NHS
Dartford and Gravesham
NHS Trust

2019

2020

ANNUAL REPORT

Care with compassion | Respect and dignity | Striving to excel | Professional standards | Working together

NHS
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NHS Trust

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Welcome from the Chief Executive and Chair

Welcome to our 2019/20 Annual Report.

We would like to begin by thanking the staff at the Trust for their dedication, skill and commitment throughout what has proven to be a very challenging year. Despite the many challenges, the Trust has continued to provide high quality, safe care to the communities it serves and has worked collaboratively with partners in health and social care to develop strong, helpful partnerships.

In the spring of 2019, the Trust was very pleased to receive an overall rating of Good from the Care Quality Commission (CQC), this was an improvement from the previous two ratings that the Trust had received. The Trust hosted a two day unannounced CQC inspection, together with an NHSI/E Use of Resources Assessment and a CQC Well Led Assessment. The CQC inspectors visited a number of core services including the Emergency Department, Adult Medicine and Surgery. All areas visited were positive about the inspection and very pleased to have had the opportunity to demonstrate the changes and improvements since the last inspection in 2017. As an organisation we are keen to learn and welcomed the CQC highlighting areas for improvement, most of which we have already rectified.

The financial position of the Trust has been challenging throughout the year. The Trust has supported front line staff to be far more involved in managing their own budgets and improve efficiency and the creation of the new Delivery Unit has helped us to manage our cost improvement programmes. However, remaining in financial balance and reducing our spending on temporary staffing has remained a problem. We are pleased to say that we did complete the year within our financial control total for the first time in 3 years, but we still have a lot of work to do over the coming year to make sure we continue to live within our means.

There have been a number of executive and leadership changes during the year and these are detailed within the report. These changes, at a senior level, have supported organisational structure reconfiguration and strengthened the Trust's ability to be flexible in its approach to the emerging external environment and to support system leadership both locally and regionally. We are committed to implementing a model of compassionate leadership and Continuous Quality Improvement (CQI) across the organisation with recognition that decisions are best made by those closest to the issues. Moving towards a representative model of staff engagement and shared governance has been part of our preparation this year for the opening of our new CQI Academy in 2020. The establishment of our new Equality, Diversity and Inclusion Committee also reflects our commitment to all staff feeling a strong sense of belonging within the organisation.

The Trust remains committed to delivering the key operational standards. The Trust has not been able to consistently meet the A&E four hour wait standard but has continued to work with partners and external advisers to adopt and embed national best practice to ensure high quality patient care. You will see from this report that good progress has been made on the majority of our targets and Key Performance Indicators. Our patients continue to give positive feedback on the care they receive and the compliments we receive far outweigh complaints. However, at times this year we have left patients waiting too long to receive responses to their complaints so we have implemented a new, leaner way of managing complaints which we are confident will improve feedback to patients.

The development this year of Integrated Care Partnerships both in Dartford, Gravesham and Swanley and in Bexley have proven to be positive and will ultimately lead to better integrated care for the patients and communities we serve in North Kent and South East London. The Trust continues its alliance with Guy's and St Thomas' NHS Foundation Trust and as part of this has embraced a Dartford and Gravesham NHS Trust (DGT) bespoke Nightingale Project to improve patient safety and standardise practice across the ward areas.

As we write this report, we are in the middle of the Covid19 pandemic, which is probably the most challenging experience of most of our careers. The Trust had a very busy winter and immediately stepped into managing this challenging major incident. We would like to pay tribute to the resilience, skill and determination of all our staff and our dedicated volunteers at this very difficult time. Trust staff have also received fantastic support from local people and community groups during the pandemic, for which we are sincerely grateful. We prepared very well for the surge of patients with Covid19 and the Board and leadership team have put in place strong support systems to ensure patients and staff are protected and kept safe.

We hope you enjoy the annual report and reading about the many achievements and challenges within the organisation this year. We are currently working on our Strategy for 2020-2025 and look forward to sharing that with you over the coming months.

Louise Ashley
Chief Executive
18 June 2020

Peter Coles
Trust Chair
18 June 2020

Our values

The Trust is incredibly proud that as an organisation we are known for delivering safe, high quality care, and for being a friendly and welcoming organisation for both patients and staff. The values and behaviours that we display at work are critical to whatever we do.

Delivering care with compassion is every bit as important as providing technical excellence. Often it is the kindness, respect and dignity that is remembered long after the treatment has finished. By working together as part of a team our successes can inspire others to strive to excel. By maintaining our reputation for professional standards and safe, high quality care, we can instil confidence in our community.

CARE WITH COMPASSION

- **Simulation suits introduced to help staff understand the constraints that patients may have**
- **Emergency Surgical Clinic launched which avoids A&E**
- **Introduction of 'this is me' wristbands for patients with Dementia**

RESPECT AND DIGNITY

- **Equality, Diversity and Inclusion Committee established**
- **New dignity screens introduced in Outpatients**
- **Reduction in mixed sex accommodation breaches**
- **'No Excuse for Abuse' campaign**

STRIVING TO EXCEL

- **CQC Inspection rated the Trust as GOOD**
- **Occupational Therapy nominated at the Chief Allied Health Professions Officer (CAHPO) Awards**
- **The Research and Clinical Audit & Improvement Competition**
- **Junior Doctor Service Improvement projects**
- **The Obstetrics and Gynaecology team at the Trust highly commended by Royal College of Obstetricians and Gynaecologists for the experience it provides to trainees**
- **Artificial intelligence and Radiology, and IT innovations**

PROFESSIONAL STANDARDS

- **Nightingale Project and ward accreditation embedded**
- **Overseas nurses successfully pass the Objective Structured Clinical Examination (OSCE) assessments**
- **Celebrating Success showcase of successful projects**
- **Cancer wait times 7th best in the country**
- **Trust accredited British Society for Gynaecological Endoscopy (BSGE) Endometriosis Centre**
- **Urogynaecology team's unit re-accredited by the British Society of Urogynaecology (BSUG)**

PROFESSIONAL STANDARDS

- **Covid19 Trust response and adaptation**
- **GSTT Healthcare Alliance continues and flourishes**
- **Exercise Barrel - a Chemical, Biological, Radiological and Nuclear (CBRN) exercise took place with Kent Fire and Rescue, the Trust and Emergency Preparedness, Resilience and Response (EPRR) students**
- **Patient and Public Experience and Engagement events**
- **Joint service established with mental health for patients needing acute inpatient treatment**

Our volunteers

The support provided by our network of volunteers across the Trust is vital and the Trust is extremely grateful to our wonderful team of volunteers who generously give up their time for free, bringing their energy and enthusiasm to enhance patient experience, and valuable skills to assist staff in many areas. By generously giving up their time they help to relieve pressure on staff by being able to spend more time accompanying our patients, and lending their skills, experience and knowledge to the non-clinical business of the Trust.

Currently we have around 173 active volunteers at the Trust, which is 23 more than last year. These dedicated volunteers gave us 23,400 hours of their time for free last year.

There are a variety of ways that our volunteers contribute to the Trust, on the wards and in admin areas. Our Meet and Greeters welcome patients and visitors, and guide them to their destination. Our chaplaincy service help deliver spiritual support and our Valley Park Radio volunteers offer free entertainment to patients at their bedside, and now also over the internet so patients can continue listening once discharged. Our Dementia Buddies and Caring Companions help support nursing staff care for patients with dementia and other cognitive impairments. We are grateful for all the roles played on the wards and in other areas.

In particular, during times of increased demand on NHS services, such as during winter and at times of national major incidents such as Covid19, when we see more hospital admittance and volunteers can help free up staff to concentrate on the clinical care and can add value to the patient experience. In January 2020 we celebrated the commitment of our volunteers at our annual Volunteers Get Together. Louise Ashley, CEO, Siobhan Callanan, Chief Nurse and Bas Sadiq, Director of Improvement, attended and thanked our volunteers for all the time and energy they give to the Trust. Long Service Awards were given out, and the Voluntary Services Team had organised a buffet lunch and a quiz to encourage volunteers to socialise and get to know each other and their roles.

The Trust received a grant from NHSI/England during the winter (2019/20) to support the services offered by Voluntary Services within the Trust. The emphasis was on a ‘rapid response’ role, which would mean volunteers onsite, or those off-site could respond to appeals for help should a particular department need additional support. We also concentrated on growing our team of ward based Nightingale Volunteers to assist at meal times, and our PAT (Pets as Therapy) volunteers, to provide comfort, companionship and distraction to patients on wards and outpatient areas. During this time of focus we increased our volunteer numbers from 134 to 173 between January and March. Bearing in mind the stringent NHS checks our volunteers go through which usually takes up to 4 weeks, this was quite an achievement.

Like all other areas of the Trust in March we saw the arrival of Covid19. The ‘at risk’ government advice had a profound effect on our volunteer numbers. Many who were not ‘at risk’ continued until the government advised all non-essential socialisation should be avoided, and most of our volunteers, whether due to their own situation or health, or that of someone in

their household, understandably felt that 'volunteering' was non-essential. We have placed all these volunteers on hold until it is considered safe for them to return. We of course support their decision, and have been following NHS England's guidance around volunteering during the Covid19 pandemic. We have seen an influx of applications to support our Trust but are unable to carry out the checks at this time. The launch of NHS England's national volunteering scheme through the Royal Voluntary Service and https://www.goodsamapp.org/NHS has seen an overwhelming response and has recruited these individuals quickly. We are hopeful that these volunteers, who answered the call to action, will wish to support the NHS beyond this emergency, and an NHS Volunteer Passport will allow them to be absorbed into local NHS Trusts.

Valley Hospital Charity

The Trust's Valley Hospital Charity (registered NHS Charity (No. 1050861)) and its special funds have continued to receive a great deal of support from the local community, patients and their families over the last year. Increasingly supporters of the Trust show their appreciation for our NHS staff by making a donation to our charity. We are making further links with local businesses, schools, clubs and groups to see how they can get involved and support their Trust and its patients. We now receive a regular stream of online donations through our Charity website https://www.valleyhospitalcharity.org.uk and our

special appeals continue to receive a great deal of support from the local community. The charity has been able to support some large purchases this year, including Digital Breast Tomosynthesis for 3D breast imaging at £73,000, and supporting a pilot using Artificial Intelligence to read lung x-rays to detect cancer at £90,000. In light of the Covid19 pandemic we launched a Staff Well-Being Appeal supporting frontline staff to keep morale up as they care for patients with the Covid19 virus.

Ride4Life2019 saw 27 riders cycle 350 miles across 3 countries to raise £70,000 for our Breast Cancer Unit and our Special Care Baby Unit. The ride started dry from Darent Valley Hospital early on Wednesday 12 June 2019, but by lunchtime the rain arrived and was relentless until the team arrived in Calais, France that evening. The rain followed the riders for most of the 4 days in the saddle, through France, across Belgium and then into Holland. They arrived at the Rijksmuseum, Amsterdam, on the afternoon of Saturday 15 June to much welcomed sunshine.

Stride4Life, our annual sponsored walk and fun day, took place on Sunday 14 July 2019. Held in the grounds of Darent Valley Hospital, the day is open to the public, patients and staff. The event was compered by DnP Events, with 200 walkers taking part in the 3 different distance walks to raise sponsorship for Valley Hospital Charity's Cancer Fighting Fund. The entertainment in the arena was launched by a procession of bagpipers from The City of Rochester Pipe Band, there were a number of stalls to visit and prizes to be won. Stride4Life activities raised £28,000 in 2019, bringing the total up to £488,000; nearly half a million raised to benefit cancer patients since 2004. At the event Joan Warwick, the event Founder and Chair of the Stride4Life Committee announced that she was stepping down from the organisation of this large event. Other members of the Committee who had been with the event since it began also stepped down. Joan and the Committee have been thanked for all their contributions to the Trust and particularly the money they raised to introduce world class Cancer treatments to our NHS Trust. Unfortunately the inaugural Little Buds Ball planned for Saturday 27 June 2020 to raise money for the special care of babies is now on hold, and expected to be cancelled due to Covid19.

It is testament to the quality of care provided by our staff that we have such support from grateful patients and relatives, and reflective of our reputation and the good work the charity does to secure support from local businesses, schools and religious/community groups. Valley Hospital Charity has its own website, which has allowed the charity to receive online donations and for supporters to create fundraising pages within the site. This has also provided a greater opportunity to showcase how charitable funds have been used to improve patient experience, by enhancing the hospital environment, investing in new equipment, and providing the little extras that can make such a difference to a patient's time in hospital. We remain grateful to the generous donations made to our charity and to all those fundraisers who support us throughout the year.

Section 1:

Performance Report

Overview of Dartford and Gravesham NHS Trust and its legal establishment

The purpose of this overview is to give you a short summary that provides sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. The annual report is designed to give a balanced view of the Trust and its performance and to highlight and celebrate its achievements.

Dartford and Gravesham NHS Trust (the Trust) came into force as a legal entity on 1 November 1993 and our headquarters is at Darent Valley Hospital in Dartford, Kent.

In October 2013, the Trust took on a number of services at Queen Mary's Hospital, Sidcup, and Erith and District Hospital as part of the dissolution of the South London Healthcare NHS Trust. In addition, the Trust provides services in Gravesham Community Hospital in Gravesend as well as a number of community locations across our population. The Trust offers a comprehensive range of acute services, with a bed-base of c500, to around 400,000 people in North Kent and South East London.

Darent Valley Hospital (DVH) opened in September 2000. The hospital building is run as part of a Private Finance Initiative (PFI). This means the building is owned by a private sector company, The Hospital Company (Dartford) Limited, and the Trust leases the building. DVH has inpatient beds and specialties that include day-care surgery, general surgery, trauma and orthopaedics, cardiology, maternity and general medicine. During 2019/20 the Trust ceased providing rehabilitation services at Elm Court, which was located in Priory Mews Nursing Home in Dartford. Following this decision the Trust's Care Quality Commission registration and statement of purpose was amended to reflect the change.

The services provided by the Trust at Queen Mary's Hospital (QMH) include elective inpatient and day surgery and outpatient services in general surgery, urology, orthopaedics, gynaecology, medicine and paediatrics, in addition to diagnostics and therapies. Erith and District Hospital provides X-ray services. Oxleas NHS Foundation Trust is responsible for the buildings at Queen Mary's and Erith and District hospitals and the Trust works closely with them and the other provider organisations operating from these sites.

The Trust's priorities in 2019/20 have been as follows:

- Maintain and improve the quality of services delivered by DGT
- Make DGT a great place to work for everyone
- Implement and embed the clinical and organisational strategy
- Deliver the 2019/20 financial plan
- Deliver all NHS constitutional and contractual standards

The achievements against these priorities will be detailed later on in the report.

Performance Report

The performance report that follows is one part of the Trust's Annual Report and Accounts. The auditor's report on the accounts can be found later in the document including their assessment of value for money.

The NHS as a whole continues to be under unprecedented pressures with growing demand, workforce shortages and financial constraints. The 2019/20 financial year has certainly had its challenges for the Dartford and Gravesham NHS Trust. Despite this the Trust has taken pride in changing and adapting to meet these challenges and our annual report highlights where and how these changes have made a difference to our patients, staff and volunteers and how proud we are of our delivery of quality care to our growing population. The Trust has continued to do this in a number of ways including continuing to work with many different organisations across boundaries to give patients the best experience possible.

43,250 Planned admissions compared to 42,600 in 2018/19

132,840 Emergency attendances compared to 132,240 in 2018/19

36,450 Emergency admissions compared to 36,560 in 2018/19

4,867 Babies born compared to 4904 in 2018/19

210,550 New outpatient appointments compared to 205,660 in 2018/19

13,000 Facebook and 3,800 Twitter followers

c.400,000 population served across Dartford, Gravesham, Swanley and Bexley

Services delivered by 3,443 staff

173 Volunteers

One of the most challenging areas this year has been the flow of patients through the hospital despite the best efforts of the Emergency Department and the areas that take on the patients following an emergency admission. Measures have been put into place across the health economy to support the flow but the acuity of patients has increased and the average phase of acute care has increased in duration. The Trust has worked with external partners to look at how we improve patient care at the front end and how we can see and treat patients in the right setting and where appropriate prevent patients coming into hospital. However, despite heroic efforts, the Trust has not been able to consistently achieve the nationally set A&E waiting time targets and on occasions our patients have experienced longer waiting times than we would want and for this we apologise. This is an area that our dedicated staff are constantly looking to improve and as a Trust acknowledge that there is still more that we can and will do.

Managing the Trust's financial position remains a significant challenge and it is pleasing to report we achieved our £11.7m control total deficit thus securing agreed central funding support to achieve a technical breakeven position.

This has contributed to the Trust being able to invest in clinical areas and the installation of new equipment and facilities including the new mammography suite at Queen Mary's, Sidcup and the refurbished Catheter Laboratory at Darent Valley Hospital. As previously, the Trust prepares its accounts as a going concern. Full information can be found within the financial statements of this report.

In order to meet some of the leadership challenges the Trust has reconfigured its structure and governance allowing the introduction of shared governance and promoting shared understanding of issues and risks. The shared governance model encourages personal and professional leadership and development whilst focussing on improving patient safety as well as patient and staff experience.

During the year there have been some changes to the executive and senior leadership team of the Trust. We would like to take this opportunity to thank all individuals and teams who worked hard during this transition period to ensure that there was a clear focus on the delivery of safe patient care.

The Board regularly receives the Board Assurance Framework (BAF) which outlines the significant risks to the achievement of the organisation's strategic objectives. Each of the risks in the BAF has an Executive Director to whom it is assigned. Each designated risk handler regularly reviews their respective BAF risks and all risks are overseen by a sub-committee of the Board and discussed and explored before they are presented to the Board for its overall and collective review.

With regard to the oversight of risk in the organisation the Board Assurance Framework is the tool that the Board uses to seek assurance of the delivery of the corporate objectives each year. This year saw a change in the way that the Board sought its assurance with each identified risk being allocated to an executive lead and either a sub-committee or the Board itself for monitoring and assurance. The Board have oversight of all strategic risks and those risks that appear on the corporate risk register and it is used to promote discussion and debate.

These changes have also helped the Trust to achieve remarkable performance over the last year, including being 9th in the whole country for positive cancer waiting times. Whilst the Trust remains committed to delivering all the key operational standards, this has not been possible to do consistently over the year and the Trust is continuing to innovate and work with partners to ensure that patients are seen in the right setting. Whilst the Trust has felt busy over the last 12 months the actual activity figures do not show a significant increase from 2018/19. All of our performance activities can be found in full within the monthly Trust Board reports which can be found on our website www.dgt.nhs.uk.

To support the significant changes and improvements there has been considerable engagement from staff at all levels within the organisation in making the Trust a great place to work for everyone. We have seen relatively stable rates in staff retention and vacancy rates fall following a number of successful recruitment events, overseas recruitment and measures to improve bank pay and conditions. The Trust has created more opportunities for staff to engage directly with executives and senior managers both formally and informally, including spring, summer and autumn CEO forums, the establishment of a sub-committee of the Board for Equality, Diversity and Inclusion which has a large attendance and following in the Trust and our embedded Freedom to Speak Up Guardians. The Trust has focused on reward and recognition through the monthly STAR award presentations for staff and celebratory events across the year. Retention and recruitment forums were also formed in our Divisions with a centralised group meeting monthly to agree a strategy and priorities for the next 3 years; all developed through significant engagement with staff at all levels and professional groups.

