Inspected and rated
Outstanding
CareQuality Commission

NHS
Dorset HealthCare University
NHS Foundation Trust

Annual Report and Accounts 2019–20

Dorset HealthCare University NHS Foundation Trust

Annual Report and Accounts 2019-20

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

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Review of the year

Chairman's statement

Welcome to our Annual Report for 2019/20.

Reflecting on the last year, I am immensely proud of what has been achieved.

The CQC's award of an 'Outstanding' rating for the Trust this summer was made possible by the absolute commitment and dedication of our staff, and was a culmination of the efforts of many over a number of years. During my many visits to the Trust's services over the last year, it has been a privilege to meet so many colleagues and witness first-hand the outstanding standards of care being provided to our patients.

The time I spent working with our hospital kitchens team recently gave me a powerful insight into the vital role each and every one of our staff make towards helping patients on the road to recovery.

We will continue to invest in our present and future leaders so they can support our teams to deliver care that is 'better every day' for the people of Dorset.

This year the Trust Board agreed a new five-year Trust Strategy, and I am excited about the positive impact that this fresh focus and targeted approach will have on the care we provide to our patients. You can read more about our new strategy on page 17.

I am delighted with the progress that we have made in delivering our quality priorities for the year. Our innovative Quality Improvement programme has been designed to empower our staff and people who experience our services, so that we can identify and address the areas for improvement that matter most.

As an active partner in the Dorset Integrated Care System, we continue to work closely with primary care, acute care and social care organisations to deliver high quality, joined-up health and care services across the county.

There is no greater example of the importance of partnerships than in our response to the COVID-19 outbreak in the spring. The global pandemic created unprecedented challenges for us all, and I am humbled by the incredible response from our teams across the Trust, who continue to work tirelessly in our battle against the virus.

I would like to thank all our teams, governors, volunteers, partners, Trust Board and the many other organisations and individuals we work with for their contribution in making 2019/20 another successful year for the Trust. I look forward to the next year knowing that it will bring times of great challenge, but also exciting opportunities to work differently to benefit the patients and population we serve.

Andy Willis

Chairman

Lead Governor's statement

2019/20 has been a busy year for the Council of Governors. We have held three public meetings this year in Sturminster Newton, Poole and Weymouth to find out what people want Dorset HealthCare to prioritise over the next five years. Members and the public asked for:

- Improved information about local services and how to access those services, ranging from leaflets to website as well as more local community meetings about health matters;
- More integrated services avoiding duplication, repetition and multiple appointments at different locations with different teams.
- Improved access to services and transport to health sites.

Some members wanted to work with staff to develop services, sharing the planning and providing services and how they are evaluated and work for patients and their carers. This approach has already been so successful in our mental health services, leading to the opening of the Retreats in Bournemouth and Dorchester, and the Community Front Rooms in Wareham, Bridport and Shaftesbury, where people who feel they can't cope can go along without needing to be referred by a GP or another clinician and get the support they need. These new services are meeting a massive need and prevent people going into crisis.

The governors presented these public views to the Board and they have been accepted and incorporated into the new Trust Strategy.

This year we said a sad goodbye to five governors who completed their term of office and extended a warm welcome to eight newly-elected governors, who are working with us to achieve another set of outstanding results for next year.

If you would like to become a member of Dorset HealthCare and receive our quarterly newsletter, please visit our website: www.dorsethealthcare.nhs.uk/join-us-1/members

Governors are available to hear your views or concerns about Dorset HealthCare's services. If you are already a Member of Dorset HealthCare and would like to contact a Governor in your constituency, please call 0808 100 3318 (freephone).

I would like to thank all of our members for your support over the last year.

Jan Owens

Lead Governor

OUTSTANDING

NEWS ROUNDUP

Dorset HealthCare the first Outstanding Trust of its kind in the South

The Care Quality Commission published its report of its inspection of our services in July 2019 and announced that our overall rating had been upgraded from 'good' to outstanding'. Dorset HealthCare was the first mental health trust providing community services in the South to be given this rating – and one of only a small handful nationally.

Chief Executive Eugine Yafele and Chairman Andy Willis said: 'This is a fantastic achievement and is testament to our collective effort and commitment over the past few years to get us to this point. This rating reflects our determination to be Better Every Day and to getting the very best outcomes and experiences for our patients, their families and friends.'

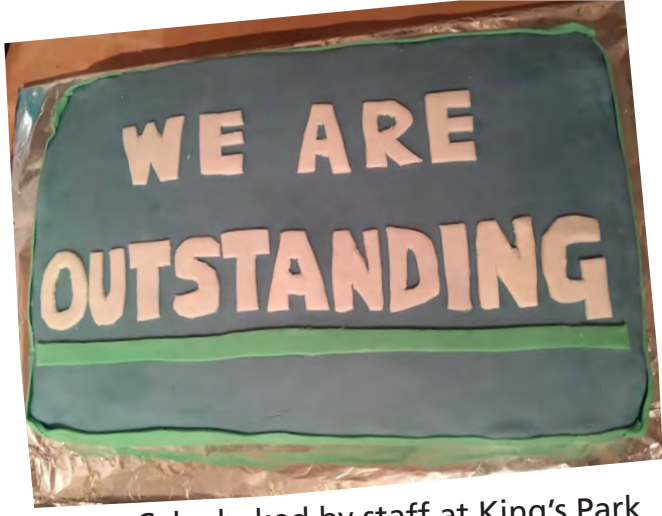
King's Park District Nurse team

West Howe District Nursing team

Poole Hub team

Victoria Hospital catering team

Blandford Hospital staff members



Cake baked by staff at King's Park

North Dorset CAMHS team

Langdon Ward at Bridport

Bridport Community Hospital

BETTER EVERY DAY

Poole, Purbeck and East Dorset Speech and Language Therapist team

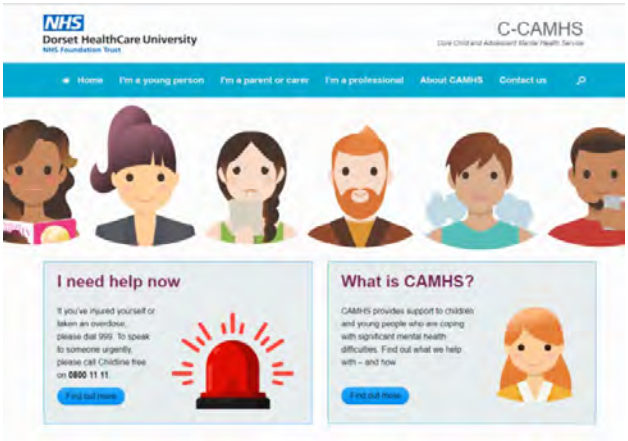
Bridport MIU and OPD staff

Learning and Development team

Bournemouth hub team at King's Park

Online Mental Health Support for Children and Young People

A brand new website is now up and running offering advice and information for young people with mental health issues in Dorset. The Child and Adolescent Mental Health Service (CAMHS) website has been designed in partnership with young service users and their families and provides a 'one-stop-shop' for anyone needing help and advice with stress, anxiety, eating disorders and other mental health issues.



As well as signposting young people to the support they might need, there are also sections aimed at parents and carers, as well as health/social care professionals, plus details of what the service can provide. The website is available at https://camhsdorset.org/

Harry Redknapp unveils Swanage Hospital's new Radiology Department

'King of the jungle' and former premier league manager Harry Redknapp was the guest of honour at the grand opening of the refurbished radiology department at Swanage Hospital in November 2019. The 'I'm a Celebrity' winner officially opened the £500,000 unit before chatting with staff and patients, and enjoying a tour of the Dorset HealthCare-run hospital.

The new-look department boasts a state-of-the-art digital X-ray room, providing high resolution images more quickly, reduced waiting times and increasing patient turnover.

There is also an improved patient waiting area with a dedicated reception, an integrated changing cubicle with direct access from the waiting area into the X-ray room, and a refurbished ultrasound suite with an ensuite and changing facility.

The radiology unit has also joined the one at our Victoria Hospital in Wimborne in becoming the first in Dorset to receive national accreditation from the Quality Standard for Imaging (QSI).

Access Mental Health provides 24/7 help for people struggling to cope

A new range of services is now available across Dorset to provide a rapid response to people in a mental health crisis. Dorset HealthCare is leading a fresh approach to support people who are struggling to cope, heading towards a breakdown or even feeling suicidal.

Based on feedback from local people, Access Mental Health allows people to define their own crisis and seek help without waiting for a referral from their GP. Services include:

Connection: a 24/7 telephone helpline (0300 1235440), which can provide direct help or signpost you to a range of other services

The Retreat: a drop-in support service in Bournemouth and Dorchester, open 4.30pm-midnight every day. Run in partnership with the Dorset Mental Health Forum, it provides a safe space where you can talk through your problems with mental health workers or peer specialists

Community Front Rooms: drop-in support services in Bridport and Shaftesbury (with a further one in Wareham coming soon), open 3.15-10.45pm, Thursday-Sunday. They are run by local charities The Burrough Harmony Centre (Bridport) and Hope (Shaftesbury), contracted by Bournemouth Churches Housing Association, and are also staffed by mental health professionals and peer support workers.

Sherborne's community hospital wins national award

Staff from The Willows Ward at Sherborne's Yeatman Hospital impressed judges to become the first-ever 'Hospital Ward of the Year' for end-of-life care. The team was presented with the award by the Gold Standards Framework (GSF), a national programme to help improve care for people in their final days.

It acknowledged the team's dedication to give patients and their families the best possible experience, supported by sympathetic, state-of-the-art facilities – which were recently enhanced by an additional garden area.

A decade of 'Steps' towards better mental health

Steps to Wellbeing celebrated its 10th birthday this year. A free, confidential NHS service for people aged 18 and over, it provides a range of talking therapies for people with mild to moderate depression and anxiety disorders such as Obsessive Compulsive Disorder, Post-Traumatic Stress Disorder and phobias. Over the past decade, it has received more than 53,000 referrals and offered almost 290,000 appointments.

New van offers refuge and support to people on the streets

Vulnerable young people, sex workers and others at risk of harm and exploitation on the streets of Bournemouth can now seek help and advice from a new outreach van service. Dorset Working Women's Project (DWWP), part of NHS Sexual Health Dorset, hits the road in the van three nights a week to provide physical, emotional and sexual health support to those in need.

Offering a warm and comfortable environment, including seats and blankets, the van offers a place of safety and refuge where visitors can discuss their problems and be signposted to a range of local services. They can also access items such as toiletries, clothing, food and drink, as well as condoms and safe sex information.

Bridport Hospital opens new-look inpatient ward

Bridport Hospital's new Colmer's Ward was officially opened by the Lord-Lieutenant of Dorset, Angus Campbell in February 2020. The ward will provide high quality care for the local community, with improved facilities for patients – especially for those with dementia or disabilities, and people requiring end-of-life care.

Bridport has already received national Gold Standard Framework accreditation for its end-of-life care, and this is now enhanced with ensuite facilities and somewhere where relatives/carers can stay to support loved ones in their final days. The 24-bed ward – named after the nearby landmark Colmer's Hill – replaces the Langdon and Ryeberry wards.

The hospital also hosts multi-disciplinary team of doctors, nurses, therapists and social workers who proactively support older and frailer people to remain in their own home for as long as possible. If a hospital stay is required, the team will work hard to ensure this can be as brief as possible, as people will be more mobile and active in their own environment.

Town Mayor Councillor Barry Irvine, League of Friends members, volunteers and local residents joined the Lord-Lieutenant for the ward opening

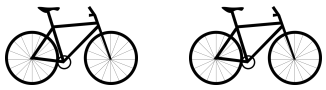
New mental health service planned for Shaftesbury

Residents in and around Shaftesbury will soon be able to access mental health support at a site next to the town's Westminster Memorial Hospital.

Steps 2 Wellbeing is a free, confidential NHS service for people aged 18 and over. It provides a range of talking therapies for people with mild to moderate depression and anxiety disorders such as obsessive compulsive disorder and post-traumatic stress disorder.

The Friends of Westminster Memorial Hospital has bought a property adjacent to the Dorset HealthCare-run hospital, in Abbey Walk, to host the service, and work will soon be underway to renovate the building. The building's garden and driveway will be also be transformed to improve access to the hospital and increase the number of parking bays available for patients and staff.

Pedal Power



Dorset HealthCare received a grant from Sports England to support a 'Pedal Power' project for Mental Health Inpatients. The project will reduce sedentary lifestyles and improve mental wellbeing by providing cycling opportunities to working age men accessing our inpatient and community services. Bikes and associated equipment will be purchased, with users taking part in organised rides supervised by hospital staff as part of an ongoing 12-week timetable. 22 staff and patients will also receive Bikeability safety training.

TWITTER HIGHLIGHTS 2019/20

Social media is an increasingly important way for us to engage with the public, our staff and our partners. With 6,200 Twitter followers, almost 3,000 Facebook followers and 800 Instagram followers, Dorset HealthCare's social media profile is expanding rapidly. Here are some of our most popular tweets over the last year:

April 2019

Top media Tweet earned 2,680 impressions

Just some of the sensational artwork on show at the Unheard Voices exhibition. Journeys of **#mentalhealth** services brought to life. Head to **@bournemouthuni** to see for yourself 😳 pic.twitter.com/TFaJejDKyj

2 10 29

May 2019

Top Tweet earned 3,067 impressions

Colleagues, have you been to the Hamworthy Club yet to take part in our Learning Event? You could win £1000 towards your learning. pic.twitter.com/LLAONA64II

June 2019

Top Tweet earned 3,326 impressions

There are 6.5m people in the UK who are carers. They will be looking after a family member or friend who has a disability, mental or physical illness or who needs extra help as they grow older. We want to say thank you to all the carers that support a loved one. **#CarersWeek**

1 12 28

July 2019

Top media Tweet earned 4,527 impressions

Our CEO **@Eugineyafele** "Organisations do not provide outstanding care – people do. Therefore, this rating reflects our collective effort and determination to deliver the very best outcomes and experiences for our patients, their families and friends." **#wearebettereveryday** pic.twitter.com/gSAOVCXcMT

1 9 38

August 2019

Top media Tweet earned 2,586 impressions

Thanks to everyone who voted for our Dragons' Den shortlist earlier this year - find out all about the winners! dorsethealthcare.nhs.uk/about-us/news-… pic.twitter.com/1pLaewD2N1

2 4 15

September 2019

Top Tweet earned 3,604 impressions

Today is Alison's 25th anniversary of working for Dorset HealthCare. Alison is a deputy sister at Alderney Hospital. She joined us for coffee and cake at the Tea Party on Tour at Alderney Hospital - a double celebration - 25 years' service and our CQC Outstanding rating. pic.twitter.com/Y5xe5vs7X6

3 15

October 2019

Top Tweet earned 4,934 impressions

We're proud that Dorset is one of the few areas in the country where you can access round-the-clock mental health help and advice over the phone and face-to-face. To find out more about our Access Mental Health service, click here: bit.ly/31ZbfN7 **#britaingettalking** pic.twitter.com/zTx2kDI1zM

20 20

November 2019

Top Tweet earned 6,012 impressions

Every 40 seconds, someone loses their life to suicide.
Let's work together to encourage and support people to seek help.

Join the **#DHCMentalHealthTalk** for a live chat on suicide prevention on Thursday from 8-9pm as part of **#WorldMentalHealthDay** **#SuicidePrevention** pic.twitter.com/E0eM0fW3X4

42 45

December 2019

Top media Tweet earned 4,438 impressions

Access Mental Health services will be open as usual during **#Christmas** and **#NewYear** to support those struggling to cope, heading towards a breakdown or even feeling suicidal.

The services are available for people of any age and you don't need to be referred by your GP. pic.twitter.com/OtHokj32KU

31 22

January 2020

Top Tweet earned 7,554 impressions

Three members of staff have starred in a new national nursing video by **@NHS_HealthEdEng** and **@TheQNI**, which takes a closer look at nursing in the community.

Start a career in the local NHS today and see the jobs available to you at **@DorsetHealthCa1** youtube.com/watch?v=YcGKJS…

13 29

February 2020

Top Tweet earned 2,140 impressions

Calling all qualified and newly-qualified mental health practitioners! We have a recruitment day for bands 3-7. Find out more here:
jobs.dorsethealthcare.nhs.uk/job/v2248839
@JoinOurDorset pic.twitter.com/bf7jMZrizR

16 10

March 2020

Top Tweet earned 6,730 impressions

Important update on our minor injuries units.
pic.twitter.com/WSvtxhfHzG


Sherborne, Swanage and Wimborne hospitals are still running, but by appointment only.

You can no longer walk into these services. If you have an ailment or injury which requires urgent care, please call your local MIU or 01305 762541 and you will be given advice or booked in for a face-to-face appointment at the appropriate site.

Please remember that our staff are extremely busy at present dealing with the impacts of the COVID-19 outbreak. Please use NHS services only when absolutely necessary.

Thank you.

25 16

Performance Report

1.1 CHIEF EXECUTIVE OFFICER'S STATEMENT

Reflecting on my first year as Chief Executive of Dorset HealthCare, I must begin by expressing my pride in leading's the Trust's celebration of our CQC Outstanding rating this summer. This was a fantastic achievement, and a testament to the hard work and dedication of colleagues across our Trust and the relentless focus on quality improvement over the past few years. Organisations do not provide outstanding care – people do. Therefore, this rating reflects our collective effort and determination to deliver the very best outcomes and experiences for our patients, their families and friends.

We have demonstrated that we are an organisation that can deliver what matters most for the people we support and look after. Our CQC rating recognised this attribute and gives us a platform to be bold in our approaches to Quality Improvement, innovation and Leadership. We are in a fantastic position to continue our mission to support and empower people to make the most of their lives as an active partner in the Dorset Integrated Care System.

Our strategy for 2019/20 had two main components: Outstanding Quality and Integrated Services. Our overall outstanding rating and 'good' rating for safety reflect the progress we have made on delivering outstanding quality services. Our achievements have been underpinned by quality improvement, investment in leadership, evolving our culture and engaging colleagues across the organisation to drive innovation in the care we provide. We continue to work with our partners across the Dorset Integrated Care system to deliver better health and care services. This year we became the lead provider of the new Dorset Integrated Urgent Care Service and the Eating Disorders New Care Model, and we were also awarded contracts for the new 0-19 Public Health Service for Dorset, childhood immunisations services and community services for Lyme Regis.

We have a great deal to be proud of and this year's successes include:

- Achieving the top score of like Trusts in the 2019 Staff Survey for equality, diversity and inclusion, health and wellbeing, morale and support from immediate managers;
- Launching our Access Mental Health Service including Connection, The Retreat in Bournemouth and Dorchester and Community Front Rooms;
- Opening the brand new 24-bed Colmer's ward at Bridport Hospital;
- Herm and St Brelades Wards at Alderney Hospital becoming the first elderly care mental health units in the country to be awarded the Gold Standard Framework accreditation for end-of-life care;
- The Willows at the Yeatman Hospital, Sherborne becoming the first ever 'Hospital Ward of the Year' for end-of-life care;
- Accreditation from the Quality Standard for Imaging for the radiology departments at Victoria Hospital Wimborne and Swanage Hospital;
- Developing a brand new website, working with young people and their families, to offer advice and information for young people with mental health issues.

Over the year we faced challenges around our workforce and maintaining the required staffing levels in some of our services, unwarranted variation in service delivery, maintaining the sustainability of our clinical services and delivering the planned financial position. I am pleased that we have made progress in responding to these challenges and that we finished the year on a much firmer footing.

Looking to the future, we have agreed a new Trust Strategy for 2020- 2025 which will further address these challenges. We are determined to support the development of healthy communities by continuing to provide integrated services delivered in partnership, focusing on achieving the best possible health outcomes for the population we serve. Central to this aim is ensuring that we maintain our focus on outstanding quality, we challenge ourselves to actively address sustainability in all we do and we demonstrate that we are the best place to work.

The COVID-19 outbreak has brought times of unparalleled challenge to us all, and the Trust's response required significant and rapid change. I was amazed and humbled by the additional resolve, resilience and commitment shown by colleagues in the face of this unprecedented adversity. We have leaped forward in our service delivery and we will reflect on what has worked well as we look ahead to how we are fit for the future.

I would like to thank my colleagues for everything that we have achieved as an organisation this year and in particular, the way that they have responded to COVID-19.

Eugine Yafele, Chief Executive

1.2 PERFORMANCE OVERVIEW

The purpose of this performance overview is to provide an overall understanding of our organisation, its purpose, the key risks to the achievement of our objectives and how the Trust has performed during the year.

Who We Are

Dorset HealthCare is responsible for community and mental health services across Bournemouth, Poole and Dorset. The Trust also provides Steps to Wellbeing services in Southampton. We are the biggest provider of healthcare in Dorset, and our services continually evolve and develop to meet the needs of the local community. Our annual income is around £292 million.

Our services include:

- Dorset's community hospitals and minor injuries units
- Adult and children's community health services (physical and mental health)
- Specialist learning disability services
- Community brain injury services

We serve a population of over 787,000 people and employ over 6,000 staff, covering a wide range of expertise and specialisms. Our staff provide healthcare at over 300 sites, ranging from village halls and GP surgeries to mental health inpatient hospitals and community hospitals - as well as in people's homes.

