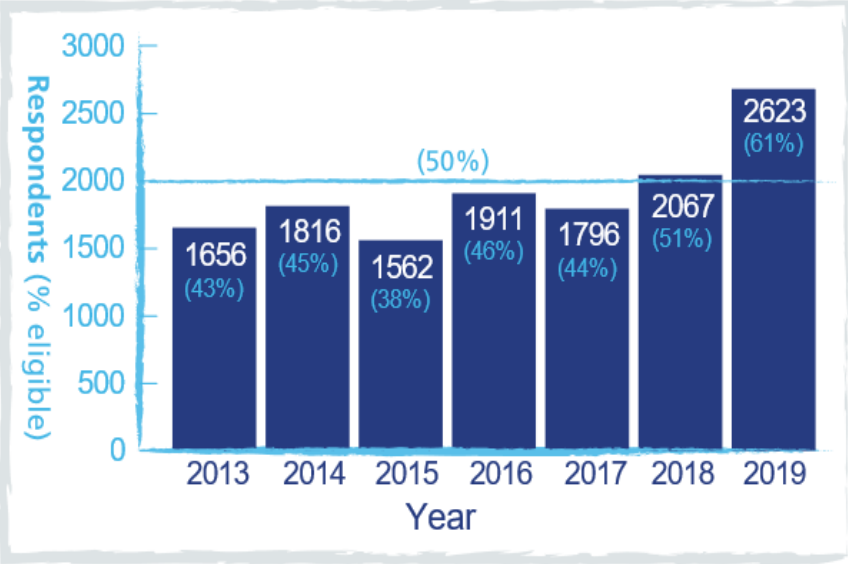
So far as the Directors are aware, there is no relevant audit information of which the Auditors are unaware, and the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Auditors are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

Staff Report

For the last several years, staff engagement has been a strategic organisational development objective for Berkshire Healthcare and we recognise the importance of high levels of staff engagement as a direct contributor to, not only patient care, the patient experience and high quality outcomes, but also to the ability to recruit and retain our workforce.

We are really pleased that our overall rating for staff engagement has increased this year to 7.4 after four years of maintaining a high score (7.3)) alongside an impressive 10% increase in members of our workforce providing feedback. When benchmarked against other Combined Mental Health, Learning Disability and Community Health Trusts, Berkshire Healthcare had the joint second highest engagement score.

Response rates



To increase our response to the survey we allowed staff who don't have easy access to the online survey, to complete the survey manually on paper. Managers and our HR staff talked to staff in advance and walked the wards engaging with people about the reason for the survey and why their feedback was important. Furthermore, additional Staff Bank workers were used to cover staff so they could have time away from the day job to complete the survey.

Themes

The table below shows the eleven themes from the survey that give a high-level overview of the results. This year we've improved or sustained our score in every theme, and our scores are above average for combined Trusts in ten out of eleven themes

	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.4	6.6	7.5	6.7	6.3	7.8	8.7	9.7	7.4	7.5	7.3
Your org	9.0	6.2	7.4	6.4	6.2	7.5	8.3	9.6	7.2	7.4	7.3
Average	9.1	6.1	7.2	6.3	5.7	7.4	8.2	9.5	6.8	7.1	6.9
Worst	8.5	5.6	6.9	6.0	5.0	7.1	7.6	9.1	6.4	6.7	6.6
Responses	2,553	2,575	2,578	2,525	2,332	2,287	2,528	2,547	2,549	2,609	2,578

The areas with most significant improvement this year were around Quality of Appraisals (0.4 increase) and Safety Culture (0.2 increase). This is heartening as it reflects the launch of redesigned and improved appraisal paperwork and a much clearer appraisal time frame and structure. The increase in Safety Culture themes reflects the impact the *Speak Up* campaign and other initiatives have had, and a cultural strength in the confidence of staff to raise and learn from safety incidents. This increase is a positive response to the work done following the staff survey in 2018. The safety culture score is stronger than all other partners within both Integrated Care Systems.

The main initiatives helping us to achieve high staff engagement during 2019-2020 were:

- Our *Listening into Action* programme which is aimed at improving patient care by listening to staff, acting on their ideas and empowering them to take their suggestions forward
- Our *Brighter Together* initiative which supports staff innovation, and which was a direct response to staff on how they could take forward creative ideas for patient care.
- Our leadership development programmes, with our *Excellent Manager Programme*, *Essential Skills for Managers*, and followed by our *Senior Clinical Leadership* and *Compassionate Leadership* programmes
- The Quality Improvement Programme launched in 2017. This well-established programme provides groups of staff and services with the training and tools to take ownership for developing and implementing the improvements to their patient care, service delivery and areas of working

Whilst we recognise that we have very positive scores in comparison with similar Trusts, we know that there are some staff for whom the experience is not as good and we continue to focus on those areas as we want every employee to feel that BHFT is a great place to work.

The table below compares the NHS Staff Survey data for the last three years:

	2019/20		2018/19		2017/18	
	Trust	**Benchmarking Group**	**Trust**	**Benchmarking Group**	**Trust**	**Benchmarking Group**
Equality, diversity and inclusion	9.0	9.1	9.0	9.2	9.1	9.2
Health and wellbeing	6.2	6.1	6.1	6.1	6.2	6.1
Immediate managers	7.4	7.2	7.2	7.2	7.2	7.1
Morale	6.4	6.3	6.3	6.2	NA	NA
Quality of appraisal	6.2	5.7	5.8	5.5	5.9	5.4
Quality of care	7.5	7.4	7.4	7.4	7.5	7.4
Safe environment - bullying and harassment	8.3	8.2	8.2	8.2	8.4	8.3
Safe environment – violence	9.6	9.5	9.5	9.5	9.6	9.5
Safety culture	7.2	6.8	7	6.8	7.1	6.7
Staff engagement	7.4	7.1	7.3	7	7.3	7.0

Other mechanisms for gathering staff feedback:

The free text section of the staff survey also provides vital qualitative feedback, giving us a richer understanding our staff experience. We have commissioned Picker, who run our National NHS Staff Survey, to produce an in-depth report which analyses the free text comments. The headlines are that 552 people left a free text comment, and out of those 53% of all the feedback was positive. Some examples of typical comments* are:

Organisation

"I feel that the organisation is a good place to work, and my experience has been altogether positive, however, I am concerned about the continued pressure put on the staff to see more patients, without compromising the quality of our care."

Management

"Increasing pressure on clinical staff leads to increasing pressure on managers and trying to balance these and ensure patient care is more challenging than ever."

*A "typical comment" is an example piece of feedback that has been identified as statistically representative.

Areas of Focus for 2020/21

The national staff survey is just one mechanism for receiving feedback and when agreeing the areas of focus, we also take into account the key workforce data that we collect regularly as part of our *People Dashboard*, feedback from exit surveys, the *Big Conversation* and the *Friends and Family Test*.

By looking at a combination of survey themes and questions, and other feedback mechanisms we have identified these areas of focus for us in 2020/21:

- The Equality, Diversity and Inclusion
- Work pressures
- Staff health & wellbeing
- Safe working environment

Equality, Diversity and Inclusion

Equality, Diversity and Inclusion remains an area of focus. Whilst there are some indications of positive improvements in staff experience, there is still work to do to and as such, this will be a priority for 2020/21 especially as we develop our new Equality, Diversity and Inclusion Strategy.

Health, Wellbeing and Safety (including Bullying and Harassment)

There are 20 questions in the staff survey which cover health, wellbeing and safety at work (not including safety culture questions). Questions related to topics such as additional paid/unpaid work, work related stress, MSK health issues, attendance at work when unwell, physical violence, bullying and discrimination.

Out of these 20 questions, 14 were along the average with four being statistically better than average and one statistically worse than average for similar Trusts. This provides an ideal opportunity to move from average to good in a lot of these areas and will support the work being undertaken by the Freedom to Speak Up Guardian, Health and Wellbeing lead and other teams across the organisation.

Work Pressures

Work pressure is a clear theme that emerges through the lowest scoring questions for the Trust. This is a theme important to address but which reflects also the continued regional and national staffing shortages and the consequent workforce pressures on NHS staff.

The issues raised are around:

- Working additional hours
- Dissatisfaction with pay
- Feeling pressure to come to work even well ill
- Time pressures when in work

Divisional and operational teams will be encouraged to look at local working hours and pressures as a priority area, Broader organisational work will be picked up by the Health & Wellbeing Corporate Group and there has been an increased focus on both the recruitment and retention of staff in key areas.

NHS pay is nationally governed as therefore, more complex for a single Trust to resolve. The National NHS Staff Survey does show that, for this question, staff satisfaction with pay is lowest in Trusts in southern England, where living costs are highest.

Recruitment and Retention Initiatives

Our aim is to 'Make this a Great Place to Work – for Everyone' and as it is a Trust priority to reduce staff turnover and improve our staff retention rate, we have implemented a number of initiatives this year which are starting to have a positive impact.

Retention

Analysing our staff turnover data, we identified that there was a concern with turnover of our new starters. In response to this, a revised process was implemented that emphasised the importance of having regular probationary meetings and improved local induction processes to ensure that our new starters felt welcomed and supported into their new role and team. We also worked with managers to ensure that they had the skills and allocated time for the improved induction and probationary support for welcoming people into their teams.

We also trialled 'Stay Surveys' at Prospect Park Hospital which were designed to find out from existing ward and team members from all disciplines what they feel is positive at work, and what ideas they may have to make them want to continue to stay. In response to the feedback, we launched, on-the-ward career surgeries to support staff with their career planning and outline wider career opportunities. Since January 2020, we have completed 24 career surgeries with a wide range of colleagues from clinical support workers to Deputy ward managers and this has been quite well received by those who have been involved.

In line with our objectives, these initiatives have helped us to successfully reduce our voluntary staff turnover rate from 16.4% in April 2019 to 14.78% in March 2020.

Recruitment

We identified district nursing as a key recruitment need. The HR team now centrally manage all the district nursing vacancies - this includes proactively contacting all qualified nursing applicants the same day their application is submitted so they are quickly offered an interview. This has had a positive impact and there is evidence that this personal contact has increased the number of qualified nurses starting with our services. Learning from this success, we have also rolled this out to particular areas where there is an identified shortage of skills and a history of difficult to fill posts.

Our use of social media has grown steadily, and this has become one of our key tools to engage with both the public and our staff. It has been instrumental in building our employer brand using organic

content such as good news stories or promoting our vacancies which showcase why Berkshire Healthcare is a 'great place to work'. Social media has also become our main recruitment advertising source and enables the trust to run far more targeted campaigns.

This increase in targeted recruitment and retention activity has led to a net headcount increase of over 100 people by the end of the year.

Staff numbers (the following information is subject to audit)

Average number of employees (whole time equivalent basis)

	2019-20		**2019-20**		**2018-19**		**2018-19**
	Permanent		**Other**		**Permanent**		**Other**
Medical and dental	177		11		166		14
Ambulance staff	4		0		4		0
Administration and estates	565		42		530		37
Healthcare assistants and other support staff	79		0		250		2
Nursing, midwifery and health visiting staff	1,003		135		969		137
Nursing, midwifery and health visiting learners	930		174		914		157
Scientific, therapeutic and technical staff	744		32		688		32
Healthcare science staff	197		2		14		1
Total average numbers	**3,699**		**396**		**3,535**		**380**

Payments and Trade Union Time

Total number of employees who were relevant Trade Union officials during 2019/20

Number of employees who were relevant Trade Union officials during 2019-20	*Full-time equivalent employee number*
19	16.25

Table 2 - Percentage of time spent on facility time

Percentage of time relevant Trade Union officials employed by the Trust during 2019-20 spent on working on facility time:

Percentage of time	Number of employees
0%	13
1-50%	6
51-99%	0
100%	0

Table 3 - Percentage of pay bill spent on facility time

The percentage of the total pay bill spent on paying employees who were relevant Trade Union officials for facility time during 2019-20:

First Column in Table 2 above	Figures
Total cost of facility time	£18,723 (per annum)
Total pay bill	£198,611 (per annum)
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

The Trust does not allow Trade Union representatives to attend meetings during work time which are defined by ACAS as: "time for which there is no specific right to be paid including meeting full-time officers, attending regional or branch meetings".

Staff numbers (*the following information is subject to audit*)

Average number of employees (whole time equivalent basis)

	2019-20		2019-20		2018/19		2018/19
	Permanent		Other		Permanent		Other
	Number		Number		Number		Number
Medical and dental	177		11		166		14
Ambulance staff	4		0		4		0
Administration and estates	565		42		530		37
Healthcare assistants and other support staff	79		0		250		2
Nursing, midwifery and health visiting staff	1,003		135		969		137
Nursing, midwifery and health visiting learners	930		174		914		157
Scientific, therapeutic and technical staff	744		32		688		32
Healthcare science staff	197		2		14		1
Total average numbers	**3,699**		**396**		**3,537**		**381**

The following information is subject to audit

Compensation Schemes – Exit Packages 2019-20

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	1	3	**4**
£10,001 - £25,000	-	1	**1**
£25,001 - 50,000	1	-	**1**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**2**	**4**	**6**
Total resource cost (£)	45,000	28,000	**73,000**

Reporting of compensation schemes - exit packages 2018-19

	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	-	-	**-**
£10,001 - £25,000	1	1	**2**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	1	-	**1**
£100,001 - £150,000	1	-	**1**
£150,001 - £200,000	-	-	**-**
Total number of exit packages by type	**3**	**1**	**4**
Total resource cost (£)	177,000	19,000	**196,000**

Exit packages: other (non-compulsory) departure payments

	2019-20		2018-19	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	3	10	1	19
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	1	18	-	-
Total	**4**	**28**	**1**	**19**

Off Payroll Arrangements Disclosure

The NHS Foundation Trust reports arrangements whereby individuals are paid through their own companies (and so are responsible for their own tax and national insurance arrangements, not being classed as Trust employees). The costs of these off-payroll engagements are recorded in the expenditure of the Trust, within consultancy costs. The Trust made no "off payroll" payments from 1 April 2019 to 31 March 2020.