The staff survey results confirmed a broadly average experience for staff in our Trust compared with our acute Trust peers. Staff engagement is an area that staff told us we need to continue to work on and there are plans in place to address this in 2020/21 through the creation of quality councils, listening posts and changes to our Equality, Diversity and Inclusion forum to be a council rather than a committee, ensuring all staff are encouraged to engage with it and formal structures do not create any unintended barriers to engagement. A working group will support the council, which will build on the engagement and work started in 2019/20.

The Trust continues to work with partners across Kent and South East London which adds value to the patient pathways, the education of our clinicians and the strategic direction of the Trust. The Trust, as the founding member of the Guy's and St Thomas' (GSTT) Healthcare Alliance, continues to work as part of the Alliance to deliver better patient care. This is achieved by developing our healthcare professionals through partnering with GSTT on a number of project and patient pathways, embracing innovation and leveraging scarce resources. Locally there has been an increase in the development of system working and the Trust remains closely involved in the emerging Integrated Care Partnerships (ICPs) and the wider Integrated Care System (ICS). We are looking forward to supporting the further development of these changes over the coming year.

The Trust Board meets eleven times a year in public, and its agenda is focused around the key aspects of quality, productivity and innovation, assurance and strategy. A dynamic programme of agenda items is

actively managed throughout the year to ensure the Board receives the information, and considers the matters it requires to perform its duties efficiently and effectively. Although Covid19 arrangements took effect during March 2020 this was after the March Board and therefore it did not disrupt the Board 2019/20 arrangements.

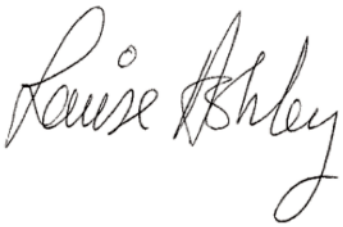
The Board has established a number of committees, to support it in delivering its duties and responsibilities. Each sub-committee receives a set of regular reports, as outlined within their terms of reference and provides a summary to the Trust Board after each meeting. This year the Trust has introduced an additional sub-committee of the Board and now has an Equality, Diversity and Inclusion Committee, its first meeting took place in April 2019. The importance of the triangulation of understanding, challenge and assurance between committees is recognised and reflected through cross membership and reporting mechanisms.

The final quarter of the year the Trust, like the rest of the world, had to deal with the Covid19 virus and continues to do this. The Trust followed national guidance to protect staff and treat patients over a sustained period of time. The Trust managed the unprecedented situation and with staff flexibility continued to provide effective, quality care for our patients whether they were on the Covid19 pathway or not.

Despite all the challenges the Trust enthusiastically welcomed CQC inspectors during the summer of 2019 and was very proud to receive an overall rating of GOOD. At the same time as the Care Quality Inspection we were also assessed by NHS Improvement in relation to our use of resources. The Trust continues to receive many expressions of thanks from our patients and our rating via the Family and Friends Test remains high.

I hope that you will find this is a balanced report for the year and that you will welcome the opportunity to share in our successes. At times it has been incredibly tough and on behalf of the Board, I would offer my sincere thanks to all staff and remind them of our appreciation of the importance and genuine value of the work they do in support of our patients.

To the best of my knowledge, the information in this report is accurate.



Signed:
Date: 18 June 2020
Louise Ashley
Chief Executive

Performance Analysis

The Trust ended the 2019/20 financial year by delivering its control total therefore achieving a technical breakeven position after qualifying for £11.7m of central funding support.

The Trust staff survey results are broadly in line with national average for acute Trusts. The Trust's results compare favourably to the results of acute Trusts in the Kent and Medway area. As in 2018, the Trust again carried out a census survey and a response rate of 44% (the national average was 47%) was achieved which mirrored the 2018 response rate. Of the 11 themes, only one area, staff engagement shows statistically significant change from the Trust's 2018 survey results. This is an area that staff told us we need to continue to work on and there are plans in place to address this in 2020/21 through the creation of quality councils, listening posts a new Equality Diversity and Inclusion Council and working group which will build on the engagement and work started in 2019/20.

The Trust continues to be involved in a number of collaborations. It is part of two Sustainability and Transformation Partnerships, one for Kent and Medway and the other in South East London and is a founding member of the Guy's and St Thomas' Group Alliance.

The Trust is actively engaged with the local community, primarily through social media and our volunteers. This year the Trust reached 3,800 followers on our main Twitter account and increased the numbers following the Trust on Facebook to around 13,000. There have been a number of public awareness videos made and uploaded to all the social media platforms including LinkedIn and Instagram. To increase awareness of vacancies the Communications team have worked with Human Resource colleagues to promote a 'job of the week' and the Trust's YouTube channel has been updated with in-house training videos for both staff and patients including patient focused hip and knee replacement videos shown to patients at the pre-operative stage of their treatment.

All NHS healthcare providers are required by law to be the registered with the Care Quality Commission (CQC) and the Trust had a number of services inspected by the CQC in May 2019. This was followed by an inspection of the Trust's leadership in June 2019. The Trust has been rated as GOOD overall and this rating assures patients and stakeholders that we are providing high-quality care. The full report can be viewed at https://www.cqc.org.uk/provider/RN7.

Performance against the 2019/20 plans

The Trust's annual objectives for 2019/20 were based on five themes, listed below, with a number of sub-objectives being identified for each theme:

- Maintain and improve the quality of services delivered by DGT
- Make DGT a great place to work for everyone
- Implement and embed the clinical and organisational strategy
- Deliver the 2019/20 financial plan
- Deliver all NHS constitutional and contractual standards

Maintain and improve the quality of services delivered by DGT

The Trust has in the last year continued to seek out the opinions of patients and other stakeholders on changes that would either maintain or improve the quality of services we provide. The Trust has had two patient experience engagement events during the year which have both been well attended. The Board encourages patient stories at their meetings and there have been a number of attendances from patients or their carers where learning has helped develop services or raised awareness of conditions. The Stakeholder Council continues to ensure local accountability for the services we provide. The Board has also received presentations from clinical teams which have highlighted the innovations and improvements being made in relation to patient care within the Trust.

Make DGT a great place to work for everyone

Making the Trust a great place to work for all staff will be a core part of our future organisational strategy, creating an environment where all staff are able to feel like they belong at work and enjoy work. Our approaches will be in line with the pending national NHS People Plan and build on the progress made in 2019/20.

There have been changes and improvements in the way in which the organisation is structured and governed. The clinical directorates have been re-organised into four clinical divisions which have a triumvirate arrangement with a Divisional Medical Director, an Associate Director of Nursing and Therapies (or equivalent) and an Associate/ Divisional Director of Operations. This means that there are clear structures in the organisation for governance purposes and so that staff know how to escalate and to whom.

The Trust has created more opportunities for staff to engage directly over the last 12 months with executives and senior managers both formally and informally. There have been spring, summer and autumn CEO forums and we have also established a sub-committee of the Board for Equality, Diversity and Inclusion which has a large attendance and following in the Trust. In 2020/21 our engagement approach will also include a Time to Engage campaign, and staff will have the opportunity to be a part of a quality council where groups of staff are supported to come together to decide on improvements needed and these are directly supported by the organisation as a whole – and will be able to make suggestions, and/or raise concerns through listening posts across the Trust.

Implement and embed the clinical and organisational strategy

The Trust has spent the last year looking at the organisational and clinical strategy and involving as many staff as possible. The strategy has been discussed in a wide variety of forums from CEO briefings, open staff forums, Board meetings, Trust leadership meetings and events and dedicated strategy development sessions. The Trust's ongoing strategy development has been supported by external consultants and was agreed at the March 2020 Board meeting. Due to the Covid19 pandemic the launch of the 5 year strategy has been delayed and the positive 'new normal' will be reflected in a refreshed document to take into account the excellent transformational improvements that have taken place as a result of Covid19.

Deliver the 2019/20 financial plan

The Trust delivered its agreed financial plan for the year, namely an £11.7m deficit prior to receipt of agreed central financial support. The Trust continued to face significant pay pressure through continued high levels of spend on temporary workers i.e. for agency and bank clinical staff in areas where the Trust continued to see higher than planned levels of activity e.g. A&E and emergency care. This on-going pressure was supported by £1.7m of additional non-recurrent winter pressure funding from the Department of Health and Social Care.

The Trust continues to deliver stretching efficiencies of £8.2m (75.2% of the £10.9m plan) without impacting on frontline care. The efficiency programme is supported by a central delivery unit and the main workstreams that delivered savings this year were regarding clinical redesign relating to reduced length of stay (including the closure of Elm Court and Oak Ward), Planned Care at QMH through reduction in Estates costs and over 200 lines of Directorates/ Divisional saving schemes including procurement efficiencies and vacancy slippage. The financial impact of Covid19 was minimal in 2019/20 with costs met centrally.

Deliver all NHS constitutional and contractual standards

Following some significant performance challenges in meeting the four hour A&E target and the 18 week referral to treatment (RTT) target, the Trust ended the year on track to meet agreed performance trajectories across all constitutional and contractual standards, with Cancer 62 Days performing above target across all four quarters of the year.

Executive directors identified the risks to the achievement of each of these objectives and reported on how these were being managed via the Board Assurance Framework (BAF). During 2019/20 the BAF was reviewed at each meeting of the Audit Committee, and by the Trust Board following an Audit Committee meeting. In addition, the Quality and Safety Committee, Finance Committee and Workforce Committee have reviewed strategic risks from the BAF which were relevant to their committees. During the year the way in which the BAF was monitored changed to take into account committee agenda items as part of the Board assurance process.

The Trust Board receives a monthly integrated performance report that sets out the performance against national and local key performance indicators (KPI's). Detailed analysis on actions taken and performance is reported to and monitored by the Trust Board and sub-committees on specific KPI's of national and local priority. In addition, the Trust maintains live clinical and business information systems accessible to all staff via the Trust Intranet with key performance metrics presented in summary dashboards. There are also intranet links to specialty reports associated with the dashboard data.

Organisational Structure

During 2019/20 the Trust re-organised itself into four clinical divisions following an interim clinical group arrangement which had been in place since January 2019.

Divisions	Medicine, Cancer and Emergency Care	Surgery, Critical and Planned Care	Children, Women and Radiology	Core and Integrated Services
Leadership Team	• Dr Jonathan Kwan, Divisional Medical Director • John Richardson, Clinical Director Pharmacy and AHP's • Dave Horne, Divisional Director of Operations • Caroline Bates, Associate Director of Nursing and Therapies	• Mr Abhi Gupta, Divisional Medical Director • Siva Kabilan, Associate Director of Operations • Kim Pennington - Associate Director of Nursing and Therapies	• Francoise Iossifidis, Deputy Medical Director • Felicity Canning, Divisional Director of Operations • Michele Ahluwalia, Director of Midwifery • Lynn Brooks, Head of Nursing for Children's Services	• Director of Operations Jonathan Wade
Specialties	• Emergency Department (inc. Paeds ED) • Acute Medicine Unit • Ambulatory Emergency Care • Medicine • Cancer • Endoscopy • Therapies • Pharmacy	• Surgery • Urology • Orthopaedics • Theatres • Anaesthetics and Critical care • Planned Care	• Paediatrics • Obstetrics • Midwifery • Gynaecology • Radiology	• Patient Flow • Outpatients • Site Team • Estates • Hospital and Home • Integrated Discharge Team • Mental Health • Emergency Planning • North Kent Pathology Service

System leadership

The Trust is part of a number of 'systems' both locally and regionally. The Trust is a member of the Kent and Medway Integrated Care System (ICS) and an associate in the South East London Integrated Care System.

The Dartford, Gravesham and Swanley Integrated Care Partnership is developing a collaborative alliance approach to improve the populations' health and well-being, reduce health inequalities and proactively support service users with integrated service delivery and personalised care. There are a series of workstreams that underpin the priorities and there is a governance system in place to oversee the successful delivery of the plans.

We continue to work in partnership with other clinical and administrative teams to harness skills and expertise across networks. Networks provide an opportunity to share pathways and policies, scarce clinical expertise, and jointly develop improvements that benefit a wider range of patients and staff as well as make the best use of NHS resources.

Emergency Preparedness

Throughout 2019 training and exercising ran parallel to EU Exit preparations. These included a live chemical incident exercise in the summer and Pandemic Flu table top exercise in the autumn of 2019.

The NHS has a set of core standards relating to Emergency Planning, Resilience and Response (EPRR) that NHS organisations are assessed against. This year the Trust had an overall rating of Fully Compliant. Our declaration of full compliance was signed off by the Trust Board in November 2019.

Whilst EU Exit preparations have not been required, the Trust has stood up to the Covid19 Pandemic major incident, temporarily halting the training and exercising programme. Learning and recovery will dictate the EPRR work plan into 2020/21 and the training agenda will resume in the summer.

Sustainability Report

Dartford and Gravesham NHS Trust recognises the impact it has on the local economy, society and environment. With climate change being one of the challenges facing our society, having considerable implications for health, both directly and indirectly, across the population, the Trust is committed to continually work towards integrating sustainability into its core business. By making the most of social, environmental, economic assets, the Trust can improve health, help to ensure critical care pathways remain accessible, growth in service use can be resourced sufficiently and minimise risk.

During 2019/20 alongside sustainability initiatives being led by lifecycle assessment, the Trust engaged external support to assist in identifying further energy efficiency improvements and review the current Sustainability Policy, to meet modern day requirements. Whilst the current Sustainability Policy is still under review, the Trust continues to follow its sustainability mission statement and is focussed to:

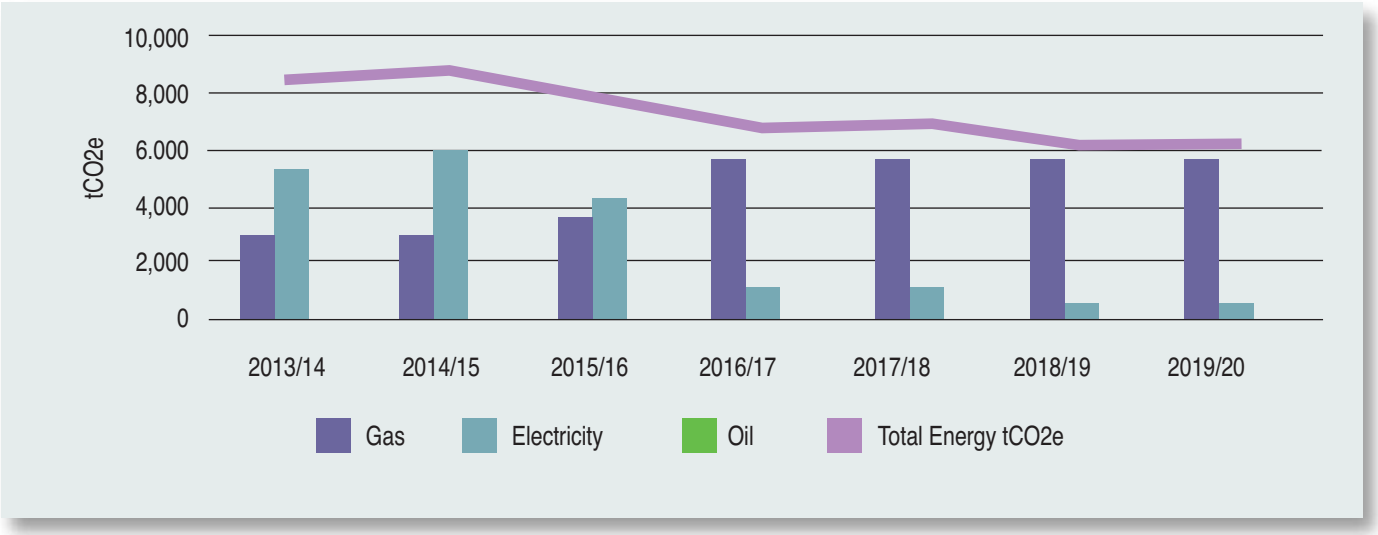
- Reduce carbon emissions
- Minimise the use of natural resources
- Prepare for adaptation to climate change
- Prepare local communities for adaptation to climate change
- Promote healthy lifestyles and environments
- Improve sustainability of clinical care models.

The next Climate Change Act 2008 target for the NHS, public health and social care system is a 34% reduction in carbon emissions from a 1990 baseline by 2020. This is equivalent to a 28% reduction from a 2013 baseline. At present Dartford and Gravesham NHS Trust are on track to meet this target, having already achieved a carbon emissions reduction from utilities, of 25% since 2013/14.

Utilities – Energy

This section provides a high level view of how the Trust is performing in relation to its energy performance and carbon emissions. The Trust has spent £1,353k on energy and emitted 6,288tCO2e in 2019/20. This represents an increase of 0.5% on the previous years' carbon emissions and a decrease of 25% on the baseline year of 2013/14.

Carbon Footprint from Energy



From the energy consumption and carbon emissions table below, it can be seen that in general terms, Dartford and Gravesham NHS Trust have successfully reduced their carbon emissions, year-on-year from the 2013/14 baseline. Energy efficiency measures implemented to support this include the installation of combined heat and power (CHP) in 2015/16 and more recently the gradual rollout of light-emitting diode (LED) lights along with some upgrades to building services plant and equipment as part of lifecycle assessment, as well as improvements to control strategies, optimising heating, ventilation and cooling plant.

One notable plant improvement, which the Trust anticipates to have a significant impact on electricity figures during 2020/21, has been the replacement of

Energy & carbon performance table from baseline year 2013/14

RESOURCE	UNIT	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Gas	kWh	16,685,620	15,226,049	19,670,516	30,974,494	30,910,799	30,450,616	31,035,692
	tCO2e	3,071	2,816	3,628	5,699	5,693	5,602	5,706
Oil	kWh	50	116,900	175,855	47,776	91,485	67,500	107,400
	tCO2e	0.01	31.81	47.66	13.20	25.24	18.67	27.58
Electricity	kWh	11,965,067	12,102,143	9,327,303	2,739,218	3,303,510	2,248,088	2,168,570
	tCO2e	5,330	5,982	4,311	1,129	1,161	636	554
Total Energy Carbon	tCO2e	8,401	8,830	7,987	6,841	6,879	6,257	6,288
Emissions Total Energy Spend	£	1,490,955	1,446,400	1,257,320	1,184,914	1,184,297	1,173,487	1,353,166

two boiler pumps that were swapped out during late 2019. The new direct drive pumps are half the size of the old pumps and as such, are estimated to save 46% on energy consumption, compared to the previous installation. This equates to an estimated saving of 59,107 kWh, which is the equivalent to 15tCO²e.