Dorset HealthCare became a Foundation Trust on 1st April 2007. We are regulated by NHS Improvement which authorises and regulates NHS Foundation Trusts and supports their development, ensuring they are well-governed and financially robust.

In 2010 we gained University Trust status and continue to work collaboratively with Bournemouth University to provide benefits for patients and staff. Our University Trust status supports us in providing innovative care, promoting clinical excellence, and attracting and retaining high-quality staff. The Trust also has active relationships with Southampton University and St Loyes.

The arrangements by which the Trust is governed are reviewed in section 2.1 of this Report.

Our Trust Strategy

This year we agreed a new Trust Strategy for 2020-2025, which has four overarching strategic ambitions:

1. **Outstanding quality services:** Achieving an overall rating of 'outstanding' from the Care Quality Commission in summer 2019 was just the beginning – we are determined to continue our relentless focus on providing the best quality services for the people we serve. This includes reducing harm and variation and transforming our services, making best use of new technologies. Our Quality Improvement ethos and drive is already having an impact, encouraging creativity, innovation and learning.
2. **Supporting people to lead healthy lives:** We are taking a population-based approach to planning our services, working in partnership with others in the health and care system. Local people will be much more involved in identifying their priorities and co-producing the services they need with us. As people are empowered to be in control of their health and wellbeing, we will work with them to prevent ill health and make the most of everyone's strengths.
3. **Maximising value and sustainability:** Along with all NHS organisations and the public sector as a whole, we face significant challenges in funding and demand. This makes it all the more important that we make considered and prudent decisions about the use of our limited resources, without compromising quality, to make the best use of our finances and our buildings and reducing environmental impact.
4. **Being the best place to work:** Our staff are our greatest asset and we're building on our compassionate, inclusive and open culture to empower staff to do their best work. We are working to retain and develop our workforce and to attract the right people into our Trust, as well as improving the diversity of our workforce.

Issues, Opportunities and Risks

The significant efforts of team across the Trust have positioned our organisation well for the future, despite the uncertainties created by the COVID-19 pandemic. The quality of care provided by the Trust as recognised through the 'outstanding' rating awarded by the Care Quality Commission and our robust financial position, combined with an ambitious new strategy to be launched in 2020/21, leave Dorset HealthCare well placed to make a full contribution to the Integrated Care System in Dorset whilst continuing to provide the highest standards of patient care. The Trust is, however, very conscious of a number of risks which could impact on these ambitions, including:

- Maintaining the highest standards of patient care in an era of continuing financial restraint: The ever-increasing demands on public finances will pose many challenges for the Trust in maintaining the very highest standards that we want to achieve;
- Recruiting the workforce that we need to deliver services: The NHS is facing unprecedented demands for staff and we recognise that we must continue to be an employer of choice to attract the people we need to Dorset HealthCare;
- System partnership working: ensuring the Trust can play its part in the Dorset Integrated Care System, referred to elsewhere in this report, and;
- Ensuring that the Trust remains financially stable in the longer term so that Dorset HealthCare can continue to meet the needs of our patients, service users and the population we serve.

Going Concern Disclosure

The progress that the Trust has made and the commitment of our staff gives every confidence that services of high quality will continue to be provided now and into the future. On this basis, after making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis in preparing the accounts.

Investment in New Facilities

The Trust has continued to invest in new facilities. New initiatives over the year have included:

- ***Bridport Community Hospital*** *- conversion of Ryeberry Ward:* The new first floor inpatient ward renamed Colmer's Ward has been developed from the original Ryeberry Ward, with an investment of £800,000 to create a 26 bed self-contained modern standard inpatient elderly care facility. This has taken an old style ward with corridor-based washing facilities and remodelled the accommodation so that each single patient room has its own ensuite toilet and shower room, with each group ward reduced to five patients with a wheelchair accessible toilet and shower room. The works also included renewal of the medical gases installations, a fully fitted out additional three-patient ward, and enlarged medical equipment and clinical/ drugs store rooms.
- ***Boscombe and Springbourne Sexual Health Clinic:*** Following the successful transfer of ownership from NHS Property services to Dorset HealthCare, the former health centre has had an internal refurbishment to create nine fully air-conditioned clinic rooms, a phlebotomy room, laboratory and extensive hot desking space. A staff shower has also been included as part of the works. Integrating Dorset HealthCare and Royal Bournemouth Hospital Sexual health services will provide a one stop shop and improve both access and the patients' journey by the implementation of a new service model and structure.
- ***Swanage Hospital improvements:*** Works include conversion of the undercroft (beneath the ward) to create a relative's/carer's overnight room, staff room, conference room and 2 storage areas. The outbuildings are also being refurbished to create more appropriate external storage for facilities including a laundry room, mattress storage room, theatre store and medical gases store. The Everest site will become a car park for hospital visitors, allowing for parking of 21 cars of which three are accessible and two are for electric car charging. The garden is being left level for a later garden scheme which will start summer 2020.
- ***Blandford Hospital Physio Gym and MSK Clinic Rooms:*** Works involve conversion of the old hydrotherapy pool (and associated plant room) into a physiotherapy gym and conversion of the existing gym to create three MSK treatment rooms.
- ***Weymouth Community Hospital:*** The new combined Sexual Health facility has been created by reutilising an inpatient ward that had been out of use for several years into a facility for the local community. This work brought the services already at Weymouth Community Hospital with the facilities formerly at Trinity Street in Dorchester into a single point facility for access to Sexual Health Services, with the creation of eight modern clinical rooms, a test laboratory, and phlebotomy room.

1.3 PERFORMANCE ANALYSIS

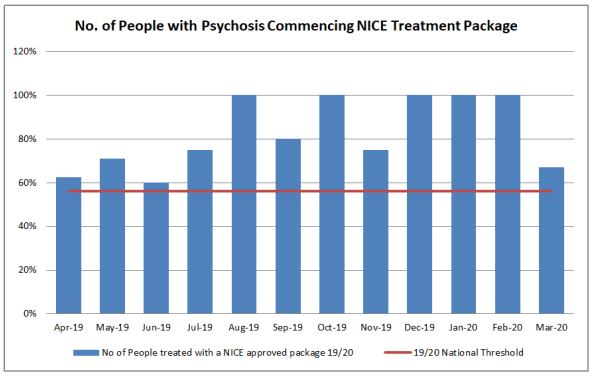
This section of the report sets out how the Trust has performed against key national and local targets in each of our main service areas.

Part 1: Mental Health & Learning Disability Services (including Steps to Wellbeing)

The National Planning guidance for 2019/20 focussed on the expansion of the ambitions originally set out in the Five Year Forward View through the implementation and delivery of the Mental Health Investment Standard and Long Term Plan. This continued the focus on a number of key areas;

- Psychosis treated with a NICE-approved package within two weeks of referral
- Improving Access Rate to Children & Young People's Mental Health Services
- Access to Children and Young People's Eating Disorder Service (target date 2021)
    - Routine cases waiting less than 4 weeks from referral to NICE approved treatment
    - Urgent cases waiting less than 1 week from referral to NICE approved treatment
- Perinatal Services
- Out of Area Placements
- Improving Access to Psychological Therapy Services (Steps to Wellbeing)
    - Recovery Rates
    - Access Times (6 and 18 weeks)
- Estimated Diagnosis rate for people with Dementia
- Activity Overview

Early Intervention in Psychosis treated with a NICE approved package within two weeks of referral

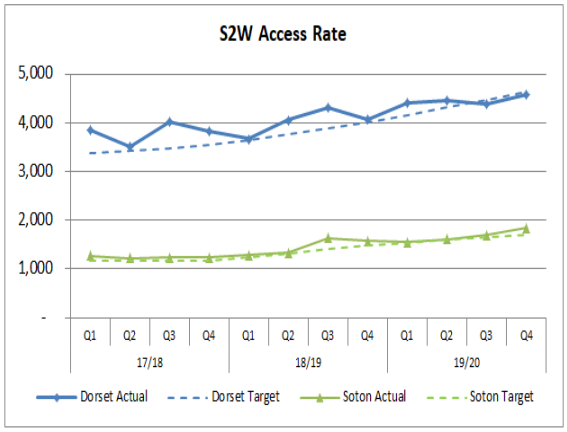


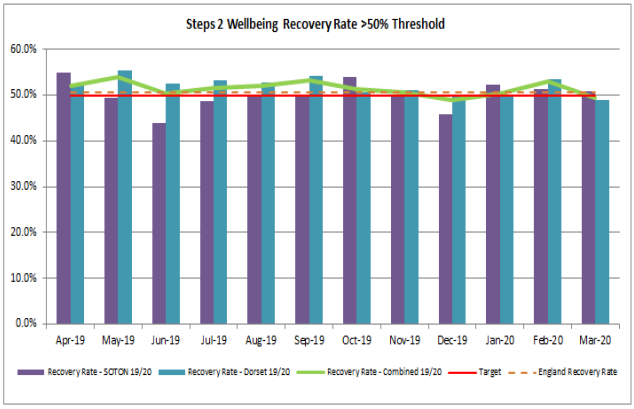
This measures the number of referrals with suspected first episode of psychosis that start a NICE recommended package of care within two weeks of referral. The national target was 56% and the Trust regularly exceeded this with an annual compliance rate of 80%.

Improving Access to Psychological Therapies (IAPT) - Steps to Wellbeing

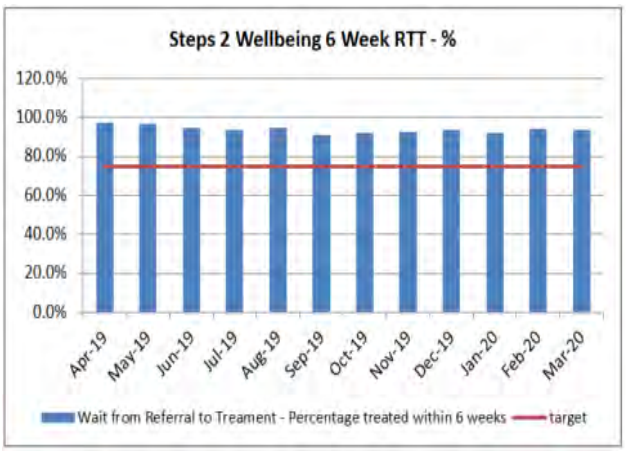
The highest area of growth within mental health services is IAPT Services, which have an expansion plan in place in line with the Long Term Plan. This includes an expansion of the core services alongside integrated Long Term Condition provision. The 19/20 expansion trajectory was to treat 22% of adults in Dorset and Southampton City with depression and/or an anxiety disorder. This equated to a target of 24,074 patients across Southampton and Dorset. The service exceeded this target by 447 with 24,521 people accessing the service representing a 22.41% access rate.

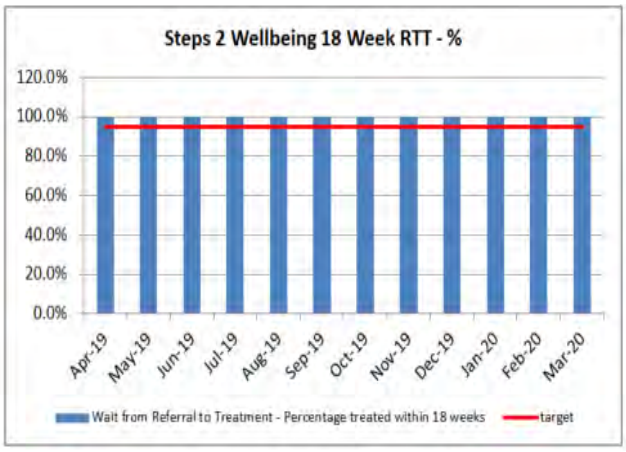
The service continues to achieve recovery rates above the national standard of 50% with a YTD position of 51.5%. This is in line with the overall England recovery rate 50.7% of referrals moved to recovery.





The service also continued to achieve the NHS Improvement Access Targets for 75% of patients to be seen within 6 weeks (93.4% in March 2020) and achieved the Access Target of 95% seen within the 18 week target (100% actual).



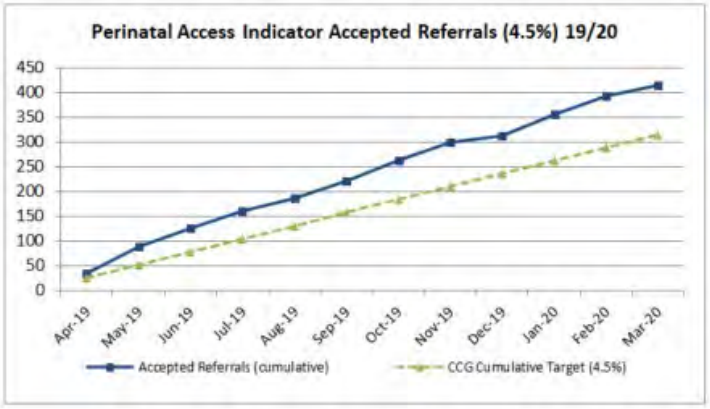


Improving Access Rate to Children & Young People's Mental Health Services

The Children and Young People's national access indicator is designed to measure increases in access to Children and Young People's mental health services in line with the Five Year Forward View. The indicator aims to ensure at least 35% of children and young people with a diagnosable mental health condition receive treatment from an NHS-funded community mental health service by the end of 20/21. The required threshold was to achieve 34% in 2019/20 across the Dorset system equating to 4,301 children and young people. The internal monitoring End of Year compliance for Dorset HealthCare shows 3,755 children and young people commenced treatment, representing 30% of prevalence. This is slightly down on last year's end of year position (-407), however the data excludes activity provided by a third sector counselling service Kooth, which has been commissioned to support delivery of interventions. As at January 2020, national reporting from NHS England indicates an access rate over the past 12 months of 33.4% (4,215 children and young people) with a forecast year end position of 35.2% for Dorset. Demand and capacity work was completed in early 2019/20 and as a result work has been underway with the NHS Dorset CCG to redesign access to Children & Young People's Mental Health Services, as well as implement new Mental Health Support Teams in Schools. The new

services are planned to commence in early 2020/21 and will both increase capacity and reduce waiting times for treatment.

Perinatal Services



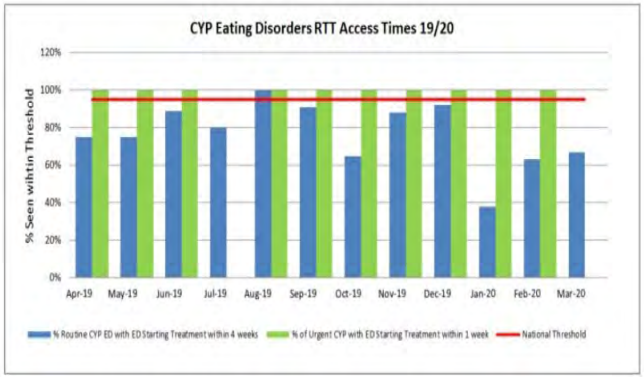
As part of the Mental Health Investment Standard and Long Term Plan, NHS England pledged to increase access to Perinatal Services by 4.5% in 2019/20, increasing to 6.4% in 20/21. This was exceeded in 19/20 with 415 women accessing care against a target of 315 which equates to 5.8% of the live birth rate and a 27.4% increase on the target.

Access to Children & Young People's Eating Disorder Service

The two key targets for this service are:

- Routine cases waiting less than 4 weeks from referral to NICE approved treatment
- Urgent cases waiting less than 1 week from referral to NICE approved treatment

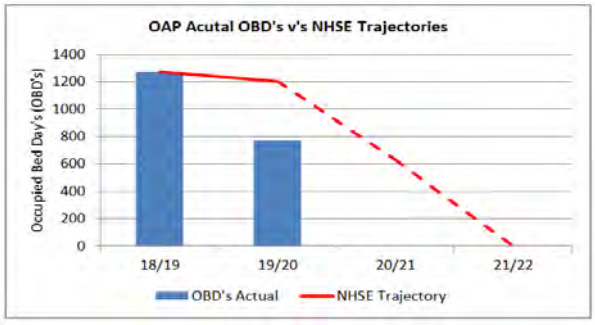
The target date to meet these thresholds is April 2021. Compliance for urgent cases starting treatment within 1 week of referral has consistently been achieved (100%) during 19/20.



The service has seen an 8 month sustained increase in referrals above the long-term average (+26.3%) and the service has not had sufficient capacity, despite an increase with the investment made in 2018-19, to meet the growing level of demand. This has had a significant impact on meeting the 4 week waiting time and fluctuating compliance throughout the year.

Out of Area Placements

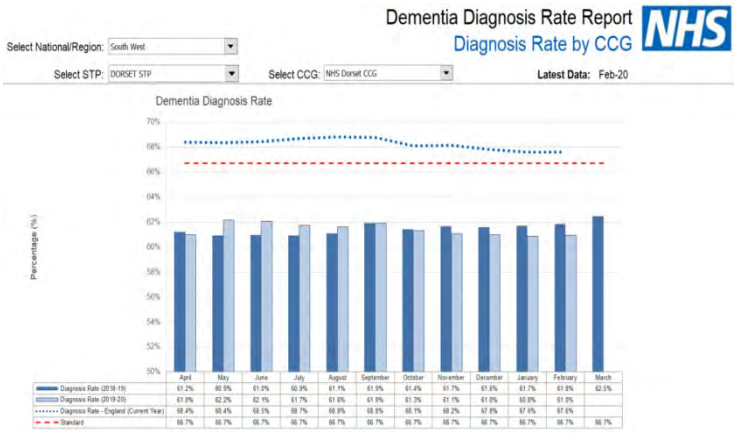
NHS England made a commitment to eliminate inappropriate Out of Area Placements (OAP) by June 2021. To support this, trajectories were developed and agreed with the CCG and NHSE. The trajectories are based on reducing the number of occupied bed days for people placed out of area due to non-availability of an adult acute bed in their local catchment area.



The Trust has exceeded its commitment to NHS England by achieving 767 Occupied Bed Days against a target of 1200.

Effective Bed Management remains crucial to achieving compliance. The implementation of the Access Mental Health Service has also contributed to achieving the reduction as alternative options for support are available in the community which may have otherwise resulted in an admission to hospital.

Estimated Dementia Diagnosis rate for people aged 65+ (CCG-led indicator)



The national threshold for the estimated diagnosis rate for people with dementia is 66.7%. During 2017/18 and 2018/19 Dorset has consistently averaged 61% compliance with this trend continuing during 2019/20. This indicator relates to all patients who have a diagnosis recorded on their GP record and therefore Dorset HealthCare only contributes to this indicator, as assessments are also undertaken within Primary Care. A CCG-led Dementia Services Review was undertaken during 2019/20. The outcome is a fundamental redesign of the dementia assessment pathway with DHC taking a lead role in the implementation of this.

Activity Overview

Overall Mental Health and Learning Disability Services showed marginal growth in referrals and contacts when compared to 18/19 activity. Although growth slowed in comparison to the previous year, Steps to Wellbeing met the planned activity increases as set out in the Long Term Plan. In year new services were set up as part of the 'Access Mental Health' network of services. The activity below does not include these new service developments, which are outlined below.

Month 12 has been significantly impacted by COVID-19. The full extent of the impact COVID-19 will have on activity is yet to be determined.

Referrals	18/19 YTD	19/20 YTD	Growth Ref's Actual	Growth Ref's %
AMH	19,633	17,500	-2,133	-12%
CAMHS	4,132	3,976	-156	-4%
Community Aspergers Service	723	704	-19	-3%
Eating Disorders Service	590	675	85	13%
Learning Disability Services	1,351	1,348	-4	-0.3%
OPMH	6,345	6,029	-316	-5%
Perinatal	700	702	2	0.3%
MH & LD Total	33,474	30,934	-2,540	-8.2%
Steps 2 Wellbeing	32,052	34,629	2,577	8.0%
Grand Total	65,526	65,563	37	0.1%

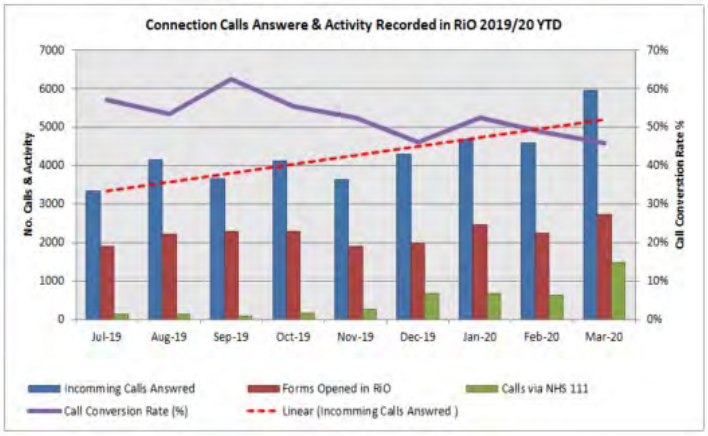
Contacts	18/19 YTD	19/20 YTD	Growth Actual	Growth %
AMH	107,303	100,859	-6,444	-6.4%
CAMHS	33,009	35,742	2,733	7.6%
Community Aspergers Service	1,528	1,430	-98	-6.9%
Eating Disorders Service	10,775	11,222	447	4.0%
Learning Disability Services	23,515	19,738	-3,777	-19.1%
OPMH	55,605	52,324	-3,281	-6.3%
Perinatal	3,442	3,977	535	13.5%
MH & LD Total	235,177	225,292	-9,885	-4.4%
Steps 2 Wellbeing	170,119	184,874	14,755	8.7%
Grand Total	405,296	410,166	4,870	1.2%

New Mental Health and Learning Disabilities Service Developments

In July 2019, Mental Health Services saw the completion of the initial stage of the Acute Care Pathway (ACP) with the full implementation of the Access Mental Health Service. This redesigned how people access support to a range of mental health services in line with self-defined Crisis.