Sickness Absence Figures – January to December 2020

The Trust's Sickness Absence Figures are published on the NHS Digital website at:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Counter fraud activity

The Trust operates a robust arrangement for minimising the risk of fraud and meets the requirements of the Secretary of State that each health body nominate an officer to act as its Local Counter Fraud Specialist. As well as handling suspected cases of fraud, the service provides awareness and education support to help embed an 'anti-fraud' culture throughout the organisation. There is a clear policy on counter fraud together with other provisions to support staff in raising concerns about possible fraudulent activity.

Health and Safety

The Trust's arrangements for the health and safety of staff, patients, visitors and others are set out in a clear organisational policy that emphasises the organisation's commitment to providing a safe place to work and a healthy environment for all. A comprehensive suite of policies and procedures are in place to ensure that risks to the health and safety of all are minimised and these policies and procedures are reviewed regularly to ensure the effectiveness of the Trust's health and safety management system.

The Trust produces an annual Health and Safety report, which reviews the Trust's performance on a range of categories, comparing results to the previous year and national figures. Key points of note include:

- The Trust received no Enforcement Notices in 2019.

- There were 13 incidents reported under the RIDDOR regulations in the year 2019, showing a decrease of one incident compared to 2018. Manual Handling, Assaults and Slips, Trips & Falls are the main incident types accounting for >90% of all RIDDOR reportable incidents. Every incident is investigated; route causes identified, and remedial actions implemented.

- During 2019 the Trust reported 626 physical assaults against staff. This is a decrease of 15 compared to 2018. It also reported 313 Non-Physical Assaults against staff, an increase of 14 over the previous year. This remains a major focus of the Trust's Quality Improvement programme to reduce patient assaults on staff.

- During 2019 the Royal Berkshire Fire and Rescue Service undertook three fire safety visits to ensure the Trust is compliant with the Regulatory Reform (Fire Safety) Order 2005.

- 6 fires were reported during 2019. Three were accidental and three were arson. This is a reduction of 50% on the previous year.

- Compliancy in statutory training: Fire Awareness – The number of staff trained throughout 2019 has seen a rise from 87.86% to 93.95%. This is a strong improvement but still just short of the Trust's target of 95% compliance.

- Compliancy in statutory training: Health & Safety - The number of staff trained throughout 2019 has averaged 94.73%. This is above the Trust's target of 90% compliance.

Julian Emms
Chief Executive

June 2020

COUNCIL OF GOVERNORS

The Trust's Council of Governors plays a crucial role in the governance of the Trust providing a forum through which the Board of Directors is accountable to the local community. The Council discharge a number of key responsibilities including:

- Representing the interests of the Trust's members and stakeholder organisations in the governance of the Trust;
- Appointing or removing the Chair and other Non-Executive Directors;
- Approving the appointment (by the Non-Executive Directors) of the Chief Executive;
- Deciding the remuneration, allowances and other terms and conditions of office of the Non-Executive Directors;
- Holding the Non-Executive Directors to account for the performance of the Board;
- Considering the annual accounts, plus any report of the external auditor on them, and the annual report;
- Appointing the External Auditors;
- Developing and approving the Trust's membership strategy;
- Providing views to the Board of Directors on the Trust's forward planning;
- Undertaking functions requested from time to time by the Board of Directors;
- Attending events in order to engage with members and the public;
- Attendance at the Annual Members Meeting.

Membership of Council

During 2019/20 there were 32 positions on the Council of Governors:

- 23 elected from the public and staff constituencies
- 9 appointed from local authorities, universities and voluntary organisations

The elected governors were drawn from the following constituencies:

- Public constituency – total of 19
- Staff constituency – total of 4

The following table shows the attendance record of Governors at Council meetings during the year. The meeting scheduled on 18 March 2020 was postponed because of concerns about COVID-19. The meeting papers were circulated to all Governors.

Name	Constituency	Meetings attended/possible
Linda Berry	Public - Bracknell	3/3
Pat Rodgers	Public - Bracknell	1/3
Gerry Barber	Public - Bracknell	1/3
Raymond Fox	Public – West Berkshire	3/3
Verity Murricane	Public – West Berkshire	1/3

Name	Constituency	Meetings attended/possible
Susana Carvalho	Public – West Berkshire	1/3
John Barrett	Public – Windsor, Ascot & Maidenhead	3/3
Tom O'Kane	Public – Windsor, Ascot & Maidenhead	2/3
Gillian Mohamed	Public – Windsor, Ascot & Maidenhead	0/3
Jagiwan Lal Gopal	Public – Slough (until January 2020)	0/3
Amrik Banse	Public – Slough	2/3
Nigel Oliver	Public – Slough	3/3
Andrew Horne	Public – Wokingham	3/3
Joan Rosalind Moles	Public – Wokingham	1/3
David Lloyd-Williams	Public – Wokingham	3/3
Tom Wedd	Public Reading	1/3
Paul Myerscough	Public – Reading	3/3
Tom Lake	Public – Reading	3/3
Julia Prince	Staff – Clinical	3/3
Guy Dakin	Staff – Non-Clinical	3/3
June Carmichael	Staff - Non-Clinical	2/3
Natasha Berthollier	Staff – Clinical	2/3
Isabel Mattick	LA – Bracknell	3/3
Ruth McEwan	LA - Reading	0/3
Graham Bridgman	LA – West Berkshire	3/3
Atiq Sandhu	LA – Slough	0/3
Julian Shape	LA – Windsor and Maidenhead	0/3
Jenny Cheng	LA – Wokingham	2/3
Arlene Astell	Reading University	0/3
Suzanna Rose	British Red Cross	3/3
Marion Child	Alzheimer's Society (until 24 February 2020)	2/3
Linda Goddard	Alzheimer's Society (from 25 February 2020)	0/0

LA = Local Authority

During 2019-20 there were three meetings of the Council held in public with publicity given through the Trust's website. The fourth scheduled meeting on 18 March 2020 was postponed because of concerns about COVID-19.

In September 2019, the Trust held a public Annual Members Meeting where the Trust's Annual Report and Accounts were presented.

The annual election of Lead and deputy Lead Governor also took place in September 2019 with Governors appointing Paul Myerscough as Lead Governor and appointing David Lloyd-Williams as Deputy Lead Governor.

The Council has also put in place a structure of committees and steering groups to help fulfil its duties and each Committee reports back to the full Council at each Council meeting. The Committees/Groups are:

- Membership and Engagement Group
- Living Life to the Full Group
- Appointments and Remuneration Committee
- Quality Assurance Group

Strong working relationships continue between the Council and Board of Directors with regular engagement, involving Executive and Non-Executive Director attendance at Council meetings, joint meetings between Council and the Board, including two meetings a year specifically with Non-Executive Directors, and regular attendance of Governors at Board meetings. The Chief Executive attends all meetings of the full Council and other Executive Directors attend as and when required. The meetings held with Non-Executive Directors have been useful in supporting Governors to discharge their duty to hold the Non-Executive Directors to account for the performance of the Board and for seeking assurance on service quality and financial sustainability.

For new Governors joining the Trust during the year induction training was provided involving the Trust Chair and Company Secretary.

A number of Governors were actively involved in membership recruitment during the year attending a variety of events, including Reading Pride and other local community events. The Membership Strategy is overseen by the Council's Membership and Engagement Group, supported by the Trust's Marketing and Communications team. The Group continued to explore ways in which Governors can become more engaged with members and the public.

Governors have an opportunity to submit written questions in advance of the informal Joint meetings with the Trust Board and Council of Governors. The Chief Executive and other Executive Directors provide answers to the questions at the meetings which are recorded in the minutes. The Chair holds monthly meetings with the Lead Governor to discuss governor related issues and concerns.

The Trust's Constitution sets out the process for the Council of Governors to remove the Trust's Chair and Non-Executive Directors in the event that all other means of engaging with the Trust Board have been exhausted.

Farewell and welcome

In 2019-20 a number of Governors left, and we welcomed others. Whilst it is always disappointing to lose enthusiastic and experienced Governors, Council benefits immensely from the injection of different perspectives and ideas that new Governors bring.

Our thanks go to our departing Governors: Amrik Banse, Public Governor, Jagiwan Lal Gopal, Public Governor and Marion Child, Partnership Governor (Alzheimer's Society)

We warmly welcomed: Arlene Astell, Partnership Governor (Reading University), and Linda Goddard, Partnership Governor (Alzheimer's Society)

Governor Expenses

The role of Governor is unpaid; however, they are entitled to claim reimbursement of expenses, such as travel and subsistence costs. During 2019-20, fourteen Governors (out of 32) claimed an aggregate total of £2,042.36 in expenses (£2,002.55 in 2018-19) in expenses. The majority of expenses relate to travel costs and the quantum of this is primarily a function of distance from home to meeting locations.

Elections

Public and Staff Governors are elected by the membership of the relevant constituency and they serve for a period of three years. They can be re-elected and can serve for a maximum of nine consecutive years.

All elections were completed and supervised by Civica Election Services and were conducted in accordance with the Trust's Constitution.

The following positions were uncontested:

Staff: Non-Clinical (one Governor)
Staff: Clinical (one Governor)
Slough: Public Governor (one Governor and one vacancy)

An election will take place in the Reading Constituency for two Governors. The election process was paused because of COVID-19 social distancing requirements (the election process would have disadvantaged older and vulnerable members who were self-isolating and who were unable to complete the voting process online who would ordinarily have posted their ballot forms).

The outcome of the election will be reported in next year's Annual Report 2020-21.

Partnership Governors are appointed by the relevant organisation.

Register of interests

A register of interests is maintained for Governors. It is available by contacting the Trust's Company Secretary.

Membership

Berkshire Healthcare became an NHS foundation trust in 2007. This status allows us to make a range of decisions independently from direct government control. NHS foundation trusts are accountable to their staff, patients and local communities through their members and governors. All NHS foundation trusts have a duty to engage with their local communities and encourage local people to become members of their organisations.

NHS foundation trusts are required to maintain a membership which is representative of the communities they serve. Our members and governors help us shape our plans for the future and make sure that the services we provide reflect what is needed locally.

Anyone over the age of 12 can become a member of our Trust. The Marketing and Communications Team is responsible for recruiting and engaging with our membership.

Between April 2019 to March 2020, our membership numbers remained stable, increasing by 239 from 11,935 to 12,174.

During this period, our focus has been on maintaining membership numbers rather than growing them, as we're comfortably over our target number of 10,000 members. However, we did attend Reading Pride as usual, and have worked closely with a range of our services to encourage them to promote membership to their patient groups.

Our staff automatically become members but can opt out if they choose to do so.

Engagement with our Members

Over the last year, engagement with our members has included an invitation to attend our Annual General Meeting, information about voting for governors, and quarterly digital newsletters covering key health topics and information. At the end of March 2020, we also sent an email to all our members with an update on Covid-19 from our Medical Director.

Our current membership numbers in each local authority are shown below.

Current public membership by local authority area on 1 April 2020

Locality	Public	% of Membership	Base	% of Locality
Bracknell	945	12.25	122,154	13.32
Reading	1,955	25.33	165,413	18.03
Slough	759	9.84	150,854	16.45

Locality	Public	% of Membership	Base	% of Locality
West Berkshire	748	9.69	159,733	17.41
Windsor and Maidenhead	679	8.80	151,379	16.50
Wokingham	1,012	13.11	167,720	18.29
Rest of England	1,336	17.31	0	0
Out of Trust Area	283	3.67	0	0
Total	**7,717**	**100.00**	**917,253**	**100.00**

Most of our members live in Berkshire, however a few live further away and have an interest in our organisation. They may be:

- carers who look after, or are responsible for, someone who uses our services
- members of staff
- someone who has moved away from the county and wishes to maintain links with us

These members are part of our 'Rest of England' constituency. The 'Out of Trust Area' category refers to members whose postcode is not recognised.

The table below shows the size of our current membership and the movement in numbers of members compared to 2018-2019.

Membership size and movements on 1 April 2020

Public constituency	2018/2019	2019/2020	Percentage change
At year start (April 1)	7,419	7,631	2.87%
New members	273	158	-42.1%
Members leaving	230	69	-70%
At year end (31 March)	7,631	7,717	1.13%
Staff constituency	**2018/2019**	**2019/2020**	**Percentage change**
At year start (April 1)	4,304	4,342	0.88%
New members	879	868	1.25%
Members leaving	769	753	-2.08%
At year end (31 March)	4,342	4,457	2.65%

Regular cleanses of the database and the daily updating of members means there is a small difference in numbers every day.

The above table shows that fewer public members signed up in the year 2019-2020, but with less members leaving, it shows a gradual increase from the previous year.

The following table shows our public membership by age, ethnicity, socio-economic ground and gender. Membership population figures have been provided by CIVICA Group, our database provider, and are taken from the 2011 census.

