Chesterfield Royal Hospital NHS Foundation Trust

Annual Report and Accounts
2019/20

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Presented to Parliament pursuant to

Schedule 7, paragraph 25(4) (a) of the National Health Service Act 2006

This document contains the following reports:

Annual Report and Accounts 2019/20

Including the statement of the chief executive's responsibilities as accounting officer and the annual governance statement

Financial Accounts and Statements 2019/20

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Strategic summary on a page

NHS
Chesterfield Royal Hospital
NHS Foundation Trust

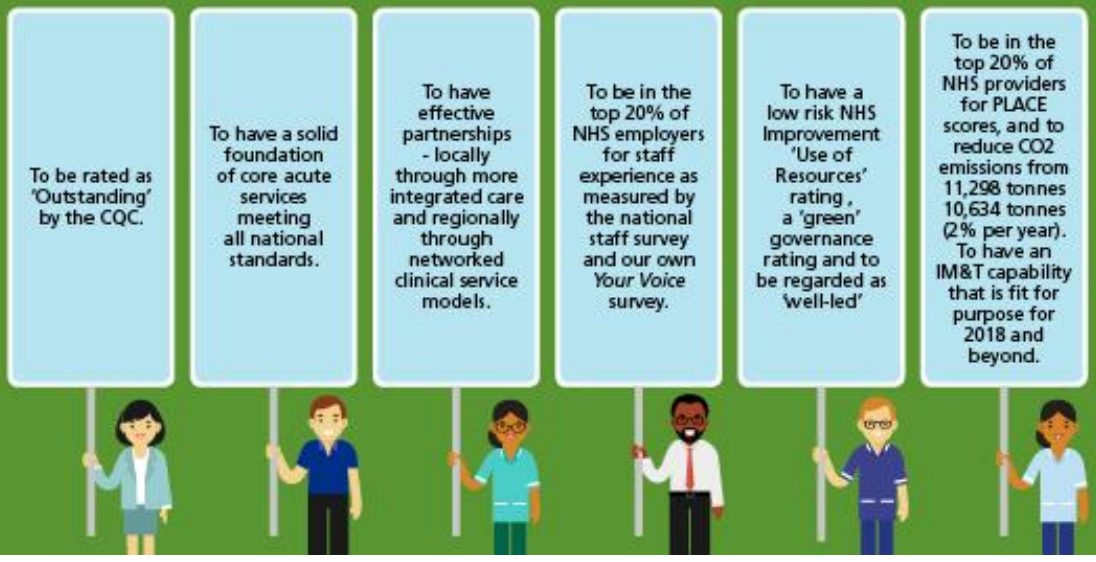
Our vision

is to be a first-class provider of sustainable healthcare services, delivering the best possible care to our patients and being a great place to work for our people

Our proud to care values

Our six strategic objectives

The strategic outcomes we are seeking to achieve



Our hospital's values

NHS
Chesterfield
Royal Hospital
NHS Foundation Trust

Our Proud to CARE values support our vision of providing patients with the best possible care and a great place for staff to work.

We all play a part in achieving this vision by living up to the values we promise to our patients and each other.

We will always:

Show COMPASSION -

Treating our patients and colleagues with consideration, kindness and respect

Aim for high ACHIEVEMENT -

Providing excellent care, safe services, high standards and a positive experience every time

Foster RELATIONSHIPS -

Being socially responsible, working openly and honestly with our patients, staff, partners and communities to improve what we do

Create the right ENVIRONMENT -

Providing the tools and equipment that support a modern, eco-friendly, clean and safe environment.

Chair and Chief Executive's Statement

Right now, in the midst of the Coronavirus (COVID-19) pandemic, it almost feels as though the rest of the 2019/20 financial year didn't happen – or at least we can't remember much about it. In reality of course, lots happened in the Trust and we mustn't miss the opportunity to reflect on the last twelve months, which as always have proved to be a mix of successes and achievements, alongside challenges and disappointments. Our annual report provides an honest account of all of these – albeit in a slightly different format to the one you would normally see. COVID-19 has impacted many aspects of the NHS, including some of its usual governance arrangements like the annual report. Even so, we hope the information on these pages provides you with an opportunity to get a feel for this 'year in our life' and what it's been about.

We start our statement by commending our 4,200 staff. They do an incredible job across our hospital, community bases and GP surgeries. Throughout the year they have shown true commitment and dedication to duty, providing exceptional care to our patients in circumstances that have not always been easy. Like many other Trusts, we have felt the pressure of demand – caring for a growing number of people in our communities with a range of underlying and long-term health conditions. In addition, COVID-19 has tested us all – throwing up unprecedented challenges. Everything we do here is a collective effort though – with each member of staff contributing something to our end results. We value and appreciate everything they do to provide the best possible care and services, role modelling the values and principles we all aspire to through 'leading the Chesterfield Way' and making sure we look after one another, as well as our patients. Thank you never seems to be enough - and can never be said often enough either. Nevertheless, on behalf of the Board of Directors we would like to place our THANK YOU to staff on record. We would also like to thank colleagues from a host of partner organisations, along with our governors and our volunteers. Their invaluable support, encouragement and constructive critique are equally valuable and welcomed.

This year we were delighted to be awarded a 'highly commended' second place in the Health Service Journal Awards – prestigious recognition in the NHS. What made it special was the fact that it was given in recognition of our staff engagement journey. In just three years we have transformed how we enable every member of staff to get involved in improvement – believing that, with the right tools and support, 'anyone can bring an idea to life'. We've set up an improvement academy – a 'one-stop shop' where any colleague can seek - and receive - advice and help. We've used the principles of Listening into Action and Quality Service Improvement and Redesign (QSIR) to train, develop and educate. Our programmes and improvement forums are accessible to all. It certainly translated into another successful NHS staff survey result in 2019 – with an impressive 72% of our staff contributing to the national fact-finding exercise* to give us real insight into how people feel about working for the Trust and in the NHS. Our pledge to deliver staff-led change has brought about a real shift in our culture. The Board remains committed to this approach and through our People Strategy – staff engagement, leadership, learning and building our workforce remain key priorities for the coming year.

As you read through the pages of this report you will see how this approach has paid dividend. The news round-up section reveals a host of stories that illustrate how staff have given our patients an even better experience. Not all ideas have to be large-scale and complex. A new patient menu – created with patients, visitors and colleagues – has really made a difference, catering for all tastes and dietary options. With just a few simple changes there have been big improvements, with positive feedback for both the meals and the choices on offer. On the other side of the coin we have implemented some significant technological improvements – including hand held devices to record patient observations (E-Obs) and virtual out-patient appointments. These had an immediate impact, with E-Obs alerting medical and nursing staff to deteriorating patient conditions; and over the phone consultations a preferred choice for many patients. During the COVID-19 pandemic we have maintained routine out-patient appointments using this new technology – with up to 86% of appointments carried out virtually. We will be looking to harness these sorts of improvements in the coming year – as we recover and restore services to a 'new normal' – where the challenge for us will be to provide timely care, whilst meeting social distancing and other government measures designed to keep people safe in the healthcare environment.

In the performance section of this year's report you'll see that once again finances and operational delivery have provided some challenges for us. At times it's been difficult to balance these against our desire to strive for high standards of care and an exceptional patient experience - and this year, as a Board, we took decisions to invest in some services to maintain both. As a consequence – and as a result of COVID-19's impact on our activity in the last quarter of the year – the Trust ended 2019/20 with a £1.7m deficit against its re-forecast to break-even (which the Trust made as part of its Q3 return to NHSI), but due to impairments, showed a £1.5m surplus in our statutory accounts. With a new way of funding the NHS now in place, to support Trusts through COVID-19, we are getting used to a block contract. This financial year we will need to examine how this approach could impact the Trust and if it brings any additional risks to our organisation. Operationally, whilst we've not met some of the national performance standards this year – including the four-hour wait in A&E - we are pleased that our patients have still found their experience to be a good one. Whilst there is no Quality Report to share with you at the moment (the deadline for this is extended) our Friends and Family Test results throughout the year have shown high levels of satisfaction. Some areas of the hospital have a 99% recommendation score and we're pleased that so many of our patients would recommend us to others for the care and treatment we provide.

The views of our patients, their family members and our staff are really important to us – and so are the views of our regulators, including the Care Quality Commission (CQC). Last year our Royal Primary Care Services led the way in attaining GOOD ratings. All of them – eight surgeries looking after around 40,000 patients – are rated the same, providing assurance to services users. In August 2019 the CQC also held an unscheduled inspection in our Emergency Department, highlighting a number of issues relating to the environment that required immediate improvement action. Some of these were resolved within 24 hours – and all issues were completed a few short weeks later. A planned inspection of four core services then took place in February 2020 and whilst the well-led element of this could not take place in April (because of COVID-19) we were still awarded a rating. This was revealed in May and we were both pleased – but not surprised – to learn that we had maintained an overall score of GOOD. We are incredibly proud of all our staff who once again demonstrated that the care and services we provide in all settings meet the high standards set by the CQC. The ratings are a testament to all of them and give us a solid platform as we continue our journey to achieving and then maintaining an 'OUTSTANDING' rating.

The relationships we have with health providers, primary care, social care, the voluntary sector, commissioners and others has never been more crucial. Working in collaboration as a system will realise many benefits for our communities who often get frustrated by the complexity of our many services and their different ways of working. This year - for all of us in the Joined Up Care Derbyshire partnership - has been one of greater integration to improve both service provision and the health of our populations. The COVID-19 pandemic has brought us all closer together and there's been much more mutual aid and support. We are starting to see the difference system-working will make as we all set out to meet the aim of the ten year plan for the NHS – which advocates health prevention alongside treatment; and looks to create sustainable services that can continue to meet peoples' needs as close as possible to where they live.

In publishing this year's annual report we hope readers will appreciate that we've been candid about 'where we are'. We also hope they will appreciate everything our staff have done this year to improve care, services, facilities and the environment. The COVID-19 pandemic has brought about a new found respect for our NHS - and for all public and key services – as well as for the people who work within them. Due to COVID-19, this financial year comes with even more uncertainties and challenges, but we will do our best to address them - to make sure we look after our patients and staff and keep them safe and protected.

Dr Helen Phillips
Chair
19 June 2020

Angie Smithson
Chief Executive
19 June 2020

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News Round-Up

Improving Patient Care and Services

Our Education Centre Team publically promoted the work the Trust has done to help patients and visitors living with Autism to mark World Autism Awareness Week in April. This included a patient pack featuring noise cancelling headphones, patient passports and other communication aids.

Our Annual Service of Remembrance was held at Casa Hotel on Sunday 28th April with more than a hundred people in attendance. The service gives families who have lost children or babies the chance to pay their respects and remember their loss, becoming part of the bereavement process.

For the first time, our volunteer chaplaincy service led a number of services across the hospital so that inpatients and staff could recognise the Easter festival. The team led a number of other events, including Remembrance Day and Christmas services to involve patients not able to leave their clinical areas.

In April 2019 staff from across the Trust pulled together resources to allow a patient on end of life care to bring forward a planned wedding. A side room was decorated, an aisle cleared, a cake sourced and delivered and a photo album produced to mark the occasion. Lasting memories were created that day, made possible through a true #TeamCRH effort.

260 new bedside chairs, designed to relieve pressure ulcers, were delivered to wards. Tissue Viability staff worked with Occupational Therapists, Physiotherapists and Infection Control to identify the best chairs, funded by the Chesterfield Royal Hospital Charity.

Our Patient Experience Team launched an online campaign to recruit 'Patient and Public Partners'. The team works with patients and the public to understand how our services best meet the needs of our patients, service users, carers, relatives and friends.

Following an extensive consultation with staff, new pressure relieving mattresses were distributed to wards. The expertise of clinical staff and infection control was sought to settle on the Essential Healthcare CuroCell Uno mattresses that use inbuilt technology and three therapy modes helping to free up staff time for patients' care.

As part of International Day of the Midwife, the Trust unveiled its pilot of the Partners in Pregnancy team, helping women with a current or previous mental health illness. The team of eight midwives work in pairs to ensure that every woman falling under their care is assigned a named midwife and a buddy to cover leave, improving continuity of care and reducing stress and anxiety.

A new patient menu was launched in May 2019 using a two week rolling rotation to increase variety and choice. All tastes and options are catered for including vegan, halal, kosher, gluten and dairy free as well as texture modified food for the 20% of our patients on a special diet. The menu was compiled in consultation with patients, visitors, colleagues and our dietetics team.

Reverend Martyn Jinks was named as our new Head of Spiritual Care covering all faiths and those who don't follow a specific faith. Martyn also provides bereavement support for patients and staff and is available to talk in confidence to any patient who is ill, experienced a trauma or a life-changing event.

Plans to create an 'Urgent Care Village' in our existing Emergency Department footprint were submitted to the Department of Health in June 2019. The plans were approved in March 2020 for work to start later in the year. The £24m project will be the largest development since moving to the current Calow site, revolutionising the way the Trust delivers emergency care.

The Trust welcomed Angie Smithson as its new Chief Executive. Angie, who started her NHS career as a nurse in 1986 spent five years as Deputy Chief Executive and Chief Operating Officer in Liverpool. Her first challenge was to embark on a 100 day plan to meet and greet as many colleagues as possible during a series of face to face sessions.

Care on our inpatient wards went digital with the introduction of handheld devices to take and record patient observations. The E-Obs programme was designed to make this aspect of care easier and more efficient, allowing our clinical teams to access information about a patient much more quickly, saving time and improving efficiency.

Our Leading the Chesterfield Way initiative was expanded with a bespoke pack designed specifically for our Matron team. The document will ensure that all Matrons can develop according to the same principles as other Trust leaders, featuring a new section at the back that personalises the document to the individual's progress.

We publicised a tremendous donation from a lady who used the money donated from her husband's funeral to help buy MOTOmed bikes for our Speedwell Therapy Unit. This equipment is now used by the Rehab team for the benefit of other patients.

We introduced virtual consultations for outpatients as a way of introducing more choice in terms of appointments and reducing the number of 'Did Not Attends'. Patients were consulted on the change with in-house testing and the input of our clinical colleagues. The trial stood us in good stead for our reaction to the COVID-19 pandemic, being able to use this technology for a number of clinics to continue whilst reducing the risk of transmission of infection.

Angie Smithson, Chief Executive re-affirmed the Trust's pledge to recognise the role carers play in the treatment of our patients. She signed the Carers' Charter to show our commitment to working in partnership with carers for the benefit of the patients and to recognise the work they do.

The Trust launched its Care Accreditation Scheme, aimed at promoting better quality of care delivered to patients and ensuring the hospital is a better place to work, train and learn. A number of wards were recognised for their improvement efforts on social media as the Trust continues its aim of delivering outstanding care and achieving an Outstanding CQC rating from the CQC.

Thanks to support from the Chesterfield Royal Hospital Charity, the Trust was able to introduce four more RITA (Reminiscence Interactive Therapy and Activities) systems onto our wards. The units are specifically designed to help stimulate the mind of patients affected with a cognitive impairment such as Dementia or Delirium. The new units have been placed in the Emergency Department, end of life and for use on inpatient wards.

Work started on 'Patient Hub', an online tool enabling outpatients to have more control over their appointments and reduce 'Did Not Attends'. When launched, the online portal will allow patients with an appointment to cancel, change and rebook, giving them more choice.

Our volunteer services added End of Life Companions to their ranks. The highly specialised and trained team provide companionship and support for patients, their families and carers when receiving end of life care. The role highlights the importance of our volunteers and how they support and complement our clinical and non-clinical colleagues.

We welcomed 20 experienced nurses from India in March 2020 as part of big plans to invest in recruitment to increase registered nurses. It was also announced that a further 27 nurses would join in March and April 2020, another 20 experienced nurses from India in June 2020 alongside more than 50 newly qualified nurses in addition to the regular ad hoc recruitment. These nurses will now join as soon as travel restrictions allow.

Working in Partnership

The Trust supported Healthwatch Derbyshire to collect the public's views on how support for long term conditions can be improved. It formed part of the NHS Long Term Plan with the aim of providing help and advice for people living with cancer, mental health problems, heart and lung disease and other long term conditions.

We joined forces with NHS partners across the county to launch the 'Mother Hub Derbyshire' website, developed by Joined Up Care Derbyshire. The site offers online support to expectant mums and families 'from bump to birth', helping them to make informed choices about their own health and wellbeing.

Our Macmillan Information and Support Centre supported the Dying Matters Coalition by hosting a market place style event in the NGS Macmillan Unit. It encouraged interested parties to talk about death and dying, a very difficult topic to approach, in a relaxed and friendly environment to help them plan for end of life.

Contractors Vinci UK won a divisional award and donated their £500 prize money to the Chesterfield Royal Hospital Charity. The firm have worked on our NGS Macmillan Unit, the Theatre redevelopment programme and the redevelopment of our Emergency Department.

The Trust worked with local company Write Print Create to give children on Nightingale ward the chance to create, write and animate a comic strip. The husband and wife team spent the day with the youngsters before taking the concepts away to print the 16 images and display them on the corridor leading up to Nightingale Ward. The project was supported by Chesterfield Royal Hospital Charity.

In September 2019 it was announced that Royal Primary Care services would join forces with the Chesterfield Medical Partnership. The newly formed 'RPC Chesterfield North-West' looks after a total of 44,000 patients, helping to secure primary care services in their local area.

Local education partners, including the universities in Sheffield, Derby and Chesterfield College, joined us for another careers evening in October. Colleagues from a range of disciplines within the hospital, including nursing, imaging, therapies and midwifery, were there to point teenagers ready to choose their careers in the right direction to pursue a career in health.

More than 50 of our membership came to a 'Medicines for Members' event to hear more about what we're doing to treat and care for patients with Prostate Cancer. It included an innovative partnership with Nuffield Health called 'STAMINA', a research study into how exercise and lifestyle changes can combat the side effects of certain treatments and therapies.

We asked schools and children to design Christmas Cards to raise money for the Chesterfield Royal Hospital Charity. We received more than a hundred entries that we narrowed down to five which were produced and printed with support from local companies. They helped to raise close to £2,000 as part of our Christmas Fayre that featured stalls from local businesses to support our charity.

Working with Stagecoach we introduced a number of electronic timetables next to the bus shelters outside the main entrance. Including details of the next buses to arrive and their destinations, the resource encourages the use of public transport, making it easier and more convenient for staff and visitors.

Improving our Environment

Work started in April 2019 on major plans, created in consultation with staff, to renovate and change the focus of the former Relax@theRoyal space. The newly named Retreat@theRoyal, opened in May, offering food and drink for staff, patients and visitors in a more comfortable and relaxed environment. The design incorporated access controlled areas just for staff to work and relax.

In April 2019, Public Health England gave the Royal a 'Green' rating as part of efforts to move towards becoming a smoke-free site. This was thanks to improved signage, support for staff, patients and visitors wanting to give up smoking and steps taken by colleagues to discuss smoking and its effects with patients.

Thanks to the fundraising efforts of a former Mayor of Chesterfield, the complete transformation of a courtyard to a relaxation garden was completed in April 2019. 'The Mayor's Garden', designed by award winning Lara Behr, planted and maintained by Trust Volunteers and co-funded by the Chesterfield Royal Hospital Charity, was officially named and unveiled in September.

More than a hundred colleagues made pledges to the Staff Environmental Group about how they would like to become more eco-friendly. These pledges were placed into six running themes that we shared on social media as a joint pledge about how we can all be more considerate to the environment.

In May 2019 our Royal Primary Care sites were collectively given a 'Good' rating following a Care Quality Commission inspection. The network includes five GP surgeries and covers more than 30,000 patients, taking the surgeries out of the 'Requires Improvement' rating.

Work was completed on our new Pharmacy outlet in the main entrance, which would become operational from April 2020. One of the key enabling works for the Urgent Care Village, the Pharmacy is available for prescriptions, advice for patients and staff and over the counter remedies. Its close proximity to the main Emergency Department allows colleagues to suggest it as an alternative to treatment during triage, relieving pressure on emergency care.

Our Adult Audiology team moved into a new, purpose-built home in Suite 7. The services moved to the Royal from an off-site setting to what was initially intended to be a temporary solution in Suite One. The new site offers a bigger, self-contained area, state of the art soundproofing, improved clinic rooms and its own reception.

An 'Eco Heroes' initiative was set up by Derbyshire Support and Facilities Services (DSFS) to recognise the efforts made to reduce our environmental impact. Schemes included Theatres almost entirely eliminating disposable cups, bra recycling in the Breast Care Unit and the introduction of recycling bins across the hospital to improve recycling options.

The Arts Committee was set up to introduce pieces of art, paintings, sculptures and photographs to patient and public areas. Designed to brighten up the walls and highlight local artists, the committee is supported by Chesterfield Royal Hospital Charity and has linked up with Chesterfield College and featured colleagues' art.

A new retail outlet opened in the main entrance to replace the old 'Costa@theRoyal'. 'Stacked' offers a range of breakfasts, sandwiches, salads and drinks with a discount for staff, allowing staff the option to order for pick up.

Three public events were held for members of the public and colleagues to talk about what was being done to alleviate site access and parking issues. A great deal of consultation had taken place between the Trust, public service operators and individuals in and outside the Trust to develop a plan that was discussed during these meetings.

Helping Staff to Speak up Safely

Our first Listening Into Action 'Hot Topic' event resulted in a magnificent 226 anonymous suggestions and ideas. Using the newly developed 'Crowd Fixing' app, the topic invited comments on how we could improve the happiness and wellbeing of our staff that would go to the Board of Directors to support improvement actions.

The 'Be Yourself' group was launched in June 2019, celebrating the diversity of our staff. The group meet to discuss issues affecting our staff and patients, taking action to ensure that we have an inclusive workforce

for all colleagues.

The Royal Academy of Improvement was formed at the Royal as a vehicle for facilitating staff led change. Taking over elements of Listening into Action, the initiative aims to help develop these ideas throughout the hospital that will improve or change the environment or processes for our colleagues and patients.

Abbey Harris was introduced as our new Freedom To Speak Up Guardian. Abbey has built on the work done by previous Guardian Jenni Fellows, including regular visits to ward areas, a personal presence for night staff during the week and a drop in clinic. The role is designed to give colleagues a means by which to raise concerns about patient or staff safety confidentially that can be investigated and acted upon.

Recognising Staff Achievement

Our NGS Macmillan Support Centre and Information Lead, Maria Leadbeater, won national recognition at the Patient Experience Network Awards, taking home the Fiona Littledale Award for Oncology Nursing. Maria's achievements featured on our website, social media and was picked up by some local media.

We held two more very successful 'Applause' events to recognise staff achievement and those who go the extra mile. More than 500 people were given a certificate across the two events in April and October 2019. All those recognised were nominated by their colleagues and invited to a buffet lunch.

Our Staff Environment Group and Tradebe Healthcare National were awarded Supplier of the Year at the NHS Sustainability Awards held in Leeds. It involves increasing the amount of waste going to Energy Recovery Facilities that converts waste to energy, meaning our waste contributes to a renewable source of energy in Sheffield.

We highlighted the work of our colleagues in Pathology to mark Biomedical Science Week in June. The social media campaign went behind the scenes of an area of the hospital that is rarely seen by the public, shared statistics to highlight their work and gave a taste of who these people are, what they do and why it is important.

We posted an article and a gallery of photos to mark our Junior Doctor Awards, to recognise their achievements. The social media piece was very well received and helped to introduce the role and demonstrate the work they do on a daily basis.

The Trust supported a special event to mark the 'retirement' of Jean Raynor who had spent more than 30 years volunteering for the Endoscopy team. A buffet lunch was organised with the entire Endoscopy team coming to mark Jean's incredible long service. Her achievements were publicised on our social media pages and picked up by local press.

Our first cohort of Nursing Associates graduated from the University of Derby. The seven women made the grade following two years of study. The Royal was a test site for the development of the role that supports our nursing teams whilst providing career progression for our HCAs who wish to work towards becoming a registered nurse.

Our Learning Disability CAMHS team was nominated for Psychiatric Team of the Year at the Royal College of Psychiatrists Awards. The team does an outstanding job working with children and young people with moderate and severe learning disabilities and their associated challenging behaviour or mental health problems.

The Trust spent a week promoting the work of our Clinical Simulation Team and how it ensures we can practice life-saving techniques in a safe environment. The week ended with the completion of our 75th Advanced Life Support course, a two day course attended by medical professionals across the UK.

Our first cohort of colleagues to graduate through our Quality, Improvement and Redesign (QSIR) programme were recognised in September 2019. The 26 students, who were handed their certificates by Chief Operating Officer Tony Campbell, will go on to become ambassadors for the scheme at the hospital, encouraging and supporting the next group of students.

This year's Annual Members Meeting focused on our many improvement projects at the hospital, in the community and within primary care. The marketplace event was attended by around 200 people and featured a variety of stalls from Royal Primary Care, IT, Infection Control, Theatres, Outpatients and more to show how their innovative ideas have improved services.

In October 2019 our Midwifery team showcased #Optimise, sharing ideas as to how the outcome and experiences for our women can be improved. It gave our multi-disciplinary team the chance to explore how interaction between physiology, clinicians and the environment can impact the birthing process. Interactive workshops included language, sensory skills and positioning.

In October we marked National AHP Day with a public thank you on our social media channels to highlight all of the different roles, responsibilities and conditions treated by our Allied Health Professional team. More than 10,000 people saw and reacted to the posts to show their support.

Our CAMHS team organised an event to mark the 10th anniversary of the opening of The Den which brought all children's services into one place. There were stalls explaining more about physiotherapy, sensory aids, psychology and more to showcase the different services and pathways a child and their parents might encounter at The Den.

Our eRostering team was highlighted as part of a regional collaborative that won a major award. Their innovative approach to tackling workforce issues through the development of a shared approach to eRostering in South Yorkshire and Bassetlaw earned the Impacting Working Inclusively Across Boundaries award at the national People Summit.

There was almost 2,700 years' worth of experience at the Long Service Awards ceremony, held in November 2019. Seven staff members were able to mark 40 years of service within the NHS as we recognised those who had reached 20, 30 and 40 year milestones, thanking them for their loyalty and achievements.

Two of our colleagues working in the Endoscopy department were recognised by The University of Derby, each earning a Dean's Award. Katie Vaughan and Lauren Slinn, second year students on the Level 5 Foundation Degree Science Assistant Practitioner Apprenticeship were recognised for being in the top 10% of their programme.

To recognise 2020 as Year of the Nurse and Midwife, the Trust highlighted a nurse, midwife or part of their associated teams every day on social media. The Trust also looked into the history of nursing and midwifery belt buckles, invited youngsters to tell us what nursing and midwifery means to them and got the local media involved. Further acknowledgements are planned for later in the year.

Our Volunteers received national recognition when the service achieved the highly prestigious Investing in Volunteers Quality Standard. The bid was supported by Chesterfield Royal Hospital Charity and was achieved following a major period of assessment. The standard aims to improve the quality of the volunteering experience and recognise the contribution they make to services.

Our #YearOfTheNurseMidwife campaign became historic when one of our colleagues alerted us to her Great Aunt, Audrey Allen. Audrey, who sadly died in 2016, oversaw the move of maternity services onto the current Royal site in the 90s and welcomed Princess Anne to open the unit. It was a privilege to be able to highlight this bit of history as part of our celebration of nursing and midwifery – a memorial has been planned in her honour.

The Royal received the Myeloma UK Clinical Service Excellence Programme (CSEP) Award for the work being done at the NGS Macmillan Unit. The award is given to trusts that have committed to providing superior treatment to myeloma patients, help make improvements in the wider healthcare community and is largely based on patient feedback.

The Trust received a 'Highly-Commended' second place in the Staff Engagement category at the Health Service Journal Awards in December 2019. There were 86 entries in this category and it comes as, for the second year running, the Staff Survey response rate was a hugely impressive 71%. It follows a great deal of work across all areas to encourage colleagues to put forward their ideas, views and highlight which suggestions have been actioned and when.

Staff Health and Wellbeing

The Trust signed the Carers in Employment pledge, committing the hospital to supporting colleagues who are recognised as carers of a loved one. It's the latest in a line of improvements and commitments, led by Carers Liaison Officer Rebecca Cowley, designed to recognise the role of the carer and the difference they make.

In May 2019 we launched our new 'Flexible Working Guide', recognising that colleagues have responsibilities outside of work that can impact on their wellbeing. The Trust pledges to work with all staff to create opportunities, long and short term, that work for the individual and the department.

In June we laid on a feast to celebrate the Festival of Eid, marking the end of Ramadan, for our colleagues. Working with one of our ED Consultants, it's the third time we've held the event that serves to recognise the diversity across our hospital.

In July 2019 we held our first Summer Fayre, raising money for the Chesterfield Royal Hospital Charity and featuring a host of stalls and competitions for staff, patients and visitors. The event raised more than £1,100.

Our Rainbow Badges were launched in July 2019. Intended to promote an inclusive culture for our people and patients, the badges were handed out in exchange for a pledge to say what you would do to help promote this inclusivity. In the same week as a thousand pledges were made, we also raised our Rainbow Flag to outline our commitment as an open, non-judgmental and inclusive place for staff, patients and their families identifying as LGBT+.

The Imaging team unveiled their relaxation garden, created and designed by all of the different Imaging teams. They transformed a small, unused space into a retreat where they can get away from it all, take a break or eat their lunch away from the clinical setting.

Supported by the Chesterfield Royal Hospital Charity following staff suggestions, we opened a multi-faith room just to the left of the main entrance. Staff, visitors and patients of all faiths can use the facility to acknowledge their beliefs. The space was developed in consultation with colleagues and part of efforts to ensure we have an inclusive approach to wellbeing.

The Trust ensured that all of our staff, patients and visitors were able to mark Remembrance Day in their own way. There was a minute's silence impeccably observed in the main entrance with wards holding their own services for patients, including our Volunteer Chaplaincy Team who took their beautiful service to a number of wards, including the Stroke Unit and Speedwell Therapy Suite.

A great deal of work has been done to address the issue of bullying in the workplace as part of feedback from recent Staff Surveys. A number of areas featured the 'Be the I in Kindness' initiative, allowing people to stand in between the letters K, N and D to make the word 'KIND' and post a picture on our social media pages. The idea gained momentum with lots of colleagues getting involved during Anti-Bullying Week in November 2019.

The Trust celebrated Christmas in style, introducing Robin, an Elf who visited different departments, highlighting what they were doing and raising awareness of the different professions across the Trust. This helped to raise the spirits alongside weekly competitions, prizes, a Christmas Fayre, carol performances, Christmas parties, a £4,000 staff lottery prize and much more.

The Trust set up its own Food Bank delivery service, asking colleagues to donate non-perishable food, toiletries and household products that could be delivered to locally-based Trussell Trust foodbank. The Trust came very close to breaking the foodbank's record for a single delivery, more than half a tonne, the response continues to grow and has become a true collective effort.

DSFS took part in a pilot mental health project, Elephant in the Room, which uses a range of therapies to help support staff and increase awareness and education for managers in spotting the early signs of mental health problems. Results showed that the programme made significant differences to the mental health of colleagues resulting in an 'Employer Innovation Award' nomination in the Inside Out awards.

Following staff suggestions and discussions at national level, a Menopause Support Group was set up for colleagues to talk about their experiences and what can be done to make things more comfortable at work. A confidential email address was set up for those who couldn't or didn't want to attend a group meeting.

Work began on a multi-functional and multi-purpose 'green' learning space outside our education centre library. Building on the spiritual, physical and emotional benefits of garden spaces, it will provide an outdoor alternative to the library. It's hoped this will help to lower stress and improve the learning environment.

Vending machines serving hot food with healthy options were introduced across the Trust. The initiative came from staff suggestions that colleagues working nights struggled with limited options to access hot meals whilst ward staff wanted an alternative that was closer to their place of work.

Work began on new shower and changing facilities following a number of staff suggestions that they were needed if the Trust wanted to encourage more colleagues to walk, run or cycle to work. The facilities were included in a redesign of toilet facilities next to the visitors' entrance.

Our annual flu fighter staff vaccination campaign was a success once again with our Infection Control team protecting 85.3% of our colleagues. This comfortably surpassed the Department of Health target of 75% putting us as one of the country's top performers with many neighbouring trusts adopting our communications techniques.

Performance Report

The report has been prepared in accordance with sections 414A, 414C and 414D5 of the Companies Act 2006, except for sections 414A(5) and (6), and 414D(2), which are not relevant.

Overview

About the Trust

Chesterfield Royal Hospital NHS Foundation Trust ('the Trust') is the district general hospital for Chesterfield and North Derbyshire, serving a population of more than 400,000. The Trust also provides child and adolescent mental health services, community based services, including midwifery and radiology, alongside GP and primary care services from three practices: Royal Primary Care – with a total of eight surgeries.

The Trust was established as an NHS Trust in April 1993 and authorised as an NHS Foundation Trust in January 2005. The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England.

Services are delivered within a strong support infrastructure of high quality staff who are appropriately trained and rewarded, and in a modern estate where the quality of the patient environment is continually improved to ensure it is fit for purpose and meets all legislative requirements, using the most appropriate and up to date technology.

The Trust's activities are governed by the regulatory framework for NHS Foundation Trusts and by legislation.

During the year the Trust has continued to develop the services that it offers. The Trust aims to provide high quality timely healthcare, delivered in a way that promotes positive experiences for patients, relatives and their carers.

The Trust's vision, its six strategic aims and the supporting strategic outcomes are set out on page AR9.

Chief Executive's statement on performance

2019/20 has again been a challenging year for the Trust, both in terms of financial pressures and in terms of operational delivery, and balancing these with continuing to strive for high quality standards of care and an exceptional patient experience has continued to be our focus. An additional and unprecedented challenge towards the very end of the year was experienced with the emergence of the COVID-19 pandemic which has completely rearranged the landscape and will, no doubt, feature very strongly in the 2020/21 Annual Report.

Financial performance was again difficult this year and although a break even position was forecast in January 2020 the impact of COVID-19 in March 2020 meant that the Trust finished the year with a £1.7m deficit against its Control Total. However after taking account of the reversal of impairments, which under

the current accounting rules cannot be counted against the Control Total, the Trust showed a final surplus of £1.5m in the statutory accounts.

In terms of operational performance the first part of the year saw a decline in performance against the national four-hour Accident & Emergency standard. An action plan to improve performance against the standard is in place and a trajectory to reach 88% at the end of Q1 2020 and thence to the national target standard was set in January 2020. A key standard achieved during the year was the elimination of 52 week waits for treatment. Throughout the year and in spite of the operational and financial pressures the Trust has maintained a continued focus on driving quality through investment in measures such as increasing capacity for winter pressures and additional nurse staffing at night. A further example of the desire to drive improvement was the decision to join the 28 Day Faster Cancer Diagnosis project with performance reaching 80% in February 2020 before the re-focussing of services as part of the response to COVID-19 began to impact on performance.

The development of the response to the COVID-19 pandemic had a major impact on the financial and operational position of the Trust in the final month of the year with services temporarily suspended or the way they are performed changed. The approach to Recovery and Restoration of services and for them to achieve the levels of performance required will be a key challenge for 2020/21.

From the Trust's scores in the national 'family and friends test', there is a high level of patient satisfaction – although some areas within the Trust have fallen below national averages at points in the year and in these areas, robust plans have been put in place to improve performance.

An unscheduled CQC inspection of the Emergency Department (ED) in August 2019 highlighted a number of areas for improvement. A detailed recovery plan was subsequently put in place and actions completed to address the concerns. The Trust was inspected by the CQC in January 2020, with four core services inspected. Due to the impact of the COVID-19 pandemic the well-led element of the inspection was not possible. The final CQC report was published in May 2020.

Key issues and risks

The NHS 10-year plan sets out an ambitious and rapid programme of change that's challenging for health and social care systems. As a Trust we continue to face key risks and issues including our ability to:

- develop sustainable clinical services which deliver improved care in terms of clinical effectiveness, patient safety and patient experience.
- Ensure strong, capable leadership that embeds a culture of true staff engagement and involvement in decision making.
- Ensure appropriate staffing levels, and being able to recruit and retain key clinical staff to reduce the use of agency and locum staff
- Through the Sustainability & Transformation planning process support the design, development and integration of primary, acute, community based health services and the Trust's social services partners.
- Deliver the level of access/clinical activity that meets the expectations of patients and commissioners in an increasingly challenging financial position.

- Deliver the range of services within agreed financial boundaries, whilst supporting the development of alternative models of care.
- Deliver major site infrastructure and IM&T transformational change and make progress towards our environmental sustainability ambitions.
- Embed 7-day services into the culture of the organisation and in the service models being developed as part of our clinical services strategy.

In terms of quality, performance and affordability these are some of the issues and risks we are mitigating against, although they remain key challenges:

- financial sustainability of services and service reconfiguration across the system.
- Unpredictable levels of emergency and urgent care and COVID-19 activity with potential detrimental impact on patient flow, bed availability and quality of patient experience.
- Detrimental impact on quality of efficiency savings not being delivered and cost pressures not being managed.
- Excessive reliance on locums and agency staff, creating significant cost pressure and having a potentially detrimental impact on quality.
- Risks relating to the response to COVID-19, the Restoration and Recovery of services following the pandemic and the need for flexibility in case of further waves of infection. Key risks within this include the continuing imperative to keep staff safe, the need to work with partners to ensure a system wide response and public confidence that services are safe.
- Risks relating to the continuing development and embedding of Derbyshire Support and Facilities Services.

Whilst the United Kingdom left the European Union in January 2020 the Trust remains mindful of the potential disruption to workforce, purchased consumables, goods and services should the transition period end without a withdrawal agreement in place. This risk is being managed in conjunction with The Department of Health and Social Care (DHSC).

Derbyshire Support and Facility Services

In April 2019 Derbyshire Support and Facility Services (DSFS) was established as a wholly owned subsidiary company of Chesterfield Royal Hospital NHS Foundation Trust (CRHFT) to change the way support and facility services are delivered to the Trust. The model of the wholly owned subsidiary was chosen to provide high quality support services on a commercial basis, realising value for money for the Trust and opening up business potential to generate new sources of income.

The establishment of Derbyshire Support and Facilities Services (DSFS) combined with the national and regional drivers for change; and the opportunities with Joined up Care Derbyshire and Facilities Management market, created a great opportunity to deliver an exciting and comprehensive vision for DSFS.

Our people
DSFS currently employs 793 people, 636 are on TUPE terms and conditions from CRHFT following the transfer in April 2019. 157 of our people have been employed on DSFS Terms and Conditions. DSFS has a collective priority of improving its employee satisfaction across all areas by building on the following priorities:

- **Engage** with colleagues to ensure all employees feel transparency of communication and respected.
- **Empower** our People and Leaders to make a positive difference.
- Developing effective **Leadership** to build a culture of trust amongst colleagues.
- **Recognise** our people to ensure they feel valued.
- **Attract and retain** a flexible workforce to meet the needs of our customers and visitors.

Collaboration and Integration
DSFS understands and believes that the quality and perception of our support and facility services provision completely depends on the motivation and engagement of our people. Our priority and focus is staff engagement and leadership to deliver and develop outstanding support and facility services to both our existing and new customers.

Working together to improve our service performance starts with ensuring we provide our own DSFS service teams with the best possible supporting infrastructure and tools to enable them to do their job.
Internal customer service, the responsiveness, support and solutions we provide to each other to make our jobs easier and more effective is a key aspect in making a positive difference for improved engagement and service performance.

2019/20 Summary
The first year has very much been a transitional year for DSFS, being paramount that support and facility services continued to be provided without disruption to clinical services and patient care. At the same time DSFS staff and leadership teams needed to adjust to the new company, develop processes and systems fit for purpose and to establish the strategic direction of the company in partnership with its people.
Our ambition is to provide an outstanding service performance that supports our customer's purpose making a positive difference in their service experience.

Business Development
Healthcare is changing; the Trust and other healthcare providers require a different approach to delivering their non-clinical activities. DSFS will pro-actively seek to grow our business by providing services that meet this need. We believe that the services we provide to the healthcare sector and our expertise and knowledge will benefit other interested parties outside the healthcare sector as well. This creates further opportunities for growth for DSFS which ultimately benefit Chesterfield Royal, its staff and its patients.

Going concern
The Directors are mindful of the challenges facing the Trust in the current economic climate, and particularly the more challenging financial environment.

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.

Performance analysis

Key performance measures and performance of the Group over the year

The key performance measures and performance as below relate to the group being Chesterfield Royal Hospital NHS Foundation Trust and its 100% wholly owned subsidiary, Derbyshire Support and Facilities Services Limited (DSFS).

DSFS was incorporated on 1st August 2018 to provide an Operated Healthcare Facility (OHF) to the Trust under a 25-year agreement. The company commenced trading on 1 April 2019 and provides support to the hospital in terms of estates and facilities services, portering, domestics, procurement and supply chain services plus finance and IT services. On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to DSFS in order for the company to deliver the services specified under the OHF agreement.

The summary headline financial information for 2019/20 and 2018/19 for the Group is shown below:

	2019/20 Planned £m	**2019/20 Actual £m**	2018/19 Actual £m
Operating income	260.531	**272.520**	254.209
Of which clinical	227.658	**235.346**	220.505
Of which non-clinical	32.873	**37.174**	33.704
PSF / MRET* income (incl. in non-clinical income above)	9.353	**5.554**	5.058
Retained Surplus/(Deficit) - before impairments	11.328	**(1.379)**	2.146
Net impairments	2.256	**(2.826)**	25.644
Retained Surplus/(Deficit) - after impairments	9.072	**1.447**	(23.498)
Control Total basis Surplus/(Deficit) (incl. PSF / MRET)	11.257	**(1.673)**	2.115
Control Total basis Surplus/(Deficit) (excl. PSF / MRET)	1.904	**(7.227)**	(2.943)
EBITDA **	19.488	**4.194**	8.967
Total assets	141.714	**145.866**	140.512
Cash and cash equivalents	28.708	**15.926**	27.553
Capital Investment	18.447	**10.656**	11.061
Actual borrowing **i) long term** **ii) short term**	 10.673 1.768	 **10.673** **1.768**	 12.364 1.774
Use of Resources risk rating***	1	**3**	2
Cost Improvement Programme (CIP)	10.486	**9.130**	4.482

	2019/20 Planned £m	**2019/20 Actual £m**	2018/19 Actual £m
Efficiencies achieved	4.0%	**3.4%**	1.7%

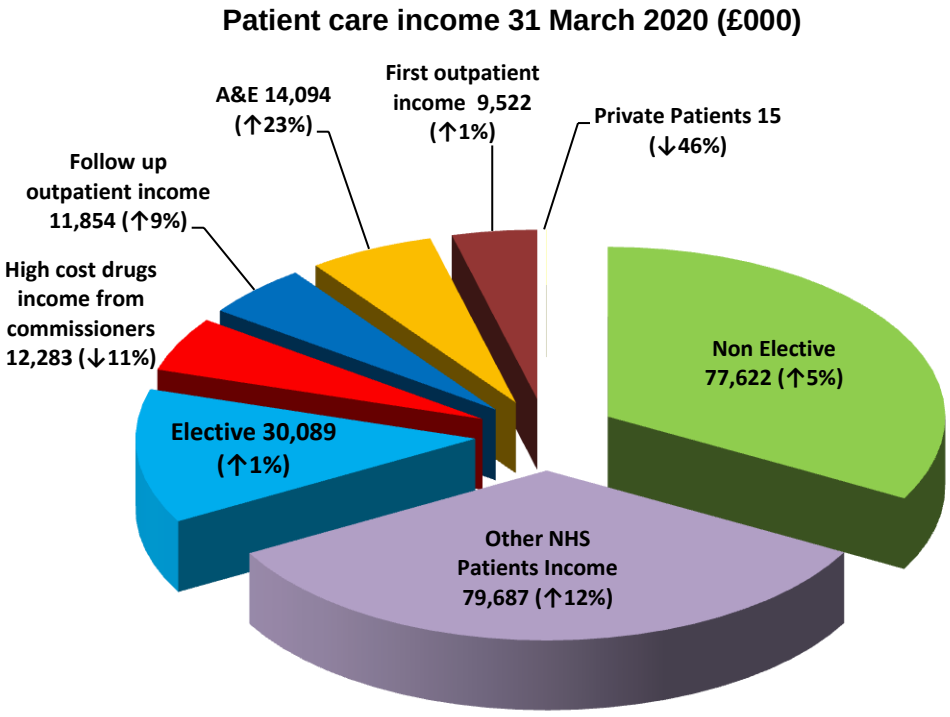
* PSF = Provider Sustainability Fund, MRET = Marginal Rate Emergency Tariff - see page 20 for more detail
**Earnings before Interest, Taxation, Depreciation and Amortisation and Impairments.
*** The Single Oversight Framework (SOF) sets out the NHS Improvement's approach to overseeing NHS providers. The SOF assesses the financial performance of providers via the "Use of Resources (UOR)" risk ratings. The scoring has been derived so that a 1 is the 'best' (lowest risk) score and 4 is the 'worst' (highest risk) score. For further details of both, see 'regulatory ratings' on page AR135 of the annual report.