There is only part-year activity for the Access Mental Health Service including the Connection crisis telephone line, however early analysis suggests this accounts for a proportion of the downturn in activity within Adult Mental Health Services as the number of people accessing treatment and care via the new service has significantly increased providing services which better meets their needs than traditional mental health services.

The Connection sits within the Access Mental Health Service and is a 24 hour/7 day per week dedicated mental health telephone support which can be accessed via NHS111 (an ambition of the LTP) with Home Treatment and other self-directed front line support across the County with two Retreats (Bournemouth & Dorchester) and Community Front Rooms (Bridport, Wareham and Shaftesbury, opened July 2019).



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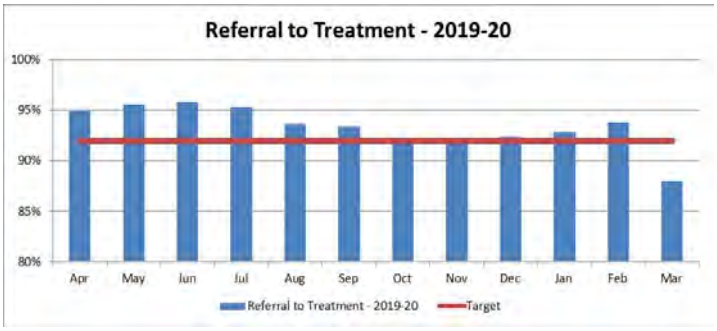
Since opening in July the Connection has received over 38,414 calls (an average of 4,268 per month), of which 19,999 people have gone on to have an assessment (an average of 2,222 per month). In addition, since opening the Retreats have had 20,972 visits in Bournemouth (opened April 2018, average of 29.9 people per day) and 2,053 in Dorchester (opened June 2019, average of 9.3 per day). The Community Front Rooms opened in September 2019 and have received 1,000 visits.The data demonstrates a significant shift in how people are accessing services. At at March 2020 access to Mental Health Services via NHS111 accounts for 23% of calls to the Connection and is on an increasing trajectory.

Part 2: Integrated Community Services

Referral to Treatment



The percentage of patients waiting less than 18 weeks for Consultant-led treatments at each month-end during 2019/20 was above the national target of 92% for 10 out of the 12 months. The significant drop in March 2020 was due to suspended services due to COVID-19.

Consultant-Led services which contribute to RTT include General Surgery, Urology, Trauma & Orthopaedics, Ear Nose & Throat, Ophthalmology, General Medicine, Cardiology, Rheumatology, Elderly Medicine, Gynaecology, Podiatric Surgery and Oral Surgery.

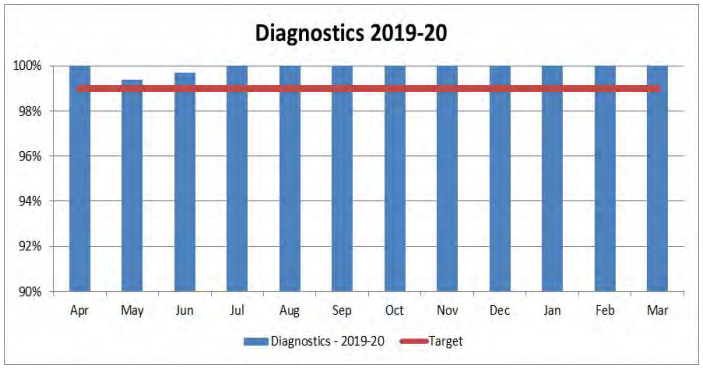
These services are provided across a number of community hospital sites and as such only a small number of sessions in total are provided each month. Whilst this ensure a local service it also presents challenges as any individual patients who waits longer than 18 weeks will have a high impact on the achievement of the RTT target. Usually around 60 breaches would result in failure to achieve the target.

The majority of consultant-led services also utilise Consultants from acute hospitals through service level agreements. This can present challenges through short-notice cancellations or balances the prioritising of wait lists to avoid breaches between providers which for example has had an impact on performance in Orthopaedic surgery and, Ear Nose and Throat.

COVID-19 National Guidance regarding all non-essential Outpatient clinics and Day Surgery has meant the temporary cessation and accounts for the below RTT target in March 2020. Consultants have returned to their respective acute hospitals and DHC clinicians have been redeployed to essential services.

'Diagnostics

The percentage of patients waiting less than 6 weeks for diagnostics tests at each month-end during 2019/20 was above the national target of 99% in each month.

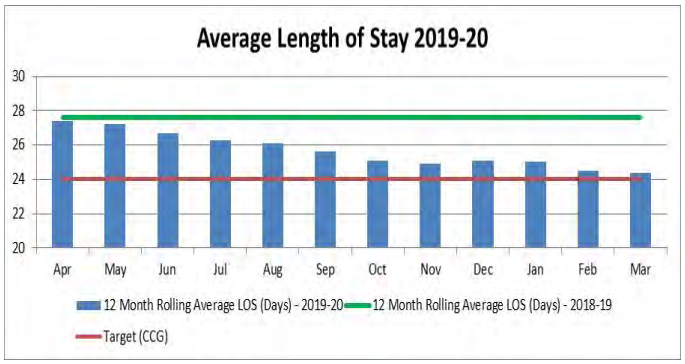


Diagnostics services consist of Ultrasound, Audiology, Cardiology, Urodynamics and Endoscopy. Of these services, Audiology and Ultrasound see the greatest number of patients. Concerted effort is made by services to manage waiting lists and match the demand with capacity. With such a high target the Trust must have no more than 10 patients breaching at the end of the month. In 10 of the 12 months no patients at all were breaching.

Weekly reports are generated by Business & Performance to provide accurate and up-to-date data to service managers and administrators who pro-actively book patient appointments and avoid potential breaches.

Community Hospital Inpatient Average Length of Stay and Delayed Transfers of Care (DTOC)

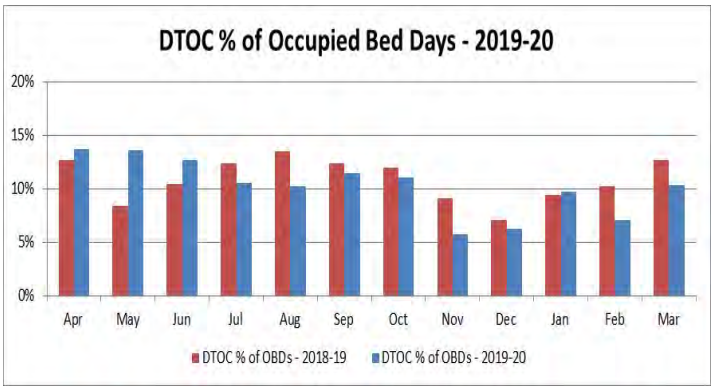
The 12-month rolling average length of stay for Community Hospital inpatients has reduced consistently during the year from an average 27.6 days for 2018/19.



There are real benefits to patients from a reduced length of stay, both for the individual patient being able to return home earlier with continued community support where needed and because more patients can receive care in Community Hospitals in a year.

Allied to this has been the considerable effort that has been made in partnership with Local Authorities to reduce delays in discharge of patients from Community Hospitals. This has included setting expected discharge dates early on admission and undertaking regular reviews with patients and carers involving medical, nursing, therapy and social care staff, who all are contributing to the progress of the patient to a safe discharge. This is expected to drop further from March 2020, with a move to discharge to assess within both acute and community hospitals.

The percentage of days lost to delayed transfers of care in 2019/20 averaged 9.8% compared to 10.9% in 2018/19.



In response to the COVID-19 Hospital Discharge Service Requirements (published 19 March 2020) Dorset Integrated Care System introduced a new 'Discharge to Assess' (D2A) model across all of our hospitals. In line with guidance and national expectations, Dorset HealthCare has assumed the lead responsibility for this program in partnership with health and social care partners and colleagues.

The principle is that once a patient is medically ready to leave hospital, they should not remain in hospital because they are waiting for an assessment or provision. Where possible the individual should return to their home, and where this is not possible the individual may move to a setting best suited to their needs, where discharge assessments will then take place. Through daily board rounds community hospital matrons and senior sisters are tasked in identifying people ready to discharge and to refer to a central coordination team who will case manager the patient through to an appropriate setting to next meet their needs.

Integrated Urgent Care Service

The Integrated Urgent Care Service (IUCS) was launched in April 2019. This brings together the NHS 111 telephone and on-line service, supported by a Clinical Assessment Service (CAS triage), and the Single Point of Access service (SPOA), IAGPS, urgent and routine,

face to face out of hours treatment clinics and home visiting, out of hours prison clinics and visiting and night nursing services.

The Service is delivered as a partnership with Royal Bournemouth and Christchurch Hospital, Poole Hospital Trust, Dorset County Hospital and the South West Ambulance Foundation Trust with Dorset HealthCare as the lead provider, working closely with primary care. Each partner delivers activity to support the whole contract.

Part 3: Children, Young People and Families Services

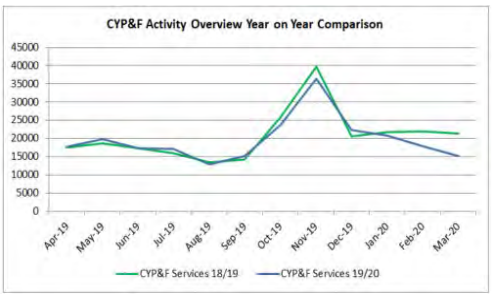
This year has seen our Children, Young People and Families services continuing to support children and young people across Dorset, Bournemouth and Poole to get the best start in life. There has been a slight increase in the overall caseload and numbers eligible for support this year due to a steady growth in the number of children to be supported by the Looked After Children's service over the year (12% increase on last year) and an annual increase in the school year groups and number of school aged children eligible for immunisation (8.7% increase on last year excluding HPV). The Paediatric Speech and Language Therapy Service has seen a slight reduction in referrals this year and focussed work on pathways has seen an overall reduction on their caseload, with particular reduction in the number of children waiting for a review.

Snapshot of Caseload per month

CYP Caseload Trend	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Tend	Averag	Av % of Eligible Populatio
Registered with CHIS 0-19 (Registered & Residen	160,509	165,540	166,321	166,942	167,279	167,595	167,634	167,499	167,908	168,432	169,305	162,767		166,478	-
Health Visiting	36,238	35,505	35,811	35,716	35,596	35,544	35,393	35,367	35,229	35,179	35,119	35,150		35,487	22.1%
School Nursing	107,725	107,054	107,536	108,019	108,839	111,939	109,052	109,118	109,184	109,251	109,327	109,620		108,889	67.8%
SAI's	72,851	72,851	72,851	72,851	72,851	82,634	82,634	82,634	82,634	82,634	82,634	82,634		78,558	48.9%
Paediatric SALT	7,393	7,371	7,238	7,081	6,796	6,567	6,533	6,039	6,054	6,063	6,040	6,058		6,603	4.1%
Looked After Children (LAC)	1,507	1,525	1,530	1,555	1,574	1,597	1,609	1,642	1,686	1,698	1,711	1,742		1,615	1.0%
DHC Integrated Sexual Health Services attendanc	922	1,054	932	1,204	1,057	1,002	1,157	1,244	839	1,306	1,060			1,071	0.6%
CYP Total Caseload (excl. CHIS)	**153,785**	**152,509**	**153,047**	**153,575**	**153,862**	**156,649**	**153,744**	**153,410**	**152,992**	**153,497**	**153,257**	**152,570**		**153,575**	

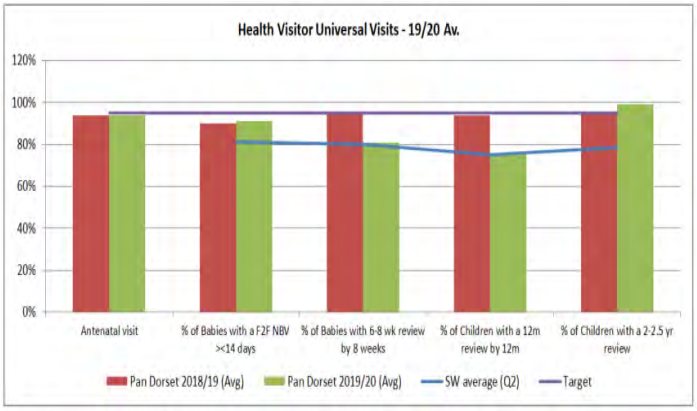
Children, Young People and Families Services deliver at many levels, building capacity in our wider communities, supporting settings and other professionals and working with individuals to support health and wellbeing outcomes. Service activity in supporting individuals (as measured by the number of contacts with children, young people and families) again peaked during the major immunisation campaigns and showed a lower level of activity in quarter 4, potentially in part related to the impact of COVID-19.

Service	Total Contacts 18/19 YTD	Total Contacts 19/20 YTD	Growth Total Contacts Acutal	Growth Total Contacts %
Paed SaLT	35,210	33,022	- 2,188	-6.21%
School Nursing *	36,920	34,847	- 2,073	-5.61%
School Aged Imms	41,627	36,658	- 4,969	-11.94%
Health Visitors	116,447	115,023	- 1,424	-1.22%
Looked After Children	4,808	5,068	260	5.41%
Sexual Health Services	12,173	11,777	- 396	-3.25%
CYP&F Service Total	**211,975**	**203,373**	**- 8,602.00**	**-4.06%**



Children and Young People's Public Health Service

The new Children and Young People's Public Health Service started in October of this year, following DHC's success in the competitive tender. The service delivers the Healthy Child Programme for children and young people aged 0-19 (or 25 for those with special educational needs and disabilities).



Note: Data for Q4 is un-validated due to the COVID-19 Pandemic.

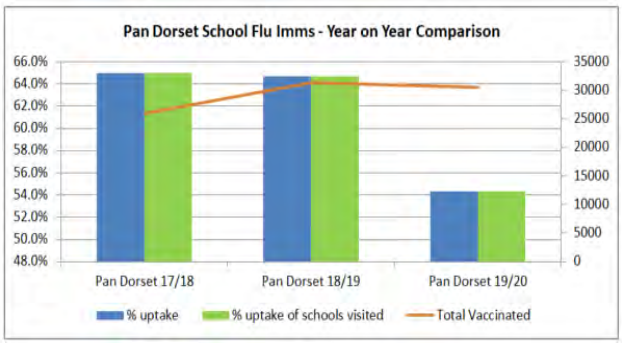
Whilst this has been a challenging year for the workforce, with competitive tender and health visiting pressures in the Bournemouth area, core service coverage has remained in excess of regional and national averages and close to local targets.

Support has continued for school-aged children, including increasing activity via the digital Chat Health platform, and coverage of the National Child Measurement Programme was high despite national requirements to suspend delivery prematurely (25/3/20) during COVID-19. This will provide valuable information to support improvements in child health and wellbeing.

School Aged Immunisations

We deliver four school aged immunisation programmes: Seasonal influenza, Human papilloma virus (HPV), Tetanus, diphtheria and inactivity polio (Td/IPV) and Meningitis ACWY. Maintaining uptake this year has proven challenging and the service has implemented a new digital process to support ongoing performance improvements alongside the future programme expansion. Following our success through competitive tender, we will implement the new service model in 2020/21.

	2018-19	2019-20	% change
FLU	48550	56137	15.6%
TdIPV*	8191	7221	-11.8%
Men ACWY*	8191	7221	-11.8%
HPV - Girls	7919	7872	-0.6%
HPV - Boys	0	4183	
	72851	82634	13.4%

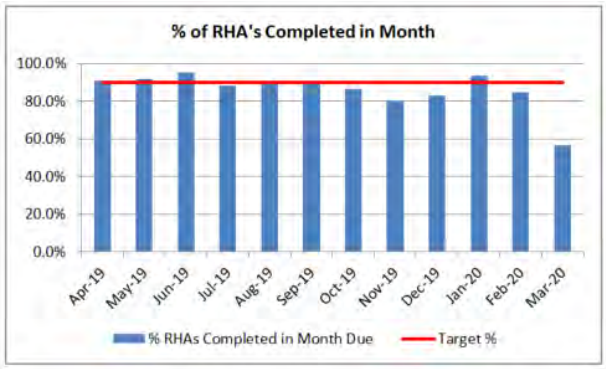


This year, overall flu immunisation uptake rates dropped, although the total number of immunised children remained broadly in line with last year. Data for the 19/20 TdIPV & Med ACWY programmes has been received in mid-April and is being validated and analysed and at the results will be available shortly. School aged immunisations were suspended in March 2020 in line with COVID-19 national guidance.

In the most recently completed programme (Flu) the Trust achieved a 54% uptake rate against a 65% threshold. The percentage Flu uptake in 2019/20 decreased by 11% (-907) since the previous year's programme however this was in the context of a 16% increase in the eligible school cohort (+7587) as the 19/20 programme was extended to include Children in Year 6. As the cohort in the programme has changed year on year annual data is not directly comparable and is for illustration/information purposes only. When this is taken into consideration, overall the total number of children vaccinated in 19/20 has only marginally declined from 31,407 in 18/19 to 30,500 in 19/20 which equates to the 54% uptake:

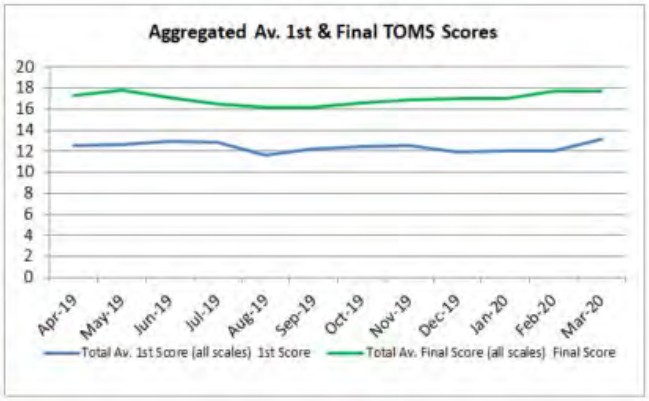
Support for Looked after Children (LAC)

The LAC nursing team deliver effective support for vulnerable children in Dorset and those placed out of county. They deliver regular reviews for all children and targeted pieces of work to support child health and wellbeing.



Despite increases in overall caseload and national guidance relating to COVID-19, the service has continued to deliver timely annual review health assessments (RHAs) for looked after children, although March's position has been affected by COVID-19 bring the YTD compliance to 85.5%. The Looked after children's immunisation coverage (86.2% up to date) and access to dental care (92.6% of checks up to date) remains high. Three monthly reviews of progress and health needs have been delivered for 97.6% of children.

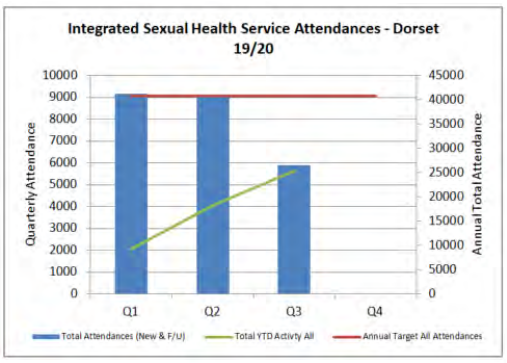
Paediatric Speech & Language Therapy Service



The Paediatric Speech and Language Therapy service provides specialist assessment, advice and support to children and young people, their families and multi-professional teams involved in their care. The service supported 3,637 CYP who were referred to the service this year, providing assessments on average 6.7 weeks following referral, with 99% being seen within 18 weeks.

Following therapy, consistent improvement across all outcome measure domains was noted when comparing first to last scores.

Contraception and Sexual Health (Sexual Health Dorset)



Performance in the Dorset HealthCare-delivered elements of Sexual Health activity in Dorset has been on an increasing trend during the year. This is as a proportion of the Dorset System activity of which Dorset HealthCare is the lead provider. As the Lead provider in Dorset, the system performance data is at Nov 19, it is anticipated this will be refreshed when the Q4 data is extracted. The year-to-date activity is tracking marginally below trajectory to achieve the annual target of 40,800 attendances across the system. Current activity levels project approximately 36,000 (pre-COVID-19).

The new IT system (INFORM) will provide additional data for future performance and quality oversight.

Part 4: Environment and Sustainability

Sustainability has become increasingly important in all aspects of life, helping to reduce harmful impacts on our own environment and reducing the economic impact of high energy costs. The impacts of what we do affect people and we acknowledge the responsibility to our patients, staff, local community and environment by striving to reduce our carbon footprint.

As part of the Dorset Integrated Care System and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability enables us to deliver our carbon reduction commitments and contribute to the ambitious target to reduce the NHS and Social Care carbon emissions by 34% from a 1990 baseline by 2020.

Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met. The Trust is also required to deliver Sustainable Development as part of our obligations under the NHS Standard Contract Service Conditions and must take all reasonable steps to minimise our impact on the environment.

Dorset HealthCare has a Board approved Sustainable Development Management Plan, to be called a Green Plan from April 2020. The

Director of Finance and Strategic Development is the lead Executive Director for Sustainability and supports the Trust Sustainability lead.