The index column displays how on target we are with representing the communities we serve. A score under 100 means there's an under representation and a score above 100 indicates an over representation.

Analysis of public membership on 1 April 2020

Red indicates under representation in the particular membership category

Green indicates over representation in the particular membership category

Age	**No. of public members**	**Population**	**Index**
0-16	16	209,057	1
17-21	165	50,268	39
22+	6,135	657,929	111
Not stated*	1,401	0	0
Age 22+	**6,135**	**657,929**	
Gender	**No. of public members**	**Population**	**Index**
Unspecified	739	0	0
Male	2,542	457,376	66
Female	4,430	459,877	114
Other	6	0	0
Prefer not to say	0	0	0
Ethnicity	**No. of public members**	**Population**	**Index**
Asian	626	111,616	63
Black	241	29,968	90
Mixed	144	22,158	73
Other	1,237	8,250	1,675
White	5,467	689,878	89
ONS/Monitor Classifications	**No. of public members**	**Population**	**Index**
AB	2,149	115,409	88
C1	2,217	113,546	92
C2	1,410	66,589	100
DE	1,577	68,516	109
Total membership	**7,717**	**917,254**	

*Not all members have provided full details for classification.

Plans for 2020-2021

Due to recent events, we are focussed on managing the Covid-19 pandemic, and as such all membership activity has temporarily paused. We will continue to monitor and update the database regularly and ensure figures are up to date. During this time, we will use our social media channels and e-newsletters to maintain some levels of engagement. We are confident we will maintain member numbers and we will continue to communicate key information to all our members when required.

We will review and agree our membership strategic goals and activity for the 2020/2021 period as soon as we are in a position to move towards a more 'business as usual' approach.

Contacting our Governors or Directors

Details of our Governors, as well as our Executive Directors and Non-Executive Board members, can be found in the 'About us' section of our website: www.berkshirehealthcare.nhs.uk.

PUBLIC DISCLOSURES

Accounts note

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2019/20 NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Cost allocation

Berkshire Healthcare NHS Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Berkshire Healthcare NHS Foundation Trust

Annual accounts for the year ended 31 March 2020

Foreword to the accounts

Berkshire Healthcare NHS Foundation Trust

These accounts, for the year ended 31 March 2020, have been prepared by Berkshire Healthcare NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006

Signed ……

Name **Julian Emms**
Job title **Chief Executive**
Date **9 June 2020**

Statement of accounting officer's responsibilities

Statement of the chief executive's responsibilities as the Accounting Officer of Berkshire Healthcare NHS Foundation Trust

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Berkshire Healthcare NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Berkshire Healthcare NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis

- make judgements and estimates on a reasonable basis

- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements

- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance

- 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 foundation trust's performance, business model and strategy and

- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
As far as I am aware, there is no relevant audit information of which the foundation 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 the *NHS Foundation Trust Accounting Officer Memorandum.*

Julian Emms, Chief Executive
Date: 9 June 2020

Berkshire Healthcare NHS Foundation Trust

Annual Governance Statement 2019/20

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation 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 foundation 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 Foundation Trust Accounting Officer Memorandum*.

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 Berkshire Healthcare NHS Foundation Trust, to evaluate the likelihood of those risks being realised 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 Berkshire Healthcare NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The existing comprehensive Risk Management Strategy has been reviewed and approved by the Executive and the Board. It has been disseminated through the Trust. The Deputy Chief Executive & Chief Financial Officer and Director of Nursing and Therapies provide overall leadership for integrated governance at Board level. The Medical Director is the Caldecott Guardian. The Deputy Chief Executive & Chief Financial Officer is the Senior Information Risk Owner.

The Chief Executive chairs the Executive Finance, Performance and Risk (FPR) Committee which has oversight of the Board Assurance Framework (BAF) and Corporate Risk Register (CRR). The FPR Executive Committee comprises the Deputy Chief Executive & Chief Financial Officer in their role as Chair of the Non-Clinical Risk Management Committee, the Director of Nursing and Therapies in their role as Chair of the Safety, Experience & Clinical Effectiveness Group together with the rest of the Executive Directors and senior management representatives. The Committee meets monthly and reviews the BAF and entire CRR as standing items every two months.

The Executive routinely oversees the effectiveness of all other Committees within the governance structure through the receipt of minutes and reports via each of the three Formal Executive Committees (FPR, Quality and Business & Strategy).

The Trust operates in a complex environment with many services dispersed around the county. Each service has its own Risk Register regularly reviewed through line management arrangements. The Trust's Operational Leadership Team (chaired by Chief Operating Officer) has responsibility for ensuring that all locality Risk Registers are up to date and show a true reflection of the risks that may face that service. Directors leading corporate services have the responsibility for ensuring similar Risk Registers are in place for support services. Escalation

of appropriate local service level risks to the CRR is undertaken if necessary following review by the relevant Executive Director.

Risk Management training is part of the corporate induction for all new staff. In addition, all existing staff are required to undertake all mandatory training in the year, to comply with the CQC's Essential Standards of Care; this training includes Fire, Lifting and Handling and Health and Safety. Clinical staff undertake additional clinical mandatory training, which includes an update on clinical risk management.

All Policies and Procedures are published on the Trust intranet and are available to all staff. Relevant Policies include as example, Serious Untoward Incidents, Health and Safety, Infection Control, Information Governance and Freedom to Speak Up (Whistle Blowing) policy.

The Trust Audit Committee as the senior Board Sub Committee responsible for corporate governance assurance continues to review risk reporting and risk management and has done so during 2019/20. The Audit Committee continues to seek best practice guidance with which to inform it. The Audit Committee further tests the resilience of risk mitigation activity by conducting 'deep dive' reviews of individual risks through the year.

The risk and control framework

The Trust's Risk Strategy seeks to minimise risk to the Trust's stakeholders through a comprehensive system of internal controls, risk management and assurance processes, whilst maximising the potential for flexibility, innovation and best practice in the delivery of its strategic objectives. It seeks to deliver high quality, safe services for service users and secure the health, safety and welfare at work of all employees and others on the Trust premises.

The Trust uses a standardised risk assessment tool that enables risks to be graded and scored. The tool requires the individual reporting the risk to determine the risk level at the time of detection and to forecast the risk level that will be achieved following implementation of a risk mitigation plan. The risks to delivery of corporate objectives on the BAF and relevant risks on CRR have been reviewed in detail by the Board and Audit Committee during the year, with a new format BAF produced enhancing the oversight and review of risks for Board and Executive committees. The BAF risks are now routinely reviewed at Board sub-committees (quality and finance), alongside quarterly review at the Audit Committee.

The Trust recognises that it is not possible or always desirable to eliminate all risks and that systems should not stifle innovation. When all reasonable control mechanisms have been put in place some residual risk will inevitably remain in many Trust processes and this level of risk must be accepted. Risk acceptance within the Trust is systematic, explicit and transparent. Where residual risk remains the risk will remain on the BAF, CRR or local risk register. This ensures that it is reviewed through the control systems rather than having been removed from the register and therefore out of sight.

The Safety, Experience & Clinical Effectiveness Group chaired by the Executive Director of Nursing & Therapies provides service reporting oversight for quality governance arrangements within the Trust's clinical services. The Group reports to the Quality Executive Committee chaired by the CEO and is the lead Executive committee for assuring the quality and safety of services, through to the Board Quality Assurance Committee and the Audit Committee, with the Audit Committee providing overall governance assurance and scrutiny.

Routine assurance of compliance with CQC registration requirements and fundamental standards of care is undertaken by the Locality Patient Safety and Quality Groups. Clinical services review their compliance with CQC standards annually with assurance provided to the Executive (through receipt of reports at the Quality Executive Committee) and Board (through

the work of the Quality Assurance Committee) of the quality of care and compliance with regulations. Where recommendations for improvement arise from the internal inspections, service level action plans are developed and followed up to ensure continuous improvement.

The Trust was subject to core services and well led inspections by the CQC in November and December 2019, which resulted in an “Outstanding” overall rating for the organisation and its services. The Trust achieved “Good” ratings across inspection domains for Safety, Effectiveness and Caring. The Trust was rated ‘Outstanding’ in the Responsive and Well Led domains, confirming the leadership and governance arrangements within the Trust are of a high quality and robust. This is the second year running the Trust has been rated “Outstanding” in the well led domain.

Performance information related to quality and patient safety metrics are reviewed and cross referenced with other intelligence available to the governance team prior to inclusion in Trust performance and quality reporting. The metrics are regularly reviewed with the governance and performance team. Governance of data quality in relation to quality metrics is overseen by the Audit Committee through review of the Trust’s Information Assurance Framework.

The Trust completes the Information Governance Tool Kit each year and in this year has achieved a “satisfactory” green rating, supported by over 95% of staff completing annual information governance training.

Ultimate responsibility for Information Security rests with the Chief Executive of the Trust. This responsibility is delegated to the Deputy Chief Executive & Chief Financial Officer as SIRO. Responsibility is further delegated to all staff developing, introducing, managing and using information and information technology systems through the medium of the Information Governance policy.

The Trust IT Compliance & Audit Manager is responsible for the co-ordination of all aspects of computer security and for ensuring that the Trust Information Governance Policy and practice is consistent with those defined and published by the NHS.

Service managers are responsible for the protection of all information and information technology assets within their department.

Line Managers are responsible for ensuring that their permanent and temporary staff and contractors are aware of the following:

- The information security policies applicable in their work areas.
- Their personal responsibilities for information security.
- How to access advice on information security matters.

All staff must comply with Information Governance security procedures including the maintenance of data confidentiality and data integrity. Failure to do so may result in disciplinary action. The Information Security Policy is maintained, reviewed and updated by the Trust. This review takes place annually.

Contracts with external contractors that allow access to the Trust's information systems must always be in operation before access is allowed. These contracts will ensure that the staff or sub-contractors of the external organisation will comply with all appropriate security and confidentiality policies.

The Trust is ever conscious of the cyber security risk. During the year the Board agreed that this risk should be escalated from the corporate risk register to a principal risk within the Board

Assurance Framework to ensure appropriate on-going risk oversight and delivery of enhanced software mitigating actions to protect the Trust from future cyber-attacks. The Trust is performing strongly against NHS Improvement's cyber security standards and achieved cyber essentials pus accreditation. The Executive Committee, Audit Committee and Board receive regular updates on risks and mitigations in this area.

The BAF contains the following key business and operating risks (in year and future):

Key Risk	How they are managed / mitigated
Failure to recruit, retain and develop the right people in the right roles at the right time and at the right cost could impact on our ability to meet our commitment to providing safe, compassionate, high quality care and a good patient experience for our service users	• Continued strong focus on staff retention and recruitment • Targeted interventions around staff health, wellbeing and engagement • Prospect Park Hospital and Children and Young People's Services both have dedicated Human Resources support to support work to reduce vacancy levels. In addition, a fixed term role has created additional capacity to address staff wellbeing. • Recruitment and Resourcing Group has been established across Human Resources, Finance, Nursing and Governance functions to oversee workforce planning • Diversification of apprenticeships has been achieved to include non-clinical staff, for example, estates and facilities, electrical, carpentry etc and leadership and management opportunities for all staff
Failure to achieve national efficiency benchmarks could impact on the Trust's future sustainability and lead to increased regulatory scrutiny	• The Trust has introduced patient level costing • The Trust has completed an external view of the PFI contracts for West Berkshire Community Hospital and Prospect Park Hospital. The review provided assurance that there was little scope for savings • The Trust was in line to deliver its financial plan 2019-20;
Failure of the Sustainability and Transformation Plans to deliver transformational change and required investment in mandated national priorities, including in the mental health five-year forward view, could result in the local health economy not being able to safely keep pace with the rising costs and demand for services	• Strong Trust representation on both the East and West Integrated Care Systems • Trust participation in the development of the Five-Year System Plans
There is a risk that other providers may acquire the Trust's adult and children's community services which would impact organisational sustainability and reduce the Trust's scope to develop new models of out of hospital care	• Robust business development and horizon scanning process in place • Decision making tool aligned with the Quality Improvement Programme in place to assess whether to bid for individual tender opportunities • Programme of regular meetings with the

	Commissioners • Trust participation in Clinical Networks
Failure to develop collaborative working relationships with key strategic partners could result in the Trust losing influence in key decisions leading to less effective services for local people	• Positive feedback from the latest Stakeholder Survey • Locality and Regional Directors for East Berkshire have built a strong relationship with the East Commissioners and are members of the Mental Health Programme Board • The Regional Director West is the Senior Responsible Officer for Mental Health in the Buckinghamshire, Oxfordshire and Berkshire West system
There is a risk of a rise in demand for community and mental health services and a lack of available capacity due to – • failure of other health, social care and third sector providers to deliver their services leading to increase in referrals and higher acuity patients • demographic changes leading to increased patient numbers and greater need • financial constraints of commissioners limiting options for investment to meet growth • system developments and changes to patient pathways increase expectations and demands on Trust services increase in vacancies due to high turnover and lack of available workforce reducing capacity in Trust services. This is a particular risk for Mental Health Inpatient, Community Nursing, Child and Adolescent Mental Health Services and Common Point of Entry currently	• Positive and proactive engagement with Primary Care Networks • Good Trust representation at system meetings and discussions • Bed Optimisation Programme to focussed on reducing inappropriate Out of Area Placements • Ongoing development of the Emotionally Unstable Personality Disorder Pathway • Mobile Working Programme has enabled teams to increase productivity and implement skills mix opportunities to maintain quality
Trust network and infrastructure at risk of malware attack which could compromise systems leading to unavailability of clinical systems, loss of data, ransom demands for data and mass disruption	• The Trust has achieved Cyber Essentials Plus accreditation • Latest anti-malware software is installed on all computers and servers • Alerts are received from NHS Digital regarding the high priority vulnerabilities requiring attention • External hosting arrangements are risk assessed and cyber security obligations built into the contracts.
There is a risk that the Trust may be unable to maintain the standards of safe and high-quality care for patients we aspire to organisation because of the challenges of COVID-19.	• Dedicated page on TeamNet with links to WHO and NHS England COVID-19 guidance • Weekly Live All Staff Briefings • Staff Redeployment process to support frontline staff • Use of virtual patient consultations • Staff Wellbeing support in place • Non-urgent services suspended in line with national guidance • Ethical considerations committee set up

The above BAF risks can also be deemed to be “principal” risks to maintaining the NHS Foundation Trust licence condition 4 (FT governance). Further risk control and mitigation assurance is described throughout this Annual Governance Statement in terms of the governance structures and processes (Board and Executive and local level) that the Trust operates to minimise risk against this operating licence condition.