Operating Income

Group operating income of £272.5m (2018/19: £254.2m) consists of patient care income and non-patient care income. These are analysed below:

i) Income from patient care activities (clinical income)

Total income from patient care activities for the year 2019/20 increased by 6.7% to £235.3m (2018/19: £220.5m). This represents 86.4% (2018/19: 86.7%) of total income for the year. A breakdown of patient care income is shown graphically below:



Further details of patient care activities are shown in Note 4.1 to the financial statements in the last section of the annual report.

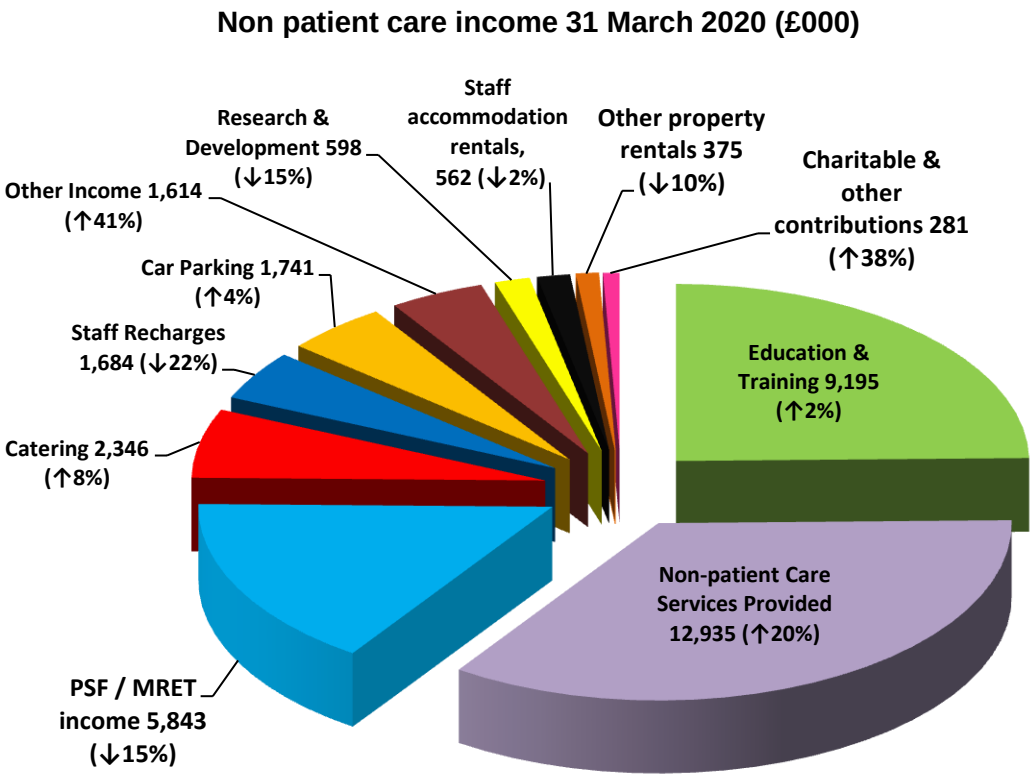
ii) Income generated from non-patient care activities (non-clinical income)

The Health and Social Care Act 2012 states that any Foundation Trust that wishes to increase the share of its income from non-NHS sources (including private work) by more than 5% in any one year, must obtain prior approval from its governors. The Trust did not increase its income from non-NHS sources by more than 5% in 2019/20.

Included below are details of £37.2m (2018/19: £33.7m) of non-patient care income received, which has been generated from the provision of non-patient care services such as education and training.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income generated from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

Non patient care income represented 13.6% of the total income in the year (2018/19: 13.3%). A breakdown is shown graphically below:



Further details of non-patient care income are shown in Note 5.1 to the financial statements in the last section of the annual report.

Provider Sustainability Fund (PSF) and Marginal Rate Emergency Tariff (MRET) income
Provider Sustainability Fund (PSF) income has been made available to NHS providers, linked to the achievement of financial controls and performance targets. £960k (2018/19: £5,058k) relates to the Trust's total indicative PSF receivable which includes £960k (2018/19: £2,240k) core PSF and £nil (2018/19: £2,818k) general distribution PSF income.

Marginal Rate Emergency Tariff income totalling £4,883k was received (2018/19: £nil). MRET central funding was new for 2019/20 and only received by those organisations that signed up to their Control Totals.

Retained Surplus
The net surplus of £1.447m was £7.625m below plan mainly due to a significant overspend on pay and non-pay costs driven by additional non elective work, which was not fully reimbursed due to the blended tariff mechanism, plus an underlying non-elective pricing issue. The group incurred a deficit before net impairments of £1.379m, which was £12.707m below plan.

Control Total Deficit
The Trust signed up to a financial Control Total with its regulator NHS Improvement for the period 2019/20. This gave access, dependant on achievement of specific financial and operational targets, to the Provider Sustainability Fund (PSF), of which the Trusts planned allocation was £9.353m.

Control totals and financial performance measures have been set and monitored on the following technical accounting basis:

	2019/20 Planned £m	**2019/20 Actual £m**
Surplus/(Deficit) for the year	**9.072**	**1.447**
Add back: Net Impairments charged to I&E	2.256	(2.826)
Less: Gains/losses on transfers by absorption	-	-
Less: I&E impact of capital donations	(0.071)	(0.005)
Less impact of prior year PSF post accounts reallocation	-	(0.289)
Add: Impact of prior period adjustments	-	-
Adjusted financial performance (control total basis) incl. PSF/MRET	**11.257**	**(1.673)**
Less: PSF / MRET income	(9.353)	(5.554)
Adjusted financial performance excl. PSF/MRET	**1.904**	**(7.227)**

The table above shows that the group achieved a control total deficit of £1.673m against a control total surplus set by NHSI of £11.257m. The underlying control total achieved excluding PSF income was a deficit of £7.227m against a surplus of £1.904m set by NHSI.

EBITDA

EBITDA decreased by £4.773m from £8.967m in 2018/19 to £4.194m for 2019/20. This reflects an increase in expenses (excluding depreciation, amortisation and impairments) of £23.104m (9.43%) and an increase in income of £18.311m (7.2%).

Total assets

Group total assets increased from 2018/19 to 2019/20 by £5.354m, mainly attributable to an increase in the value of Property, plant and equipment due to the revaluation of the hospital estate at 31 March 2020.

Cash and cash equivalents

The Group cash position decreased by £11.627m at the end of the financial year. Cash outturn was £12.782m below plan, mainly due to the underlying financial position and non-achievement of PSF income, plus higher than anticipated levels of Receivables.

Capital investment

The Group's investment (in terms of capital expenditure) for 2019/20 is shown below. A total of £10.656m (2018/19: £11.061m) was spent during the year.

£125k (2018/19: £144k) of charitable capital assets were donated to the Trust during the year from its charitable funds for the staff dining refurbishment (Retreat@Royal) and a new multi-faith room. During the year, £nil (2018/19: £nil) was donated from other bodies.

Capital investment by major scheme during 2019/20 is shown below:

Capital investment for the 2019/20 financial year		Total £m
Development Schemes		
	Urgent Care Village (incl. suite 7 and Pharmacy)	1.644
	Purchase of 2 x GP Practices	1.248
	PACU	0.293
Maintenance Schemes		
	Ward Refurbishments	1.174
	Retreat@Royal Refurbishment	0.350
	LED lighting	0.333
	Surgical Assessment Unit (SAU)	0.122
	Building Management System (BMS)	0.104
	Bus shelters and Digital Display Screens	0.093
	Multi-faith Room	0.078
	Bed Store	0.073
	Residences Upgrade	0.059
	Estates schemes	0.944
Other Expenditure		
	Central IT Equipment & Applications	1.733
	Divisional Equipment, minor works & Applications	2.368
	NHS funded capital expenditure	**10.531**
	Donated assets	0.125
	Total capital expenditure	**10.656**

Borrowings

In 2014/15, the Trust signed a new 10 year capital investment loan agreement with the Department of Health to part fund the Theatres Modernisation project and a new cancer centre with a fixed interest rate of 1.71%. The Trust repaid £1.6m of the loan in 2019/20.

During 2019/20, the Trust also repaid £68k (2017/18: £70k) relating to the capital element of finance leases. At 31 March 2020, finance lease liabilities were £0.214m (2019: £282k).

For further details please see Notes 29 and 30 to the annual accounts and financial statements in the last section of the annual report.

Quality, productivity and efficiency

As part of our commitment to providing high quality, sustainable healthcare, the Trust is always looking at ways in which services can be run more efficiently whilst maintaining or improving quality. In 2019/20 the Trust delivered £8.5m efficiency savings against a target of £9.8m (87%).

The Trust is also actively engaging with the Model Hospital efficiency team which looks to share best practice in various disciplines across the NHS and provides benchmarking information between NHS provider Trusts; the Trust has also participated in a number of other benchmarking exercises throughout the year and this information has been used to develop future years transformation. The Trust has also worked with the Derbyshire system to ensure a collaborative approach and that plans are consistent with the aims of Derbyshire STP.

The delivery of efficiency plans is monitored regularly via the Transformation Group which monitors delivery against savings plans and provides strategic direction to the efficiency agenda. The group has a range of senior clinical representation. Internal systems are in place through the transformation support team to ensure that efficiency schemes are subject to a quality and environmental impact assessment. In addition the systems savings group reviews the savings delivery across Derbyshire and looks for opportunities to share best practice and how organisations can work together to improve patient care and become more efficient.

In addition, the Trust achieved a Use of Resources rating of 'Good' as part of the Trust's CQC Well Led inspection during 2018/19.

Activity and key standards

Activity achievement during 2019/20 compared to plan is detailed below:

Clinical activity cases	**Plan 2019/20**	**Actual 2019/20**
Elective	33,279	33,174
Non elective	40,568	41,194
Outpatients	236,677	233,398
A&E	93,103	96,047

Performance on key standards during 2019/20 is shown below*:

- **84.6%** of patients seen within four hours in the emergency department (standard: 95%).
- **85.2%** of patients (standard: 92%) were treated within 18 weeks of referral.

- **94.1%** of patients (standard: 93%) were seen by a specialist in out-patients within two weeks of urgent GP referral for suspected cancer; and **89.7%** of patients (standard: 93%) referred by their GP with any breast symptom were also seen by a specialist within two weeks of referral.

- **97.3%** of patients (standard: 96%) were treated within one month of a decision to start first cancer treatment; **96.8%** of patients (standard: 94%) received subsequent surgical treatment within one month of a decision to treat; and **100%** of patients (standard: 98%) received subsequent anti-cancer drug treatment within one month of a decision to treat.

- **81.7%** of patients (standard: 85%) received their first definitive treatment for cancer within two months of GP or dentist urgent referral for suspected cancer, and **77%** of patients (standard: 90%) received their first definitive treatment for cancer within two months of urgent referral from the national screening programme.

- The Trust recorded **40** cases of Clostridium difficile against the national trajectory of 31.

*Figures in red denote targets not met. Figures in **green** denote targets achieved.

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Environmental, social, community and human rights matters

Sustainability report

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our footprint.

As a part of the NHS, public health and social care system, it is now our legal obligation, alongside the rest of the UK Economy, to contribute towards getting the UK to deliver a net zero carbon output position by 2050.

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features. The area which we are focusing on in the forthcoming Sustainable Development Management Plan is around procurement as 60%+ of our carbon footprint is in the embedded carbon in procured goods and services. It is therefore urgent that we take steps to address this.

Area	Is sustainability considered?
Travel	Yes
Business Cases	No
Procurement (environmental & social aspects)	No
Suppliers' impact	No

The Trust's Environmental Sustainability Group is developing action plans to ensure environmental sustainability impact assessments are completed, where appropriate, during business cases and procurement activities.

One of the ways in which an organisation can embed sustainability is through the use of a Sustainable Development Management Plan (SDMP). The SDMP (which is the action plan associated with the annual refresh of the Environment Strategy) demonstrates our objectives on sustainable development and is accompanied by an SDMP Action plan board approved our SDMP. Out next review of the SDMP is scheduled for July 2020.

One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the Good Corporate Citizenship (GCC) tool. The last time we used the GCC self-assessment was in September 2016, scoring 36%. The Good Corporate Citizenship (GCC) tool has now been replaced with a new Sustainable Development Assessment Tool. We will be completing this assessment tool as soon as practicable in order to use as one of the measures of our success.

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods etc. Our annual review of the Environment Strategy aims to address the potential need to adapt the delivery of the organisation's activities and infrastructure to climate change and adverse weather events, where necessary; and meet the national commitment on zero net carbon output by 2050.

Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in an environmentally sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

We have not currently established any strategic partnership in relation to environmental sustainability.

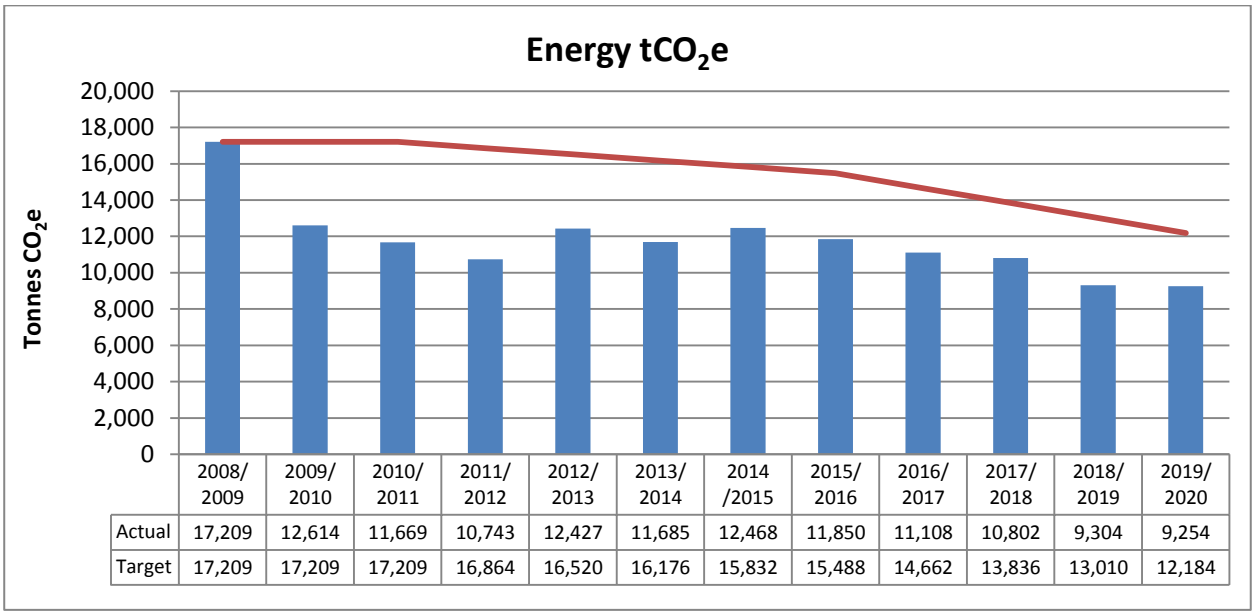
Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Therefore, in order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Context info	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Floor Space (m^2)	91,694	98,970	98,409	99,806	97,293	98,036
Number of Staff	3,700	3,800	3,900	4,120	4,181	3,999

Energy

The continued management of energy and implementation of energy saving schemes has seen our energy associated carbon emissions (tCO_2e) reduce. The Trust remains on target to meet the agreed reduction targets as set out in the Climate change Act 2008.



	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Actual	17,209	12,614	11,669	10,743	12,427	11,685	12,468	11,850	11,108	10,802	9,304	9,254
Target	17,209	17,209	17,209	16,864	16,520	16,176	15,832	15,488	14,662	13,836	13,010	12,184

Emission per Resource

Resource		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Gas	Use (kWh)	25,162,886	25,271,724	25,108,807	27,766,574	25,583,434	27,568,098
	tCO_2e	5,279	5,289	5,247	5,887	5,360	5,728
Oil	Use (kWh)	17,576	70,566	87,925	20,176	49,153	43,067
	tCO_2e	6	23	28	7	16	14
Coal	Use (kWh)	0	0	0	0	0	0
	tCO_2e	0	0	0	0	0	0
Electricity	Use (kWh)	11,598,205	11,372,507	11,286,474	11,012,946	11,132,636	11,116,456
	tCO_2e	7,183	6,538	5,833	4,909	3,927	3,513
Green Electricity	Use (kWh)	0	0	0	0	0	0
	tCO_2e	0	0	0	0	0	0
Total Energy tCO_2e		12,468	11,850	11,108	10,802	9,304	9254
Total Energy Spend		2,014,807	1,974,113	1,741,966	2,157,293	2,048,475	2,310,436

In order to continue to reduce our energy and carbon emissions associated with energy usage we submitted a bid to the NHSI LED Lighting fund and have been awarded £477,000. This money will fund the replacement of around 1,500 inefficient light fittings across site with LED light fittings. Reducing our energy by around 1,295,720 KWh and emissions by 455 tCO_2e, with a cost saving of £149,735.

Travel

The significance of the environmental impact of travel to CRH by staff and visitors is appreciated. In order to minimise this impact the Trust has a site travel plan that includes strategies and initiatives to promote sustainable travel and reduce single occupancy car journeys. This travel plan is updated on a regular basis and is hosted on Derbyshire County Council sustainability platform.

The Trust has several measures in place to encourage staff to use more sustainable methods of travel including car share, cycling, walking, using buses and motorcycling.

The Trust has a cycle to work salary sacrifice scheme through which 18 staff purchased a bike during 2019/20. The current scheme allows a spend of up to £1000. As national legislation has been amended to remove this upper limit we are now reviewing our scheme to ensure it is in keeping with this change. Therefore, the trust is currently negotiating an additional cycle to work salary sacrifice scheme with a new provider which will enable a higher level of spend on the bike, this will enable staff to be able to purchase an electric bike via a cycle to work scheme.

The Trusts discounted car share scheme has 153 car share passes issued to staff. The Trust is exploring options for online car share software to facilitate helping staff to find potential car share matches.

The Trust has been working in partnership with the main local bus provider Stagecoach. Stagecoach have improved the bus services to the hospital during 2019/20 by increasing the direct buses to the hospital from Newbold and Sheffield. Stagecoach have also improved the discount scheme for hospital staff by introducing an online discount code for discounts on the bus tickets to replace the paper based discount tickets. This new scheme means a wider range of tickets can be purchased including daily and monthly tickets. The monthly tickets are better value tickets, enabling staff to make further savings on bus travel. Since the discount code scheme was launched on 1st January 2020, the discount code has been redeemed by 73 individual users. The Trust has also been working in partnership with Derbyshire County Council to improve bus information and digital display showing live bus information are now sited outside the main entrance, inside the main entrance and at Costa Coffee.

On 26th, 27th and 28th February 2020 the Trust hosted three "Big Conversation: Let's Talk Site Accessibility" events which were open to staff, patients and visitors. The events outlined the proposed changes to car parking and also provided lots of information on sustainable travel options. Information on sustainable travel provided at the event included bus maps and timetables, the bus discount code, Chesterfield Cycle Maps, information on the Cycle to Work scheme, leaflets about a local Dr Bike scheme and adult cycle training in Derbyshire. Plans will be updated in the context of some of the changes made to ways of working during the COVID-19 pandemic.

Waste Management

The Waste (England and Wales) Regulations 2011 require that the waste hierarchy is implemented throughout the waste stream when disposing of any waste products:

The Trust takes reasonable measures to apply the waste hierarchy to waste disposal.

The waste contracts during 2019/20 are with the following waste contractors:

- Tradebe manages and removes clinical waste.
- Sharpsmart manages and removes reusable sharps containers.

- Veolia manages and removes domestic waste, cardboard, recycling, hazardous waste, furniture waste, non-IT electrical waste, food waste and cooking oil.
- Restore Datashred manages and removes confidential waste.
- Concept Management manages and removes IT electrical waste.

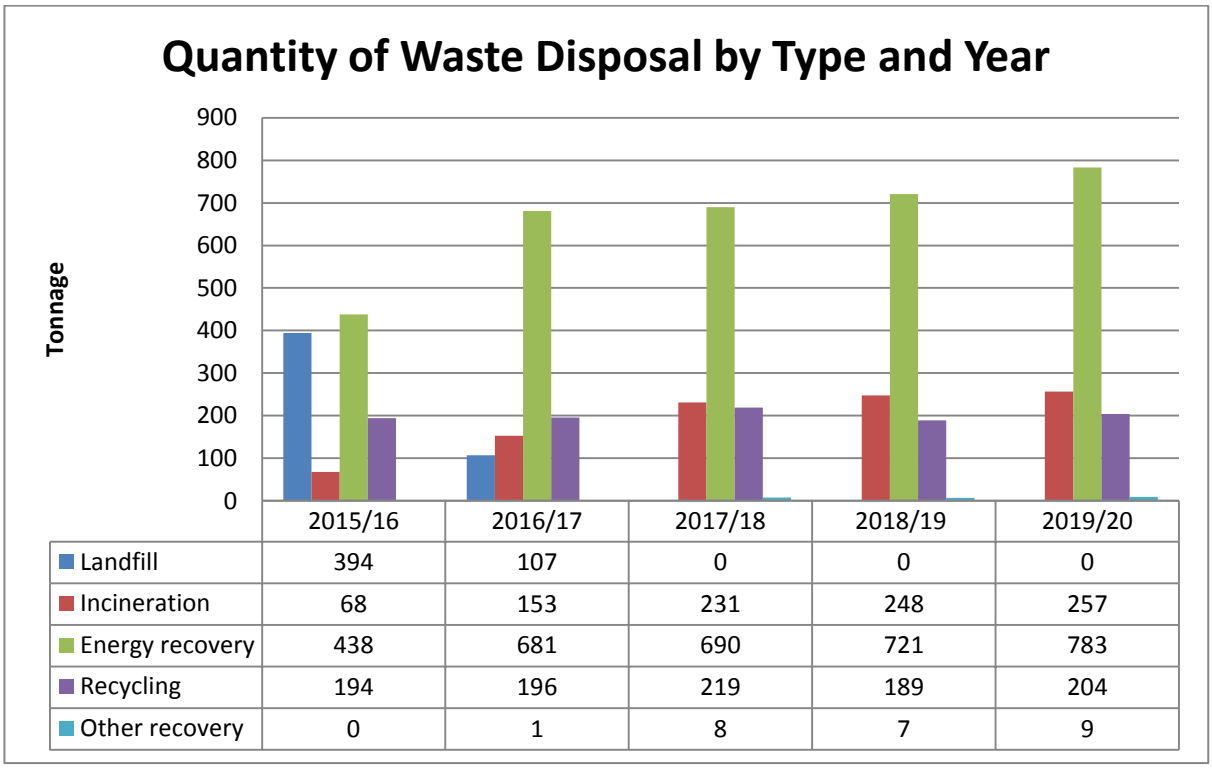
Annual quantities for waste disposal are shown in table 1 and graph 1. Chesterfield Royal Hospital continued to achieve "Zero waste to landfill" during 2019/20. This is due to the domestic and offensive waste being disposed of via Energy Recovery at Veolia's award winning Energy Recovery Facility located in Sheffield. All infectious waste during 2019/20 was disposed of via High Temperature Incineration with Energy Recovery (classed as Incineration on the graph).

There is a 7.5% increase in the total amount of waste produced in 2019/2020 when compared with the total amount of waste produced in 2018/19.

Table 1: Tonnage and CO2 Emissions for Chesterfield Royal Hospital Foundation Trust Waste Disposal

Waste		2016/17	2017/18	2018/19	2019/20
Recycling	(tonnes)	196.00	219.00	189.00	204.00
	tCO_2e	4.12	4.60	3.78	4.28
Other recovery	(tonnes)	682.00	698.00	727.00	792.00
	tCO_2e	14.32	14.66	14.54	16.63
High Temp disposal	(tonnes)	153.00	231.00	248.00	257.00
	tCO_2e	33.66	50.82	54.31	56.54
Landfill	(tonnes)	107.00	0.00	0.00	0.00
	tCO_2e	26.15	0.00	0.00	0.00
Total Waste (tonnes)		1138.00	1148.00	1164.00	1253.00
% Recycled or Re-used		17%	19%	16%	16%
Total Waste tCO_2e		78.25	70.08	72.63	77.46

Graph 1: Chesterfield Royal Hospital Foundation Trust Waste by Year and Disposal Method.



	2015/16	2016/17	2017/18	2018/19	2019/20
Landfill	394	107	0	0	0
Incineration	68	153	231	248	257
Energy recovery	438	681	690	721	783
Recycling	194	196	219	189	204
Other recovery	0	1	8	7	9

A number of improvements have been made to waste disposal during 2019/20:

- A new style of plastic sack holder from a different manufacturer “U-Group” has been selected as the Trusts standard pedal bin for wards and departments. This bin is manufactured in the UK at the U-Group factory in Birmingham. This bin normally has a lead time of 3 days which is an improvement on the previous suppliers lead time of 8 weeks. The bin is a good design being silent closing, easy to clean and having replaceable parts.

- The number of plastic and cans recycling facilities have increased during 2019/20 and there are now 4 x 1100 litre recycling wheeled bins across the site for the disposal of plastic and cans.

- Various options were explored during 2019 to introduce food recycling to the Sodexo kitchen including using food waste wheeled bins, food waste dryers and food waste digesters. The Garbage Guzzler aerobic food waste digester was selected as the most suitable option for the Sodexo food waste and the machines have been purchased. Once these machines are installed the food waste will be disposed of via these machines which will reduce the volume of food waste by 70% and produce a digestate. The digestate can be disposed of as food waste. This new system will eliminate the disposal of food waste via macerator to sewer which is damaging to the environment.

- A new style of 1100 litre bin with a split lid was sourced and several purchased for disposal of cardboard. There had been staff feedback stating that the large lids are heavy and awkward to use. The split lid makes the bin easier and more ergonomic to use.

- In April 2019 the Warp-it reuse system was implemented. This is an online system similar to a freecycle / ebay type system. The system enables departments disposing of items, such as furniture and stationary, to put them onto the system and other departments can claim the items. All the transfers are free of charge. During 2019/20 Warp-it has achieved financial savings of over £32k, waste savings of over 6 tonnes, and savings of 15,515 CO2. The CO2 savings are the equivalent of 6 cars off the road or 21 trees. A total of 185 staff have registered on the system.

Future plans for waste

During 2019 a wide range of discussions took place on how best to implement site wide recycling. A paper has been produced and it is hoped that the site wide recycling system can be trialed as soon as this is practicable for the Trust. As total waste tonnage continues to creep up, we are reviewing our ambitions to reduce waste production further.

Finite resource use – Water

Water consumption has increased year on year, mainly due to the site area increases, the need for increased levels of hygiene and our legionellosis water management regimes.

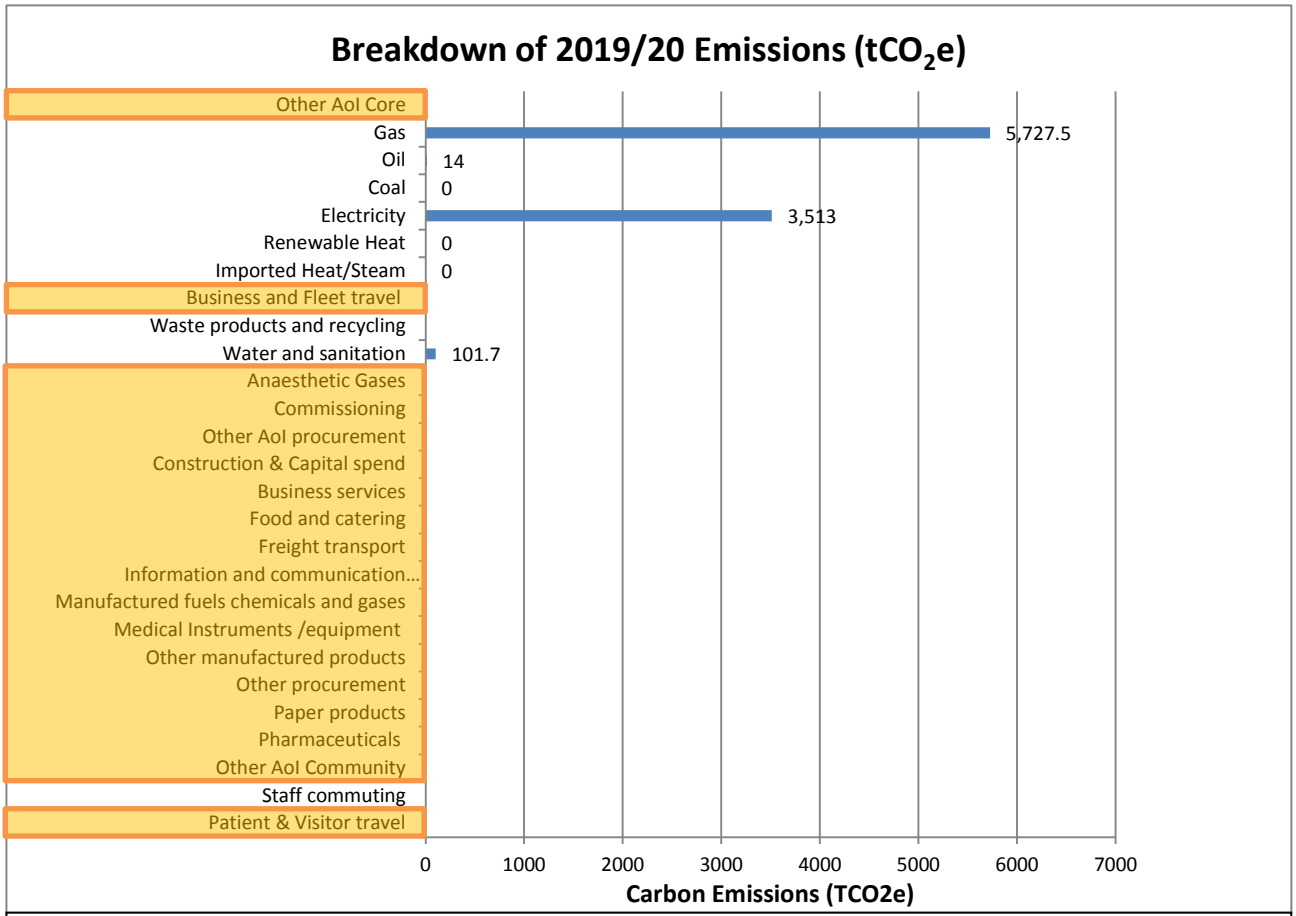
Water		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Mains Water	m^3	90,573	96,625	107,667	101,328	96,652	111,753
	tCO_2e	83	88	98	92	88	102
Water & Sewage Spend		186,444	210,720	229,265	214,918	175,982	200,088

We continue to look at ways of reducing our water usage by installing water saving devices on all new refurbishments and developments where appropriate.

Modelled Carbon Footprint

The information provided in the previous sections of this sustainability report uses the ERIC returns as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development Unit (SDU) in 2009/10. More information available here: http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx

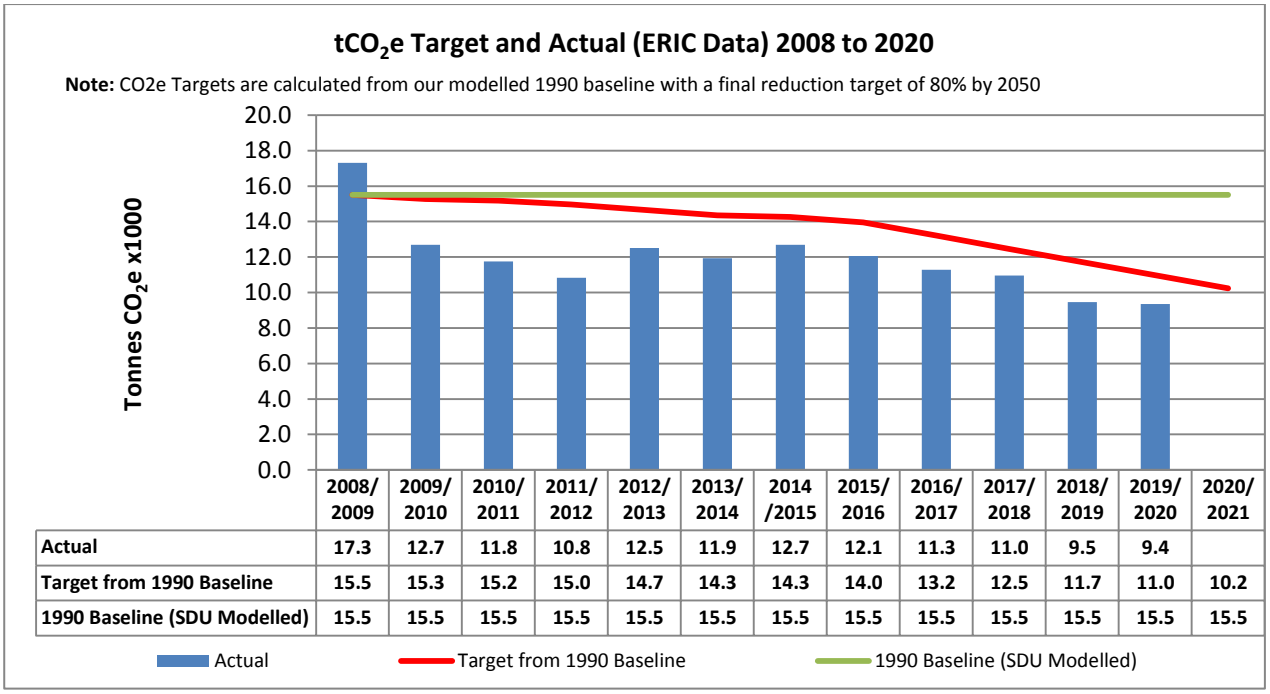
The estimated carbon emissions from energy, water use and waste only was 9,356 tCO_2e in year 2019/2020. The total carbon footprint of the Trust would also need to include carbon emissions due to travel (staff and patient), catering, and the embedded carbon in procured goods, and will be much greater than this figure. We will explore ways in which this can be estimated, and then reduced, in future.



Note: The Trust does not currently collect data for the categories highlighted in the chart above.

Progress Against Targets

The Trust is identifying and adding data in order to measure its carbon footprint to fully understand our impact and identify ways of reducing this. The modelled trajectory with the climate change act target of 34% reduction from a 1990 baseline by 2020 is shown below:



	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014 /2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021
Actual	17.3	12.7	11.8	10.8	12.5	11.9	12.7	12.1	11.3	11.0	9.5	9.4	
Target from 1990 Baseline	15.5	15.3	15.2	15.0	14.7	14.3	14.3	14.0	13.2	12.5	11.7	11.0	10.2
1990 Baseline (SDU Modelled)	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5

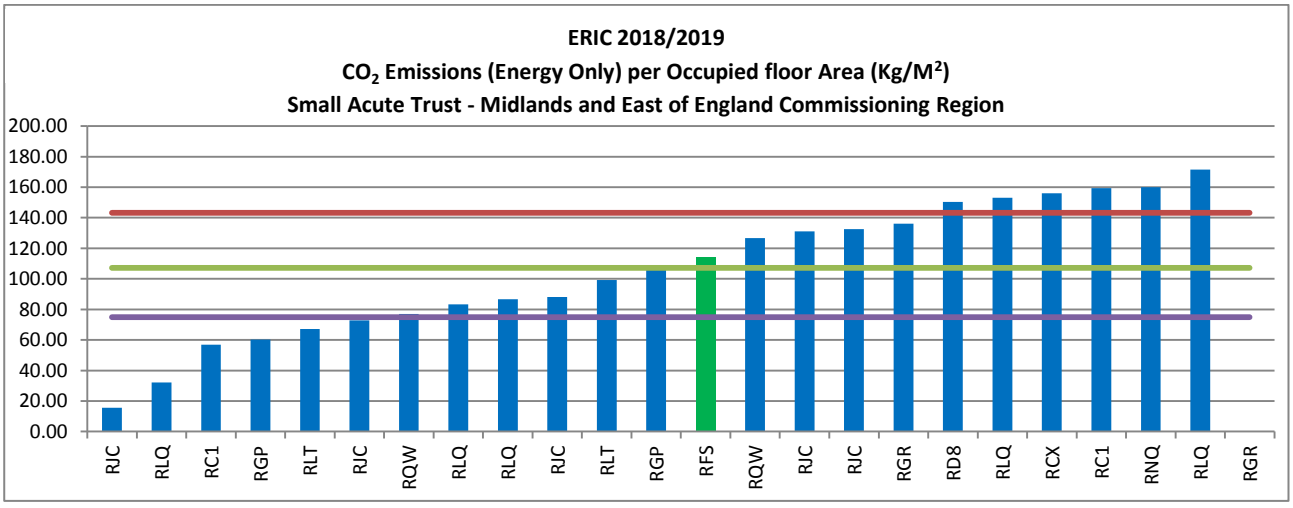
NHS (Climate Change) Targets: Reduction from 2007 Baseline of 10% by 2015

Reduction from 1990 Baseline of 34% by 2020, 50% by 2025, 64% by 2030 and 80% by 2050

Benchmarking

The Trust uses local and national professional bodies such as HEFMA and ERIC to compare progress and results with other NHS organisations. Chesterfield Royal Hospital NHSFT compares favourably with these and is on plan to meet its target reductions.

Energy Carbon Emissions 2018/2019 (2019/20 data is not available until October 2020)



Adaptation

Events such as heat waves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies.

Security

The Trust's security management strategy is under six key areas:

- Pro-security culture
- Deterrence
- Prevention
- Detecting
- Investigation
- Applying Sanctions

2018/19 569 incidents **2019/20 528 incidents**	The number of reported security incidents has seen a reduction of 71 41 incidents when compared with 2018/19. However the number of reported assaults against staff has seen an increase of 25 incidents when compared with 2018/19.

The Trust continues to raise security awareness with staff education/public awareness information. The Trust actively seeks sanctions where there is a realistic prospect of success. The number of assaults on staff during the year is shown in the table below and it is significant to note that the number of sanctions achieved for assaults not related to medical conditions is now at 40%. This is as a direct result of close co-operation between the Trust's security team and Derbyshire Police. There is a regular presence at the hospital from a Police Community Support Officer.

Total number of assaults on staff 2014 to 2017 (3 year trend)	**2017/18**	**2018/19**	**2019/20**
Total number of assaults on staff	**113**	**160**	**185**
Total number of assaults due to medical condition	**110**	**143**	**170**
Total number of assaults not due to medical condition	**3**	**17**	**15**
Total number of sanctions	**2**	**7**	**6 (please note, an additional 2 incidents remain under Police investigation)**

Occupational health

The Trust has an on-site occupational health service provided under contract by an external NHS provider. This is nurse-led, but with access to a consultant occupational health physician. The service includes health screening for new and current members of staff, review meetings and access to confidential counselling and psychological support.

Equality, diversity and human rights

Measures are in place to ensure that the Trust meets its obligations under legislation governing equality, diversity and human rights.

In addition to its statutory obligations, the Trust continues to embed and improve the equality, diversity and inclusion agenda in relation to awareness raising and the development of our culture. An annual equality report was provided to the Trust's Board in September 2019 outlining all the activities that have taken place, and our workforce monitoring information is published on the Trust's internet page.

Fire Safety

Fire safety and the continued protection of both people and our buildings throughout the Trust has continued during 2019/20 period with much emphasis on updating of the fire risk assessments, develop the training and development of our staff & teams, supported by the employment of an additional Fire Safety Co-ordinator within the DSFS Safety Management Team during December 2019 that further re-enforces our strategy of continuous improvement and development of our fire safety systems and procedures at the Trust.

Our fire safety strategy continues to be monitored through inspections and audits by the Fire Authority as part of the Regulatory Reform (Fire safety) Order 2005, we also continue to support and share our thoughts and regularly update our colleagues as active members of the Derbyshire Fire Liaison Healthcare Group which proactively updates all of its members with the proposed changes to the relevant fire safety guidance for healthcare providers and exchanges best practice information between all group members.

Objectives for 2020/21

The Fire Safety improvement programme will continue on the CRH site and build on the recent improvements by:

1. Continued upgrading of current fire safety systems to ensure system reliability and integrity, in particular the upgrade works to the fire control units which commenced in December 19 and will continue throughout 2020.
2. Maintaining building regulation compliance as part of specific refurbishment programmes and safe by design on new build projects
3. Continued fire safety compliance by meeting both current and advisory future regulatory requirements
4. Provision of simulated evacuation training for all relevant personnel
5. Identification and training of fire safety Marshall's

6. Enhanced fire extinguisher training for key fire first responder personnel
7. Ward lifts fire safety door upgrades to meet statutory guidance
8. Upgrading works to the emergency evacuation stairwells to meet current regulations

Post financial year-end important events affecting the Trust

There are no post financial year-end important events affecting the Trust.

Overseas operations

The Trust had no overseas operations.

Performance report signed by

Angie Smithson

Chief Executive and Accounting Officer
19 June 2020

Accountability Report

Directors' report

The directors' report has been prepared in accordance with sections 415 to 418 of the Companies Act 2006 and regulation 10 and schedule 7 of the Large and Medium-sized Companies and Groups Regulations 2008.

Directors of the Trust

These directors were appointed to membership of the Board of Directors, and were in post during the year 1 April 2019 to 31 March 2020:

Designation	Dates	Name
Chair	1 April 2019 – 31 March 2020	Dr Helen Phillips
Chief Executive	1 April 2019 – 4 August 2019	Simon Morritt
Chief Executive	1 September 2019 – 31 March 2020	Angie Smithson
Non-Executive Director; Deputy Chair and Senior Independent Director	1 April 2019 – 31 March 2020	Beverley Webster OBE
Non-Executive Director	1 April 2019 – 31 March 2020	Alison McKinna
Non-Executive Director	1 April 2019 – 31 March 2020	Dr Jeremy Wight
Non-Executive Director	1 April 2019 – 31 March 2020	Michael Killick
Non-Executive Director	1 April 2019 – 31 March 2020	Jayne Stringfellow
Non-Executive Director	1 April 2019 – 31 March 2020	Sue Glew
Non-Executive Director	1 April 2019 – 31 March 2020	Keith Nurcombe
Non-Executive Director	1 April 2019 – 31 March 2020	Atul Patel
Chief Operating Officer and Interim Chief Executive	1 April 2019 – 31 March 2020 29 July 2019 – 31 August 2019	Tony Campbell
Interim Chief Operating Officer	29 July 2019 – 31 August 2019	Michael Hayward
Director of Nursing and Patient Care and Acting Deputy Chief Executive	1 April 2019 – 31 March 2020 29 July 2019 – 1 September 2019	Lynn Andrews
Director of Finance and Contracting	1 April 2019 – 31 March 2020	Lee Outhwaite
Medical Director	1 April 2019 – 31 March 2020	Dr Hal Spencer
Director of Human Resources and Organisational Development	1 April 2019 – 31 March 2020	Zoe Lintin

The Trust considers each of the listed non-executive directors to be independent.