One of the ways in which we measure our impact on corporate social responsibility is through the use of the Sustainability Development Assessment Tool (SDAT). The SDAT is a measure of the Trust's 'Green' maturity and looks to improve year on year by identifying where improvements can be made. The first SDAT was completed in autumn 2018 and the Trust scored 36%. The second SDAT was completed in autumn 2019 and we scored 52%.

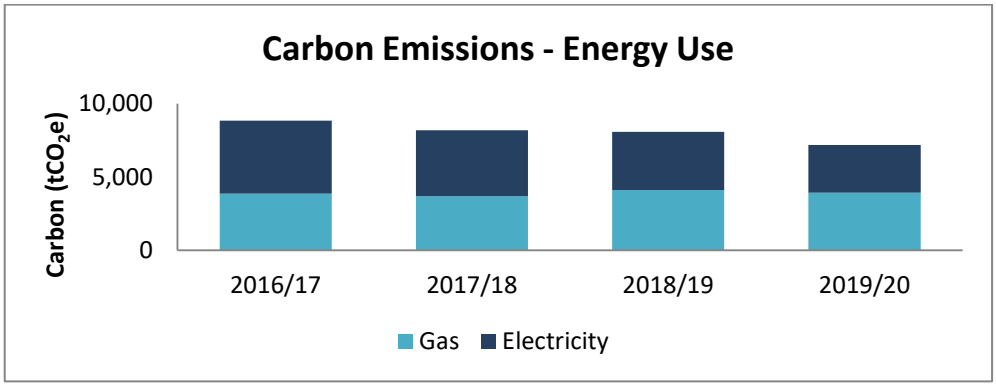
As an organisation that acknowledges our responsibility towards creating a sustainable future, we run awareness campaigns that promote the benefits of sustainability to our staff including 'Turn it Off'. The Turn It Off campaign has caught the attention of our staff and enabled greater engagement, for example amongst our administrative staff during the Christmas break when offices are often closed for an extended break.

Climate change brings new challenges both in direct effects to the healthcare estates and to patient health. Recent examples include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods and droughts. Our Estates and Facilities Team works with the Emergency Planning & Resilience and Capital Teams to continually develop effective measures to address and adapt the delivery of the organisation's activities and infrastructure to meet the challenges of climate change and adverse weather events. A Trust Climate Change and Adaptation Plan is being developed with an aim for completion by mid-2020. During Winter 2019/20 the UK experienced a period a continued heavy rain and strong winds that had a severe impact upon the national and local infrastructure.

The NHS policy framework sets the scene for commissioners and providers to operate in a sustainable manner, and a strategic partnership is already established with Dorset CCG.

Energy

Energy is one of Trust's largest areas of expenditure. The chart below shows our CO2 emissions over the last four financial years. It is positive to see a downward trend:



The chart below shows energy consumption over the last four years. The energy costs increased in 2019/2020, due to an increase in costs for utilities. Further energy cost rises will be experienced in forthcoming years due to the abolition of the Carbon Reduction Credit (CRC) scheme and its replacement by Climate Change Levy (CCL) which will be applied to

each unit of energy purchased. Electricity and Gas consumption has reduced in the last year. This resulted in a Total Energy CO2 emission reduction over previous years. Over the last four years we have seen a 20% Total Energy CO2 emission reduction. We purchase our energy from the CCS Framework and an element of renewable energy is acquired.

Resource		2016/17	2017/18	2018/19	2019/20
Gas	Use (kWh)	18,399,530	17,653,590	19,577,160	18,487,381
	tCO2e	3,851	3,689	4,151	3,920
Electricity	Use (kWh)	8,052,599	7,805,206	7,750,736	7,295,391
	tCO2e	4,630	4,006	3,455	3,252
Total Energy CO2e		8,480	7,695	7,605	7,171
Total Energy Spend		£1,142,263	£1,444,401	£1,773,338	£1,822,737

The work undertaken at our largest 13 sites (in the main our Community Hospitals) to reduce energy consumption is now paying off and demonstrated in these figures. In addition, the new Building Environmental Management System (BEMS) being rolled out at a number of sites is giving greater control of energy usage. The boiler plant replacement schemes commenced a few years ago must also be factored into these reductions. The new boilers are more compact, use less energy, and are cleaner and more efficient.

In early 2019 the Trust opened a refurbished building called Seascape House. This is fitted with a Solar PV array which will generate 24047kWh of electricity per annum avoiding **electricity needing to be purchased from grid and will be consumed by users of the building.** A carbon saving of over 7 tonnes per annum will be made by this initiative.

During 2020 the Trust intends to install Solar PV to 4 sites which will create an annual power generation of 182,535 kWh of electricity. An annual carbon saving of 51 tonnes will be made. The power created will be used at the installed sites. This enterprise will reduce our spend on grid energy.

Replacement LED light fittings are being installed across the Estate as part of Capital works and when light fittings reach the end of life. The LED lights use less energy, emit less heat, are maintenance free for at least 5 years and provide a better environment due to the light emitted by them. An LED bulb uses 67% less power than an equivalent fluorescent bulb.

In early 2019 the Trust was awarded a grant from NHSi from their NHS Energy Efficiency Fund (NEEF) to install LED lighting across 10 Trust sites. The NHSi funding of £419k was matched with a SALIX Loan creating £838k to replace existing lighting with new LEDs. The project commenced in summer 2019 and completed in February 2020. It is projected to give indicative annual energy savings of £376k and carbon reductions of 824,000kg/CO2. This scheme enabled large scale LED install at no cost to the Trust and LED lighting is now present at 66% of our freehold properties, which is a great achievement for the organisation.

Reuse and Recycling

The Trust launched the Warp It reuse and recycling portal in autumn 2017 on a pilot basis and this has been very well received by everyone. The whole organisation can now access

and make use of the portal which is reached by the Intranet and rather like eBay in format and presentation leading to high interest amongst staff. Surplus equipment description is entered on Warp It with a picture and staff seeking equipment search the system and then claim items needed. This avoids the cost of buying new items, their associated raw material, manufacturing and distribution costs. To date nearly £145,000 has been saved in new items purchase costs, over 62881kg of CO2 emissions saved through manufacturing and distribution of new items, 26428kg of existing reused items that may have become waste equipment requiring disposal for which we would have been charged. This is the equivalent of planting 86 Trees.

Waste

Just over three years ago we reached the great achievement of 'Zero to Landfill' and this means our waste is either recycled or sent for disposal and used to create energy. Over 370 tonnes of waste is now recycled representing a 53% recycling rate. There is an opportunity for improvement in the future to increase the recycling percentage.

The majority of our healthcare waste which is bagged is disposed of as Offensive Waste and not Infectious Waste. This minimises the environmental impact of the waste and makes it more cost effective to dispose of. In addition to traditional waste products, the Trust sends food waste for processing at a local anaerobic digestion facility where the waste food is turned into methane which is converted into power and sent to the National Grid. The organic material remaining after the process is made available to local farmers who use in their agricultural processes. The fact this all takes place locally reduces the travel footprint and brings derived benefits to the Dorset Community.

Finite Resource Use – Water

As a precious resource and a very important ingredient in health and wellbeing it's essential that we manage water carefully and ensure it is used appropriately. We have worked hard to reduce leaks within our estate and work with our water supplier to identify usage patterns that may indicate loss of resource.

Water		2016/17	2017/18	2018/19	2019/20
Mains Water	m^3	94,076	79,656	91,108	95,783
	tCO_2e	86	73	83	87
Water & Sewage Spend		£ 308,417	£ 240,791	£ 320,693	£ 312,643

Travel

Trust travel which is business mileage from staff using their own vehicles and the staff commute, as shown in the table below, is a large part of our Trust carbon footprint. Being a Community Trust its very nature requires vehicle use to access and treat patients in their own homes.

Category	Mode	2016/17	2017/18	2018/19	2019/20
Patient Transport	miles	142,659	138,965	126,452	130,000
	tCO_2e	51.59	50.22	45.06	46.32
Staff commute	miles	5,422,686	4,483,065	5,570,621	4,481,281
	tCO_2e	1,961.04	1,620.23	1,984.95	1,596.79
Business Travel	miles	5,361,522	4,755,668	5,755,177	5,779,079
	tCO_2e	1,938.92	1,718.75	2,050.71	2,059.23

We continually look into actions to reduce travel related CO2 and are members of the Dorset Business Travel Network. The Trust has a cycle to work scheme and invest in bike shelters on site which provide a safe and secure storage area. An Agile and Smarter Working Project is being completed to reduce staff travel to work and for work. As part of this work we will consider parking controls and methods of incentivising alternative travel options. Significant investment in hardware and software has been undertaken to promote video and audio conferencing along with use of Teams via NHS.net to reduce unnecessary staff travel.

Biodiversity and Green Space

As part of the Capital Planning process the Trust gives consideration to creating green and outdoor space for patients and staff, which is recognised as having substantial therapeutic and health benefits essential to the recovery process. There are also environmental benefits to this including support to local ecology and flora and fauna.

Procurement

The Procurement Team recently worked with the Sustainability Lead to further develop our Sustainable Procurement Policy, which highlights the process to consider the sustainable impact of procurement and supply chain. This raises awareness of sustainable development amongst suppliers and potential suppliers to the Trust.

Part 5: Financial Performance

One of the key challenges and risks identified for the year was the delivery of the financial plan. The Trust delivered a surplus of £2.4 million. This was ahead of the planned deficit of £2.3 million. This performance includes the benefit of receiving £2.2 million of Provider Sustainability Funding (PSF).

The Trust's financial performance history for the past 3 years is summarised below:

Year	Total Income £m	Surplus/(Deficit) £m	Percentage of Turnover
2019/20	292	2.4	0.82
2018/19	266	7.2	2.71
2017/18	247	6.0	2.43

Notes: Total Income includes interest received

In terms of regulatory financial performance, the finance and use of resources theme within NHS Improvement's Single Oversight Framework is based on the scoring of five measures from '1' to '4' where '1' reflects the strongest performance. The Trust achieved the highest Use of Resources score of 1 at the year end as set in table below.

2019/20	Metric	Q1 score	Q2 score	Q3 score	Q4 score
Financial sustainability	Capital service capacity	2	2	2	1
	Liquidity	1	1	1	1
Financial efficiency	I&E margin	3	3	3	2
Financial controls	Distance from financial plan	1	1	1	1
	Agency spend	1	1	1	1
Overall Use of Resources Score		**2**	**2**	**2**	**1**

Post Balance Sheet Events

In the opinion of the Directors of the Trust, there are no Post Balance Sheet events.

Signed _____ Date: 10th June 2020

Eugine Yafele, Chief Executive

2.1 DIRECTORS' REPORT

Board of Directors; Composition; Committees, Interests

Board Composition

The Board of Directors is responsible for managing the Trust, ensuring delivery of financial performance, quality of services and ensuring all standards are achieved and targets are met.

The Trust has a unitary Board, comprising the

- Chairman
- Seven other independent Non-Executive Directors (NEDs)
- Six Executive Directors

Upon appointment to the Board of Directors, Board members receive a comprehensive induction. Director training is reviewed and undertaken to ensure the Board is regularly refreshed and Directors update their skills and knowledge.

The table below summarises the formal roles of the Directors when acting collectively as a unitary Board and whilst distinguishing between the distinctive responsibilities of Executive and Non- Executive Directors:

<table>
<tr><td colspan="2">All directors acting collectively as a unitary Board

Establish and communicates the values and behaviours underpinning organisational culture. Determine the organisation strategy from amongst options provided by the Executive.

Allocate resources using budgets.

Monitor performance.

Hold the Executive to account.</td></tr>
<tr><td>Executives / Executive Groups

Establish the operational controls by which organisational objectives are met.

Hold management to account.</td><td>NEDs / Non-Executive-led Assurance Committees

Using a risk based approach, acquire and scrutinise assurances that the operational controls are designed well and operating effectively.</td></tr>
</table>

Recruitment to the Board, the way in which it operates and its approach to overseeing key areas of activity such as strategy development, risk management and oversight of operational performance is significantly influenced by the requirements and expectations of the Care Quality Commission well-led framework. Further details are set out below and in section 2.8 of the Accountability Report.

Directors participate in a variety of activities, such as visits to service areas, and learn about the Trust in multiple ways. This provides content, insight and triangulation of information to support evidence-based decision making.

The Board meets at least six times per year in formal Board meetings and also undertakes other activities. The Board generally holds its meetings in public but there are some occasions when the public are excluded from a 'Part 2' meeting in which matters of a confidential nature are discussed. Regular reports from the Chief Executive and other Executives are provided to ensure that the Board has an accurate and balanced assessment of the Trust's position and progress towards its objectives.

Workshops are held in most months throughout the year to raise Board effectiveness and to discuss the development of strategic opportunities and challenges.

Non-Executive Directors also meet together from time to time without the Executive Directors present.

Careful consideration has been given to the composition of the Board and the experiences required for managing an NHS Foundation Trust. This resulted in specific experience, values and competencies being sought when appointments were made to the Board during the year. This is to ensure that the Board of Directors is balanced and has the skills needed to meet the objectives of the Trust. Currently our Non-Executive Directors have a wide range of experiences including healthcare governance; strategy; social care, finance and technology, which match the Trust's needs well.

The Board regularly assesses its performance and its development needs. During the course of the year the Board completed a self-assessment against the Well-Led Framework. This will be used as a basis for commissioning an external governance review later in the year.

The Board establishes an annual development programme. This is supported by development plans for individual directors.

Board Committees review their performance annually by way of self-assessment against best practice criteria, such as – in the case of the Audit Committee – the toolkit in the NHS Audit Committee Handbook published by the Healthcare Financial Management Association.

All of the Trust's Non-Executive Directors are free of any connection to the Trust which might be perceived to be likely to bias their judgement in their roles.

The Chairman is responsible for the leadership of the Board of Directors and Council of Governors. He ensures the effectiveness in all aspects of their roles whilst at the same time ensuring they work together effectively and constructively. The Chairman reports to the Board the views expressed by Governors and by the Council as a whole.

The Chairman is also responsible for ensuring that both the Board and Council receive accurate, timely and clear information to enable them to undertake their roles and responsibilities. The Chair has disclosed his other interests which could impact on his time available to perform the role which requires about three days a week of his time. These are set out, along with those of all Directors, in the register of interests, which appears later in this chapter.

All Directors have signed declarations to abide by the Trust's Code of Conduct for Directors. They have each also made declarations as to compliance with NHS's *fit and proper persons* criteria.

The Board takes seriously the duties and responsibilities of its members, both individually and collectively. Annual appraisals of the Chair, other Non-Executive Directors and Executive Directors are carried out to review and develop performance.

The Trust received an outstanding rating in respect of the well-led domain in the Care Quality Commission's inspection of the Trust in July 2019

Board Members

Andy Willis - Non-Executive Director (Chairman)

(Appointed as Chair in April 2017 and reappointed for a second term of office in commencing in April 2020)

Andy has a wealth of experience in non-executive roles for organisations in the health, housing, education and third sectors.

A corporate lawyer by background, Andy specialises in corporate governance and leadership development. He works both in the private sector and with organisations such as The King's Fund and the NHS Leadership Academy, focusing on developing leadership skills, improving governance and supporting change.

Andy is Chairman of Devon Partnership NHS Trust and Chairman of Alliance Homes, and has served on NHS Boards in Bristol, Somerset and Southampton.

David Brook OBE, Non-Executive Director, Quality Governance Committee Chair

(First appointed January 2014, reappointed for a second term of office until January 2020. The Council of Governors agreed, in December 2019, a further extension of the term of office until July 2021)

David joined the RAF in 1982 and held early roles as an Engineering Officer. He served in the UK, the Middle East and Sierra Leone.

After completing his MA in Defence Studies, David led the formulation and development of RAF engineering strategy and policy, including Quality Management.

In 2004, David was appointed to RAF Odiham as Officer Commanding Forward Support Wing. Two years later, David moved to HQ Strike Command where he was responsible for the procurement of technical accommodation, upgrade of runways and aircraft operating services, security systems, domestic accommodation, upgrade of electrical, water and drainage systems for a major upgrade to a front line flying station.

In 2007 he joined the RNLI as Engineering and Supply Director. As a member of the Executive Team he led the technical department of over 400 personnel dispersed throughout the UK and Republic of Ireland.

In 2015 David became the Managing Director and Bursar of Canford School.

Sarah Murray, Non-Executive Director, Chair Mental Health Legislation Assurance Committee and the Charitable Funds Committee

(First appointed 1 August 2014, reappointed for a second term of office until July 2020. The Council of Governors agreed, in December 2019, a further extension of the term of office until July 2021)

Sarah began her career as a lawyer working for major London firm, Clifford Chance within property and wider corporate areas. She then moved to a firm in Bristol to set up their property department, before relocating to Brussels with her husband. In Brussels Sarah worked for Forum Europe, a policy think tank and events organisation working closely with the European Commission. On returning to the UK, Sarah set up her own software/events business which she ran successfully for a number of years. Alongside this work, Sarah was Chair of Hampshire Ambulance Service from 1998 to 2003 and a member of the Prison Service Review Body from 2004 to 2008 and sat on Hampshire Constabulary's Gross Misconduct panels. Sarah is currently the senior lay member of the Royal College of Surgeons Independent Review body and of the Society for Cardiothoracic Surgery. She sits on the NICOR patient group which develops the patient focussed strategy for heart and thoracic surgery in the UK. She is the Events Coordinator for the European Maritime Law Organisation and recently returned to Brockenhurst College Further Education College as a Governor.

Heather Baily - Non-Executive Director

(Appointed 1 October 2017)

Heather has more than ten years' experience in senior executive roles in policing. She has held senior management posts in the Metropolitan Police Service as Head of Training and Borough Commander for Hammersmith and Fulham before joining Hertfordshire Constabulary as an Assistant Chief Constable where she was the lead for collaboration with Bedfordshire and for protective services which included counter terrorism and serious and organised crime.

She was later promoted to Deputy Chief Constable and led a number of strategic initiatives including improved performance and organisational culture. A passionate supporter of those people who work for us, she led a national mentoring project for senior women in policing. She has extensive experience of partnership working across the public sector and with Government. On leaving Hertfordshire, she took up a senior post with the Garda inspectorate in Dublin, inspecting policing and partnership arrangements across Ireland. She has more recently been a member of the Police and NCA Remuneration Review bodies for three years, advising Government on pay and remuneration across policing nationally. She was a Non-Executive Director with the Northern Ireland Department of Justice until 31 March 2020 and her voluntary work has included working with SSAFA the Armed Forces Charity, across Dorset.

John Carvel - Non-Executive Director

(Appointed 1 October 2017)

John is a former journalist for The Guardian. He retired from the paper in 2009 after 36 years' service. His many roles included education editor (1995-2000) and social affairs editor, specialising in health and social care (2000-2009). He was until recently a member of the Healthwatch England national committee, which champions the interests of patients and service users. He continues to serve on the Panel of the National Data Guardian, Dame Fiona Caldicott and previously sat as a Lay Member on the Department of Health's National Leadership Council. Since 2009 he has provided consultancy and writing, mainly for public sector health organisations.

Tristan Phillips - Non-Executive Director

(Appointed 1 July 2019)

Tristan has been working in a variety of finance and transformation roles for the past 15 years where he has worked in Russia, Switzerland and Australia before returning to the UK in October 2016. In August 2015 Tristan completed his Executive MBA where he was involved with his cohort in setting up a charitable foundation to leverage the skills and experience of the group to support charities across Australia.

Prior to leaving Australia, Tristan lead an organisation transformation programme across the Commercial organisation of Carlton United Breweries looking at the structure, processes and culture of over 900 people. Since returning to the UK, Tristan has worked as the EMEA Finance Director at Groupon and is currently working at O2 as Head of Commercial Finance for Digital and Innovation

Steven Peacock - Non-Executive Director

(Appointed 1 March 2020)

Steven is Chief Finance Officer for RNLI based in Poole where his responsibilities beyond finance include Business Planning, Programme Management Office, Legal Affairs and LEAN Continuous Improvement. Steven is a Graduate in Economics and a Chartered Accountant with over 30 years of experience working in both Finance and Commercial roles for many household brand names such as Fosters Brewing Group, United Biscuits, Superdrug, Homebase, WH Smith and Estée Lauder. Steven also served for 8 years as a Non-Executive Director of The Royal Bournemouth and Christchurch Hospitals Foundation Trust, retiring as Vice Chair in September 2017.

Belinda Phipps - Non-Executive Director

(Appointed 1 October 2017)

Graduating with a BSc Hons in Microbiology, Belinda joined Glaxo Pharmaceuticals becoming UK Marketing Manager. Whilst completing an MBA at Ashridge Management College she joined the Blood Transfusion Service as Chief Executive with a view to leading a merger. After a period managing a Medical Publishing company she became Chief Executive of an NHS Trust. Belinda joined the National Childbirth Trust (NCT) as Chief Executive in 1999. She became Chief Executive of the Science Council in 2015 and is Chair of the Fawcett Society. She is also Chair of the NMC Appointments Board, Pip UK Patron, trustee for Pro Bono Economics and Interim Chief Executive for We Are With You (formerly Addaction). Belinda was most recently the first female Chief Executive of the British Medical Association (in an interim role).