Risk management is embedded in the organisation through for example a locality represented environment, health & safety committee reporting into the Executive non-clinical risk committee. Local risk registers are directly managed at business unit and service level with local risks and mitigation overseen by and reported up through the Operational and Senior Leadership Teams for escalation through to an Executive Director and the BAF / Corporate Risk Register. Local risk registers are used as a key business planning tool supporting service delivery.

Incident reporting enables the Trust to understand and manage risks associated with patients and staff. Incidents, investigation outcomes and trends are reviewed and discussed at business unit and service level and reported to the Quality Executive Committee with Board level scrutiny undertaken by the Finance, Audit and Quality Assurance Committees. Reporting trends are monitored to ensure all services in the Trust are reporting and if concerns are raised staff are reminded of their responsibility to report. As learning outcomes are shared across the organisation staff can see the value of reporting and the resulting change.

As a Foundation Trust the Board of Directors is accountable to the Council of Governors. The Trust's Council comprises a mix of appointed and publicly elected Governors. The Board provides the Council with information on key strategic risks and performance at each Council meeting. In addition the Trust reports all Serious Incidents to the Commissioners as part of the contractual arrangements and works with Local Authority Health Overview and Scrutiny Committees and Health and Wellbeing Boards to address issues raised by the public and/or local councillors.

The Trust has mechanisms in place to assure the Trust Board that workforce issues are a focus and priority.

Each month key workforce data including turnover, vacancies, sickness, appraisals and training are reported to the Executive Finance, Risk and Performance committee and the reports from this meeting are reviewed at the Finance, Investment & Performance sub-committee of the Board.

Alongside these workforce metrics, the committees also review the monthly Safe Staffing report, which includes a declaration from the Director of Nursing and Therapies. Our staffing levels are reviewed and any changes to staffing and skill-mix are supported by a QIA. An Incident reporting system is used to report risks from reduced staffing and processes are in place to support escalation and actions to mitigate risk.

Biannually a detailed report is submitted to the Trust Board covering all six elements of the Workforce Strategy. The Director of Corporate Affairs Director and Director of People attend the Board to present the report and take any questions, feedback and respond to concerns. The Workforce Strategy covers all aspects of the workforce and the report explains what we are doing today to resolve current issues, and what the plans are for managing longer term issues and those priority areas identified in the NHS Long term Plan.

Every six months a detailed safe staffing report is presented to the Quality Executive Committee and the Board, this report details use of evidence-based tools (where they exist), professional judgement, outcomes alongside other staff and workforce data to provide a triangulated view of safe staffing.

The Board Assurance Framework captures the risks associated with the workforce and currently identifies the recruitment and retention of the workforce as a key priority. This risk is discussed at the monthly Strategic Workforce Steering Group, attended by Divisional Directors and some Service Leads. The risks are discussed, and mitigations are agreed and reported back to the main Trust Board.

If a concern arises then a Non-Executive may lead a discussion with Executive Directors and other key individuals. After one such discussion, the Director of People reports quarterly to the Finance, Investment and Performance Board on retention actions, impact and metrics.

The foundation trust is not fully compliant with the registration requirements of the Care Quality Commission.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes 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.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources

The Board of Directors receives a report on key performance indicators at its formal public meetings. These indicators cover service activity, quality, patient safety and cost as well as the patient experience. In addition there are indicators that monitor the utilisation of the workforce and key assets.

The Finance, Investment & Performance sub-committee of the Board scrutinises this financial and performance information in detail on a monthly basis, providing further assurance to the Board of Directors.

The Finance, Performance & Risk Committee review and scrutinises monthly performance and signals where further work needs to be undertaken to understand the data and/or improve performance. The Operational Leadership Team's locality performance review meetings chaired by the Chief Operating Officer, review service performance routinely and drill down to individual service lines.

The above system ensures that the Trust performs within the agreed parameters of economy, efficiency and effectiveness and should those parameters be breached, is able to quickly identify issues and put in place plans to improve performance.

Through the audit programme internal and external audit provide further external assurance to the Board on economy, efficiency and effectiveness of use of resources.

Information governance

The following table summarises information governance serious incidents, reported to the Information Commissioners Officer (ICO) during the year:

ICO Reported Date	Service	Reportable Information Governance Breach Brief Description	Trust Outcome	ICO Outcome
26/04/2019	EIP	A patient raised concerns they thought a member of staff who they had a personal relationship with may have accessed their clinical record inappropriately. Following a fact find and investigation exercise the breach was confirmed with no mitigation	Full HR investigation undertaken. Member of staff dismissed	No action - Trust was deemed to have taken appropriate action and has appropriate policies and safeguards in place
05/07/2019	EIP	A GP letter was copied to a client for the Early Intervention in Psychosis (EIP) service. The letter was addressed to the client by name, however the house address used was not the current address, instead it was sent to the client's mother. She opened the letter despite it not being addressed to herself and then used the information contained to "taunt" the client causing him distress	Serious incident investigation, action plan identified and completed	Downgraded, ICO did not deem reportable
08/10/2019	Health Visiting	Family received a blank 9 to 12 month health review from Health Visiting Team concerning their child which was posted to the relevant family but also included confidential and sensitive data concerning another unrelated child with safeguarding concerns. Details included; Name, DOB, NHS number, Address, GP practice, Mobile telephone number, Ethnicity and Gender	Serious incident investigation, action plan identified and completed	No action - Trust was deemed to have taken appropriate action
06/11/2019	CH West	Member of staff found a yellow ring binder on a shared desk in the main office; there is no restricted access to this office beyond access controls for entry for only staff who work at that site. The information within the folder was an HR file relating to a member of staff and contains highly sensitive information including 1:1 notes, disciplinary investigation letters, sick certificates and recruitment information	Serious incident investigation, action plan identified and completed	No action - Trust was deemed to have taken appropriate action
04/12/2019	Urgent Care	Staff were overheard discussing a grievance involving 2 other members of staff member in a café. The staff having the discussion allegedly used the full names of staff involved and the first names of other staff members and had their work lanyards with ID badges attached on. They had with them a printed email which they read out loud and used inappropriate terminology to describe staff members they were discussing	An HR investigation was initiated. Following a fact find the allegations against the individuals were not upheld and the investigation did not go to next stages.	Downgraded, ICO did not deem reportable following the fact find information "The breach notification obligation does not apply to the incident you have described, as it does not appear that a personal data breach has occurred"

Data quality and governance

- The Deputy Chief Executive & Chief Financial Officer is responsible for data quality processes and assurance.

- The Board and Executive level integrated performance report is underpinned by data recording and monitoring systems.

- The governance of data quality is overseen by the Audit Committee and Finance, Performance & Risk executive committee, which reviews improvement progress in the Trust's Information Assurance Framework.

- The Information Assurance Framework identifies the critical local and national performance indicators across safety, quality and finance that governance committees of the Trust require data quality assurance of.

- The framework oversees a quarterly process of data source assurance and in-depth data quality audits undertaken by our internal data quality team, with feedback and improvement action followed up to improve completeness and accuracy of data.

- Internal team reviews are supplemented by internal and external audit reviews of data quality.

- The Trust is very high scoring on the national data quality maturity index for Trust collected and returned data via national minimum datasets.

- Staff using Trust information systems to record data are trained and supervised in the use of systems and accurate and timely recording, supported by policies and operating procedures.

The Board and senior management team gains further assurance on service quality via visits to divisions to review delivery of the quality agenda and reviewing feedback from patient and staff surveys, safety and outcome reports to Trust board.

Review of effectiveness

As Accounting 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 foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control has been supported by:

- NHSI: Single Oversight Framework Segmentation

- Regular review of strategic-level risks and the BAF by the Executive, Audit and Board sub Committees, and the Board of Directors;

- The Audit Committee in delivering its agreed Audit plan and maintaining a senior oversight of the activity of Board sub committees within the Trust's governance structure;

- The Executive Finance, Performance & Risk Committee and Executive oversight of the Governance structure;

- Executive responsibility for the delivery of effectiveness, efficiency and economy;

- Detailed processes undertaken by the Executive to verify compliance with CQC registration and NHS Foundation Trust Licence Conditions.

- Attainment of ‘Outstanding’ overall core services rating from the November 2019 CQC inspection, and ‘Outstanding’ for Well Led.

- Review of feedback from Staff and Patient Surveys

- Positive assurance rating provided by internal audit on arrangements for risk management and BAF

The Trust's internal auditors, RSM have provided the following positive head of internal audit opinion for the 12 months ended 31st March 2020, the first time the Trust has achieved the highest opinion rating available:

"The organisation has an adequate and effective framework for risk management, governance and internal control."

In providing this positive opinion RSM did not highlight any issues that needed to be reported in this governance statement.

The Trust and RSM have undertaken a range of reviews of financial, clinical and operational issues during the year including board assurance framework & corporate risk register and mandatory Information governance audits.

Audit recommendations are reviewed by the Audit Committee and are implemented according to an agreed timescale. Regular reviews are undertaken by the internal auditors to ensure any actions have been delivered as agreed.

Conclusion

No significant internal control issues have been identified by the Trust in 2019/20 and the Trust's Annual Governance Statement is a balanced reflection of the management position throughout the year.

Signed 

Chief Executive Date: 9 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF BERKSHIRE HEALTHCARE NHS FOUNDATION TRUST

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Berkshire Healthcare Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the foundation trust statement of comprehensive income;
- the foundation trust statement of financial position;
- the foundation trust statement of changes in taxpayers' equity;
- the foundation trust statement of cash flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- property valuations; and
- management override of controls.

	Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the financial statements was £5.0m which was determined on the basis of 2% of forecast revenue.
Significant changes in our approach	There have been no significant changes in our approach.

4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	We have nothing to report in respect of these matters.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Property valuation

Key audit matter description	The foundation trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £83.4m (2018/19: £86.7m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value. The net valuation movement on the foundation trust's estate shown in note 12.1 is an impairment of £4.5m (2018/19 gain of £0.5m).

	As detailed in note 1.3, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19, which meant that at the valuation date the valuers considered that less weight could be attached to previous market evidence for comparison purposes, to inform opinions of value.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls over property valuations, and tested the accuracy and completeness of data provided by the foundation trust to the valuer. We worked with Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the foundation trust's properties, and have agreed the results of the valuation to the amounts disclosed in the financial statements. We have reviewed the disclosures in notes 1.3, 1.8 and 12 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation. We considered the impact of uncertainties relating to the UK's exit from the EU and the COVID-19 pandemic upon property valuations in evaluating the property valuations and related disclosures including the adequacy of the disclosure of the material valuation uncertainty. We assessed whether the valuation and the accounting treatment of the impairment was compliant with the relevant accounting standards, and in particular whether impairments should be recognised as within the surplus from continuing operations or as an item of other comprehensive income.
Key observations	While we note the increased estimation uncertainty in relation to the property valuation as a result of COVID-19, and as disclosed in note 1.3, we consider that the key judgements are within the acceptable range. We are satisfied that the Trust assumptions and valuation methodology are appropriate.

5.2. Management override of controls

Key audit matter description	We consider that in the current year there is a heightened risk across the NHS that management may override controls to manipulate fraudulently the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations. The foundation trust has been allocated £2.4m of the Provider Sustainability Fund, contingent on achieving financial and operational targets each year, equivalent to a "control total" for the year of a surplus (adjusted for certain items) of £1.9m. This creates an incentive for reporting financial results that exceed the control total of £1.9m. The foundation trust's reported results show a surplus of £1.0m, equivalent to £0.8m above the control total when the impact of impairments is removed. NHS Trusts and Foundation Trusts have previously been requested by NHS

	Improvement to consider a series of "technical" accounting areas and assess both whether their current accounting approach meets the requirements of International Financial Reporting Standards, and to remove "excess prudence" to support the overall NHS reported financial position. The areas of accounting estimate highlighted included accruals, deferred income, bad debt provisions, property valuations, and useful economic lives of assets. Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.3.
How the scope of our audit responded to the key audit matter	**Manipulation of accounting estimates** Our work on accounting estimates included considering areas of judgement, including those identified by NHS Improvement. In testing each of the relevant accounting estimates, we considered their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS. We tested accounting estimates (including property valuations (see above), useful economic lives, capitalisation and year end accruals), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources. We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the foundation trust. **Manipulation of journal entries** We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular upon manual journals. We traced the journals to supporting documentation and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias. We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements. **Accounting for significant or unusual transactions** We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this key audit matter.
Key observations	We are satisfied that there is no significant bias in the key judgements made by management.