Due for replacement at the end of May 2020 is a main site water chiller. From initial calculation, the more energy efficient replacement chiller is anticipated to achieve annual electricity savings of 24,602kWh, which is the equivalent of 6tCO2e. With the new boilers already in place, the chiller about to be replaced, continuing to roll out LED's and the potential to identify some further opportunities for improving energy efficiency, the Trust hopes to not only meet the above mentioned Climate Change Act 2008 target of 28% by 2020, but exceed it.

Utilities - Water

Dartford and Gravesham NHS Trust suffered a significant water leak during the previous year, which therefore unfortunately saw a significant increase in consumption. The effects of which, still appear to be evident within the current year 2019/20 water consumption data. The Trust will continue to monitor water consumption and seek efficiency measures to reduce water consumption. Presently, we are investigating the opportunities of implementing an electronic auditing system for low usage outlet flushing.

Over the past year the Trust has continued to work with its staff and partner organisations to reduce the Trust's impact on the environment, we have done that by encouraging and supporting our partners to consider specifying energy efficiency projects and equipment replacements within the built environment. The Trust has also actively encouraged sustainable behaviour change through maintenance of the sustainability champions network (also known as the Greenwatch Network) and regular internal communications.

As previously mentioned above, the Trust's current Sustainability Policy is under review and is being revised to form a modern 'Green Plan', formerly known as a Sustainable Development Management Policy (SDMP), and associated Sustainable Development Action Plan (SDAP). Once Board approved, it is anticipated that key stakeholders across the Trust will form a Sustainable Steering Group, to have overall responsibility for implementation of the SDAP.

Water performance table from baseline year 2013/14

WATER	UNIT	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	m3	107,581	101,794	108,309	89,935	91,943	111,683	110,101
	tCO2e	113	107	114	95	97	117	116
Total Spend	£	250,634	166,455	210,563	203,415	210,549	228,552	230,725

Annual Plan 2020/21

The Trust has been developing its refreshed Trust strategy over the last 6 months, through staff CEO forums and a variety of staff meetings. Staff have been asked about what really matters to them regarding the future of Dartford and Gravesham NHS Trust. At the Board strategy development workshop in January, six broad strategic themes emerged. The Board tasked the Executive Directors with developing a set of proposed strategic priorities for Board approval in March. During the month of February, Trust Board sub-committees reviewed and agreed the proposed strategic priorities and objectives relevant to each committee.

The six priorities cover the areas of Quality, Finance and Operations, Workforce, Digital, System Engagement and Continuous Quality Improvement. However, the way in which the Board assures itself and measures performance against delivery of the objectives, is key to our ongoing success. Therefore, going forward the Trust strategy is aligned to Trust improvement and transformation programmes and other Trust strategic activities. Work on the strategy and annual objectives was temporarily halted with the onset of Covid19 in March 2020.

Section 2:

Accountability Report

Financial Performance 2019/20

The statutory breakeven duty is formally measured over a three year period or a five year period, if agreed with NHS Improvement. The Trust has agreed a 5 year period. The requirement is to achieve breakeven on an Income and Expenditure basis within an allowable tolerance of 0.5% of turnover. In 2019/20, the Trust reported a £2.6m surplus against the breakeven duty (year 5). This resulted in a cumulative deficit position of £26.4m, 8.9% of turnover (year 5). The in-year breakeven duty deficit is different to the deficit reported against the control total due to IFRS impact of reporting PFI "on balance sheet".

The Trust's Statutory and Department of Health Financial Duties

As an NHS Trust, the organisation has a number of statutory and Department of Health financial duties, which are explained below:

- **Breakeven duty awaiting DH re option for 5 year period**
  As a result of the accumulated financial performance over the last five years the Trust was determined not to meet the requirements of the Breakeven Duty.

- **Capital Cost Absorption Duty**
  The Trust is required to achieve a Department of Health target rate of return on capital employed of 3.5%. The Trust achieved this target in 2019/20.

- **External Finance Limit (EFL)**
  The Trust is required to demonstrate that it has managed its cash resources effectively by staying below an agreed limit on the amount of cash drawn from the Department of Health. The Trust delivered an under spend of £8.9m EFL.

- **Capital Resource Limit (CRL)**
  The Trust is expected to manage its capital expenditure within its agreed CRL. The Trust delivered £11.7m of capital expenditure, including £0.4m Covid19 capital expenditure and donated assets as reported to the Trust Board and NHSI. The Trust stayed within CRL of £11.3m after adjustments for donated assets and asset disposals were taken into account. An additional CRL cover for lifecycle capital costs was adjusted however this was not required because of the PFI model; this resulted in an 'undershoot' against CRL which is permitted.

- **Better Payment Practice Code (BPPC)**
  The Trust is required to pay its suppliers promptly in accordance with the Confederation of British Industry's BPPC and has also signed up to the Prompt Payments code. This requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust performance, against the BPPC target by value of 95%, was 94.2%, compared to last financial year of 88.8%. 93.4% of its trade suppliers were paid within terms this year, compared to 73.2% last year.

- **Adoption of going concern**
  "The FReM (financial reporting manual) states that: "The anticipated continuation of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern."

In the public sector an organisation is considered to remain a going concern if it is anticipated that services will continue to be delivered from the same location by a public sector organisation. Following the submission of a financial plan to NHS Improvement and the agreement of contracts with CCGs and NHS England there is sufficient certainty of the intention to continue providing services through the public sector in this location for the foreseeable future.

The Government have announced that interim capital and revenue loans, including working capital facilities at 31 March 2020 are to be extinguished via conversion to Public Dividend Capital (PDC). The issue of PDC in 2020/21, to effect the repayment of in scope debt, provides evidence that the classification of this debt at 31 March 2020 should be as a current liability, rather than split between current and

non-current as the liability will be repayable within 12 months of the balance sheet date. PDC is to be issued to match the interim debt disclosed as a current liability.

The Trust has been set a breakeven plan for the next 4 months as part of the changes to the financial regime during the Covid19 pandemic.

It remains the case that the Government has issued a mandate to NHS England for the continued provision of services in England in 2020/21 and CCG allocations have been set for the remainder of 2020/21. While these allocations may be subject to minor revision as a result of the Covid19 financial framework, the guidance has been clarified to inform CCGs that they will be provided with sufficient funding for the year. Providers can therefore continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this.

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Signed:
Date: 18 June 2020
Louise Ashley
Chief Executive

Corporate Governance Report

Directors' Report

Trust Board

The role of the Trust Board is to determine the strategic direction of the Trust, to monitor in-year performance against its plans and ensure that the affairs of the Trust are well-managed. The Trust Board operates in accordance with Standing Orders, Standing Financial Instructions, a Scheme of Matters Reserved for the Board and a Scheme of Delegation. It also has a role in ensuring high standards are maintained.

The Trust Board comprises a Chair and five Non-Executive Directors, appointed by the Secretary of State via NHS Improvement, and eight Executive Directors (only five of whom have voting rights – [v] shown below), led by the Chief Executive. The Non-Executive Directors are all appointed on a fixed-term basis and bring a range of skills and expertise from outside the Trust. Their role is to hold Executive Directors to account.

The NHS and Trust recruitment guidance and policies are followed in all Board appointments, including open competition and the involvement of an independent external assessor as part of the process. The Executive Directors are recruited by a panel usually led by the Chair and Chief Executive.

The Trust Board meets monthly, in public (except for August when there is no meeting). The dates, times and venues are advertised in the foyer at Darent Valley Hospital and on the notice board at Queen Mary's Hospital, Sidcup. It is also on the Trust's internet site (www.dvh.nhs.uk) where agenda and papers for the public sessions are also made available.

All Executive and Non-Executive Directors have annual appraisals and identified performance development plans. They also undertake self-assessment in line with the fit and proper person's requirement (FPPR) and in line with NHS Improvement's quality governance framework. No issues or concerns have been raised. The Board has regular structured development sessions.

Director changes during 2019/20 are detailed in the Annual Governance Statement and the Remuneration and Staff Report.

Board membership at year-end is shown below along with Trust Board attendance.

	2019						2020						
Name	APR	MAY	MAY*	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Louise Ashley (v)	✔	✔	✔	✔	✔		✔	✗	✔	✔	✔	✔	✔
Julie Frake-Harris (v)								✔	✔	✔	✔	✔	✔
Steve Fenlon (v)	✔	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔
Siobhan Callanan (v)	✔	✔	✔	✔	✔		✔	✔	✗	✔	✔	✔	✔
David Stonehouse (v)							✔	✔	✔	✔	✔	✔	✔
Louise Lester	✔	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔
Bas Sadiq					✔		✔	✔	✔	✔	✔	✔	✔
Jonathan Wade												✔	✔
Peter Coles (v)	✔	✔	✔	✔	✔		✔	✔	✔	✗	✔	✔	✔
Lynn Gladwell (v)	✔	✔	✔	✔	✔		✗	✔	✔	✔	✗	✗	✔
Gill Jenner (v)	✔	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔
Karen Taylor (v)	✗	✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔
David Warwick (v)	✔	✔	✗	✔	✔		✔	✗	✔	✔	✔	✔	✔
Steve Wilmshurst (v)	✗	✔					✔	✔	✔	✔	✔	✔	✔

* Denotes extraordinary meeting ✔ denotes attendance ✗ denotes apologies grey areas show either where there was no meeting/ the individual was not part of the board for this period due to not being in post, on a sabbatical or through incapacitation.

Additional disclosures

Pension Liabilities

The treatment of pension liabilities is as noted in the accounting policy note in the accounts and the remuneration report.

Directors' Interests

The Trust has a proactive process requiring directors to make an annual Declaration of Interests, which is recorded in the Register of Interests. The Trust Board, and sub-committees of the Board, routinely asks for any conflicts of interests to be declared at the outset of each meeting, to capture any interests in respect of matters on the agenda. The Register of Interests is maintained by the Trust Secretary and is open to public inspection.

Notifiable interests of the Trust Board members in 2019/20 are set out below:

Name	Role	Notifiable Interest
Peter Coles	Trust Chair Chair of the Equality, Diversity and Inclusion Committee	Managing Director, Peter Coles Consulting Ltd (now dormant). His wife has her own consultancy business, Sara Coles Ltd, which provides services to the NHS.
Karen Taylor OBE	Non-Executive Director Audit Committee Chair Remuneration Committee Chair	Director of the Centre for Health Solutions at De loitte LLP, since November 2011.
David Warwick	Non-Executive Director Finance Committee Chair	Joint owner of Warwicks Ltd, a management and financial consultancy company.
Steve Wilmshurst	Non-Executive Director Quality and Safety Committee Chair	Co-Director, Aviemore Associates Ltd, a quality assurance consultancy.
Lynn Gladwell	Non-Executive Director Charitable Funds Committee Chair	No declared interests.
Gill Jenner	Non-Executive Director Workforce Committee Chair	No declared interests.
Louise Ashley	Chief Executive	No declared interests.
Julie Frake-Harris	Chief Operating Officer/ Deputy Chief Executive	No declared interests.
Steve Fenlon	Medical Director	No declared interests.
Siobhan Callanan	Chief Nurse	No declared interests.
Louise Lester	Director of Human Resources	No declared interests.
David Stonehouse	Interim Director of Finance	No declared interests.
Jonathan Wade	Director of Operations	No declared interests.
Bas Sadiq	Director of Improvement	No declared interests.

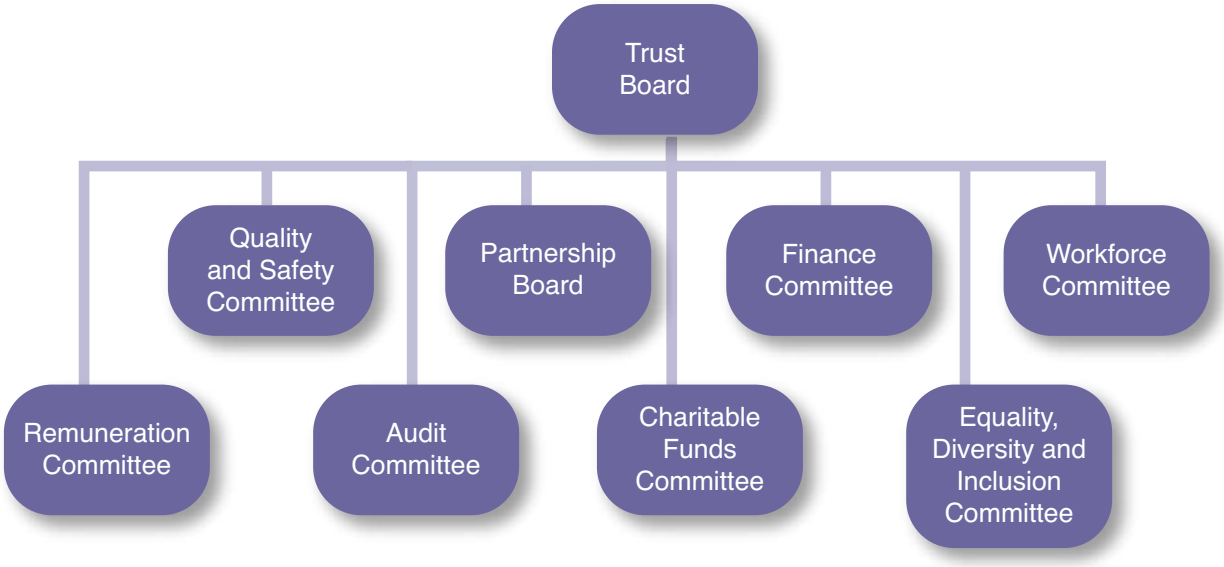
Statement of Directors' Responsibilities

Each Director confirms that as far as they are aware, there is no relevant audit information of which the Trust auditors are unaware, and they have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Cost allocation and charges for information

The Trust has complied with HM Treasury's guidance on setting charges for information as set out in Appendix 6.2 to the Treasury's 'Managing Public Money' guidance.

Board Sub-Committees



Audit Committee - supports the Trust Board in its responsibility to maintain the highest standards of conduct and accountability for its use of public funds by providing assurance on the Trust's internal financial controls and compliance with accounting and statutory standards. During the year, following Board development and advice from the external auditors, the Audit Committee changed the frequency of meeting from every two months to quarterly. The membership of the Committee consists of five Non-Executive Directors.

The Director of Finance, Assistant Director of Finance, the Medical Director and the Trust Secretary attend all meetings, together with internal and external auditors and other Executive Directors of the Trust as required. The Chair of the Committee presents the minutes of each Audit Committee meeting to the Trust Board. The Committee provides the Board with assurance through its reporting arrangements and other committees. The Trust Board also receives an Annual Report of the Committee's activities and an effectiveness report, ahead of the Board's consideration of the Annual Report and Accounts.

Quality & Safety Committee - is accountable to the Trust Board for the consistent implementation of good systems of clinical governance, clinical effectiveness and risk within the Trust. It is the overarching Committee providing the Trust Board with assurance on all aspects of clinical practice. The Committee meets monthly and is chaired by a Non-Executive Director.

Finance Committee - is responsible for ensuring the Trust has an appropriate financial strategy that monitors and scrutinises financial performance against plan. The Finance Committee is chaired by a Non-Executive Director and meets monthly. Membership comprises Non-Executive Directors, the Chief Executive and Director of Finance.

Partnership Board - is the forum where representatives from the Trust and its PFI partners

(The Hospital Company [Dartford] Limited and Serco) meet to discuss the strategic and operational development of the site and its services together with PFI contractual issues. The Partnership Board has a rolling chair between the Trust Chair and the Chair of the Hospital Company.

Remuneration Committee - the Chair and all Non-Executive Directors form the Remuneration Committee, which determines the rates of pay and contracts of the Executive Directors against an NHS Improvement framework. The Remuneration Committee is chaired by a Non-Executive Director of the Trust Board.

Charitable Funds Committee - oversees the governance of Dartford and Gravesham NHS Trust Charitable Fund (working name Valley Hospital Charity) on behalf of the Trust Board (in accordance with the Trust's duties as sole Trustee of the Fund). The Committee is chaired by a Non-Executive Director. Membership comprises a Non-Executive Director Chair, Director of Finance, Trust Secretary and officers of the Trust.

Workforce Committee - the Workforce Committee oversees all aspects of the Trust's approach to its workforce – in particular workforce planning, organisational development, resourcing, deployment and talent development – ensuring these are aligned with the Trust's strategy and business plans. Membership of the Committee includes Non-Executive Directors, the Director of Human Resources and officers of the Trust, with the Chair being a Non-Executive Director.

Equality, Diversity and Inclusion Committee - this committee was formed during 2018/19 with its first meeting in April 2019 and oversees equality, diversity and inclusion issues and initiatives from a staff and patient perspective. This Committee has representation from all the protected characteristics from across the Trust as well as Executive and Non-Executive representation.

Serious untoward incidents involving data loss or confidentiality breaches

The Trust ensures that information is appropriately and effectively managed, controlled, accessed and available for use. A risk assessment process is embedded to ensure that the severity of any information governance incident is considered consistently, with appropriate and timely action taken to address any associated risks.

The introduction of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 focussed attention on all flows of personal information held by the Trust for staff and patients. The Trust's information data flows and risks associated with these flows are reviewed annually.

It is essential that all incidents relating to actual or potential breaches in confidentiality involving personal identifiable information, including data loss, are reported appropriately through the correct channels. During 2019/20 there were five data losses or confidentiality breaches which were reported to the Information Commissioner's Office. All Information Governance breaches are assessed and reported to the Information Governance Committee which reports into the Quality and Safety Committee. All such incidents are risk assessed and action plans are put into place where necessary.

From April 2018 a new Data Security and Protection Toolkit (DSPT) replaced the Information Governance Toolkit (IGT). By completing the new toolkit, the Trust is able to demonstrate that we are implementing the ten Data Security Standards (introduced by the National Data Guardian) and as a consequence are meeting the statutory obligations on data protection and data security. The deadline for publication of the DSPT for 2019/20 has been extended until 30 September 2020 due to the impact of Covid19 as it is accepted that resources have been diverted to deal with the pandemic.

SUMMARY OF DATA SECURITY AND PROTECTION INCIDENTS REPORTED TO THE ICO AND/OR DHSC 2019-2020

Date of incident (month)	Nature of incident	Number affected	How were data subjects informed	Lesson learned
Jun-2019	Unauthorised Access – of Trust system	one	Not applicable - the incident was raised via a complaint.	Increased staff awareness of their responsibilities in relation to data quality and Information Governance. Extra PC installed in the department to improve working practices.
Jun-2019	Disclosed in Error – Printer malfunction	nine	A letter was sent to all patients affected.	Data Quality checks have been incorporated within staff roles - staff are to check every letter before posting. The printers are checked and updated regularly.
Nov-2019	Disclosed in Error – Clinic letters sent to an incorrect address and opened.	one	The patient was notified by phone.	Raised awareness to staff of the importance of data security – to ensure the address on the letter matches the address on the system.
Feb-2020	Unauthorised Access – of Trust system	one	Not applicable - the incident was raised via a complaint.	Re-iterated to staff that system access is auditable and staff should not access records that are not part of their job role.
Mar-2020	Disclosed in Error – breach of patient confidentiality	one	Not applicable - the incident was raised via a complaint.	Staff reminded of the importance of confidentiality and to be mindful of who is within earshot of conversations.