Further details about the Board of Directors and the directors of the Trust can be found on pages AR60 to AR77 of the annual report.

Directors' responsibility for the annual report and accounts

The directors are responsible for preparing the annual report and accounts. The directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

Cost allocation and charging requirements

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

Political donations

The Trust has made no political donations during the financial year.

Better payment practice code

The national 'better payment practice code' requires the Trust to aim to pay all valid invoices within 30 days of receipt (or the due date - whichever is the later). The Trust expects to settle over 95% of the invoices within this criterion.

Details of performance are set below:

	2019/20		2018/19	
	Number	**£000**	Number	£000
Total				
Total bills paid in the period	**68,143**	**156,406**	69,021	91,934
Total bills paid within target	**62,597**	**148,241**	66,384	81,602
Percentage of bills paid within target	**91.9%**	**94.8%**	96.2%	88.8%
Non NHS				
Total bills paid in the period	**65,929**	**131,523**	66,673	77,041
Total bills paid within target	**60,859**	**134,779**	64,456	71,704
Percentage of bills paid within target	**92.3%**	**102.5%**	96.7%	93.1%
NHS				
Total bills paid in the period	**2,214**	**24,883**	2,348	14,893
Total bills paid within target	**1,738**	**13,462**	1,928	9,898
Percentage of bills paid within target	**78.5%**	**54.1%**	82.1%	66.5%

Disclosure of any interest paid under the Late Payment of Commercial Debts (Interest) Act 1998 is set out in Note 13 to the annual accounts and financial statements in the last section of the annual report.

Financial disclosures

Accounting policies

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) agreed with HM Treasury. Consequently the Trust's financial statements have been prepared in accordance with the 2019/20 DH GAM. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Insurance cover

The LTPS scheme through NHS Resolution covers Employers Liability, Public Liability, Products Liability and Professional Indemnity; all these have an unlimited indemnity attached for each occurrence.

The Directors and Officers Liability Insurance is through DUAL Group and has an annual limit of indemnity (aggregate) of £10,000,000.

Income disclosures required by section 43(2A) of the NHS Act 2006

The income disclosures required by section 43(2A) of the NHS Act 2006 are shown on page AR30.

Charitable funds

All charitable fund expenditure is classed as granted to the hospital from its charities. Property, plant and equipment plus intangible (e.g. software) items over £5,000 are capitalised and included in the Trust's closing non-current assets on its Statement of Financial Position. The Charitable Funds Annual Report and Accounts for 2019/20 is published separately and is available from the Trust on request.

Future Developments

The focus for the NHS for the foreseeable future will be to continue to respond to the COVID – 19 pandemic and the potential for follow up waves of activity as a result of the virus spreading. At the same time it is a priority that access to essential services, such as diagnostics, cancer treatments and urgent medical care and surgical treatments are restored

The response to COVID -19 has seen extraordinary teamwork right across the NHS, which has equally been demonstrated across the Derbyshire system and more locally between all departments within Chesterfield Royal Hospital NHS FT. The health and well-being of our staff is of paramount importance and there is a substantial programme of support in place and more in development. This programme is focussed on ensuring our staff are supported to maintain their physical and mental health and are able to deliver the standard of patient care they are proud of.

The response to COVID - 19 has enabled the services in the NHS to be transformed in a manner that has never been seen before. The Trust has continued to work collaboratively with partners within the Joined Up Care Derbyshire STP to deliver a collective response. The governance has been of a nature that supports agile responsive decision making and the implementation of change at pace.

Future developments are now focussed on restoring and recovering essential services which is being done considering all situations including:

- how to keep staff protected to enable them to deliver services safely.
- How to respond to the potential impact of test and trace in terms of the potential of number of staff needing to self- isolate and hence absent from delivering services.
- How to deliver services with full consideration to the social distancing guidelines and keeping staff and patients safe.
- How to test staff and patients at a frequency and responsiveness that provides confidence that staff can deliver services safely and patients can access services safely.

Many changes have been implemented during the phase of responding to COVID -19 and need to be embedded through the restore and recover phases. With regards the urgent care pathway access to a GP is predominantly virtual, NHS111 has optimised the signposting of a patient to the appropriate service first as opposed to directly to the emergency department (ED), ambulance services have adopted a greater "see and treat" approach, which again has minimised conveyancing to ED and hospital based pathways have been streamlined and separated to respond to suspected COVID patients and non COVID-19 patients. Discharges from hospital are completed now within hours of being initiated not days. This has enabled occupancy levels to be maintained at a low level supporting, time for optimal care to be provided.

Appointments within outpatients have been transformed and the majority are held virtually. Clinical procedures have been risk assessed for both elective and cancer pathways and where necessary alternative interventions have been advised.

Just prior to the COVID-19 outbreak, confirmation was received that the urgent care village business case was approved. There has been opportunity to test many of the redesigned pathways during our response to COVID-19 and the learning will be applied when the building programme is initiated.

In summary, the focus of future developments will be to embed all of the learning and transformational change that we have been able to implement during the COVID -19 pandemic.

Significant activities in the field of research and development

A new 3-year Research Strategy was launched in September 2019 detailing four key objectives and associated outcome measures that will be delivered through the expansion of our research portfolio, the development of collaborative working both internally and within the Derbyshire System, the implementation of an up-to-date, effective financial model and the delivery of excellent clinical practice.

Recruitment to clinical research trials has exceeded all previous years with a total at the end of February of 715 with further recruitment taking place within Royal Primary Care, where all research activity comes under the governance of the Chesterfield Royal research department. There are plans to increase support to Royal Primary Care and Chesterfield Medical Practice being put in place.

Financial risk management

Financial risk management is disclosed in Note 38 to the annual accounts and financial statements in the last section of the annual report and accounts.

Quality governance

Care Quality Commission (CQC)

From April 2010, all health and adult social care providers who provide regulated activities were required by law to be registered with the Care Quality Commission (CQC). The Trust was registered without conditions by the CQC on 1 April 2010.

Ongoing compliance

In August 2019 the CQC undertook an unannounced focused inspection of our Emergency Department. A team of

four inspectors spent five hours in the department, speaking to staff, patients and carers, as well as observing practices and the care given.

Following the visit the CQC notified the Trust that they would be issuing a 'letter of intent' under Section 31 of the Health and Social Act 2008, due to their concerns that patients will or may be exposed to the risk of harm. These concerns related to

- storage and management of medicines, medical gases, fluids
- Patient access to equipment, store rooms, sharps
- Appropriate accommodation of patients and patient flow
- Cleanliness of the department

In the 2 weeks following this inspection the Trust took immediate actions to address the concerns identified and in light of the evidence provided by the Trust the CQC indicated that they were satisfied with the Trust's response.

In November 2019 the CQC issued their final report which acknowledged the work undertaken by the Trust in the intervening period. The Trust's improvement plan was reviewed to reflect the additional recommendations within this report; all actions have now been completed and the Trust's care accreditation process has been extended to the Emergency Department to provide ongoing assurance.

In November 2019, as part of their routine programme, the CQC commenced an inspection of Trust services which includes four core services (Medicine, Surgery, Maternity and Urgent and Emergency Care). As part of this inspection, in February 2020, the CQC undertook an unannounced core service inspection during which four teams of inspectors reviewed care, spoke to patients and staff and interviewed leaders in the following areas: Urgent and Emergency Care, Surgery, Medical Care and Maternity.

The final stage of the process, the Well-led review, was planned to take place on 1-2 April however, due to the COVID-19 pandemic, on 16 March 2020 the CQC temporarily suspended their routine inspection programme. As the Trust's inspection was already underway at the time and could not be completed in the usual way, the CQC decided to complete the report on the findings from the core service inspections, but not undertake the well-led inspection. As a result of this, the Trust-level ratings will not be updated; so the Trust remains "Good" overall.

Whilst the inspection report is still being finalised, the informal feedback received to date identified that *"Concerns identified as a result of CQC's focused inspection in August 2019 had all been addressed and we were assured practice had become embedded."*

See Compliance with Care Quality Commission targets section on page AR151.

The Board is satisfied that there are no material inconsistencies between the annual governance statement, the Board statements required by NHS Improvement's Single Oversight Framework, and the outcome of Care Quality Commission inspections and the action plans arising from these.

Action to improve governance of quality

In order to ensure that Quality Governance processes are effective the Board proactively involves relevant internal and external stakeholders in order to engage and cascade effectively. The Trust has a number of ways in which it does this through its staff, patients and carers, its public, members and partners

Our Staff

The Board acknowledges that effective listening and communication from the Board to the front line staff is essential for quality improvement. In order to ensure our staff are connected to the plans of the Trust the Board;

- develops its Quality Strategy with wide consultation and then communicates it personally through leaders of the trust.
- Ensures that accessible information regarding its goals is shared widely across the Trust, consistently refining the granularity of the information so that local teams can assess and understand their performance.
- Provides staff with systems to raise concerns, report incidents and escalate risks
- Regularly seeks the views of our staff through Director and Governor visits, local and national staff surveys, Listening into Action and staff fora.

Our Patients and Carers

The Board actively encourages its patients and their relatives and carers to make comment and/or raise concerns both formally and informally via a number of mechanisms. The Board requires clinical teams to respond and act on this intelligence and to use it to assist in the identification of improvements. The Board;

- provides a range of feedback mechanisms that help patients engage with us, that are user friendly and that support harder to reach groups such as children, older people or those with mental health conditions to participate.
- Ensures that patients and carers are signposted to raise concerns easily and that they are well supported throughout the process. Where indicated by a patient, an Executive Director or member of the Divisional Management Team, will attend meetings with patients and carers who have concerns.
- Uses patient stories at the Board to focus attention on the quality of care and link this to specific actions required or undertaken in the management of services or patient pathways.

Our Governors and Members

The Board acknowledges the role of the Governors, as elected representatives of our public membership. To ensure that their views are taken into account the Board;

- works with our foundation trust membership to understand the needs of local people.
- Ensures that the Council of Governors receives assurance in the form of the Integrated Performance Report and quality reports.

Assurance and decision making relies on effective measurement and reporting of quality information. The Board has alongside national and regional metrics agreed a set of quality metrics which align to the delivery of Quality Strategy Improvement plan. The metrics are regularly monitored via the Integrated Performance Report which provides both trust level and local level performance data. The metrics are reviewed and refreshed annually to ensure the organisation is monitoring relevant metrics and driving quality forward.

Other disclosures in the public interest

Accounting policies for pensions and other retirement benefits
The accounting policies for pensions and other retirement benefits are set out in Note 1.7 to the annual accounts and financial statements in the last section of the annual report. The arrangements for senior employees' remuneration can be found in the remuneration report on pages AR98 to AR110 of the annual report.

Related party transactions
Under International Accounting Standard (IAS) 24 'Related Party Disclosures' the Trust is required to disclose, in the annual accounts, any material transactions between the NHS Foundation Trust and other NHS and Government bodies, members of the Board and key management personnel and parties related to them. Any such disclosures are set out in Note 37 to the annual accounts and financial statements in the last section of the annual report.

External auditors
The Trust's auditors for 2019/20 were:

KPMG
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

External auditors
The external auditors were re-appointed for a three-year term from 1 April 2017 following a competitive tendering process with the option to extend this for a further two years. This option to extend the contract was approved by the governors on 1 April 2020. Details of the auditors' remuneration are set out in Note 11 to the annual accounts and financial statements in the last section of the annual report.

The Trust did not purchase any non-audit services from the external auditors that are outside Code of Audit Practice issued by the National Audit Office (NAO) during 2019/20.

Disclosure of information 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 of the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Information risks and data losses in 2019/20
The Trust recognises the extreme sensitivity of much of the data that it holds, in particular the clinical records of individual patients. Patient records contain personal details of the most intimate nature and it is the responsibility of the Trust to ensure that the security and confidentiality of this information is protected.

Information governance (IG) is the umbrella term covering all aspects of the management of personal records and data. This ranges from technical measures such as those to prevent computer hacking, through the training and development of staff, to the format and content of individual records. In total, there are 45 different subject areas covering both electronic and paper-based systems.

There are strict rules governing the management of data, which includes the requirement to report any significant breach of confidentiality. During 2019/20, the Trust reported one Serious Untoward Incident to the Information Commissioner's Office (ICO) who were satisfied with the corrective and preventive action taken by the Trust and advised no further action was necessary.

Management of information security

In order to ensure that high standards are maintained, the Board of Directors receives periodic updates of current IG issues, as well as a regular annual report of performance against national monitoring processes.

The Medical Director acts as the Caldicott Guardian, a role which provides guidance on all aspects of the security and confidentiality of clinical record keeping, as well as approving the purposes for which clinical data can be used.

The Director of Finance and Contracting acts as Senior Information Risk Owner (SIRO), a role which has overall operational responsibility for all information risk issues.

The ICT Quality & Governance Manager is appointed as the Trusts Data Protection Officer (DPO) who advises on data protection law and monitors Trust compliance as well as liaising with the Information Commissioners Office.

Annual monitoring

The Trust has successfully completed its annual Data Security & Protection Toolkit (DSPT) submission for the 116 mandatory evidence items during 2019/20.

The Trust's Data Security & Protection Toolkit (DSPT) has undergone a NHS Digital strengthening assurance assessment and is 1 of the first 10 acute trusts in the country to do so. The outcome of this stringent assessment indicates NHS Digital would have 'high' overall confidence in the Trusts DSPT submission
The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

Key partnerships

Throughout the pages of our annual report we highlight ways we are working collaboratively with health and social care partners to deliver NHS and care services that are more joined-up, more responsive and sustainable.

As partners and contributors to health and social care transformation in both Derbyshire and South Yorkshire, we are looking to create services that will improve the quality of care we provide to patients and that will also ensure our Trust is clinically, operationally and financially sound and sustainable.

Re-designing services and forming new models of care must be done with input from our patients and the public to ensure they have a voice and can tell us about what matters to them. You can read more about the on-going partnerships with Joined Up Care Derbyshire and South Yorkshire & Bassetlaw Integrated Care System on AR54.

Any other public and patient involvement and engagement activities

Details of patient and public involvement activities are given on page AR82 of the annual report.

Governance of the Trust

Board of Directors

Introduction

The Board of Directors manages the business of the Trust and is the legally responsible body for the delivery of high quality, effective services and for making decisions relating to the strategic direction, financial control and performance of the Trust.

The Board of Directors has a business focus, providing active leadership of the Trust within the framework of prudent and effective controls to ensure regulatory compliance.

All members of the Board of Directors have joint responsibility for every decision of the Board of Directors regardless of their individual skills or status.

Role of the Board of Directors

The role of the Board of Directors includes:

- setting targets, monitoring performance and ensuring the resources are used in the most appropriate way;
- Providing active leadership of the Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed;
- Making sure the Trust performs in the best interests of the public, within legal and statutory requirements;
- Responsibility for ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of quality governance set out by the Department of Health and Social Care, the Care Quality Commission and other relevant NHS bodies;
- Being accountable for the services provided and how public funds are used, and exercising those functions effectively, efficiently and economically;
- Making sure the Trust complies with the terms of its provider licence issued by NHS Improvement;
- Having specific duties relating to audit, remuneration, clinical governance, charitable funds and risk assurance;
- Deciding the Trust's strategic direction in consultation with the council of governors;
- Setting the Trust's values and standards of conduct and ensure that its obligations to its members, patients and other stakeholders are understood and met; and
- Working in partnership with the council of governors.

Board focus

The Board of Directors has reviewed its values and standards to ensure that they meet the obligations that the Trust has to its patients, members of staff and other stakeholders. Periodically the Board of Directors reviews the strategic aims after consultation with the council of governors and takes responsibility for the quality and safety of the healthcare services, education, training and research.

The Board develops its understanding of the views of governors and members through the regular attendance of Board members at meetings of the council of governors, meetings between the governors and the non-

executive directors, and directors' participation in meetings involving members, such as the Annual Members' Meeting.

Composition of the Board of Directors

The Board is a unitary board consisting of a non-executive chair, between five and eight non-executive directors and between five and eight executive directors. The composition of the Board of Directors is in accordance with the Trust's constitution and is appropriate to fulfill its statutory and constitutional function and comply with the terms of NHS Improvement's provider license.

Chair

The chair is responsible for ensuring that the Board of Directors' focuses on the strategic development of the Trust and for ensuring robust governance and accountability arrangements are in place, as well as evaluating the performance of the Board of Directors, its committees and individual non-executive directors.

Executive directors

The executive directors are responsible for the day-to-day operational management of the Trust, including the management and deployment of staff, and day-to-day decisions on the use of the Trust's resources. The decisions delegated to the executive management of the Board of Directors are set out in the Board's reservation and delegation of powers scheme. The executive directors share corporate responsibility with the non-executive directors for the stewardship of the Trust.

Non-executive directors

The non-executive directors share the corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. Non-executive directors use their independence, expertise, interest and experience to scrutinise the performance of management, monitor the reporting of performance, and satisfy themselves as to the integrity of financial, clinical and other information. The non-executive directors also fulfill their responsibility for determining appropriate levels of remuneration for executive directors.

The Board's small number of standing committees has allowed all the non-executive directors scope to develop their skills and experience as members of committees and, in most cases, as committee chairs. Internal induction and development for the non-executive directors has been supplemented by their involvement in external networks and paid training identified through appraisal.

Directors' summary biographies can be seen on pages AR67 to AR74 of the annual report. These describe the skills, experience and expertise of each current director. The Board considers that the balance and completeness of these are appropriate to the requirements of the Trust's stewardship.

Meetings of the Board of Directors and its committees

Directors' membership of board committees and attendance at meetings of the board and its committees in 2019/20 are set out on pages AR76 and AR77 of the annual report.

Board development

The individual performance of the chair and non-executive directors is evaluated annually by the council of governors. The individual performance of the executive directors is evaluated annually by the chair and non-executive directors.

Committees of the board undertake self-assessments on a regular basis and report the outcome to the Board. The Board regularly reviews its performance and its effectiveness as a unitary board.

The Board undertook a range of development work in 19/20 which included:

- support in developing Board behaviours,
- understanding data using Statistical Process Control,
- understanding cyber security,
- work to develop the Trust strategy refresh, and
- peer review led by the Chief Executive of a Trust rated by the CQC as outstanding.

Board committees

The Board of Directors has the following committees during the year:

- Audit and risk committee;
- Remuneration committee;
- Finance and performance committee;
- People committee;
- Quality assurance committee;
- Oversight Committee;
- Charitable funds committee.

The Board of Directors has delegated responsibilities to these committees to undertake specified activities and provide assurance to the Board. The committees provide the board with written minutes of their proceedings.

A summary of each committee's role and activities during 2019/20 is set out below:

Audit and risk committee

The audit and risk committee is the group audit and risk committee and is chaired by Mike Killick, non-executive director. Its purpose is to coordinate the provision of objective assurance to the Board of Directors that the processes are in place across the Trust to ensure high quality governance and internal control systems are maintained.

The audit and risk committee exercises lead responsibility for the board assurance framework, which governs the agendas of all the Board's assurance committees. It also has overall responsibility for establishing a strategic and pro-active approach to risk management.

Its main duties are defined in its terms of reference and it receives reports from internal and external auditors as well as executive directors undertaking detailed examination of financial, governance and value for money reports received by the Board of Directors.

The audit and risk committee has overseen the following areas of action:

- Considered internal audit reports and reviewed the recommendations, management response and implementation associated with the internal audit report;
- Considered the annual report and accounts and associated documents, which included reviewing the work and findings, and considering the advice of the external auditor, to provide assurance to the Board of Directors;
- Provided continuing monitoring of the financial controls of the Trust;
- Reviewed and provided challenge to the board assurance framework and the Trust risk report at each meeting;
- Considered the Trust's National cost collection submission 2018/19;
- Managing conflicts of interest;
- Considered counter fraud reports and risk assessments; and,
- Considered an extension to the external auditor KPMG's contract for a further two years.

In 2019/20 the Trust's internal audit function has been provided by 360 Assurance. The internal audit programme is based on assuring and improving the effectiveness of risk management and the system of internal control, and is linked to the principal risks to the achievement of the Trust's strategic objectives, through the board assurance framework.

The Trust's external auditor is KPMG. The Trust expects its external audit provider to act independently. Under the terms of engagement they are required to have control processes in place to ensure that this status is preserved and to notify the audit and risk committee of any matter that could compromise the independence or objectivity of the audit team. The audit and risk committee has monitored this position and the auditor is required under ISA 260 to give an opinion on the annual governance statement.

Through the audit and risk committee programme, the board has conducted a review of the effectiveness of its system of internal controls.

The audit and risk committee has assessed the effectiveness of the internal and external audit processes in terms of a range of factors, including:

- Actual cost compared with plan;
- Actual areas covered compared with the plan;
- Conformity with audit code requirements;
- Effectiveness of recommendations;
- Continuity of staffing;
- Timeliness of preparation;
- Factual accuracy;
- Use of staff with specialist skills.

Remuneration committee
The membership of the remuneration committee consists of all the non-executive directors, as set out on page AR109 of the annual report.

Finance and performance committee
The finance and performance committee is chaired by Alison McKinna, non-executive director. The committees purpose is to coordinate the provision of objective assurance to the Board of Directors that the systems for financial and performance management are robust and effective; that financial and performance metrics and priorities are built from reliable sources of information; the risks to delivery of targets and standards are being managed and that action taken will result in the intended outcomes.

The finance and performance committees work programme is governed by the board assurance framework and its main duties are defined in its terms of reference.

The committee receives reports from executive directors undertaking detailed examination of financial and performance risk and has overseen the following areas of action:

- Financial performance report
- Operational plan
- Integrated performance report
- Improvement programme
- Cost improvement plans
- Capital planning
- Emergency department performance
- Royal Primary Care finance and delivery
- IM&T and digital strategy
- Divisional performance assurance
- Derbyshire STP financial planning
- Improvement and transformation programme
- Trust risk report
- Board assurance framework

People committee
The committee is chaired by Jeremy Wight, non-executive director and meets five times per year. It provides assurance to the Board of Directors that the Trust is delivering all aspects of the Trust's people and organisational development agenda. The committee's work programme is governed by the board assurance framework and it has responsibility for providing assurance to the board on the risks, relating to supporting and developing its staff.

The committee ensures that the Trust is focused on the delivery of the Trust's people and organisational development agenda through the monitoring and delivery of its People Strategy. Its main duties are defined in its terms of reference. The range of information and issues considered by the committee includes:

- Board Assurance Framework
- Trust Risk Report
- Refresh of the People Strategy and monitoring of progress against the priorities

- Staff Appraisals
- Staff Health and Wellbeing
- Staff Engagement
- Leading the Chesterfield Way leadership development
- Staff induction
- Essential Training
- Reward and Recognition
- Equality, Diversity and Inclusion
- Staff Forum
- Workforce Strategic Plan
- Workforce delivery
- National Staff Survey and Your Voice Surveys
- Flexible Working

Quality assurance committee

The committee meets five times per year and is chaired by Jayne Stringfellow, non-executive director. The purpose of the committee is to provide assurance to the Board of Directors that the Trust is delivering high quality care to patients. The committee work programme is determined by the Board Assurance Framework and the Trust Quality strategy. This means that through the work of the committee the board is assured that any risks to quality of care are safely managed and that quality improvements outlined in the quality strategy are delivered ensuring the provision of safe, person centred clinically effective care. The terms of reference outline the main suites of the committee and the range of issues covered includes:

- Clinical effectiveness (clinical audit, NICE, confidential enquiries and mortality)
- Patient Experience (Family and Friends test, national surveys, complaints and concerns)
- Patient safety – (learning from incidents, inquests and claims, duty of candour)
- Safe staffing
- Medicines management
- Infection prevention and control
- Safeguarding of adults and children
- Quality Ambitions defined within the Quality Strategy 2018/21
- Commissioning for Quality and Innovation Schemes (CQUINS)
- Quality Impact Assessments
- The Quality Account.
- Board Assurance Framework
- Trust risk report

Oversight committee

The new committee is chaired by Mike Killick, non-executive director, and meetings are held quarterly. It provides an overview, to the Board of Directors, on service provision, cost, performance monitoring of the Trust's wholly owned subsidiary Derbyshire Support and Facilities Services (DSFS) and a route of escalation for any service failures against agreed KPI's that should remain unresolved following the contractual Dispute Resolution Procedure between the Trust representative and the service provider.

Its main duties are defined in its terms of reference. The range of information and issues considered by the committee includes DSFS:

- Key performance indicators including financial and service delivery
- Risk management – DSFS high level risks
- DSFS annual plan and progress against.
- Contract variations
- DSFS related governance arrangements
- Strategic relationships
- Workforce including staff engagement and experience and the Introduction of Employee Associate Director roles
- Premise ownership
- Deep dives on estates and ICT provision

Charitable funds committee

The charitable funds committee is chaired by Beverley Webster, non-executive director, and is responsible for making sure money donated to the hospital is spent wisely. Its main duties are defined in its terms of reference.

During 2019/20, the committee agreed the use of the Trust's charitable funds to support a number of projects, including:

- Bedside Chairs with Pressure Redistributing Cushions (£59,150);
- ECHO Machine for CCU (£39,816);
- Contribution to Front Concourse retail redevelopment & Relax@Royal (£84,500).

Board of Directors

Chair: Dr Helen Phillips

Appointed 12 April 2015 to 1 March 2018

Re-appointed 2 March 2018 to 1 March 2021

Following a 20 year career as an Environmental regulator and subsequently as an Executive Board Director of Yorkshire Water, Dr Helen Phillips now holds a number of national and regional non- executive roles.

Now in her second term as Chair of Chesterfield Royal Hospital NHS Foundation Trust, she has since 2017 also chaired the Legal Services Board, the oversight regulator of the legal sector. In 2018 Helen was appointed to the Board of Social Work England, the new professional standards body for social work which assumes its powers in 2019. Helen is also Chair of a Jesuit Trust comprising two independent schools, Mount St Marys College and Barlborough Hall School. Helen served for eight years on the Sheffield Business School Advisory Board.

Helen's executive career included senior roles with the Environment Agency, in Wales and England, following which she was appointed as the first Chief Executive of Natural England in 2006. Educated at Mount Anville in Dublin, Helen graduated from University College Dublin as a zoologist, and where she also took her PhD in freshwater biology. Helen is a Fellow of the Royal Society of Biology.

Non-Executive Director: Beverley Webster OBE

Appointed 1 September 2012 to 31 August 2015

Re-appointed 1 September 2015 to 31 August 2018

Re-appointed 1 September 2018 to 31 August 2021

Beverley is director and shareholder of Malaczynski Burn Investment Consultancy. She has run her own businesses throughout her career initially in the manufacture of mining and construction equipment. She has been involved in mining and construction at industry level and was President of the Association of British Mining Equipment Companies for six years (1994-2000). Through this work she was awarded an OBE for services to the coal industry.

Beverley has held a number of board roles nationally and locally connecting business and education and with charitable organisations including Neurocare who provide technology and research funding to Sheffield Teaching Hospitals.

She is Chair of the Career Ready Advisory Board and of Charlie's Trust Charity, and is a Trustee Director of Sheffield Hospital Charity.

Non-Executive Director: Alison McKinna

Appointed 1 September 2012 to 31 August 2015

Re-appointed 1 September 2015 to 31 August 2018

Re-appointed 1 September 2018 to 31 August 2021

Alison has a successful background in reconfiguration of organisations as a client focused business leader and deliverer of strategic change. Alison has a proven record of developing strategic vision, facilitating Board decision making, and then delivering results through high performing teams. Alison delivers innovation and change through strong team communication and people development skills, including internal and external stakeholder networks.

Alison has national and international experience across multiple complex industry sectors (utilities, financial services, insurance, technology, legal services and regulation) as well as a Non-Executive Director within the NHS and other commercial organsiations.

Non-Executive Director: Jeremy Wight

Appointed 1 August 2015 to 31 July 2018

Re-appointed 1 August 2018 to 31 July 2020

Jeremy's background is in public health, having held Director or Deputy Director of Public Health roles within Wakefield Health Authority, Sheffield Primary Care Trust and Sheffield City Council since the turn of the century.

He gained extensive Board level experience in the NHS in eleven years on the boards of North Sheffield and Sheffield Primary Care Trusts, and as Director of Public Health for South Yorkshire and Bassetlaw PCTs during 2012-13 PCT 'clusterings'. Jeremy has also worked as a Consultant Advisor for NICE, and serves as a trustee on two charities.

As well as his medical training and clinical experience, Jeremy has expertise in clinical governance and a wealth of experience managing budgets, including shared responsibility for a £1Bn budget for Sheffield PCT, giving him a broad understanding of the needs and perspectives of patients.

Non-Executive Director: Michael Killick

Appointed 18 June 2018 to 17 June 2021

Mike is both a qualified chartered management account and chartered company secretary. He has over 30 years' experience in the private sector in a wide range of business-to-consumer organisations.

He has a wide range of financial expertise including Mergers & Acquisitions, business sales and disposals, material finance raising, cost reduction programmes, combined with extensive strategic planning and strategy execution.

Mike is also an experienced non-executive director.

Non-Executive Director: Jayne Stringfellow

Appointed 24 September 2018 to 23 September 2020

Jayne has worked in the NHS as a nurse for more than 40 years and gained professional qualifications in nursing, midwifery, health visiting and NHS management. Throughout this time Jayne has always worked in roles requiring on-going clinical knowledge and skills. Most recently Jayne held the post of Chief Nurse working with several clinical commissioning groups across a period of six years. This involved being a Board member and also the Executive Director lead for quality with a portfolio responsibility including quality assurance and improvement, patient experience, safeguarding, infection prevention and control, medicines management and primary care.

Jayne has extensive experience in clinical governance, analysing performance and quality data as well as interpreting financial information. She has previously worked with the Trust as a commissioner and Partner Governor. Jayne also has a wealth of experience in primary care having worked with general practice in Derbyshire for over 15 years including working as Assistant Clinical Director with Derbyshire County PCT. Jayne has been a member of a number of health and social care partnership boards and was also the senior responsible officer for maternity transformation within the Derbyshire STP.

Non-Executive Director:
Sue Glew

Appointed 1 January 2019 to 31 December 2021

Sue has more than 20 years' experience of working in an independent capacity in leadership roles in HR and Business Transformation, predominantly in the private sector. Her career is grounded in financial services, broadened over the years in retail, utilities (gas, electricity and water), construction, energy services, leisure, pharmaceuticals, media & communications.

Sue has worked on a diverse range of business change programmes for a number of blue-chip companies. Following her role as Interim Director of HR Services for the BBC, she went on to create an organisation-wide change management strategy & plan for a programme that brought significant changes to people, policies, systems, processes and culture. Most recently Sue has joined BT as an HR Programme Director and is an APMG qualified Change Management Practitioner.

Non-Executive Director:
Keith Nurcombe

Appointed 1 April 2019 to 31 March 2022

Keith has twenty five years experience working in healthcare markets in the UK, Europe and globally.

Keith has worked in pharmaceuticals, medical staffing and medical hardware businesses over a number of years. More recently he has worked for a number of organisations using technology to support patients and GPs in the Primary Care space. Currently he is Managing Director UK for DoctorLink who deliver innovative clinical algorithm technology to support patients and GPs within the online consultation space.

Keith has been a Non-Executive Director for over five years supporting private technology businesses, charities and more recently Derbyshire Health United providing urgent and out of hours care as well as 111 in the East Midlands.

Non-Executive Director:
Atul Patel MBE

Appointed 1 April 2019 to 31 March 2022

Atul's career has spanned the housing, regeneration, and the public sector. In the 1990s, he was Regional Director East Midlands, then Director of Regulation at The Housing Corporation, subsequently becoming Deputy Director at the Cabinet Office Social Exclusion Unit. He then held Chief Executive roles at ASRA Greater London Housing Association and LHA-ASRA Group in Leicester, until retiring in 2010. Latterly, he was a Trustee of the Heritage Lottery Fund where he held various roles including Chair of the Finance Committee and Investment Panel; and sometime member of the East Midlands, Northern Ireland, West Midlands, and South West Committees. He was appointed MBE in the Queen's New Year Honours 2018 for services to Heritage and the Community in the East Midlands. Currently, he Chairs the Charnwood Forest Landscape Partnership, and is a Trustee of the Pilgrim Trust and the Royal College of Nursing Foundation.

Chief Executive:
Simon Morritt

Simon joined the Trust from Sheffield Children's Hospital, where he was Chief Executive from June 2011. He has more than 25 years' experience in the NHS, which he joined in September 1989 as a general management trainee in Greater Manchester.

After roles in Manchester, Wakefield and Doncaster he went on to be successful in number of senior positions. His first Chief Executive post was for the Doncaster Central Primary Care Trust in October 2000 and he was appointed Chief Executive of the former Bradford and Airedale Teaching Primary Care Trust (now NHS Bradford and Airedale) in October 2006. Simon left the Trust in August 2019.

Chief Executive:
Angie Smithson

Angie joined us here at Chesterfield Royal Hospital in September 2019 to take up the role of Chief Executive. She has more than thirty years of NHS knowledge and experience; and began her career in nursing and midwifery in 1986, before moving into a range of leadership positions. She has moved back to the Midlands after spending five years based in Liverpool as a Deputy Chief Executive/Chief Operating Officer (COO). And from 2017-2019 she combined the COO role with the dual responsibilities of Integration Director, leading a complex and challenging merger to combine Aintree University Hospital NHS Foundation Trust with the Royal Liverpool & Broadgreen University Hospitals NHS Trust.

Medical Director:
Dr Hal Spencer MA, MB.BS, MRCP (uk)

Dr Spencer was appointed to the position of Executive Medical Director at Chesterfield Royal Hospital NHS Foundation Trust at the end of 2018 - after spending two years as the Divisional Director for the hospital's Medicine & Emergency Care Division.

After undertaking his training in Cambridge and London, he went on to work as a junior doctor in Nottingham, Middlesbrough and Australia. He then completed his General Medicine and specialist Gastroenterology training in and around Sheffield, including a year as a Registrar in Chesterfield, where he joined the consultant team in 2004.

Director of Human Resources and Organisational Development:
Zoe Lintin

After completing her degree in Business and postgraduate qualification in HR management, Zoe began her career in HR as a Personnel Assistant at the law firm now known as DLA Piper. Zoe then worked at Northern Foods where she held a number of positions, latterly as the HR Manager for a division of the business covering four food manufacturing sites across the country.

After joining the NHS in February 2006 as Head of Human Resources at Sheffield Children's NHS Foundation Trust, Zoe was promoted to Deputy Director of Human Resources and Organisational Development in 2012.

She brought this experience with her when joining Chesterfield Royal Hospital NHSFT in April 2014 as Deputy Director of Workforce and Organisational Development. This became an extended deputy role from April 2015, when the Director post became a joint appointment across Chesterfield Royal and the community trust in Derbyshire on a secondment basis.

Zoe was appointed Acting Director of Workforce and Organisational Development in August 2016, until March 2017 when she was substantively appointed as Director of Workforce and Organisational Development at the Trust. As well as being Director of Human Resources and Organisational Development at the Trust, she is the Deputy Vice-President of the HPMA and Trustee for a schools academy.

Director of Nursing and Patient Care:
Lynn Andrews

Lynn joined the Trust in February 2014 as Director of Nursing and Patient Care from Circle where she was Lead Nurse from July 2011. Lynn trained in Scotland where her nursing experience was mainly within surgical nursing and moved to England in 1987 onto roles in critical care. She then had a brief period outside the NHS as a critical care adviser for Boehringer Ingelheim, before returning to nursing in the NHS.

Lynn became nurse manager at Nottingham City Hospital NHS Trust, and was also seconded to George Eliot Hospital NHS Trust as divisional general manager, gaining experience in Emergency and Urgent care. She then moved to North Staffordshire NHS Trust (2002 – 2005) as professional head of nursing, progressing to a corporate role as assistant director of nursing. She held the deputy director of nursing post at Northampton General Hospital (2005– 2007),following which she broadened her career as assistant director of nursing and patient care for the East Midland Strategic Health Authority (2007–2012).

Lynn possesses a BSc in Health Studies from Nottingham Trent University, MSc in Health Policy from Stafford University and has undertaken the NHS Leadership Academy Nye Bevan programme since joining the Trust.

Director of Finance and Contracting:
Lee Outhwaite

Lee joined Chesterfield in August 2017. His role covers Finance, Procurement, Estates and Facilities, ICT and the Chesterfield Royal Hospital Charity. He also is the Director of Finance for Joined Up Care Derbyshire (the Derbyshire STP). Lee has worked in the NHS, since 1993, in a number of finance roles, in Devon, Hampshire, Surrey, London and Derbyshire. He is a member of the Chartered Institute of Public Finance and Accountancy.

Prior to this role he worked at NHS Improvement, where he was the Business Director for London. In addition to oversight of London Trusts, he was involved in a number of national policy areas. Prior to moving to the NHS Improvement, Lee was Director of Finance and Performance at Derby Teaching Hospitals NHS Foundation Trust, for seven years.

Lee is a Trustee of the Healthcare Financial Management Association (HFMA), sits on the awarding body of HFMA's qualification and sits on HFMAs Policy and Research committee. Lee also is a Trustee and Honorary Treasurer of Women's Work, a Derbyshire based charity. In addition, he is also currently pursuing a Professional Doctorate at Keele University, in their Public Policy and Management faculty.

Chief Operating Officer:
Tony Campbell

Tony trained as a chemist and joined Rolls Royce (1983-2004), where he developed his leadership and improvement experience in a range of management and improvement roles.

In these roles he led major change programmes for Rolls Royce, increasing in scale and impact and covering the complexity of services delivered on multiple sites.

Tony wanted a different challenge in a different sector and joined the NHS. He spent ten years at Derby Hospitals, starting as a general manager, then divisional director roles and Improvement director.

Tony joined the Trust in February 2014 as Director of Strategy and Performance. He was appointed as Acting Chief Executive in March 2016 and in September 2016 appointed as Chief Operating Officer of the Trust and continues to lead and influence change within and beyond the boundaries of the Trust.

Register of directors' interests

The Trust holds a single register of interests which includes any interests declared by members of the Board of Directors. They must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Trust.

The public can access the register at: https://www.chesterfieldroyal.nhs.uk/about-us/conflicts-interest

Contact with the directors

All directors can also be contacted at CRHFT.Communications@nhs.net

Board of Directors and council of governors

The chair also chairs the council of governors meetings. This is a unique position which ensures that there is effective communication between the board and the council. Governors are invited to discuss strategic issues in detail at the council of governors meetings and advise the chair of their views. The chair ensures their views are considered at the Board of Directors meeting as part of the decision making process.

Informal joint meetings between the directors and the governors are held regularly over the year. The non-executive directors also meet the governors regularly during the year to help promote shared understanding of the non-executive role.

Where a dispute between the council of governors and the Board of Directors occurs, in the first instance the chair of the Trust would endeavor to resolve the dispute. Should the chair not be willing or able to resolve the dispute the senior independent director and the deputy chair of the council of governors would jointly attempt to resolve the dispute.

Should the senior independent director and the deputy chair of the council of governors not be able to resolve the dispute, the Board of Directors, pursuant to section 15(2) of schedule 7 of the 2006 Act, would decide the disputed matter.

Board of Directors Membership and Attendance - 1 April 2019 and 31 March 2020

Name	Position	Board of Directors	Council of Governors	Finance & Performance Committee	Audit & Risk Committee	People Committee	Quality Assurance Committee	Charitable Funds Committee	Remuneration Committee	Oversight Committee
Simon Morritt	Chief Executive (until 4 August 2019)	**3/4**	1/3	**1/1**	--	--	--	--	--	2/2
Angie Smithson	Chief Executive (from 1 September 2019)	**6/6**	2/3	**4/4**	2/2	0/1	0/1	--	--	1/1
Lee Outhwaite	Director of Finance & Contracting	**10/10**	5/6	**5/6**	4/5	--	--	**5/5**	--	3/4
Hal Spencer	Medical Director	**8/10**	3/6	--	--	**3/4**	1/5	--	--	--
Lynn Andrews	Director of Nursing & Patient Care	**9/10**	4/6	--	2/5	**4/4**	4/5	--	--	3/4
Tony Campbell	Chief Operating Officer	**9/10**	2/6	**5/6**	--	**1/4**	--	--	--	--
Zoe Lintin	Director of Human Resources & Organisational Development	**9/10**	4/6	--	--	**4/4**	--	--	--	3/4
Helen Phillips	Chair	**10/10**	6/6	**--**	--	--	--	--	**3/3**	--
Beverley Webster	Non-Executive Director and Senior Independent Director	**9/10**	4/6	--	3/5	--	--	**5/5**	**3/3**	--
Alison McKinna	Non-Executive Director	**8/10**	3/6	**6/6**	**5/5**	--	--	--	**3/3**	--
Jeremy Wight	Non-Executive Director	**10/10**	5/6	--	--	**4/4**	**5/5**	--	**3/3**	--

Michael Killick	Non-Executive Director	**6/10**	3/6	**3/6**	**5/5**	**--**	**--**	**4/5**	**0/3**	3/4
Jayne Stringfellow	Non-Executive Director	**9/10**	6/6	**5/6**	--	--	**5/5**	--	**3/3**	--
Sue Glew	Non-Executive Director	**7/10**	5/6	--	--	**3/4**	--	--	**2/3**	--
Keith Nurcombe	Non-Executive Director	**9/10**	5/6	**5/6**	**4/5**			--	**3/3**	--
Atul Patel	Non-Executive Director	**9/10**	4/6	--	--	**3/4**	**4/5**	--	**3/3**	--

Notes:

X/Y = number of meetings attended out of the total number possible

Bold indicates that the director was a member of the committee; figures not shown in bold indicate that the director was not a member but in attendance.

Council of Governors

Composition, roles and responsibilities

Every foundation trust is accountable to its local population and staff who have registered for membership. All foundation trusts are required to have a council of governors.

Chesterfield Royal Hospital NHS Foundation Trust has a council to which governors are elected or appointed as follows:

***19 public governors**	Elected	From seven public constituencies.
5 staff governors	Elected	one from medical and dental; one from nursing and midwifery; one from allied health professionals, pharmacists and scientists; one from all other staff groups; and one from community and primary care
8 partner governors	Appointed	one from clinical commissioning groups; three from local authorities; two from the education sector; and two from the voluntary sector

The council of governors is chaired by the Trust's chair, Dr Helen Phillips. The deputy chair of the council of governors and lead governor for the Trust is Denise Weremczuk, public governor.

The council of governors' prime role is to represent the interests and views of Trust members, the local community, other stakeholders and the public in general in the stewardship of the Trust. It has a right to be consulted on the Trust's strategies and plans and any matter of significance affecting the Trust or the services it provides.

The council of governors' roles and responsibilities are outlined in law and are detailed in the Trust's constitution. The governors have a number of important responsibilities to perform and are expected to act in the best interests of the Trust. The council of governors would be expected to inform NHS Improvement if it believed that the Trust was at risk of breaching its provider licence.

* Following recommendations from the Nominations committee, the council of governors approved an amendment to the constitution to reduce the number of public governors to 18 across six constituencies which was also agreed by the Board of Directors as the constitution requires. This decision was based on two attempts to fill a vacancy within the Southern Derbyshire and West Nottinghamshire constituency and therefore merge the 68 members with the 'rest of England' constituency.

The council of governors is specifically responsible for the:

- Appointment and removal of the chair and other non-executive directors;
- Approval of the appointment of the chief executive;
- Appointment and removal of the Trust's external auditor;
- Receipt of the annual report and accounts;
- Approval of changes to the Trust's constitution (a joint responsibility with the Board of Directors);
- Approval of any proposal by the Trust to enter into a significant transaction;
- Approval of any application by the Trust to enter into a merger, acquisition, separation or dissolution; and
- Approval of any proposed increase of more than 5% of total income in the amount of the Trust's income attributable to activities other than the provision of goods and services for the purposes of the health service in England.

Link with Board of Directors

The council of governors holds the non-executive directors to account for the performance of the Board of Directors. This increases the level of local accountability in public services.