Eugine Yafele, Chief Executive Officer

(Appointed as on 1 February 2019)

Eugine has significant clinical leadership and operational management and delivery experience from across the NHS and independent sector. He started his career as a mental health nurse and progressed through a range of clinical and leadership roles. Prior to his appointment as Chief Executive, he was Deputy Chief Executive and Chief Operating Officer for Dorset HealthCare.

As Chief Executive, he is passionate about working with people and making a difference. His main areas of focus are the engagement, support and empowerment of colleagues as well as creating an inclusive environment that values diversity and in which everyone thrives. In addition Eugine is responsible for Quality Improvement across every service and function of the Trust to underpin the delivery of high quality care, interventions and outcomes for the people of Dorset.

As System Leader, Eugine works in partnership across the Dorset Integrated System to deliver the health, care and wellbeing ambitions of our communities. He is also leads New Care Models across the South of England to improve access, experience and outcomes for a range of specialist services.

Qualifications: RMN, BSC Economics (Honours), Financial Economics, Master's in Business Administration (MBA)

Matthew Metcalfe, Director of Finance and Strategic Development

(Appointed September 2016)

Matthew initially worked at University College London Hospitals when he entered the healthcare industry in 2008. Since then he has had several finance director roles, with both providers and suppliers. Prior to Dorset HealthCare Matthew was Director of Finance at Homerton University Hospital, an acute and community services provider in East London.

Educated at King’s College London, Matthew went on to qualify as a Chartered Accountant with Arthur Andersen. Moving into Corporate Finance, Matthew became a director at Rothschild, where he advised a variety of large organisations on strategic development and corporate transactions.

Nicola Plumb, Director of People and Culture

(Appointed in March 2014, became a voting Board member in April 2017 and was appointed Director of People and Culture in September 2019)

Nicola is passionate about the NHS and has spent her career in the public sector since graduating from Durham University with a Politics degree in 2000.

Nicola has held a variety of communications and development roles in the NHS and Department of Health including working at NHS Bournemouth and Poole, Communications Advisor to the NHS Chief Executive and most recently, working as Head of Brand for NHS England.

Dr Stephen Tomkins, Medical Director

(Appointed 1 May 2018)

Steve qualified as a doctor from Southampton University in 1992. He spent the early part of his career experiencing medicine in different cultures, from sports medicine in Australia to rural clinics in Thailand. On his return to the UK he worked in hospital medicine for a few years before becoming a GP and establishing his own practice.

Since becoming a GP, he has been part of many innovative projects within the NHS.

Dawn Dawson, Director of Nursing, Therapies & Quality

(*Appointed April 2018)*

Dawn is a nurse with an extensive clinical background having worked in acute, community and the mental health sector; most recently she has held a number of senior positions in an integrated mental health and community trust.

Dawn has a broad academic background, which includes psychology, law, and post-compulsory education. Her focus on high quality patient care combined with workforce development led to Dawn working strategically across an STP footprint successfully heading up a national test site for the Nurse Associate Programme

Board members who left in the year:

John McBride

John was a Non-Executive Director from August 2014 until July 2019.

Nick Yeo

Nick was a Non-Executive Director from August 2014 until July 2019.

Colette Priscott

Colette was the Director of Human Resources from November 2017 until May 2019.

Other Board Attendee:

Fiona Myers, Interim Chief Operating Officer

Fiona joined the Trust in March 2019 as interim Chief Operating Officer. She was appointed to the substantive position of Chief Operating Officer from October 2019. Fiona left the Trust in February 2020

Attendance at Board of Directors' Meetings

The table which follows shows the number of meetings attended by each Board Member and the maximum number of meetings that they could have attended:

Name	Title	Attendance / maximum attendance
Directors in post as at 31 March 2020		
Andy Willis	Non-Executive Director, Chair	7/7
Heather Baily	Non-Executive Director	6/7
David Brook	Non-Executive Director	7/7
John Carvel	Non-Executive Director	7/7
Sarah Murray	Non-Executive Director	7/7
Steven Peacock	Non-Executive Director	1/1
Tristan Phillips	Non-Executive Director	5/5
Belinda Phipps	Non-Executive Director	7/7
Eugine Yafele	Chief Executive Officer	6/7
Matthew Metcalfe	Director of Finance and Strategic Development	7/7
Dawn Dawson	Director of Nursing, Therapies & Quality	7/7
Nicola Plumb	Director of People & Culture	7/7
Steve Tomkins	Medical Director	7/7
Directors no longer in post as at 31 March 2020		
John McBride	Non-Executive Director	1/1
Nick Yeo	Non-Executive Director	1/1
Colette Priscott	Director of Human Resources	0/1
Fiona Myers	Chief Operating Officer	5/7

Board Committees

The Board has identified a number of topics only it will make decisions on. These include the power to set the vision, strategic aims, objectives and budget for the Trust.

Other matters are delegated to Board committees, which operate within defined terms of reference. Details are set out below.

Audit Committee

This Committee comprises independent Non-Executive Directors. It provides the Trust with an independent and objective review of all internal control systems and risk management. The Committee considers reports from management and from independent sources. The Trust recently appointed BDO to provide the Internal Audit service and KPMG to provide the External Audit service. The Committee also receives a report from Local Counter Fraud services.

Attendance at the Committee meetings is shown below:

Audit Committee Attendance	
Member	**Attendance/maximum attendance**
John McBride (Committee Chair until May 2019), Non-Executive Director	2/2
Nick Yeo, Non-Executive Director	2/2
Heather Baily (Committee Chair from July 2019), Non-Executive Director	5/5
Belinda Phipps, Non-Executive Director	4/5
Tristan Phillips, Non-Executive Director	3/3

The significant issues that the Audit Committee considered during the year related to:

- Review Assurance as to Compliance with the NHS foundation Trust's Code of Governance.
- Review Assurance as to Compliance with the Trust Provider Licence.
- Annual Review of the Effectiveness of Internal Audit, local counter-fraud services and the external auditors. The Committee agreed it was satisfied with the work undertaken.
- Board Assurance Framework (BAF) was reviewed regularly and recommendations made to continue its strengthening.
- Annual Report and Annual Governance Statement 2018/19 considered by the committee prior to being submitted to the Board of Directors for final approval.
- Quality Report 2018/19, noted by the committee prior to being submitted to the Board of Directors for final approval.
- Statutory Financial Statements and Accounts 2018/19 received and considered by the committee prior to being submitted to the Board of Directors for approval.
- Internal Audit Annual Report 2018/19, including the Head of Internal Audit Opinion received and noted. The report found reasonable assurance on the Trust's system of internal controls
- External Audit Annual Report summarising the results of external audit work in relation to the financial statements and use of resources received and noted.

- External Audit Plan for the 2019/20 financial year and the identified significant risks, which included fraudulent revenue recognition, fraudulent expenditure recognition, valuation of land and buildings and management override of controls.
- Plans for internal Audit, External Audit and Counter Fraud Work were examined and agreed.
- Internal Audit Progress Reports.
- External Audit Progress Reports.
- Local Counter Fraud Services progress reports.
- The Committee reviewed the Scheme of Delegation and Reservation of Powers to the Board.
- The Going Concern assumptions were examined and recommended for approval.

More information about the Committee's role is given in the Annual Governance Statement later in this Annual Report.

Quality Governance Committee (QGC)

The Committee acquires and scrutinises assurances that the organisation has a combination of structures and processes at and below Board level that equip it to deliver high-quality clinical services.

Attendance at the Committee meetings in 2019/20 was:

Quality Governance Committee Attendance	
Member	**Attendance/maximum attendance**
David Brook (Committee Chair), Non-Executive Director	5/6
Nick Yeo, Non-Executive Director	1/1
Heather Baily, Non-Executive Director	3/5
Sarah Murray, Non-Executive Director	2/6
John Carvel, Non-Executive Director	5/6
Belinda Phipps, Non-Executive Director	4/6
Dawn Dawson, Director of Nursing, Therapies & Quality	5/6
Steve Tomkins, Medical Director	5/6
Nicola Plumb, Director of People & Culture	4/6
Fiona Myers, Chief Operating Officer	1/1

The framework within the Trust for overseeing 'well-led' quality governance is set out below.

The Board retains ultimate responsibility for service quality and quality governance in the Trust. The Board receives an integrated dashboard including a quality dashboard covering all three domains of quality: patient experience, patient safety and clinical effectiveness. This is alongside reports from the QGC.

The QGC provides further scrutiny of the quality of services. This Committee has been supported by the Executive Clinical Governance Group, which meets monthly to examine the internal quality and clinical processes and provide an in-depth review of data in order to ensure the effectiveness of the systems operated by the organisation.

Mental Health Legislation Assurance Committee and Mental Health Act Panel Members

This Committee is a specialist arm of the Quality Governance Committee.

The Trust operates a clear separation of the Non-Executive role in acquiring and scrutinising assurances as to quality governance in mental health services (by the Committee) and that of conducting the review process for detained patients in accordance with the required provisions of Mental Health legislation, undertaken by Mental Health Act Panel Members. Four Non-Executive Directors have been trained, alongside other independent lay people, in mental health legislation, and will act as a pool, from which a panel of three will be drawn to consider any individual case.

Attendance at the Committee meetings during the year was:

Mental Health Legislation Assurance Committee	
Member	**Attendance/maximum attendance**
Sarah Murray (Committee Chair), Non-Executive Director	2/2
Heather Baily, Non-Executive Director	2/2
John Carvel, Non-Executive Director	1/1
Dawn Dawson, Director of Nursing, Therapies & Quality	1/2
Steve Tomkins, Medical Director	2/2

Appointments and Remuneration Committee

Details of the role and membership of the Committee are set out in section 2.2 of this Annual Report.

Charitable Funds Committee

The Board is the Corporate Trustee of the Trust charity. The Charitable Funds Committee has been established by the Board to make and monitor arrangements for the control and management of the Charitable Fund investments of the Trust and to allocate funds to appropriate projects.

Attendance at the Committee meetings during the year was:

Charitable Funds Committee	
Member	**Attendance/maximum attendance**
Belinda Phipps (Committee Chair), Non-Executive Director	2/2
Matthew Metcalfe, Director of Finance & Strategic Development	2/2
John Carvel, Non-Executive Director	2/2
Heather Baily, Non-Executive Director	2/2
Nicola Plumb, Director of People & Culture	2/2
Andy Willis, Non-Executive Director, Chair	2/2

Register of Directors and their interests 2019/20

Directors in post at 31 March 2020 have declared the following interests:

Name	Interests Declared
Heather Baily Non-Executive Director	• Non-Executive Director with Department of Justice Northern Ireland
David Brook Non-Executive Director	• Managing Director & Bursar, Canford School
John Carvel Non-Executive Director	• Panel Member – National Data Guardian for Health and Care
Dawn Dawson Director of Nursing Therapies & Quality	• Daughter's partner is a Registered Nurse Degree Apprentice on Haven Ward (male)
Matthew Metcalfe Director of Finance & Strategic Development	None
Sarah Murray Non-Executive Director	None

Name	Interests Declared
Steven Peacock Non-Executive Director	• CFO RNLI • Wife is a Non-Executive Director with Tricuro
Tristan Phillips Non-Executive Director	• Director – O&O Holdings Ltd • Director – Creeds Design & Print Ltd • Director – Roberts Flooring Contractors Ltd
Belinda Phipps Non-Executive Director	• Company Director, Artisan Solutions Ltd • Holds a small number of shares in GSK • Chair Fawcett Society • Chair Appointments Board NMC • Patron PiP UK • Sister works for the Macular Society • Voluntary Trustee for a charity Pro Bono Economics • Interim CEO for a charity We Are With You (formerly Addaction)
Nicola Plumb Director for People & Culture	• Partner is a Director at Salisbury Hospital • Trustee, EDAS, (Essential Drug and Alcohol Services)
Stephen Tomkins Medical Director	• On bank contract for RBH to work within their IAGPS service when required
Andy Willis Trust Chair & Non-Executive Director	• Chairman, Devon Partnership NHS Trust • Director, Legal Skills Development Limited • Chairman, Alliance Homes • Leadership Associate, The King's Fund • NHS Leadership Academy • Centura Consulting • Bristol University (Independent member Audit Committee) • Wife, employee of DAC Beachcroft LLP
Eugine Yafele Chief Executive	• Wife is employed as a Nurse Practitioner in the Trust

Council of Governors

Composition of the Council of Governors

At the end of 2019/20 the Council of Governors comprised 26 Governors under the leadership of the Trust Chair and the elected Lead Governor:

- 14 Public Governors:
    - 8 from Dorset/Rest of England Constituency
    - 3 from Bournemouth Constituency
    - 3 from Poole Constituency
- 6 Staff Governors
- 5 Partner Governors.

The role of the Council is set out in the law, in the Constitution and in the Trust's own Governance Manual.

The Council annually assesses its own performance.

Council Roles and Responsibilities

The Council of Governors has a number of statutory responsibilities:

- Appointing and if required removing the Trust Chair
- Appointing and if required removing the other Non-Executive Directors
- Approving the appointment of the Chief Executive
- Appointing and if required removing the Trust's External Auditors
- Holding the Non-Executive Directors to account for the performance of the Board
- Representing the interests of Members
- Receiving the annual report and accounts
- Approving any amendments to the Constitution
- Approving any significant transactions
- Approving any plans to increase the Trust's non-NHS income by more than 5%.

Meetings of the Council of Governors

The Council of Governors meets a minimum of four times a year on a quarterly basis. The meetings are held in public and are advertised on the Trust website.

The table below lists all the Governors in 2019/20 and the number of meetings attended from the maximum they could have attended, depending upon time of appointment or leaving the Council.

Governor	Meetings attended/maximum possible
Becky Aldridge	5/6
John Bruce	3/3
Stephen Churchill	5/6
Steve Cole	4/6
Pat Cooper	3/3
Dave Corbin	2/3
Anna de Beer	0/3
Xena Dion	3/3
David Dickson	5/6
Alison Fisher	3/6
Joy Ford	2/3
Scottie Gregory	6/6
Andrew Grundell	0/3
Anne Hiscock	5/6
Emma Hooper	3/3
Sue Howshall	3/3
Nick Ireland	3/4
Margaret Jackson	2/3
Pete Kelsall	6/6
Helen Lawes	4/6
Ken Lavery	3/6
Chris Mathews	2/4
Andrew Mayers	1/6
Colin Mitchell	3/3
Jan Owens	6/6
Karen Parker	3/6
Scott Porter	4/6
Terry Purnell	0/1
Anna Webb	3/3
Jack Welch	1/3

Members of the Board of Directors also attend Council meetings. The attendance record in 2019/20 was as follows:

Name	Title	Attendance / maximum attendance
Directors in post as at 31 March 2020		
Andy Willis	Non-Executive Director, Chair	5/5
Heather Baily	Non-Executive Director	4/5
David Brook	Non-Executive Director	0/5
John Carvel	Non-Executive Director	4/4
Sarah Murray	Non-Executive Director	1/5
Steven Peacock	Non-Executive Director	0/0
Tristan Phillips	Non-Executive Director	1/3
Belinda Phipps	Non-Executive Director	5/5
Eugine Yafele	Chief Executive Officer	4/5
Matthew Metcalfe	Director of Finance and Strategic Development	2/5
Dawn Dawson	Director of Nursing, Therapies & Quality	2/5
Nicola Plumb	Director of People & Culture	2/5
Steve Tomkins	Medical Director	1/5
Directors no longer in post as at 31 March 2020		
John McBride	Non-Executive Director	1/1
Nick Yeo	Non-Executive Director	1/1
Colette Priscott	Director of Human Resources	0/0
Fiona Myers	Chief Operating Officer	1/4

Nominations and Remuneration Committee

The Council has a Nominations and Remuneration Committee which advises on the appointment and remuneration of Non-Executive Directors.

The Committee periodically reviews the numbers, structure and composition of Non-Executive Directors, to reflect the expertise and experience required, and then makes recommendations to the Council of Governors. The Committee also develops succession plans for Non-Executive Directors, taking into account the challenges and opportunities facing the Trust. It keeps the leadership requirements of the Trust under review, to ensure the continued ability to provide cost effective, high quality and appropriate health services.

The attendance of members of the Committee during the year was:

Member	Attendance
Andy Willis	5/5
Jan Owens	5/5
Alison Fisher	5/5
Karen Parker	4/5
Scottie Gregory	3/5
Stephen Churchill	2/2
Pat Cooper	3/3

The Committee met in the year to:

- Oversee the appraisals of the Chair and Non-Executive Director;
- Oversee the process for the appointment of two Non-Executive Directors; and
- Undertake the annual review of the remuneration of the Chair and Non-Executive Directors

Lead Governor

Jan Owens was re-elected as the Lead Governor for a second term until October 2020. The Lead Governor can serve for a maximum of three terms in total.

The Trust has developed a role description for the Lead Governor which goes above and beyond the 'point of contact' role described in the NHS Foundation Trust Code of Governance. At Dorset HealthCare the role also includes:

1. Encouraging positive engagement by Governors to respond to Board reports, plans, consultations and proposed actions when required;
2. Building trust and confidence within the Council of Governors;
3. Ensuring there are effective systems to welcome and induct new governors, in conjunction with Dorset HealthCare;
4. Encouraging all governors to engage in training and development;
5. Working with the Chair, ensuring that all Governors are aware of their collective responsibilities;
6. Representing the views of the Council of Governors where necessary and provide

constructive challenge to the Chair and other Non-Executive Directors;

7. Preparing for meetings of the Council of Governors with the Chair and Trust Secretary to ensure agendas are appropriately focussed;
8. Working with the Senior Independent Director in collating the input of Governors to the performance appraisal of the Chair;
9. Working with the Trust Chair in collating the input of Governors to the Performance Appraisal of Non-Executive Directors;
10. Being a member of the Nominations and Remuneration Committee in the process of appointing the Chair and other Non-Executive Directors;
11. Acting as point of contact with NHS Improvement where it would not be appropriate for other channels to be used;
12. Raising with NHS Improvement any Governor concerns that the Foundation Trust is at risk of significantly breaching the terms of its authorisation, having made every attempt to resolve any such concerns locally.

Links with the Board of Directors

The Board and Council have agreed a policy for engagement which sets out how the Council will hold the Board to account, the communication flow between the two bodies and the process for managing disagreements. During the year there have been no substantive areas of disagreement between the Board and the Council.

Governor Elections and Appointments

UK Engage acts as the Returning Officer for all of the Trust's Staff Governor and Public Governor Elections.

Elections to the Council were held in 2019 and the following Governors were elected for a three year term of office:

- John Bruce
- Xena Dion
- Colin Mitchell
- David Corbin
- Emma Hooper
- Anna de Beer
- Andrew Grundell
- Margaret Jackson

No Governors were re-elected for a further three-year term of office.

Register of Governors' Interests 2019/20

Governors are required to declare their interests in a Register of Interests at the time of their appointment and at the end of the financial year. Any changes during the year are notified to the Trust Secretary. The Register is available for inspection by members of the public and is available via the Trust website. All Governors have signed declarations to abide by the Trust's Code of Conduct for Governors.

Name	Interest Declared
Colin Mitchell **Public Governor, Poole**	Citizens Advice Bureau (voluntary) as a conduit working for SBSA in RM Poole, Hamworthy
Scott Porter **Public Governor, Poole**	Employed as a Project manager at Southern Health NHS Foundation Trust
Anna Webb, **Public Governor, Poole**	Peer Specialist for Dorset Mental Health Forum
Celia Millar, **Public Governor, Poole**	None
Xena Dion **Public Governor, Poole**	Director of Decomatic (UK) Ltd
John Bruce **Public Governor, Bournemouth**	None
Terry Purnell **Public Governor, Bournemouth**	Provider group for Dorset Services for Carers
Dr Andrew Mayers **Public Governor,** **Bournemouth**	Patron and Trustee, Dorset Mind Principal Academic, Bournemouth University
Jan Owens **Lead Governor, Public Governor (Dorset RoEW)**	Trustee of Dorset Mental Health Forum Member of Swanage Patient Participation Group and Member of CCG Public Engagement Group
Scottie Gregory **Public Governor (Dorset RoEW)**	Member of the Dorset STP Public Participation Group Member of Christchurch Helpful neighbours Committee
Anna de Beer **Public Governor (Dorset RoEW)**	None
David Dickson **Public Governor (Dorset RoEW)**	Trustee on Board of British Pregnancy Advisory Service (BPAS) Director Dover Croft Ltd providing Anaesthetic Service Friends of Wimborne Hospital – Trustee Group Anaesthetic Services

Alison Fisher **Public Governor (Dorset RoEW)**	Governance Partner, Dorset Mental Health Forum
Andrew Grundell **Public Governor (Dorset RoEW)**	Managing Director, Abelcraft Ltd
Kenneth Lavery **Public Governor (Dorset RoEW)**	Director of Lyme Forward, a CIC Company.
Margaret Jackson **Public Governor (Dorset RoEW)**	None
Joy Ford **Public Governor (Dorset RoEW)**	None
Sue Howshall **Public Governor (Dorset RoEW)**	None
Jack Welch **Public Governor (Dorset RoEW)**	Public Engagement Group – Dorset CCG Learning disability at Autism Advisory Group NHS England
Pat Cooper **Staff Governor**	Secretary, Friends of Swanage Hospital
Stephen Churchill **Staff Governor**	None
Anne Hiscock **Staff Governor**	None
Emma Hooper **Staff Governor**	None
Peter Kelsall **Staff Governor**	Wife – Kay Kelsall is Mental Health Act Panel member at Dorset HealthCare
David Corbin **Staff Governor**	Director DL Consultancy (currently not Trading) South West Dorset Multicultural Network Trustee and Accountant Encompass Learning Disabilities – Governor Dorset Football Association – Council Member
Helen Lawes **Staff Governor**	None
Chris Matthews **Partner Governor,** **BCP Council**	Elected Member for Bournemouth, Christchurch and Poole Council Employee Alzheimer's Social (Dorset)
Nick Ireland **Partner Governor**	Elected Member for Dorset Council, Crossways Ward Partner trustee for Dorset Community Action

Dorset Council	Director of 112 Wightman Road Flat Owners Ltd Spouse is Matron at Yeovil District Hospital
Karen Parker, Partner Governor, Bournemouth University	Employee of Bournemouth University with which the Trust has a MoU. My role as partner governor is a university 'appointment'.
Steve Cole **League of Friends**	Member of the Island and Royal Manor of Portland Rotary Club Chairman of the Friends of Blandford Hospital
Becky Aldridge, Partner Governor, Dorset Mental Health Forum	Chief Executive of Dorset Mental Health Forum

The Trust Membership: Public and Staff Constituencies

The table below shows the number of members in each constituency area:

Membership sub/constituency	31 March 2019	31 March 2020
Poole	924	880
Dorset /rest of England and Wales	2460	1893
Bournemouth	1142	1080
Total	4526	3853
Staff Members	6281	6524
Grand total	10807	10377

The Trust recognises a 'ladder of engagement' amongst its Members, starting with the passive receipt of information sent out by the Trust and, at its height, being exemplified by an active, representative, committed elected Staff or Public Governor. In between there are those who respond to information and surveys; some who come to meetings and events or vote in elections; others who express an interest in nominating themselves for election.