Statement of the chief executive's responsibilities as the accountable officer of the Trust

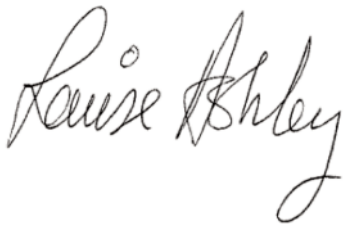
The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer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

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

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

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

Signed:
Louise Ashley
18 June 2020
Chief Executive



Annual Governance Statement

Scope of responsibility

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

This statement describes the governance framework that has been in place for the period 1 April 2019 to 31 March 2020, to assure the Board of progress against the Trust's planned objectives. The Executive Team and Board have been fully involved in agreeing the strategic priorities for the Trust, via the development and approval of the Trust's Annual Plan for 2019/20.

The Dartford and Gravesham NHS Trust provides in-hospital, outpatient and out-of-hospital services, with a workforce of 3,443 staff and revenue of c£250m. The Trust acknowledges its legal duty to safeguard patients, staff and the public and recognises that failure to manage risk effectively can lead to unacceptable harm to someone and can result in damage to the Trust's reputation and to financial loss for the organisation. The Trust Board has overall responsibility for corporate governance including safety, quality and risk management within the Trust and has legal and statutory obligations which demand that management of risk is addressed in a strategic and organised manner.

In addition to the internal governance and control framework, to fulfil the wider objectives of the Trust requires effective partnership working across the wider health community in both Kent and South East London. Key partnerships in 2019/20 included:

- The Hospital Company (Dartford) (THC)
- Guys and St Thomas's NHS Foundation Trust (GSTT) via the GSTT Healthcare Alliance
- Serco with regard to the provision of facilities management for the Trust
- Medway NHS Foundation Trust for the North Kent Pathology Service joint venture
- South East London and Kent and Medway STPs and the movement towards Integrated Care Systems
- Dartford Gravesham and Swanley CCG regarding system transformation initiatives including the local Integrated Care Partnership
- Close links with Canterbury Christ Church University and the University of Greenwich

In fulfilling my role as Accountable Officer, during the year 2019/20 I have:

- Continued to review and realign the responsibilities of the Executive Director team and during the year appointed a Chief Operating Officer to focus on operational performance enabling the Trust to engage more effectively on the Trust's strategic transformation
- Embedded a new Divisional structure within the Trust following a trial period. This has strengthened the management of the clinical teams
- Chaired the Clinical Directors and Executive Directors Board which, although not a formal committee of the Board, provides an opportunity for clinicians and Executive Directors to oversee the delivery of the clinical agenda for the Trust
- Chaired the Trust Leadership Team meetings which were introduced to support the governance of decision making and introduce shared governance formally within the organisation.
- Chaired the Executive Management Team meeting where I hold Executive Directors to account for delivering strategic and operational objectives relating to the overall performance of the Trust. This is not a formal sub-committee of the Board
- I Chaired the internal Health, Safety and Security Committee
- Maintained Board focus, through my monthly Chief Executive Report to the Board enabling scrutiny and challenge at both Board and sub-committee level. Additionally the Board approved the updated Risk Management Strategy during 2019/20 following scrutiny at the Quality and Safety Committee
- In addition to the internal governance and control framework, I have considered the broader objectives of the Trust and the partnership working that is required to achieve them. In addition to those already identified the Trust has fully engaged with NHS Improvement and the Care Quality Commission during the year through regular meetings and inspection visits. The Trust was rated GOOD overall following a formal inspection of core services and use of resources during 2019/20
- I Chaired the system wide A&E Delivery Board and the local Integrated Care Partnership.

Statement 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 Dartford and Gravesham NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently and effectively. The system of internal control has been in place in Dartford and Gravesham NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Risk Capacity

The Board has detailed in its Annual Governance Statement the mechanism and controls in place to ensure good governance including standing orders, risk management processes and an effective committee structure. The Board is satisfied that guidance on methods of good corporate governance is appropriate, up-to date and implemented.

The Medical Director is the Executive Director lead for risk within the Trust. All senior managers have risk

management as a defined responsibility within their job descriptions and are active components of the risk and control framework. In addition, all Divisions and sub-speciality Directorates have identified clinical governance and risk leads. There is a forum for clinical governance and risk management within each Division and the majority of clinical sub-specialties. The Trust has introduced a divisional structure during the year which has confirmed a triumvirate structure within the Trust to ensure that risks are considered from different points of view and are mitigated accordingly. Divisions present their highest risks to the Risk Management Committee on a rolling basis and directorate risks are also discussed in performance management meetings monthly.

Staff receive training on the management of risk in the core induction (for new starters) and the Risk Management Strategy is available to staff via the Trust's intranet, together with a comprehensive range of other policies and guidance. This includes the procedures for incident reporting, managing complaints, risk assessment, investigation of incidents, health and safety and 'being open' with staff and patients. The Risk Management Strategy was reviewed during the year and scrutinised by the Quality and Safety Committee before being approved by the Trust Board.

Additional advice on good practice can be obtained from a range of professional and specialist staff. The Trust has a Governance team whose remit includes clinical risk management, clinical governance (including clinical audit and effectiveness), complaints, the Patient Advice and Liaison Service (PALS) contacts, claims handling and the management of all clinical and non-clinical incident reporting.

The Trust has worked closely with NHS Improvement (NHSI), which is responsible for overseeing the performance management, clinical quality and governance of NHS Trusts. Performance against the national priorities set out in the 'Single Oversight Framework for NHS Providers' is discussed at the monthly Provider Oversight Meetings held between the Trust and NHSI covering the themes of quality of care; finance and use of resources; operational performance; strategic change; and leadership and improvement quality. Throughout the year, feedback from NHSI has remained positive with agreed actions which have been completed.

The Trust has a system of re-assessment of risk, through Divisional governance structures and through the corporate Risk Management Committee and through the Board Assurance Framework which is considered at both sub-committee and Board levels. Additionally the Board have considered risk level when looking at both internal and external reports and data, including an understanding of the Gosport Review.

The Trust was inspected by the CQC in May 2019, with the report issued in August 2019 and rating the Trust as 'good'. The previous report in 2017 had raised a number of issues against the well-led domain, including the organisational structure and accountability. The Trust has sought to address these since then and was rated 'good' in this area at the last inspection.

The risk and control framework

Risk assessment is a core aspect of the Trust's Risk Management Strategy. A comprehensive Risk Register is in place and consists of risks identified from across the organisation, at both corporate, divisional and directorate level. Within the register, an assessment is made of the level of current risk (based on a 5x5, likelihood x impact matrix), alongside details of the control measures required to mitigate the risk to the lowest practicable and/or acceptable level.

The management of corporate risks and/or those rated as 'high' is overseen by the Risk Management Committee which, in 2019/20, was chaired by the Medical Director. All Executive Directors are members of the Risk Management Committee. The Committee meets monthly to consider progress with actions to mitigate existing risks and consider the rating of newly-identified risks. The output of the Risk Management Committee's oversight is then received at both the Quality & Safety Committee and the Audit Committee, whose task is to consider whether the mitigating actions being taken are sufficient, in relation to the level of risk.

These identified risks form part of the Trust's overall

A number of new risks were identified in-year, but mitigated to an acceptable level. The risks rated as 'high' at the end of 2019/20 are described below:

Risk Identifier	Risk Description	Risk Score Likelihood x Severity
2216	Inability of the Emergency Department (ED) to consistently meet 4 hour ED measure; this can lead to delay in treatment; poor patient experience.	20 = 5 x 4
2219	Risk of not providing certain endoscopy procedures due to loss of Joint Advisory Group on GI Endoscopy (JAG) accreditation.	20 = 4 x 5
2218	Risk of harm to patients and decreased patient experience due to high bed occupancy.	16 = 4 x 4
2221	Risk of inadequate provision of Children & Young People Mental Health Service leading to sub-optimal care.	16 = 4 x 4
2228	Risk of the Trust not fully complying with safety alerts.	16 = 4 x 4
2238	Risk to patient care caused by insufficient nursing staff.	16 = 4 x 4
2217	Suboptimal patient care/experience/effectiveness and inability to embed service improvements.	16 = 4 x 4

In addition the Trust also has three Covid19 related risks, these are:

Risk Identifier	Risk Description	Risk Score Likelihood x Severity
1	Risk of harm to patients with Covid19 as a consequence of ineffective care during pandemic.	15 = 3 x 5
2	Risk of harm to patients without Covid19 as a consequence of change in clinical treatment and pathways.	20 = 4 x 5
3	Risk of harm to staff from indirect and direct effects.	15 = 3 x 5

response to Covid19. These risks have been overseen and managed by the Trust's Covid19 hub and have been reviewed, along with other corporate risks, at the Trust's monthly Risk Register Committee. These risks have also been reviewed by the Trust's Quality and Safety Committee.

The Trust has a Board Assurance Framework (BAF), which captures strategic risks to the achievement of the Trust's objectives. Each objective is led by an Executive Director, who has responsibility for managing the risks to its delivery, and overseen by at least one sub-committee of the Board. The Trust had 13 BAF risks during 2019/20 which came out of the five Trust objectives. The BAF is maintained by the Trust Secretary and is updated regularly through detailed reviews at both Board and sub-committee level. The full BAF is reported to every Audit

Committee. During 2019/20, as part of the Trust Board development the BAF was refreshed and the way in which the individual risks were monitored was modified. In changing the way the BAF is reviewed the sub-committees have been able to give assurance to the Board that the risks to the strategic objectives have been mitigated and managed appropriately through the evidence presented to them during the meeting or through agenda item discussions.

The BAF was reviewed by internal audit in February 2020 and was given a reasonable assurance rating. Actions on the recommendations made by TIAA, the Trust's internal auditors, have already been put in place to ensure the assurance offered by the BAF is robust.

The top strategic risk was:

- Capacity in the health economy is insufficient to maintain and improve patient flows resulting in higher than planned lengths of stay and the Trust being unable to undertake the required levels of activity. 16 = 4 x 4

The other 12 risks ranged from a risk rating of 9 to a risk rating of 15.

Reported incidents, including complaints, are managed via divisional governance meetings. More significant incidents are discussed and monitored at a corporate level by the Serious Incident Declaration Group held on a weekly basis and the Trust's Patient Safety Committee, which is accountable to the Quality Safety Committee which ultimately reports to the Trust Board.

The Audit Committee receives a regular report on the outcome of external assessments and keeps a detailed log of these assessments. This includes inspections by regulatory bodies such as the Care Quality Commission, the Medicines & Healthcare Products Regulatory Agency, and the Health and Safety Executive, as well as accreditation and certification agencies such as the Clinical Pathology Accreditation. This report is also submitted to the Quality and Safety Committee on a six-monthly basis.

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

Information governance

All Board members were compliant with Information Governance training requirements during 2019/20. The Trust continues to take a more positive and pro-active approach to information governance incidents. During 2019/20 there were five notifiable incidents reported to the Information Commissioner's Office.

During 2019/20 the Trust had one audit regarding Information Governance. This has been conducted by the Trust's internal auditors and has now been reported as giving substantial assurance.

The Trust continues with its Information Governance newsletter which is available to all staff and details of the reported incidents are documented to improve the shared learning across the Trust. There is also an information governance report taken to each Audit Committee meeting for information, discussion and assurance.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare a Quality Account for each financial year.

The Trust's Quality Account for 2019/20 will not be reviewed by the Trust's external auditor. This is in line with guidance, issued by NHS Improvement on 23 March, that auditors work on the Quality Accounts should cease as part of reducing the burden and releasing capacity to NHS providers.

On 1 May 2020 provision was made by statutory instrument to allow Quality Accounts to be submitted after the normal deadline of 30 June. The new

deadline is 15 December 2020 which must include provision for sharing with the mandated stakeholders; these are Kent and Medway CCG, who are the Trust's most significant Commissioner, the Kent Health Overview and Scrutiny Committee and Healthwatch.

The Trust Quality Account is subject to assurance arrangements internally which include discussion by the Trust Leadership Team, the Quality and Safety Committee and final approval by the Board.

The national provisions made in respect of the Covid19 pandemic mean that there will not be a report by the Trust's external auditor on the 2019/20 Quality Account for consideration by the Audit Committee. It is anticipated that this procedure and process will be reinstated during 2020/21.

Counter Fraud and Bribery

The Trust is committed to promoting and maintaining a standard of honesty and integrity, and to eliminate fraud and illegal acts committed within the Trust. To ensure compliance with the Trust's contractual requirements under the NHS Standard Contract the Trust has an Anti-Fraud, Bribery and Corruption Policy in place for all staff which encourages anyone having reasonable suspicions of fraud, bribery or corruption to report them. It undertakes rigorous investigation and disciplinary action where appropriate and seeks recovery of any losses where possible. Any concerns raised are investigated by our local counter-fraud specialists or the NHS Counter Fraud Authority as appropriate and all investigations are reported to the Audit Committee. Additionally the Trust has a Board endorsed anti-fraud statement on its website which was reviewed in March 2020.

Modern Slavery Act

The Modern Slavery Act 2015 establishes a duty for commercial organisations with an annual turnover in excess of £36 million to prepare an annual slavery and human trafficking statement. The Trust endeavours to be a best practice employer and whilst it does not consider itself to be earning income above the £36 million threshold to be treated as a commercial organisation, it sees the value in being very clear about the standards expected of contractors in the supply chain. The voluntary publication of this statement is part of this commitment and is published on the Trust's website having been reviewed in February 2020 by the Audit Committee and March 2020 by the Trust Board.

Significant issues

The findings of all audit reports issued to date from the Internal Annual Plan, as well as progress against any outstanding at this time, have been reported to the Audit Committee through interim reports during the year. The major issues, or themes, that emerged from the internal audit work or other work or issues have been set out below.

a) Never Events

During 2019/20 there were two 'never events'. Both incidents were investigated the first being signed off and an action plan is in place to address issues identified and the second investigation has been completed and is awaiting approval. Both events were reported to the Board and progress on the action plan is being monitored through the Quality and Safety Committee.

- 29/09/19 Retained surgical swab - fully investigated and returned to WHO checklist process and potential confusion of haemostatic packs with swabs addressed.

- 20/02/20 Incorrect site local anaesthetic block – investigation completed and action plan produced. This will be reviewed by the Trust's Quality and Safety Committee once the root cause analysis (RCA) and action plan is approved through the Patient Safety Committee.

b) A&E Performance

Following some significant challenges in meeting the four hour A&E target during the year the Trust ended the year 2019/20 on track to meet agreed performance trajectories across all constitutional and contractual standards.

c) Covid19

Covid19 pandemic has had a profound effect on the Trust and at the time of writing the annual report the Trust continues to treat affected patients. The Trust put in place a package of

measures to protect staff and patients from the virus as well as supporting staff to comply with national guidance including, working from home where possible, social distancing and a host of health and wellbeing arrangements to support staff through a particularly difficult period.

Board and Committee Structure

The Board committees are established with clear terms of reference and lines of reporting. The terms of reference establish the remit of each meeting, its membership, attendance, quorum requirements and reporting responsibilities. The committees complete an annual self-review for effectiveness and submit an annual report of the work undertaken to the Board.

- The Audit Committee provides assurance to the Board in relation to the effectiveness of controls to minimise or mitigate the principal risks to the Trust and its regulatory compliance obligations.
- The Quality & Safety Committee has delegated authority to ensure the ongoing development and delivery of the Trust's objectives as they pertain to quality and safety.
- The Partnership Board is where representatives from the Trust, The Hospital Company (Dartford) Limited and Serco meet to discuss the strategic and operational development of the site and its services together with PFI contractual issues.
- The Finance Committee oversees the financial planning, monitoring and effective use of exchequer funds and to ensure there are appropriate policies and procedures in place.
- The Workforce Committee, established to oversee all aspects of the Trust's approach to its work force.
- The Charitable Funds Committee oversees the governance of Dartford and Gravesham NHS Trust Charitable Fund on behalf of the Board.
- The Remuneration Committee sets appropriate remuneration and terms of service for the Chief Executive, other Executive Directors, and other senior employees.
- The Equality, Diversity and Inclusion Committee's

role and purpose is to enable the Board to carry out its responsibilities for the equality and diversity agenda within the Trust. The sub-committee provides strategic direction, leadership and support for promoting and maintenance of equality, diversity and inclusion issues in line with the Trust's strategic objectives. The sub-committee has a remit for and oversees the diversity agenda for both staff and patients. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The Board receives the minutes and/or a report from each meeting of the aforementioned committees in a timely manner, from the Chair of each committee and are included in Board papers which are published on the Trust's website, apart from reports containing confidential information. All Board sub-committees are chaired by nominated Non-Executive Directors. This ensures that any issues of concern requiring escalation to the Board are highlighted. The scheduling of key meetings enables escalation to take place promptly, if required. In accordance with national guidance, the Audit Committee produces an annual report of its activities, which it also submits to the Board. In addition, the Audit Committee undergoes a full self-assessment and the Board uses the Audit Committee Annual Report as part of its assurances prior to it approving the Trust's Annual Report and Accounts.

In addition to the above committees, there are a range of other committees, structures and processes in place to oversee and manage any issues relevant to particular aspects of risk and governance. In this respect the Trust has, for example, an Infection Control Committee, a Patient Safety Committee, a Health, Safety and Security Committee, a Resuscitation Committee, a Medicines Management Committee, a Safeguarding Committee and a Patient Experience Committee.

The Trust has a process in place regarding Regulation 5 – Fit and Proper Persons Requirement; Directors and Regulation 20; Duty of Candour. A self-declaration of being Fit and Proper, plus extensive Disclosure and Barring Scheme searches (DBS), insolvency and bankruptcy register searches. Additionally the Board undertakes an annual evaluation of its effectiveness, in accordance with corporate governance best practice.

The importance of the triangulation of understanding, challenge and assurance between committees is recognised and reflected through cross membership and reporting mechanisms. Attendance records are maintained for the Trust Board and its main committees. The attendance record for the Board is reported within the body of the Trust's.

Board/Sub Committee	Number of meetings during 2019/20
Trust Board	11 (10 Board meetings and 1 Extraordinary Board)
Audit Committee	4
Quality and Safety Committee	10*
Partnership Board	3
Finance Committee	11
Workforce Committee	6
Charitable Funds Committee	4
Remuneration Committee	4
Equality, Diversity and Inclusion	2

**The Quality and Safety Committee usually meets 11 times per year, the March 2020 meeting was cancelled due to the Covid19 pandemic.*

The Board comprises of the Chair, five Non-Executive Directors, the Chief Executive and eight Executive Directors, three of whom are non-voting. The Trust Chief Executive has been in post since October 2018. Non-executive Directors are appointed by NHSI and are not employees of the Trust but receive remuneration for the role at nationally agreed rates. Executive Directors are employees and details of director remuneration are set out in the staff report section.

The Trust Board meets monthly in public (except for August where there is no Board meeting), and its agenda is focused around the key aspects of quality, productivity and innovation, assurance and strategy. A dynamic programme of agenda items is actively managed throughout the year to ensure the Board receives the information and considers the matters it requires to perform its duties efficiently and effectively. A key tenet of the information the Board receives each month is a comprehensive integrated performance report, which contains up to date details of performance across a range of indicators.