The council of governors has the right to be consulted by the Board of Directors regarding future plans and strategies (e.g. the five-year strategy refresh, the one-year operational plan) and the monitoring of performance against the Trust's strategic direction.

By the governors working in partnership with the Board of Directors, through representation on specific groups and committees and through 'task and finish' groups established jointly with directors to look at specific issues, the views of governors are taken into consideration in Board of Directors' discussions and decision-making.

To facilitate the Board of Directors' understanding of the views of governors and members, an oral update is provided by the chair and the minutes of the council of governor meetings are provided to the Board of Directors. Additionally, directors are invited to attend council of governors meetings, directors join governors for the governors' twice yearly strategy and development sessions, and four meetings of the governors and non-executive directors take place per year.

Meetings of the council of governors and its committees

Governors' membership of the council and its committees, and attendance at meetings of the council and its committees in 2019/20, are set out on pages AR83 to AR85 of the annual report.

Elections

Elections are held each year to fill seats on the council of governors held by public and staff governors whose current term of office is due to expire. A report on the elections held in 2019/20 can be found on page AR86 of the annual report.

Register of governors' interests

The Trust holds a single register of interests which includes any interests declared by Trust members of staff and including members of the council of governors. Governors must disclose details of company directorships or other

positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Trust.

The public can access the register at: https://www.chesterfieldroyal.nhs.uk/about-us/conflicts-interest

Contact with the governors
All governors can also be contacted at CRHFT.Governors@nhs.net

Governors' expenses
Governors are not remunerated, but are entitled to claim expenses for costs incurred while undertaking duties for the Trust as a governor (e.g. travel expenses to attend council of governors meetings). A total of **£2180.70** was paid as expenses to governors in 2019/20 *(£4,507.01 in 2018/19*). The number of governors who held office during 2019/20 was 35 *(35 during 2018/19)*.

Council of Governors – Governance Review
At the invitation of the Chair and Lead Governor, Claire Lea of Charis Consultants conducted a review of the effectiveness of the existing Council of Governors' structure of committees and working groups. Claire's work included a range of evidence gathering coupled with a workshop with governors and non-executive directors and recommended amendments to more fully focus activity on holding non-executive directors to account and representing the views of members and the public. Following detailed consideration the Council of Governors agreed a revised committee structure of a Nominations Committee together with an Involvement and Engagement Committee closely engaged with the Council of Governors supporting governors in membership engagement and hearing about patient experience. Progress on corporate citizenship would in future be reported to the Council on an annual basis by the relevant non-executive director. The revised approach came into place in autumn 2019 with the Involvement and Engagement Committee meeting for the first time in December 2019, following the elections for its membership, and the first annual report on corporate citizenship received by the Council of Governors in December 2019.

Committees of the council of governors
The council of governors is supported in its work by the following committees:

- Nominations committee; and
- Involvement and engagement committee.

The activities of the two committees of the council are shown on pages AR80 to AR81 of the annual report.

Nominations committee

The role of the nominations committee is to:

- Oversee the recruitment of non-executive directors undertaken via an appointments committee convened for the purpose;

- Oversee the evaluation of the appraisal of the chairman. Receive appraisals of non-executive directors and the outcome of the council of governors evaluation;
- Periodically review and make recommendations to the council of governors on the remuneration of the chairman and non-executive directors;
- Consider and review the position of the governors in respect of any concerns relating to attendance, conduct or eligibility; and,
- Carry out any other functions as may be determined by the council of governors from time to time.

The nominations committee does not have decision-making powers, but will make recommendations for approval to the council of governors. The committee is chaired by Helen Phillips, the chair of the Trust. Members of the committee are appointed, through elections held by the council, for between one and three years.

During 2019/20 the committee has undertaken the following work:

- Shaped and led on the development of a revised evaluation processes for the council of governors focusing more on qualitative responses and seeking to achieve immediate feedback where appropriate;
- Helped shape the approach and response to the governance review which was supported by the Council.
- Reviewed the results of the council of governors evaluation and agreed the action points and report for presentation to the council of governors for review and approval;
- Reviewed the outcome of the non-executive directors' (including the Trust chair) appraisals and agreed the action points and reports for presentation to the council of governors for approval;
- Reviewed the outcome of the exit interview with a non-executive director leaving the Trust;
- Continued to monitor the attendance and conduct of governors seeking to identify issues with attendance and help develop ways forward to address;
- Overseen the Governor election process and given detailed consideration to a change to the Trust constitution to facilitate the process which was later considered and agreed by the Council.
- Reviewed the Trust's compliance against NHS Improvement's code of governance;
- Considered and reviewed guidance received from NHSI/E concerning the remuneration of the chair and non-executive directors and the appraisal of the chair taking into account the approach taken in other FTs and the appropriate balance between continuity of approach across Trusts and specific responsibilities of a FT.

Involvement and Engagement committee (established December 2019)

The overarching focus of the committee is to assist governors in holding non-executive directors to account through the 'lens' of the Well-Led framework and the receipt and consideration of a range of different sources of information from members and the public rather than to directly monitor the performance of particular services.

The Committee will:

- Support governors to engage with the Trust's members including staff and the public in general and enabling the Council to reach out to the communities maximising engagement.
- Hear about patient experience through a range of means including measures such as reports and information concerning patient feedback and the quality of care our patients receive.
- Consider, promote and support Governor activities in relation to member engagement activities

including the recruitment and retention of members including staff, nurturing future governors, the Annual Members meeting and any membership outreach activities.

- Support the Board of Directors' role in agreeing the NHS foundation trust's membership strategy, membership materials, monitoring how representative membership is and the level and effectiveness of member engagement.
- Prepare a commentary for the Quality Accounts on behalf of the full Council of Governors.
- Receive reports of ward visits undertaken by governors to assist understanding of the patient experience. Ward reports and actions will be formally considered by the Quality Assurance Committee.
- Involve patients, members and carers in the work of the committee in order to receive direct feedback.
- The Chair will make a verbal report at each following Council of Governors meeting to alert the Council to any items of concern and to update on the work undertaken and planned.

Within that, the Committee will enable governors to listen to, engage with and reach out to Trust members and the public to represent their views within the work of the Council.

Additional governor involvement and other activities

Ward Visits

Governors undertake a regular, unannounced ward visit schedule following the 15 Steps Challenge Protocol. Reports are fed into the Involvement and Engagement Committee at which the Heads of Nursing are present to provide updates and assurance as well as the opportunity for the senior matron to comment on the day of the visit should any serious concerns have arisen.

Ward visits provide governors with the opportunity to identify issues; concerns as well as best practice. For further assurance, ward visit reports are shared with the Quality Assurance Committee for escalation if required.

Medicines management committee

Governor support regarding the safe and effective use of medicines involves contribution to the medicines management safety sub-group where medication incidents are reported and discussed and initiatives to improve medicines safety are enacted. The governor role is to highlight issues which are of particular concern of members of the public and to report to the Involvement and Engagement committee when any initiatives may need the attention of senior managers or the Board of Directors e.g. better access to summary care records for Trust doctors, enabling them to access the GP medication records of patients on admission.

Catering

During the year governors have played an active part in the Strategic Nutrition & Hydration Committee and also the Operational Nutrition & Hydration Committee of the Trust, by supporting the development and planning of Dementia Friendly Meal Menu, food photographs and also provided membership of the Patient Feeding Tender evaluation group for the provision of the patient meals at the hospital.

Patient Led Assessments of the Care Environment (PLACE) Audits
Governors, along with lay representatives and staff, conduct annual PLACE audits to assess the quality of the hospital environment. Putting patient views at the centre of the assessment process indicates how well the hospital is performing for privacy and dignity, cleanliness, food and general building maintenance.

Governor Induction Programme
Supporting the annual governor induction programme aimed at the newly elected and appointed governors but also open to all governors as part of their ongoing training and development programme.

Infection control
Governor champion on the Trust's Strategic and Trust Infection Prevention and Control committee.

Review of Governors' effectiveness
Alongside governor evaluation, undertaking a training needs analysis; developing an action point plan to help improve the value of the council.

External contracts
Implemented annual reviews of external contracts.

Capital development project board

- Creating an 'Urgent Care Village' at the front of the site, bringing critical services together under one roof.
- Theatre refurbishment three-year programme.
- Completion of the Cancer Unit development to bring cancer and haematology services together in a purpose-built facility.
- Retreat @ the Royal – creating a relaxing garden area for patients as part of a joint initiative between the Mayor's appeal and the Trust's charitable funds committee.
- Decontamination unit.

Representing the views of members and the public on the Trust's plans, priorities and strategies

Through the work undertaken on membership engagement, patient and public involvement, ward and department visits and contact with members, governors have listened to members and the public and represented their views to the board through the council of governors on a wide range of matters relating to the Trust's forward plans, priorities and strategies.

Governor attendance at Trust Committees between 1 April 2019 and 31 March 2020

Name	Representing	Vote held	Appointment from	Term (years)	Term of office ends	Council of Governors	Nominations Committee	Involvement and Engagement Committee
Public Governors								
Frank Benison	Chesterfield	2018	1 January 2019	3	31 December 2021	4/6	1/1	
Ruth Ludford	Chesterfield	2018	1 January 2019	3	31 December 2021	6/6	1/1	1/2
David Lyon	Chesterfield	2019	1 January 2020	3	31 December 2022	3/6	3/4	
Ann Margett	Chesterfield	2018	1 January 2019	3	31 December 2021	6/6		
Brian Parsons	Chesterfield	2016	1 January 2017	3	31 December 2019	4/5		
Mick Portman (2nd term of office)	Chesterfield	2019	1 January 2020	3	31 December 2022	1/1		
Margaret Rotchell	Chesterfield	2016	1 January 2020	3	31 December 2022	6/6		2/2
Norman Shaw	Chesterfield	2018	1 January 2019	3	31 December 2021	4/6		2/2
Glenis Bartle (2nd term of office)	Bolsover	2019	1 January 2020	3	31 December 2022	1/1		
Martin Rose	Bolsover	2019	18 June 2019	2 years and 6 months	31 December 2021	3/3		
Denise Weremczuk (Lead Governor)	Bolsover	2017	1 January 2018	3	31 December 2020	4/6	5/5	1/2
John Rigarlsford	Derbyshire Dales & North Amber Valley	2017	1 January 2020	3	31 December 2022	6/6		
Michael Grundman	Derbyshire Dales & North Amber Valley	2016	1 January 2020	3	31 December 2022	4/6		
Liam Clarke (did not re-stand)	High Peak	2016	1 January 2017	3	31 December 2019	2/5	2/4	
Pat Boyle	North East Derbyshire	2017	1 January 2018	3	31 December 2020	4/6		

Mark Coppel	North East Derbyshire	2019	1 January 2020	3	31 December 2022	1/1		
Mike Gibbons	North East Derbyshire	2016	1 January 2017	3	31 December 2019	5/5		1/1
Derek Millington	North East Derbyshire	2018	1 January 2019	3	31 December 2021	5/6	2/5	
Judith Reece	North East Derbyshire	2018	1 January 2019	3	31 December 2021	5/6	5/5	1/2
Robert Jackson (passed away on 13 July 2019)	South Sheffield and Rotherham	2017	1 January 2018	3	31 December 2020	2/2	2/2	
Kenneth Stonebank	South Sheffield and Rotherham	2019	1 January 2020	3	31 December 2022	1/1		
Staff Governors								
Emma Bradley (did not re-stand)	All other staff	2016	1 January 2017	3	31 December 2019	3/5		
Ruth Bentley	Community and Primary Care	2018	1 January 2019	3	31 December 2021	3/6		
Luke Jenkinson	Allied health professionals, pharmacists & scientists	2019	1 January 2020	3	31 December 2022	1/1		
Janice Smith	Nursing & Midwifery	2017	1 January 2015	3	31 December 2020	6/6	4/5	1/2
Mark Luscombe (resigned 1 November 2019)	Medical and Dental	2016	1 January 2017	3	31 December 2019	3/4	0/4	
Paul Whitehouse	Allied health professionals, pharmacists & scientists	2016	1 January 2017	3	31 December 2019	4/5		
Partner Governors								
Lynn Tory	Voluntary sector	-	1 January 2020	3	31 December 2022	6/6		1/2
Angela Parnell	Voluntary Sector	-	1 January 2020	3	31 December 2022	6/6	3/5	1/2
Michelle Brown	University of Derby	-	1 January 2020	3	31 December 2022	4/6		
Tracey Moore	University of Sheffield	-	1 January 2017	3	31 December 2019	2/5		

Fiona Wilson	University of Sheffield	-	1 January 2020	3	31 December 2022	0/0		
Cllr John Boult	Local Authority	-	1 January 2019	3	31 December 2021	4/6		
Cllr Kate Caulfield	Local Authority	-	1 October 2017	3	30 September 2020	0/6	0/5	
Cllr John Ritchie (lost seat on 2 May 2019)	Local Authority	-	1 January 2017	3	31 December 2019	0/0		
Cllr Mary Dooley	Local Authority	-	11 June 2019	3	10 June 2022	0/3		
Greg Strachan	Derby and Derbyshire CCG	-	2 August 2019	3	1 August 2022	2/3		

Election of governors 2019/20

Public constituency – June 2019

This year, because of staggered appointments put in place when the Trust was authorised as a foundation trust (1 January 2005), the following governor seats fell vacant between April 2019 and March 2020:

- one seat for the Bolsover constituency; and
- one seat for the Southern Derbyshire and West Nottinghamshire constituency.

Public constituency – November 2019

- one seat for the Bolsover constituency;
- three seats for the Chesterfield constituency;
- two seats for the Derbyshire Dales and North Amber Valley constituency;
- one seat for the High Peak constituency;
- one seat for the North East Derbyshire constituency;
- one seat for the South Sheffield and Rotherham constituency;

Staff constituency – November 2019

Elections were held for staff governors to represent the following constituencies:

- one seat for the Allied Health Professionals, Pharmacists and Scientists constituency;
- one seat for the All Other Staff constituency; and
- one seat for the Medical and Dental constituency.

Election turnout rates

The Trust has always had good interest in and a fair turnout for elections - and for 2019/20 rates were:

Public governor elections:

June 2019

Constituency	No of seats	No of candidates	% Turnout at poll
Bolsover	1	1	Elected uncontested
Southern Derbyshire and West Nottinghamshire	1	0	Remains vacant

The new governor took up their seat on the council on 18 June 2019 and the appointment was made for 2 years and 6 Months until 31 December 2021 to bring it in line with all other appointments on the council of governors.

November 2019

Constituency	No of seats	No of candidates	% Turnout at poll
Bolsover	1	1	Elected uncontested
Chesterfield	3	8	15.4%
Derbyshire Dales and North Amber Valley	2	2	Elected uncontested
High Peak	1	0	Remains vacant
North East Derbyshire	1	2	16.6%
South Sheffield and Rotherham	1	1	Elected unopposed

The new governors took up their seats on the council on 1 January 2020 and all appointments were made for a three-year term ending on 31 December 2022. Four of the nine seats went to existing public governors who had opted to stand for re-election whilst two governors had reached the end of their third and final term of office and therefore were not eligible to stand again.

Public governor results:

June 2019

Constituency	No of seats	Successful candidates
Bolsover	1	Martin Rose
Southern Derbyshire and West Nottinghamshire	1	No nominations were received

November 2019

Constituency	No of seats	Successful candidates
Bolsover	1	Glenis Bartle
Chesterfield	3	David Lyon Margaret Rotchell Mick Portman
Derbyshire Dales and North Amber Valley	2	Michael Grundman John Rigarslford
High Peak	1	No nominations were received
North East Derbyshire	1	Mark Coppel
South Sheffield and Rotherham	1	Kenneth Stonebank

Staff governor elections:

Constituency	No of seats	No of candidates	% Turnout at poll
Allied Health Professionals, Pharmacists and Scientists	1	3	12.6%
All Other Staff	1	0	No nominations were received
Medical and Dental	1	0	No nominations were received

The new governor took up their seat on the council on 1 January 2020 and all appointments were made for a three-year term ending on 31 December 2022.

Staff governor results:

Constituency	No of seats	Successful candidates
Allied Health Professionals, Pharmacists and Scientists	1	Luke Jenkinson
All Other Staff	1	Seat remains vacant
Medical and Dental	1	Seat remains vacant

Board assurance

The Board of Directors confirms that elections were held in accordance with the rules stated within the Trust's constitution. This is verified in the election reports of 18 June 2019 and 17 December 2019, as follows:

Election to the Council of Governors 2019: Contested reports

CHESTERFIELD ROYAL HOSPITAL NHS FOUNDATION TRUST ELECTION TO THE COUNCIL OF GOVERNORS

CLOSE OF VOTING: 5PM ON 17 DECEMBER 2019

CONTEST: Public: Chesterfield RESULT	**3 to elect**	
David LYON	511	**ELECTED**
Margaret ROTCHELL	489	**ELECTED**
Mick PORTMAN	302	**ELECTED**
John KAY	209	
Adrian MATHER	163	
Steven TOMLINSON	160	
Arne WARRILOW	130	
Peter PETTIT	100	

Number of eligible voters	5,112
Votes cast by post:	668
Votes cast online:	120
Total number of votes cast:	788
Turnout:	15.4%
Number of votes found to be invalid:	8
Total number of valid votes to be counted:	780

CONTEST: Public: North East Derbyshire RESULT	**1 to elect**	
Mark COPPELL	541	**ELECTED**
Luke LAYTON	75	

Number of eligible voters	3,744
Votes cast by post:	492
Votes cast online:	128
Total number of votes cast:	620
Turnout:	16.6%
Number of votes found to be invalid:	4
Total number of valid votes to be counted:	616

CONTEST: Staff: Allied Health Professionals, Pharmacists and Scientists Class RESULT	**1 to elect**	
Luke JENKINSON	50	**ELECTED**
Paul WHITEHOUSE	18	
Rebecca JONES-KERLEY	15	

Number of eligible voters	660
Votes cast online:	83
Total number of votes cast:	83
Turnout:	12.6%
Number of votes found to be invalid:	0
Total number of valid votes to be counted:	83

Civica Election Services can confirm that, as far as reasonably practicable, every person whose name appeared on the electoral roll supplied to us for the purpose of the election:-

a) was sent the details of the election and
b) if they chose to participate in the election, had their vote fairly and accurately recorded

The elections were conducted in accordance with the rules and constitutional arrangements as set out previously by the Trust, and CES is satisfied that these were in accordance with accepted good electoral practice.

All voting material will be stored for 12 months.

Ciara Norris

Ciara Norris
Returning Officer
On behalf of Chesterfield Royal Hospital NHS Foundation Trust

Promoting elections

The Trust continued to work to promote its annual elections and to encourage greater interest and turnout. During the year it:

- Created a dedicated online platform to allow members to nominate themselves as well as vote online;
- Held an informal drop in session for any interested members to chat to existing governors about the role;
- Worked with local media and other organisations to feature elections and the public governor role in newspaper, magazine and radio media; and
- Ensured all members were fully informed about elections and had the opportunity to stand for a governor seat.

Membership

Community membership overview 2019/20

The Trust has only two membership constituencies – one each for the community and its staff. It does not host a patient constituency.

Our community membership – overall size and movements in 2019/20

	Last year	Estimated for next year
At year start (1 April 2019)	14,022	14,000
At year-end (31 March 2020)	**13,718**	**14,000**

At 1 April 2020, the Trust had a community membership base of 14,029. In 2020/21 the Trust aims to seek ways to more actively engage with its members to broaden representation and ensure continued sustainability.

Constituencies

The Trust's public constituency is defined in terms of specific wards of local authorities in Derbyshire, Sheffield, Rotherham and Nottinghamshire with some 869,500 people eligible for Foundation Trust membership (i.e. those over the age of 16 who live within the defined area of the Trust). Residents of the following local government administrative areas currently qualify for membership of the NHS Foundation Trust:

Chesterfield Borough	All council wards
Bolsover District	All council wards
North-East Derbyshire District	All council wards
Derbyshire Dales District and Amber Valley District	The council wards of Alfreton, Alport, Belper Central, Belper East, Belper North, Belper South, Bakewell, Bradwell, Calver, Carsington Water, Chatsworth, Codnor and Waingroves, Crich, Darley Dale, Dovedale and Parwich, Hartington and Taddington, Hathersage and Eyam, Heage and Ambergate, Ironville and Riddings, Lathkill and Bradford, Litton and Longstone, Masson, Matlock All Saints, Matlock St Giles, Ripley, Ripley and Marehay, Somercotes, Stanton, Swanwick, Tideswell, Wirksworth, Wingfield, Winster and South Darley
High Peak Borough	The council wards of Barms, Blackbrook, Burbage, Buxton Central, Chapel East, Chapel West, Corbar, Cote Heath, Hayfield, Hope Valley, Limestone Peak, New Mills East, New Mills West, Sett, Stone Bench, Temple and Whaley Bridge
South Sheffield and Rotherham	The council wards of Anston and Woodsetts, Beauchief and Greenhill, Beighton, Birley, Dinnington, Dore and Totley, Ecclesall, Fulwood, Gleadless Valley, Graves Park, Mosborough, Nether Edge, and Wales
***Southern Derbyshire and West Nottinghamshire**	The council wards of Bull Farm and Pleasley Hill, Carlton, Duffield, Heanor and Loscoe, Heanor East, Heanor West, Kilburn Denby and Holbrook, Kirkby in Ashfield Central, Kirkby in Ashfield East, Kirby in Ashfield West, Langley Mill and Aldercar, Manor, Market Warsop, Meden, Netherfield, Park Hall, Selston, Shipley Park Horsley and Horsley Woodhouse, Sutton in Ashfield Central, Sutton in Ashfield East, Sutton in Ashfield North, Sutton in Ashfield West, Warsop Carrs, Welbeck, Woodhouse, Worksop East, Worksop North, Worksop North East, Worksop North West, Worksop South and Worksop South East

* In line with the changes made to the constitution in October 2019, the constituency of Southern Derbyshire and West Nottinghamshire was merged with 'Rest of England' due to being unable to appoint a governor to the vacancy for over a year.

Membership analysis

The following analysis breaks down the Trust's membership in terms of age, ethnicity, gender and socio-economic groupings, which helps us to determine if our membership is representative of the population we serve.

The Trust membership is around 1.5% of its eligible population.

	31 March 2020 actual members	**31 March 2020 eligible membership****
Age report		
0-16*	1	167,039
17-21	3	48,396
22+	12,418	692,185
Age not provided by member	1,296	0
Total	**13,718**	**907,620**
Ethnicity report		
White	10,713	849,306
Mixed	22	9,395
Asian or Asian British	85	14,554
Black or Black British	48	5,630
Other	0	2,210
Ethnicity not provided by member	2,850	26,525
Total	**13,718**	**907,620**
Gender report		
Male	5,558	445,596
Female	7,485	462,024
Gender not provided by member	675	-
Total	**13,718**	**907,620**

Socio-Economic report**		
AB	3,534	76,259
C1	3,863	109,351
C2	3,085	94,319
DE	3,192	116,760
Unknown	44	510,931
Total	**13,718**	**907,620**

** Breakdown of 907,620,000 – from updated Census data

* members of the foundation trust must be aged 16+

** The Trust does not approach its membership for this data. We use ACORN - a geo-demographic tool used to identify and understand the UK population and the demand for products and services. It is often used to make informed decisions on where direct marketing campaigns will be most effective. ACORN classifies all 1.9 million UK postcodes, which have been described using over 125 demographic statistics and 287 lifestyle variables within England, Scotland, Wales and Northern Ireland. From this classification we can see that our membership has limited social grade groupings.

Staff membership overview 2019/20

Staff membership at 31 March 2020
4,700

The staff constituency comprises:

- Permanent members of staff; and
- Temporary members of staff who have been employed in any capacity by the organisation for a minimum continuous period of one year.

For directly employed staff membership runs on an opt-out basis – i.e. all qualifying staff are automatically members unless they seek to opt out. All permanent contract holders are eligible for membership from the date they take up their employment.

The staff constituency is broken down into five classes:

- Community and Primary Care
- Medical and Dental staff
- Nursing and Midwifery staff
- Allied Health Professionals, Pharmacists and Scientists
- All Other Staff

By sub-dividing the staff constituency in this way, representation from each major staff grouping is possible.

Breakdown of staff membership within constituencies:

Constituency	**Number of members (at 31 March 2018)**
Community and Primary Care	172
Medical and Dental	504
Nursing and Midwifery	1914
Allied Health Professionals, Pharmacists and Scientists	625
All Other Staff	1485
Total	**4,700**
Of which are Derbyshire Support and Facilities Services staff	706

Class	**Membership %**
Community and Primary Care	3.7%
Medical and Dental	10.7%
Nursing and Midwifery	40.7%
Allied Health Professionals, Pharmacists and Scientists	13.3%
All Other Staff	31.5%
Total	**100.0**

Developing a representative membership

The prime source for recruiting members is, and remains, those people who have an existing relationship with the Royal Hospital. This could be as past and present patients or carers, or those who are potential users of the service as residents of the Trust's defined catchment area.

Membership recruitment objectives

The Trust continues to believe that membership should be 'voluntary' - to show definite willing and interested participation. Our membership recruitment objectives are:

- To ensure all current and future staff working for the Trust (including contracted-out staff) are aware of staff membership, what it means for them and to encourage them not to decline membership;
- To strive for the composition of community membership to reflect diversity - geographically spread across our proposed catchment area and reflecting age, gender, ethnicity and socio-economic groups;
- To keep accurate and informative databases of members to meet regulatory requirements and to provide a tool for membership development;
- To define the rights and responsibilities of membership to strengthen the partnership between the Trust, its governors and its members;
- To recognise and use members as a valuable resource;
- To provide targeted communications that offer timely, consistent and regular messages about the Trust and membership;
- To use various methods to deliver the message about membership;
- To set up a two-way feedback system, so staff and community members have suitable channels to feedback their ideas and concerns, raise issues, ask questions and find out more information.

Engaging our membership

The Trust now has 13,718 local people registered as members (including affiliates) and a further 4,700 staff members. This is an audience of over 19,000 people to seek views and opinions from. It is vital that both the Trust and governors are able to reach and interact with this large audience.

Last year, members had an opportunity to get involved with, or participate in a range of events. This year, plans to keep members informed and involved include:

- Running at least three membership evenings each year – where members can meet governors and hear about a topic or service;
- Attending prominent local events, where appropriate, across North Derbyshire;
- Promoting the annual members' meeting
- Producing information leaflets that promote the role of governors and how they represent local people and members;
- Promoting the annual council of governor elections to ensure a good candidate spread and an increased turn-out for voting;
- Tapping into other local 'markets' to promote membership within communities.

Direct contacts

Members have a direct route they can use if they wish to communicate with governors or directors of the Trust.

Governors can be reached through the Trust's Chief Executive's Office, either by phone, letter or via email to: CRHFT.governors@nhs.net

Remuneration report

The remuneration report has been prepared in accordance with sections 420 to 422 of the Companies Act 2006; regulation 11, parts 3 and 5 of schedule 8 of the Large and Medium-sized Companies and Groups Regulations 2008; parts 2 and 4 of schedule 8 of the Regulations as adopted by NHS Improvement in the NHS Foundation Trust Annual Reporting Manual 2017/18; and the relevant elements of NHS Improvement's Foundation Trust Code of Governance.

Introduction

This report contains details of how the remuneration of senior managers is determined. A 'senior manager' is defined as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The Trust deems this to be the executive and non-executive members of the Board of Directors.

Annual statement on remuneration

Major decisions on senior managers' remuneration

There were no major decisions on senior managers' remuneration during 2019/20.

Any substantial changes to senior managers' remuneration during the year and the context for these

There were no substantial changes to senior managers' remuneration during 2019/20.

Senior managers' remuneration policy
Future policy table

Executive directors

Component	*How this operates*	*How this supports the short and long term strategic objectives of the Trust*	*Maximum that can be paid*	*Framework used to assess performance and performance measures that apply*	*Provisions for recovery or withholding of payments*
Annual flat- rate salary (applies to all executive directors with no specific differences for individual directors).	This is set out below under the section headed 'Remuneration policy'.	It enables executive directors to take a balanced view between short and long term objectives, and to gain support for these from clinicians since their attainment is not seen as being driven by performance payments to executive directors.	Not applicable – flat-rate salary.	This is set out below under the section headed 'Remuneration policy'. Since remuneration is based on flat-rate salary, it is not performance related and measures do not therefore apply.	Provision made for termination of contract without notice in certain circumstances.

Notes on future policy table

No new components of the remuneration package have been introduced in 2019/20, nor have any changes been made to existing components. The differences between the policy on senior managers' remuneration and the general policy on employees' remuneration are set out below under the section headed 'Remuneration policy'

Non-executive directors

Component	*Additional fees*	*Other remuneration*
Annual flat-rate non-pensionable fee, with a higher rate payable for the chair of the Trust, the senior independent director/deputy chair and audit committee chair.	Not applicable.	Not applicable.

Salary and Pension entitlements of senior managers – Audited

Remuneration 2019/20

Name and Title	2019-20						
	Salary and Fees for Director duties (a)	Salary and Fees for Clinical duties (a)	Taxable Benefits* (b)	Annual Performance-Related Bonus (c)	Long-Term Performance-Related Bonus (d)	Pension Benefits (e)	Total Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	£s to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Executive Directors							
Mr Simon Morritt							
Chief Executive 1st April 2019 to 4th August 2019	60 - 65	0	0	0	0	15 - 17.5	75 - 80
Ms Angie Smithson							
Chief Executive 1st September 2019 to 31st March 2020	100 - 105	0	0	0	0	55 - 57.5	155 - 160
Mr Tony Campbell							
Chief Operating Officer Acting Chief Executive 29th July 2019 to 1st September 2019	135 - 140	0	0	0	0	12.5 - 15	150 - 155
Mr Michael Hayward							
Acting Chief Operating Officer 29th July 2019 to 1st September 2019	5 - 10	0	0	0	0	0 - 2.5	10 - 15
Mr Lee Outhwaite							
Director of Finance and Contracting	145 - 150	0	0	0	0	27.5 - 30	170 - 175
Ms Lynn Andrews							
Director of Nursing and Patient Care	130 - 135	0	0	0	0	10 - 12.5	140 - 145
Dr Hal Spencer							
Medical Director	45 - 50	130 - 135	0	0	0	435 - 437.5	615 - 620
Mrs Zoe Lintin							
Director of Workforce and Organisational Development	120 - 125	0	0	0	0	25 - 27.5	150 - 155
Non - Executive Directors							
Dr Helen Philips							
Chair	50 - 55	0	0	0	0	0	50 - 55
Mrs Alison McKinna							
Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15
Ms Beverley Webster OBE							
Non-Executive Director	15 - 20	0	0	0	0	0	15 - 20
Mr Michael Killick							
Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15
Dr Jeremy Wight							
Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15
Mrs Jayne Stringfellow							
Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15
Ms Sue Glew							
Non-Executive Director	10 - 15	0	0	0	0	0	10 - 15
Mr Keith Nurcombe							
Non-Executive Director (from 1 April 2019)	10 - 15	0	0	0	0	0	10 - 15
Mr Atulkumar Patel MBE							
Non-Executive Director (from 1 April 2019)	10 - 15	0	0	0	0	0	10 - 15

For definitions of what is included under each column heading, please refer to page AR102.

Pension benefits (column ‘e’) are not part of remuneration received in cash during the year. The pension benefits for Dr Hal Spencer reflect the fact that he was only in post for part of the year in 2018/19 which has given rise to a significant increase in 2019/20.

Remuneration 2018/19

Name and Title	2018-19						
	Salary and Fees for Director duties (a)	Salary and Fees for Clinical duties (a)	Taxable Benefits* (b)	Annual Performance-Related Bonus (c)	Long-Term Performance-Related Bonus (d)	Pension Benefits (e)	Total Remuneration
	(bands of £5,000) £000	(bands of £5,000) £000	£s to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Executive Directors							
Mr Simon Morritt Chief Executive	175 - 180	0	0	0	0	40.0 - 42.5	220 - 225
Mr Tony Campbell Chief Operating Officer	130 - 135	0	0	0	0	2.5 - 5.0	135 - 140
Mr Lee Outhwaite Director of Finance and Contracting	140 - 145	0	0	0	0	0	140 - 145
Ms Lynn Andrews Director of Nursing and Patient Care	125 - 130	0	0	0	0	5.0 - 7.5	135 - 140
Dr Gail Collins Medical Director (1st April 2018 to 3rd February 2019)	45 - 50	130 - 135	100	0	0	0	175 - 180
Dr Hal Spencer Medical Director (from 4th February 2019)	5 - 10	20 - 25	0	0	0	10.0 - 12.5	40 - 45
Mrs Zoe Lintin Director of Workforce and Organisational Development	120 - 125	0	0	0	0	27.5 - 30.0	150 - 155
Non - Executive Directors							
Dr Helen Philips Chair	45 - 50	0	0	0	0	n/a	45 - 50
Mrs Linda Challis Deputy Chair and Senior Independent Director (1st April 2018 to 31st March 2019)	15 - 20	0	0	0	0	n/a	15 - 20
Mrs Alison McKinna Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
Ms Beverley Webster OBE Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
Dr David Pickworth Non-Executive Director (1st April 2018 to 30th September 2018)	5 - 10	0 - 5	0	0	0	n/a	5 - 10
Mr Philip Severs Non-Executive Director (1st April 2018 to 31st May 2018)	0 - 5	0	0	0	0	n/a	0 - 5
Mr David Urpeth Non-Executive Director (1st April to 24th October 2018)	5 - 10	0	0	0	0	n/a	5 - 10
Dr Jeremy Wight Non-Executive Director	10 - 15	0	0	0	0	n/a	10 - 15
Mr Michael Killick Non-Executive Director (from 18th June 2018)	10 - 15	0	0	0	0	n/a	10 - 15
Mrs Jayne Stringfellow Non-Executive Director (from 24th September 2018)	5 - 10	0	0	0	0	n/a	5 - 10
Ms Sue Glew Non-Executive Director (from 1st January 2019)	0 - 5	0	0	0	0	n/a	0 - 5

For definitions of what is included under each column heading, please refer to page AR102.

Pension benefits are not part of remuneration received in cash during the year.

Remuneration - Definitions of Table Column Headings

The following definitions were used to populate the Remuneration Tables on pages AR100 and AR101:

Column (a) Salary and Fees

Salary is the gross salary paid / payable to the Director.

Salary includes:

All amounts paid or payable by the Trust to the Director, including recharges from any other health body;

- Overtime;
- the gross cost of any arrangement whereby a Senior Manager receives a net amount and the Trust pays Income Tax on their behalf;
- Any financial loss allowances paid in place of remuneration;
- Any severance payment, including compensation for loss of office or early retirement;
- Recruitment and retention allowances;
- Geographical allowances such as London weighting; and
- Any ex-gratia payments.

Salary excludes:

- Taxable benefits;
- Performance pay and bonuses (these are recorded separately);
- Employer's National Insurance and superannuation contributions;
- Recharges to another health body;
- Reimbursement of out-of-pocket expenses directly incurred in the performance of the Director's duties;
- Reimbursement of travelling and other allowances (paid under determination order) including home to work travel costs;
- Any amount paid which the Director must subsequently repay.

Column (b) Taxable Benefits

Taxable benefits are the gross value of such benefits before tax.

Taxable benefits include:

- Expenses allowances that are subject to UK Income Tax and paid or payable to the Director in respect of qualifying services; and
- Benefits received by the Director (other than salary) that are emoluments of the Director and are received by them in respect of qualifying services.

Column (c) Annual Performance-Related Bonuses

Annual performance-related bonuses compromise money or other assets received or receivable for the financial year as a result of achieving performance measures and targets relating to a period ending in the relevant financial year other than:

- those which result from awards made in a previous financial year and the final vesting is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and
- those which are receivable subject to the achievement of performance measures or targets in a future financial year.

Column (d) Long-Term Performance-Related Bonuses

Long-term performance-related bonuses compromise money or other assets received or receivable for periods of more than one year where final vesting:

- is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and
- is not subject to the achievement of performance measures or targets in a future financial year.

Column (e) Pension Benefits

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

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

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

Pension benefits apply to Executive Directors only as Non-Executive Directors do not receive any pensionable remuneration.

Pension benefits include:

- The cash value of payments (whether in cash or otherwise) in lieu of retirement benefits; and
- All benefits in year from participating in pension schemes. This is the annual increase in the pension entitlement less employee contributions and any transferred in amounts.

For the NHS Pension Scheme, the amount included is the annual increase in pension entitlement determined in accordance with the 'HMRC' method, less any amounts paid by employees as follows:

Increase = ((20 x PE) + LSE) - ((20 x PB) + LSB) - Employee pension contributions during the year

Where:

PE = annual rate of pension that would be payable to the Director if they became entitled to it at the end of the financial year

PB = annual rate of pension, adjusted for inflation, that would be payable to the Director if they became entitled to it at the beginning of the financial year

LSE = amount of lump sum that would be payable to the Director if they became entitled to it at the end of the financial year

LSB = amount of lump sum, adjusted for inflation, that would be payable to the Director if they became entitled to it at the beginning of the financial year

Changes to Board Members during 2019/20

The following changes were made to the Board of Directors during 2019/20:

Executive Directors

Chief Executive: Ms Angie Smithson became Chief Executive on 1st September 2019 following Mr Simon Morritt's departure on 4th August 2019. Mr Tony Campbell (Chief Operating Officer) was Acting Chief Executive from 29th July 2019 to 1st September 2019.

Chief Operating Officer: Mr Michael Hayward was Acting Chief Operating Officer from 29th July 2019 to 1st September 2019.

Non-Executive Directors

Non-Executive Directors: Mr Keith Nurcombe and Mr Atul Patel MBE both came into post on 1st April 2019.

Fair Pay Multiple - Median Remuneration of the Group's Staff

HM Treasury requires all public sector bodies to disclose the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid Director. The calculation is based on full-time equivalent staff as at the reporting period end date e.g. 31 March 2020, on an annualised basis.

	2019/20	2018/19
Mid-point of the Band of Highest Paid Director's Total Remuneration	**£172,500**	£177,500
Median Total Remuneration	**£26,030**	£25,742
Ratio	**6.6**	6.9

The mid-point of the banded remuneration of the highest paid director in the financial year 2019/20 was **£172,500** (2018/19: £177,500). This is **6.6** times (2018/19: 6.9 times) the median remuneration of the Trust's staff, which was **£26,030** (2018/19: £25,742). The median remuneration of the Trust's staff has increased due to the national pay award in 2019/20. The mid-point of the highest paid director has changed due to a new appointment during the year.

In 2019/20, 4 employees (2018/19: 2) received remuneration in excess of the highest-paid director. Remuneration ranged from £178,500 to £251,986 (2018/19: £237,427 to £244,222). The highest remuneration at this level is due to annualising and pro-rating medical consultant sessions to full-time equivalent. For example, a locum medical consultant worked 1 session at a cost of £600 per hour, which equates to £251,986 when this is annualised.

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

Agency staff covering vacancies and bank staff with NHS Professionals as at the year-end date have been excluded from the above calculations.

In respect of those individuals shown on pages AR100 to AR101 who have been paid more than £150,000 (the Prime Minister's salary), the Trust has satisfied itself that the level of remuneration is warranted in terms of the requirements of the role, the need to attract and retain individuals of the right caliber, and the need to equip the Board of Directors with the skills and experience necessary to ensure the effective stewardship of the organisation.

Pension Benefits 2019/20

Name and title	Real Increase (Decrease) in Pension Sum at Pension Age	Real Increase (Decrease) in Lump Sum at Pension Age	Total Accrued Pension at Pension Age at 31 March 2020	Lump Sum at Pension Age Related to Accrued Pension at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real Increase (Decrease) in Cash Equivalent Transfer Value	Employer's Contribution to Stakeholder Pension	Total Pension Entitlement at 31 March 2020
	(Bands of £2500) £000	(Bands of £2500) £000	(Bands of £5000) £000	(Bands of £5000) £000	£000	£000	£000	£000	(Bands of £5000) £000
Ms Angie Smithson	2.5 - 5.0	2.5 - 5.0	65 - 70	165 - 170	1,343	1,192	57	n/a	235 - 240
Chief Executive (from 1st September 2019)									
Mr S Morritt	0 - 2.5	0 - 2.5	70 - 75	160 - 165	1,416	1,299	21	n/a	230 - 240
Chief Executive (until 4th August 2019)									
Mr L Outhwaite	0 - 2.5	(2.5) - (0)	50 - 55	110 - 115	903	837	26	n/a	165 - 170
Director of Finance and Contracting									
Ms Lynn Andrews	0 - 2.5	2.5 - 5.0	55 - 60	165 - 170	1,255	1,170	38	n/a	220 - 225
Director of Nursing and Patient Care									
Dr Hal Spencer	20 - 22.5	50 - 52.5	60 - 65	155 -160	1,260	819	398	n/a	220 - 225
Medical Director									
Mr Tony Campbell	0 - 2.5	2.5 - 5.0	25 - 30	75 - 80	646	582	31	n/a	105 - 110
Chief Operating Officer Acting Chief Executive (29th July 2019 until 1 September 2019)									
Mrs Zoe Lintin	0 - 2.5	(2.5) - (0)	20 - 25	35 - 40	328	292	12	n/a	60 - 65
Director Of Workforce and Organisational Development									
Mr Michael Hayward	0 - 2.5	(2.5) - (0)	25 - 30	50 - 55	491	449	2	n/a	75 - 80
Acting Chief Operating Officer (from 29th July 2019 to 1st September 2019)									

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 the 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.

Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It does not include 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.

Service contract obligations
The information required per paragraph 2.38 of the Foundation Trust Annual Reporting Manual for 2019/20 is set out below under the section headed 'Service contracts for senior managers'.

Policy on payment for loss of office
The information required per paragraph 2.39 of the Foundation Trust Annual Reporting Manual for 2019/20 is set out below under the section headed 'Service contracts for senior managers'.

Consideration of employment conditions elsewhere in the Trust
The information required per paragraph 2.40 of the Foundation Trust Annual Reporting Manual for 2019/20 is set out below under the section headed 'Remuneration policy'. The Trust has not consulted with employees when determining the remuneration policy for senior managers. Benchmarking of remuneration with other foundation trusts takes place periodically.

Annual report on remuneration

Service contracts for senior managers
The service contract for the chief executive and executive directors is the contract of employment. This is substantive and without term. The notice period for termination by the Trust is twelve months and for termination by the director, six months.

The contract does not provide for any other payments for loss of office, but does provide for compensation for early retirement and redundancy in accordance with the provisions in section 16 of the Agenda for Change: NHS Terms and Conditions of Service Handbook.

The service contract for non-executive directors is not an employment contract. Non-executive directors are appointed for an initial term of up to three years and are eligible to be considered for further terms of appointment up to the shorter of a maximum of three terms or nine years. The notice period for termination is one month on either side and the contract does not provide for any other payments for loss of office.

Details of the start date of the service contract for each executive director holding such a contract:

Post title	**From**
Chief Executive	**01.09.2019**
Director of Finance and Contracting	**14.08.2017**
Director of Nursing and Patient Care	**03.02.2014**
Medical Director	**04.02.2019**
Chief Operating Officer	**01.12.2016**
Director of Workforce and Organisational Development (job title changed to Director of Human Resources and Organisational Development on 03.12.2019)	**06.03.2017**

Remuneration committee

The remuneration committee was chaired by Linda Challis, senior independent director, until she retired from her post on 31 March 2019. The committee is now chaired by Sue Glew, non-executive director. The remuneration committee has delegated responsibility for the remuneration and terms of service for the chief executive and executive directors of the Trust. Its responsibility includes all aspects of salary, provision for other benefits including pensions, arrangements for termination of employment and other contractual terms. The nomination and selection of candidates for appointment as chief executive or executive director is undertaken separately by an appointment committee.