The Trust aims to increase the number of Public Members it has. A Membership Strategy and an engagement plan are in place, overseen by a Membership Committee. The members of the Committee:

- Jan Owens, Chair and Lead Governor
- Alison Fisher
- Stephen Churchill
- Steve Cole
- Scottie Gregory
- Xena Dion
- David Dickson
- David Corbin
- Karen Parker

To increase membership the Committee held recruitment events at Bournemouth University and at the Trust sites. It has also been asking staff leavers to join the public membership.

Canvassing the opinion of the Trust's Members

The Trust uses its corporate resources and the Governors themselves to collect information by way of surveys, listening to staff, patients, carers and other stakeholders; participation in multi-organisation forums and using established and newer social media channels to understand what members want.

We encourage our members to make contact with their elected Governors through the membership office and our website. Opportunities to make contact on specific areas of potential interest to members are made available through the publication of the quarterly newsletter produced for all Trust members.

Council of Governors meetings are open to the public and members have the opportunity to talk with Governors and also observe the meeting's business. The formal link for members who wish to contact their representative Governors, or the members of the Board is via the Trust Secretary, who can be contacted on 0808 100 3318 or via email: dhc.membership@nhs.net.

To become a member of the Trust, visit the Trust website:

www.dorsethealthcare.nhs.uk

Alternately, write to us at:

FREEPOST RTGL-YAKR-CLGZ

Dorset HealthCare

4-6 Nuffield Road

Nuffield Industrial Estate

Poole BH17 0RB

Cost Allocation and Charging Guidance

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Better Payment Practice Code

The Better Payment Practice Code requires the payment of undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later for 95% of all invoices received by the Trust. The Trust has just fallen short of the 95% target in 2019/20, however has improved upon 2018/19 performance.

Non-NHS Trade Creditors:

Measure of Compliance	Number	£000s
Total Non-NHS trade invoices paid in year	45,003	52,983
Total Non-NHS trade invoices paid within target	42,234	50,211
Percentage of Non-NHS trade invoices paid within target	94%	95%
2018-19 comparable figures	84%	87%

NHS Healthcare Creditors:

Measure of Compliance	Number	£000s
Total NHS trade invoices paid in year	1,163	61,522
Total NHS trade invoices paid within target	842	57,947
Percentage of NHS trade invoices paid within target	72%	94%
2018-19 comparable figures	57%	88%

Total Creditors:

Measure of Compliance	Number	£000s
Total trade invoices paid in year	46,166	114,505
Total trade invoices paid within target	43,076	108,158
Percentage of trade invoices paid within target	93%	94%
2018-19 comparable figures	83%	88%

The Late Payment of Commercial Debts (Interest) Act 1998

The Trust was required to make payments of interest under the Late Payment of Commercial Debts (Interest) Act 1998 as follows:

	Total Liability to Pay Interest by virtue of failing to pay invoices within the 30 day period where obligated to do so	Total Amount of Interest Actually Paid
	£'000	**£'000**
NHS Healthcare	25	0
Non-NHS Trade	20	0

Income disclosures required by Section 43(2A) of the NHS Act 2006 (Section 2.25-2.27)

The Trust's income for 2019/20 was £292 million (2018/19: £266 million) arising from the main contracts with Dorset Clinical Commissioning Group, NHS England and Dorset County Council.

Income received for activities other than the provision of healthcare services amounted to 5.2% of total income (2018/19: 6.9%). The Trust has met the requirement, as set out in Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), that the income from the provision of goods and services for the purposes of the health service in England must be greater than income from the provision of goods and services for any other purposes. This income has had a negligible impact on the Trust's provision of goods and services for the purpose of health services.

Political Donations

No political donations were received or made by the Trust in 2019/20.

Patient Care

Below is an overview of the progress made against the Trust's three quality priorities for 2019/20:

Priority 1 Patient Experience: To be an organisation that involves the patient, their families and carers and hear the voices of those that are harder to hear

In 2019/20 we have focused on to learning from the experiences of patients and their families so we can continuously improve our services. We have also prioritised hearing the experiences of those patients who do not readily give or feel able to provide feedback.

Building on the success of introducing the Triangle of Care (ToC) into our mental health inpatient and community teams as well as the crisis services, we continued to embed the ToC into our mental health and crisis teams whilst rolling out across all our adult services.

Over the year, key developments included:

- Baseline audit and improvement plan to capture feedback from Looked After Children and Paediatric Speech and Language Therapy service users.
- Improvement plan implemented following staff feedback on the use of the Bereavement survey.
- Baseline audit and improvement plan to support joint working and transition planning between Steps to Wellbeing and Community Mental Health Teams

Priority 2 - Patient Safety: Enable staff to proactively identify and mitigate where patients or service users are at risk of avoidable harm

As a Trust we have learnt through our understanding and appreciation of national reports and learning from our own internal investigations that good channels of communication, both internally and externally with other organisations, is a key requirement of patient centred care. Recognising the benefits of joint working we aimed to increase our staff's awareness of domestic abuse through information sharing and education. We want our staff to feel supported and enabled to act effectively and promptly in response to suspected domestic abuse. In line with national guidance we also aimed to broaden our Suicide Prevention Strategy, for the benefit of all people accessing our services.

In 2019/20 considerable progress was made, including:

- Development of an e-learning package for Domestic Abuse training
- Establishment of a Suicide Prevention Group following the Quality Improvement approach to drive the suicide prevention agenda forward
- Agreed system for sharing information with acute hospitals during unexpected transfers via A&E and outpatients and capturing learning.

Priority 3 - Clinical Effectiveness: Enable clinical staff to use their professional judgement when assessing patients and users of services when developing personalised care plans

We have developed an ambitious Quality Improvement (QI) programme and QI approach across the Trust. Our QI programme is designed to enable our staff and people who experience our services to identify areas for improvement that matter most and are locally owned. It is already starting to support them to work together to identify and address a range of quality issues, enabling creativity, innovation and learning.

- Establishment of a What Matters Most Oversight Group to take forward recommendations from the What Matters Most evaluation report, including improving patient-centred documentation care planning within District Nursing, Community Matrons, rehabilitation teams and inpatient services and developing an accompanying staff training package.
- A review of therapeutic interventions in inpatient services, with a pilot of a new model in Older People's Mental Health inpatient services.

Stakeholder Relations

The Trust is proud of the strength of partnership working and recognises its importance in the Board Assurance Framework. Throughout the year the Trust has continued to maintain significant partnerships and alliances that enable the delivery of improved healthcare. Our significant partnerships are:

Dorset Integrated Care System: the *Our Dorset* partnership is considered a leading integrated care system in England, recognised as an exemplar for the strength of its positive relations and partnership working. This has facilitated much more integrated planning and delivery of health and care services, supporting us to work together to achieve the best outcomes for our population from our combined resources. The Partnership Board has already had an informal development day and further informal engagement is planned to continue the system-level development.

Partnership working with Dorset Mental Health Forum: The Trust is proud of its relationship with Dorset Mental Health Forum, which has had such a pivotal role in peers and people with

lived experience working across our mental health services. The jointly-run Recovery Education Centre combines the very best of our individual strengths and has national and international recognition through the Wellbeing and Recovery Partnership. As part of the Trust quality improvement programme work is taking place with the Forum to embed co-production and lived experience into our corporate methodology.

Primary Care Partnerships: Organising the delivery of services in to 13 localities enables us to better integrate the delivery of care with primary care and community services. Our locality arrangements have enabled front line leaders to build strong relationships and partnerships according to local population needs. In many instances we are now the partner of choice for primary care

Dorset Integrated Urgent Care Service: The service, available for anyone facing an urgent health problem, is led by Dorset HealthCare in partnership with local GPs, the ambulance service (due to leave the partnership in 2020) and the county's three acute hospitals. It launched in April 2019 and featured as a main theme at our Annual Members' Meeting in October 2019.

Wessex Academic Health Science Network: We have strong working relationships with Wessex Academic Health Network working together on regional patient safety and quality improvement work. The regional 'Qs' meet to develop capacity and capability in quality improvement across the region.

The Trust has continued to develop services across organisational boundaries in line with the commitments made in Dorset's Clinical Services Review and Mental Health Acute Care Pathway Review, as well as the wider Integrated Care System operational plan.

This has included:

- The launch of the full Access Mental Health Service, including The Retreats in Bournemouth and Dorchester, in partnership with Dorset Mental Health Forum, three community front rooms and the Connections telephone service.
- The ongoing development and improvements to Dorset's Integrated Sexual Health Service, including the launch of a working women's outreach van and a new joint website for all Dorset sexual health services

Other Public and Patient Involvement Activities

We engage in a range of ways depending on the requirements and audiences.

These include:

- A more robust member engagement and recruitment plan developed with the Council of Governors including a programme of member engagement events; the annual members' meeting; a quarterly newsletter for members
- Close working with system partners through the Our Dorset Public Engagement Group to engage on the NHS long-term plan.
- Taking an active role in the system engagement leads network, working closely with the PEG.

- Running a series of engagement workshops with members of the public and representatives from the third sector to inform the review and redevelopment of our trust strategy

An online survey in spring 2019 sought feedback on people's priorities to help us develop our Trust strategy. It was sent to a range of community and voluntary groups for circulation to their members and contacts.

The Trust has contact, ad hoc events and annual events with nearly fifty local community groups that connect with people from different equality groups. The insights and feedback from these events are fed back through the equality and diversity committee and/or go direct to services for a response or improvement.

All services are encouraged to engage and involve services users, their families and carers in the development of services and to seek feedback about patient experience. This includes the mandated Friends and Family test and goes far beyond that to include regular surveying, feedback events, working with expert patients, carers support and working with our peers from the Dorset Mental Health Forum. The Trust now co-delivers the Retreat service with peers from the Dorset Mental Health Forum and supports peer-led services through the Community Front Rooms.

The Trust has maintained a focus on improving support to carers at Dorset HealthCare working at Dorset system level, with clinical services and also focusing on supporting staff who are carers. We now provide carers support to primary care across Dorset. We have a Trust-wide volunteer service, supported by a Volunteering Strategy. Our public, patient and carers involvement group is now supporting and leading the review of our Participation Strategy, due for publication in mid-2020.

Emergency Preparedness, Resilience and Response

Each year the Trust is required to undertake an assurance process against the NHS Core Standards for Emergency Preparedness, Resilience and Response. In 2019/20, NHS England awarded the Trust a 'substantially compliant' assurance rating.

Trust staff have been involved in a number of activities and exercises this year, including:

- a table top exercise to test site evacuation plans;
- a Dorset Local Resilience Forum fuel shortage exercise;
- a local authority rest centre exercise, and;
- activities to ensure the Trust's readiness for any potential impact of the UK leaving the European Union.

In March 2020 the Trust's executive team a national exercise programme in preparedness for COVID-19 and from March 2020, the Trust worked closely with our local and regional system partners to plan for and minimise the impact of COVID-19 in Dorset.

2.2 REMUNERATION REPORT

The Remuneration Report is not subject to audit, except the elements specifically identified as being subject to audit.

This remuneration report is prepared in compliance with the relevant sub-sections of the Companies Act 2006 s420-422; Regulation 11 and Parts 3 and 5 of Schedule 8 of the Large and Medium Sized Companies and Group (Accounts and Reports) Regulations 2008; Parts 2 and 4 of Schedule 8 of those Regulations as adopted by NHS Improvement within the NHS Foundation Trust Annual Reporting Manual 2018/19 and also, elements of the NHS Foundation Trust Code of Governance.

The Remuneration Report discloses information on those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. The Board has determined that such persons are those who routinely attend Board meetings and which, at the end of the year under review, comprise the Chairman, seven Non-Executive Directors, and six Executive Directors. All are identified in section 2.1.

A new Executive Director for People and Culture commenced in post in October 2019, following the combining of the previous posts of Executive Director of Human Resources and Executive Director of Organisational Development and Participation.

The Remuneration Report comprises three sections:

- Annual statement on remuneration by the Appointments and Remuneration Committee Chair
- Senior managers' remuneration policy
- Annual report on remuneration (of which some information is subject to audit).

Part 1: Annual Statement on Remuneration

The Committee has made five major decisions during the course of the year:

Appointment to the post of Executive Director of People and Culture

In summer 2019, the Committee agreed to create the post of Executive Director for People and Culture. Nicola Plumb commenced in post in October 2019.

Appointment of a Chief Operating Officer

In July 2019 the Committee agreed the appointment of Fiona Myers to the post of Chief Operating Officer.

In March 2020, the Committee agreed that Kris Dominy be appointed as Chief Operating Officer and Deputy Chief Executive, and started in post in April 2020.

Extension of pension flexibilities

In January 2020 the Committee agreed to introduce pensions recycling flexibility to staff affected by the tax rules relating to pensions, at a rate of 10%. At the same time, it agreed to

implement and promote the national NHSI/E scheme for clinical staff, to meet the cost of annual allowance tax charges in 2019/20.

Annual review of individual director salaries

The Committee completed a salary review of the Chief Executive in January 2020.

Cost of living pay award 2019/20 for Executive Directors

In February 2020 the Committee agreed to pay a consolidated increase of 1.32%, with effect from 1 April 2019, plus a one-off non-consolidated cash lump sum of 0.77%, as cost of living award for 2019/20. This was based on national advice from NHS Improvement.

Andy Willis, Chair, Appointments and Remuneration Committee May 2020

Part 2: Senior Managers' Remuneration Policy

The following information constitutes the senior managers' remuneration policy of the Trust. In developing this policy, there was appropriate engagement with those employees affected by the policy and Employee Side.

Future Remuneration Policy

The remuneration principles for Executive Directors, agreed in 2018/19, form part of the overall Trust remuneration strategy and policy. They are aimed at positioning the Trust in a way that it is able to attract, retain and motivate Executive Directors of sufficient calibre to maintain high quality patient-centred healthcare and effective management of Trust resources.

The Appointments and Remuneration Committee acknowledges the merits in the Trust being part of the national Agenda for Change framework, in particular, the concern to ensure that equal pay principles apply. With the exception of Executive Directors, the Trust pay strategy remains within the national Agenda for Change scheme. Discretion beyond Agenda for Change rates is, however, an area where attention may be appropriate to help ensure suitability of staffing and attract and retain high quality staff. An overriding consideration has been the importance of ensuring that the Trust approach to pay and decisions regarding pay is consistent with the performance of the organisation.

In 2019/20 the Trust's Senior Manager Remuneration components were:

Role	Basic Salary	Pension	Board Allowance
Chief Executive	√	√	
Chief Operating Officer	√		
Medical Director	√	√	
Director of Nursing, Therapies & Quality	√	√	
Director of Finance & Strategic Development	√	√	
Director of People & Culture	√	√	

Basic salary - Salaries for very senior managers in the Trust have been determined by the Appointments and Remuneration Committee taking into account:

- the responsibilities
- benchmarking with Director roles in other trusts
- the differential with direct reports of Directors
- trends in the public sector such as austerity measures, equitable pay, competition for talent within the NHS sector and the relative size and complexity of competitor provider organisations.
- NHS England pay recommendations
- Pension – Pension contributions are made by both the senior managers and the Trust in accordance with the provisions of the NHS Pensions Scheme.

The performance of all very senior managers, with the exception of the Chief Executive, is reviewed by the Chief Executive. The Chief Executive's performance is reviewed by the Trust Chair in conjunction with the Appointments and Remuneration Committee. The Chair's performance is reviewed by the Senior Independent Director who gathers views from the other members of the Board of Directors and the views of the Council of Governors. The other Non-Executive Directors are reviewed by the Trust Chair and the Council of Governors. A process is used which allows the Council's perceptions on performance to be included and reflected within the Non-Executive review. The Trust does not operate a performance related pay framework.

The Chief Executive is the only very senior manager whose pay exceeds £150,000 p.a. Payment to the Medical Director also exceeds this sum, however the largest component of his salary relates to his clinical duties. The remuneration of very senior managers (Chief Executive and Executive Directors) is determined by the Appointments and Remuneration Committee.

As a general principle, there is a common 'baseline' salary for Executive Directors equivalent to the Agenda for Change Band 9 maxima. It is recognised that certain executive roles may carry additional duties and responsibilities which warrant a higher level of remuneration and individual cases are considered by the Appointments and Remuneration Committee.

Non-Executive Director remuneration components

Non-Executive Directors receive remuneration in the form of an annual payment and, in some cases, an allowance for additional responsibilities. Details are set out below:

Name	Role	Remuneration £ pa	Additional Allowance £ pa	Allowance Title
Andy Willis	Chairman	45,610	-	
Heather Baily	Non-executive Director	13,325	1,500	Audit Committee Chair
David Brook	Non-executive Director	13,325	2,000	Quality Governance Committee Chair
John Carvel	Non-executive Director	13,325	-	
Sarah Murray	Non-executive Director	13,325	2,000	Mental Health Legislation Committee Chair
Tristian Phillips	Non-executive Director	13,325	-	
Belinda Phipps	Non-executive Director	13,325	-	

Service contracts obligations

In compliance with theG4 (3)NHS Improvement Condition for Board appointments, contracts for Directors contain a provision permitting summary termination in the event of a Director being or becoming an unfit person. Contracts do not make provision or individual entitlements for any termination payments, other than pay in lieu of six months' contractual notice pay. Entitlements to payment for outstanding annual leave in accordance with the individual contract provisions can also apply.

Policy on payment for loss of office

The Trust seeks to support and retain staff who are affected by organisational change wherever possible. Where suitable alternative employment cannot be found at an equivalent paygrade and seniority, the provisions of the Trust's protection policy may apply if alternative mutually acceptable work is found at a lower pay grade. If redundancy is the only option, payments are made in accordance with Agenda for Change national conditions of service.

There is provision for pay in lieu of notice when appropriate where there is a contractual provision for this. Notice periods for all grades of staff, including Directors, have been subject to consultation and agreement with trade union representatives. In cases of redundancy of Directors, the Trust will apply provisions equivalent to Agenda for Change national conditions of service, including the application of any salary caps, and payments will not be expected to exceed contractual entitlements. There was one redundancy amongst Directors in 2019/20.

In cases of capability arising from performance concerns, the Trust will seek to apply the provisions of the Disciplinary & Capability Policy and Procedures to support a return to full performance wherever possible. Where continued performance issues do not support continuation in the senior post, this may involve redeployment to an alternative post at the same or a lower pay grade, or a managed exit from the organisation which may include the exercise of discretion in respect of notice and garden leave within contractual provisions. In the event of gross misconduct, the Trust may summarily terminate a Director's employment (subject to investigation and consideration in accordance with the Disciplinary& Capability Policy). Notice pay will also not normally apply where termination of employment arises in connection with the fit and proper person provisions. There were no dismissals among Directors in 2019/20. Assessment of the continued fitness of Directors to perform their duties and responsibilities is undertaken annually.

Statement of consideration of employment conditions elsewhere in the foundation trust

The Trust remunerates senior managers at the rate necessary to attract and retain the talent required to deliver the Board's objectives, without needlessly diminishing finite public resources. A policy and approach for the remuneration of the Chief Executive and Directors was introduced in February 2016.

Policy on diversity and inclusion

We are committed to ensuring our Board and senior leadership team is representative of our communities we serve and the Remuneration Committee abides by our key objectives of developing a representative and supported workforce, with inclusive leadership. We are committed to the Workforce Race Equality Standard (WRES) Indicator 9: Percentage difference between the organisations' board voting membership and its overall workforce, and this is a key consideration every time recruitment to the Board and executive is undertaken. Progress against the WRES is reviewed by the Equality and Diversity Committee, through the Annual NHS Staff Survey and in the annual Equality and Diversity report.