During the year the Board held a number of formal development workshops aimed at improving the Board's understanding of key strategy and governance areas including:

- Board Assurance Framework and corporate risk management
- Cyber threat training for Boards
- Setting the strategic direction
- Business chemistry
- Statistical process control – making data count

There have been a number of Board personnel changes during the year and these are detailed in the Remuneration and Staff Report.

Name	Change
Sue Braysher	(Director of System Transformation) left the Trust on 31May 2019.
Pam Dhesi	(Director of Operations) Retired 3 September 2019.
Julie Frake-Harris	(Chief Operating Officer and Deputy Chief Executive) took up post 30 September 2019.
Dave Horne	Dave Horne (Deputy Director of Operations) acted as Director of Operations in place of Pam Dhesi from 1 April 2019 until 20 June 2019.
Louise Lester	Joined the Board as Acting Director of Human Resources 8 July 2018 and became Director of Human Resources 1 May 2019.
Gavin MacDonald	Interim Chief Operating Officer (started 21 June till 28 September 2019). Interim Director of Operations (29 September 2019 until 29 November 2019). The post was vacant from 29 November 2019 until 15 January 2020.
Lorraine Mills	(Director of Finance) left the post on 31 August 2019.
Leslieann Osborn	Stepped down from the Board at the end of June 2019 but has continued to serve as the Director of Strategy and Planning under the new Board configuration.
Basirat Sadiq	Joined the Trust as Director of Improvement on 1 July 2019.
Gerard Sammon	(Deputy Chief Executive) Seconded to Kent Community Health NHS Foundation Trust from 14 October 2018 until October 2019 when he formally resigned from his post within the Trust.
David Stonehouse	Joined the Trust as Interim Director of Finance on 19 August 2019.
Jonathan Wade	Joined the Trust as Director of Operations on 15 January 2020.

The decision makers for the Trust are deemed to be the Trust Board. The Trust has a pro-active process requiring Executive and Non-Executive directors to make an annual Declaration of Interest, which is recorded in the Register of Interests. The Trust Board and sub-committees routinely ask for any conflicts of interest to be declared at each meeting, to capture any interests in respect of matters on the agenda. The Register of Interests is maintained by the Trust Secretary and is open to public inspection. The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Performance, Quality and Finance

The Trust Board has exercised its duty to monitor performance through the integrated performance reports that it receives at each monthly meeting which are scrutinised in detail at the Board. These reports are a product of the review of performance against all key national and local targets as well as performance in respect of incident reviews, complaints and expected service changes.

The operational performance section of the Integrated Performance Report has continued to develop throughout 2019/20 and provides a summary report against all key national and locally agreed performance targets as well as more detailed analysis against the five CQC domains.

The Finance Performance Report includes a full monthly review of financial performance, covering income and expenditure against budget, analysis of the pay, non-pay and income position, performance against any financial recovery plan and also reports the balance sheet, working capital and cash position of the Trust. The delivery of transformation plans and projects in support of these objectives has been reported through both the Finance Committee and the Board. The Board takes collective responsibility for the operational and financial performance of the organisation and has maintained a strong focus on patient safety, ensuring that clinical safety has not been compromised by the financial pressures facing the organisation and has applied a range of measures to access, clinical standards, the output of clinical quality and patient experience surveys, the causes of serious incidents, the reasons for complaints and the effectiveness of our services.

The Trust has taken measures to assure itself regarding the quality and accuracy of elective waiting time data and risks in relation to this. Elective activity and waiting times are reviewed in detail at a weekly Access Meeting. Waiting times and backlogs for outpatients, diagnostics and elective Patient Tracking Lists (PLT) are all reviewed to ensure patients are seen chronologically and/or by clinical need. Data is produced to monitor trends to support this. The Trust Access Policy is regularly reviewed in line with national guidance and agreed with commissioners and all performance submissions to NHS England are authorised by an Executive Director. Audits are undertaken periodically for further assurance.

Board Capability and Capacity

The Chief Executive is clinically qualified along with the Medical Director and Director of Nursing and Quality. The Interim Director of Finance and Director of Human Resources are also appropriately professionally qualified and accountable to their professional body in addition to the Trust. The Interim Director of Finance left the Trust on 30 April 2020 and was replaced by Ian O'Connor, Chief Finance Officer on 4 May 2020, who is also professionally qualified to undertake the role.

The Non-Executive directors (NED) bring extensive experience and expertise from an array of private and public organisations and sectors including finance, commerce, clinical and quality. Collectively the NED component of the Board is suitably qualified to discharge it functions and duties.

All Executive and Non-Executive Directors along with all other staff have their performance and competencies reviewed on an annual basis through a comprehensive appraisal system. All Board members and Deputy Directors are required to make fit and proper persons declarations and undergo the checks that are associated with it. Additionally the Trust has a robust recruitment process in place.

The Board has undertaken a series of development workshops since April 2019. Additional recommendations following these have been incorporated into the Board development programme for 2020/21 and beyond.

The Board is keen to hear first-hand feedback from patients, relatives and carers through listening and sharing patient stories at Trust Board. The Board has followed up through the Quality and Safety Committee the outcome of changes that have happened as a result of learning from incidents, complaints and patient feedback. There were five patient stories to the Board during the year and five clinical presentations which ranged from Pharmacy interventions to end of life care for patients in intensive care.

Sustainability

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.

Freedom of Information

The Freedom of Information Act (FOI) provides the public with a general right of access to recorded information held by the Trust, subject to conditions and exemptions. The Trust treats FOI requests in an honest and open way. Key information is routinely published on our Trust website with the Publication Scheme disclosure log which includes Board agendas, minutes and the Trust's Annual Reports and Accounts.

During 2019/20 the Trust received 412 requests covering a wide range of information including car parking, agency staff usage, numbers and types of operations and use of translation services. During the year the Trust achieved 100% compliance by responding to all FOI requests within the standard response time of 20 working days.

Complaints and Compliments

The Trust responded to over 350 complaints. The Trust trajectory for responding to complaints within 25 days (or a negotiated longer timeline) was not met consistently during the year. The new Divisions have started working to identify complex complaints at an early stage so that prompt investigation and response can be better managed.

A wide range of complaints are received by the Trust and cover issues from care given (both nursing and medical), clinical treatment and communication to poor staff attitude, appointment dates and waiting lists, and hospital facilities such as car parking.

In order to resolve issues family meetings have been used on a number of occasions throughout the year. The learning from complaints feedback is shared with wards and divisions and at sub-committees of the Board to improve future delivery of care.

The Trust has received compliments in a variety of ways in the last year. These have included social media posts, letters and thank you cards and face to face at the Annual General Meeting and at Board meetings where patients and carers have shared their health journey. A number of these compliments have resulted in individuals or teams being awarded STAR awards.

Safer Staffing

Patients' daily acuity and dependency reviews are in place and safety huddles take place daily. The conduct of the daily safety brief or safety huddle supports the planning and allocation of staff in the wards to ensure patient safety is not compromised. Through the daily safety meetings, staffing levels are assessed, managed and deployed across the Trust. This ensures flexible working and allows staff allocation to the right place at the right time to meet patient needs and making best use of available resources.

The Trust has in place a number of short, medium and long term strategies. These cover a variety of workforce issues including recruitment and retention, health and wellbeing and employee relations.

CQC Registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust's registration and statement of compliance were updated during 2019/20 following the Trust's decision

to no longer provide services at Elm Court (at Priory Mews in Dartford). This removal was ratified by the Trust Board in December 2019.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the following:

- internal audit – the Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and the controls reviewed as part of their internal audit work.
- clinical audit.
- the Executive team.
- clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports, which include the financial statements, audit findings and regular technical updates.

The Trust can demonstrate that it has adopted recommendations made to improve its services and performance as a result. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Executive Directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control also provide me with assurance via regular meetings and submission of reports to the aforementioned committees. The BAF and Risk Register processes provide me with evidence that the effectiveness of controls to manage the risks to the organisation have been reviewed, and scrutinised appropriately.

Further evidence is provided by a range of reports including clinical audit and reports from external agencies, following inspections and/or accreditation visits. Additionally, where required independent consultants are engaged to review particular areas of risk and make recommendations for improvement.

The Audit Committee approves the Internal Audit Plan for the year and receives details of the findings from each of the Internal Audit reviews that are undertaken. The Internal Audit reviews undertaken in 2019/20, and the assurance conclusion reached, are detailed below:

Name	Current Status	Comments
Deep Dive Review on Targeted Areas of QIPP Programme (carried forward from 2018/19).	Final Report	Reasonable assurance.
Budgetary Control (carried forward from 2018/19).	Final Report	Reasonable assurance.
Cath Lab.	-	The purpose of this review was to establish whether the Trust uses ablation catheters and if so, what the processes were for disposing or recycling of these to ensure that the Trust is receiving any income received. Initial fieldwork identified that the Trust do not use ablation catheters and as such, no further work is required.
Clinical Systems – Application Access Controls and Change / Release Management.	Final Report	Reasonable assurance.
Consent in Theatre.	Final Report	Substantial assurance.
E-Roster.	Final Report	Reasonable assurance.
Radiology (carried forward from 2018/19).	Final Report	Limited assurance.
Radiology Follow Up	Final Report	Reasonable assurance.
Emergency Department 4 hour Wait Target Part 1 – Effect on reported Figures in 2018 for Errors Found by Assistant Director of Governance.	Final Management Letter	An assurance opinion was not allocated to this element of the review.
Critical Financial Accounting – Financial Accounting, Non Pay and Payroll.	Final Report	Reasonable assurance.
Emergency Department 4 hour Wait Target Part 2 – Review of Work Undertaken by the Assistant Director of Governance for 2018 Data.	Final Management Letter	An assurance opinion was not allocated to this element of the review.
Assurance Framework and Risk Management.	Final Report	Reasonable assurance.
Procurement.	Final Report	Limited assurance.
Vanguard Project (carried forward from 2018/19).	-	No opinion provided to this element of the review as Advisory.

Name	Current Status	Comments
Data Quality of Key Performance Indicators – Emergency Department 4 Hour Wait Target 2019 Part 1 – Review of Sample Checked by Assistant Director of Governance.	-	No opinion provided to this element of the review as Advisory.
Emergency Department 4 hour Wait Target Part 3 – General Review of Data Quality of Emergency Department 4 hour Wait Target for 2018 Data.	-	No opinion provided to this element of the review as Advisory.
Cyber Controls Assurance - Unified Threat Management, USB Encryption and User Awareness Training.	-	Limited assurance.
Data Security and Protection Toolkit.	Final report	Substantial assurance.
Data Quality of Key Performance Indicators – Emergency Department 4 Hour Wait Target 2019.	-	No opinion provided to this element of the review as Advisory.
Medical Staffing.	Final report	Reasonable assurance.

The Board and Committees also play a part in the identification of potential new Trust-level risks. This complements the 'bottom up' process of risk identification that is in place within the Divisions and corporate directorates, from which risks are escalated onto the Trust risk register and inform the BAF. In this way, a dynamic view of strategic risks is maintained that in turn ensures that the BAF reflects all areas on which the Board should be seeking assurance in relation to the objectives of the Trust.

The top risks at the end of 2018/19 were discussed at a Board Workshop in April 2019 for final agreement on the top/key risks facing the organisation which then shaped the BAF and the Board agendas for 2019/20. This 'top down/bottom up' process has been key in identifying, reporting and managing risks within the Trust, and has supported a more developed understanding of individual managers and members of staff responsibility with regard to risk management. The Divisional management teams have placed great emphasis on the review of their risk registers during 2019/20 and these are now more up to date and relevant than in previous years.

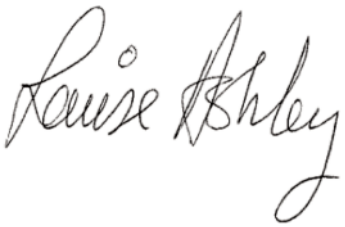
The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve polices, aims and objectives, therefore the framework can only provide reasonable and not absolute assurance of effectiveness.

Governance and internal control of the organisation is an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the policies, aims and objectives of Dartford and Gravesham NHS Trust
- Evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Conclusion

In conclusion, in my capacity as Accountable Officer, I have reviewed the internal control measures in place at Dartford and Gravesham NHS Trust and believe that there are no significant internal control issues other than those identified within the Annual Governance Statement all of which are known to our regulators, commissioners and population, through Board papers and or meetings with the relevant parties.



Signed:
Date: 18 June 2020
Louise Ashley
Chief Executive
Remuneration and Staff Report

Remuneration Report

Director changes 2019/20

There have been a number of Board personnel changes during the year and these are detailed in the Remuneration and Staff Report.

Name	Change
Sue Braysher	(Director of System Transformation) left the Trust on 31May 2019
Pam Dhesi	(Director of Operations) Retired 3 September 2019
Julie Frake-Harris	(Chief Operating Officer and Deputy Chief Executive) took up post 30 September 2019
Dave Horne	Dave Horne (Deputy Director of Operations) acted as Director of Operations in place of Pam Dhesi from 1 April 2019 until 20 June 2019
Louise Lester	Joined the Board as Acting Director of Human Resources 8 July 2018 and became Director of Human Resources 1 May 2019
Gavin MacDonald	Interim Chief Operating Officer (started 21 June till 28 September 2019) Interim Director of Operations (29 September 2019 until 29 November 2019). The post was vacant from 29 November 2019 until 15 January 2020
Lorraine Mills	(Director of Finance) left the post on 31 August 2019
Leslieann Osborn	Stepped down from the Board at the end of June 2019 but has continued to serve as the Director of Strategy and Planning under the new Board configuration
Basirat Sadiq	Joined the Trust as Director of Improvement on 1 July 2019
Gerard Sammon	(Deputy Chief Executive) Seconded to Kent Community Health NHS Foundation Trust from 14 October 2018 until October 2019 when he formally resigned from his post within the Trust
David Stonehouse	Joined the Trust as Interim Director of Finance on 19 August 2019
Jonathan Wade	Joined the Trust as Director of Operations on 15 January 2020

At the end of 2019/20 financial year the serving Board members were:

Name	Change
Louise Ashley	Chief Executive
Julie Frake-Harris	Chief Operating Officer/ Deputy Chief Executive
Steve Fenlon	Medical Director
Siobhan Callanan	Chief Nurse
David Stonehouse	Interim Director of Finance
Louise Lester	Director of Human Resources
Bas Sadiq	Director of Improvement

Name	Change
Jonathan Wade	Director of Operations
Peter Coles	Trust Chair
Lynn Gladwell	Non-Executive Director and Chair of the Charitable Funds Committee
Gill Jenner	Non-Executive Director and Chair of the Workforce Committee
Karen Taylor	Non-Executive Director and Chair of the Audit Committee and Remuneration Committee
David Warwick	Non-Executive Director and Chair of the Finance Committee
Steve Wilmshurst	Non-Executive Director and Chair of the Quality and Safety Committee

Non- Executive Directors

There have been no changes to the Non-Executive Directors during 2019/20. The Board has been engaged with the NHS NExT Director scheme and have endeavoured to support aspiring Non-Executive Directors within the NHS.

Remuneration Committee

'Senior managers' are defined as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.' The Chief Executive of the Trust confirms that this definition only applies to the members of the Trust Board or as listed in the table below.

Tables opposite show details of salaries, allowances (and any other remuneration) and pension entitlements of senior managers. No significant awards have been made in the past to senior managers. No compensation is payable to former senior managers and no amounts included in the above are payable to third parties for the services of senior managers.

The Trust has an established Remuneration Committee to advise and assist the Board in meeting its responsibilities to ensure appropriate remuneration, allowances and terms of service for the Chief Executive and Executive Directors. Membership of the committee consists of Trust Chair and all Non-Executive Directors and is chaired by one of the Non-Executive Directors. The Chief Executive and Directors remuneration is determined on the basis of reports to the Remuneration Committee taking account of any independent evaluation of the post, national guidance on pay rates and market rates. The Trust has had in place a Policy for Determining the Remuneration of the Chief Executive and Executive Directors since January 2015 and is supported by national guidance from NHS Improvement. Pay rates for the Chair and Non-Executive Directors of the Trust is determined in accordance with national guidance.

The Trust follows national guidance regarding performance related pay where executive pay exceeds £150,000 which is overseen by the Remuneration Committee, and where a proportion of remuneration is dependent on performance conditions. The performance of Non-Executive Directors and the Chief Executive is appraised by the Chair. The performance of Trust Executive Directors is appraised by the Chief Executive. Annual pay increases are assessed and considered in accordance with national pay awards for all other NHS staff.

The Chief Executive and all substantive Directors are employees of the Trust (i.e. have a Trust contract of employment) as at 31st March 2020, and those who are substantive (ie not in an acting or seconded position) are subject to a maximum six-month' notice period. Termination arrangements are applied in accordance with statutory regulations as modified by national NHS conditions of service agreements (specified in Whitley Council/Agenda for Change), and the NHS pension scheme. The Remuneration Committee will agree any severance arrangements for senior managers within Department of Health guidelines.

Off-payroll engagements

There were no off-payroll engagements for any Board members and/or senior officials with significant financial responsibility, between 1 April 2019 and March 2020.

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements (14 positions covered by 21 individuals over the year)	14

For all off-payroll engagements as of 31 March 2020, of more than £245 per day and that lasted longer than six months.

	Number
Number of existing engagements as of 31 March 2020	3
Of which, the number that have existed:	
for less than one year at the time of reporting	1
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more year at the time of reporting	2

For all new off-payroll engagements, or those reaching six months duration between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for more than six months.

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which	
Number assessed as caught by IR35	2
Number assessed as not caught by IR35	1
Number engaged directly (via PSC contracted to Department) and are on the departmental payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	2
Number of engagements that saw a change to IR35 status following the consistency review	0

Name and title	Real increase in pension at pension age (bands of £2500) £000	Real increase in pension lump sum at pension age (bands of £2500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5000) £000
Ashley L - Chief Executive	5.0-7.5	20.0-22.5	40-45	130-135
Callanan - S. - Director of Nursing & Quality	5.0-7.5	17.5-20	40-45	130-135
Dhesi P. - Director of Operations	0-2.5	0-2.5	45-50	135-140
Fenlon S. - Medical Director	2.5-5	0-2.5	55-60	135-140
Horne D. - Acting Director of Operations from 1 April 2019	2.5-5	N/A	0-5	0
Julie Frake-Harris Chief Operating Officer / Deputy Chief Executive	2.5-5	2.5-5	20-25	40-45
Lester L. - Director of Human Resources	2.5-5	5-7.5	15-20	30-35
Macdonald G. - Chief Operating Officer	N/A	N/A	10-15	20-25
Mills L formerly Clegg L. - Director of Finance	0-2.5	0-2.5	45-50	125-130
Osborn L. - Director of Strategic Development & Performance/Director of Strategy & Planning (Interim) *	2.5-5	5-7.5	30-35	85-90
Sadiq B. - Director of Improvement	2.5-5	0-2.5	20-25	35-40
Stonehouse D. - Interim Director of Finance	5.0-7.5	15-17.5	35-40	95-100
Wade J. - Director of Operations	0-2.5	0	5-10	10-15

Pensions table

CETV values at 31 March 2019 and 31 March 2020 have been calculated using different methodologies (due to the introduction of GMP indexation also known as GMP equalisation), and to highlight that this change may have impacted the real increase in CETV figures.