The membership of the remuneration committee consists of all the non-executive directors, as set out on pages AR63-68 and AR73 of the annual report. The committee met on five occasions during the year. The key items of business in the year were talent management, future succession planning for executive director posts and for posts which became vacant including recruitment to the chief executive officers role, executive directors objectives and development plans, and executive remuneration in line with the national recommendations. In addition, executive remuneration policy and terms of reference for the committee were considered.

The chief executive and the director of workforce and organisational development were in attendance at meetings of the committee to provide advice, but did not participate in any part of a meeting where matters related to their own remuneration were discussed. The remuneration committee did not receive any external advice.

Remuneration policy

With the exception of the chief executive and the executive directors, all non-medical employees of the Trust, including senior managers, are remunerated in accordance with the national NHS pay structure, *Agenda for Change.* Medical staff are remunerated in accordance with national terms and conditions of service for doctors and dentists.

The remuneration of the chief executive and the other executive directors is determined by the remuneration committee (see above) taking into account market levels, bench marking, key skills, performance responsibilities and national guidance. The chief executive and the other whole-time executive directors are paid a flat rate salary within the range determined by the remuneration committee. The part-time executive director (medical director) is paid a flat rate within the range determined by the remuneration committee, which is separate from the post holder's salary as a medical practitioner.

In reviewing remuneration, the committee has regard to the Trust's overall performance, delivery of agreed objectives, the pattern of executive remuneration among foundation trusts and the wider NHS, and the individual director's level of experience and development in the role. The annual review comprises, where applicable, a cost of living uplift (which is the same as that for staff on Agenda for Change) and, at the committee's discretion, progression within the range set for the post by the committee.

The Trust does not operate performance related-pay or bonuses. The performance of the executive directors is assessed on a continuing basis via formal appraisal and unsatisfactory performance may provide grounds for termination of contract. Individual performance is reviewed through the Trust's appraisal process to evaluate the extent to which senior managers have met their objectives and contributed to the delivery of the Trust's strategic objectives.

Remuneration of the chair and non-executive directors

The nominations committee of the council of governors has responsibility for the appointment, remuneration and appraisal of the chair and non-executive directors. Full details of membership and of the work undertaken by the committee during 2019/20 may be found on pages AR80 and AR81 of the annual report.

This work included a review of the appraisal systems for the council of governors, chair and non-executive directors; an overview of these processes within year; and consideration of and recommendations to the council of governors on the annual review of the remuneration of the chair and non-executive directors for the current and future years.

Directors' expenses

A total of **£13,201** was paid as expenses to executive and non-executive directors in 2019/20 *(*£12,877 *in 2018/19*). The number of directors who held office during 2019/20 was 17 *(18 during 2018/19)*. Information on governors' expenses is set out on page AR80 of the annual report.

Payments for loss of office

No senior manager received payment during the year for loss of office.

Payments to past senior managers

No payments or awards were made to past senior managers.

Remuneration report signed by

Angie Smithson
Chief Executive and Accounting Officer

19 June 2020

Staff Report

Analysis of staff costs

Staff costs for 2019/20 and 2018/19 are shown in the table below. Staff costs for 2019/20 include staff who TUPE'd across from the Trust to the Trust's wholly owned subsidiary Derbyshire Support and Facilities Services Limited on 1 April 2019; therefore the costs relate to that of the group not just the Trust.

Permanently employed staff are those staff with a permanent employment contract with the hospital. This includes executive directors but excludes non-executive directors. Other staff are those staff that are engaged on the objectives of the Trust that do not have a permanent contract with the hospital. This includes employees on short-term contracts of employment, agency/temporary staff, locally engaged staff overseas and inward secondments from other entities.

	2019/20			2018/19		
	Total	**Permanent**	**Other**	Total	Permanent	Other
	£000	**£000**	**£000**	£000	£000	£000
Salaries and Wages	**130,243**	**128,847**	**1,396**	121,811	120,618	1,193
Social Security Costs	**12,234**	**12,234**	**0**	11,508	11,508	0
Apprenticeship Levy	**580**	**580**		604	604	
Pension Cost - Employer Contributions to NHS Pension Scheme	**15,935**	**15,935**	**0**	15,272	15,272	0
Pension Cost - Employer Contributions paid by NHSE (6.3%)*	**6,280**	**6,280**		n/a	n/a	
Pension Cost - Other schemes	**105**	**105**	**0**	31	31	0
Termination Benefits	**43**	**43**	**0**	32	32	0
Temporary Staff - External Bank	**5,946**	**0**	**5,946**	5,143	0	5,143
Temporary Staff - Agency / Contract Staff	**13,767**	**0**	**13,767**	11,058	0	11,058
	185,133	**164,024**	**21,109**	165,459	148,065	17,394
Employee Costs Capitalised as Part of Assets	**639**	**586**	**53**	638	530	108
Total Staff Costs (Excluding Capitalised Costs)	**184,494**	**163,438**	**21,056**	164,821	147,535	17,286

Analysis of average staff numbers (WTE Basis)

An analysis of average staff numbers is shown below. Average staff numbers for 2019/20 include staff who TUPE'd across from the Trust to the Trust's wholly owned subsidiary Derbyshire Support and Facilities Services Limited on 1 April 2019; therefore the numbers relate to that of the group not just the Trust.

The average number of employees is calculated as the whole time equivalent (WTE) number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The "contracted hours" method of calculating WTE has been used, that is dividing the contracted hours of each employee by the standard working hours. Staff on outward secondment have been excluded from the numbers.

	2019/20			2018/19	
	Total	Permanent	Other	Total	Permanent	Other
	WTE	WTE	WTE	WTE	WTE	WTE
Medical and Dental	467	408	58	442	351	91
Administration and Estates	802	776	25	788	760	28
Healthcare Assistants and Other Support Staff	1,182	1,037	144	1,165	1,043	123
Nursing, Midwifery and Health Visiting Staff	1,187	1,054	134	1,109	1018	92
Scientific, Therapeutic and Technical Staff	361	350	11	280	272	8
Healthcare Science Staff	0	0	0	59	55	4
Social Care Staff	0	0	0	10	10	0
Total	3,999	3,626	373	3,854	3,509	345
Of which: Number of Employees (WTE) Engaged on Capital Projects	17	16	1	15	14	1

Number of staff as at 31 March 2020

CRH	Male	Female
Senior managers[3]	7	7
Other staff	490	3252

[3] Includes Execs (5), non-executive directors and Chair (9), excludes chief executive (1)

Number of staff as at 31 March 2020

DSFS	Male	Female
Senior managers	1	0
Other staff	222	429

Full monitoring data for staff is collected on an annual basis each December and held on the Trust website at
https://www.chesterfieldroyal.nhs.uk/application/files/9315/7979/4860/Workforce_Monitoring_2019_for_2020_publication.pdf

Selected data is extracted below

		Dec-19
Age Band	<= 25	7.80%
	26 - 35	27.00%
	36 - 45	23.66%
	46 - 50	12.59%
	51 - 55	14.28%
	56 - 60	9.39%
	61 - 65	4.34%
	> 65	0.95%

		Dec-19
Disability	Yes	1.19%
	No	55.66%
	Unspecified	43.15%

		Dec-19
Ethnicity	White British	88.08%
	BME - White - Other	9.65%
	Undisclosed	2.27%

Sickness absence data

Sickness absence data expressed in average working days lost (per WTE) for 2019/20 and 2018/19 is shown below. Sickness absence for 2019/20 include absences of staff who TUPE'd across from the Trust to the Trust's wholly owned subsidiary Derbyshire Support and Facilities Services Limited on 1 April 2019; therefore the numbers relate to that of the group not just the Trust.

	2019/20	2019/19
	Number	Number
Total days lost*	42,906	45,142
Total staff years	3,626	3,509
Average working days lost (per WTE)	**12**	**13**
*Total days lost is split as follows:		
- long term	25,250	27,173
- short term	17,656	17,969
	42,906	45,142

Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period; and for the training, career development and promotion of disabled employees.

The Trust's diversity and equality strategy and its supporting policies are the cornerstone of its approach to equality of employment opportunity. We recognise our responsibility to provide (as far as is reasonably practicable) job security of all employees.

Our policies aim to ensure that no job applicant or employee receives less favourable treatment where it cannot be shown to be justifiable on the grounds of:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;

- Religion or belief;
- Sex;
- Sexual orientation.

In relation to recruitment and selection, promotion, transfer, training, discipline and grievance and all terms and conditions of employment, the Trust has developed its Equality, Diversity and Inclusion agenda to include more training and awareness sessions, more detailed analysis of our workforce demographics and objective setting in line with the Equality Delivery System 2 and the Workforce Race Equality Standard. A Listening into Action programme supported the development our Equality, Diversity and Inclusion objectives. Our 'Be Yourself' group has now been established and is open to all staff members, supporting our Equality, Diversity and Inclusion agenda. As a Trust, we recognise the important role we must play as an active and socially responsible member of the local community and that our patients, clients and staff represent the community we serve.

We know that having a committed and motivated workforce depends on staff feeling that they are treated with fairness, respect and dignity and that they have equal opportunities for self-development. We want to ensure that our staff are not discriminated against, or harassed, on the grounds of their ethnic origin, physical or mental ability, gender, age, religious beliefs or sexual orientation or any other characteristic. Equally, if this happens, we want staff to feel confident about using our policies to raise concerns and to have them addressed.

Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees; consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests; encourage the involvement of employees in the Trust's performance.

The Trust has formal consultation arrangements through the staff partnership committee to provide information to staff, consult them through their designated local representatives and take their views into account. The Trust also uses a variety of regular forms of communication to secure engagement with staff:

- The Staff Forum – a forum between staff representatives from across the Trust and our Hospital Leadership Team. The agenda for every forum is set by the staff representatives who then have the opportunity to directly discuss the chosen subjects with the hospital Executives and Divisional Directors;

- Staff surveys – the national staff survey provides all staff with the opportunity to express how they feel about working at the Trust. In addition to the annual national staff survey, a 'Your Voice' internal survey is also carried out on a quarterly basis;

- Pay-slip bulletin - information relevant to everyone (corporate development, employment issues etc.) circulated to every member of staff with their monthly pay-slip;

- Intranet - the staff only section of the Trust's website facility. Staff can access policies and procedures, patient information, an on-line telephone directory and up-to-date news about the Trust - including

performance reports and minutes from key meetings such as the council of governors and Board of Directors;

- Email briefings - regular briefings to all staff via their personal email accounts, on a variety of subjects affecting the Trust - from departmental moves to briefings on clinical issues;

- The Royal Roundup – an informal online newsletter focusing on news stories from across the hospital and information applicable to staff members;

- CEO Blog and specific briefings, for example on the COVID-19 Pandemic key issues by the Director of Nursing & Patient Care;

- Posters, leaflets, reports - produced specifically for staff members;

- Membership magazine – Membership Matters is distributed online to all community and staff members of the Trust every quarter and updates the Trust's membership on service developments, proposals and plans;

- Service improvement programmes and training empower staff to put forward and implement ideas for innovation and service improvement. This has been supported further through the continuation of Listening into Action (LiA) in 2019/20 and the introduction and continued use of the QSIR senior improvement methodology. LiA aims to give our staff the empowerment to put their ideas into action and bring about change across the workforce.

- A freedom to speak up guardian is in placed as an avenue for staff to discuss and raise any concerns they may have with an objective individual outside of their immediate work area. Freedom to speak up champions are also available in local areas throughout the Trust.

Trade Union (Facility Time Publication Requirements) Regulations 2017

The information required under these regulations is published each July by the Trust on its website (link below). Due to the COVID-19 pandemic the 2019-21 information will be published in September.

https://www.chesterfieldroyal.nhs.uk/about-us/public-sector-equality-duty/navigate/1552/201#ccm-block-document-library-table-1552

Information on health and safety performance and occupational health

Information on health and safety performance and occupational health is shown in the Environmental, Social, Community and Human Rights Matters report on pages AR39 to AR50 respectively.

Countering fraud, bribery and corruption

Under service condition 24 of the NHS Standard Contract, the Trust is required to ensure that NHS funds and resources are safeguarded against those minded to commit fraud, bribery or corruption and to put in place and

maintain appropriate anti-crime arrangements that are fully compliant with NHS Counter Fraud Authority (NHSCFA) Standards for Providers.

The Trust has a nominated Counter Fraud Specialist who is responsible for carrying out a range of activities that are overseen by the Audit and Risk Committee. Fraud risk assessments are undertaken throughout the year and used to inform an annual programme of counter fraud work that is undertaken within four key areas defined within NHSCFA Standards for Providers:

Strategic Governance.
This sets out the standards in relation to the Trust's strategic governance arrangements. The aim is to ensure that anti-crime measures are embedded at all levels across the organisation.

Inform and Involve.
This sets out the requirements in relation to raising awareness of crime risks against the NHS and working with NHS staff, stakeholders and the public to highlight the risks and consequences of crime against the NHS.

Prevent and Deter.
This sets out the requirements in relation to discouraging individuals who may be tempted to commit crimes against the NHS and ensuring that opportunities for crime to occur are minimised.

Hold to Account.
This sets out the requirements in relation to detecting and investigating fraud, bribery and corruption, obtaining sanctions and seeking redress.

The Trust's prepares an annual self-assessment of compliance with NHSCFA Standards for Providers which resulted in an overall green rating for 2019/20.

During the reporting year, the counter fraud programme of work has focused on addressing areas of identified fraud risk through the delivery of a risk based programme of counter fraud activities. Where fraud is identified or suspected it is formally investigated in accordance with the Trust's Fraud, Bribery and Corruption Policy.

Staff survey results

Approach to staff engagement
Chesterfield Royal Hospital NHSFT has invested resource into improving staff engagement and empowering leaders. This work has been developed further through the People Strategy refreshed for 2019 to 2022. The People Strategy continues to evolve and develop the culture of our organisation.

The introduction of Listening into Action (LiA) in 2017 has been very successful and the LiA philosophy and improvement projects are now embedded in to business as usual through the work of the Royal Academy of Improvement.

The staff forum continues and is made up of staff representatives and the Hospital Leadership Team. The Forum meets quarterly to ensure staff engagement is central to the decision making process and staff and leaders work in partnership to address matters of importance.

The Trust places a great deal of importance on the National Staff Survey results as an indicator to how our staff members feel about working at the Trust. From 2016, the staff survey has been a full census approach where all staff members are invited to participate. In 2019, the Trust was required to survey Trust staff and exclude wholly owned subsidiary staff for publication nationally. Full census was carried out with all staff including DSFS although results were separated for reposting purposes. Overall we had a 72% response rate when combined DSFS had a 78% response rate and our Trust only return of 71% equalled the best we had ever achieved in 2018. Response rates in our peer grouping show an average return of 47%, a top return of 72% and the lowest is 30%.

The results and the learning from these interventions continues to be significant because we are using the information gathered from these activities to improve our services and the Trust as a place of work for example, we have/are:

- ensured that our refreshed People Strategy focuses on what matters to our staff and our patients.

- Continue with our Applause recognition scheme which links reward to our Proud to Care values. Staff participation with Applause continues to increase and be well received across the organisation.

- Simplifying our appraisal process to encourage better conversations between leaders and team members. From April 2018, we introduced a new approach called the 'Appraisal Season' which enabled our leaders to plan for appraisals to take place between April and July every year. Continuous conversation and feedback on performance should take place all year with the formal appraisal planned within these months to support the prioritisation and importance of appraisal. This approach provided us with our highest ever appraisal completion rate where 87% of our staff received an appraisal in 2018. We continued the appraisal season in 2019 and have made some changes based on staff feedback.

- The continuation of the People Committee, as a sub-committee to the board, to ensure there is accountability, assurance and a robust governance structure to support the delivery of the Trust's people agenda.

- The launch of a workforce health and wellbeing 12 month project (supported by our Charitable Funds Committee) to ensure our health and wellbeing offer is tailored to needs of our workforce.

- Further development of our Equality, Diversity and Inclusion workforce agenda. Our 2019 Annual Equality, Diversity and Inclusion report is published on the Trust's internet and includes our objectives for 2019/20.

Local engagement sessions are taking place across the Trust to discuss the 2019 National Staff Survey results. From these conversations, local improvement plans will be developed and reviewed on an on-going basis.

Summary of Performance

National Staff Survey Response rate	2017		2018		2019	
	CRH	**National average**	**CRH**	**National average**	**CRH**	**National average**
	63%	45%	71%	44%	71%	47%

In addition to the ten staff experience themes which in 2018 replaced the long-standing key findings, another theme of Team Working has been introduced taking it up to eleven themes - all of which are scored on a 0-10 scale.

In summary, our results for 2019 show six areas of significant improvement and five areas which are about the same. We are above national average in nine themes, and below the national average in two themes of Safe Environment – Violence and Quality of Care. Overall this shows further improvement on our results of 2018 and confirms the positive impact of the huge effort to improve staff engagement that leaders across the Trust have been supporting.

Staff engagement

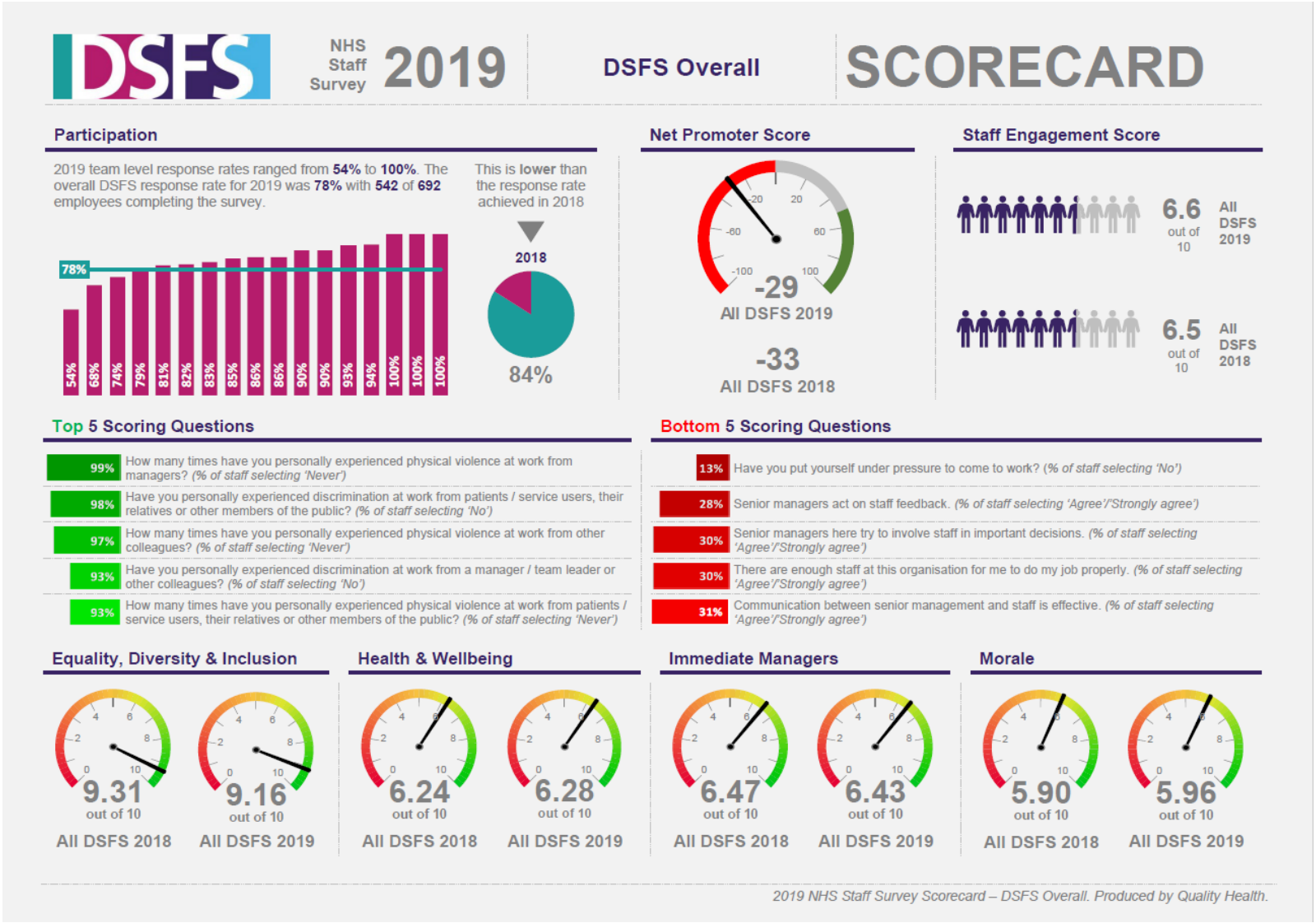
The overall staff engagement score for Chesterfield Royal in 2019 is **7.2 out of 10**, which is significantly better than 2018 and better than the national average.

The Trust has continued to work hard to improve our staff satisfaction and levels of engagement.

The Chesterfield Royal Hospital NHS Foundation Trust has taken the following actions to improve this score and so the quality of its services, by*:*

Leading the Chesterfield Way, Listening into Action, Staff Engagement Framework, Health and Well-Being initiatives, the implementation of Appraisal Season, Applause staff recognition, focus on improving flexible working practices and culture - and a more accountable and robust staff engagement planning process within divisions - are some of the recent improvements (within 2016-19) that the board has supported. We have continued to encourage a culture which is supportive of flexible working and following a campaign in 2019 our staff satisfaction in relation to flexible working saw further significant improvements in the staff survey. These have been designed to improve staff engagement and narrow the gap between us and other acute Trusts nationally, whilst continuing to evolve our culture.

The results infographics for both DSFS and CRH are on the following pages. Our results are separate for presentation as the surveys although run together in an identical way were analysed separately according to national staff survey requirements. Trust results were shared widely with all staff on social media, our webpages and team conversations, DSFS results were shared with many staff through Chat Box sessions.


DSFS
NHS Staff Survey 2019
DSFS Overall
SCORECARD
Participation
2019 team level response rates ranged from 54% to 100%. The overall DSFS response rate for 2019 was 78% with 542 of 692 employees completing the survey.
This is lower than the response rate achieved in 2018
78%
54% 68% 74% 79% 81% 82% 83% 85% 86% 86% 90% 90% 93% 94% 100% 100% 100%
2018
84%
Net Promoter Score
-29
All DSFS 2019
-33
All DSFS 2018
Staff Engagement Score
6.6 out of 10 All DSFS 2019
6.5 out of 10 All DSFS 2018
Top 5 Scoring Questions
99% How many times have you personally experienced physical violence at work from managers? (% of staff selecting 'Never')
98% Have you personally experienced discrimination at work from patients / service users, their relatives or other members of the public? (% of staff selecting 'No')
97% How many times have you personally experienced physical violence at work from other colleagues? (% of staff selecting 'Never')
93% Have you personally experienced discrimination at work from a manager / team leader or other colleagues? (% of staff selecting 'No')
93% How many times have you personally experienced physical violence at work from patients / service users, their relatives or other members of the public? (% of staff selecting 'Never')
Bottom 5 Scoring Questions
13% Have you put yourself under pressure to come to work? (% of staff selecting 'No')
28% Senior managers act on staff feedback. (% of staff selecting 'Agree'/'Strongly agree')
30% Senior managers here try to involve staff in important decisions. (% of staff selecting 'Agree'/'Strongly agree')
30% There are enough staff at this organisation for me to do my job properly. (% of staff selecting 'Agree'/'Strongly agree')
31% Communication between senior management and staff is effective. (% of staff selecting 'Agree'/'Strongly agree')
Equality, Diversity & Inclusion
9.31 out of 10 All DSFS 2018
9.16 out of 10 All DSFS 2019
Health & Wellbeing
6.24 out of 10 All DSFS 2018
6.28 out of 10 All DSFS 2019
Immediate Managers
6.47 out of 10 All DSFS 2018
6.43 out of 10 All DSFS 2019
Morale
5.90 out of 10 All DSFS 2018
5.96 out of 10 All DSFS 2019
2019 NHS Staff Survey Scorecard – DSFS Overall. Produced by Quality Health.

Our NHS Staff Survey Results 2019

Thanks to everyone working across the Trust and in Royal Primary Care, our approach to engagement, improvement and culture shows continued positive progress through the results of the 2019 NHS Staff Survey.

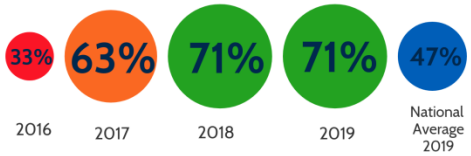
In addition to another record breaking response rate, there are improvements across the surveys' themes that illustrate why sticking to a long-term plan is so important. The Trust's People Strategy, Listening into Action and Academy of Improvement, combined with the values and principles of 'We Can All Lead the Chesterfield Way' are making a real difference and our aim of providing all our people with a great place to work is one step closer.....

NHS
Chesterfield Royal Hospital
NHS Foundation Trust

How do we compare?

How many of us had our say?

2,448 staff from the Trust and Royal Primary Care took the opportunity to have their say in the 2019 survey. This is above the national average for our comparative group. The more people who contribute the better picture we have of how our people feel about working here and what improvements we need to make



Our response rates 2016-2019

*71% is the return rate for Trust and Royal Primary Care staff. Staff in Derbyshire Support and Facilities Services are not included in the 2019 report (but are in the 2018 comparator figures). DSFS undertook their own survey in 2019 however and our combined returned rate is 72%. Results for DSFS will be shared separately with their teams and engagement sessions will take place in the same way to determine improvement actions.

Improvement headlines

2016 - Trust rated 'worse than average' in 22 out of 32 key findings.
2017 - Trust rated 'worse than average' in 26 out of 32 key findings.
2018 - Survey combined key findings to create ten 'themes'. Trust rated above national average in five of them.
2019 - Sustained and further improvement. Trust rated above national average in nine out of 11 categories, including a new theme of 'team working'

Theme one: Equality, diversity & inclusion

This theme scores from one to ten - and is all about fair career progression, experience of discrimination and adjustments that support people to do a good job. The higher the score the better

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	9.4
Average	9.0
The worst	8.3

Theme two: Health and wellbeing

The higher the score the better for organisations where staff are offered flexible working opportunities, positive action to look after their health & wellbeing and support when they are ill or feeling stressed

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	6.7
Average	5.9
The worst	5.3

Theme three: Immediate managers

This theme scores from one to ten - and focuses on the support and leadership immediate managers provide, including making training and development available to their teams. The higher the score the better

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	7.4
Average	6.8
The worst	6.0

Theme four: Morale

The higher the score the better in this theme - which includes questions that focus on how people are involved, treated, encouraged and valued at work

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	6.7
Average	6.1
The worst	5.5

Theme five: Quality of appraisals

A high score suggest staff feel that appraisals help them improve how they do their job, set clear objectives and that they feel valued. Quality also includes discussing organisational values as part of the process

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	6.6
Average	5.6
The worst	4.8

There's more over the page and our full report can be viewed at: www.nhsstaffsurveys.com
Over the next couple of months leaders in all our Divisions and Corporate Services will be hosting staff engagement sessions - to talk to teams about their local level results and to hear what they want to improve in 2020

Theme six: Quality of care

7.3

This score is just below the national average

Asks staff if they are satisfied with the quality of care they give to patients and service users and if they feel their role makes a difference to them. The higher the score the better especially if feel they can deliver the care they aspire to give

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

Our score is rated about the SAME as last year (2018)

The best	8.1
Average	7.5
The worst	6.7

Recommending the Trust as a place to work

54% 2016 - below national average	58% 2017 - below national average
64% 2018 - above national average	70% 2019 - above national average

Theme seven: Safe environment - bullying & harassment

8.2

This score is above the national average

Organisations with scores closer to ten show that staff have experienced low levels of harassment, bullying or abuse at work - from either patients, relatives and carers - or managers and other colleagues

Our score is rated about the SAME as last year (2018)

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	8.5
Average	7.9
The worst	7.3

Theme eight: Safe environment - violence

9.2

This score is below the national average and matches the worse score

Organisations with scores closer to ten show that staff have experienced low levels of physical violence at work - from either patients, relatives and carers - or managers and other colleagues

Our score is rated about the SAME as last year (2018)

How do we compare to the other 84 Acute Trusts in our 2019 peer group

The best	9.6
Average	9.4
The worst	9.2

Theme nine: Safety culture

6.8

This score is above the national average

A range of questions in the survey cover fair treatment for staff involved in incidents, learning actions, feedback, ability to raise concerns and report incidents and an organisation's ability to address issues.

Our score is rated significantly BETTER than last year (2018)

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	7.2
Average	6.7
The worst	5.7

Theme ten: Staff engagement

7.2

This score is above the national average

An engaged workforce is an illustration of an organisation that enables its staff to use their initiative, supporting them to lead change and improvement. Engaged staff recommend Trusts as a place to work. The closer to ten the better

Our score is rated significantly BETTER than last year (2018)

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	7.5
Average	7.0
The worst	6.1

Theme eleven: Team working

6.9

This score is above the national average

A new theme, included for the first time in the 2019 results looks at questions that show people have shared objectives and meet often to discuss how effectively they work together. The closer to ten the better

Our score is rated significantly BETTER than last year (2018)

How do we compare to the other 84 Acute Trusts in our 2019 peer group?

The best	7.2
Average	6.6
The worst	5.9

Green bars show themes where we score better than the national average

Blue bars show themes where we score the same as the national average (none in 2019)

Red bars show themes where we score below the national average

What are we going to do next?

In response to the themes identified we are developing Trust-wide and local improvement plans; at a Trust level the actions identified include:

- our new People Strategy for April 2019/2022 was formally agreed in January 2019 and was launched widely across the Trust from March 2019 onwards. This strategy is based on 4 key themes: Build, Lead Engage and Learn and a work plan is in place to support each of these areas.
- Continue working to improve the situation regarding staff experiencing violence at work through the existing campaigns and exploring the possibility of further support for staff in dealing with patients who have the potential to be violent.
- Our Board agreed a number of Equality, Diversity and Inclusion measures to monitor our performance. Having reviewed data from a wide range of sources, including the annual staff survey, the Workforce Race Equality Scheme, the Workforce Disability Equality Scheme and our Gender Pay Gap report, we have identified a number of actions. Our 'Be Yourself' group meets monthly to discuss topics and campaigns related to the EDI agenda.
- The Trust's Charitable Funds Committee supported a 12 month workforce health and wellbeing project from December 2018-19 with the appointment of a workforce health and wellbeing lead. Following successful evaluation of this project, the Trust supported the post on a permanent basis from January 2020. Our Health and Wellbeing Committee meets on a bi-monthly basis and our Wellbeing strategy focuses on five core areas – physical health and activity, mental health, enhancing the work experience, healthy eating and team work / social support.

Local staff engagement improvement plans will be developed based on the local results and the ideas generated in these sessions. We have decided to rename these from staff survey plans, to show that staff engagement is a continuous and year-round activity.

Introducing our People Strategy 2019-2022

Expenditure on Consultancy

Group expenditure on consultancy in 2019/20 was £ 435,885 (2018/19: £490,139).

Off-payroll arrangements

Policy statement

The Group's policy is to avoid the use of off-payroll arrangements for engaging highly paid staff. The only event in which they are used, exceptionally, is where there is a compelling need to import expertise the Trust does not currently have for a specific short-term purpose within a defined timescale, and where for whatever reason it is not feasible to engage someone as a direct employee. Any off-payroll engagement is subject to approval by a board member on the basis of a clear case of need, and is followed up to ensure that the arrangement has been concluded within the expected timescale.

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months:

Total number of existing engagements as of 31 March 2020	2
Of which:	
Number that have existed for less than one year at the time of reporting	1
Number that have existed for between one and two years at the time of reporting	1
Number that have existed for between two and three years at the time of reporting	Nil
Number that have existed for between three and four years at the time of reporting	Nil
Number that have existed for four or more years at the time of reporting	Nil

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months:

Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	5
Of which:	
Number assessed as within the scope of IR35	Nil
Number assessed as not within the scope of IR35	5
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	Nil
Number of engagements reassessed for consistency/assurance purposes during the year	Nil
Number of engagements that saw a change to IR35 status following the consistency review	Nil

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020:

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	Nil
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both off-payroll and on-payroll engagements	Seventeen

Information on staff exit packages

The Group is required to disclose Staff Exit Packages in line with HM Treasury guidance. Staff Exit Packages include payments made to staff members who have been made redundant (or where their departure has been mutually agreed) including Payments in Lieu of Notice plus Other Non-Compulsory Staff Departures.

Table 1: **Total staff exit packages for 2019/20:**

	2019/20					
Exit Package Cost Band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies £000**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed £000**	**Total Number of Exit Packages by Cost Band**	**Total Cost of Exit Packages by Cost Band £000**
< £10,000	0	0	21	43	**21**	**43**
Total Number of Exit Packages by Type	**0**	**0**	**21**	**43**	**21**	**43**

Table 2: Total staff exit packages for 2018/19:

	2018/19					
Exit Package Cost Band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies £000**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed £000**	**Total Number of Exit Packages by Cost Band**	**Total Cost of Exit Packages by Cost Band £000**
< £10,000	0	0	13	32	**13**	**32**
Total Number of Exit Packages by Type	**0**	**0**	**13**	**32**	**13**	**32**

There were no departures in either year where Special Payments in accordance with HM Treasury guidelines have been made.

Exit Costs in the tables above are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-Health Retirement Costs are met by the NHS Pensions Scheme and are not included in the table.

Staff Exit Packages - Other Non-Compulsory Departure Payments

Table 3: Total staff exit packages – other non-compulsory payments for 2019/20 and 2018/19 were:

	2019/20			2018/19	
	Number of Payments Agreed	**Total Value of Agreements £000**		**Number of Payments Agreed**	**Total Value of Agreements £000**
Voluntary redundancies including early retirement contractual costs	0	0		0	0
Mutually agreed resignations (MARS) contractual costs	0	0		0	0
Early retirements in the efficiency of the service contractual costs	0	0		0	0
Contractual Payments in Lieu of Notice	21	43		13	32
Exit Payments following Employment Tribunals or Court Orders	0	0		0	0
Non-Contractual Payments requiring HM Treasury Approval*	0	0		0	0
Total	**13**	**32**		**13**	**32**
Of which:					
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0		0	0

As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above may not necessarily match the total numbers in Tables 1 and 2 above, which will be the number of individuals.

No Non-Contractual Payments were made to individuals where the payment value was more than 12 months of their annual salary.

The Remuneration Report includes disclosure of any Exit Payments to individuals named in that Report.

Accountability report signed by

Angie Smithson
Chief Executive and Accounting Officer

19 June 2020

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Code of Governance

Code of governance

Chesterfield Royal Hospital 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 UK Corporate Governance Code issued in 2012.

NHS Foundation trusts are required to provide a specific set of disclosures in their annual report to meet requirements of the Code of Governance. For each item below, the information, its reference in the Code of Governance and its location within the annual report are shown. The reference 'ARM' indicates a requirement not of the code but of the Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Reference	Information	Location
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors.	Pages AR60-77, AR75 and AR78-92
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	Pages AR51, AR60 - 77, AR80-81
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Pages AR87-91
ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Pages AR84-86

B.1.1	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Page AR51-52
B.1.4	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Pages AR60 and AR67-74
ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	Pages AR51, AR60-61 and AR108
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	Page AR80-81
ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Page AR80-81
B.3.1	A chairman's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	Page AR61, AR67 and AR79
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Page AR78-79
ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the	This power has not been exercised in 2018/19

	directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Pages AR60 and AR78
B.6.2	Where there has been external evaluation of the board and /or the governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	AR58
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Page AR51-52 Page AR141
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Page AR158
C.2.2	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Pages AR51-59
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	This has not arisen during 2018/19

C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Pages AR58 and AR62
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	This has not arisen during 2018/19
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Pages AR75 and AR80
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	Pages AR61-62 and AR75
E.1.6	The Board of Directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Pages AR92-97
ARM	The annual report should include: • Brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • Information on the number of members and the number of members in each constituency; and • Summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership including	Pages AR92-97

	progress towards any recruitment targets for members.	
ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Pages AR75 and AR80

The Board of Directors confirms that in relation to those provisions within the Code of Governance for which the Trust is required to 'comply or explain', the Trust was compliant throughout the year to 31 March 2020 in respect of those provisions of the Code save for the following exceptions, which the Code requires the Trust to disclose:

B.6.6 - There is a procedure in the constitution which deals with the removal of any governor on the grounds stipulated in this section. This provides for any governor who disagrees with the decision to remove them to have the right of representation to the council but it leaves to the council the final decision in the matter. It is felt that the council should retain this, in order to promote effective governance. The council may decide at its discretion to involve an external assessor, but it is not felt necessary for this to be a requirement.

B.7.1 - The Trust prefers to retain flexibility on reappointments in a final term which recognises the ability to allow one, two or three year terms which are subject to satisfactory performance and annual appraisal.

NHSI Single Oversight Framework

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

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy.

The segments are as follows:

Segment	Description
1	**Providers with maximum autonomy** – no potential support needs identified across our five themes – lowest level of oversight and expectation that provider will support providers in other segments
2	**Providers offered targeted support** – potential support needed in one or more of the five themes, but not in breach of licence (or equivalent for NHS Trusts) and/or formal action is not needed
3	**Providers receiving mandated support for significant concerns** – the provider is in actual/suspected breach of the licence (or equivalent for NHS trusts)
4	**Special measures** – the provider is in actual/suspected breach of its licence (or equivalent for NHS Trusts) with very serious/complex issues that mean they are in special measures

The Trust is in segment 2 and has been since the introduction of the Single Oversight Framework. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Care Quality Commission (CQC)

In November 2018 the Trust was reviewed as part of a focused inspection in which the Well Led domain was assessed, this resulted in a rating of 'Good'. A further well-led inspection had been planned for April 2020 but did not take place due to theCovid-19 outbreak.

Further information about the Trust's compliance with CQC requirements is set out on pages AR55-56.

Statement of the
Chief Executive's Responsibilities as
Accounting Officer
2019/20

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Statement of the Chief Executive's responsibilities as the Accounting Officer of Chesterfield Royal Hospital 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 Chesterfield Royal Hospital 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 Chesterfield Royal Hospital 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.

Signed by

Angie Smithson
Chief Executive and Accounting Officer
19 June 2020

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Annual Governance Statement

2019/20

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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.*

There are external arrangements in place for working with partner organisations. Those operating at Chief Executive level include:

- Joined up Care Derbyshire Board
- Derbyshire Place Board
- Derbyshire Health and Wellbeing Board
- Derbyshire CEO Group
- Destination Chesterfield Board
- NHS Midlands monthly business development meeting
- Midlands Health and Care Leaders event
- South Yorkshire and Bassetlaw (SYB) Integrated Care Systems (ICS) Collaborative Partnership Board
- SYB Provider Acute Federation (Committees in Common)
- SYB ICS – System Health Executive Group
- NHS Providers' group for Chairs and Chief Executives

As a result of the COVID-19 pandemic, these have been supplemented by a System Escalation Cell (SEC) for all partners and the Local Resilience Forum meets on a regular basis. There are arrangements in place for working with partner organisations that operate at Director level for finance, business and service planning, quality governance, workforce and communications which have also had revised arrangements in place for the COVID-19 pandemic.

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 Chesterfield Royal Hospital 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. This system of internal control has been in place in Chesterfield Royal Hospital 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 Board of Directors is ultimately responsible for the management of key risks through a risk management strategy that is implemented and monitored through the Trust's governance processes. The key areas of those risks are managed through:

- Board assurance framework (BAF);
- Risk management policy;
- Trust risk register;
- Compliance with targets.

The Board of Directors receives details of key risks through regular Board reports.

The BAF report brings together in one place the relevant information on risks to the Board's strategic objectives. The Trust risk report identifies all high level risks for the Trust with the monthly integrated performance report recording all key financial and operational risks, and performance against key clinical quality indicators.

All the Board assurance committees receive reports showing the risks against the strategic objectives of the Trust which are aligned to each committee's terms of reference. The Trust's six strategic objectives are:

1: Provide high quality, safe and person-centred care;
2: Deliver sustainable, appropriate and high-performing services;
3: Developing existing and creating new partnerships for the benefit of patients;
4: Support and develop our staff;
5: Manage our money wisely, foster innovation and improve efficiency;
6: Provide an infrastructure to support delivery.

The audit and risk committee exercises lead responsibility for the oversight of the processes of the BAF, which governs the agendas of all the Board's assurance committees. In this capacity, the audit and risk committee reviews the systems and processes in place for the provision of assurance to the Board by the finance and performance committee, the quality assurance committee and the people committee. The audit and risk committee receives audit reports on risk and governance, including the BAF, to satisfy itself that the system of internal control is effective.

The Board of Directors and each of its committees approve and regularly review the BAF to assess progress and risks against the strategic objectives of the Trust.

The Board of Directors is supported by six committees (each chaired by a non-executive director together with other non-executive director members) that ensure effective monitoring and assurance arrangements for the system of internal control. These, and their key responsibilities, are set out below:

Remuneration committee

- Review and determine the executive directors' remuneration package;
- Review and determine succession plans for the executive director posts.

Audit and risk committee

- Provide assurance to the board about the soundness of overall systems for governance and internal control including financial management control;
- Review the processes of the Board assurance framework;
- Ensure soundness of overall system and processes of risk management;
- Review the Trust Risk Report;
- Consider and review the work and findings of the internal and external auditors.

Finance and performance committee

- In-depth review of financial performance and financial strategy;
- In-depth review of operational performance and improvement plans;
- Assurance on the mitigation of in-year financial and operational pressures;
- Review and provide assurance to the Board of Directors on allocated strategic objectives' risks.

People committee

- Assurance on a sustainable and affordable workforce plan;
- Review the support for leaders to live our values and actively prioritise staff engagement and involvement;
- Assurance on the building of a healthy workforce with strong personal resilience;
- Review of training and development;
- Review and provide assurance to the Board of Directors on allocated strategic objectives risks.

Quality assurance committee

- Clinical risk assurance;
- Quality governance assurance;
- Review and provide assurance to the Board of Directors on allocated strategic objectives risks.

Oversight committee

- Oversight and assurance of DSFS (wholly owned subsidiary) – including service provision, cost, performance monitoring;
- Ensure all variations to contract are approved and recorded by both parties (DSFS and the Trust).

Additionally the Board, in its role as a Corporate Trustee of the Chesterfield Royal Hospital Charity, is supported by:

Charitable funds committee

- Review and approve the use of the Trust's charitable funds.

The minutes of and other key documents that have been discussed at these committees are submitted to the Board of Directors meeting.

Each of the supporting committees conducts an annual committee evaluation and improvement actions are identified. Annual evaluation reports and action plans are reported to the Board and feed into the planned Board development programme which continues into 2020-21.

During the COVID-19 pandemic revised governance processes were established for the Committees and regular informal briefings were established for the Non-Executive Directors and the Council of Governors.

Leadership of the risk management process

The Chief Executive has overall responsibility for the management of risk of the Trust. The other members of the Executive Team exercise lead responsibility for the specific types of risk as follows:

- Quality risk — Director of Nursing and Patient Care and Medical Director
- Operational risk — Chief Operating Officer
- Workforce risk — Director of Workforce and Organisational Development
- Financial risk — Director of Finance and Contracting

The role of the directors is to ensure that appropriate arrangements and systems are in place to achieve:

- Identification and assessment of risks or hazards;
- Elimination or reduction of risk to an acceptable level;
- Compliance with internal policies and procedures, and statutory and external requirements; and
- Integration of functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally through the Risk System Manager supporting the directors and working with designated lead managers in the clinical divisions.

During the COVID-19 pandemic, daily tactical and operational meetings have been established with twice weekly strategic meetings. A COVID-19 specific risk register has been developed which is developed, managed and monitored through these groups and feeds into a system wide risk register, overseen by the SEC.

Staff empowerment and training (risk management)

Staff are equipped to manage risk in a variety of ways and at different levels of strategic and operational functioning. These include:

- Formal in-house training for staff in dealing with specific everyday risks, e.g. fire safety, health and safety, moving and handling, infection control, security, information governance.
- Training and induction in incident investigation, including documentation, root cause analysis, steps to prevent or minimise recurrence and reporting requirements; and
- developing shared understanding of broader business, financial, environmental and clinical risks through collegiate clinical, professional and managerial groups (such as the performance delivery group and the quality delivery group) and sharing good practice through appropriate forums such as NHS Providers.