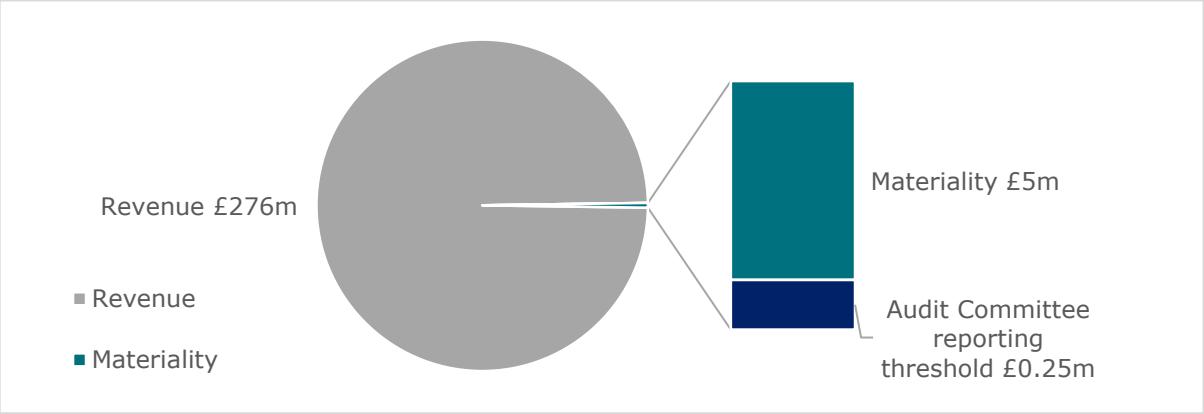
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Foundation trust financial statements
Materiality	£5.0m (2019: £5.0m)
Basis for determining materiality	2% of revenue (2019: 2% of revenue)
Rationale for the benchmark applied	Revenue was chosen as a benchmark as the foundation trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 80% of materiality for the 2020 audit (2019: 80%). In determining performance materiality, we considered the following factors:

a. the quality and maturity of the control environment and the lack of significant control deficiencies identified,
b. the low level of corrected and uncorrected misstatements identified in previous years, and
c. the absence of significant changes in the business.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £250k (2019: £250k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed directly by the audit engagement team, led by the senior statutory auditor. There is only one component included in the financial statements, being the foundation trust itself. There have been no changes to our scoping compared to the prior year.

7.2. Other areas of our audit scope

The audit team included integrated Deloitte specialists bringing specific skills and experience in Information Technology systems and property valuations.

We used our Spotlight Data Analytics platform to identify key trends in the journals population to support our work on management override of controls and as part of our risk assessment

8. Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 respect of these matters.

9. Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines 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 accounting officer is responsible for assessing the foundation 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 the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

11. Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

12. Matters on which we are required to report by exception

12.1. Annual Governance Statement, use of resources, and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, 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 respect of these matters.

12.2. Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

13. Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

14. Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Berkshire Healthcare NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Ben Sheriff, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

9 June 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	253,210	231,603
Other operating income	4	22,684	25,164
Total operating income from continuing operations		**275,894**	**256,767**
Operating expenses	5, 7	(269,509)	(244,942)
Operating surplus/(deficit) from continuing operations		**6,385**	**11,825**
Finance income	9	186	135
Finance expenses	10	(3,915)	(3,765)
PDC dividends payable		(1,697)	(1,682)
Net finance costs		**(5,426)**	**(5,312)**
Gains/(losses) of disposal of non-current assets		-	-
Surplus/(deficit) for the year from continuing operations		**959**	**6,513**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	(3,023)	(2,342)
Revaluations	12	176	3,270
Other reserve movements		(1)	5
Total other comprehensive income		**(2,848)**	**933**
Total comprehensive income/(expense) for the period		**(1,889)**	**7,446**

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	11	6,797	5,233
Property, plant and equipment	12	94,839	97,483
Total non-current assets		**101,637**	**102,716**
Current assets			
Inventories	13	171	150
Trade and other receivables	14	11,413	11,751
Cash and cash equivalents	16	26,406	25,597
Total current assets		**37,990**	**37,498**
Current liabilities			
Trade and other payables	17	(24,760)	(23,939)
Other liabilities	17	(2,492)	(2,289)
Borrowings	18	(1,467)	(1,234)
Provisions	19	(247)	(404)
Total current liabilities		**(28,966)**	**(27,866)**
Total assets less current liabilities		**110,661**	**112,348**
Non-current liabilities			
Borrowings	18	(27,034)	(28,501)
Provisions	19	(1,939)	(1,470)
Total non-current liabilities		**(28,973)**	**(29,971)**
Total assets employed		**81,687**	**82,377**
Financed by			
Public dividend capital		19,228	18,029
Revaluation reserve		33,393	36,240
Income and expenditure reserve		29,066	28,108
Total taxpayers' equity		**81,687**	**82,377**

The notes on pages 122 to 170 form part of these accounts.

Name	Julian Emms
Position	Chief Executive
Date	9 June 2020

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

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward		**18,029**	**36,240**	**28,108**	**82,377**
Comprehensive Income					
Surplus/(deficit) for the year				959	**959**
Other transfers between reserves			-	-	-
- Impairments	6	-	(3,023)	-	**(3,023)**
- Revaluations	12	-	176	-	**176**
Total Comprehensive Income		-	**(2,847)**	**959**	**(1,888)**
Public dividend capital received		1,199	-	-	**1,199**
Other reserve movements		-	-	(1)	**(1)**
Taxpayers' and others' equity at 31 March 2020		**19,228**	**33,393**	**29,066**	**81,687**

Statement of Changes in Equity for the year ended 31 March 2019

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward		**15,985**	**37,028**	**19,873**	**72,886**
Comprehensive Income					
Surplus/(deficit) for the year				6,513	**6,513**
Other transfers between reserves			(1,720)	1,720	-
- Impairments	6	-	(2,342)	-	**(2,342)**
- Revaluations	12	-	3,270	-	**3,270**
Total Comprehensive Income		-	**(792)**	**8,233**	**7,441**
Public dividend capital received		2,045	-	-	**2,045**
Other reserve movements		(1)	4	2	**5**
Taxpayers' and others' equity at 31 March 2019		**18,029**	**36,240**	**28,108**	**82,377**

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 trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health and Social Care 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 NHS foundation trust.

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus/(deficit)		6,385	11,825
Non-cash income and expense:			
Depreciation and amortisation	5.1	6,794	5,003
Net impairments	6	1,703	448
Income recognised in respect of capital donations	4	-	(990)
(Increase)/decrease in receivables and other assets		657	(77)
(Increase)/decrease in inventories		(21)	124
Increase/(decrease) in payables and other liabilities		437	(419)
Increase/(decrease) in other liabilities		203	440
Increase/(decrease) in provisions		152	(245)
Other movements in operating cash flows		(1)	9
Net cash generated from/(used in) operating activities		**16,309**	**16,118**
Cash flows from investing activities			
Interest received		186	135
Purchase of intangible assets		(2,899)	(1,876)
Purchase of property, plant, equipment and investment property		(6,943)	(8,385)
Sales of property, plant, equipment and investment property		-	800
Receipt of cash donations to purchase capital assets		-	1,017
Net cash generated from/(used in) investing activities		**(9,656)**	**(8,309)**
Cash flows from financing activities			
Public dividend capital received		1,199	2,045
Capital element of PFI, LIFT and other service concession payments		(1,234)	(1,016)
Interest paid on PFI, LIFT and other service concession obligations		(3,755)	(3,765)
PDC dividend paid		(2,054)	(1,740)
Net cash generated from/(used in) financing activities		**(5,844)**	**(4,476)**
Increase/(decrease) in cash and cash equivalents		**809**	**3,333**
Cash and cash equivalents at 1 April		**25,597**	**22,264**
Cash and cash equivalents at 31 March	16.1	**26,406**	**25,597**

NOTES TO THE ACCOUNTS

1.1 Accounting Policies and Other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2019/20 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.

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

Accounting standards that have been issued but have not yet been adopted.

The Department of Health and Social Care Group Accounting Manual (GAM) does not require the following Standards and Interpretations to be applied in 2019/20. These standards are still subject to HM Treasury FReM adoption, and are therefore not applicable to DH group accounts in 2019/20.

- **IFRS 16 Leases** will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

- **IFRS 17 Insurance Contracts** – Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

- **IFRS 14 Regulatory Deferral Accounts**, Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies. The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.

The Foundation Trust will assess the impact of these standards after issue of the Group Reporting Manual 2020/21 by NHS Improvement.

1.2.1 Early adoption of standards, amendments and interpretations.

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

1.3 Critical accounting judgements and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Management do not consider there are any critical accounting judgements that have been required in preparing the financial statements.

Key Sources of Estimation Uncertainty

The key sources of estimation uncertainty that have a significant effect on the material amounts recognised in the financial statements in the current or next financial year are detailed below:

- Determination of useful lives for property, plant and equipment - estimated useful lives for Trust's assets are based on common, widely used assumptions for each asset type except where specialist information is available from professional bodies. The Trust reviews these lives on a regular basis as part of the process to assess whether assets have been impaired.

- Accruals are based on estimates and judgements of historical trends and anticipated outcomes. At the end of each accounting period, management review items that are outstanding and estimate the amount to be accrued in the closing financial statements of the foundation trust. Any variation between the estimate and the actual is recorded under the relevant heading within the accounts in the subsequent financial period.

- Provisions for pension and legal liabilities are based on the information provided from NHS Pension Agency, NHS Litigation Agency and the Trust's own sources. Pension provision is based on the life expectancy of the individual pensioner as stated in the UK Actuarial Department most recent life tables which change annually. All provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any differences between expectations and the actual future liability will be accounted for in the period when such determination is made.

- Assets valuations are provided by District Valuation office on annual basis. Valuations are subject to general price changes in the property values across the UK. Asset values might vary from the real market value when assets are disposed. The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by Covid-19. The District Valuation office has issued additional supplementary note on 16th April 2020, regarding the impact of Covid-19, which has been quoted below.

  "This must be read in conjunction with the final report issued. The outbreak of the Covid-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. Therefore as at the valuation date, DVS considered that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to Covid-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. DVS valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, DVS recommends that the Trust keeps the valuation of these properties under frequent review. DVS opinion on the potential impact on the various asset categories is as follows:

a) Specialised In Use (Operational) assets - buildings valued using depreciated replacement cost

There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. Regarding the BCIS cost indices, BCIS have stated that they consider new construction output is likely to fall in 2020 as a result of the Covid-19 outbreak, as it affects labour availability on sites and delays or leads to cancellation of projects in the pipeline. However, at the present time, BCIS have advised and we agree that it is too early for Covid-19 related issues to impact on BCIS indices published and adopted in our valuations.

b) Non – Specialised In Use (Operational) assets including the land element of the depreciated replacement cost valuation of specialised assets

There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. Their basis of valuation is however current value in existing use, having regard to comparable market evidence and early commentary as it exists regarding direction of travel tends to suggest and support a downward movement in value. It is too early at this stage in our professional judgement to accurately evidence this impact and it is our opinion at the date of valuation on the information then available that the assessed impact falls within normal valuation tolerances.

c) Assets Held for Sale and Surplus Assets

Commentary as it exists tends to suggest that the direction of travel is again supporting a downward movement in value, but due to the specific nature of these assets the impact could be greater than for the In Use (Operational) assets."

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

1.4 Going Concern

These accounts have been prepared on a going concern basis following the definition provided in The Treasury's Financial Reporting Manual (FReM).

After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

1.5 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.

The Trust receives the majority of its income from customers on a block contract arrangement which means that payments against the contract are received equally in twelfths across the financial year and which is not directly linked to specific satisfaction of performance obligations.

Revenue from NHS Contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare 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 their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Provider sustainability fund (PSF)

The PSF enables provider to earn income linked to the achievement of financial controls and performance targets. Income earned from the fund is accounted for as variable consideration.

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 only when it receives payment from the Department of Work and Pension's Compensation Recovery Unit. The Trust does not accrue for un-receipted income and subsequently does not provide for any specific allowance for unsuccessful compensation claims and doubtful debts for measurement of expected credit losses over the lifetime of the asset.

Other Operating Income

The Trust receives income from other sources which is not directly related to the delivery of healthcare services. This includes income to support training and development of staff; managed estates services; property rental, and crèche services. Income is also recognised in respect of donations received for the purchase of capital assets or contributions to expenditure. Other operating income is recognised on an accruals basis when the delivery of the activity has occurred.

1.6 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.

Annual Leave Entitlement

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. The permitted carry forward is five days except in exceptional circumstances where an employee is on maternity or long term sickness absence.

Maternity and Paternity Leave Entitlements

The cost of the entitlement for employees on maternity or paternity at the end of the period is recognised in the financial statements. The carry forward is based on statutory maternity pay entitlement applicable at the end of the period.

Pension costs

NHS Pension Scheme

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

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 2020, is based on valuation data as 31 March 2018, updated to 31 March 2020 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. The employer contribution rate for 2019/20 is 20.6%.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Employee contribution top-up

Included in Note 5.1 Operational Expenditure under Staff Costs, is £7,880,000 of notional expenditure is respect of 6.3% pension contribution top-up paid to NHS Pension Agency by NHS England on behalf of the Trust. This is offset by an equal and opposite amount of notional income recorded under Note 3.1 Income from patient care.