The benefits and related CETVs do not allow for a potential future adjustment arising from the McCloud judgement.

Where a Director left or joined the Trust during the year, the real increase in Pension, lump sum and Cash Equivalent Transfer Value (CETV) has been pro-rated accordingly. 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 from 2005/06 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 - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to

Cash Equivalent Transfer Value at 1 April 2019	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employers Contribution to Stakeholder Pension
£000	£000	£000	£000
807	182	1,008	25
800	162	981	17
958	0	958	8
1,057	70	1,152	18
N/A	N/A	N/A	3
271	43	320	11
178	54	236	15
N/A	N/A	190	4
914	36	971	5
621	75	711	13
241	32	278	16
609	141	764	13
67	3	72	3

inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Pay Multiples

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

The banded remuneration of the highest paid director/member in Dartford and Gravesham NHS Trust in the financial year 2019/20 was £170,000 to £175,000 (2018/19, £170,000 to £175,000). This was 4.99 times (2018/19, 5.09 times) the median remuneration of the workforce, which was £34,597 (2018/19 was £33,969).

In 2019/20, 8 employees received remuneration in excess of the highest paid director/ member (2018/19, there were 8 employees). Remuneration ranged from £17,705 to £234,643 (in 2018/19 the range was £17,460 to £224,502).

Total remuneration includes salary, non-consolidated performance related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Temporary staffing has been included, based upon the current rates of pay for each staffing group.

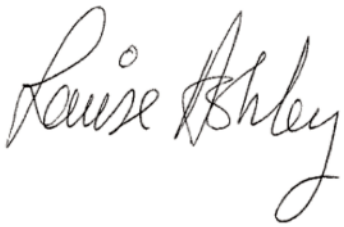
The above information includes the annualised value of additional sessions and overtime paid. Staff that are recharged out have been excluded from the above calculations.

Name and Title	2019/20 Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Expense payments (taxable) to the nearest £100	Performance Pay and bonuses (bands of £5000) £000	Long term performance pay and bonuses (bands of £5000) £000	All pension-related benefits (bands of £2,500) £000	Total (bands of £5000) £000	Salary (bands of £5000) £000
Ashley L. - Chief Executive *	170-175	0-5	-	-	-	140-142.5	315-320	80-85
Braysher S. - Director of Strategic Development *	25-30	-	200	-	-	-	25-30	100-105
Brown A. - Director of Human Resources *	-	-	-	-	-	-	-	25-30
Callanan - S. - Director of Nursing & Quality	115-120	0-5	100	-	-	132.5-135	245-250	100-105
Dhesi P. - Director of Operations *	45-50	10-15	-	-	-	10-12.5	65-70	105-110
Fenlon S. - Medical Director	100-105	50-55	300	20-25	-	37.5-40	215-220	120-125
Frake-Harris J. - Chief Operating Officer / Deputy Chief Executive *	75-80	0-5	-	-	-	45-47.5	120-125	N/A
Horne D. - Acting Director of Operations *	20-25	0-5	-	-	-	N/A	20-25	N/A
Lester L. -Director of Human Resources *	100-105	0-5	-	-	-	72.5-75	175-180	50-55
Macdonald G. - Chief Operating Officer *	25-30	-	-	-	-	N/A	25-30	-
Mills L formerly Clegg L. - Director of Finance *	50-55	65-70	-	-	-	12.5-15	130-135	120-125
Osborn L. - Director of Strategy & Planning	90-95	0-5	600	-	-	55-57.5	150-155	95-100
Sadiq B. - Director of Improvement *	110-115	0-5	-	-	-	37.5-40	150-155	N/A
Sammon G. - Deputy Chief Executive / Interim Chief Executive *	-	-	-	-	-	-	-	75-80
Stonehouse D. - Interim Director of Finance *	85-90	0-5	-	-	-	132.5-135	220-225	N/A
Wade J. - Director of Operations *	20-25	0-5	-	-	-	0-2.5	20-25	N/A
Coles P. - Non Executive Director/Chairman	30-35	-	100	-	-	-	30-35	25-30
Gladwell L. - Non Executive Director	5-10	-	-	-	-	-	5-10	5-10
Jenner G. - Non Executive Director	5-10	-	2,100	-	-	-	10-15	5-10
Taylor K. - Non Executive Director	5-10	-	-	-	-	-	5-10	5-10
Warwick D. - Non Executive Director	5-10	-	-	-	-	-	5-10	5-10
Wilmshurst S. - Non Executive Director	5-10	-	1,000	-	-	-	5-10	5-10

Pension Benefits

The table above shows the pension benefits of the Executive Directors. As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

The pension related benefits column represents an estimate of the increase in pension benefits accrued in year, adjusted for inflation, multiplied by a representative 20 years and reduced by employee pension contributions. Therefore this does not reflect any payments made to the individual.



Signed:
Date: 18 June 2020
Louise Ashley
Chief Executive

Staff Report

Staff Engagement

Freedom to Speak Up

The Trust has a Freedom to Speak Up Guardian whose role is to promote 'speaking up' across the Trust. The role continues to grow within the organisation and has over the last year established a range of routes through which staff can raise concerns. Arrangements are in place to provide the Trust Board with assurance on speaking up matters and an annual report is received by the Board.

During 2019/20 the Guardian established a cohort of Freedom to Speak Up Ambassadors to ensure accessibility and availability of support to staff across the Trust. Feedback to Trust management has resulted in a strengthening of communications with front line staff during periods of operational pressure, a greater understanding of the importance of management seeking feedback and making staff feel valued. This has been underpinned by a number of initiatives during the year including the introduction of Chief Executive briefings and blogs, changes to internal structures, Celebrating Success Events and the agreement to introduce Quality Councils.

N/A – the Trust does not have this information

2018/19					
Other Remuneration (bands of £5000) £000	Expense payments (taxable) to the nearest £100	Performance Pay and bonuses (bands of £5000) £000	Long term performance pay and bonuses (bands of £5000) £000	All pension-related benefits (bands of £2,500) £000	Total (bands of £5000) £000
-	-	-	-	75.0-77.5	155-160
-	1,000	-	-	0	100-105
-	-	-	-	0	25-30
-	300	-	-	52.5-55.0	155-160
-	-	-	-	17.5-20.0	120-125
45-50	1,200	-	-	0.0-2.5	170-175
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	27.5-30.0	80-85
-	-	-	-	-	-
-	-	-	-	117.5-120.0	235-240
-	300	-	-	2.5-5.0	100-105
N/A	N/A	N/A	N/A	N/A	N/A
-	500	-	-	0	75-80
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	-	25-30
-	-	-	-	-	5-10
-	-	-	-	-	5-10
-	-	-	-	-	5-10
-	-	-	-	-	5-10
-	-	-	-	-	5-10

Safer Staffing and Workforce Planning

A nursing safer staffing review is undertaken in line with the NICE endorsed Shelford Safer Nursing Care Tool Guidance on a six monthly basis with the last review taking place with the Deputy Chief Nurse, Healthroster manager, ward managers and Matrons in autumn 2019. In the last 12 months staffing reviews have taken place to assess therapies and medical safe staffing levels via the Trust's Workforce Committee as part of the regulatory requirement to now assess safer staffing across a range of staff groups. The Director of Midwifery provided a report covering an overview of midwifery staffing to midwife to birth ratio at Dartford and Gravesham NHS Trust (DGT). The report also provided an update of the annual birth rates for 2018/19. The overall aim of this report is to provide assurances of a safe, effective system of maternity workforce planning to meet the current and future needs of the service and in line with Nice Guidance.

Medical staff are recruited on the basis of need. Their time and abilities are matched to the identified need through:

- Job planning managing both their time commitment and productivity expectation.
- Consultant job planning guidelines were reviewed in 2019/20 and the clinical groups/ Divisions are responsible for annual review of all consultant job plans
- Junior medical staff planning is linked to the delivery of training and managed through rostering and medical exception reporting. There are currently no acuity models or recommended safe staffing levels for any grade of medical staffing.

Patients' daily acuity and dependency reviews are in place and safety huddles take place three times daily. The conduct of the daily safety brief or safety huddle supports the planning of and allocation of staff in the wards to ensure patient safety is not compromised. Through the daily safety meetings, staffing levels are assessed, managed and deployed across the Trust. This ensures flexible working and allows staff allocation to the right place at the right time to meet patient needs and making best use of available resources.

The Trust has in place a number of short, medium and long term strategies. These cover a variety of workforce issues including retention and recruitment, health and wellbeing, reduction of temporary workers, employee engagement and equality diversity and inclusion.

The Trust has a Workforce Committee where strategic workforce issues are discussed and agreed. This Committee reports directly to the Board and the minutes of the meeting are submitted as part of the Board papers following each sub-committee meeting. In December 2019 the Committee reviewed the outcome of the safer staffing review and the Guardian of Safe Working's annual report relating to medical staff. There was also particular emphasis on progress with our retention and recruitment strategy, aspirational targets for recruitment of BAME staff to senior roles in our Trust and discussion regarding the development of our new People strategy.

Staff Report

The Equality, Diversity and Inclusion Committee was formed in 2019 as a sub-committee of the Board, with leadership from the Chair, in order to drive forward this important agenda. The Trust is committed to equality and diversity, and completes a number of mandatory returns in order to monitor progress:

- Equality Delivery System 2
- Workforce Race Equality Standard
- Workforce Disability Equality Standard
- Gender Pay Gap

The Trust has incorporated equality and diversity principles within policies, for example People with Disability in Employment Policy, Equality, Diversity and Human Rights Policy, Dignity and Respect at Work Policy, Recruitment Policy etc. All policies have equality impact assessments. The Trust publishes its workforce diversity report annually. Consideration is also given to protected characteristics in terms of the national staff survey and employee relations cases. The Trust is a Disability Confident Employer.

During 2019/20 the Trust reported a reduced gender pay gap and an increase in BAME staff in bands 7+.

The Trust completed its first Workforce Disability Equality Standard report and created an action plan in response.

The Trust initiated the Electronic Staff Record (ESR) Employee Self Service in 2016 and this has allowed our staff to access elements of their own ESR record and update personal information including religion and sexual orientation; this has supported the increase in disclosure of staff information re protected characteristics as outlined below.

Due to the impact of Covid19 the inclusion of sickness absence data within the annual report is optional. However, in line with national guidance the following link will provide the latest NHS sickness absence rates available. **https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates**

The table below sets out the average staff numbers in 2018/19 and 2019/20.

	WTE				£000s			
	2019/20			2018/19	2019/20			2018/19
Average Staff Numbers	Total	Permanently Employed	Other	Total Prior Year	Total	Permanently Employed	Other	Total Prior Year
Medical and Dental	**454**	398	56	413	**49,580**	39,671	9,909	46,135
Administrative and Clerical	**278**	243	35	266	**13,355**	11,643	1,712	13,096
Healthcare Assistants and Other Support Staff	**1,038**	942	96	1,093	**29,116**	25,988	3,128	29,753
Nursing & Midwifery Registered	**1,120**	961	159	1,142	**55,592**	46,898	8,694	52,158
Scientific, Therapeutic and Technical Staff	**313**	286	27	314	**15,209**	13,924	1,285	15,213
Ambulance Staff	**4**	4	-	5	**234**	233	1	260
Healthcare Scientists	**83**	80	3	86	**4,304**	4,207	97	4,325
Total	**3,290**	**2,914**	**376**	**3,319**	**167,390**	**142,564**	**24,826**	**160,940**
Staff Engaged on Capital Projects (included above)	10	10		11	829	829	-	596

These figures excluding Apprenticeship Levy and the Pension Contribution increase paid by NHSE

Trade union facility time reporting

In line with regulation, all employers must publish information on facility time, which is agreed time off from an individual's job to carry out a trade union role, before 31 July. The trade union (facility time publication requirements) regulations 2017 came in to force on 1 April 2017. This year, employers have been recording facility time for the period 1 April 2019 to 31 March 2020. There is a legal requirement to publish this information. The Trust data for the financial year April 2019 to March 2020 is outlined below, and is published in both our annual report and on our website, in line with the regulation requirements.

a) TU representative – the total number of employees who were TU representatives during the relevant period.

Number of employees who were relevant union officials during the relevant period	FTE employee number
30	19.39

b) Percentage of time spent on facility time - How many employees who were TU representatives officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time.

Percentage of time	Number of employees
0%	19
1-50%	11
51%-99%	0
100%	0

c) Percentage of pay bill spent on facility time - The figures requested in the first column of the table below will determine the percentage of the total pay bill spent on paying employees who were TU representatives for facility time during the relevant period.

Provide the total cost of facility time	£18,314.01
Provide the total pay bill	£149,735,460
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01%

d) Paid TU activities - As a percentage of total paid facility time hours, how many hours were spent by employees who were TU representatives during the relevant period on paid TU activities.

Time spent on paid TU activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid TU activities by TU representatives during the relevant period ÷ total paid facility time hours) x 100	18.31%

N.B The 19 representatives reported with 0% of time spent on facility time includes a proportion of zero returns; due to mid-year leavers and may not be reflective of the actual position. Where appropriate the Trust has represented previous reports where zero returns have been provided for this year's report.


Face Shield
splash protection
D.K.

Section 3:

Finanical Statements

2019 to 2020

Statement of directors' responsibilities in respect of the accounts

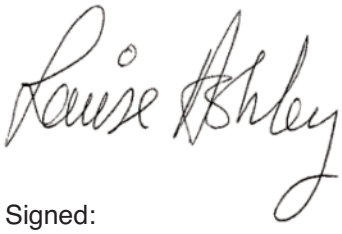
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other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

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

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

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts. The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy.

By order of the Board



Signed:
Louise Ashley
Chief Executive
18 June 2020

Signed:
Ian O'Connor
Chief Finance Officer
18 June 2020

Certificate on summarisation schedules

Trust Accounts Consolidation (TAC) Summarisation Schedules for Dartford and Gravesham NHS Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2019/20 have been completed and this certificate accompanies them.

Finance Director Certificate

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

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

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

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

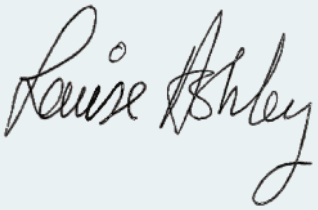
Signed:
Ian O'Connor
Chief Finance Officer
18 June 2020

Chief Executive Certificate

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

2. I have reviewed the schedules and agree the statements made by the Chief Finance Officer above.

Signed:
Louise Ashley
Chief Executive
18 June 2020



Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	2	250,741	233,923
Other operating income	3	45,101	32,868
Operating expenses	5	(280,354)	(267,065)
Operating surplus/(deficit) from continuing operations		**15,488**	**(274)**
Finance income	12	120	60
Finance expenses	13	(14,911)	(15,881)
PDC dividends payable		(549)	(915)
Net finance costs		**(15,340)**	**(16,736)**
Other gains / (losses)	14	40	8
Surplus / (deficit) for the year from continuing operations		**188**	**(17,002)**
Surplus / (deficit) for the year		**188**	**(17,002)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(5,129)	1,447
Revaluations	15	1,718	860
Total comprehensive income / (expense) for the period		**(3,223)**	**(14,695)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		188	(17,002)
Remove net impairments not scoring to the Departmental expenditure limit		108	(194)
Remove I&E impact of capital grants and donations		(54)	(26)
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(192)	-
Adjusted financial performance surplus / (deficit)		**50**	**(17,222)**

The accompanying notes page 5 to 51 form part of these financial statements

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Property, plant and equipment	15	142,983	143,436
Receivables	19	508	-
Total non-current assets		**143,491**	**143,436**
Current assets			
Inventories	18	3,050	3,023
Receivables	19	19,438	15,724
Cash and cash equivalents	20	14,987	8,150
Total current assets		**37,475**	**26,897**
Current liabilities			
Trade and other payables	22	(33,513)	(23,569)
Borrowings	24	(51,927)	(5,683)
Provisions	27	(457)	(1,533)
Other liabilities	23	(3,250)	(3,412)
Total current liabilities		**(89,147)**	**(34,197)**
Total assets less current liabilities		**91,819**	**136,136**
Non-current liabilities			
Borrowings	24	(59,140)	(103,439)
Provisions	27	(982)	-
Other liabilities	23	(579)	(632)
Total non-current liabilities		**(60,701)**	**(104,071)**
Total assets employed		**31,118**	**32,065**
Financed by			
Public dividend capital		60,791	58,515
Revaluation reserve		51,553	54,964
Income and expenditure reserve		(81,226)	(81,414)
Total taxpayers' equity		**31,118**	**32,065**

The accompanying notes page 5 to 51 form part of these financial statements

Louise Ashley
Chief Executive
Date 18 June 2020

Register:ed Office
Darent Valley Hospital, Darenth Wood Road, Dartford, Kent DA2 8DA

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**58,515**	**54,964**	**(81,414)**	**32,065**
Surplus/(deficit) for the year	-	-	188	**188**
Impairments	-	(5,129)	-	**(5,129)**
Revaluations	-	1,718	-	**1,718**
Public dividend capital received	2,276	-	-	**2,276**
Taxpayers' and others' equity at 31 March 2020	**60,791**	**51,553**	**(81,226)**	**31,118**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**57,989**	**52,657**	**(64,412)**	**46,234**
Prior period adjustment	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2018 - restated	**57,989**	**52,657**	**(64,412)**	**46,234**
Surplus/(deficit) for the year	-	-	(17,002)	**(17,002)**
Impairments	-	1,447	-	**1,447**
Revaluations	-	860	-	**860**
Public dividend capital received	526	-	-	**526**
Taxpayers' and others' equity at 31 March 2019	**58,515**	**54,964**	**(81,414)**	**32,065**

The accompanying notes page 5 to 51 form part of these financial statements

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		15,488	(274)
Non-cash income and expense:			
Depreciation and amortisation	5	8,635	7,317
Net impairments	5	108	(194)
Income recognised in respect of capital donations	3	(158)	(102)
Amortisation of PFI deferred credit		(53)	(53)
(Increase) / decrease in receivables and other assets		(4,227)	5,648
(Increase) / decrease in inventories		(27)	(82)
Increase / (decrease) in payables and other liabilities		5,979	(6,632)
Increase / (decrease) in provisions		(94)	1,398
Net cash flows from / (used in) operating activities		**25,651**	**7,026**
Cash flows from investing activities			
Interest received		120	60
Purchase of PPE		(7,898)	(6,132)
Sales of PPE		40	-
Receipt of cash donations to purchase assets		158	102
Net cash flows from / (used in) investing activities		**(7,580)**	**(5,970)**
Cash flows from financing activities			
Public dividend capital received		2,276	526
Movement on loans from DHSC -received		4,576	21,078
Movement on loans from DHSC - repaid		(382)	(294)
Movement on other loans		(15)	(15)
Capital element of PFI, LIFT and other service concession payments		(2,246)	(2,014)
Interest on loans		(848)	(577)
Interest paid on PFI, LIFT and other service concession obligations		(14,051)	(15,233)
PDC dividend (paid) / refunded		(544)	(1,204)
Net cash flows from / (used in) financing activities		**(11,234)**	**2,267**
Increase / (decrease) in cash and cash equivalents		**6,837**	**3,323**
Cash and cash equivalents at 1 April - brought forward		**8,150**	**4,827**
Cash and cash equivalents at 31 March	20	**14,987**	**8,150**

The accompanying notes page 5 to 51 form part of these financial statements

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Going concern

inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern.