- During the year, 'Extreme risk' reports are routinely shared with the Trust's Hospital Leadership Team and Board of Directors, to ensure regular engagement of stakeholders. DATIX clinics have been reintroduced providing an opportunity for the management of risk process to be discussed amongst staff from various specialisms, and for the risk management toolkits to be disseminated.

Stakeholder communications

Stakeholders of the Trust include:

- Council of governors;
- Partner organisations;
- Staff;
- Public and service users.

A number of forums support communications with these bodies to ensure risks identified by stakeholders that affect the Trust can be assessed, discussed and, where appropriate, action plans can be developed to resolve any issues. Such communication opportunities include those listed over the page.

Council of governors

In addition, the Council of Governors has a formal role as a stakeholder body for the wider community in the governance of the Trust. Communication methods include:

- Email updates.
- Events, including the Annual Members' Meeting.
- Minutes of the Council of Governors meetings.

Staff

Communication with staff is undertaken in a variety of ways including:

- Payslip bulletin and board and chief executive briefings.
- Staff meetings and team briefings.
- Social media.
- Leadership assembly.
- Staff forum; and
- Staff surveys.

Public and service users

Communication with the public and service users includes:

- Patient surveys and face to face interviews.
- Social media.
- Assistance and Complaints Service; and
- Meetings with voluntary and self-help groups.

Partner organisations

Communication with partners includes through:

- Joined up Care Derbyshire Board and working groups;
- South Yorkshire and Bassetlaw (SYB) Integrated Care Systems (ICS) Collaborative Partnership;
- Clinical commissioning groups, voluntary sector and universities formal and informal meetings and
- Clinical and professional networks in the East Midlands and SYB.

Risk and control framework

The Trust is committed to establishing a transparent risk management culture and process where effective management of risk is an integral part of day to day management and delivery of healthcare. The Board is committed to establishing an environment where staff feel able to and are supported to identify risk.

Policy for the management of risk

The Trust has in place a risk management policy, which is endorsed by the Board of Directors. The policy defines risk and the Trust's risk appetite and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk. The policy:

- defines the objectives of risk management and the process and structure by which it is undertaken;
- provides clear definitions of terminology regarding risk management;
- defines the Trust's risk appetite which articulates the content and range of risk(s) that the Trust might take. In its consideration of this range the Trust holds paramount its objective for providing high quality care and services for its patients and the community;
- sets out the lead responsibilities and the organisational arrangements as to how these are discharged;
- sets out the key policies, procedures and protocols governing risk management; and
- is complemented by a risk management toolkit.

The risk grading matrix uses an NHS common scoring approach that is a symmetrical scoring matrix, where risk is calculated as the product of consequence multiplied by likelihood, often referred to as the 5 x 5 matrix (scores 1-25). The principle underpinning this approach is the higher the final score the greater the risk.

All operational risks are entered onto the DATIX record management system which is used to produce reports for all levels of management, the assurance committees, the council of governors and the Board of Directors. Another feature of the DATIX system is the utilisation of personalised dashboards where risk related metrics can be noted at a glance and also facilitates 'drilling down' into the data. Each risk record within the DATIX system has key dates (date of previous review and next review due), strategic objectives which are affected; strategic or principal risks it relates to as appropriate, initial, current and target risk ratings, justification of risk ratings and projected dates for when the target risk rating would be met.

Board assurance framework

The Trust has a board assurance framework (BAF). This identifies the strategic or principal risks facing the Trust in the achievement of its strategic objectives, the sources of assurance currently available both internally and

externally, the identification of the lead responsibility within the Trust and how the risk is being controlled, managed or treated. Any gaps in sources of assurance or control are identified along with actions for addressing the gaps and mitigating the risk. The BAF and action plans are reviewed throughout the year, through risk focused agendas, by the assurance committees and the Board of Directors.

During 2019/20, the audit and risk committee has reviewed the BAF, providing the Board of Directors with assurances on the effectiveness of the systems of internal control. The BAF is a living document, framed around the critical success factors to the delivery of the Trust's five-year strategic outcomes. The Board of Directors receives and discusses the BAF report regularly and monitors the progress of actions identified to mitigate the gaps in control and assurance.

Clinical audit

Clinical audit is an integral part of the Trust's clinical quality strategy and a key component of clinical governance. The quality assurance committee ensures that the Trust meets its statutory requirements with regard to audit activity. The committee ensures through the quality delivery group that activity is integrated within the directorate structures, findings are considered and appropriate actions identified.

In order to ensure that there is a robust clinical audit programme which reflects Trust priorities, divisions are required to develop annual clinical audit plans which include relevant local and national audits. In order to assess progress against the annual plan, an annual report detailing recommendations and action taken is presented to the divisional governance groups and the Trust's quality assurance committee.

Workforce Safeguards[1]

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The foundation trust has published an up-to date register of interests for decision-making staff within the past twelve months, as required by the Managing Conflicts of Interest in the NHS[2] guidance.

As an employer with staff entitled to membership in 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 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 Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

[1] https://improvement.nhs.uk/resources/developing-workforce-safeguards/

[2] https://www.england.nhs.uk/publication/managing-conflicts-of-interest-in-the-nhs-guidance-for-staff-and-organisations/

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

During the year the Board of Directors has received regular reports informing of the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial, clinical and performance of the Trust during the previous period and highlight any areas through benchmarking or traffic light system where there are concerns. Statistical process control has been introduced over the year. The executive directors of the Trust supply these reports. The Board has also been given the opportunity for an in depth walk through of the financial annual accounts.

Internal audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The outcomes of these reports are graded according to the level of outstanding risks within the area. This Annual Governance Statement takes account of the limited (red) assurance opinions given in a number of the internal audit reports, although these do not constitute any significant risk as the recommendations and associated action plans arising are being tracked by the audit and risk committee.

In the NHS Improvement Single Oversight Framework providers are segmented based on the level of support each provider needs. The Trust has been segmented as '2', where targeted support is offered. The Trust further obtains assurance of its systems and processes and tests its benchmarking by working with other NHS and external organisations, and also through the NHS Providers, where foundation trusts share good practice.

Compliance with Care Quality Commission targets

In August 2019 the CQC undertook an unannounced focused inspection of our ED. A team of four inspectors spent five hours in the department, speaking to staff, patients and carers, as well as observing practices and the care given.

Following the visit the CQC notified the Trust that they would be issuing a 'letter of intent' under Section 31 of the Health and Social Act 2008, due to their concerns that patients will or may be exposed to the risk of harm. These concerns related to:

- Storage and management of medicines, medical gases, fluids.
- Patient access to equipment, store rooms, sharps.
- Appropriate accommodation of patients and patient flow.
- Cleanliness of the department.

In the two weeks following this inspection the Trust took immediate actions to address the concerns identified and in light of the evidence provided by the Trust the CQC indicated that they were satisfied with the Trust's response.

In November 2019 the CQC issued their final report which acknowledged the work undertaken by the Trust in the intervening period. The Trust's improvement plan was reviewed to reflect the additional recommendations within this report; all actions have now been completed and the Trust's care accreditation process has been extended to the Emergency Department to provide ongoing assurance.

In February 2020, as part of their routine programme, the CQC commenced an inspection of Trust services which included four core services (Medicine, Surgery, Maternity and Urgent and Emergency Care). Whilst the well-led element of this could not take place in April (because of COVID-19) we were still awarded a rating. This was revealed in May and we were both pleased – but not surprised – to learn that we had maintained an overall score of GOOD.

Information governance

The Trusts Information Governance (IG) framework is fully aligned with the General Data Protection Regulation (GDPR)/Data Protection Act 2018.

The Trust has a Caldicott Guardian (Medical Director); a Senior Information Risk Officer (SIRO – Director of Finance and Contracting) and a Data Protection Officer (DPO) – ICT Quality & Governance Manager. The Trust has an Information Governance Group (IGG), established to oversee all information governance issues which reports to the Trust's Board via the Audit and Risk Committee and to the Hospital Leadership Team as required. Each division and corporate team has appointed an information asset owner (IAO) to provide leadership at local level.

Information governance risks are managed in accordance with Trust risk management standards, and, where appropriate, recorded on the risk register. Key IT systems have a designated system manager, with defined responsibilities, including risk management and responsibility for identifying IG risks.

All members of staff are governed by a code of confidentiality, and access to data held on IT systems is restricted to authorised users. Information governance training is incorporated in the Trusts essential training programme and all members of staff are required to undertake IG training to national standards.

The Trust has successfully completed its annual Data Security & Protection Toolkit (DSPT) submission for the 116 mandatory evidence items during 2019/20. The Trust's Data Security & Protection Toolkit (DSPT) has undergone a NHS Digital strengthening assurance assessment and is 1 of the first 10 acute Trusts in the country to do so. The outcome of this stringent assessment indicates NHS Digital would have 'high' overall confidence in the Trusts DSPT submission. The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

There has been one IG incident reported to the Information Commissioner's Office (ICO) during 2019-20, which resulted in the ICO confirming that the action taken by the Trust was satisfactory. There have been 2 employer liability claims raised relating to Data Protection and these are handled via NHS Resolution on the Trusts behalf. The Trust continues to strengthen its IG capabilities and is well placed to secure longer term compliance with the standards.

Description of the principal risks facing the Trust during 2019/20

The following principal risks were identified in 2019/20:

As a result of…….. A lack of capability, capacity and buy in to the capture, analysis and utilisation of patient feedback **There is a risk that……** Services are developed and delivered without consideration of what matters to patients and public **Which might result in……** Poor patient experience.
As a result of…… Failure to ensure the Trust learns from incidents will impact on the quality of care given to patients. **There is a risk that…….** Lessons are not learnt **Which might result in…….** The Trust not implementing changes to practice which would prevent recurrence; improve the safety of our patients, and provide assurance to those affected.
As a result of……. An inability to meet regulatory core standards and national levels of compliance in respect of essential quality and clinical effectiveness standards **There is a risk that…….** The quality of care for our patients will not meet the expected standards **Which might result in……..** A breach of Health & Social Care Act 2012 Regulations with associated financial penalty and or Improvement.
As a result of…. Failure to deliver the ambitions of the Clinical Services Strategy and the new NHS long term plan to transform and build efficiency within the portfolio of core services, whilst increasing system partnership working, based on business modelling and analysis, and to continue to divest non-core services that are not sustainable or affordable. **There is a risk that …..** Delivery of a portfolio of sustainable, high quality services to the population the Trust serves, identified service weaknesses and opportunities, and the potential to add value are not achieved. **Which might result in……** National standards not being met and unsustainable, inefficient non-core services

As a result of…..
The inability to recruit sufficient numbers of substantively employed Clinicians
There is a risk that….
Increased use of expensive locums is a means of ensuring Royal Primary Care is able to offer patients access to the appropriate range of services.
Which might result in…..
Failure to provide some or all services effectively and safely to the registered population resulting in reputational damage locally with patients and with Primary Care partners / local commissioners and/or incurring unsustainable costs to support delivery of patient care.

As a result of……
Rising demand the Trust is not able to consistently deliver the full range of NHSI access standards and capacity at various stages of the pathway is exceeded.
There is a risk that…..
NHSI standards are not delivered, covering:
1. Achievement of 4hr access standard, poor patient experience and securing 30% of the S&T funding.
2. Achievement of all cancer standards, timely diagnosis and treatment and poor patient experience.
3. Achievement of 18wk RTT, recovery to waiting list position of Mar 19 and no 52 week breaches.
Which might result in……
Improvement notice from CCG and closer scrutiny from NHSI, NHSE, CCG and cancer alliance.

As a result of…….
Failure by the South Yorkshire and Derbyshire system partners and ourselves to agree and implement the ambitions of the South Yorkshire ICS, particularly given our status outside the county, and JUCD
There is a risk that……
The system ambitions and progress towards Derbyshire ICS objectives will not be delivered in a timely Manner.
Which might result in……
Failure to improve patient pathways/outcomes.

As a result of…..
Failure to develop and embed a sustainable and affordable workforce plan that delivers the right people in the right place at the right time with the right skills.
There is a risk that……
There will be an inability to staff rotas adequately with appropriate skills.
Which might result in…….
Increased agency/locum usage with subsequent impact on staff morale, attendance and wellbeing, recruitment, retention and financial position.

As a result of…..
Failure to build staff experience and satisfaction via the areas of focus of the Engagement Framework.
There is a risk that……
The Trust's ability to attract, retain and motivate quality staff with Proud to Care and Leading the Chesterfield way values is reduced.
Which might result in…….
A potential impact on patient experience, staff wellbeing and engagement.

As a result of…..
Failure to engage, support and develop our leaders via the 'Leading the Chesterfield Way' Framework.
There is a risk that……
The Trust's ability to attract, retain and motivate quality staff from a diverse background with Proud to Care and Leading the Chesterfield way values is reduced.
Which might result in…….
A potential impact on patient experience, staff wellbeing and engagement.

As a result of……..
Financial and reputation risk associated with an inability to deliver a control total compliant plan due to:
a) Insufficient improvement headroom
b) Insufficient capacity and capability to deliver the improvement plan; or,
c) An inability to mitigate the actions associated with the Derbyshire STP/Transformation requirements.
There is a risk that……..
The Trust not being in receipt of Sustainability and Transformation
Which might result in……..
Increased regulatory oversight and reductions in capital spend, both of which will result in reputational damage; or the need for the development of a more austere plan or series of more stringent financial measures.

As a result of……..
Poor system decisions made which lead to poor care due to the inability to influence the development of the Derbyshire integrated plan due to poor plans, regulatory oversight or engagement.
There is a risk that……
Inability to influence and help to shape the most appropriate approach to the financial shortfall at the strategic commissioner in Derbyshire.
Which might result in……..
Poor decommissioning decision to quickly restore financial balance that may have poor impacts on the health and care systems performance.

As a result of…….. Not developing a delivering a Digital Strategy across the JUCD System (which describes both a) our hospital and system clinical digital plan or b) the safety and security of our wider IT systems) that is supported by the Board, system and effectively communicated to all staff**.** **There is a risk that…….** Organisation, leadership and staff will lack focus and purpose. **Which might result in……..** Not enabling us to harness the potential benefits of the digital agenda.
As a result of……. Not developing and delivering an Environmental Strategy, or site development plan/strategy, which delivers carbon reduction and wider social responsibilities, or "fit for purpose clinical facilities that are supported by the Board and effectively communicated to staff. **There is a risk that……** The Board will not be discharging its responsibility in ensuring that it is delivering its part of the Carbon Reduction commitment or evidencing its role in minimising environmental impact. **Which might result in…….** Reputational damage and business continuity risks.

These risks have been mitigated during the year through close monitoring and performance, but some will continue to be strategic or principal risks in the year ahead. The risks are aligned with the key issues and risks identified in the chief executive's statement on performance.

The strategic or principal risks to compliance with the provider licence condition 4 (FT governance) is that the Trust does not achieve its financial targets and some operational targets. The action taken to mitigate this is overviewed by the board's finance and performance committee which closely reviews, monitors and challenges financial and operational performance and agrees action to mitigate in-year pressures and improve performance, as well as scrutinising plans to meet longer-term challenges.

In making its corporate governance statement for 2019/20, the Trust will have assured itself of the validity of the statement through identification of the information and evidence available to support each part of the statement, and the testing of the robustness of this with each of its four key assurance committees, i.e. the audit and risk committee, the finance and performance committee, the quality assurance committee and the people committee prior to the board approving the final statement.

No high-risk issues were formally reported as a result of the Internal Audit 2019/20 work to date.

Compliance with the NHS constitution

The Trust operates with regard to the NHS constitution in all its decisions and actions concerning its staff and service users. The constitution has been revised to meet the requirements identified in the Health and Social Care Act 2012.

A periodic statement is provided to the Board of Directors on the Trust's compliance with the requirements of the NHS constitution.

Quality governance arrangements

The Board takes clear responsibility for ensuring the quality and safety of services offered by the Trust and has developed robust structures and reporting mechanisms to ensure that quality goals are identified, monitored and, where performance is sub-standard action is taken to rectify the situation. The key board committee is the Quality Assurance Committee which is supported in this role by the Audit and Risk committee. Within the divisions there are robust quality governance arrangements which are described in the Trust's Quality Governance Framework.

NHS Improvement guidance sets out how providers should carry out developmental reviews of their leadership and governance using the framework as part of their own continuous improvement. These developmental well-led reviews should be carried out by providers every three to five years. Following a review of its developmental activity since June 2018 the Board concluded in April 2020 that under the comply or explain criteria it could demonstrate that it was meeting the actions expected under the guidance in a similar manner and so in the light of the extensive work undertaken and the peer review it would not be commissioning a formal self-assessment and external well-led review at the current time and would inform NHSI/E of the Board's decision. However, in order to assist the Trust in its continuing journey to outstanding services and in the context of the wider challenges currently faced, the Board further decided to consider the position again in Spring 2021.

Data quality and governance

The Board members receive regular information on data assurance via the integrated performance report, with specific updates on data assurance for each indicator.

The Integrated Performance Report (IPR) contains information that is subject to internal and, in many cases, external validation. In all instances the information has been made available to the public through the internet and to the open meeting of the council of governors and through reports produced by regulatory bodies.

The Trust applies internal controls and has improved processes in place to mitigate the risk of supplying incorrect and inaccurate information on all regulatory reporting. Table below describes the activity undertaken by the team. Ultimately all assurance activity has oversight from Board and the Audit and Risk Committee.

Business management processes and controls Operational and financial monitoring and measures	Developing and maintaining sound process and controls over operations Reporting financial and operational performance measures, including our performance commitments and other external regulatory measures Ensuring data quality and integrity over information Assessing changes in risk profiles and implementing mitigating actions Integrating all compliance requirements into day-to-day operations and monitoring adherence

Risk and Compliance Audit and risk subject matter experts	Liaising closely with the wider Trust to ensure activities are controlled and effectively operated to ensure the safety of our patients Setting policy and procedures Ensuring ongoing challenge, monitoring, assurance and governance of business operations Review regular and ad hoc performance reporting Identifying risks and enabling risk management processes Gathering intelligence and linking closely with stakeholders Building compliance and resilience into our Trust processes
Independent assurance providers Internal audit	Completing reviews of processes, control monitoring, data quality and systems through ongoing testing and assurance of key processes using risk- based approach Linking closely with stakeholders on issues identified and reported Providing independent reporting to Board members, other Trust Committees and Council of Governors Working with internal audit on the assurance processes Measures within the Integrated Performance Report are subject to external audit review at year end

The in-house assurance team undertake end-to-end process reviews of our reporting process to all our regulator and stakeholders. These reviews map the processes that we use and associated risks to accurate data reporting. Existing controls are recorded and where no control exists, improvement plans are developed.

Ongoing validation of our 18 week incomplete pathways continues, that monitors and validates patient pathways on a daily basis, working with the Divisions and holding weekly PTL meetings to discuss progress and action any inaccurate data. These meetings are a key source of communication to ensure patients receive the care needed within the expected priority and waiting time.

The efficacy of existing controls and progress with improvement plans are monitored on a periodic basis. The assurance has been targeted on the most critical reporting nationally, to ensure we have confidence in the data submitted.

Chesterfield Royal Hospital NHS Foundation Trust will be taking the following actions to continue to support the improvement of data quality:

- Continue to implement our data assurance process which we use to assess all of the information included within our Integrated Performance Report;

- continue to develop our data quality assurance processes by continuing to involve clinical staff in the review of recorded information;
- continue to build on the skills and knowledge of the Data Quality Team and raise awareness across the Trust, continue providing training and drop-in sessions for all staff; and
- staff will continue to carry out pathway validation to ensure performance remains a true reflection of the Trust's position.

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 the 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 and risk committee, the finance and performance committee, the people committee and the quality assurance committee, and plans to address weaknesses and ensure continuous improvement of the system are in place. My review is also informed by:

- ISA 260 audit highlights memorandum 2019/20;
- Confirmation by NHS Improvement through segmentation under the Single Oversight Framework;
- Continued compliance with the Care Quality Commission's standards.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the committees identified above, by the Board of Directors' monitoring of corporate and divisional performance, by the publication of audit reports in line with their work programme by internal audit during the year, and by the evidence of the assessment of the Trust and the capacity and capability of the Board of Directors by NHS Improvement in relation to its financial management, governance arrangements and risk management systems. Plans to address any weaknesses and ensure continuous improvement of the system are in place.

Conclusion

There are no significant internal control issues that have been identified during the period 1 April 2019 to 31 March 2020, noting the impact of COVID-19 during March 2020, that require disclosure in this statement.

Signed by

Angie Smithson
Chief Executive and Accounting Officer
19 June 2020

Financial Accounts & Statements
2019/20

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FOREWORD TO THE ACCOUNTS

Chesterfield Royal Hospital NHS Foundation Trust

The accounts for the year ended 31 March 2020 are set out on the following pages and comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by Chesterfield Royal Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed .....… Date: ……19 June 2020……

Angie Smithson (Chief Executive)

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KPMG

Independent auditor's report

to the Council of Governors of Chesterfield Royal Hospital NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Chesterfield Royal Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Group Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers' Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of the Group and Trust's income and expenditure for the year then ended; and

— the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: Group financial statements as a whole	£5.3m (2019:£4.6m) 1.9% (2019:1.8%) of total forecast revenue	
Coverage	100% (2019:100%) of group operating income	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of Land and Buildings	◀▶
	Revenue Recognition	◀▶
	Fraudulent Expenditure Recognition	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including 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. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
Valuation of land and building assets (£86 million; 2019: £79m) *Refer to page 11 Audit Committee Report), page 9 (accounting policy) and page 33 (financial disclosures)*	**Subjective Revaluation:** The GAM requires DHSC bodies (including Trusts) to follow the revaluation model. The last full revaluation took place on 31 March 2019 and will undergo a desktop exercise in 2020. Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. **Disclosure Quality** There is a risk that uncertainties expressed by the Trust's valuers around the impact of the Covid-19 pandemic on the values of land and buildings will be inappropriately disclosed.	Our procedures included: — **Assessing valuer's credentials:** We critically assessed the competence, capability, objectivity and independence of the Trust external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the Department of Health and Social Care Group Accounting Manual; — **Methodology choice:** We assessed the appropriateness of the valuation bases and assumptions. We reviewed the requirements of the Department of Health Group Accounting Manual and consulted our own technical experts. We reviewed impairments to land and buildings and the assumptions on which they were based; — **Benchmarking assumptions:** We assessed other assumptions in the valuation model such as cost indices and location factors sense-checked the overall valuation compared to our own expectations. We compared the cost indices used by the valuer to the report issued by Gerald Eve and other entities in the region; — **Test of detail:** We considered the accuracy of the estates base data provided to the valuer for the purposes of the valuation by comparison to the underlying asset records held by the Trust; — **Test of detail:** For a sample of assets purchased during the year and new-build assets becoming operational in the year, we considered whether the valuation basis used was consistent with the uses to which the assets would be put; — **Accounting analysis**: We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20; and — **Assessing transparency:** We considered the adequacy of disclosures made around the uncertainty caused by the Covid-19 pandemic on market data used to underpin the valuer's assumptions, and management's consideration of these **Our findings**: We found the valuation of land and buildings to be balanced.(2019: balanced)

	The risk	Our response
Revenue Recognition (£272 million; 2019: £254m) *Refer to page 13 (Audit Committee Report), page 7 (accounting policy) and page 20 (financial disclosures).*	**Accounting Application** Of the Trust's reported total income, £227 million (2018/19, £217 million) came from Clinical Commissioning Groups (CCG) and NHS England. The remaining was sourced from local authorities and other counterparties and carried a greater risk in terms of pricing and recoverability. In 2019/20 the Trust has received sustainability funding from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Trust was allocated £0.9 million of provider sustainability funding. An agreement of balances exercise is undertaken between NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £300,000 are required to be reported to the National Audit Office to inform the audit of the Department of Health and Social Care consolidated accounts.	Our procedures included: **Control observations:** — We tested the design and operation of process level controls over revenue recognition; **Tests of detail:** — We assessed the outcome of the Agreement of Balances exercise with other NHS bodies. Where there were any mismatches greater than £300,000 we identified the reasons and challenged the Directors' assessment of the level of income they were entitled to receive; — We agreed commissioner income to the signed contracts and selected a sample of the largest balances to the supporting invoice and payments to the bank receipts; and — We inspected invoices for material income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; **Our findings:** We found the income recognition made by the Trust in relation to NHS income to be acceptable. (2019: acceptable)
Fraudulent expenditure recognition (£271 million; 2019: £276m) *Refer to page 15 (Audit Committee Report), page 8 (accounting policy) and page 24 (financial disclosures).*	**Effect of irregularities:** In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition and so the auditor has regard to this when planning and performing audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions..	Our procedures included: **Control observations:** — We tested the design and operation of process level controls over expenditure approval; **Tests of detail:** — We inspected a sample items of expenditure in the April 2020 bank to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We considered year-end processes to assess that expenditure has been reflected in the correct period; — We performed a year-on-year comparison of accruals to evaluate the completeness of the accruals balance, as well as agreeing a sample to supporting documentation; — We agreed a sample of creditor balances to supporting documentation and post year-end cash payments to agree the correct treatment as a payable at year-end; — We inspected confirmations of balances provided by the Department of Health as part of the Agreement of Balances exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within **Our findings:** We found the recording of expenditure to be acceptable. (2019: acceptable)

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £5.1 million (2019: £4.6 million), determined with reference to a benchmark of operating income (of which it represents approximately 2%) (2019: 1.8%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

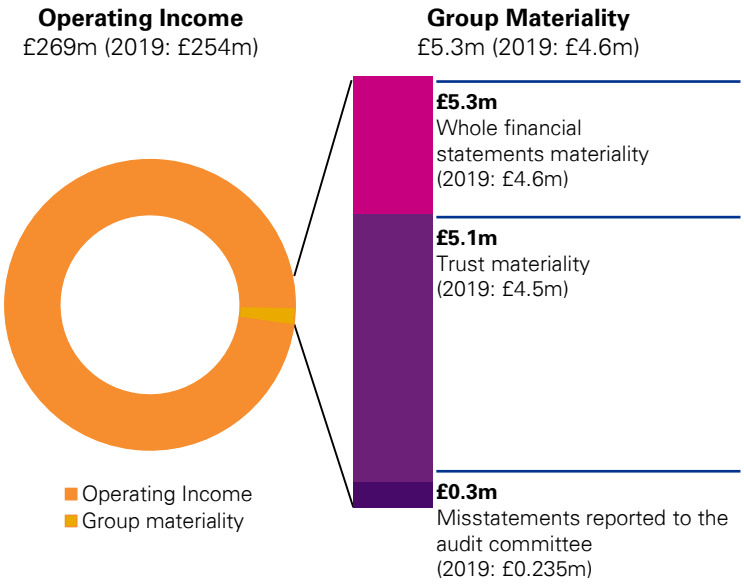
Materiality for the parent Trust's financial statements as a whole was set at £5.1 million (2019: £4.5 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9%) (2019:1.8%).

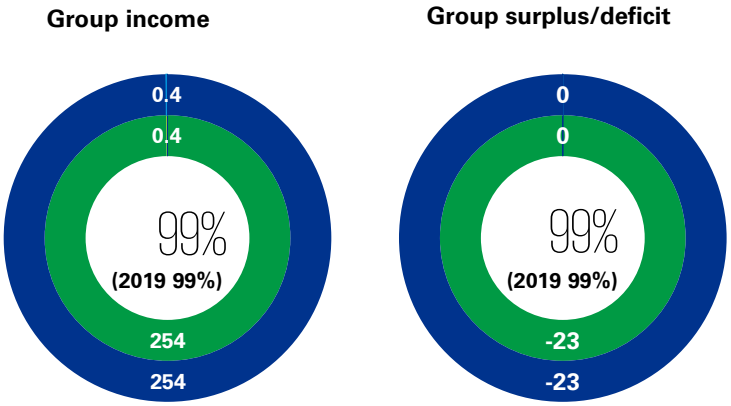
We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3m (2019: £0.235m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

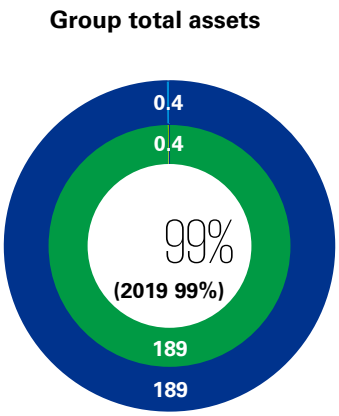
Of the group's 2 (2019: 2) reporting components, we subjected both (2019: 1) to full scope audits for group purposes. The components within the scope of our work accounted for the percentages illustrated opposite.

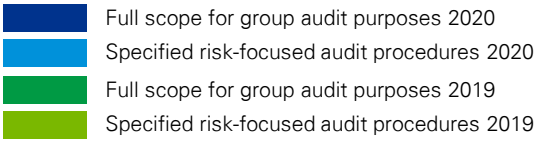
The remaining 1% of total group revenue, 1% of group profit before tax and 1% of total group assets is represented by 1 reporting component, none of which individually represented more than 1% of any of total group revenue, group profit before tax or total group assets. For the residual component, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group team visited 1 (2019: 1) component locations in Chesterfield to assess the audit risk and strategy. Video and telephone conference meetings were also held, all sites were physically visited. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.









4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page A139, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— 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.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

	The risk	Our response
Financial Sustainability	As at 31 March 2019, the Trust was £3.1m off the control total including PSF income. The Trust received £5m of PSF income in 2018/19. The 2019/20 plan outlined a CIP challenge of £9.8m to deliver the proposed £11.3m control total position. This included Provider Sustainability Funding (PSF) of £4.47m and access to £4.9m Marginal Rate Emergency Tariff (MRET). As at month 6, the Trust is £3.5m off plan. We do not identify this as a financial statement level going concern risk, as the Trust had a robust Statement of Financial Position, with £27.0m of cash reserves as at 31 March 2019, and net current assets of £26.6m. We do however recognise that the challenges to deliver the plan presents a significant risk to our assessment of the adequacy of arrangements in place at the Trust for financial sustainability. Whilst the context of the financial challenges within the NHS is noted, the deficit presents a significant risk to our assessment of the adequacy of arrangements in place at the Group specifically in relation to planning finances effectively	Our work included: - **Review of the Cost Improvement Schemes (CIPs):** We reviewed the Trust's CIP schemes and CIP monitoring process; - **Review of the 2019/20 outturn:** We considered the level of non-recurrent measures underpinning the achievement of the 2019/20 plan; – **Financial Sustainability:** We considered the Trust's financial and governance arrangements in place in response to the COVID-19 outbreak. We reviewed the Trust's April to July 2020/21 planned block contracted income in light of the requirement for NHS Commissioners and NHS Trusts not to sign contracts for 2020/21; - **Operational Performance:** We reviewed the Trust's operational performance in year, notably compliance with national targets and other key indicators, including A&E in respect of draw down of PSF; and - **Underlying Surplus/Deficit:** We reviewed the reporting of the reconciliation between the deficit in the Statement of Comprehensive Income for the year ended 2019/20 and the Trust's underlying deficit calculation. **Our findings on this risk area:** — As at 31 March 2020 the Group has reported a £7.3 million underlying deficit excluding PSF against a control total of £1.9 million. This position was supported by marginal relief emergency tariff funding of £5.5m received during the year; — The cash balance at year end was £15.9 million, which was £12.8 million lower than plan; — The Group delivered £9.1 million of the £10.4 million Cost Improvement Plans for 2019/20, of which £6.6 million are recurrent savings; and — The Group incurred £14.2 million of agency expenditure against an agreed agency cap of £11.0 million. We consider the overall arrangements in place for financial sustainability to be adequate.

	The risk	Our response
Group Governance	In 2018/19, the Trust set up a subsidiary company Derbyshire Facility Support Services Limited (DSFS). There is increased interest from stakeholders, regulators and the public on how legal entity governance risks are managed; The way in which governance and reporting arrangements are set up for this new body was a key risk that we considered for 2019/20.	Our procedures included: **Review of the governance arrangements:** – We reviewed the Trust's governance arrangements put in place to oversee the transfer of staff and assets to DSFS; and – We reviewed the minutes of board meetings at the Trust and DSFS to ensure appropriate segregations of duties are in place. **Our findings on this risk area:** There was appropriate oversight of the staff transferring to DSFS as at 1 April 2020. The transferring staff went across under a TUPE arrangement on 1 April 2020. No additional assets transferred in the year ended 31 March 2020. The Trust oversight committee is responsible for the oversight of DSFS and meets quarterly to discuss financial reporting, performance, risk management and progress against the delivery of the plan. We were able to review the minutes of the meetings held in year.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Chesterfield Royal Hospital NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Andrew Bostock
for and on behalf of KPMG LLP

Chartered Accountants
One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH
24 June 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2020

	Note	Group 2019/20 £000	Group 2018/19 £000
Operating Income from Patient Care Activities	4	**235,346**	220,505
Other Operating Income	5	**37,174**	33,704
Total Operating Income		**272,520**	254,209
Operating Expenses	6	**(271,141)**	(276,754)
OPERATING SURPLUS		**1,379**	(22,546)
FINANCE COSTS			
Finance Income	14	**194**	214
Finance Expenses	15	**(225)**	(286)
PDC Dividends Payable		**(2,267)**	(2,473)
NET FINANCE COSTS		**(2,298)**	(2,545)
Gains/(Losses) from Disposal of Assets	16	**(102)**	1,593
Corporation tax (net of deferred tax)	12	**2,468**	0
SURPLUS/(DEFICIT) FOR THE YEAR		**1,447**	(23,498)
Other Comprehensive Income			
Will not be reclassified to income and expenditure:			
Net Impairments	20.6	**(742)**	(8,690)
Revaluations		**(10)**	1,225
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**695**	(30,962)

All operations are continuing.

The notes on pages 6 to 53 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
as at 31st March 2020

	Note	Group		Trust	
		31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
		£000	£000	**£000**	£000
NON-CURRENT ASSETS					
Intangible Assets	18 & 19	**5,950**	5,998	**5,848**	5,769
Property, Plant and Equipment	20 & 21	**86,479**	79,569	**84,770**	79,415
Other investments / financial assets	24	**10**	10	**49,470**	50,425
Trade and Other Receivables	26	**3,946**	611	**1,466**	611
TOTAL NON-CURRENT ASSETS		**96,385**	86,188	**141,554**	136,220
CURRENT ASSETS					
Inventories	22	**4,315**	4,506	**2,528**	1,756
Trade and Other Receivables	26	**27,854**	22,264	**26,958**	27,052
Other investments / Financial Assets	24	**0**	0	**955**	923
Cash and Cash Equivalents	33	**15,926**	27,553	**9,750**	27,553
TOTAL CURRENT ASSETS		**48,095**	54,323	**40,191**	57,284
CURRENT LIABILITIES					
Trade and Other Payables	27	**(25,076)**	(24,771)	**(21,603)**	(29,100)
Borrowings	29	**(1,768)**	(1,774)	**(6,524)**	(6,438)
Provisions	31	**(258)**	(189)	**(258)**	(189)
Other Liabilities	28	**(1,308)**	(929)	**(1,308)**	(929)
TOTAL CURRENT LIABILITIES		**(28,410)**	(27,663)	**(29,693)**	(36,656)
TOTAL ASSETS LESS CURRENT LIABILITIES		**116,070**	112,849	**152,052**	156,848
NON-CURRENT LIABILITIES					
Borrowings	29	**(10,673)**	(12,364)	**(49,323)**	(55,983)
Provisions	31	**(2,546)**	(1,865)	**(2,546)**	(1,865)
TOTAL NON-CURRENT LIABILITIES		**(13,219)**	(14,229)	**(51,869)**	(57,848)
TOTAL ASSETS EMPLOYED		**102,851**	98,620	**100,183**	99,000
FINANCED BY TAXPAYER'S EQUITY					
Public Dividend Capital		**52,815**	49,270	**52,815**	49,270
Revaluation Reserve	32	**12,935**	13,725	**12,935**	13,725
Income and Expenditure Reserve		**37,101**	35,625	**34,433**	36,005
TOTAL TAXPAYER'S EQUITY		**102,851**	98,620	**100,183**	99,000

The notes on pages 6 to 53 form part of these accounts.

These financial statements were approved by the Board of Directors on 19 June 2020 and signed on its behalf by:

..... Angie Smithson (Chief Executive)

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED - GROUP

	31 March 2020				31 March 2019			
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS' EQUITY AT 1 APRIL - brought forward	**98,621**	**49,270**	**13,725**	**35,625**	128,536	48,223	21,532	58,780
Surplus/(Deficit) for the Year	**1,447**	**0**	**0**	**1,447**	(23,498)	0	0	(23,498)
Net Impairments	**(742)**	**0**	**(742)**	**0**	(8,690)	0	(8,690)	0
Revaluations - Property Plant and Equipment	**(10)**	**0**	**(10)**	**0**	880	0	880	0
Revaluations - Intangible Assets	**0**	**0**	**0**	**0**	345	0	345	0
Transfer to Retained Earnings on Disposal of Assets	**0**	**0**	**(38)**	**38**	0	0	(343)	343
Public Dividend Capital received	**3,545**	**3,545**	**0**	**0**	1,047	1,047	0	0
Other Reserve Movements	**(9)**	0	0	(9)	**0**	0	0	0
TAXPAYERS' EQUITY AT 31 MARCH	**102,852**	**52,815**	**12,935**	**37,101**	98,621	49,270	13,725	35,625

The notes on pages 6 to 53 form part of these accounts.

Information on Reserves

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

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

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

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED - TRUST

	31 March 2020				31 March 2019			
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
TAXPAYERS' EQUITY AT 1 APRIL - brought forward	**99,000**	**49,270**	**13,725**	**36,005**	128,535	48,223	21,532	58,780
Surplus/(Deficit) for the Year	**(1,610)**	**0**	**0**	**(1,610)**	(23,118)	0	0	(23,118)
Net Impairments	**(742)**	**0**	**(742)**	**0**	(8,690)	0	(8,690)	0
Revaluations - Property Plant and Equipment	**(10)**	**0**	**(10)**	**0**	881	0	881	0
Revaluations - Intangible Assets	**0**	**0**	**0**	**0**	345	0	345	0
Transfer to Retained Earnings on Disposal of Assets	**0**	**0**	**(38)**	**38**	0	0	(343)	343
Public Dividend Capital received	**3,545**	**3,545**	**0**	**0**	1,047	1,047	0	0
TAXPAYERS' EQUITY AT 31 MARCH	**100,183**	**52,815**	**12,935**	**34,433**	99,000	49,270	13,725	36,005

The notes on pages 6 to 53 form part of these accounts.

Information on Reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by

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

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2020

	Note	Group 2019/20 £000	Group 2018/19 £000	Trust 2019/20 £000	Trust 2018/19 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Surplus from Continuing Operations		**1,379**	(22,546)	**2,416**	(22,141)
OPERATING SURPLUS		**1,379**	(22,546)	**2,416**	(22,141)
NON-CASH INCOME AND EXPENSE:					
Depreciation and Amortisation		**5,766**	6,013	**5,465**	6,013
Net Impairments		**(2,826)**	25,644	**(2,826)**	25,644
Income Recognised in Respect of Capital Donations (Cash and Non-Cash)		**(125)**	(144)	**(125)**	(144)
(Increase) / Decrease in Trade and Other Receivables		**(6,730)**	(7,178)	**(1,155)**	(11,965)
(Increase) / Decrease in Inventories		**191**	(233)	**(772)**	2,517
Increase / (Decrease) in Trade and Other Payables		**(1,724)**	9,160	**(6,562)**	13,489
Increase / (Decrease) in Other Liabilities		**379**	165	**379**	165
Increase / (Decrease) in Provisions		**761**	224	**761**	224
Other Movements in Operating Cash Flows		**(8)**	0	**0**	(2,697)
NET CASH GENERATED FROM OPERATIONS		**(2,937)**	11,105	**(2,419)**	11,105
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		**211**	206	**165**	206
Purchase of financial assets / investments		**0**	(10)	**0**	(10)
Proceeds from sales / settlements of financial assets / investments		**0**	0	**923**	0
Purchase of intangible assets		**(1,014)**	(2,573)	**(991)**	(2,573)
Purchase of property, plant and equipment and investment property		**(7,733)**	(9,541)	**(9,152)**	(9,541)
Proceeds from sales of property, plant and equipment and investment property		**0**	2,133	**0**	2,133
Receipt of cash donations to purchase capital assets		**125**	0	**125**	0
NET CASH GENERATED USED IN INVESTING ACTIVITIES		**(8,411)**	(9,785)	**(8,930)**	(9,785)
CASH FLOWS FROM FINANCING ACTIVITIES					
Public Dividend Capital Received		**3,545**	1,047	**3,545**	1,047
Movement in loans from the Department of Health and Social Care		**(1,620)**	(2,624)	**(1,620)**	(2,624)
Capital Element of Finance Lease Rental Payments		**(68)**	(70)	**(4,664)**	(70)
Interest on Loans		**(228)**	(276)	**(228)**	(276)
Other interest (e.g. overdrafts)		**(7)**	0	**(6)**	0
Interest element of finance lease		**(10)**	(14)	**(1,590)**	(14)
PDC Dividend Paid		**(1,890)**	(2,378)	**(1,890)**	(2,378)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		**(278)**	(4,315)	**(6,453)**	(4,315)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(11,626)**	(2,995)	**(17,802)**	(2,995)
CASH AND CASH EQUIVALENTS AT 1 APRIL		**27,553**	30,548	**27,553**	30,548
CASH AND CASH EQUIVALENTS AT 31 MARCH	33	**15,926**	27,553	**9,750**	27,553
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(11,626)**	(2,995)	**(17,802)**	(2,995)

The notes on pages 6 to 53 form part of these accounts.

NOTES TO THE ACCOUNTS

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.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of land, buildings and dwellings.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. In reaching this conclusion, the Board of Directors have considered all the information available to them in relation to the future viability of the Trust.

1.3 Consolidation

Subsidiaries
Subsidiary entities are those over which the trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The Trust has the following subsidiary undertakings:-

Charitable Funds
Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee to Chesterfield Royal Hospital NHS Foundation Trust General Charity (registered charity number 1052913). The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The transactions are not material in the context of the group and transactions have not been consolidated. Details of any transactions with the Charity are included in note 36 Related parties.

Derbyshire Support and Facilities Services Limited
Derbyshire Support and Facilities Services Limited (DSFS) is a 100% wholly owned subsidiary of Chesterfield Royal Hospital NHS Foundation Trust. It was incorporated on 1st August 2018 to provide an Operated Healthcare Facility (OHF) to the Trust under a 25-year agreement.

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to DSFS in order for the company to deliver the services specified under the OHF agreement.

On 1 April 2019, approx. 700 Trust staff from facilities, estates, finance and IT functions were transferred (TUPE'd) across to the subsidiary DSFS to support the delivery of the OHF contract.

The company commenced trading on 1 April 2019 and as such, the income and expenditure transactions included in these financial statements relate to those incurred by the Group (Trust and DSFS combined with intercompany transactions being eliminated) plus separate disclosures made for Trust only figures.

1.3 Consolidation (cont'd)

Derbyshire Primary Care and Commercial Services Limited
Derbyshire Primary Care and Commercial Services Limited is a 100% wholly owned subsidiary of Chesterfield Royal Hospital NHS Foundation Trust. It was incorporated on 18th January 2017 to deliver primary care and other commercial services.

The company commenced trading on 1st November 2018 to deliver a Local Pharmaceutical Services (LPS) Contract at the request of NHS England to provide a pharmacy dispensing service for hospital visitors and staff.

The transactions are not material in the context of the group and transactions have not been consolidated. Details of any transactions with the company are included in note 37 Related parties.