National Employment Savings Trust ('NEST')

In 2014/15, the Trust implemented auto-enrolment for eligible employees in the National Employment Savings Trust ('NEST'), which is a scheme set up under the Pensions Act 2008. NEST is regulated by The Pensions Regulator the UK regulator of workplace pension schemes.

NEST is a defined contribution, off Statement of Financial Position scheme. The number of employees auto enrolling into NEST in 2019/20 resulted in employer contribution of £53K. The value of employer contributions in 2018/19 was negligible.

1.7 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.

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; and
- the cost of the item can be measured reliably.

In addition, for Property, Plant and Equipment to be capitalised must:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building or refurbishment, irrespective of their individual or collective cost.

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

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.

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any accumulated depreciation and impairment losses.

The review of valuations for Land and Buildings is performed by the District Valuer Services, which is a specialist property arm of the Valuation Office Agency. Valuations are reviewed on the 31st March of each calendar year, with a full physical inspection every five years, an interim physical verification at three years and a desktop review in all other years. The last full physical inspection was performed on 31st March 2016. The desktop valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020.

Revaluation surpluses and impairments due to changes in valuations are reflected in Other Comprehensive Income in the Statement of Comprehensive Income, the Statement of Changes in Taxpayers Equity and Notes 6 Impairments and 12.1 Property, Plant and Equipment.

Valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis for specialised operational property and existing use value for non-specialised operational property.

The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

Operational equipment is valued at depreciated historic cost as this is not considered to be materially different from fair value. Equipment surplus to requirements is valued at net recoverable amount.

Assets in the course of construction are valued at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately. Assets are revalued and depreciation commences when they are brought into use.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

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.

Revaluation and impairment

Land and buildings are fully revalued every five years with an interim revaluation every financial year. All revaluations are performed by a professional qualified valuer who is a member of the Royal Institute of Chartered Surveyors.

Further revaluations may be done at any other time particularly where there have been additions, dilapidation or part disposal of an asset or on the occurrence of an event likely to cause impairment.

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income.

Decreases in asset values and impairments 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’.

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 income 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.

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic 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.

The standard useful life for Property, Plant and Equipment held by the NHS foundation trust is:

- Buildings (excluding dwellings): 35 years
- Furniture & Fittings: 7 years
- Transport Equipment: 7 years
- Plant & Machinery: 5 years
- Information Technology: 4 years
- Software and Licenses: 3 years

All property plant and equipment are depreciated on a straight-line basis.

Where there is a valid and reasonable expectation of the Trust that the economic useful life of Property Plant or Equipment is different to the standard, this will be assessed on a case by case basis taking into account the materiality of the initial investment and expected timing for replacement. The useful life will then be adjusted accordingly.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

De-recognition

Assets intended for disposal is reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e. management are committed to a plan to sell the asset;
- a programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and,
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the assets on the revaluation reserve is transferred to Income and Expenditure reserve. For donated assets, a transfer is made to or from the relevant reserve to the profit/loss on disposal amount so that no profit or loss is recognised in income and expenses. The remaining surplus or deficit in the donated asset reserve is then transferred to Income and Expenditure reserve.

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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.9 Donated assets

Donated fixed assets are capitalised at their current value on receipt and this value is treated as income and is credited to the Statement of Comprehensive Income. Donated fixed assets are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations are taken though the asset revaluation reserve and, each year, a depreciation charge on the asset is to the income and expenditure account. On sale of donated assets, the net book value of the donated asset is transferred from the revaluation reserve to the Income and Expenditure Reserve.

1.10 Government grants

Government grants are grants from government bodies other than revenue from NHS bodies for the provision of services. Revenue grants are treated as deferred income initially and credited to income to match the expenditure to which they relate. Capital grants are treated as income and the receipt credited to the Statement of Comprehensive Income, the associated asset is treated in a manner consistent with the depreciation and impairment charges for that asset. Assets purchased from government grants are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are taken to the revaluation reserve and, each year, an amount equal to the depreciation charge on the asset charged to the Statement of Compressive Income.

A grant for an asset may be received subject to a condition that it is to be returned to the grantor if a specified future event does or does not occur. For example, a grant may need to be returned if the foundation trust ceases to use the asset purchased with that grant for a purpose specified by the grantor. In these cases, a return obligation does not arise until such time as it is expected that the condition will be breached and a liability is not recognised until that time. Such a condition would not therefore require the grant to be treated as deferred.

1.11 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17.

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

Payment for the fair value of services received;

Payment for the PFI asset, including finance costs; and

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

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

The PFI assets are recognised as a property, plant and equipment when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacements

Components of the assets replaced by the operator during the contract are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme:

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator:

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

1.12 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.

Expenditure on research is not capitalised.

Expenditure on internally generated assets is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware e.g. 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 e.g. 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 under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be a realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. All intangible assets are depreciated between 3 to 10 years on a straight line basis. The expected useful life for software is 3 years.

1.13 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.14 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.

1.15 Leases

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

Finance leases

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

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Where a lessor retains substantially all the risks and rewards of ownership the leases are regarded as being operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.16 Provisions

The NHS foundation 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 the discount rates published and mandated by HM Treasury.

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

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Clinical negligence costs

The NHS Resolution operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS foundation trust is disclosed at note 19.2.

The NHS foundation 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 the NHS Litigation Authority 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.

1.17 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 21 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 21, 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.

1.18 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 trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

A charge, reflecting the cost of capital utilised by the NHS foundation 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 NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.19 Corporation Tax

The Trust is a Health Service body within the meaning of s519A Income and Corporation Taxes Act (ICTA) 1988 and accordingly is exempt from taxation in respect of income and capital gains within the categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to the provision of health care. Where trading activities are undertaken that are commercial in nature the profits per activity are below the £50,000 corporation tax threshold as per the HMRC 'Guidance on the Tax Treatment of Non-Core Healthcare Commercial Activities of NHS Foundation Trusts.

1.20 Value Added Tax

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

1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. However, they are disclosed in note 17.2 in accordance with the requirements of HM Treasury's *FReM*.

1.22 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 finance leases 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 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 or assets measured at fair value through other comprehensive income, 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 Department of Health and Social Care (DHSC) provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies and the Trust will not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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

De-recognition

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 of the risks and rewards of ownership.

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

1.23 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, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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.

1.24 Charitable Funds

Under the provisions of IFRS 10 Consolidated Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. As the charitable income during the financial year was £38K, compared to the Trust's revenue of £275,894K, the funds are not considered sufficiently material for consolidated account to be prepared. The position is reviewed annually, to confirm whether or not the charity's funds are material enough for consolidation to be appropriate. An outline of the charity is as follows:

The Berkshire Health Charitable Fund is registered with the Charity Commission under reference number 1049733. Trustees of the charity are also employees of the NHS foundation trust. Details of the charity can be obtained from www.charitycommission.gov.uk.

Assets donated to the foundation trust are disclosed in Note 12 and separate accounts for the NHS charity will be produced.

Note 2 Operating Segments

IFRS 8 'Operating Segments' requires disclosure of the results of the significant operating segments. A business or operating segment is a group of assets and operations engaged in providing core or non-core services that are subject to risks and returns that are different from those of other business or operating segments. In line with the standard, based on the internally reported activities, the foundation trust identifies that all activity is healthcare related and a large majority of the foundation trust's revenue is received from within UK government departments.

The Trust operates as a single operating segment. The Board of Directors, led by the Chief Executive is the Chief Operating Decision Maker within the Trust. It is only at this level that revenues are fully reported and the overall financial and operational performance of the Trust is assessed. As all decisions affecting the foundation trust's future direction and viability are made based on the overall total presented to the board, the foundation trust is satisfied that the single segment of healthcare is appropriate and consistent with the principles of IFRS 8.

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	2019/20 £000	2018/19 £000
Mental health services		
Block contract income	112,387	102,792
Clinical income for the secondary commissioning of mandatory services	315	337
Other clinical income from mandatory services	2,573	1,954
Community services		
Community services income from CCGs and NHS England	109,387	103,466
Community services income from other commissioners	18,502	18,666
All services		
Afc pay award central funding	-	2,407
Additional pension contribution central funding	7,880	-
Other clinical income	2,166	1,981
Total income from activities	**253,210**	**231,603**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2019/20 £000**	**2018/19 £000**
CCGs and NHS England	233,795	209,885
Local Authorities	14,259	14,416
Department of Health and Social Care	-	2,410
Other NHS foundation trusts	2,789	3,101
NHS Trusts	777	462
NHS Other	3	14
NHS injury scheme (was RTA)	52	77
Non NHS: other	1,535	1,238
Total income from activities	**253,210**	**231,603**
Of which:		
Related to continuing operations	253,210	231,603
Related to discontinued operations	-	-

Note 4 Other operating income

	2019/20 £000	2018/19 £000
Other operating income from contracts with customers:		
Research and development	780	539
Education and training	4,857	5,438
Estates Design and Technical Services	-	-
Car Parking	254	257
Catering	159	146
IT and Global Digital Exemplar (GDE)	956	159
Sustainability and Transformation Fund income	2,416	4,505
Creche Services	1,779	1,856
Property Rental	2,525	2,360
Managed Estates Services	7,430	7,249
Other income	1,467	1,650
Other non-contract operating income		
Receipt of capital grants and donations	-	990
Charitable and other contributions to expenditure	61	15
Total other operating income	**22,684**	**25,164**
Of which:		
Related to continuing operations	22,684	25,164
Related to discontinued operations	-	-

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

	2019/20 £000	2018/19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,289	1,261
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	4,173	3,088

4.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	2019/20 £000	2018/19 £000
- within one year	2,492	2,289
- after one year, not later than five years	-	-
- after five years	-	-
Total revenue allocated to remaining performance obligations	**2,492**	**2,289**

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 4.3 Income from activities arising from commissioner requested services

Under the terms of its Provider License, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2019/20 £000	2018/19 £000
Income from services designated (or grandfathered) as commissioner requested services	243,164	227,215
Income from services not designated as commissioner requested services	32,730	29,552
Total	**275,894**	**256,767**

Note 4.4 Total benefits obtained from the apprenticeship fund	2019/20 £000	2018/19 £000
Cash income received from the apprenticeship levy scheme where the Trust is accredited training provider	24	23
Total benefit obtained from the apprenticeship levy	**24**	**23**

Note 5.1 Operating expenses

	2019/20	2018/19
	£000	£000
Services from NHS foundation trusts	2,132	1,963
Services from NHS trusts	637	450
Services from CCGs and NHS England	26	20
Purchase of healthcare from non NHS bodies	11,888	13,141
Employee expenses - executive directors	1,135	1,157
Employee expenses - non-executive directors	138	130
Employee expenses - staff	195,437	173,869
Supplies and services - clinical	4,662	5,161
Supplies and services - general	1,198	1,093
Establishment	3,453	3,907
Research and development	180	125
Transport	2,869	2,640
Premises	17,308	15,356
Movement in credit loss allowance: contract receivables/assets	-	(68)
Increase/(decrease) in other provisions	193	(210)
Change in provisions discount rate(s)	73	17
Drug costs	5,421	5,897
Rentals under operating leases	3,350	3,381
Depreciation on property, plant and equipment	5,156	4,124
Amortisation on intangible assets	1,638	879
Impairments	1,703	448
Audit fees payable to the external auditor:	-	-
- audit services - statutory audit	74	74
- audit related assurance services	7	7
Internal Audit Fees	55	58
Clinical negligence	807	620
Legal fees	511	433
Consultancy costs	127	173
Training, courses and conferences	1,009	1,750
Service Element of PFI Unitary Payments	6,474	6,376
Redundancy	80	177
Early retirements	96	(4)
Hospitality	1	-
Other services (external Payroll Services)	53	46
Losses, ex gratia & special payments	144	72
Other	1,475	1,680
Total	**269,509**	**244,942**
Of which:		
Related to continuing operations	269,509	244,942
Related to discontinued operations	-	-

Note 5.2 Other auditor remuneration

The other remuneration paid to the auditor included audit related assurance services of £7K (2018/19 £7K). The fees have been disclosed VAT exclusive.

The external auditor is also appointed by the Berkshire Healthcare Charitable Fund, the results of which are not consolidated into these financial statements. Details are included in the Charitable Fund's financial statements which are available on the Charity Commission website.The independent examination fee for 2019/20 has been agreed at £4,000 excluding VAT (2018/19: £4,000 excluding VAT).

Note 5.3 Limitation on auditor's liability

The limitation on auditors' liability for external audit work is £2.0m (2018/19: £2.0m).

Note 6 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Over specification of assets	12	44
Unforeseen obsolescence	-	-
Changes in market price	107	-
Other*	1,584	404
Total net impairments charged to operating surplus / deficit	**1,703**	**448**
Impairments charged to the revaluation reserve	3,023	2,342
Total net impairments	**4,726**	**2,790**

The 'Other' impairment of £1,584K relates to two individual capital expenditure schemes in respect of an existing donated asset and a new leasehold property. The impairment against the schemes was £314K and £1,270K respectively.

The impairment on the donated asset relates to capital works that were underwritten by the Trust in anticipation of relocation of operational service to improve patient experience and access. The cost of the works did not increase the carrying value of the asset at year end, so were impaired. As the works were underwritten by the Trust creating a seperate distinct asset, the impairment risk could not be offset against the revaluation reserve as that existed only for the donated asset. As a result the impairment was expensed to the Statement of Comprehensive Income.