In the public sector an organisation is considered to remain a going concern if it is anticipated that services will continue to be delivered from the same location by a public sector organisation. Following the submission of a financial plan to NHS Improvement and the agreement of contracts with CCGs and NHS England there is sufficient certainty of the intention to continue providing services through the public sector in this location for the foreseeable future.

The Government have announced that interim capital and revenue loans, including working capital facilities at 31 March 2020 are to be extinguished via conversion to Public Dividend Capital (PDC). The issue of PDC in 2020-21, to effect the repayment of in scope debt, provides evidence that the classification of this debt at 31 March 2020 should be as a current liability, rather than split between current and non-current as the liability will be repayable within 12 months of the balance sheet date. PDC is to be issued to match the interim debt disclosed as a current liability.

The Trust has been set a breakeven plan for the next 4 months as part of the changes to the financial regime during the Covid19 pandemic.

"It remains the case that the Government has issued a mandate to NHS England for the continued provision of services in England in 2020/21 and CCG allocations have been set for the remainder of 2020/21. While these allocations may be subject to minor revision as a result of the Covid19 financial framework, the guidance has been clarified to inform CCGs that they will be provided with sufficient funding for the year.

Providers can therefore continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this."

Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Note 1.2 Interests in other entities

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 includes within its financial statements its share of the assets, liabilities, income and expenses.

Note 1.3 Critical judgements in applying accounting policies

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

Critical judgements have been applied in areas of accounting to PFI (note 28) and Pensions (note 10)

Note 1.4 Sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 1.4.1 Provisions and Contingencies

In considering the amounts to be accounted for under provisions and contingent liabilities the Trust makes a judgement on the likelihood of liabilities arising in respect of pensions, public and employers liability and injury benefit.

Note 1.4.2 Assets and liabilities

The preparation of the accounts requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Note 1.4.3 Impairment of inventories

Where necessary, the difference between the cost of the stock and its estimated market value, based upon stock turn rates, market conditions and trends in consumer demand. Due to the nature of the inventory balances held and the write off performed by the Trust at year end, no provision was deemed necessary.

Note 1.4.4 Allowances for doubtful receivables

Allowances are made for doubtful receivables in respect of non NHS balances for estimated losses resulting from the subsequent inability of customers to make required payments. If the financial conditions of customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods.

Note 1.5 Income

Note 1.5.1 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patients. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

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.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. At contract inception, the Trust assesses the outputs promised in the research contract to identify as a performance obligation each promise to transfer either a good or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer. The Trust recognises revenue as these performance obligations are met, which may be at a point in time or over time depending upon the terms of the contract.

NHS injury cost recovery scheme

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

Note 1.5.2 Other forms of income Grants and donations

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

Apprenticeship service income

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

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.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs
NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle

and the costs have recoverable VAT for the Trust. Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

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

Depreciation

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

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively. Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

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

Donated and grant funded assets

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

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

Note 1.9 Private Finance Initiative (PFI) and Local Improvement Finance Trust

(LIFT) transactions

PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.
Useful lives of property, plant and equipment
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life years	Max life years
Land	-	-
Buildings, excluding dwellings	17	82
Dwellings	99	99
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	5	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost. Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. 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 financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

Derecognition

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

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

Note 1.13 Leases

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

The Trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease

payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment. The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

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

Leases of land and buildings

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

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk- adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 36 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Liabilities to Third Parties Scheme. This is a 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. Estates and contents of the buildings are covered by the PFI operator and charged through the Unitary Payment.

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 37 where an inflow of economic benefits is probable.Trust do not have any contingent assets in 2019-20.

Contingent liabilities are not recognised, but are disclosed in note 37, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.16 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.
In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 Value added tax

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

Note 1.18 Corporation tax

The Trust is exempt from corporation tax

Note 1.19 Operating Segments

The Trust operates as a single operating segment. The board of directors, led by the Chief Executive is the chief operating decision maker within the Trust. It is only at this level that revenues are fully reported and the overall financial and operational performance of the Trust is assessed. The chief mechanism for financial management and control is the monthly finance report presented by the Finance Director to the Board of Directors. This report is made public at the meeting and via the Trust's website.

Note 1.20 Third party assets

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

Note 1.21 Losses and special payments

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

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

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Early adoption of standards, amendments and interpretations

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

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

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

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

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

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

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 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.

Other standards, amendments and interpretations

IFRS 16 Leases deferred by HM treasury to be effective 1 April 2021 and and IFRS 17 Insurance Contracts deferred by IASB to reporting periods beginning on or after 1 January 2023.

Note 2 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 2.1 Income from patient care activities (by nature)	2019/20 £000	2018/19 £000
Acute services		
Elective income	43,327	45,274
Non elective income	86,906	84,333
First outpatient income	19,357	19,917
Follow up outpatient income	17,208	15,748
A & E income	21,240	18,863
High cost drugs income from commissioners (excluding pass-through costs)	13,515	13,165
Other NHS clinical income	39,505	32,372
All services		
Private patient income	437	645
Agenda for Change pay award central funding*	-	2,225
Additional pension contribution central funding**	6,537	-
Other clinical income	2,709	1,381
Total income from activities	**250,741**	**233,923**

*Additional costs 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.

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	2019/20 £000	2018/19 £000
NHS England	34,152	25,842
Clinical commissioning groups	213,943	201,837
Department of Health and Social Care	-	2,225
Other NHS providers	-	1,275
Non-NHS: private patients	437	645
Non-NHS: overseas patients (chargeable to patient)	440	313
Injury cost recovery scheme	794	1,057
Non NHS: other	975	729
Total income from activities	**250,741**	**233,923**
Of which:		
Related to continuing operations	250,741	233,923
Related to discontinued operations	-	-

Note 2.3 Overseas visitors (relating to patients charged directly by the provider)

	2019/20 £000	2018/19 £000
Income recognised this year	440	313
Cash payments received in-year	407	172
Amounts added to provision for impairment of receivables	3	21
Amounts written off in-year	-	17

Note 3 Other operating income

	2019/20			2018/19		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	402	-	**402**	387	-	**387**
Education and training	5,930	-	**5,930**	5,986	64	**6,050**
Non-patient care services to other bodies	17,111		**17,111**	16,002		**16,002**
Provider sustainability fund (PSF)	5,780		**5,780**	2,689		**2,689**
Financial recovery fund (FRF)	2,914		**2,914**	-		**-**
Marginal rate emergency tariff funding (MRET)	3,489		**3,489**	-		**-**
Income in respect of employee benefits accounted on a gross basis	-		**-**	-		**-**
Receipt of capital grants and donations		158	**158**		102	**102**
Charitable and other contributions to expenditure		-	**-**		-	**-**
Support from the Department of Health and Social Care for mergers		-	**-**		-	**-**
Rental revenue from finance leases		-	**-**		-	**-**
Rental revenue from operating leases		-	**-**		-	**-**
Amortisation of PFI deferred income / credits		53	**53**		53	**53**
Other income	9,264	-	**9,264**	7,585	-	**7,585**
Total other operating income	**44,890**	**211**	**45,101**	**32,649**	**219**	**32,868**
Of which:						
Related to continuing operations			**45,101**			**32,868**
Related to discontinued operations			**-**			**-**

	2019/20 £000	2018/19 £000
*The main areas of other income are:		
Income from provision of mortuary services	**159**	**156**
Funding income for stoma/colorectal services	**97**	**97**
Sale of films	**141**	**122**
Radiology Income (non NHS bodies)	**497**	**493**
Income from medical notes	**-**	**10**
Occupational Health income	**171**	**151**
PFI Support (previously within NHS England revenue from patient care)	**4,500**	**4,500**
Staff accommodation rental	**696**	**601**
Post grad	**24**	**251**
Private ambulance services	**1**	**79**
Cancer Alliance Funding	**338**	**215**
NHS England	**2,042**	**-**
Other	**598**	**910**
Total	**9,264**	**7,585**

Note 4 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20 £000	2018/19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	3,197	3,359
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5 Operating expenses

	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC bodies	5,649	6,308
Purchase of healthcare from non-NHS and non-DHSC bodies	1,965	816
Staff and executive directors costs	172,987	159,331
Remuneration of non-executive directors	75	64
Supplies and services - clinical (excluding drugs costs)	27,705	29,509
Supplies and services - general	542	492
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	18,907	18,815
Consultancy costs	729	582
Establishment	1,605	1,401
Premises	12,010	12,310
Transport (including patient travel)	290	696
Depreciation on property, plant and equipment	8,635	7,317
Net impairments	108	(194)
Movement in credit loss allowance: contract receivables / contract assets	148	18
Increase/(decrease) in other provisions	168	-
Audit fees payable to the external auditor		
audit services- statutory audit	55	56
other auditor remuneration (external auditor only)	-	12
Internal audit costs	78	60
Clinical negligence	11,408	11,337
Legal fees	291	912
Insurance	108	217
Research and development	356	414
Education and training	2,253	2,435
Rentals under operating leases	239	242
Early retirements	-	563
Redundancy	-	14
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	12,704	12,300
Hospitality	-	15
Other	1,339	1,023
Total	**280,354**	**267,065**
Of which:		
Related to continuing operations	280,354	267,065
Related to discontinued operations	-	-

*Services from NHS bodies does not include expenditure which falls into a category elsewhere within operating expenses.

*** Other auditor's remuneration relates to audit fees for work carried out on the quality accounts.

Note 6 Other auditor remuneration

	2019/20 £000	2018/19 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the Trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	10
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**10**

Note 7 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

Note 8 Impairment of assets

	2019/20 £000	2018/19 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	108	(194)
Total net impairments charged to operating surplus / deficit	**108**	**(194)**
Impairments charged to the revaluation reserve	5,129	(1,447)
Total net impairments	**5,237**	**(1,641)**

Note 9 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	129,907	124,156
Social security costs	13,552	12,842
Apprenticeship levy	660	632
Employer's contributions to NHS pensions	21,555	14,260
Termination benefits	-	14
Temporary staff (including agency)	9,742	9,632
Total gross staff costs	**175,416**	**161,536**
Recoveries in respect of seconded staff	-	-
Total staff costs	**175,416**	**161,536**
Of which		
Costs capitalised as part of assets	829	596

Note 9.1 Retirements due to ill-health

During 2019/20 there were 2 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £128k (£247k in 2018/19).

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

Note 6 Other auditor remuneration

	2019/20 £000	2018/19 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the Trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	10
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**10**

Note 7 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

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

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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.

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.

Note 11 Operating leases

Note 11.1 Dartford and Gravesham NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Dartford and Gravesham NHS Trust is the lessee.

The Trust has a number of operating leases for specific medical equipment. All new leases are made on the basis of the standard NHS standard procurement terms. There is no contingent rent for these items. Renewals are made on an individual lease by lease basis and determined by business case assessment. There is no provision for the lessee to enter into any arrangement for a secondary lease period.
Lease equipment includes:

Triple Point Leasing Gamma Camera - terminates Nov 2024 Siemens - MRI Scanner - terminates April 2020 CHG Meridian - Lithotripsy Machine - terminates May 2023.

Note 11 Operating leases

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The Trust has a number of operating leases for specific medical equipment. All new leases are made on the basis of the standard NHS standard procurement terms. There is no contingent rent for these items. Renewals are made on an individual lease by lease basis and determined by business case assessment. There is no provision for the lessee to enter into any arrangement for a secondary lease period.

Lease equipment includes:

Triple Point Leasing Gamma Camera - terminates Nov 2024
Siemens - MRI Scanner - terminates April 2020
CHG Meridian - Lithotripsy Machine - terminates May 2023

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	239	242
Total	**239**	**242**

	2020 £000	2019 £000
Future minimum lease payments due:		
- not later than one year;	240	127
- later than one year and not later than five years;	318	637
- later than five years.	-	68
Total	**558**	**832**
Future minimum sublease payments to be received	-	-

Note 12 Finance income

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

	2019/20 £000	2018/19 £000
Interest on bank accounts	120	60
Total finance income	**120**	**60**

Note 13 Finance expenditure

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

	2019/20 £000	2018/19 £000
Interest expense:		
Loans from the Department of Health and Social Care	860	648
Main finance costs on PFI and LIFT schemes obligations	7,338	7,569
Contingent finance costs on PFI and LIFT scheme obligations	6,713	7,664
Total interest expense	**14,911**	**15,881**
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	**14,911**	**15,881**

Note 13.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

There were no costs incurred in late payment of commercial debt

Note 14 Other gains / (losses)

	2019/20 £000	2018/19 £000
Gains on disposal of assets	40	8
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	**40**	**8**
Other gains / (losses)	-	-
Total other gains / (losses)	**40**	**8**

Note 15.1 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
Valuation/gross cost at 1 April 2019 - brought forward	**14,142**	**114,070**	**84**	**1,174**	**19,240**
Additions	-	2,705	-	1,006	3,527
Impairments	-	(5,129)	-	-	(108)
Revaluations	344	(3,320)	-	-	-
Reclassifications	-	-	-	(1,174)	1,174
Disposals / derecognition	-	-	-	-	(90)
Valuation/gross cost at 31 March 2020	**14,486**	**108,326**	**84**	**1,006**	**23,743**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**-**	**12,263**
Provided during the year	-	4,694	-	-	1,823
Revaluations	-	(4,694)	-	-	-
Disposals / derecognition	-	-	-	-	(90)
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**13,996**
Net book value at 31 March 2020	**14,486**	**108,326**	**84**	**1,006**	**9,747**
Net book value at 1 April 2019	**14,142**	**114,070**	**84**	**1,174**	**6,977**

Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
14	9,078	7,194	164,996
-	4,463	-	11,701
-	-	-	(5,237)
-	-	-	(2,976)
-	-	-	-
-	-	-	(90)
14	13,541	7,194	168,394
2	3,675	5,620	21,560
2	2,089	27	8,635
-	-	-	(4,694)
-	-	-	(90)
4	5,764	5,647	25,411
10	7,777	1,547	142,983
12	5,403	1,574	143,436

Note 15.2 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
Valuation / gross cost at 1 April 2018 - as previously stated	**14,845**	**114,266**	**161**	**218**	**18,457**
Additions	-	789	-	956	1,694
Impairments	(703)	(1,969)	-	-	-
Reversals of impairments	-	4,313	-	-	-
Revaluations	-	(3,329)	(77)	-	-
Disposals / derecognition	-	-	-	-	(911)
Valuation/gross cost at 31 March 2019	**14,142**	**114,070**	**84**	**1,174**	**19,240**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**-**	**11,757**
Provided during the year	-	4,266	-	-	1,417
Revaluations	-	(4,266)	-	-	-
Disposals / derecognition	-	-	-	-	(911)
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**-**	**12,263**
Net book value at 31 March 2019	**14,142**	**114,070**	**84**	**1,174**	**6,977**
Net book value at 1 April 2018	**14,845**	**114,266**	**161**	**218**	**6,700**

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

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
Net book value at 31 March 2020					
Owned - purchased	14,486	3,365	84	1,006	9,351
On-SoFP PFI contracts and other service concession arrangements	-	104,961	-	-	-
Owned - donated	-	-	-	-	396
NBV total at 31 March 2020	**14,486**	**108,326**	**84**	**1,006**	**9,747**

Note 15.4 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
Net book value at 31 March 2019					
Owned - purchased	14,142	3,987	84	1,174	6,635
On-SoFP PFI contracts and other service concession arrangements	-	110,083	-	-	-
Owned - donated	-	-	-	-	342
NBV total at 31 March 2019	**14,142**	**114,070**	**84**	**1,174**	**6,977**

Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
114,266	**161**	**218**	**18,457**
789	-	956	1,694
(1,969)	-	-	-
4,313	-	-	-
(3,329)	(77)	-	-
-	-	-	(911)
114,070	**84**	**1,174**	**19,240**
-	**-**	**-**	**11,757**
4,266	-	-	1,417
(4,266)	-	-	-
-	-	-	(911)
-	**-**	**-**	**12,263**
114,070	**84**	**1,174**	**6,977**
114,266	**161**	**218**	**6,700**

Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
3,365	84	1,006	9,351
104,961	-	-	-
-	-	-	396
108,326	**84**	**1,006**	**9,747**

Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000
3,987	84	1,174	6,635
110,083	-	-	-
-	-	-	342
114,070	**84**	**1,174**	**6,977**

Note 16 Donations of property, plant and equipment

The donated aseets were as follows:

Carson Recliner chairs	£19k
Transperenial Probe	£12k
Dicom Digital Breast Tomosynthesis (DBT)	£73k
CATSmart £21k Scalp Cooling System Dual Patient	£33k

Note 17 Revaluations of property, plant and equipment

The Trust engaged an independent valuer to carry out a desktop valuation of land and buildings as at 31st March 2020. The valuation is prepared under International Financial Reporting Standards (IFRS) which requires the statement of assets at Fair Value. Within this broad definition the Trust's operational assets should be valued on the basis of Existing Use Value (EUV), Existing Use Value for Social Housing (EUV-SH).

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book') as updated from time to time , the valuer has declared a 'reduced level of certainty' in the valuation report. This is on the basis of uncertainties in markets caused by Covid19. "In light of the ongoing Covid19 crisis, we are now in a period of significant uncertainty in relation to many factors that historically have acted as drivers of the property investment and letting markets, with major adverse impacts already affecting global stock markets, future economic growth forecasts, and business and consumer confidence. Such circumstances are unprecedented but are expected to result in similar uncertainty in much of the property market, and may impact values in the coming months." "There is as yet little or no empirical evidence currently available on the impact of Covid19 on property market activity or values, resulting in a reduced level of certainty that can be attached to our valuation. In assessing the valuation of specialised assets based on build costs as we would expect the availability of labour to have a short term impact on costs. However, the time lag of data coming available is likely to defer any potential movements in value over the coming period, with limited immediate impact on values. In our view, whilst value movements will most likely be negative on Market Value calculations, we anticipate construction costs will increase over the period that could result in an increase in values based on the DRC methodology." "The situation remains uncertain and capital and rental values may change rapidly in the short to medium term. In view of this, we would advise you to have less confidence than usual in the probability of our opinion of value exactly coinciding with the price achieved were there to be a sale."