The Committee acts in accordance with the wider Trust Recruitment and Selection Policy, which clearly sets out the Trust's commitment to equality of opportunity for both employed and prospective staff and supports a culture where our workforce is representative of the communities we service and where differences are recognised, accepted and valued.

Part 3: Annual Report on Remuneration

Service contracts

Details of service contracts are set out below:

Job Title	Date of last contract	Unexpired term	Notice Period
Chief Executive	01/02/2019	NA	6 months
Chief Operating Officer	01/04/2020	NA	6 months
Medical Director	01/05/2018	NA	6 months
Director of Nursing, Therapies & Quality	02/04/2018	NA	6 months
Director of Finance & Strategic Development	05/09/2016	NA	6 months
Director of People & Culture	01/10/2019	NA	6 months

Appointments and Remuneration Committee

The Board has an Appointments and Remuneration Committee which, as its core role

- Appoints senior staff; and
- Considers recommendations on Executive Director remuneration.

All Non-Executive Directors are members of the Committee. The Chief Executive has a right to be in attendance as a member of the Committee when other Executive Director appointments are being determined and may be invited to attend when the remuneration of the other Executive Directors is under discussion. The Committee is also advised by the Executive Director for People and Culture. Some meetings of the Committee have been held solely to confirm the appointment of Executive Directors. Attendance at these meetings is usually limited to those members of the selection panel. Not all members are expected to attend these meetings.

The major decisions made during 2019/20 are set out above in the annual statement on remuneration by the Appointments and Remuneration Committee Chair.

Attendance at meetings over the course of the year is set out in the following table:

Appointments and Remuneration Committee 2019/20	
Member	Attendance/maximum attendance
N Yeo, Non-Executive Director Committee Chair to June 2019	4/4
A Willis, Trust Chair **Committee Chair from July 2019**	9/9
J McBride, Non-Executive Director	3/4
D Brook, Non-Executive Director	7/9
S Murray, Non-Executive Director	5/9
J Carvel, Non-Executive Director	6/9
H Baily, Non-Executive Director	6/9
B Phipps, Non-Executive Director	6/9
E Yafele, Chief Executive	9/9
T Phillips, Non-Executive Director	4/5

Director and Senior Manager Travel & Expenses 2019/20

The Trust has a total of 7 directors in office and 4 received expenses in the reporting period. The aggregate sum of expenses paid to directors in the reporting period was £5,763.74. This compares to £7,259.84 paid in 2018/19 when the Trust had a total of 8 directors in office and 7 received expenses in the reporting period.

Declaration of Expenses Claimed by Governors

The Trust has a total of 24 governors in office and 14 received expenses in the reporting period. The aggregate sum of expenses paid to governors in the reporting period was £2,456.58. This compares to £4,613.83 in the previous year, from a total of 29 governors in office and 12 received expenses.

Payments for Loss of Office

There was one payment for loss of office to Senior Managers in 2019/20 totalling £151,252.48 comprising of redundancy pay (£100,000) and pay in lieu of notice (£51,252.48). No other payments have been made to individuals in connection with the termination of services as a senior manager, including outstanding long term bonuses that vest on or follow termination.

Senior Managers Remuneration (subject to audit)

Names	2018-19						2019-20					
	Salary & Fees (bands of £5,000)	Taxable benefits (nearest £100)	Annual performance-related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension –related benefits *(bands of £2,500)*	**TOTAL (bands of £5,000)**	Salary & Fees (bands of £5,000)	Taxable benefits (nearest £100)	Annual performance-related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension –related benefits *(bands of £2,500)*	**TOTAL (bands of £5,000)**
E Yafele **Chief Executive**	145-150	3300 (2)	0-0	0-0	0-0	**145-150**	180-185	1200 (2)	0-0	0-0	0-0	**180-185**
M Metcalfe **Director of Finance**	140-145	0	0-0	0-0	0-0	140-145	145-150	0-0	0-0	0-0	30-32.5	**175-180**
F Myers **Chief Operating**	0-0	0	0-0	0-0	0-0	0-0	50-55	0-0	0-0	0-0	0-0	**50-55**

Officer **(Start Date: 4.10.19; Leaver: 7.2.2020)**												
N Plumb **Director of Org Dev & Corp Affs to 30.9.19** **Director of People & Culture from 1.10.2020**	100-105	0	0-0	0-0	15-17.5	115-120	110-115	0-0	0-0	0-0	47.5-50	**155-160**

Names	2018-19						2019-20					
	Salary & Fees (bands of £5,000)	Taxable benefits (nearest £100)	Annual performance-related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension –related benefits *(bands of £2,500)*	**TOTAL (bands of £5,000)**	Salary & Fees (bands of £5,000)	Taxable benefits (nearest £100)	Annual performance-related bonuses (bands of £5,000)	Long-term performance-related bonuses (bands of £5,000)	Pension –related benefits *(bands of £2,500)*	**TOTAL (bands of £5,000)**
C Priscott **Director of Human Resources** **Leaver: 31.7.19**	100-105	0-0	0-0	0-0	72.5-75	**175-180**	190-195 (3)	0-0	0-0	0-0	10-12.5	**200-205**
S Tomkins **Medical Director**	150-155 (1)	0-0	0-0	0-0	90-92.5	**240-245**	165-170	0-0	0-0	0-0	107.5-110	**275-280**
D Dawson **Director of Nursing**	115-120	0-0	0.00	0.00	170-172.5	**285-290**	115-120	0-0	0-0	0-0	112.5-115	**230-235**

(1) Salary and Fees is combined remuneration of Medical director Salary and Consultant Salary
(2) Taxable Benefit is due to this director being a Trust Lease Car User
(3) Includes payments for loss of office

Non-Executive Directors Remuneration (subject to audit)

Non-Executive Board Members	2018-19						2019-20					
	Salary & Fees (bands of £5,000)	Taxable benefits (nearest £100)	Annual performance -related bonuses (bands of £5,000)	Long-term performance -related bonuses (bands of £5,000)	Pension –related benefits *(bands of £2,500)*	TOTAL (bands of £5,000)	**Salary & Fees (bands of £5,000)**	**Taxable benefits (nearest £100)**	**Annual performance -related bonuses (bands of £5,000)**	**Long-term performance -related bonuses (bands of £5,000)**	**Pension –related benefits *(bands of £2,500)***	**TOTAL (bands of £5,000)**
A Willis	40-45	200	0-0	0-0	0-0	40-45	**45-50**	**0**	**0-0**	**0-0**	**0-0**	**45-50**
J McBride Leaver: 30.6.2020	10-15	100	0-0	0-0	0-0	10-15	**0-5**	**0**	**0-0**	**0-0**	**0-0**	**0-5**
S Murray	10-15	100	0-0	0-0	0-0	10-15	**15-20**	**0**	**0-0**	**0-0**	**0-0**	**15-20**
D Brook	10-15	0	0-0	0-0	0-0	10-15	**15-20**	**0**	**0-0**	**0-0**	**0-0**	**15-20**
N Yeo Leaver: 30.6.20	10-15	300	0-0	0-0	0-0	10-15	**0-5**	**0**	**0-0**	**0-0**	**0-0**	**0-5**
H Baily	10-15	400	0-0	0-0	0-0	10-15	**15-20**	**0**	**0-0**	**0-0**	**0-0**	**15-20**

J Carvel	10-15	400	0-0	0-0	0-0	10-15	**10-15**	**0**	**0-0**	**0-0**	**0-0**	**10-15**
B Phipps	10-15	2400	0-0	0-0	0-0	15-20	**10-15**	**0**	**0-0**	**0-0**	**0-0**	**10-15**
T Phillips Start date: 1.7.19	0	0	0-0	0-0	0-0	0	**10-15**	**0**	**0-0**	**0-0**	**0-0**	**10-15**

Taxable Benefits (benefits in kind) relate to mileage expenses and car allowances & Pay as you earn settlement agreements (PAYSE)

Pension Disclosure of Senior Managers (Subject to Audit)

2018 /2019								
Pension disclosure of Senior Manager	**Real Increase in Pension at Pension Age**	**Real Increase in lump sum at Pension age**	**Total accrued pension at Pension age at 31/03/19**	**Lump sum at Pension age related to accrued pension at 31/03/19**	**Cash equivalent transfer [CETV] at 01/04/18**	**Real increase in CETV (3)**	**Cash equivalent transfer [CETV] at 31/03/19**	**Employers Contribution to Stakeholder Pension**
	bands of £2,500	bands of £2,500	bands of £5,000	bands of £5,000	Nearest £1,000	Nearest £1,000	Nearest £1,000	Nearest £1,000
	£000	£000	£000	£000	£000	£000	£000	£000
E Yafele **Chief Executive**	0-0.0	0.0	0-0	0-0	0	0	0	0
M Metcalfe **Director of Finance**	0-0.0	0.0	0-0	0-0	0	0	0	0

N Plumb **Director of Org Dev & Corp Affs to 30.9.19** **Director of People & Culture from 1.10.2020**	0-2.5	0.0-0.0	20 – 25	0.0-0.0	215	52	267	0
C Priscott **Director of Human Resources** **Leaver: 31.7.19**	2.5-5	5-7.5	20-25	40-45	277	105	383	0
S Tomkins **Medical Director**	2.5-5	7.5-10	10-15	30-35	128	89	225	0
D Dawson **Director of Nursing**	7.5-10	17.5-20	30-35	70-75	372	203	576	0

(1) CETV is 0 at year end due to member passed normal retirement age for the pension (1995 scheme)
(2) CETV is 0 as member took pension benefits during the financial year
(3) CETV factors have been revised and NHSPA advise this may lead to higher than usual increases this year

2019 /2020								
Pension disclosure of Senior Manager	**Real Increase in Pension at Pension Age**	**Real Increase in lump sum at Pension age**	**Total accrued pension at Pension age at 31/03/20**	**Lump sum at Pension age related to accrued pension at 31/03/20**	**Cash equivalent transfer [CETV] at 01/04/19**	**Real increase in CETV**	**Cash equivalent transfer [CETV] at 31/03/20**	**Employers Contribution to Stakeholder Pension**
	bands of £2,500	bands of £2,500	bands of £5,000	bands of £5,000	Nearest £1,000	Nearest £1,000	Nearest £1,000	Nearest £1,000
	£000	£000	£000	£000	£000	£000	£000	£000
E Yafele **Chief Executive**	0-0.0	0.0	0-0	0-0	0	0	0	0
M Metcalfe **Director of Finance**	0-2.5	0-0	5-10	0-0	51	16	87	0
F Myers **Chief Operating Officer** **(Start Date: 4.10.19; Leaver: 7.2.2020)**	0-0.0	0.0	0-0	0-0	0	0	0	0
N Plumb **Director of Org Dev & Corp Affs to 30.9.19** **Director of People & Culture from 1.10.2020**	2.5-5	0	25-30	0	273	24	312	0
C Priscott **Director of Human Resources** **Leaver: 31.7.19**	0-2.5	0-0	20-25	40-45	391	6	410	0
S Tomkins **Medical Director**	5-7.5	5-7.5	15-20	35-40	231	84	323	0

D Dawson **Director of Nursing**	5-7.5	15-17.5	30-35	90-95	507	100	624	0

(1) CETV is 0 at year end due to member passed normal retirement age for the pension (1995 scheme)
(2) Real increase in CETV Is 0 as member no longer a member of the scheme
(3) The real increase for this member is the real increase funded by the employer based on time in post and not the total general increase in the year

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit tables above provide further information on the pension benefits accruing to the individual.

Median Pay (subject to audit)

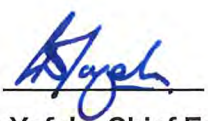
Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the Median remuneration of the organisations workforce.

The banded remuneration of the highest paid director in Dorset HealthCare University NHS Foundation Trust in the financial year 2019/20 was £192k (2018/19: £175k). This was 6.0 times the median salary in 2019/20 (2018/19: 5.9) of the median remuneration of the workforce which was £30k (2018/19 £29k). In 2019/20 39 employees/agency staff (2018/19, 40) received remuneration at an annualised full time equivalent in excess of the highest paid director. The full time equivalent remuneration rate ranged from £200k - £427k (2018/19 £175k - £266k). No employee received a total remuneration in excess of the highest paid director.

Total remuneration includes salary, non-consolidated performance related pay benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The reports used the pay at month 12 for both years, which were then adjusted for variances in the pay in that month. These variances included payment of redundancy pay, large pay adjustments and where employees were leavers during the year. No adjustments have been made for any other variances, e.g. maternity pay or sick pay. No adjustment has been made for staff with multiple contracts.

The pay reports include bank staff. No adjustment has been made for this pay, which has been treated the same as any other pay. This pay at month 12 has been converted to a whole time equivalent basis, based on the hours worked at month 12. This has then been annualised. Agency staff included in the Median pay calculation includes the agency commission costs and any irrecoverable VAT incurred by the Trust. This pay at month 12 has been converted to a whole time equivalent basis, based on the hours worked throughout 2019/20. This has then been annualised.

Spot-checks on numerous staff cumulative figures held in ESR confirmed the accuracy of the figures supplied. Where making adjustments to the month 12 figures would not have made a difference to the outcome of the resulting Median pay these were not changed.

Signed  10th June 2020

Eugine Yafele, Chief Executive

2.3 STAFF REPORT

Introduction

Quality is our overarching strategic ambition and our vision is *to be Better Every Day through excellence, compassion and expertise in all we do.* For our workforce that means everyone experiencing excellence, compassion and expertise as an employee and recognising how each of these is needed in their role to deliver the best possible experience and outcomes with the people they serve.

We have a Board-approved workforce strategy that we have continued to work to as we wait for formal publication of the national NHS People Plan. *Experience* is at the heart of our strategy and it is shaped by our values and behaviours, and our culture. To attract and retain a highly skilled and compassionate workforce we must create an excellent experience for all.

Our strategic workforce objectives are:

- Reducing the number of people who choose to leave the Trust
- Transforming our workforce
- Improving supply, both substantive and temporary

And the key components of our strategy are:

- Culture, empowerment and wellbeing
- Talent management and leadership development
- Workforce transformation and modernisation
- Workforce supply
- Diversity and inclusion

The strategy takes account of the national, regional and local workforce context, and we understand the need to address: ageing workforce; workforce supply challenges; developing new care models and ways of working; changes in funding levy / bursaries; Brexit and retention. Workforce planning takes place within and across operational directorates, supported by the HR and workforce directorate.

We are also a member of Dorset Workforce Action Board, which brings together People and HR professionals from across health and social care, with clinical leaders and representatives from our partner organisations to look to tangible, collective solutions to our shared workforce challenges and opportunities. This is a core component of the Dorset Integrated Care System.

Analysis of staff costs (subject to audit)

Note 5.1 Employee Expenses (Group before consolidation of charity)	Total	Permanently employed total	Business with other WGA bodies (permanently employed)	Business with bodies external to Government (permanently employed)	Other total	Business with NHS FTs (other)	Business with NHS Trusts (other)	Business with DHSC (other)	Business with Public Health England (other)	Business with Health Education England (other)	Business with CCGs and NHS England (other)	Business with Special Health Authorities (other)	Business with NDPBs (other)	Business with other DHSC bodies (other)	Business with other WGA bodies (other)	Business with Local Authorities (other)	Business with bodies external to Government (other)	Total	Permanently employed	Other
	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts	Accounts
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	**163,226**	152,617		152,617	10,609						52				41		10,516	154,203	143,498	10,705
Social security costs	**13,915**	13,120	13,120		795										795			13,077	12,282	795
Apprenticeship levy	**800**	748	748		52										52			758	706	52
Pension cost - employer contributions to NHS pension scheme	**20,611**	19,790	19,790		821										821			19,554	18,718	836
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**9,016**	9,016	9,016		0													0		
Pension cost - other*	**115**	0			115							115						0		
Other post employment benefits	**0**	0			0													0		
Other employment benefits	**0**	0			0													0		
Termination benefits	**0**	0			0													0		
Temporary staff - external bank	**0**	0			0													0		
Temporary staff - agency/contract staff	**5,222**	0			5,222												5,222	5,143		5,143
TOTAL GROSS STAFF COSTS	**212,905**	**195,291**	**42,674**	**152,617**	**17,614**	**0**	**0**	**0**	**0**	**0**	**52**	**115**	**0**	**0**	**1,709**	**0**	**15,738**	**192,735**	**175,204**	**17,531**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	**(170)**	(170)		(170)	0													0		
Recoveries from other bodies in respect of staff cost netted off expenditure	**0**	0			0													0		
TOTAL STAFF COSTS	**212,735**	**195,121**	**42,674**	**152,447**	**17,614**	**0**	**0**	**0**	**0**	**0**	**52**	**115**	**0**	**0**	**1,709**	**0**	**15,738**	**192,735**	**175,204**	**17,531**
Included within:																				
Costs capitalised as part of assets	**466**	432	67	365	34	0	0	0	0	0	0	0	0	0	3	0	31	327	261	66
Operating expenditure analysed as:																				
Employee expenses - staff & executive directors	**210,100**	192,579	42,234	150,345	17,521	0	0	0	0	0	52	115	0	0	1,697	0	15,657	190,244	172,850	17,394
Research & development	**306**	306	46	260	0	0	0	0	0	0	0	0	0	0	0	0	0	229	229	
Education and training	**1,802**	1,784	323	1,461	18	0	0	0	0	0	0	0	0	0	1	0	17	1,874	1,833	41
Redundancy	**0**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Internal audit costs	**61**	20	4	16	41	0	0	0	0	0	0	0	0	0	8	0	33	61	31	30
Early retirements	**0**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Special payments	**0**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total employee benefits excl. capitalised costs	**212,269**	**194,689**	**42,607**	**152,082**	**17,580**	**0**	**0**	**0**	**0**	**0**	**52**	**115**	**0**	**0**	**1,706**	**0**	**15,707**	**192,408**	**174,943**	**17,465**

Analysis of average staff numbers (subject to audit)

The table below provides an overview of the composition of our workforce:

	Total 2019/20 No.	Permanent 2019/20 No.	Other 2019/20 No.	Total 2018/19 No.	Permanent 2018/19 No.	Other 2018/19 No.
Medical and dental	103	102	1	118	107	11
Ambulance staff	5	4	1	4	3	1
Administration and estates	1,192	1,132	60	1,229	1,072	157
Healthcare assistants and other support staff	416	404	12	384	350	34
Nursing, midwifery and health visiting staff	2,482	2,248	234	2,625	2,221	404
Nursing, midwifery and health visiting learners	19	19	0	20	20	0
Scientific, therapeutic and technical staff	800	788	12	751	750	1
Healthcare science staff	18	18	0	20	18	2
Social care staff	0	0	0	0	0	0
Other	1	1	0	2	2	0
Total average numbers	**5,036**	**4,716**	**320**	**5,153**	**4,543**	**610**
Of which:						
Number of employees (WTE) engaged on capital projects	8	6	2	5	4	1

Breakdown of Male and Female Employees, Directors and Senior Managers

The tables below show a breakdown of the male and female directors, other senior managers and employees as at the year end:

	Female	Male
Employees	5024	1050
Directors	7	7
Senior Managers	25	16

Sickness Absence Data

The sickness absence rate for the 12 months April 2019-March 2020 was 4.85% compared to 4.76% the previous year.

How we have applied our policies

All Trust policies include an Equality Impact Assessment to identify whether any of the protected characteristic groups is affected less or more favourably than another and where potential discrimination is identified, documents whether the exceptions are valid, legal and/or justified. The Recruitment and Selection Policy clearly sets out the Trust's commitment to equality of opportunity for both employed and prospective staff and supports a culture where our workforce is representative of the communities we service and where differences are recognised, accepted and valued.

In addition, the Trust is part of a national trial with NHS Employers that's looking at Easy Read Job applications that would support the recruitment of people with Learning Disabilities. The Trust has also extended is commitment to act positively towards disabled people and is permitted to use the Disability Confident Employer Status on adverts and recruitment literature. As part of this commitment disabled applicants who meet the essential criteria of the person specification for a post, will be guaranteed an interview.

The Trust is proud to promote being a Mindful Employer after completing the re-assessment to retain the Mindful Employer Charter Status.

Project work is underway to carry out a full analysis of our Leadership opportunities to identify the take up of courses by Staff with a disclosed disability. This is linked to the Workforce Disability Equality Standard (WDES).

The Trust Policy Managing Health Wellbeing and Attendance aims to support all our employees in maintaining high levels of attendance and performance. The Trust takes an holistic approach to Health and Wellbeing through effective management as well as ensuring all staff have access to a comprehensive suite of physical and mental wellness support and initiatives. Supporting employee mental wellbeing is a key objective within the policy and is supported by creating a culture of openness and safety so all staff feel able to talk about their own mental wellbeing

The Trust is committed to supporting the personal development of all its employees and the key element of the Trust's appraisal process is the personal development plan. Access to learning and development opportunities are closely monitored to ensure fairness, consistency and transparency.

The Trust is committed to open and transparent communications with all staff and works closely with Employee Side to enable progressive and constructive dialogue ensuring staff are involved in the decisions that affect them. Formal consultation in accordance with the Trust's Organisational Change Policy is undertaken as part of the Trusts management of changes in working practices, restructures and policy changes.