In respect of the capital works on the new leasehold property, these works were valued on the basis of the potential increase in market rental of the property. As the potential market rental increase did not reflect the value of the expenditure, the difference resulted in an impairment. The total value of the works was £2,270K. The increase in market rental was equivalent to £1,000K resulting in an impairment of £1,270K. The capital expenditure on the leasehold property is includes in “Assets Under Construction Additions - purchased” of Note 13.1 Property, Plant & Equipment.

The impairment cost is shown in Note 5.1 Operating Expenses - Impairments.

Note 7 Employee benefits

	Permanent	Other	2019/20 Total	2018/19 Total
	£000	£000	£000	£000
Salaries and wages	137,196	-	**137,196**	**127,445**
Social security costs	13,783	-	**13,783**	**11,841**
Apprenticeship levy	678	-	**678**	**628**
Employer's contributions to NHS pensions	25,903	-	**25,903**	**16,773**
Pension cost - other	53	-	**53**	**25**
External Bank Staff	-	16,005	**16,005**	**14,153**
Agency/contract staff	-	4,865	**4,865**	**6,025**
Total gross staff costs	**177,613**	**20,870**	**198,483**	**176,890**
Recoveries in respect of seconded staff		-	**-**	-
Total staff costs	**177,613**	**20,870**	**198,483**	**176,890**
Included within:				
Costs capitalised as part of assets	1,789	122	**1,911**	**1,864**

Note 7.1 Average number of employees (WTE basis)

	Permanent	Other	2019/20 Total	2018/19 Total
	Number	Number	Number	Number *
Medical and dental	177	11	**188**	**181**
Ambulance staff	4	-	**4**	**4**
Administration and estates	565	42	**607**	**567**
Healthcare assistants and other support staff	79	-	**79**	**252**
Nursing, midwifery and health visiting staff	1,003	135	**1,138**	**1,107**
Nursing, midwifery and health visiting learners	930	174	**1,104**	**1,071**
Scientific, therapeutic and technical staff	744	32	**776**	**721**
Healthcare science staff	197	2	**199**	**16**
Social care staff	-	-	**-**	**-**
Other	-	-	**-**	**-**
Total average numbers	**3,699**	**396**	**4,095**	**3,917**
Of which:				
Number of employees (WTE) engaged on capital projects	43	2	**45**	**42**

Note 7.2 Retirements due to ill-health

During 2019/20 there were 8 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £416K (£8K in 2018/19).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 7.3 Directors' remuneration

The aggregate amounts payable to directors were:

	2019/20	2018/19
	£000	£000
Salary	959	1,054
Taxable benefits	0	0
Performance related bonuses	0	0
Employer's pension contributions	106	113
Total	**1,065**	**1,167**

Further details of directors' remuneration can be found in the Remuneration Report.

Note 8 Operating leases

Note 8.1 Berkshire Healthcare NHS Foundation Trust as a lessee

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	3,350	3,381
Contingent rents	-	-
Less sublease payments received	-	-
Total	**3,350**	**3,381**

Included in 'Future Minimum Lease Payments' are amounts payable to NHS Property Services in respect of several operational sites and locations where the original lease agreement expired on the 31st March 2016. The Trust has continued to hold over its tenancy of these sites in anticipation of new lease agreements being agreed. In the absence of any new leases being signed, the Trust has a reasonable expectation that it will maintain it's occupancy for at least the next five years.

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	2,924	2,860
- later than one year and not later than five years;	8,675	7,585
- later than five years.	5,973	5,357
Total	**17,572**	**15,802**
Future minimum sublease payments to be received	-	-

Operating leases relate to rental of properties and lease cars. Operating leases are charged to operating expenses on a straight-line basis over the term of the lease.

Note 9 Finance income

	2019/20	2018/19
	£000	£000
Interest on bank accounts	186	135
Total	**186**	**135**

Note 10 Finance expenditure

	2019/20	2018/19
	£000	£000
Interest expense:		
Main finance costs on PFI	2,070	2,140
Contingent finance costs on PFI	1,685	1,497
Total interest expense	**3,755**	**3,637**
Other finance costs	160	128
Total	**3,915**	**3,765**

Note 10.1 The late payment of commercial debts (interest) Act 1998

	2019/20	2018/19
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 11.1 Intangible assets - 2019/20

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2019 - brought forward	**11,335**	**-**	**11,335**
Additions	2,899	-	**2,899**
Impairments	(2)	-	**(2)**
Reclassifications	305	-	**305**
Gross cost at 31 March 2020	**14,537**	**-**	**14,537**
Amortisation at 1 April 2019 - brought forward	**6,102**	**-**	**6,102**
Amortisation at start of period for new FTs		**-**	**-**
Provided during the year	1,638	-	**1,638**
Amortisation at 31 March 2020	**7,740**	**-**	**7,740**
Net book value at 31 March 2020	**6,797**	**-**	**6,797**
Net book value at 1 April 2019	**5,233**	**-**	**5,233**

Note 11.2 Intangible assets - 2018/19

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation/gross cost at 1 April 2018 - as previously stated	**9,192**	**495**	**9,687**
Additions	1,876	-	**1,876**
Impairments	(20)	-	**(20)**
Reclassifications	287	(495)	**(208)**
Valuation/gross cost at 31 March 2019	**11,335**	**-**	**11,335**
Amortisation at 1 April 2018 - as previously stated	**5,223**	**-**	**5,223**
Provided during the year	879	-	**879**
Amortisation at 31 March 2019	**6,102**	**-**	**6,102**
Net book value at 31 March 2019	**5,233**	**-**	**5,233**
Net book value at 1 April 2018	**3,969**	**495**	**4,464**

Note 11.3 Intangible assets financing 2019/20

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Net book value at 31 March 2020			
Purchased	6,797	-	**6,797**
Finance leased	-	-	**-**
Donated	-	-	**-**
NBV total at 31 March 2020	**6,797**	**-**	**6,797**

Note 11.4 Intangible assets financing 2018/19

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Net book value 31 March 2019			
Purchased	5,253	-	**5,253**
Finance leased	-	-	**-**
Donated	-	-	**-**
NBV total at 31 March 2019	**5,253**	**-**	**5,253**

Note 12.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**15,877**	**72,456**	**593**	**2,231**	**65**	**23,062**	**2,759**	**117,043**
Valuation/gross cost at start of period as FT								**-**
Additions - purchased	-	1,106	3,134	279	-	2,625	221	**7,365**
Impairments	-	(3,436)	(1,288)	-	-	-	-	**(4,724)**
Reclassifications	-	182	(451)	(2)	-	156	(189)	**(304)**
Revaluations*	19	(2,204)	-	-	-	-	-	**(2,185)**
Valuation/gross cost at 31 March 2020	**15,896**	**68,104**	**1,988**	**2,508**	**65**	**25,843**	**2,791**	**117,195**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**1,893**	**65**	**16,060**	**1,541**	**19,559**
Provided during the year	-	2,361	-	125	-	2,474	196	**5,156**
Reclassifications	-	-	-	-	-	-	1	**1**
Revaluations	-	(2,361)	-	-	-	-	-	**(2,361)**
Accumulated depreciation at 31 March 2020	**0**	**0**	**0**	**2,018**	**65**	**18,534**	**1,738**	**22,355**
Net book value at 31 March 2020	**15,896**	**68,104**	**1,988**	**489**	**(0)**	**7,309**	**1,054**	**94,839**
Net book value at 1 April 2019	**15,877**	**72,456**	**593**	**337**	**(0)**	**7,002**	**1,219**	**97,483**

* Revaluations were performed on the 31st March 2020

Note 12.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - as previously stated	**14,402**	**68,771**	**2,955**	**2,146**	**65**	**18,115**	**1,929**	**108,383**
Additions - purchased	-	2,020	607	72	-	4,718	726	**8,143**
Additions - assets purchased from cash donations / grants	-	990	-	-	-	-	-	**990**
Impairments	-	(2,746)	(25)	-	-	-	(2)	**(2,773)**
Reversals of impairments	-	3	-	-	-	-	-	**3**
Reclassifications	-	2,804	(2,944)	13	-	229	106	**208**
Revaluations**	475	614	-	-	-	-	-	**1,089**
Transfers to/ from assets held for sale	1,000	-	-	-	-	-	-	**1,000**
Valuation/gross cost at 31 March 2019	**15,877**	**72,456**	**593**	**2,231**	**65**	**23,062**	**2,759**	**117,043**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**0**	**-**	**1,781**	**65**	**14,377**	**1,393**	**17,616**
Provided during the year	-	2,181	-	112	-	1,683	148	**4,124**
Revaluations	-	(2,181)	-	-	-	-	-	**(2,181)**
Accumulated depreciation at 31 March 2019	**0**	**0**	**0**	**1,893**	**65**	**16,060**	**1,541**	**19,559**
Net book value at 31 March 2019	**15,877**	**72,456**	**593**	**337**	**(0)**	**7,002**	**1,219**	**97,483**
Net book value at 1 April 2018	**14,056**	**65,741**	**534**	**455**	**2**	**3,008**	**518**	**84,314**

** Revaluations were performed on the 31st March 2019

Note 12.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned	15,896	7,895	1,988	483	7,309	1,049	**34,619**
On-SoFP PFI contracts and other service concession arrangements	-	57,341	-	-	-	-	**57,341**
Donated	-	2,868	-	6	-	5	**2,879**
NBV total at 31 March 2020	**15,896**	**68,104**	**1,988**	**489**	**7,309**	**1,054**	**94,839**

Note 12.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned	15,877	9,677	593	329	7,002	1,209	**34,686**
On-SoFP PFI contracts and other service concession arrangements	-	59,760	-	-	-	-	**59,760**
Donated	-	3,019	-	8	-	10	**3,037**
NBV total at 31 March 2019	**15,877**	**72,456**	**593**	**337**	**7,002**	**1,219**	**97,483**

Note 12.5 Valuation methods for land and buildings

	Land	Buildings excluding dwellings
	£000	£000
DRC - Modern equivalent asset basis (no alternative site)	14,896	68,104
Fair value (surplus PPE land and buildings)	1,000	-
	15,896	**68,104**

Note 13 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	171	150
Total inventories	**171**	**150**

Drug inventories recognised in expenses for the year were £1,637K (2018/19: £1,756K). Write-down of inventories recognised as expenses for the year were £0K (2018/19: £0K).

Note 14.1 Trade receivables and other receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	7,508	8,476
Prepayments (non-PFI)	2,826	2,139
PDC dividend receivable	319	-
VAT receivable	615	986
Other receivables	145	150
Total current trade and other receivables	**11,413**	**11,751**

Note 14.2 Allowances for Credit Losses - 2019/20

The Trust made no allowances for credit loses during the year (2018/19: £0).

Note 14.3 Allowances for Credit Losses - 2018/19

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2018 - brought forward	-	97
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	97	(97)
Reversals of allowances	(68)	-
Utilisation of allowances (write offs)	(29)	-
Allowances as at 31 Mar 2019	**-**	**-**

Note 15.1 Non-current assets for sale and assets in disposal groups

	2019/20		2018/19
	Property, plant & equipment £000	Total £000	Total £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**-**	**1,000**
At start of period for new FTs	**-**	**-**	**-**
Plus assets classified as available for sale in the year	-	**-**	**-**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	-	**-**	**(1,000)**
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**	**-**

Asset held for sale at the end of 2017/18 was in respect of surplus land held at West Berkshire Community Hospital in Newbury, West Berkshire. This disposal did not complete in 2018/19 as the expected arrangments that would have resulted in a disposal did not materialise with the result that the land has been transferred back into Property Plant and Equipment.

Note 16.1 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.

	2019/20	2018/19
	£000	£000
At 1 April	**25,597**	**22,264**
Net change in year	809	3,333
At 31 March	**26,406**	**25,597**
Broken down into:		
Cash at commercial banks and in hand	12	732
Cash with the Government Banking Service	26,394	24,865
Total cash and cash equivalents as in SoFP	**26,406**	**25,597**
Total cash and cash equivalents as in SoCF	**26,406**	**25,597**

Note 16.2 Third party assets held by the NHS foundation trust

Berkshire Healthcare NHS Foundation Trust held cash and cash equivalents which relate to monies held by the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2020	31 March 2019
	£000	£000
Bank balances	159	166
Total third party assets	**159**	**166**

Note 17.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	7,599	9,996
Capital payables	1,433	1,011
Social security costs	2,070	1,920
VAT payable	25	45
Other taxes payable	1,409	1,321
Other payables	359	337
Accruals	11,865	9,271
PDC dividend payable	-	38
Total current trade and other payables	**24,760**	**23,939**

Note 17.2 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	2,492	2,289
Total other current liabilities	**2,492**	**2,289**

Note 18 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,467	1,234
Total current borrowings	**1,467**	**1,234**
Non-current		
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	27,034	28,501
Total non-current borrowings	**27,034**	**28,501**

Note 19.1 Provisions for liabilities and charges analysis

	Pensions - other staff £000	Injury Benefits £000	Other £000	Total £000
At 1 April 2019	**929**	**336**	**609**	**1,874**
Change in the discount rate	37	29	7	**73**
Arising during the year	13	17	263	**293**
Utilised during the year	(104)	(16)	-	**(120)**
Reversed unused	(48)	(8)	(38)	**(94)**
Unwinding of discount	104	16	40	**160**
At 31 March 2020	**931**	**374**	**881**	**2,186**
Expected timing of cash flows:				
- not later than one year;	104	16	127	**247**
- later than one year and not later than five years;	416	64	640	**1,120**
- later than five years.	411	294	114	**819**
Total	**931**	**374**	**881**	**2,186**

Pensions - Other Staff

This relates to former NHS employees whose contract of employment was terminated prior to their normal retirement age, with the effect that the employing authority became responsible for making up any shortfall in pension contributions as a result of that termination up until the death of either the former employee or any remaining survivor. The provision is adjusted annually, taking into Government Actuarial Department changes to life expectancy for England and Wales. Where the pension is no longer payable, then this is reversed unused.