Joint operations
Joint operations are arrangements in which the trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust has the following joint operation:-

Derbyshire Pathology
Derbyshire Pathology is a joint operation between Chesterfield Royal Hospital NHS Foundation Trust and University Hospitals of Derby and Burton NHS Foundation Trust to provide microbiology and biochemistry services to both Trusts. It went live on 1st July 2018.

The trust has included within its financial statements its share of the assets, liabilities, income and expenses relating to Derbyshire Pathology.

1.4 Income 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). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Income 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.

Income 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.

Income 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.

1.4 Income from Contracts with Customers (cont'd)

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 e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.5 Revenue grants and other contributions to expenditure

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Apprenticeship service income

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

1.6 Other Income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.7 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees.

The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded, defined benefit schemes that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. They are not designed to be run in a way that would enable the Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as 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. 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.

1.8 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. Expenditure is shown gross except where an administrative arrangement exists, whereby the expenditure is netted off with the corresponding income in accordance with the DHSC GAM.

1.9 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably and is in excess of £5,000.

Additionally, Property, Plant and Equipment will be capitalised where it is made up of a group of assets which individually have a cost of £250 and collectively have a cost of at least £5,000, are functionally interdependent, with broadly simultaneous purchase and disposal dates and are under single managerial control; or where it is part of the setting up cost, of a new building, or refurbishment of a new ward or unit, 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, then these components are treated as separate assets and depreciated over their 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. Cost includes professional fees but not borrowing costs, which the DH Group Accounting Manual (DH GAM) does not allow to be capitalised and are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. All assets are measured subsequently at fair value.

For property assets, the Trust follows the revaluation model outlined in IAS 16.

Specialist buildings are valued at depreciated replacement cost (DRC) on a modern equivalent asset basis. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Non-specialised buildings are valued at market value on an existing use basis.

Assets under construction (AUC) are shown at actual expenditure incurred to date, except for significant value long term building projects which can be split into components and revalued by a professional valuer.

Revaluations are performed by professional valuers. A full revaluation will be performed at least every 5 years, and the Trust will undertake an annual review to ensure that carrying amounts are not materially different from the values that would be determined at the statement of financial position date.

For newly constructed or acquired property, a valuation is only undertaken when there is an indication that the initial cost is different to its fair value. Otherwise the asset is only revalued on the next occasion when all of the assets of that class are revalued.

Plant and equipment assets are not revalued but carried at depreciated historical cost. The DH GAM permits depreciated historical cost as a proxy to fair value when the life of the assets are short or the assets are of low value, providing that both the useful life of the asset and the consumption of economic benefit reflected by the depreciation policy are realistic.

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 an item will flow to the Trust 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.

1.9 Property, Plant and Equipment (cont'd)

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. 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.

Property assets are depreciated on a component basis over the asset lives determined by professional valuers with a range of asset life from 15 to 90 years.

Plant and equipment assets are depreciated on a straight line basis over the following asset life ranges:

Plant & machinery	5 to 20 years
Transport equipment	5 to 15 years
Information technology	2 to 15 years
Furniture & fittings	5 to 15 years

Depreciation, asset lives and any residual amounts are reviewed annually.

Revaluation gains and losses

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

Revaluation losses are charged to the Revaluation Reserve to the extent that there is an available balance, and thereafter are charged to Operating Expenses.

Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Comprehensive Income as an item of 'Other Comprehensive Income'.

Impairments

At each reporting period end, the Trust checks whether there is any indication that any of its Property, Plant or Equipment have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine the value of the loss. In accordance with the DH GAM, impairments that are due to a loss of economic benefit or service potential in the asset are charged to operating expenses. A compensating transfer is made from the Revaluation Reserve to the Income and Expenditure Reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the Revaluation Reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or 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 Expenses 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.

1.9 Property, Plant and Equipment (cont'd)

De-recognition

Assets intended for disposal are 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;
  - an active 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.

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 assets economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.10 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, and where the cost is more than £5,000.

• Internally generated Intangible Assets

Expenditure on research is not capitalised. Expenditure on development 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.

Following initial recognition, Intangible Assets are carried at fair value by reference to an active market, or, where no active market exists, at depreciated replacement cost.

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

1.10 Intangible Assets (cont'd)

Amortisation

Intangible Assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Life ranges from 2 to 15 years.

1.11 Donated, Government Grant and Other Grant Funded Assets

Donated and Grant Funded Property, Plant and Equipment and Intangible Assets are capitalised at their fair value on receipt. The donation / grant is credited to income at the same time, unless the donor / grantor has imposed a condition that the future economic benefits embodied in the donation / grant are to be consumed in a manner specified by the donor / grantor. In this case, the donation / grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of Property, Plant and Equipment.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in-first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

1.13 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 the acquisition and that are readily convertible into known amounts of cash with insignificant risk of changes in value. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "Third Party Assets" Note 1.22).

1.14 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 and subsequently measured at amortised cost.

Financial liabilities are classified and subsequently measured at amortised cost.

1.14 Financial Instruments (cont'd)

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

Impairment of financial assets

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

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

The Trust applies a provision matrix for expected credit losses based on historical payment information. Overseas visitors debtors are fully impaired when the invoice is raised. The Trust does not normally impair debts from other NHS orgainsations.

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

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

Derecognition

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

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

1.15 Leases

Finance Leases

The Trust as a lessee

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

1.15 Leases (cont'd)

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.

The Trust as a lessor

The Trust does not have any Finance Leases where it acts as the lessor.

Operating Leases

The Trust as a lessee

Other leases are regarded as 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.

The Trust as a lessor

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

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.

1.16 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount, at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation. The amount recognised as a Provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's published discount rates for short term (0 to 5 years), medium term (5 to 10 years) and long term (> 10 years), except for Early Retirement Provisions and Injury Benefit Provisions which both use the HM Treasury's pension discount rate of minus 0.50% (2018/19: 0.29%) in real terms.

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

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of Clinical Negligence Provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 31 and is not recognised in the Statement of Comprehensive Income.

1.16 Provisions (cont'd)

Non-clinical Risk Pooling

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

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 Trust's control) are not recognised as Assets, but are disclosed in Note 36 where an inflow of economic benefits is probable.

Contingent Liabilities are not recognised, but are disclosed in Note 36 (where applicable), 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 Trust'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. A Contingent Liability is disclosed unless the possibility of payment is remote.

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.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid to the Department of Health & Social Care as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the Average Relevant Net Assets of the Trust. Relevant Net Assets are calculated as the value of all assets less the value of all liabilities, except for (i) Donated Assets (ii) average daily cash balances (banking days) held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health & 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 of the audit of the Annual Accounts.

1.19 Value Added Tax

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

The Trust's wholly owned subsidiary DSFS is able to recover VAT on all its inputs and charges output tax on all its income.

1.20 Corporation Tax

Trust

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of Income and Capital Gains within categories covered by this but the Trust is potentially within the scope of Corporation Tax in respect of activities where Income is received from a Non Public Sector source.

The Trust has evaluated that it is has no Corporation Tax Liability, as all activities are either ancillary to healthcare or below the de minimus level of profit at which Tax becomes payable.

Subsidiary - DSFS Limited

The Trust's wholly owned subsidiary, DSFS, as a limited company does fall within the scope of taxation and as such, these group financial statements reflect Corporation Tax liability and Deferred Tax for DSFS.

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense. Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the entity’s business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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

1.21 Foreign Exchange

The functional and presentational currencies of the Trust are sterling. Foreign Exchange transactions are negligible.

1.22 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury’s Financial Reporting Manual (Note 40).

1.23 Losses and Special Payments

Losses and Special Payments are items that Parliament would not have contemplated when it agreed funds for the National 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 the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure). Provisions for future losses are not recognised in the Accounts.

1.24 Accounting Standards, Amendments and Interpretations Issued but Not Yet Adopted

The following table presents a list of recently issued accounting standards and amendments which have not yet been adopted within the FReM, and are therefore not applicable to DH group accounts in 2019/20.

Change published	Financial year for which change first	Notes
IFRS 14 Regulatory Deferral Accounts	*Not yet EU-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DH group bodies.*	
IFRS 16 Leases (change in recognition of all leases > 1 year on Statement of Financial Position)	*Standard is effective at 1 April 2021 per the FReM*	(i)
IFRS 17 Insurance Contracts (not likely to be applicable to NHS bodies)	*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.*	

The Trust has considered the new Accounting Standards, Amendments and Interpretations to published standards that are not yet effective and concluded the following:

(i) IFRS 16 - Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

1.24 Accounting Standards, Amendments and Interpretations Issued but Not Yet Adopted (cont'd)

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.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

1.25 Accounting Standards, Amendments and Interpretations Issued but Adopted Early

The Trust has not adopted early any new Accounting Standards, Amendments or Interpretations.

2. 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 Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's Accounting Policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Leases

The Trust has used its judgement to determine if substantially all the significant risks and rewards of ownership of Leases are transferred from other entities in accordance with IAS 17. Only those arrangements where it has been judged that the risks and rewards are transferred to the Trust are included within Finance Leases.

Consolidation of NHS Charity

The Trust has taken the decision not to consolidate its NHS Charity due to it being not material to the Trust. Further details are shown in note 1.3.

Key Sources of Estimation Uncertainty

The Trust has considered key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that could have a significant risk of causing a material adjustment, in the opinion of the Directors, to the carrying amounts of Assets and Liabilities within the next financial year.

Although the Trust has made estimates within these Financial Statements such as Incomplete Patient Spells Accrued Income, Annual Leave Accrual and Provisions e.g. Litigations and Early Retirements, the amounts involved would not cause a material adjustment to the carrying amounts of Liabilities within the next financial year.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

In addition, a revaluation of the Trust's buildings was undertaken with a prospective date of 31st March 2020. The Trust relies on an independent external valuer for the accuracy of such valuations, and this is derived from estimates on local market data and calculations to reflect age and condition. In 2015/16 the basis upon which the Modern Equivalent Asset Valuation is assessed by the external valuer changed from the existing site to the alternate, theoretical site.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in notes 20 and 21.

Land and Buildings valuation - material valuation uncertainty due to Novel Coronavirus (COVID–19)

A revaluation of the Trust's buildings has been undertaken by an independent external valuer. The valuation exercise was carried out in April 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.

Market activity is being impacted in many sectors. As at the valuation date, the valuers consider that they can attach less weight to previous market evidence and published build cost information for comparison purposes, to inform opinions of value. Indeed, the current response to COVID 19 means that they are faced with an unprecedented set of circumstances on which to base a judgement. 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.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. It is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

3. Operating Segments

The Board as 'Chief Operating Decision Maker' has determined that the Trust operates in one material segment, which is the Provision of Healthcare Services. The segmental reporting format reflects the Trust's management and internal reporting structure.

The Provision of Healthcare (including Medical Treatment, Research and Education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England.

Income from Activities (medical treatment of patients) is analysed by customer type in note 4.2 to the Financial Statements. Other Operating Income is analysed in Note 5 to the Financial Statements and materially consists of revenues from Healthcare Research and Development, Medical Education and the Provision of Services to Other NHS Bodies.

The Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) commenced trading on 1st April 2019 to deliver services under a 25 year Operated Healthcare Facility (OHF) contract back to the Trust. However, this has not resulted in a change to the operating segment, which is the Provision of Healthcare Services.

4. Income from Activities (Group)

4.1 Income from Activities (by nature)

	Group	
	2019/20 £000	2018/19
Elective Income	**30,089**	29,806
Non-Elective Income	**77,622**	74,034
First outpatient income	**9,522**	9,403
Follow up outpatient income	**11,854**	10,873
A&E Income	**14,094**	11,382
High cost drugs income from commissioners (excluding pass-through costs)	**12,283**	13,776
Other NHS Clinical Income*	**72,049**	67,568
Other Clinical Income**	**1,538**	844
Agenda for Change Pay Award Funding***	**0**	2,791
Additional pension contribution central funding****	**6,280**	0
Private Patient Income	**15**	28
	235,346	220,505

*Other NHS Clinical Income includes services such as Pathology £4,987k (2018/19: £4,714k), Radiology £4,676k (2018/19: £4,337k), Audiology £1,359k (2018/19: £1,407k), Critical Care Services £9,321k (2018/19: £8,955k), Child Health Services £8,129k (2018/19: £7,709k), Maternity £6,307k (2018/19: £6,237k), Screening Services £3,436k (2018/19: £3,727k), CQUIN £2,548k (2018/19: £4,668K), Outpatient Procedures £7,452k (2018/19: £7,453k) Stroke £2,407k (2018/19: £2,320k), Transformation £7,406k (2018/19: £2,024k), Therapies £1,868k (2018/19: £1,705k), Patient Travel £908k (2018/19: £1,282k) and Royal Primary Care £5,924k (2018/19: £4,867K).

**Other Clinical Income includes NHS Injury Scheme Income £1,128k (2018/19: £809k) and Overseas Visitors £38k (2018/19: £35k). NHS Injury Scheme Income is subject to a Provision for Doubtful Debts of 9.13% (2018/19: 9.13%) to reflect expected local rates of collection.

***Additional costs of £2,719k of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

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

4. Income from Activities (Group) (cont'd)

4.1 Income from Activities (by nature) (cont'd)

Under the terms of their Licences, from 1 April 2013, Foundation Trusts are required to disclose income from Patient Care Activities relating to Commissioner Requested Services and those from other services. Under the Health and Social Care Act 2012, Clinical Commissioning Groups (CCGs) are responsible for planning and purchasing health services for their local populations. That responsibility includes designating a range of services that local Commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. These are referred to as Commissioner Requested Services.

The split of income from patient care activities into those relating to Commissioner Requested Services and other services is as follows:

	Group	
	2019/20	2018/19
	£000	£000
Income from Patient Care Activities arising from Commissioner Requested Services	**227,513**	216,842
Income from Patient Care Activities arising from all other services	**7,833**	3,663
	235,346	220,505

4.2 Income from Activities (by source)

	Group	
	2019/20	2018/19
	£000	£000
NHS Foundation Trusts	**0**	
NHS England	**22,823**	16,609
Clinical commissioning groups	**210,770**	200,042
NHS Trusts	**64**	53
Department of Health and Social Care	**0**	2,791
NHS other (including Public Health England)	**138**	138
Non NHS:		
- Private Patients	**13**	28
- Overseas Patients (Non-reciprocal, chargeable to patient)	**38**	35
- Injury cost recovery scheme	**1,128**	809
- Other	**372**	0
	235,346	220,505

4. Income from Activities (Group) (cont'd)

4.3 Analysis of Overseas Patients (Non-Reciprocal) (relating to patients charged directly by the Foundation Trust)

	Group	
	2019/20	2018/19
	£000	£000
Income recognised this year	**38**	35
Cash payments received in-year (relating to invoices raised in current and previous years)	**17**	25
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	**16**	20
Amounts written off in-year (relating to invoices raised in current and previous years)	**0**	4

5.1 Other Operating Income (Group)

	Group	
	2019/20	2018/19
	£000	£000
Other operating income from contracts with customers:		
Research and Development (contract)	**598**	520
Education and Training	**8,793**	8,763
Non-Patient Care Services to Other Bodies	**12,935**	10,804
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)*	**5,843**	5,058
Staff Recharges	**1,684**	2,161
Car Parking Income	**1,741**	1,681
Pharmacy Sales Income	**151**	138
Staff Accommodation Rental Income	**562**	549
Clinical Excellence Awards	**60**	101
Catering Income	**2,346**	2,169
Other Contract Income	**1,403**	903
Other non-contract operating income:		
Education and Training - notional income from Apprenticeship Fund	**402**	235
Receipt of capital grants and donations	**125**	144
Charitable and other contributions to expenditure	**156**	59
Rental Revenue from Operating Leases	**375**	419
	37,174	33,704

*Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET) has been made available to NHS providers, linked to the achievement of financial controls and performance targets. A total of **£5,843k** relates to £**671k** PSF, **£4,883k** MRET plus **£289k** 2018/19 post accounts reallocation.

In 2018/19, Provider Sustainability Fund income (PSF) was made available to NHS providers, linked to the achievement of financial controls and performance targets. £5,058k related to the Trust's total indicative PSF receivable which included £2,240k core PSF and £2,818k general distribution PSF income.

5.2 Fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m (Group)

	Group	
	2019/20	2018/19
	£000	£000
Income	**0**	2,245
Full Cost	**0**	(2,385)
Surplus / (Deficit)	**0**	(140)

HM Treasury's FReM requires bodies to provide additional disclosures for fees and charges raised under legislation where the full cost exceeds £1 million or the service is otherwise material in relation to the accounts.The above disclosure for 2018/19 relates to legislative prescription charges. For 2019/20, the value of the prescription charges was below the £1m threshold.

5.3 Additional information on contract income (IFRS 15) recognised in the period

	Group	
	2019/20	2018/19
	£000	£000
Income recognised in the reporting period that was included in within contract liabilities at the previous period end i.e. release of deferred	**929**	764
Income recognised from performance obligations satisfied (or partially satisfied) in previous periods	**0**	0

5.4 Transaction price allocated to remaining performance obligations

There was no income from contracts that were allocated to remaining performance obligations.

5.5 Profits and losses on disposal of property, plant and equipment

On 29th March 2019, the Trust sold Buxton Health Centre to Derbyshire Community Health Services NHS Foundation Trust for £2.13m. The net book value of the associated land and building was £520k. A profit on disposal of £1.61m was realised on sale.

6. Operating Expenses (Group)

6.1 Operating Expenses comprise:

	Group	
	2019/20	2018/19
	£000	£000
Staff and executive directors costs	**184,494**	164,821
Non-Executive Directors Costs	**175**	158
Drug Costs	**20,293**	21,110
Supplies and Services - Clinical (excl. Drugs)	**15,647**	17,440
Supplies and Services - General	**5,862**	5,415
Services from NHS Foundation Trusts	**15,199**	10,570
Services from NHS Trusts	**129**	121
Services from Clinical Commissioning Groups (CCGs) and NHS England	**1**	1
Services from Other NHS Bodies	**5**	13
Purchase of healthcare from non-NHS and non-DHSC bodies	**2,716**	2,547
Purchase of Social Care (Under s.75 or Other Integrated Care Arrangements)	**43**	(75)
Clinical Negligence	**6,756**	7,667
Premises	**10,432**	9,675
Establishment	**1,509**	1,375
Transport (including Patient Travel)	**1,410**	1,701
Training Costs	**838**	621
Other Services	**150**	438
Car Parking and Security Services	**7**	212
Rentals Under Operating Leases	**1,068**	1,121
Insurance Costs	**366**	190
Legal Fees	**61**	109
Internal Audit Fees	**77**	76
Consultancy Costs	**436**	490
Auditor's Remuneration - Statutory Audit Fees	**82**	78
Other Auditor's Remuneration	**3**	13
Depreciation of Property, Plant and Equipment	**4,788**	5,099
Amortisation of Intangible Assets	**978**	914
Impairments net of (reversals)	**(2,826)**	25,644
Movement in credit loss allowance: contract receivables / assets	**279**	372
Increase in Other Provisions	**135**	472
Change in Provisions Discount Rate	**144**	(35)
Inventories Write Down	**35**	55
Other Losses, Ex Gratia and Special Payments	**6**	4
Hospitality	**53**	14
Other	**(210)**	(1,671)
	271,141	276,754

The above Directors and Staff Costs include £22,320k Employers Pension Contributions (2018/19: £15,272k).

Research and Development Costs, mainly included in Staff Costs above, total **£603k** (2018/19: £549k).

Included within 'Other' above is **£1.3m** (2018/19: £2.4m).for Opt to Tax VAT recovery due under the Capital Goods Scheme.

7. Operating Leases (Group)

7.1 Operating Lease Income

The Trust receives Rental Income for Accommodation that is owned by the Trust but which is rented out to third parties. The Rental Income received during the year and the future minimum lease payments receivable are shown below.

	Group	
	2019/20	2018/19
	£000	£000
Operating Lease Income		
Minimum Lease Receipts	**375**	399
Contingent Rents	**0**	20
Other	**0**	0
	375	419
Future Minimum Lease Payments Receivable		
- not later than one year;	**360**	367
- later than one year and not later than five years;	**1,267**	1,821
- later than five years.	**3**	192
	1,630	2,380

7.2 Operating Lease expenditure

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of a Finance Lease, these are disclosed in Note 24. Operating Leases that have been identified are shown below. The rentals paid during the year plus the future minimum lease payments due are disclosed.

	Group			
	Total	**Buildings**	**Other**	Total
	2019/20	**2019/20**	**2019/20**	2018/19
	£000	**£000**	**£000**	£000
Payments Recognised as an Expense				
Minimum Lease Payments	**1,042**	**17**	**1,025**	1,120
Contingent Rents	**26**	**0**	**26**	1
Less sub-lease payments	**0**	**0**	**0**	0
	1,068	**17**	**1,051**	1,121
Future Minimum Lease Payments due				
Not later than one year	**953**	**11**	**942**	1,011
Between one and five years	**3,378**	**0**	**3,378**	4,673
After five years	**0**	**0**	**0**	579
	4,331	**11**	**4,320**	6,263

The Trust does not sublease to other third parties.

8. Salary and Pension entitlements of senior managers

Details of the Salary and Pension entitlements of senior managers are included within the Remuneration Report section of the Trust's Annual Report.

9. Employee Benefit Expense and Numbers (Group)

9.1 Employee Expenses

	Group					
	2019/20			2018/19		
	Total	**Permanent**	**Other**	Total	Permanent	Other
	£000	**£000**	**£000**	£000	£000	£000
Salaries and Wages	**129,778**	**128,382**	**1,396**	121,811	120,618	1,193
Social Security Costs	**12,234**	**12,234**	**0**	11,508	11,508	0
Apprenticeship Levy	**580**	**580**	**0**	604	604	0
Pension Cost - Employer Contributions to NHS Pension Scheme	**15,935**	**15,935**	**0**	15,272	15,272	0
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**6,280**	**6,280**	**0**	0	0	0
Pension Cost - Other schemes	**105**	**105**	**0**	31	31	0
Termination Benefits	**43**	**43**	**0**	32	32	0
Temporary Staff - External Bank	**5,946**	**n/a**	**5,946**	5,143	n/a	5,143
Temporary Staff - Agency / Contract Staff	**14,232**	**n/a**	**14,232**	11,058	n/a	11,058
	185,133	**163,559**	**21,574**	165,459	148,065	17,394
Employee Costs Capitalised as Part of Assets	**639**	**586**	**53**	638	530	108
Total Staff Costs (Excluding Capitalised Costs)	**184,494**	**162,973**	**21,521**	164,821	147,535	17,286

9.2 Average Number of Employees (WTE Basis)

	Group					
	2019/20			2018/19		
	Total	**Permanent**	**Other**	Total	Permanent	Other
	WTE	**WTE**	**WTE**	WTE	WTE	WTE
Medical and Dental	**467**	**409**	**58**	442	351	91
Administration and Estates	**802**	**776**	**25**	788	760	28
Healthcare Assistants and Other Support Staff	**1,181**	**1,037**	**144**	1,166	1,043	123
Nursing, Midwifery and Health Visiting Staff	**1,188**	**1,054**	**134**	1,110	1,018	92
Scientific, Therapeutic and Technical Staff	**361**	**350**	**11**	280	272	8
Healthcare Science Staff*	**0**	**0**	**0**	59	55	4
Social Care Staff	**0**	**0**	**0**	10	10	0
Total	**3,999**	**3,626**	**373**	3,855	3,509	346
Of which: Number of Employees (WTE) Engaged on Capital Projects	**17**	**16**	**1**	15	14	1

WTE = Whole Time Equivalents

*Reduction due to staff transferring to University Hospitals of Derby and Burton NHSFT on 1 July 2018, as part of the Derbyshire Pathology joint arrangement.

9.3 Employee Benefits

There are no additional Employee Benefits, other than those reported in note 9.1.

9.4 Staff exit packages (Group)

The Trust is required to disclose Staff Exit Packages in line with HM Treasury guidance. Staff Exit Packages include payments made to staff members who have been made redundant (or where their departure has been mutually agreed) including Payments in Lieu of Notice plus Other Non-Compulsory Staff

	Group					
Exit Package Cost Band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies £000**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed £000**	**Total Number of Exit Packages by Cost Band**	**Total Cost of Exit Packages by Cost Band £000**
< £10,000	**0**	**0**	**21**	**43**	**21**	**43**
Total Number of Exit Packages by Type	**0**	**0**	**21**	**43**	**21**	**43**

	2018/19					
Exit Package Cost Band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000	Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages by Cost Band £000
< £10,000	0	0	13	32	13	32
Total Number of Exit Packages by Type	0	0	13	32	13	32

There were no departures in either year where Special Payments in accordance with HM Treasury guidelines have been made.

Exit Costs in this note are accounted for in full in the year of departure. Where the Trust has agreed Early Retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-Health Retirement Costs are met by the NHS Pensions Scheme and are not included in the table.

9. Employee Benefit Expense and Numbers (Group) (cont'd)

9.5 Staff Exit Packages - Other Non-Compulsory Departure Payments

	Group			
	2019/20		2018/19	
	Number of Payments Agreed	Total Value of Agreements	Number of Payments Agreed	Total Value of Agreements
		£000		£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual	0	0	0	0
Contractual Payments in Lieu of Notice	21	43	13	32
Exit Payments following Employment Tribunals or Court Orders	0	0	0	0
Non-Contractual Payments requiring HM Treasury Approval*	0	0	0	0
Total	21	43	13	32
Of which:				
Non-Contractual Payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

As a single exit package can be made up of several components, each of which will be counted separately in this note, the total number above may not necessarily match the total numbers in Note 9.4 which will be the number of individuals.

* includes any Non-Contractual Severance Payment made following judicial mediation and amounts relating to Non-Contractual Payments in Lieu of Notice.

No Non-Contractual Payments were made to individuals where the payment value was more than 12 months of their annual salary.

The Remuneration Report includes disclosure of any Exit Payments to individuals named in that Report.

9.6 Retirements Due to Ill-Health (Group)

During the year to 31st March 2020 there was **1** Early Retirement from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these Ill-Health Retirements will be **£89k**.

There were 3 Ill-Health Retirements in the year to 31st March 2019, with estimated liabilities of £101k.

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

10. Pension Costs

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

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

a) Accounting Valuation

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 at 31 March 2019, 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.

10. Pension Costs (cont'd)

b) Full Actuarial (Funding) Valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

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.

National Employees Savings Scheme (NEST)

For employees who are not elligible to access the NHS Pension Scheme, the group has a workplace stakeholder pension in place (NEST). This is a defined contribution scheme where both the group organisations and the employee pay monthly contributions.

11. Auditor's Remuneration (Group)

Auditor's remuneration for the financial year for the group's statutory external audit services was **£72k** (2018/19: £71k), being **£57k** (£2018/19: £65k) for the Trust and **£15k** (2018/19: £6k) for the Trust's wholly owned subsidiary DSFS. In 2018/19, the Trust paid an additional £18k being £3k for the audit or new accounting standards IFRS 9 and IFRS 15 plus an additional £15k for the group audit.

The Trust also paid fees of **£3k** (2018/19: £11k) relating to audit work performed on the Trust's Quality Accounts disclosed as audit related assurance services below. The reduced fee for 2019/20 reflects that there was no requirement to have an audit of the quality accounts due to Covid-19; the costs reflecting time spent by the auditors incurred for planning prior to the requirement being

All fees disclosed above are exclusive of VAT.

Break down of Other Auditor Remuneration

Other auditor remuneration paid to the external auditor is analysed as follows:

	Group	
	2019/20 £000 *	2018/19 £000 *
Auditing of Any Associate of the Trust's Accounts	**0**	0
Audit-Related Assurance Services	**3**	13
Taxation Compliance Services	**0**	0
All Other Taxation Advisory Services (not included above)	**0**	0
Internal Audit Services (only those payable to the External Auditor)	**0**	0
All Other Assurance Services (not included above)	**0**	0
Corporate Finance Transaction Services (not included above)	**0**	0
All Other Non-Services	**0**	0
	3	13

* Including non-recoverable VAT where applicable

The Limitation of Auditor's Liability was £200k for 2019/20 and 2018/19.

12. Corporation Tax (Group)

Corporation tax chargeable for the year was as follows:

	Group
	2019/20 £000
Current tax	
UK corporation tax expense	121
Adjustments in respect of prior years	0
Current tax expense	121
Deferred tax	
Origination and reversal of temporary differences	122
Adjustment in respect of previous periods	(2,426)
Change in tax rate	(285)
Deferred tax charge/ (credit)	(2,589)
Total income tax (income)/expense in Statement of Comprehensive Income	(2,468)

Reconciliation of effective tax rate	Group
	2019/20 £000
Surplus for the year	587
Total tax (income)/expense	(2,468)
	(1,881)
Tax using the UK corporation tax rate of 19%	111
Expenses not deductible	1
Leases	132
Adjustment from previous periods	(2,426)
Tax rate changes	(285)
Other	(1)
Total tax (income) expense	(2,468)

The above taxation relates to the Corporation Tax and Deferred Tax of the Trust's wholly owned subsidiary DSFS Limited.

13. The Late Payment of Commercial Debts (Interest) Act 1998 (Group)

There was **£7k** (2018/19: £nil) relating to Interest Payments made in respect of the Late Payment of Commercial Debt (Interest) Act 1998.

14. Finance Income (Group)

Finance Income was received in the form of Bank Interest Receivable totalling **£194k** (2018/19: £214k).

15. Finance Costs (Group)

Interest Costs incurred during the year are as follows:

	Group	
	2019/20	2018/19
	£000	£000
Capital Loans from the Department of Health	**219**	266
Finance Leases	**10**	14
Interest on Late Payment of Commercial Debt	**7**	0
Unwinding of Discount on Provisions	**(11)**	6
Other	**0**	0
	225	286

At 31st March 2020 the Trust has one long term capital investment loan agreement from the Department of Health and Social Care (DHSC); a 10 year loan signed during 2015/16 to refurbish the Trust's operating theatres and to build a new Cancer Centre. As at 31 March 2020 total borrowings less repayments totalled **£12.227m** (31st March 2019: £13.856m).

Interest on the loan is accrued from the date of the first drawdown and is paid every six months. The interest rate on the Theatre Refurbishment and Cancer Centre loan is 1.71%.

16. Gains / (losses) on disposal / derecognition of assets (Group)

Gains / (losses) on disposal / derecognition of assets are as follows:

	Group	
	2019/20	2018/19
	£000	£000
Gains on disposal/derecognition of other property, plant and equipment	**0**	1,614
Losses on disposal/derecognition of other property, plant and equipment	**(102)**	(21)
Losses on disposal/derecognition of intangible assets	**0**	0
Total gain / (losses) on disposal / derecognition	**(102)**	1,593

17. Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's deficit for the period was **£1.6m**. The trust's total comprehensive expense for the period was **£2.4m**.

18. Intangible Assets (Group)

18.1 Intangible Assets comprise the following elements:

Group	Total 31 March 2020 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000	Total 31 March 2019 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000
Gross Cost at 1 April*	**5,998**	**4,272**	**1,726**	8,319	7,792	527
Additions - Purchased / Internally Generated	**1,014**	**384**	**630**	2,455	949	1,506
Revaluations	**0**	**0**	**0**	(4,517)	(4,517)	0
Reclassifications	**(57)**	**121**	**(178)**	0	307	(307)
Disposals / Derecognition	**(27)**	**(27)**	**0**	(259)	(259)	0
Gross Cost at 31 March	**6,928**	**4,750**	**2,178**	5,998	4,272	1,726
Amortisation at 1 April*	**0**	**0**	**0**	4,206	4,206	0
Provided During the Year	**978**	**978**	**0**	914	914	0
Revaluations	**0**	**0**	**0**	(4,862)	(4,862)	0
Disposals / Derecognitions	**0**	**0**	**0**	(258)	(258)	0
Amortisation at 31 March	**978**	**978**	**0**	0	0	0
Net Book Value at 31 March						
- Owned at 31 March	**5,950**	**3,772**	**2,178**	5,998	4,272	1,726
- Finance leased at 31 March	**0**	**0**	**0**	0	0	0
- Donated and Government Grant Funded at 31 March	**0**	**0**	**0**	0	0	0
Total at 31 March	**5,950**	**3,772**	**2,178**	5,998	4,272	1,726

No Intangible Assets were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds in either year.

Intangible Assets under construction mainly relate to software that has been purchased but not fully commissioned at the year end.

18.2 Intangible Assets Acquired by Government Grant

There are no Intangible Assets that have been acquired by Government Grant.

18.3 Economic Life of Intangible Assets

The minimum and maximum economic lives of Intangible Assets when purchased are as follows:

	Min. Life Years	Max. Life Years
Software - Purchased	2	5

None of the Trust's Intangible Assets have indefinite useful economic lives.

18.4 Impairment of Intangible Assets

There were no impairments of intangible assets

19. Intangible Assets (Trust)

19.1 Intangible Assets comprise the following elements:

Trust	Total 31 March 2020 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000	Total 31 March 2019 £000	IT (internally generated & 3rd party) £000	Assets Under Construction £000
Gross Cost at 1 April	**5,769**	**4,045**	**1,724**	8,319	7,792	527
Additions - Purchased / Internally Generated	**991**	**361**	**630**	2,455	949	1,506
Additions - Leased	**0**	**0**	**0**	5,769	4,045	1,724
Revaluations	**0**	**0**	**0**	(4,517)	(4,517)	0
Reclassifications	**(57)**	**121**	**(178)**	0	307	(307)
Disposals / Derecognition	**(27)**	**(27)**	**0**	(6,257)	(4,531)	(1,726)
Gross Cost at 31 March	**6,676**	**4,500**	**2,176**	5,769	4,045	1,724
Amortisation at 1 April	**0**	**0**	**0**	4,206	4,206	0
Provided During the Year	**828**	**828**	**0**	914	914	0
Revaluations	**0**	**0**	**0**	(4,862)	(4,862)	0
Disposals / Derecognitions	**0**	**0**	**0**	(258)	(258)	0
Amortisation at 31 March	**828**	**828**	**0**	0	0	0
Net Book Value at 31 March						
- Owned at 31 March	**1,141**	**435**	**706**	14	0	14
- Finance leased at 31 March	**4,707**	**3,237**	**1,470**	5,755	4,045	1,710
- Donated and Government Grant Funded at 31 March	**0**	**0**	**0**	0	0	0
Total at 31 March	**5,848**	**3,672**	**2,176**	5,769	4,045	1,724

No Intangible Assets were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds in either year.

Intangible Assets under construction mainly relate to software that has been purchased but not fully commissioned at the year end.

19.2 Intangible Assets Acquired by Government Grant

There are no Intangible Assets that have been acquired by Government Grant.

19.3 Economic Life of Intangible Assets

The minimum and maximum economic lives of Intangible Assets when purchased are as follows:

	Min. Life Years	Max. Life Years
Software - Purchased	2	5

None of the Trust's Intangible Assets have indefinite useful economic lives.

19.4 Impairment of Intangible Assets

There were no impairments of intangible assets

20. Property, Plant and Equipment - Group

20.1 Property, Plant and Equipment for 2019/20 comprise the following elements:

Group	Total	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2019	**79,635**	**2,954**	**56,342**	**3,110**	**1,414**	**10,299**	**55**	**5,086**	**375**
Additions - Purchased	**9,516**	**0**	**4,779**	**125**	**1,596**	**1,991**	**0**	**1,025**	**0**
Additions - Assets Purchased from Cash Donations / Grants	**125**	**0**	**125**	**0**	**0**	**0**	**0**	**0**	**0**
Impairments Charged to Operating Expenses	**(4,268)**	**0**	**(3,992)**	**(276)**	**0**	**0**	**0**	**0**	**0**
Impairments Charged to the Revaluation Reserve	**(2,185)**	**(240)**	**(1,579)**	**(366)**	**0**	**0**	**0**	**0**	**0**
Reversal of impairments Credited to Operating Expenses	**7,094**	**140**	**6,954**	**0**	**0**	**0**	**0**	**0**	**0**
Reversal of Impairments Credited to the Revaluation Reserve	**1,443**	**281**	**490**	**672**	**0**	**0**	**0**	**0**	**0**
Revaluations	**(1,557)**	**0**	**(1,432)**	**(73)**	**0**	**(4)**	**0**	**(48)**	**0**
Reclassifications	**57**	**0**	**104**	**0**	**(311)**	**161**	**0**	**103**	**0**
Disposals / Derecognition	**(83)**	**0**	**0**	**0**	**0**	**(45)**	**(2)**	**(15)**	**(21)**
Cost or Valuation at 31 March 2020	**89,777**	**3,135**	**61,791**	**3,192**	**2,699**	**12,402**	**53**	**6,151**	**354**
Accumulated Depreciation at 1 April 2019	**65**	**0**	**0**	**0**	**(0)**	**0**	**0**	**65**	**0**
Provided During the Year	**4,788**	**0**	**1,431**	**74**	**0**	**2,122**	**12**	**1,075**	**74**
Revaluations	**(1,547)**	**0**	**(1,431)**	**(74)**	**0**	**6**	**0**	**(48)**	**0**
Disposals / Derecognition	**(8)**	**0**	**0**	**0**	**0**	**(3)**	**(1)**	**(1)**	**(3)**
Accumulated Depreciation at 31 March 2020	**3,298**	**0**	**0**	**0**	**(0)**	**2,125**	**11**	**1,091**	**71**
Net Book Value									
- Owned at 31 March 2020	**84,457**	**3,135**	**60,691**	**3,192**	**2,700**	**9,734**	**32**	**4,778**	**196**
- Finance Lease at 31 March 2020	**282**	**0**	**0**	**0**	**0**	**0**	**0**	**282**	**0**
- Government Granted 31 March 2020	**45**	**0**	**0**	**0**	**0**	**45**	**0**	**0**	**0**
- Donated at 31 March 2020	**1,695**	**0**	**1,100**	**0**	**0**	**498**	**10**	**0**	**87**
Total at 31 March 2020	**86,479**	**3,135**	**61,791**	**3,192**	**2,700**	**10,277**	**42**	**5,060**	**283**

20.2 Property, Plant and Equipment for 2018/19 comprise the following elements:

Group	Total	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2018*	134,145	3,108	85,871	3,112	6,501	25,996	309	7,818	1,430
Additions - Purchased	8,111	0	3,404	120	1,530	2,621	0	328	108
Additions - Leased	352	0	0	0	0	0	0	352	0
Additions - Donations of Physical Assets (Non-Cash)	144	0	36	0	0	108	0	0	0
Impairments Charged to Operating Expenses	(26,062)	0	(25,788)	0	0	0	0	0	(274)
Impairments Charged to the Revaluation Reserve	(9,506)	0	(9,424)	(82)	0	0	0	0	0
Reversal of impairments Credited to Operating Expenses	86	84	2	0	0	0	0	0	0
Reversal of Impairments Credited to the Revaluation Reserve	15	0	0	15	0	0	0	0	0
Revaluations	(25,446)	2	(1,524)	(55)	0	(17,509)	(254)	(5,235)	(871)
Reclassifications	0	0	4,050	0	(6,617)	332	0	2,235	0
Disposals / Derecognition	(2,205)	(240)	(285)	0	0	(1,249)	0	(412)	(19)
Cost or Valuation at 31 March 2019	79,635	2,954	56,342	3,110	1,414	10,299	55	5,086	375
Accumulated Depreciation at 1 April 2018	24,091	0	0	0	1,133	17,418	227	4,523	790
Provided During the Year	5,099	0	1,531	55	0	1,945	27	1,431	110
Reversal of Impairments Credited to Operating Expenses	(332)	0	0	0	(332)	0	0	0	0
Reversal of impairments Credited to the Revaluation Reserve	(801)	0	(0)	0	(801)	0	0	0	0
Revaluations	(26,326)	0	(1,526)	(55)	0	(18,130)	(254)	(5,481)	(880)
Disposals / Derecognition	(1,665)	0	(5)	0	0	(1,233)	0	(408)	(19)
Accumulated Depreciation at 31 March 2019	65	0	0	0	(0)	0	0	65	0
- Owned at 31 March 2019	77,317	2,954	55,224	3,110	1,414	9,578	40	4,733	265
- Finance Lease at 31 March 2019	288	0	0	0	0	0	0	288	0
- Government Granted 31 March 2019	1	0	0	0	0	1	0	0	0
- Donated at 31 March 2019	1,963	0	1,118	0	0	720	15	0	110
Total at 31 March 2019	79,569	2,954	56,342	3,110	1,414	10,299	55	5,021	375

*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

The latest revaluation of land and property was carried out by an independent valuer with an effective date of 31 March 2020. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10 year average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling **£125k** (2018/19: £144k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£nil** (2018/19: £nil) were donated from another company.

20.3 Analysis of Property, Plant and Equipment (Group)

All Land, Buildings and Dwellings were freehold at 31 March 2020 and 31 March 2019.

20. Property, Plant and Equipment - Group (continued)

20.4 Valuation of Property, Plant and Equipment

The Trust had a professional Modern Equivalent Asset (MEA) valuation performed as at 31 March 2020 by an independent external valuer. The valuation has been undertaken on the basis that the Land and Buildings have been valued for an alternative site as permitted by HM Treasury.

MEA principles and assumptions used in the valuation are in line with the Royal Institute of Chartered Surveyors Red Book Standards. This means that specialised property is valued at the cost of replacing the service potential of the existing property with a modern equivalent asset adjusted to take account of depreciation on the existing asset.

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. Please see note 2. for more details.

Where property is considered to be non-specialised, this has been valued at open market value. Of the totals at 31 March 2020, **£1,917k** (2018/19: £1,545k) related to Land valued at open market value and **£3,397k** (2018/19: £3,330k) related to Buildings and Dwellings valued at open market value.

Plant and Equipment are shown at depreciated historical cost as a proxy to fair value due to the lives of the assets being short.

20.5 Economic Life of Property, Plant and Equipment

The minimum and maximum economic lives of Property, Plant and Equipment when capitalised are as follow

	Min. Life Years	Max. Life Years
Land	infinite	infinite
Buildings Excluding Dwellings	15	51
Dwellings	15	43
Assets Under Construction	N/A	N/A
Plant and Machinery	4	10
Transport Equipment	4	5
Information Technology	2	5
Furniture and Fittings	4	5

Land and Building lives have been determined by the external valuer as part of the MEA valuation exercise carried out prospectively at 31st March 2020.