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 reduced level of certainty on the valuation, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Note 18 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	1,149	945
Consumables	1,878	2,062
Energy	23	16
Total inventories	**3,050**	**3,023**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £25,418k (2018/19: £19,382k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 19 Receivables

Note 19.1 Receivables Current and Non Current

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	18,564	14,018
Allowance for impaired contract receivables / assets	(1,066)	(918)
Prepayments (non-PFI)	702	1,484
PDC dividend receivable	323	328
VAT receivable	915	812
Total current receivables	**19,438**	**15,724**
Non-current		
Other receivables	508	-
Total non-current receivables	**508**	**-**
Of which receivable from NHS and DHSC group bodies:		
Current	13,709	10,401
Non-current	508	-

Other receivables Non Current relates to clinicians pension tax for which the Trust has made a provision and accrued a receivable which will be funded centrally

Note 19.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**918**	**-**	**-**	**282**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			900	(282)
New allowances arising	148	-	18	-
Allowances as at 31 Mar 2020	**1,066**	**-**	**918**	**-**

Note 19.3 Exposure to credit risk

The Trust has provided for overseas receivables and also a provision for Injury Cost Recoveryas guided by DHSC

Note 20 Cash and cash equivalents movements

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

	2019/20 £000	2018/19 £000
At 1 April	**8,150**	**4,827**
Net change in year	6,837	3,323
At 31 March	**14,987**	**8,150**
Broken down into:		
Cash at commercial banks and in hand	5	6
Cash with the Government Banking Service	14,982	8,144
Total cash and cash equivalents as in SoFP	**14,987**	**8,150**
Total cash and cash equivalents as in SoCF	**14,987**	**8,150**

Note 21 Third party assets held by the Trust

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

The Trust do not hold third party assets

Note 22 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	6,623	6,271
Capital payables	6,068	2,265
Accruals	12,182	11,075
Social security costs	2,086	4
Other taxes payable	1,906	-
Other payables	4,648	3,954
Total current trade and other payables	**33,513**	**23,569**
Of which payables from NHS and DHSC group		
Current	6,040	5,527

Note 23 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	3,197	3,359
Deferred PFI credits / income	53	53
Total other current liabilities	**3,250**	**3,412**
Non-current		
Deferred PFI credits / income	579	632
Total other non-current liabilities	**579**	**632**

Note 24 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	49,423	3,422
Other loans	-	15
Obligations under PFI, LIFT or other service concession contracts	2,504	2,246
Total current borrowings	**51,927**	**5,683**
Non-current		
Loans from DHSC	-	41,795
Obligations under PFI, LIFT or other service concession contracts	59,140	61,644
Total non-current borrowings	**59,140**	**103,439**

The announcement that in scope historic debt (interim revenue loans, working capital facilities and capital debt) will be extinguished in 2020-21 via the issue of PDC to effect repayment of outstanding balances at 31 March 2020, creates an adjusting event after the reporting period.

The announcement provides evidence that all in scope debt should be classified as a current liability at 31 March 2020.

Note 25 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	**45,217**	**15**	**-**	**63,890**	**109,122**
Cash movements:					
Financing cash flows - payments and receipts of principal	4,194	(15)	-	(2,246)	**1,933**
Financing cash flows - payments of interest	(848)	-	-	(7,338)	**(8,186)**
Non-cash movements:					
Application of effective interest rate	860	-	-	7,338	**8,198**
Carrying value at 31 March 2020	**49,423**	**-**	**-**	**61,644**	**111,067**

Note 26 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	**24,305**	**30**	**-**	**65,904**	**90,239**
Prior period adjustment	**-**	**-**	**-**	**-**	**-**
Carrying value at 1 April 2018 - restated	**24,305**	**30**	**-**	**65,904**	**90,239**
Cash movements:					
Financing cash flows - payments and receipts of principal	20,784	(15)	-	(2,014)	**18,755**
Financing cash flows - payments of interest	(577)	-	-	(7,569)	**(8,146)**
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	57	-	-	-	**57**
Application of effective interest rate	648	-	-	7,569	**8,217**
Carrying value at 31 March 2019	**45,217**	**15**	**-**	**63,890**	**109,122**

Note 27 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2019	**563**	**920**	**50**	**1,533**
Arising during the year	**-**	**-**	**676**	**676**
Utilised during the year	(59)	(49)	(33)	**(141)**
Reversed unused	**-**	**(629)**	**-**	**(629)**
At 31 March 2020	**504**	**242**	**693**	**1,439**
Expected timing of cash flows:				
- not later than one year;	30	242	**185**	**457**
- later than one year and not later than five years;	324	-	**-**	**324**
- later than five years.	150	-	**508**	**658**
Total	**504**	**242**	**693**	**1,439**

Other provisions include £508k in respect of clinicians pension tax

Note 28 Clinical negligence liabilities

At 31 March 2020, £215,894k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Dartford and Gravesham NHS Trust (31 March 2019: £212,907k).

Note 29 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	-	-
Employment tribunal and other employee related litigation	-	(80)
Redundancy	-	-
Other	-	(50)
Gross value of contingent liabilities	**-**	**(130)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**-**	**(130)**
Net value of contingent assets	**-**	**-**

Note 30 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	461	373
Total	**461**	**373**

Note 31 On-SoFP PFI, LIFT or other service concession arrangements

The contract provides for the construction and operation of a new hospital, which was fully operation from 11th September 2000. Although the total length of the project is 67 years, the Trust has the option to terminate the contract after 32 years and every 5 years thereafter. The PFI arrangement was refinanced on 31 March 2003, which provided a cash benefit of £1,527k for which the gain will be spread over the remainder of the 32 years and on-going annual benefit (at current prices) of £2,187k. At the end of the contract term the assets transfers to the Trust in full. Under IFRIC12, the asset is treated as an asset of the Trust. The substance of the contract is that the Trust has a finance lease and the payments comprise two elements, inputted finance lease charges and service charges. Within the operating expenditure future commitments, a judgement is made on inflation to arrive at future costs.

Note 31.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2020 £000	31 March 2019 £000
Gross PFI, LIFT or other service concession liabilities	**118,464**	**128,048**
Of which liabilities are due		
- not later than one year;	9,584	9,584
- later than one year and not later than five years;	38,336	38,336
- later than five years.	70,544	80,128
Finance charges allocated to future periods	(56,820)	(64,158)
Net PFI, LIFT or other service concession arrangement obligation	**61,644**	**63,890**
- not later than one year;	2,504	2,246
- later than one year and not later than five years;	13,236	11,874
- later than five years.	45,904	49,770

Note 31.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**488,811**	**492,116**
Of which payments are due:		
- not later than one year;	31,506	30,390
- later than one year and not later than five years;	138,017	130,472
- later than five years.	319,288	331,254

Note 31.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	**30,408**	**29,548**
Consisting of:		
- Interest charge	7,338	7,569
- Repayment of balance sheet obligation	2,246	2,015
- Service element and other charges to operating expenditure	12,704	12,300
- Capital lifecycle maintenance	1,407	-
- Contingent rent	6,713	7,664
Total amount paid to service concession operator	**30,408**	**29,548**

Note 32 Financial instruments

Note 32.1 Financial risk management

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

Currency risk

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

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the NHSI. The borrowings are for 1 – 10 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers and Injury Cost Recovery, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commisiioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from internally generated funds and capital investment loans obtained following review of the affordability of Trust capital plans against the national CDEL set by DH and HMT. The Trust is not, therefore, exposed to significant liquidity risks.

Note 33 Carrying values of financial assets

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018 .

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	17,498	-	-	**17,498**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	14,987	-	-	**14,987**
Total at 31 March 2020	**32,485**	**-**	**-**	**32,485**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	13,100	-	-	**13,100**
Cash and cash equivalents	8,150	-	-	**8,150**
Total at 31 March 2019	**21,250**	**-**	**-**	**21,250**

HM Treasury new adaptation of what constitutes a financial instrument in the public sector has the effect of bringing Injury Cost Recovery (ICR) within the scope of IAS 32, and consequently IFRS 7 disclosures. ICR debtors is therefore now included within financial asset disclosures required by IFRS 7. HM Treasury has confirmed that this adaptation should not be employed retrospectively as the retrospective approach for transitioning to IFRS 9 and 15 has been withdrawn per the FReM.

Note 34 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	49,423	-	**49,423**
Obligations under PFI, LIFT and other service concession contracts	61,644	-	**61,644**
Trade and other payables excluding non financial liabilities	29,521	-	**29,521**
Total at 31 March 2020	**140,588**	**-**	**140,588**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	45,217	-	**45,217**
Obligations under PFI, LIFT and other service concession contracts	63,890	-	**63,890**
Other borrowings	15	-	**15**
Trade and other payables excluding non financial liabilities	23,565	-	**23,565**
Total at 31 March 2019	**132,687**	**-**	**132,687**

Note 35 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	81,447	29,248
In more than one year but not more than two years	2,791	21,553
In more than two years but not more than five years	10,446	31,329
In more than five years	45,904	50,557
Total	**140,588**	**132,687**

Note 36 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	-	-	2	-
Bad debts and claims abandoned	-	-	8	17
Total losses	**-**	**-**	**10**	**17**
Special payments				
Compensation under court order or legally binding arbitration award	1	14	-	-
Total special payments	**1**	**14**	**-**	**-**
Total losses and special payments	**1**	**14**	**10**	**17**

Note 37 Related parties

Dartford & Gravesham NHS Trust is a corporate body established by order of the Secretary of State for Health.

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Dartford & Gravesham NHS Trust or material transactions with the Department and with other entities for which the Department is regarded as the parent Department.

	Income 2019/20 £000	Income 2018/19 £000	**Receivables 2019/20 £000**	Receivables 2018/19 £000
Bexley CCG	**40,359**	38,370	**340**	442
Bromley CCG	**3,619**	2,939	**452**	3
Dartford Gravesham & Swanley CCG	**152,108**	143,946	**1,808**	1,742
Greenwich CCG	**4,499**	4,763	**-**	39
Guys & St Thomas NHS Foundation Trust	**336**	123	**401**	233
Health Education England	**5,852**	5,986	**41**	439
Kent Community Health NHS Foundation Trust	**554**	509	**147**	94
Kings College NHS Foundation Trust	**559**	2,004	**391**	904
Lewisham & Greenwich NHS Trust	**549**	643	**120**	247
Medway CCG	**4,301**	3,874	**-**	-
Medway NHS Foundation Trust	**10,849**	11,256	**366**	1,110
NHS England	**45,200**	33,065	**6,071**	2,709
Oxleas NHS Foundation Trust	**612**	425	**367**	105
Queen Victoria Hospitals NHS Foundation Trust	**845**	741	**746**	570
Royal Surrey Hospital NHS Foundation Trust	**367**	367	**-**	-
Thurrock CCG	**2,615**	2,398	**235**	64
West Kent CCG	**2,295**	1,744	**413**	82
Dartford & Gravesham NHS Charity	**403**	321	**521**	550

	Expenditure 2019/20 £000	Expenditure 2018/19 £000	**Payables 2019/20 £000**	Payables 2018/19 £000
Greenwich CCG	**-**	-	**249**	-
Guys & St Thomas NHS Foundation Trust	**1,423**	1,469	**1,270**	931
HMRC	**14,212**	13,474	**3,992**	4
Kent Community NHS Foundation Trust	**1,556**	1,400	**351**	282
Maidstone & Tunbridge Wells NHS Trust	**4,769**	4,807	**1,220**	837
Medway NHS Foundation Trust **	**2,053**	3,812	**1,323**	1,240
Medway CCG	**-**	-	**208**	-
NHS Blood and Transplant Authority	**1,169**	1,128	**31**	81
NHS Litigation Authority	**11,559**	11,445	**-**	-
NHS Pension Scheme (own staff employers and employees)	**21,555**	14,260	**2,188**	2,031
Oxleas NHS Foundation Trust	**5,227**	5,536	**151**	594
Dartford & Gravesham NHS Charity	**432**	318	**-**	-

** Increase in the main relates to North Kent Pathology Service

Note 38 Joint operations

The Trust is in joint operation with Medway NHS Foundation Trust in respect of pathology laboratory services (North Kent Pathology Service).

Note 39 Events after the reporting date

The announcement that in scope historic debt (interim revenue loans, working capital facilities and capital debt) will be extinguished in 2020-21 via the issue of PDC to effect repayment of outstanding balances at 31 March 2020, creates an adjusting event after the reporting period.restructuring.

Note 40 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	35,211	139,885	34,310	150,071
Total non-NHS trade invoices paid within target	32,886	131,774	25,117	133,297
Percentage of non-NHS trade invoices paid within target	93.4%	94.2%	73.2%	88.8%
NHS Payables				
Total NHS trade invoices paid in the year	2,167	39,279	2,138	37,219
Total NHS trade invoices paid within target	1,001	24,043	698	18,459
Percentage of NHS trade invoices paid within target	46.2%	61.2%	32.6%	49.6%

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

Note 41 External financing limit

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

	2019/20 £000	2018/19 £000
Cash flow financing	(2,628)	15,958
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	**(2,628)**	**15,958**
External financing limit (EFL)	6,282	20,395
Under / (over) spend against EFL	**8,910**	**4,437**

Note 42 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	11,701	5,621
Less: Disposals	-	-
Less: Donated and granted capital additions	(158)	(102)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**11,543**	**5,519**
Capital Resource Limit	12,721	5,647
Under / (over) spend against CRL	**1,178**	**128**

Note 43 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus / (deficit) (control total basis)	50
Add back income for impact of 2018/19 post-accounts PSF reallocation	192
IFRIC 12 breakeven adjustment	2,130
Breakeven duty financial performance surplus / (deficit)	**2,372**

Note 44 Breakeven duty rolling assessment

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Breakeven duty in-year financial performance		115	206	393	361	1,834
Breakeven duty cumulative position	2,745	2,860	3,066	3,459	3,820	5,654
Operating income		141,935	157,195	169,244	177,204	209,942
Cumulative breakeven position as a percentage of operating income		2.0%	2.0%	2.0%	2.2%	2.7%

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance	235	(7,649)	(382)	(12,129)	(14,787)	2,372
Breakeven duty cumulative position	5,889	(1,760)	(2,142)	(14,271)	(29,058)	(26,686)
Operating income	226,116	224,593	248,546	253,068	266,791	295,842
Cumulative breakeven position as a percentage of operating income	2.6%	(0.8%)	(0.9%)	(5.6%)	(10.9%)	(9.0%)

Staff costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	114,751	15,156	**129,907**	124,156
Social security costs	13,552	-	**13,552**	12,842
Apprenticeship levy	660	-	**660**	632
Employer's contributions to NHS pension scheme	21,555	-	**21,555**	14,260
Termination benefits	-	-	**-**	14
Temporary staff	-	9,742	**9,742**	9,632
Total gross staff costs	**150,518**	**24,898**	**175,416**	**161,536**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**150,518**	**24,898**	**175,416**	**161,536**
Of which				
Costs capitalised as part of assets	829	-	**829**	596

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	398	56	**454**	413
Ambulance staff	4	-	**4**	5
Administration and estates	243	35	**278**	266
Healthcare assistants and other support staff	942	96	**1,038**	1,093
Nursing, midwifery and health visiting staff	961	159	**1,120**	1,142
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	286	27	**313**	314
Healthcare science staff	80	3	**83**	86
Total average numbers	**2,914**	**376**	**3,290**	**3,319**
Of which:				
Number of employees (WTE) engaged on capital projects	10	-	**10**	11

Reporting of compensation schemes - exit packages 2019/20

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	1	**1**
£50,001 - £100,000	-	1	**1**
Total number of exit packages by type	**-**	**2**	**2**
Total cost (£)	£0	£65,000	**£65,000**

Reporting of compensation schemes - exit packages 2018/19

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	10	**10**
£10,000 - £25,000	1	1	**2**
£25,001 - 50,000	-	2	**2**
Total number of exit packages by type	**1**	**13**	**14**
Total resource cost (£)	£14,000	£101,000	**£115,000**

Exit packages: other (non-compulsory) departure payments

	2019/20		2018/19	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Contractual payments in lieu of notice	2	65	13	101
Total	**2**	**65**	**13**	**101**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Independent auditor's report to the board of directors of Dartford and Gravesham NHS Trust report on the audit of the financial statements

Opinion

We have audited the financial statements of Dartford and Gravesham NHS Trust ("the Trust") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement 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 Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being rel evant to NHS Trusts in England and included in 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 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.

Going concern

The Directors have 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 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 its 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

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 Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is 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.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 51, the directors are 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on Page 26 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

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

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Dartford and Gravesham NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020.

Basis for qualified conclusion

NHS Trusts have a statutory requirement to break even over a three year period beginning the year after the cumulative deficit position arises. The Trust had received an extension of the measurement period for its break even duty from three to five years. The Trust's reported financial performance in 2019/20 was an adjusted surplus against the break-even requirement of £2.4 million at the year end. At 31 March 2020 the Trust had recorded a cumulative deficit of £26.7 million. As this was the fifth year of recording a cumulative deficit the Trust has not achieved the break even duty.

During the year the Trust has drawn down net borrowings of £1.6 million in order to support it in managing its working capital obligations. In advance of

the suspension of the NHS Operational Planning Process for 2020/21 the Trust had been set a control total by NHS Improvement of a £10.2 million deficit, achievement of which would mean the Trust qualified for Financial Recovery Funding and Provider Sustainability Funding. Based on the financial planning completed up to 31 March 2020 the Trust had anticipated it would not be able to achieve the control total set. The planning performed identified a shortfall in savings required across the partners within the local health system in order for it to achieve financial balance.

In its planning submission to NHS Improvement in March 2020 the Trust forecast achieving a £15.2 million deficit in 2020/21 and requiring revenue support of £15 million to support its working capital balances.

The requirements for borrowing during the year, non-compliance with the breakeven duty and the forecast deficit for 2020/21, mean that there we were unable to verify there were sufficient arrangements in place to ensure financial resilience.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 26, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in 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 December 2019 and updated in April 2020 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.

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:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Other matters on which we report by exception – referral to Secretary of State

We have a duty under the Local Audit and Accountability Act 2014 to refer the matter to the Secretary of State if we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

On 14 May 2020 we wrote to the Secretary of State in accordance with Section 30(1)(a) of the Local Audit and Accountability Act 2014 in respect of the Trust's breach of its "breakeven duty" as set out in paragraph 2(1) of Schedule 5 of the National Health Service Act 2006 and taking into account the Department of Health and Social Care's Guidance on Breakeven Duty and Provisions. At the date of our referral the Trust's reported financial position was a cumulative deficit of £26.7 million.

The purpose of our audit work and to whow we owe our responsibilities

This report is made solely to the Board of Directors of Dartford and Gravesham NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board 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 Dartford and Gravesham NHS Trust for the year ended 31 March 2020 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Fleur Nieboer
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL 23 June 2020


RR interval
NHS

NHS
Dartford and Gravesham
NHS Trust

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Darenth Wood Road Dartford Kent DA2 8DA Tel: 01322 428100

Queen Mary's Hospital
Frognal Avenue Sidcup Kent DA14 6LT Tel: 020 8302 2678

Erith & District Hospital
Park Crescent Erith Kent DA8 3EE Tel: 020 8308 3131

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CareQuality Commission

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