Timing and expectation of the provision and future cashflows is based on historical payments to the NHS Pension Agency for pensions currently paid up to the end of each financial year.

Injury Benefits

This relates to injury benefits arising to individuals as a result of an accident at work, which is paid by the NHS Pensions Agency and then reimbursed by the foundation trust.

Timing and expectation of the provision and future cashflows is based on historical payments to the NHS Pension Agency for pensions currently paid up to the end of each financial year.

Other

This relates to the following items:

Provisions in respect of Liability to Third Party ('LTPS') scheme claims against the Trust handled by NHS Litigation Authority where the foundation trusts maximum exposure is £10,000 per claim; and

Dilapidation provisions in respect of leased and rented property.

Timing of cash flows for LTPS claims are expected to occur within one year of current year end, but may be subject to on-going litigation by the claimant. Claims not upheld or not proceeded with will result in provisions being reversed.

Timing of cash flows for dilapidation provisions is based on the expected termination of the current leasehold agreement. Payment and timing of settlement for dilapidations may be subject to uncertainty due to early termination, extension of lease beyond its current expected termination date, or negotiation with leasehold provider over value of dilapidation works required.

Note 19.2 Clinical negligence liabilities

At 31 March 2020, £13,463K was included in provisions of the NHSLA in respect of clinical negligence liabilities of Berkshire Healthcare NHS Foundation Trust (31 March 2019: £11,292K).

Note 20 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(50)	(34)
Gross value of contingent liabilities	**(50)**	**(34)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(50)**	**(34)**

Note 21 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	431	-
Intangible assets	-	-
Total	**431**	**-**

As at 31 March 2020 the Trust had contractual commitments relating to a number of capital building schemes.

Note 22 On-SoFP PFI, LIFT or other service concession arrangements

The foundation trust operates two PFI schemes:

Prospect Park Hospital, Reading Berkshire

This PFI scheme is to design, build, maintain and operate (through facilities management and related services) a 120 beds mental health inpatient hospital facility. The hospital became operational in March 2003. At the end of the contract the hospital buildings will revert to the Trust's ownership.

The contract has a 32 years term, ending in 2033, and sees the Trust making a minimum unitary base payment that totals £4.02m annually. It is charged monthly and adjusted for RPI and according to any adverse performance against output measures describing all relevant aspects of the contract. Rates and utilities are borne separately by the Trust.

West Berkshire Community Hospital, Newbury, Berkshire

This PFI was originally managed by the former Berkshire West PCT prior to its dissolution on the 31st March 2013, when the PFI contract was transferred to the foundation trust. This facility operates services such as day case surgery and outpatient facilities. There are also a number of inpatient wards. At the end of the PFI contract the hospital building will revert to the Trust's ownership.

The contract has a 32 years term, ending in 2033. The Trust makes a minimum unitary base payment that totals £1.46m annual. It is charged monthly adjusted for RPI, and according to any adverse performance against output measures describing all relevant aspects of the contracts. Rates and utilities are borne separately by the Trust.

Both PFI contracts were deemed as off-balance sheet when the Full Business Cases were approved prior to their design and construction. Following adoption of IFRS the Trust considers the contracts under IFRIC 4 Determining Whether an Arrangement Contains a Lease and IFRIC 12 Service Concession Arrangements and recognised the schemes as 'on-Statement of Financial Position'.

The substance of the two contracts is that the trust has a finance lease and annual payments comprise three elements - finance lease rental, service charges and replacements of the asset components (lifecycle replacements). The element of annual finance lease rental is further split into three components: repayment of the finance lease principal, a finance cost and contingent rental representing the inflation increases. An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period. The implicit rate of interest for Prospect Park Hospital is 7.31%, whilst for West Berkshire Community Hospital it is 6.61%.

Total obligations for on-statement of financial position PFI contracts due:

Note 22.1 Imputed finance lease obligations

	31 March 2020	31 March 2019
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**84,301**	**84,301**
Of which liabilities are due		
- not later than one year;	5,337	4,988
- later than one year and not later than five years;	22,329	22,033
- later than five years.	51,647	57,280
Finance charges allocated to future periods	(50,812)	(54,566)
Net PFI, LIFT or other service concession arrangement obligation	**28,501**	**29,735**
- not later than one year;	1,467	1,234
- later than one year and not later than five years;	6,734	6,436
- later than five years.	20,300	22,065

Note 22.2 Total On-SoFP PFI, LIFT and other service concession arrangement commitments

	31 March 2020	31 March 2019
Total future payments committed in respect of PFI, LIFT or other service concession arrangements	**£000**	**£000**
	165,581	**182,188**
of which due:		
- not later than one year;	11,973	11,305
- later than one year and not later than five years;	48,873	48,116
- later than five years.	104,735	122,767
	165,581	**182,188**

Note 22.3 Payments committed in respect of the service element

	31 March 2020	31 March 2019
Charge in respect of the service element of the PFI, LIFT or other service concession arrangement for the period	£000	£000
	86,268	**97,886**
Commitments in respect of the service element of the PFI, LIFT or other service concession arrangement:		
- not later than one year;	6,636	6,316
- later than one year and not later than five years;	26,544	26,083
- later than five years.	53,088	65,487
Total	**86,268**	**97,886**

Note 22.4 Analysis of amounts payable to service concession operator

	31 March 2020	31 March 2019
	£000	£000
Unitary payment payable to service concession operator (total of all schemes)	**11,463**	**11,029**
Consisting of:		
- Interest charge	2,070	2,140
- Repayment of finance lease liability	1,234	1,016
- Service element	6,474	6,376
- Contingent rent	1,685	1,497
Total amount paid to service concession operator	**11,463**	**11,029**

Note 23 Financial instruments

Note 23.1 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 clinical commissioning groups and the way those clinical commissioning groups are financed, the NHS foundation 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 foundation 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 Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Foundation Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Foundation Trust treasury activity is subject to review by the Trust's internal auditors.

The Foundation Trust's financial instruments, other than those used for treasury risk management purposes, comprise cash and liquid resources and various items such as trade debtors and creditors that arise directly from its operations. The Trust does not undertake speculative treasury transactions.

Liquidity risk

The Foundation Trust's net operating costs are mainly incurred under legally binding contracts with local Clinical Commissioning Groups, NHS England and local authorities, which are financed from resources voted annually by Parliament. Under Payment by Results, the Foundation Trust is paid for activity on the basis of nationally set tariffs. For contracted activity, the Foundation Trust is paid in 12 monthly instalments throughout the year, which significantly reduces the Foundation Trust's liquidity risk. Performance in excess of contracted levels is paid in accordance with the terms of the legally binding contracts. The Foundation Trust finances its capital programme through internally generated resources and external borrowing where appropriate.

Foreign currency risk

The Foundation 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 therefore the exposure to currency rate fluctuations is low.

Interest-Rate Risk

None of the Foundation Trust's financial assets or liabilities carries any real exposure to interest-rate risk. The Foundation Trust's owned assets are funded by public dividend capital, which is non-interest bearing and of unlimited term. The PFI assets, are funded by way of a Finance Lease which are at a fixed rate of interest over the full remaining term of the PFI contracts

Credit Risk

Due to the fact that the majority of the trust's income comes from legally binding contracts with other government departments and other NHS Bodies the trust does not believe that it is exposed to significant credit risk. The maximum exposures as at 31st March 2020 are in receivables from customers, as disclosed in the **Note 15.1 Trade and other receivables.**

Note 23.2 Carrying values of financial assets

	Financial assets held at amortised costs £000	Total £000
Carrying values of financial assets 31 March 2020		
Receivables excluding non-financial assets	7,363	**7,363**
Cash and cash equivalents at bank and in hand	26,406	**26,406**
Total at 31 March 2020	**33,768**	**33,768**

	Loans and receivables £000	Total £000
Assets as per SoFP as at 31 March 2019		
Receivables excluding non-financial assets	8,626	**8,626**
Cash and cash equivalents at bank and in hand	25,597	**25,597**
Total at 31 March 2019	**34,223**	**34,223**

Note 23.3 Financial liabilities

	Financial liabilities held at amortised cost £000	Total £000
Liabilities as per SoFP as at 31 March 2020		
Obligations under PFI, LIFT and other service concession contracts	28,501	**28,501**
Trade and other payables excluding non-financial liabilities	21,256	**21,256**
Provisions under contract	2,186	**2,186**
Total at 31 March 2020	**51,943**	**51,943**

	Other financial liabilities £000	Total £000
Liabilities as per SoFP as at 31 March 2019		
Obligations under PFI, LIFT and other service concession contracts	29,735	**29,735**
Trade and other payables excluding non-financial liabilities	20,615	**20,615**
Provisions under contract	1,874	**1,874**
Total at 31 March 2019	**52,224**	**52,224**

Note 23.4 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	22,970	22,102
In more than one year but not more than two years	1,814	1,624
In more than two years but not more than five years	6,041	5,725
In more than five years	21,118	22,773
Total	**51,943**	**52,224**

Note 23.5 Fair values of financial assets at 31 March 2020

	Book value	Fair value
	£000	£000
Cash and cash equivalents at bank and in hand	26,406	26,406
Total	**26,406**	**26,406**

Note 23.6 Fair values of financial liabilities at 31 March 2020

	Book value	Fair value
	£000	£000
Provisions under contract	2,186	2,186
Obligations under PFI, LIFT and other service concession contracts	28,501	28,501
Other	21,256	21,256
Total	**51,943**	**51,943**

Note 24 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	4	0	2	-
Fruitless payments	1	0	3	5
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	21	21	18	17
Total losses	**26**	**22**	**23**	**22**
Special payments				
Losses of Personal Effects	1	0	3	-
Personal Injury with Advice	5	56	8	28
Other Employment	1	65	2	35
Other Ex-gratia Payments	5	1	6	22
Special severance payments	1	18	-	-
Total special payments	**13**	**141**	**19**	**85**
Total losses and special payments	**39**	**162**	**42**	**107**

Note 25 Related parties

Berkshire Healthcare NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Berkshire Healthcare NHS Foundation Trust.

The foundation trust considers material transactions as those being where the income or expenditure is over £250,000 per annum. The Department of Health is regarded as a related party. During the year Berkshire Healthcare NHS Foundation Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Income		Expenditure		Receivables		Payables	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
NHS Foundation Trusts								
Frimley Health NHS Foundation Trust	598	692	1,328	1,701	127	95	538	530
Oxford Health NHS Foundation Trust	90	0	371	357	55	0	111	75
Oxford University Hospitals NHS Foundation Trust	446	474	40	80	14	143	26	4
Royal Berkshire NHS Foundation Trust	4,495	4,299	2,274	2,275	414	604	100	290
South Central Ambulance Service NHS Foundation Trust	383	444	148	162	78	50	55	0
NHS Trusts								
Avon and Wiltshire Mental Health Partnership NHS Trust	609	212	607	317	2	78	84	99
Pennine Acute Hospitals NHS Trust	0	0	0	0	0	0	285	0
Clinical Commissioning Groups								
NHS Berkshire West CCG	118,955	113,027	95	31	1,015	402	698	799
NHS Buckingham CCG	1,848	1,908	0	0	21	20	3	1
NHS East Berkshire CCG	88,019	79,859	0	191	206	443	921	451
NHS Oxfordshire CCG	246	263	20	0	43	54	20	0
NHS England and other associated organisations	19,482	17,826	155	0	2,594	3,516	660	762
Other NHS Bodies								
Health Education England	4,462	4,189	0	11	501	134	642	762
NHS Resolution (formerly NHS Litigation Authority)	0	0	923	791	0	0	0	0
NHS Property Services	6,945	7,265	5,753	5,964	8	734	11	12
Department of Health and Social Care	237	0	6	0	0	0	174	0
Local and Unitary Authorities								
Bracknell Forest Borough Council	3,825	3,714	476	194	92	104	7	130
Reading Borough Council	2,915	3,702	13	88	84	383	90	73
Slough Borough Council	1,122	719	104	167	99	147	179	123
West Berkshire Council	2,335	2,292	19	20	59	35	5	4
Windsor and Maidenhead (Royal Borough of)	642	381	22	145	29	79	17	26
Wokingham Council	3,706	3,527	145	200	143	217	56	73
Other Whole of Government Account Organisations								
HM Revenue & Customs - VAT	0	0	0	0	615	283	25	0
HM Revenue & Customs - Other taxes and duties and NI contributions	0	0	14,461	12,469	0	986	3,479	3,286
NHS Pension Scheme	0	14	25,903	16,800	0	14	2,561	2,384
NHS Professionals	0	0	0	0	21	0	837	0
Berkshire Health Charitable Fund	37	1,024	0	0	0	0	0	0
Total	**261,397**	**245,831**	**52,863**	**41,963**	**6,220**	**8,521**	**11,584**	**9,884**