20.6 Analysis of Impairments of Property, Plant and Equipment

	Group & Trust 31 March 2020		
	Total £000	**Included in Operating Expenses £000**	**Charged against Revaluation Reserve £000**
Changes in Market Price	**6,453**	**4,268**	**2,185**
Reversals of Impairments Charged in Previous Years	**(8,537)**	**(7,094)**	**(1,443)**
Net Impairments	**(2,084)**	**(2,826)**	**742**

	Group & Trust 31 March 2019		
	Total £000	Included in Operating Expenses £000	Charged against Revaluation Reserve £000
Changes in Market Price	1,010	1,010	0
Other Intangible Assets	34,558	25,052	9,506
Reversals of Impairments Charged in Previous Years	(1,234)	(418)	(816)
Net Impairments	34,334	25,644	8,690

21. Property, Plant and Equipment - Trust

21.1 Property, Plant and Equipment for 2019/20 comprise the following elements:

Trust	Total	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2019*	**79,481**	**2,954**	**56,342**	**3,110**	**1,414**	**10,244**	**40**	**5,024**	**353**
Additions - Purchased	**8,092**	**0**	**3,531**	**125**	**1,596**	**1,815**	**0**	**1,025**	**0**
Additions - Assets Purchased from Cash Donations / Grants	**125**	**0**	**125**	**0**	**0**	**0**	**0**	**0**	**0**
Impairments Charged to Operating Expenses	**(4,268)**	**0**	**(3,992)**	**(276)**	**0**	**0**	**0**	**0**	**0**
Impairments Charged to the Revaluation Reserve	**(2,185)**	**(240)**	**(1,579)**	**(366)**	**0**	**0**	**0**	**0**	**0**
Reversal of impairments Credited to Operating Expenses	**7,094**	**140**	**6,954**	**0**	**0**	**0**	**0**	**0**	**0**
Reversal of Impairments Credited to the Revaluation Reserve	**1,443**	**281**	**490**	**672**	**0**	**0**	**0**	**0**	**0**
Revaluations	**(1,557)**	**0**	**(1,432)**	**(73)**	**0**	**(4)**	**0**	**(48)**	**0**
Reclassifications	**57**	**0**	**104**	**0**	**(311)**	**161**	**0**	**103**	**0**
Disposals / Derecognition	**(365)**	**0**	**0**	**0**	**0**	**(45)**	**(2)**	**(297)**	**(21)**
Cost or Valuation at 31 March 2020	**87,917**	**3,135**	**60,543**	**3,192**	**2,699**	**12,171**	**38**	**5,807**	**332**
Accumulated Depreciation at 1 April 2019*	**65**	**0**	**0**	**0**	**(0)**	**0**	**0**	**65**	**0**
Provided During the Year	**4,637**	**0**	**1,431**	**74**	**0**	**2,092**	**8**	**963**	**69**
Revaluations	**(1,547)**	**0**	**(1,431)**	**(74)**	**0**	**6**	**0**	**(48)**	**0**
Disposals / Derecognition	**(8)**	**0**	**0**	**0**	**0**	**(4)**	**0**	**(1)**	**(3)**
Accumulated Depreciation at 31 March 2020	**3,147**	**0**	**0**	**0**	**(0)**	**2,094**	**8**	**979**	**66**
Net Book Value									
- Owned at 31 March 2020	**45,888**	**2,026**	**34,824**	**3,192**	**2,571**	**2,300**	**0**	**975**	**0**
- Finance Lease at 31 March 2020	**38,713**	**1,109**	**25,594**	**0**	**129**	**7,732**	**30**	**3,853**	**266**
- Government Granted 31 March 2020	**45**	**0**	**0**	**0**	**0**	**45**	**0**	**0**	**0**
- Donated at 31 March 2020	**125**	**0**	**125**	**0**	**0**	**0**	**0**	**0**	**0**
Total at 31 March 2020	**84,770**	**3,135**	**60,543**	**3,192**	**2,700**	**10,077**	**30**	**4,828**	**266**

21.2 Property, Plant and Equipment for 2018/19 comprise the following elements:

Trust	Total	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction and Payments on Account*	Plant and Machinery	Transport Equipment	Information Technology	Furniture and Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation at 1 April 2018	134,145	3,108	85,871	3,112	6,501	25,996	309	7,818	1,430
Additions - Purchased	8,111	0	3,404	120	1,530	2,621	0	328	108
Additions - Leased	42,889	1,109	25,882	0	237	10,244	40	5,024	353
Additions - Donations of Physical Assets (Non-Cash)	144	0	36	0	0	108	0	0	0
Impairments Charged to Operating Expenses	(26,062)	0	(25,788)	0	0	0	0	0	(274)
Impairments Charged to the Revaluation Reserve	(9,506)	0	(9,424)	(82)	0	0	0	0	0
Reversal of impairments Credited to Operating Expenses	86	84	2	0	0	0	0	0	0
Reversal of Impairments Credited to the Revaluation Reserve	15	0	0	15	0	0	0	0	0
Revaluations	(25,446)	2	(1,524)	(55)	0	(17,509)	(254)	(5,235)	(871)
Reclassifications	0	0	4,050	0	(6,617)	332	0	2,235	0
Disposals / Derecognition	(44,895)	(1,349)	(26,167)	0	(237)	(11,548)	(55)	(5,146)	(393)
Cost or Valuation at 31 March 2019	79,481	2,954	56,342	3,110	1,414	10,244	40	5,024	353
Accumulated Depreciation at 1 April 2018	24,091	0	0	0	1,133	17,418	227	4,523	790
Provided During the Year	5,099	0	1,531	55	0	1,945	27	1,431	110
Reversal of Impairments Credited to Operating Expenses	(332)	0	0	0	(332)	0	0	0	0
Reversal of impairments Credited to the Revaluation Reserve	(801)	0	(0)	0	(801)	0	0	0	0
Revaluations	(26,326)	0	(1,526)	(55)	0	(18,130)	(254)	(5,481)	(880)
Disposals / Derecognition	(1,665)	0	(5)	0	0	(1,233)	0	(408)	(19)
Accumulated Depreciation at 31 March 2019	65	0	0	0	(0)	0	0	65	0
- Owned at 31 March 2019	36,591	1,845	30,460	3,110	1,177	0	0	0	0
- Finance Lease at 31 March 2019	42,824	1,109	25,882	0	237	10,244	40	4,959	353
- Government Granted 31 March 2019	0	0	0	0	0	0	0	0	0
- Donated at 31 March 2019	0	0	0	0	0	0	0	0	0
Total at 31 March 2019	79,415	2,954	56,342	3,110	1,414	10,244	40	4,959	353

The latest revaluation of land and property was carried out by an independent valuer with an effect date of 31 March 2020. Specialist building valuation was completed with reference to the Building Cost Information Service Tender Price Index (BCIS TPI) and 10yr average location factor issued by the Royal Institute of Chartered Surveyors.

Property, Plant and Equipment assets totalling **£125k** (2018/19: £144k) were donated to the Trust by Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds, and **£nil** (2018/19: £nil) were donated from another company.

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to its 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) in order for the company to deliver the services specified under an Operated Healthcare Facilities (OHF) agreement. As the risks and rewards still remain with the Trust, the assets came back on the Trust's balance sheet at 31 March 2019 as a finance lease. In addition £383k of assets remained in the books of DSFS after they were sold.

21.3 Analysis of Property, Plant and Equipment (Trust)

All Land, Buildings and Dwellings were freehold at 31 March 2020 and 31 March 2019.

22. Inventories

22.1 Analysis of Inventory Movements 2019/20

	Group					Trust		
	Total	**Drugs**	**Consumables**	**Energy**	**Other**	**Total**	**Drugs**	**Consumables**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Carrying Value 1 April 2019	**4,506**	**1,734**	**2,309**	**34**	**429**	**1,756**	**1,734**	**22**
Additions	**28,637**	**18,442**	**8,335**	**1**	**1,859**	**20,621**	**18,442**	**2,179**
Inventories Consumed (Recognised in Expenses)	**(28,793)**	**(18,256)**	**(8,711)**	**(4)**	**(1,822)**	**(19,841)**	**(18,256)**	**(1,585)**
Write-Down of Inventories Recognised as an Expense	**(35)**	**(8)**	**(18)**	**0**	**(9)**	**(8)**	**(8)**	**0**
Carrying Value 31 March 2020	**4,315**	**1,912**	**1,915**	**31**	**457**	**2,528**	**1,912**	**616**
Of which:								
Held at lower of cost and NRV	**4,315**	**1,912**	**1,915**	**31**	**457**	**2,528**	**1,912**	**616**
Held at fair value less costs to sell	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

At 31 March 2020, the value of the majority of stock items had to be estimated due to the impact of and operational issues caused by the Covid-19 virus.

22.2 Analysis of Inventory Movements 2018/19

	Group					Trust		
	Total	Drugs	Consumables	Energy	Other	Total	Drugs	Consumables
	£000	£000	£000	£000	£000	£000	£000	£000
Carrying Value 1 April 2018	4,273	1,500	757	34	1,982	1,530	1,500	30
Additions	28,862	16,382	11,899	8	573	16,464	16,382	82
Inventories Consumed (Recognised in Expenses)	(28,574)	(16,126)	(10,347)	(8)	(2,093)	(16,216)	(16,126)	(90)
Write-Down of Inventories Recognised as an Expense	(55)	(22)	0	0	(33)	(22)	(22)	0
Carrying Value 31 March 2019	4,506	1,734	2,309	34	429	1,756	1,734	22
Of which:								
Held at lower of cost and NRV	4,506	1,734	2,309	34	429	1,756	1,734	22
Held at fair value less costs to sell	0	0	0	0	0	0	0	0

23. Non-Current Assets Held for Sale and Assets in Disposal Groups

23.1 Analysis of Non-Current Assets Held for Sale and Assets in Disposal Groups

There were no assets held for sale or assets in disposal groups during 2019/20 or 2018/19.

24. Other investments / financial assets (non-current)

	Group 31 March 2020 £000	Group 31 March 2019 £000	**Trust 31 March 2020 £000**	Trust 31 March 2019 £000
Non-Current				
Carrying value at 1 April - brought forward	**10**	0	**50,425**	
Acquisitions in year	**0**	10	**0**	51,348
Current portion of loans receivable transferred to current financial assets	**0**	0	**(955)**	(923)
Carrying value at 31 March	**10**	10	**49,470**	50,425
Current				
Loans receivable within 12 months transferred from non-current financial assets	**0**	0	**955**	923
Total current investments / financial assets	**0**	0	**955**	923

On 31 March 2019, the Trust sold a 25 year commercial leasehold interest in the majority of its estate (land and buildings), plus equipment and other assets to its 100% wholly owned subsidiary, Derbyshire Support and Facilities Services Limited (DSFS) in order for the company to deliver the services specified under an operated healthcare facilities (OHF) agreement.

The sale was funded by 30% share capital investment (£15.4m); and a 70% loan (£35.9m) repayable over the 25 year life of the contract.

The carrying value of both the loan and investment in share capital and have been assessed for impairment at 31 March 2020. No impairment or provision for credit loss allowances have been recognised for either the loan or the investment in share capital.

The Trust has a further 100% wholly owned subsidiary Derbyshire Primary Care and Commercial Services Limited (DPCCS). The Trust holds a £10k investment in the share capital of that company. The carrying value of the investment has been assessed for impairment. No impairments have been recognised. DPCCS has not been consolidated in these financial statements - see note 25.

25. Disclosure of interests in other entities

The Trust has not consolidated its 100% wholly owned subsidiary Derbyshire Primary Care and Commercial Services Limited on the basis of immateriality. Further details are provided in note 1.3.

The Trust has not consolidated its charity, Chesterfield Royal Hospital NHS Foundation Trust General Charity on the basis of immateriality. Further details are provided on note 1.3.

26. Trade and Other Receivables

26.1 Trade and Other Receivables are made up of:

	Group		Trust	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Current				
Contract receivables (IFRS 15): invoiced	**10,446**	7,885	**10,328**	7,885
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	**11,119**	8,058	**11,107**	8,058
Allowance for impaired contract receivables / assets	**(216)**	(167)	**(207)**	(167)
Allowance for Impaired Other Receivables	**0**	0	**0**	0
Prepayments (Revenue)	**1,534**	2,127	**453**	2,127
Interest Receivable	**4**	21	**4**	21
PDC Dividend Receivable	**31**	408	**31**	408
VAT Receivable	**3,391**	2,684	**3,805**	0
Other Receivables	**1,545**	1,248	**1,437**	1,248
Intercompany account: DSFS Ltd (subsidiary)*	**0**	0	**0**	7,472
Total	**27,854**	22,264	**26,958**	27,052
Non-Current				
Allowance for impaired contract receivables / assets	**(85)**	(61)	**(85)**	(61)
Clinician pension tax provision reimbursement funding from NHSE	**616**	0	**616**	0
Other Receivables**	**3,415**	672	**935**	672
Total	**3,946**	611	**1,466**	611

*In 2018/19, the balance with the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) mainly relates to VAT that DSFS owes back to the Trust on the purchase of assets from the Trust on 31 March 2019.

**Included in Group Non-Current Other Receivables is £2.5m Deferred Tax Asset relating to DSFS Limited arising from a lease premium on leasehold interest sold from the Trust to DSFS on 31 March 2019.

The majority of trade is with Clinical Commissioning Groups (CCGs), as Commissioners for NHS Patient Care Services. As CCGs are funded by Government to buy NHS Patient Care Services, no credit scoring of them is considered necessary.

There were no prepaid Pension Contributions as at 31 March 2020 or 31 March 2019.

The fair values of Trade and Other Receivables approximate to their carrying amounts.

26.2 Allowances for Credit Losses (Doubtful Debts) 2019/20

	Group		Trust	
	Contract receivables and contract assets	**All other receivables**	**Contract receivables and contract assets**	**All other receivables**
	£000	£000		
At 1 April 2019	**228**	**0**	**228**	**0**
New allowances Arising	**346**	**0**	**337**	**0**
Reversals of Allowances (Where Receivable is Collected in-Year)	**(67)**	**0**	**(67)**	**0**
Utilisation of Allowances (Where Receivable is Written Off)	**(206)**	**0**	**(206)**	**0**
At 31 March 2020	**301**	**0**	**292**	**0**

Allowances for Credit Losses (Doubtful Debts) 2018/19

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000		
At 1 April 2018	0	102	0	102
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	102	(102)	102	(102)
New allowances Arising	320	0	320	0
Reversals of Allowances (Where Receivable is Collected in-Year)	52	0	52	0
Utilisation of Allowances (Where Receivable is Written Off)	(246)	0	(246)	0
At 31 March 2019	228	0	228	0

*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

Receivables impaired include a **8.26%** (2018/19: 9.13%) Provision for Doubtful Debts relating to the NHS Injury Scheme to reflect the expected rates of collection. The rate of 8.26% rate reflects the Trust's actual rate of write-offs.

It also includes a provision for all sundry income invoices that are considered unlikely to be paid. This is based on the Trust's assessment of historical expected credit losses applied to the current outstanding receivables. However, the exposure to credit risk is minimal.

These impairments are included in Operating Expenses within 'Increase in Provision for Impairment of Receivables' in the Statement of Comprehensive

27. Trade and Other Payables

27.1 Trade and Other Payables are Made Up of:

	Group		Trust	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Current	**£000**	£000	**£000**	£000
Trade Payables	**4,028**	3,719	**3,160**	3,719
Capital Payables (including Capital Accruals)	**3,012**	1,104	**169**	1,104
Accruals (Revenue Costs only)	**11,741**	14,180	**9,439**	14,180
Social Security Costs	**1,782**	1,647	**1,634**	1,647
VAT Payables	**0**	0	**0**	4,387
Other taxes payable	**1,516**	1,375	**1,314**	1,375
Other Payables	**2,997**	2,746	**2,549**	2,688
Intercompany account: DSFS Ltd (subsidiary)*	**0**	0	**3,338**	0
Total	**25,076**	24,771	**21,603**	29,100

There are no Non-Current Trade and Other Payables in 2019/20 or 2018/19.

The Trust complies with the Better Payment Practice Code and paid **91.9%** (2018/19: 96.2%) of its invoices by their due date or within 30 days of receipt of goods or a valid invoice, whichever is later, during 2019/20. It expects to settle over 95% of the invoices making up the debt shown above within this criterion.

There were Pensions Contributions of **£2,226** (2018/19: £2,092k), owed to the NHS Pension Scheme, at 31 March 2020 and these are included in Other Payables.

The above Pensions Contributions balance relates to the March 2020 pension liability.

The fair values of Trade and Other Payables approximate to their carrying amounts.

*The balance with the Trust's 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS) mainly relates to capital costs reimbursement due from Trust of £4,525k (2018/19 £0) and additional calculated contractual recharges due from the Trust of £1,025k (2018/19 £0). These two balances are offset by expenditure incorrectly charged to Trust for which it is owed £2,006k (2018/19 £0).

27.2 Early Retirements Included in NHS Payables

There are no payments due in future years under arrangements to buy out the liability for Early Retirements over 5 years.

28. Other Liabilities

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Current				
Deferred income: contract liabilities	**1,308**	929	**1,308**	929
Total	**1,308**	929	**1,308**	929

There are no Non-Current Other Liabilities in 2019/20 or 2018/19.

29. Borrowings

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Current				
Capital Loans from Department of Health & Social Care	**1,697**	1,706	**1,697**	1,706
Obligations Under Finance Leases	**71**	68	**4,827**	4,732
Total	**1,768**	1,774	**6,524**	6,438
Non-current				
Capital Loans from Department of Health & Social Care	**10,530**	12,150	**10,530**	12,150
Obligations Under Finance Leases	**143**	214	**38,793**	43,833
Total	**10,673**	12,364	**49,323**	55,983

An analysis of Obligations Under Finance Leases are shown in Note 30.

The amount shown in Current Borrowings represents the obligation to repay the loan based on the liability at the balance sheet date.

29.1 Reconciliation of liabilities arising from financing activities - 2019/20 (Group)

Group	**Total £000**	**Loans from DHSC £000**	**Finance leases £000**
Carrying value at 1 April 2019	**14,138**	**13,856**	**282**
Cash movements:			
Financing cash flows - payments and receipts of	**(1,688)**	(1,620)	(68)
Financing cash flows - payments of interest	**(238)**	(228)	(10)
Non-cash movements:			
Application of effective interest rate	**229**	219	10
Carrying value at 31 March 2020	**12,441**	**12,227**	**214**

The above capital loan from DHSC relates to a 10 year loan taken out in 205/16 to fund the refurbishment of the Trust's theatres and to build the Trust's NGS MacMillan cancer centre.

There have been no defaults or breaches of the loan.

29. Borrowings (cont'd)

29.1 Reconciliation of liabilities arising from financing activities - 2018/19 (Group) (cont'd)

Group	Total £000	Loans from DHSC £000	Finance leases £000
Carrying value at 1 April 2018	16,394	16,394	0
Cash movements:			
Financing cash flows - payments and receipts of principal	(2,694)	(2,624)	(70)
Financing cash flows - payments of interest	(290)	(276)	(14)
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	96	96	0
Transfers by absorption	0	0	0
Additions	352	0	352
Application of effective interest rate	280	266	14
Carrying value at 31 March 2019	14,138	13,856	282

*As the 'Group' was not established at 1 April 2018, the brought forward balances relate to the Trust only.

29.2 Reconciliation of liabilities arising from financing activities - 2019/20 (Trust)

Trust	Total £000	Loans from DHSC £000	Finance leases £000
Carrying value at 1 April 2019	**62,422**	**13,856**	**48,566**
Cash movements:			
Financing cash flows - payments and receipts of principal	**(6,284)**	**(1,620)**	**(4,664)**
Financing cash flows - payments of interest	**(1,818)**	**(228)**	**(1,590)**
Non-cash movements:			
Application of effective interest rate	**1,809**	**219**	**1,590**
Carrying value at 31 March 2020	**56,129**	**12,227**	**43,902**

Further details regarding the Trust's finance leases are shown in note 29.2.

Reconciliation of liabilities arising from financing activities - 2018/19 (Trust)

Trust	Total £000	Loans from DHSC £000	Finance leases £000
Carrying value at 1 April 2018	16,394	16,394	0
Cash movements:			
Financing cash flows - payments and receipts of principal	(2,694)	(2,624)	(70)
Financing cash flows - payments of interest	(290)	(276)	(14)
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	96	96	0
Additions	48,635	0	48,635
Application of effective interest rate	280	266	14
Carrying value at 31 March 20219	62,421	13,856	48,565

30. Finance Lease Obligations

30.1 Finance Lease Obligations - Group

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of an Operating Lease, these are disclosed in Note 7.2. Finance Leases that have been identified are included in this note. The future minimum lease payments due and the present value of the minimum lease payments are shown below.

	Minimum Lease Payments				**Present Value of Minimum**	
	Total 31 March 2020 £000	**Land and Buildings £000**	**Other* £000**	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Gross Lease Liabilities						
of which Liabilities are due						
- not later than one year;	**78**	**0**	**78**	78	**71**	68
- later than one year and not later than five years;	**149**	**0**	**149**	227	**143**	214
- later than five years.	**0**	**0**	**0**	0	**0**	0
	227	**0**	**227**	305	**214**	282
Finance Charges allocated to future periods	**(13)**	**0**	**(13)**	(23)		
	214	**0**	**214**	282		
Net Lease Liabilities						
- not later than one year;	**71**	**0**	**71**	68		
- later than one year and not later than five years;	**143**	**0**	**143**	214		
- later than five years.	**0**	**0**	**0**	0		
	214	**0**	**214**	282		

*Other relates to intangible, equipment (medical, IT), furniture and transport assets.

The Trust does not sublease to other third parties.

There were no Contingent Rents relating to finance leases recognised as an expense in 2019/20.

30.2 Finance Lease Obligations - Trust

The Trust pays rentals for Property, Plant and Equipment that are used but not owned by the Trust. The Trust has reviewed all contracts where the Trust has the right to use an asset to determine whether in substance, an Operating or Finance Lease exists. Where the Trust has determined that a lease arrangement is that of an Operating Lease, these are disclosed in Note 7.2. Finance Leases that have been identified are included in this note. The future minimum lease payments due and the present value of the minimum lease payments are shown below.

	Minimum Lease Payments				**Present Value of Minimum**	
	Total 31 March 2020 £000	**Land and Buildings £000**	**Other* £000**	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Gross Lease Liabilities						
of which Liabilities are due						
- not later than one year;	**6,254**	**1,612**	**4,642**	6,332	**4,827**	4,732
- later than one year and not later than five years;	**20,374**	**6,448**	**13,926**	25,242	**16,341**	20,558
- later than five years.	**30,627**	**30,627**	**0**	32,239	**22,452**	23,275
	57,255	**38,687**	**18,568**	63,813	**43,620**	48,565
Finance Charges allocated to future periods	**(13,635)**	**(12,389)**	**(1,246)**	(15,248)		
	43,620	**26,298**	**17,322**	48,565		
Net Lease Liabilities						
- not later than one year;	**4,827**	**717**	**4,110**	4,732		
- later than one year and not later than five years;	**16,341**	**3,129**	**13,212**	20,558		
- later than five years.	**22,452**	**22,452**	**0**	23,275		
	43,620	**26,298**	**17,322**	48,565		

*Other relates to intangible, equipment (medical, IT), furniture and transport assets.

The Trust has a finance lease creditor with its 100% wholly owned subsidiary Derbyshire Support and Facilities Services Limited (DSFS). At 31 March 2020 the carrying value of the finance lease was **£43,620k** (2018/19 £47,975k), with repayments commencing 1 April 2019. The lease relates to the sale of the leasehold interest in the land and buildings, intangible and equipment assets that the Trust sold to DSFS on 31st March 2019. Under the Operated Healthcare Facility (OHF) agreement with DSFS, the assets are still controlled by the Trust, as do the risks and rewards of the arrangement, which results in the assets coming back onto the Trust books under IFRIC 4 'Arrangements containing a lease' and the assets subsequently being accounted for under IAS 17 Leases as a finance lease.

31. Provisions for Liabilities and Charges - Group and Trust

	Group		Trust	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
Current	**£000**	£000	**£000**	£000
Pensions - Early Departure Costs*	**86**	84	**86**	84
Pensions - Injury benefits**	**65**	63	**65**	63
Other Legal Claims ***	**107**	42	**107**	42
	258	189	**258**	189
Non-Current				
Pensions - Early Departure Costs*	**794**	804	**794**	804
Pensions - Injury benefits**	**1,136**	1,061	**1,136**	1,061
Clinician Pension Tax Reimbursement****	**616**	0	**616**	0
	2,546	1,865	**2,546**	1,865

Analysis of Provisions - Group and Trust

	Total	**Pensions - Early Departure Costs ***	**Legal Claims ****	**Pensions - Injury Benefits *****	**Clinician Pension Tax Reimbursement* *****
	£000	**£000**	**£000**	**£000**	**£000**
At 1 April 2019	**2,054**	**888**	**42**	**1,124**	**0**
Change in the Discount Rate	**144**	**40**	**0**	**104**	**0**
Arising During the Year	**849**	**44**	**145**	**44**	**616**
Utilised During the Year - Cash	**(178)**	**(87)**	**(26)**	**(65)**	**0**
Reversed Unused	**(54)**	**0**	**(54)**	**0**	**0**
Unwinding of Discount	**(11)**	**(5)**	**0**	**(6)**	**0**
At 31 March 2020	**2,804**	**880**	**107**	**1,201**	**616**
Expected Timing of Cash Flows:					
Within one year	**258**	**86**	**107**	**65**	**0**
Between one and five years	**1,225**	**345**	**0**	**264**	**616**
After five years	**1,321**	**449**	**0**	**872**	**0**
	2,804	**880**	**107**	**1,201**	**616**

Events which may lead to the transfer of financial benefits from the Trust are quantified in these Accounts if such a transfer is assessed by the Trust as probable. Otherwise such events are disclosed as Contingent Liabilities in Note 35.

* Pensions - Early Departure Costs relate to Provisions for Early Retirements. The Provisions have been discounted at **-0.50%** (2018/19: 0.29%) to reflect the time value of money. 'Arising during the period' for revised Pensions Provisions is charged to Other Expenditure and relates to changes in the life expectancies of the retirees which are recalculated each financial year.

** Legal Claims relate to Public and Employee Liability (Personal Injury) Claims totalling **£107k** (2018/19: £42k). The Provisions are not discounted as they are expected to be settled within a reasonable period of time.

Personal Injury Claims are handled through the NHS Resolution (formerly NHS Litigation Authority) Risk Pooling Scheme up to the Trusts excess limits. Amounts and probability of settlement are assessed in accordance with recommendations given by NHS Resolution and external solicitors, where available.

*** Permanent Injury Benefits totalling **£1,201k** (2018/19: £1,124k). Provisions for Permanent Injury Benefits are discounted at **-0.50%** (2018/19: 0.29%) to reflect the time value of money.

****Clinician Pension Tax reimbursement provision relates to clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold. They are able to have this charge paid by the NHS Pension Scheme which will be funded by NHS England. A corresponding amount is shown in note 26.1 relating to the income accrued to fund this provision.

As at 31 March 2020 **£140,099k** (2018/19: £88,650k) is included in the Provisions of NHS Resolution in respect of Clinical Negligence and Liabilities of the Trust.

32. Analysis of Revaluation Reserve

32.1 Analysis of Revaluation Reserve (Group)

Group	Total £000	Revaluation reserve - intangibles £000	Revaluation Reserve - PPE* £000
Revaluation Reserve at 1 April 2019	**13,725**	**246**	**13,479**
Transfers by absorption	**0**	**0**	**0**
Impairments	**(742)**	**0**	**(742)**
Revaluations	**(10)**	**0**	**(10)**
Transfer to I&E Reserve Upon Asset Disposal	**(38)**	**0**	**(38)**
Revaluation Reserve at 31 March 2020	**12,935**	**246**	**12,689**

	Total £000	Revaluation reserve - intangibles £000	Revaluation Reserve - PPE* £000
Revaluation Reserve at 1 April 2018	21,532	0	21,532
Impairments	(8,690)	0	(8,690)
Revaluations	1,225	345	880
Transfer to I&E Reserve Upon Asset Disposal	(343)	(99)	(244)
Revaluation Reserve at 31 March 2019	13,725	246	13,479

* PPE relates to Property, Plant and Equipment

32.2 Analysis of Revaluation Reserve (Trust)

Trust	Total £000	Revaluation Reserve - Intangibles £000	Revaluation Reserve - PPE* £000
Revaluation Reserve at 1 April 2019	**13,725**	**246**	**13,479**
Impairments	**(742)**	**0**	**(742)**
Revaluations	**(10)**	**0**	**(10)**
Transfer to I&E Reserve Upon Asset Disposal	**(38)**	**0**	**(38)**
Revaluation Reserve at 31 March 2020	**12,935**	**246**	**12,689**

	Total £000	Revaluation Reserve - Intangibles £000	Revaluation Reserve - PPE* £000
Revaluation Reserve at 1 April 2018	21,532	0	21,532
Impairments	(8,690)	0	(8,690)
Revaluations	1,225	345	880
Transfer to I&E Reserve Upon Asset Disposal	(343)	(99)	(244)
Revaluation Reserve at 31 March 2019	13,725	246	13,479

* PPE relates to Property, Plant and Equipment

33. Cash and Cash Equivalents

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
At 1 April	**27,553**	30,548	**27,553**	30,548
Net Change in Year	**(11,627)**	(2,995)	**(17,803)**	(2,995)
At 31 March	**15,926**	27,553	**9,750**	27,553
Cash at Commercial Banks and in Hand	**280**	57	**279**	57
Cash with the Government Banking Service	**15,646**	27,496	**9,471**	27,496
Cash and Cash Equivalents as in SoFP*	**15,926**	27,553	**9,750**	27,553
Bank Overdrafts	**0**	0	**0**	0
Drawdown in Committed Facility	**0**	0	**0**	0
Cash and Cash Equivalents as in SoCF**	**15,926**	27,553	**9,750**	27,553

The fair values of cash and cash equivalents approximate to their carrying amounts.

*SoFP relates to Statement of Financial Position (Page 2)

** SoCF relates to Statement of Cash Flows (Page 5)

34. Capital and Other Financial Commitments

Commitments under capital expenditure contracts at the balance sheet date were as follows:

	Group		Trust	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Property, Plant and Equipment	**419**	858	**188**	858
Intangible Assets	**243**	406	**241**	406
	662	1,264	**429**	1,264
The breakdown by project is:				
Computers on Wheels	**110**	0	**0**	0
Electronic Document Management System	**245**	0	**242**	0
Relax at the Royal	**0**	360	**0**	360
Urgent Care Village Enablers	**0**	115	**0**	115
Pharmacy Aseptic Refurbishment	**0**	17	**0**	17
IT, Intangibles & Telecoms	**117**	572	**96**	572
Medical Equipment	**119**	132	**87**	132
Other Building Work Projects	**71**	67	**4**	67
	662	1,264	**429**	1,264

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) as follows:

	Group		Trust	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Not later than 1 year	**4,379**	3,340	**1,857**	3,340
After 1 year and not later than 5 years	**3,257**	2,821	**2,942**	2,821
Paid thereafter	**0**	24	**0**	24
	7,636	6,185	**4,799**	6,185

35. Events After the Reporting Period

There are no events after the reporting period which need to be disclosed.

36. Contingent Liabilities and Assets

There were no Contingent Liabilities in 2019/20 or 2018/19.

There were no Contingent Assets in 2019/20 or 2018/19.

37. Related Party Transactions

Transactions with Key Management Personnel

IAS 24 requires disclosure of transactions with key management personnel during the year. Key management personnel is defined in IAS 24 as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity". The Trust has deemed that its key management personnel are the board members (Directors and Non-Executive Directors) of the Trust.

The requirement in IAS 24 to disclose the compensation paid to management, expense allowances and similar items paid in the ordinary course of an entity's operations is satisfied by the disclosures made in the Remuneration Report.

There were no transactions with Board Members (excluding salaries) during both 2019/20 and 2018/19.

37. Related Party Transactions (continued)

Other Interests Disclosures

The following declarations were made by Board Members in relation to positions held by them or their partners in organisations which engage in business with the Trust:

All board members are deemed Trustees of Chesterfield Royal Hospital NHS Foundation Trust General Charity as Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee of the Charity.

Lee Outhwaite, Director of Finance and Contracting, declared that he is Trustee of the Health Finance Management Association (HFMA). He is also the Director of Finance of the Derbyshire STP. All transactions with this organisation is in the normal course of business and is on an arms length basis.

Tony Campbell, Chief Operating Officer, declared that he is Non-Executive Director of the East Midlands Leadership Academy (EMLA). All transactions with this organisation is in the normal course of business and is on an arms length basis.

Dr Helen Phillips, Chair, declared that her husband is Chairman of Stockport NHS Foundation Trust. All transactions with this body is in the normal course of business and are on an arms length basis.

Sue Glew, Non-Executive Director declared that she is HR Programme Director with BT Plc, with which the Trust undertakes financial transactions. Transactions are in the normal course of business and are on an arms length basis.

Transactions with Governors

Councillor John Boult, partner governor, declared that he is a Councillor at Derbyshire County Council. Transactions are in the normal course of business and are on an arms length basis.

Councillor Kate Caulfield, partner governor, declared that she is a Councillor at Chesterfield Borough Council. Transactions are in the normal course of business and are on an arms length basis.

Dr Alexander Strachan, General Practioner, declared that he is a Governing Body GP for Derby and Derbyshire Clinical Commissioning Group (CCG). Transactions with this organisation are in the normal course of business and are on an arms length basis.

Transactions with Other Related Parties

Chesterfield Royal Hospital NHS Foundation Trust is a Public Benefit Corporation licensed by Monitor - the Independent Regulator for NHS Foundation Trusts. All NHS Foundation Trusts are independent bodies which are not controlled by the Secretary of State. The Trust has considered whether or not the working relationships it has with any NHS bodies and Government departments and agencies meet the definition of a Related Party under IAS 24.

37. Related Party Transactions (continued)

The value of transactions with related parties outside of the Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	Group & Trust			
	2019/20		2018/19	
	Income	**Expenditure**	Income	Expenditure
	£000	**£000**	£000	£000
Value of transactions with board members (excluding salaries)	**0**	**0**	0	1
Value of transactions with key staff members (excluding salaries)	**0**	**0**	0	0
NHS Charitable Funds *	**280**	**0**	204	0
Non-consolidated Subsidiaries / associates / joint ventures**	**71**	**8**	25	3
Other	**0**	**0**	0	0
	351	**8**	229	4

The value of balances as at 31 March with related parties outside of Government department bodies with which the Trust has had significant dealings and which therefore require disclosure are:

	Group & Trust			
	As at 31 March 2020		As at 31 March 2019	
	Receivables	**Payables**	Receivables	Payables
	£000	**£000**	£000	£000
NHS Charitable Funds *	**0**	**0**	0	0
Non-consolidated Subsidiaries / associates / joint ventures**	**10**	**1**	5	1
Other	**0**	**0**	0	0
	10	**1**	5	1

* The Trust has received revenue and capital contributions from Chesterfield Royal Hospital NHS Foundation Trust Charitable Funds (Registered Charity number 1052913). Chesterfield Royal Hospital NHS Foundation Trust is the Corporate Trustee of the Charity. Details of the transactions are shown below:

	2019/20	2018/19
	£000	£000
Contributions from Charitable Funds to Cover Expenditure	**155**	59
Capital Contributions from Charitable Funds	**125**	144
	280	203

As at 31 March 2020, there were no outstanding transactions between the Charity and the Trust (2018/19: £nil).

** Transactions and balances realting to the Trust's non-consolidated wholly owned subsidiary Derbyshire Primary Care and Commercial Services Limited which holds the Local Pharmaceutical Services (LPS) contract on behalf of the Trust.

37. Related Party Transactions (continued)

Transactions with Department of Health & Social Care and NHS Organisations

The Department of Health and Social Care is the parent government department of the Trust. The Trust has undertaken significant transactions (> £100k) with the following NHS organisations:

Care Quality Commission
Derbyshire Community Health Services NHS Foundation Trust
Derbyshire Healthcare NHS Foundation Trust
Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust
Gateshead Health NHS Foundation Trust
Health Education England
NHS Barnsley CCG
NHS Bassetlaw CCG
NHS Derby & Derbyshire CCG
NHS England
NHS England - East Midlands Specialised Commissioning Hub
NHS England - Midlands Regional Office
NHS Lincolnshire West CCG
NHS Mansfield and Ashfield CCG
NHS Newark and Sherwood CCG
NHS Resolution
NHS Rotherham CCG
NHS Sheffield CCG
Nottingham University Hospitals NHS Trust
Public Health England
Sheffield Children's NHS Foundation Trust
Sheffield Teaching Hospitals NHS Foundation Trust
Sherwood Forest Hospitals NHS Foundation Trust
The Rotherham NHS Foundation Trust
University Hospitals of Derby and Burton NHS Foundation Trust
University Hospitals of Leicester NHS Trust

Transactions with Other Government Organisations within the Whole of Government Accounts (WGA)

The Other Related Parties within the scope of the Whole of the Government Accounts (WGA) scope which the

Chesterfield Borough Council
Department for Business, Energy and Industrial Strategy
Derbyshire County Council
HM Revenue & Customs - Other taxes etc
HM Revenue & Customs - VAT
National Employment Savings Trust
NHS Blood and Transplant
NHS Pension Scheme
NHS Professionals

Provisions for Impaired Receivables Relating to Related Parties

There were **£9k** (2018/19: £1k) of Impaired Receivables in respect of amounts owed by Related Parties

There were **£nil** (2018/19: £nil) Impaired Receivables Written Off During the Year relating to Related Parties.

38. Financial Risk Management

The Trust's activities do not significantly expose it to financial risks (liquidity risk, interest rate risk, credit risk and foreign currency risk).

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Treasury Management Policy, Standing Financial Instructions and other policies agreed by the Board of Directors.

The Trust's Audit and Risk Committee oversees management compliance with financial risk management policies and reviews the adequacy of the risk management framework in relation to the financial risks faced by the Trust. The Trust's Audit and Risk Committee is assisted by Internal Audit (provided by 360 Assurance) who regularly review the Trust's financial risk management controls and procedures e.g. the Trust treasury activity is subject to review by the Trust's internal auditors.

International Financial Reporting Standard (IFRS 7 - Financial Instruments Disclosures) 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. IFRS 7 applies to all financial instruments within the scope of IAS 32.

Due to the continuing service/provider relationship that the Trust has with local commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by commercial business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32 and IFRS 9 are mainly aimed at. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risk facing the Trust in undertaking its activities.

Liquidity Risk

The Trust's cash flows are mainly stable and predictable. The Trust regularly reviews the level of cash required to fund its activities. This involves preparing a cash flow forecast for the next three years, planning for repayments of debt at its maturity and identifying an appropriate amount of headroom to provide a reserve against unexpected outflows.

The Trust largely finances its capital expenditure from funds made available through internally generated resources but the Trust has borrowed from the Department of Health in 2009/10 to finance new wards building and 2015/16 to fund a Theatre Refurbishment and a new Cancer building . Financing was drawn down to match the spend profile of the schemes concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area. Both loans are for a period of ten years, the former one fully repaid in March 2019.

Market Risk

The aforementioned loans' interest is charged at the National Loans Fund rate, fixed at the time of signing the agreement. The 2009-10 loan rate was 2.84% and the 2015-16 loan rate is 1.71%. The Trust therefore has low exposure to interest rate fluctuations.

Credit Risk

The Trust's exposure to credit risk at the reporting date is the carrying value of cash at bank and short term deposits.

In the year, the Trust deposited surplus cash with the National Loans Fund and with the Government Banking Service (GBS). All cash deposits were in line with the Treasury Management policy agreed by the Board of Directors.

The majority of the Trust's income comes from contracts with other public sector bodies, and consequently the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in short term receivables from customers. No further credit risk provision is required in excess of the normal provision for bad and doubtful debts disclosed in the Trade and other receivables note.

38. Financial Risk Management (continued)

Foreign Currency Risk

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

39. Financial Instruments

39.1 Financial Assets by Category

Carrying value of financial assets - Group

	31 March 2020		31 March 2019	
	Total	**Financial assets at amortised cost**	Total	Financial assets at amortised cost
	£000	**£000**	£000	£000
Receivables (excluding non financial assets) - with DHSC group bodies	**21,018**	**21,018**	12,873	12,873
Trade and other receivables (excluding non financial assets) - with other bodies	**5,821**	**5,821**	2,367	2,367
Other Investments / Financial Assets	**10**	**10**	10	10
Cash and Cash Equivalents at Bank and in Hand	**15,926**	**15,926**	27,553	27,553
Total at 31 March 2020	**42,775**	**42,775**	42,803	42,803

Carrying value of financial assets - Trust

	Total	**Financial assets at amortised cost**	**Total**	**Financial assets at amortised cost**
	£000	**£000**	**£000**	**£000**
Receivables (excluding non financial assets) - with DHSC group bodies	**20,990**	**20,990**	12,873	12,873
Trade and other receivables (excluding non financial assets) - with other bodies	**3,137**	**3,137**	9,839	9,839
Other Investments / Financial Assets	**50,425**	**50,425**	51,348	51,348
Cash and Cash Equivalents at Bank and in Hand	**9,750**	**9,750**	27,553	27,553
Total at 31 March 2020	**84,302**	**84,302**	101,613	101,613

39. Financial Instruments (continued)

39.2 Financial Liabilities by Category

Carrying values of financial liabilities - Group

	31 March 2020		31 March 2019	
	Total	**Financial liabilities at amortised cost**	Total	Financial liabilities at amortised cost
	£000	**£000**	£000	£000
DHSC loans	**12,227**	**12,227**	13,856	13,856
Other borrowings excluding finance lease and PFI liabilities	**0**	**0**		
Obligations Under Finance Leases	**214**	**214**	282	282
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	**7,134**	**7,134**	9,153	9,153
Trade and other payables (excluding non financial liabilities) - with other bodies	**12,394**	**12,394**	10,814	10,814
Total at 31 March	**31,969**	**31,969**	34,105	34,105

Carrying values of financial liabilities - Trust

	Total	**Financial liabilities at amortised cost**	Total	Financial liabilities at amortised cost
	£000	**£000**	£000	£000
DHSC loans	**12,227**	**12,227**	13,856	13,856
Obligations Under Finance Leases	**43,620**	**43,620**	48,565	48,565
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	**7,112**	**7,112**	9,153	9,153
Trade and other payables (excluding non financial liabilities) - with other bodies	**9,460**	**9,460**	10,814	10,814
Total at 31 March	**72,419**	**72,419**	82,388	82,388

39.3 Maturity of Financial Liabilities

	Group		**Trust**	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Within 1 year	**21,296**	21,741	**23,096**	26,442
Later than 1 year but less than 2 years	**1,694**	1,690	**6,616**	6,508
Between 2 and 5 years	**4,929**	5,004	**16,205**	20,493
After 5 years	**4,050**	5,670	**26,502**	28,945
Total	**31,969**	34,105	**72,419**	82,388

39.4 Fair Values

For current financial instruments (less than one year) the fair values are equal to their book values. The carrying amounts of all non-current financial assets and financial liabilities recorded at amortised cost in the Financial Statements approximate their fair values.

40. Third Party Assets

The Trust held **£5k** in cash and cash equivalents at 31 March 2020 (31 March 2019: £38k) which relates to monies held on behalf of patients.

This has been excluded from the Cash and Cash Equivalents figure reported in the accounts.

41. Losses and Special Payments

Group

	2019/20		2018/19	
	Number	**Value £000**	Number	Value £000
Losses:-				
Cash Losses	**1**	**0**	3	0
Fruitless Payments and Constructive Losses	**0**	**0**	0	0
Bad Debts and Claims Abandoned	**0**	**0**	41	6
Damage to Buildings, Property etc. (including Stores Losses)	**3**	**42**	3	54
Total Losses	**4**	**42**	47	60
Special Payments:-				
Compensation (Under Legal Obligation) Payments	**0**	**0**	0	0
Extra Contractual Payments	**0**	**0**	0	0
Ex-Gratia Payments	**19**	**22**	11	4
Special Severance Payment	**0**	**0**	0	0
Extra-Statutory and Regulatory Payments	**0**	**0**	0	0
Total Special Payments	**19**	**22**	11	4
Total Losses and Special Payments	**23**	**64**	58	64

Trust

	2019/20		2018/19	
	Number	**Value £000**	Number	Value £000
Losses:-				
Cash Losses	**1**	**0**	3	0
Fruitless Payments and Constructive Losses	**0**	**0**	0	0
Bad Debts and Claims Abandoned	**0**	**0**	41	6
Damage to Buildings, Property etc. (including Stores Losses)	**1**	**8**	3	54
Total Losses	**2**	**8**	47	60
Special Payments:-				
Compensation (Under Legal Obligation) Payments	**0**	**0**	0	0
Extra Contractual Payments	**0**	**0**	0	0
Ex-Gratia Payments	**11**	**19**	11	4
Special Severance Payment	**0**	**0**	0	0
Extra-Statutory and Regulatory Payments	**0**	**0**	0	0
Total Special Payments	**11**	**19**	11	4
Total Losses and Special Payments	**13**	**27**	58	64

Losses and Special Payments have been accounted for on an accruals basis but exclude provisions for future losses.

There were no clinical negligence, fraud, personal injury, compensation under legal obligation or fruitless payment cases

The Trust did not make any gifts to individuals or other third parties during the year (2018/19: £nil).

Annual Report 2019 to 2020

Chesterfield Royal Hospital NHS Foundation Trust
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