Any employee discovering or suspecting fraud, bribery or corruption is encouraged to report the matter immediately to either the Counter Fraud Specialist, their line manager, Human Resources or the Director of Finance. The Counter Fraud Specialist will liaise with HR in accordance with the LCFS Framework for Liaison with Human Resources. Suspicions of fraud, bribery and corruption can also be reported using the NHS Fraud and Corruption Reporting Line powered by Crimestoppers, on free-phone 0800 028 40 60 or by filling in an online form at www.cfa.nhs.uk/reportfraud, as an alternative to internal reporting procedures.

The Trust's Whistleblowing procedure clearly sets out how staff making public interest disclosures will be managed and all staff are encouraged to raise any concerns either as laid out above or the Trust's 'Speak Out' Champions.

The Trust remains committed to protecting and promoting the health, safety and well-being of all staff, service users, carers, visitors and others who may be affected by its activities and continually aims to foster a positive and proactive occupational health and safety culture, where safety is everyone's responsibility. This is clearly set out in the Trust's comprehensive Health and Safety Policy

Health & Safety

The Trust remains committed to protecting and promoting the health, safety and well-being of all staff, service users, carers, visitors and others who may be affected by its activities and continually aims to foster a positive and proactive occupational health and safety culture, where safety is everyone's responsibility.

Over the course of the year, the Trust has strengthened its health and safety / fire safety capability through:

- Updating and reviewing ligature management plans for inpatient services and assisting with designing safe free anti-ligature initiatives.
- Working with Dorset & Wiltshire Fire and Rescue including training exercises and familiarisation visits to high risk properties.
- Designing and delivering a range of health, safety and fire training including digital fire extinguisher simulation training and emergency evacuation techniques.

The Trust champions a positive health and safety culture. This focus has helped achieve a reduction in non-clinical litigation claims made against the Trust, a reduction in the number of workplace incidents reported to the Health and Safety Executive and an overall reduction in the grading of workplace incidents.

Occupational Health

Our Health and Wellbeing Service (HWBS) continues to provide a comprehensive occupational health and well-being service across Dorset to the Trust, its employees and a range of other organisations in Dorset. The focus of the service is to provide well-being support to all Trust employees on the basis that a healthy and engaged workforce delivers better care to patients.

The range of services offered by the HWBS includes pre-employment/placement health assessments, occupational vaccination programmes, physiotherapy, fitness for work assessments and medicals, health surveillance programmes (audiometry, spirometry, skin, hand arm vibration), workplace and ergonomic assessments, incident management, policy and procedure development and training.

Over the course of the year, the service has:

- organised our annual wellbeing event for staff. Around 100 staff and stakeholders came along to our 'Feeling Better Every Day event in June, which was guided by the five steps to wellbeing, and enjoyed sessions on managing pressure, walk and talks in the fresh air, mental health first aid and laughter yoga;
- arranged for a direct link on the staff intranet home page to the health and wellbeing pages, which have been refreshed to ease navigation and reduce the number of

clicks necessary to find information/resources. We have also created a new Suicide prevention support for staff page;

- worked with Payroll to launch the Trust's financial wellbeing staff benefit in November– colleagues can now access resources provided by Neyber, Affinity Connect and PayPlan;
- secured funding from NHS England and NHS Improvement to enable 25 members of staff to attend a weight management programme with Slimming World. Evaluation revealed that many colleagues reported a marked improvement in their health and positive impacts on their lifestyle, mental and physical health, self-esteem and energy levels and a number said the programme also increased their sense of feeling valued by the Trust. Subsequently, we have promoted to staff a similar programme run by LiveWell Dorset;
- organised training for our health and wellbeing champions, which included a presentation by LiveWell Dorset around stress and resilience;
- continued to encourage staff participation in health awareness campaigns.

As part of our ongoing commitment to staff health and wellbeing we have continued to develop our offering, which includes:

- Access to a 24/7 confidential service provided by Care first which supports staff by counselling, information and advice
- Support from almost 90 Health and Wellbeing Champions
- Mental Health First Aid training – we currently have 24 Mental Health First Aiders across the Trust, with many more booked on training courses
- Quit smoking in house support
- Keep Active support including lunchtime walks
- wide range of local staff benefits

The Trust supports a cycle to work scheme enabling staff to purchase a bicycle in monthly instalments. We also promote discounted Gym and Leisure Club memberships and have continued to develop close links with LiveWell Dorset over the past year promoting their health initiatives and staff training opportunities.

Counter Fraud Service

The Local Counter Fraud Specialist (LCFS) delivered a comprehensive programme of work to prevent and detect fraud, bribery and corruption and to ensure that the Trust complied with its contractual obligations in relation to Service Condition 24 of the NHS standard contract.

In 2019/20, the LCFS received 8 allegations of fraud; none of the allegations received by the LCFS during the reporting period were of sufficient quality or contained sufficient prima-facie evidence to warrant the opening of criminal investigations. None of the allegations received during the reporting period resulted in the imposition of civil, disciplinary or criminal sanctions.

The work of the LCFS on payment diversion/mandate fraud, through the use of intelligence bulletins and awareness articles in staff communications, directly contributed to staff thwarting an attempt by fraudsters to divert a payment of £20,400 meant for a company supplying services to the Trust.

Staff Engagement

Our approach to staff engagement is to nurture a culture of empowerment, openness and transparency, where we encourage everyone to be involved in decision-making and quality improvement. In addition to supporting line managers and leaders to engage their staff and beyond the statutory Friends and Family Test we regularly seek staff views through: focus groups; Board Director visits; ad hoc engagement events; and through all-staff surveys.

Our annual innovation competition Dragons' Den encourages all staff to enter their ideas for improvement projects, linked to our Quality Improvement programme, and we continue to engage staff and encourage them to nominate colleagues for our relaunched quarterly Better Every Day awards.

In 2019/20 we specifically engaged all staff about smarter working and reward and recognition, as well as starting engagement about development of our Trust strategy. A major engagement campaign encouraging staff to take up the winter flu vaccination continued to be a key priority and we achieved a small increase on 2018/19.

The annual NHS staff survey is another important way for us to find out people's experiences of working at Dorset HealthCare. Its benchmarking results allow us to see how we compare as an employer with similar Trusts, as well as showing us where we need to take action to continue our journey of improvement.

NHS Staff Survey

The NHS staff survey is conducted annually. From 2019 onwards, the results from questions are grouped to give scores in eleven indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2019 survey among trust staff was 54.6% (2018: 51.6%). Scores for each indicator together with that of the survey benchmarking group (Mental Health, Learning Disabilities, and Community Health) are presented below.

	2019/20		2018/19		2017/18	
	Trust	Benchmarking Group (average)	Trust	Benchmarking Group (average)	Trust	**Benchmarking Group (average)**
Equality, diversity and inclusion	9.4	9.1	9.4	9.2	9.4	**9.2**
Health and wellbeing	6.6	6.1	6.4	6.1	6.5	**6.1**
Immediate managers	7.5	7.2	7.3	7.2	7.4	**7.1**
Morale	6.7	6.3	6.7	6.3	n/a	**n/a**

Quality of appraisals	5.7	5.7	5.4	5.4	5.4	**5.4**
Quality of care	7.6	7.4	7.5	7.4	7.6	**7.4**
Safe environment – bullying and harassment	8.5	8.2	8.5	8.2	8.5	**8.3**
Safe environment – violence	9.6	9.5	9.6	9.5	9.5	**9.5**
Safety culture	7.1	6.8	6.9	6.8	6.8	**6.7**
Staff engagement	7.4	7.1	7.3	7.0	7.3	**7.0**
Team working	**7.2**	**6.9**	**7.2**	**6.9**	**7.3**	**6.9**

The increase in response rate (54.6% from 51.6% last year) is attributed to three initiatives: firstly, further work has been undertaken to ensure that all staff are able to respond to the survey in the way that most suits their circumstances. Analysis was undertaken to identify those staff who do not regularly use email due to the nature of their role and ensure only those staff receive their survey by post. Secondly, team meetings were visited during the fieldwork period so staff could address any concerns they have about the survey. Thirdly, the approach being taken to embed ownership at team level has helped staff feel that what they say makes a difference and therefore more likely to continue to share their experience of working for Dorset HealthCare.

In the 2019 staff survey, all eleven themes had scores of above average compared to similar NHS organisations. There is an improvement in seven themes: health and wellbeing, immediate managers, morale, quality of appraisals, safety culture, and staff engagement. Four themes: equality, diversity and inclusion, health and wellbeing, immediate managers, and morale, are scoring at the highest level within the benchmark group. The results are static for equality, diversity, and inclusion, safe environment – bullying and harassment, safe environment – violence, and team working. Results have not declined in any area.

Of the eleven themes, seven have seen statistically significant improvements:

- Health and wellbeing
- Immediate managers
- Morale
- Quality of appraisals
- Quality of care
- Safety culture
- Staff engagement

By question, improvements of 3% or more for specific questions, compared to 2018 scores, are:

- The opportunities for flexible working patterns
- Immediate manager taking a positive interest in health and wellbeing
- Immediate manager value work
- Staff knowing what their work responsibilities are
- Knowing who the senior managers are
- Involvement in deciding changes that affect local work
- Choice in decide how work is done
- Satisfaction with opportunities to use skills
- Satisfaction with the amount the organisation values (my) work
- Communications between staff and senior managers
- Senior managers involving staff in important decisions
- Senior managers acting on staff feedback
- (My) appraisals helped improve how job is done
- (My) appraisal left me feeling that my work is valued by my organisation
- Feeling that role makes a difference to patients/service users
- Ability to deliver aspirational care
- Ability to meet all the conflicting time demands at work
- There are enough staff at this organisation to do my job properly
- Treating staff fairly when involved in an error, near miss or incident.
- Organisation taking action to ensure errors, near misses or incidents that are reported, do not happen again
- Confident that organisation would address concerns raised about unsafe clinical practice
- Agreement that organisation acts on concerns raised by patients/service users
- Care of patients/service users is organisation's top priority
- Staff recommending organisation as a place to work
- Happiness with the standard of care provided by this organisation.

Within our benchmark group of 32 similar Trusts in England (community, mental health and learning disability) we are placed third overall when looking at the total sum of the eleven themes' scores.

We have the top score of like Trusts in four out of eleven themes:

- Equality, diversity and inclusion (9.4)
- Health and wellbeing (6.6)
- Immediate managers (7.5)
- Morale (6.7)

We rank with the second highest score within our benchmark group for:

- Safe environment – violence (9.6)
- Staff engagement (7.4)
- Team working (7.2)

We have not scored lower than average for any themes.

We have taken a very deliberate approach to embedding ownership of actions within services, whilst sharing the insights with as many people as possible across the organisation using a multi-media approach.

Directorate and team specific reports have been produced for discussion and action planning at each of the directorate-level management meetings and are being cascaded through to locality and service leads and managers. Priorities will be identified by team / service as appropriate and monitored in those areas.

The staff engagement group has also identified three key Trust-wide themes and working groups are developing and implementing work-streams to address these findings. Those themes are:

- Enabling and empowering our managers, including:
    - the expectations of managers
    - Managers induction
    - Online guidance and support tools
    - Peer support
    - Essential managers programme
    - LinkedIn learning
- Quality of appraisals
- Senior manager/Board visibility and communications.

The Board will be updated on actions taken and progress made.

Trade Union Facility Time Disclosures

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
17	4758.95

Percentage of time spent on facility time:

Percentage of time	*Number of employees*
0%	0
1-50%	15
51%-99%	1
100%	1

Percentage of pay bill spent on facility time:

Total cost of facility time	£22,226.98
Total pay bill	£147,855,948.25
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.015%

Paid trade union activities:

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

Expenditure on Consultancy

The Trust has focussed on reducing consultancy and off-payroll arrangements in 2019/20 alongside work to reduce agency expenditure. In 2015/16, we introduced a Professional Register of people with a wide range of skills and experience in fields such as operational management, human resources, and project management, who are able to undertake short and medium-term assignments as and when required, working within a pay framework aligned to Agenda for Change rates. Through this arrangement in 2019/20, total expenditure on consultancy amounted to £88k (2018/19 £321k).

Off-payroll Engagement

The data below covers highly paid and / or senior off- payroll engagements between 1 April 2019 and 31 March 2020.

Compliance checks are performed on appropriate engagements to determine whether inside of scope for IR35. Where deemed inside of scope, tax is deducted at source prior to payment.

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

No. of existing engagements as of 31 Mar 2020	**35**
Of which:	
Number that have existed for less than one year at the time of reporting	10
Number that have existed for between one and two years at the time of reporting	2
Number that have existed for between two and three years at the time of reporting	8
Number that have existed for between three and four years at the time of reporting	5
Number that have existed for four or more years at the time of reporting	10

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

Number of new engagements, or those that reached six months in duration between 01 Apr 2019 and 31 Mar 2020	**19**
Of which:	
Number assessed as within the scope of IR35	1
Number assessed as not within the scope of IR35	18
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	19
Number of engagements that saw a change to IR35 status following the consistency review	1

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

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	**0**
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year*	17

**includes Executive Directors, Associate Directors and Non-Executive Directors*

Exit Packages (subject to audit)

The following exit packages were agreed in 2019/20:

Package Cost Band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	3	0	3
£10,000 – £25,000	3	0	3
£25,001 – £50,000	4	0	4
£50,001 – £100,000	3	0	3
£100,000 – £150,000	2	0	2
£150,001 – £200,000	1	0	1
£200,000 and over	0	0	0
Total number of exit packages by type	16	0	
Total resource cost	£816,000	£0	

	Payments Agreed 2019/20 Number	Total Value of Agreements 2019/20 £000	Payments Agreed 2018/19 Number	Total Value of Agreements 2018/19 £000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	1	10
Exit payments following Employment Tribunals or court orders	0	0	1	2
Non-contractual payments requiring HMT approval *	0	0	0	0
Total	0	0	2	12
Of which:				
non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

Gender Pay Gap

Information on the Trust's gender pay gap is available to view on the Cabinet Office website https://gender-pay-gap.service.gov.uk

Staff Learning and Development Highlights

Learning and Development
BETTER EVERY DAY

Workforce Supply and New Roles

The Trust apprenticeship levy total as at end of March 2020 was £1,587,026. At the end of the same period we have used £580,352 of that levy by supporting 205 apprentices, surpassing our public sector target of 2.3%.

We introduced 16 Trainee Nurse Associates and had 18 Physician Associates on placement with us, all training roles of which are brand new to our organisation. We also supported 23 4th year medical students and 38 foundation year medical students, 687 pre-registration student placements, which include 195 Mental Health Nursing Placements, 175 Allied Health Professional (AHP) placements, 30 Paramedic Placements, 230 Adult Nursing Placements,

15 Child Nursing and 15 Learning Disability Nursing Placements were offered. In line with NHS People Plan and Long NHS Term Plan expansion plans we have increased our clinical placement capacity by over 25%, increasing the supply route of our future workforce.

As part of our collaborative working with local schools, we coordinated the placements of 64 work experience students through the year. 14 students attended our Psychiatry summer School, 32 students attended our two nursing schools with a further 18 undertaking work experience placements in the organisation, with excellent feedback and evaluation received.

We welcomed 17 new Student Nurse Apprentices to the organisation. The cohort form part of the collaborative scheme that brings together the Dorset Integrated Care System to attract new apprentices to Health and Social Care. 51 apprentices were recruited across the 4 Dorset Trusts. Working in a variety of settings across mental health and community services, the 17 apprentices will be learning the role of the Registered Nurse over the next 3.5 – 4 years.

Workforce Upskilling and new ways of working

Our staff eLearning platform, eHub has 139 eLearning courses available to access; we developed 29 courses and there were 20,000 completions by staff in 2019/20. EHub has already removed the need to attend and deliver some face to face learning and these cost savings go some way in continuing to ease pressure of releasing colleagues from practice whilst offering a blended approach to learning as well as a continued reduction in staff, travel, administrative and venue expenditure over time. We were able to invest £196,464 from HEE in the upskilling and Continuous Professional Development (CPD) of our workforce that enhanced clinical service delivery and demonstrates our commitment to learning, growing, retaining and developing our people.

Leadership Development

Demonstrating our commitment to learning, we supported 132 delegates on 8 cohorts through our Leadership Development programme and over 600 staff accessed standalone leadership development sessions, whilst 60 staff undertook 360 feedback facilitation. We have invested in over 660 staff to undertake the Myers Briggs Type Indicator (MBTI) personality profiling tool to better understand their own personality preferences and that of their team members. Fantastic feedback was received on the positive impact this tool has had for individuals as well as enabling team members to better understand and work together. Through collaboration with our Dorset health and social care partners we've increased the number of Coaches in the organisation in order to develop our coaching culture.

Quality Education and Training

The CQC stated in their report, whereby we were rated as outstanding, that the 'opportunities provided for staff development were exemplary'.

Dorset HealthCare was announced as a finalist in the 2020 National HSJ awards in recognition of our commitment in celebrating our brilliant Bands 2-4 with our Career Development Resource. In its first month the resource received over 2,000 viewings.

The 2019 GMC survey highlights we were well above the average across Wessex and the rest of England for overall satisfaction, quality of teaching, quality of supervision and quality of experience for our medical trainees.

Modern Day Slavery and Human Trafficking Statement

Dorset HealthCare aims to be as effective as possible in ensuring that Modern Slavery and Human Trafficking is not taking place in any part of its business or supply chains. In addition to the above actions, Dorset Health Care will measure its performance against the following indicators:

- The Trust endeavours to build long-standing relationships with our suppliers and make clear our expectations of business behaviour. Where National or International supply chains are used, we expect these suppliers to have suitable Anti-Slavery and Human Trafficking Policies and Procedures and, where there is a risk of Slavery and Human Trafficking taking place, steps have been taken to assess and manage that risk.
- Develop a level of communication with the next link in the supply chain and their understanding of, and compliance with, our expectations in relation to the NHS terms and conditions. These conditions relate to issues such as bribery, slavery and other ethical considerations.
- Working in partnership with Multi-Agency Partners who are leading on this Agenda within Dorset.
- Modern Slavery and Human Trafficking training is available to all Dorset HealthCare staff as part of their Core Safeguarding one to three training. Additional training is available via the Local Safeguarding Adult's and Children's Boards, Community Groups.
- Development of additional supporting tools will be made available on the Trust intranet.
- This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our organisation's Modern Slavery and Human Trafficking statement for the financial year 2018 - 19.

Signed _____ Date: 10th June 2020

Eugine Yafele, Chief Executive

2.4 EQUALITY REPORT

Equality, Diversity and Inclusion; National Data Collections

NHS England have suspended the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Gender Pay Gap (GPG) data collection process and Public Sector Equality Duty Reporting for 2020, to allow Trusts to focus on dealing with Covid-19. As a result, Dorset HealthCare will not be required to submit the WRES, WDES and GPG data this year or complete the Public Sector Equality Duty using the Equality Delivery System, and the National WRES, WDES and GPG teams aim to produce short data reports later this year, based upon already available data for all NHS Trusts.

The Trust equality objectives are:

Objective 1 - Better health outcomes: Dorset HealthCare will aim to achieve improvements in patient health, public health and patient safety for all, based on comprehensive evidence of needs and results.

Objective 2 - Improved patient access and experience: Dorset HealthCare will aim to improve accessibility and information, and deliver the right services that are targeted, useful, useable and used in order to improve patient experience.

Objective 3 - A representative and supported workforce: Dorset HealthCare will aim to increase the diversity and quality of the working lives of the paid and non-paid workforce, supporting all staff to better respond to patients' and communities' needs.

Objective 4 - Inclusive leadership: Dorset HealthCare will aim to ensure that equality is everyone's business, and everyone is expected to take an active part, supported by the work of specialist equality leaders and champions. A detailed action plan has been agreed that has the priority actions which are reviewed annually

The Executive Director for People and Culture is the nominated Director responsible for equality, diversity and inclusion.

The Trust Equality, Diversity and Inclusion (EDI) Scheme sets out the Trust's commitment to EDI in the provision of services and the support for all staff. This details the information on training, communication and equality impact assessment, consultation and involvement strategies to address health inequalities and improve equality outcomes across all services.

Key Activities and Achievements during 2019/20 include:

- Selection by NHS Employers to remain part of the Equality Alumni across the NHS to showcase our work to reduce the 'unknown' category for Disability, Sexual Orientation and Religion or beliefs disclosure of the Electronic Staff Records in a case study.

- Working with the National Disability Workforce Equality Standard Team to pilot Easy Read Job Applications as part of a national programme of recruiting more staff with disabilities.
- Working closely with the 'Our Dorset' Team to maintain the joined-up focus on equality objectives for all NHS providers, social services, local councils and NHS commissioners in Dorset. This was demonstrated at the Bourne Free 2019 event and the Armed Forces Recruitment Fair at Kingston Maurward College.
- The successful recruitment of an Equality and Diversity Apprentice at Chartered Manager Degree Apprenticeship Level.
- The appointment of DA Languages as our provider for language translation and Interpretation, including telephone interpretation, documents and face to face services.
- Our Hidden Talents Staff Network developed and delivered a short presentation at the National Disability Summit on 30 April 2019, coproduced with Dorset Mental Health Forum. They were also invited to deliver the same presentation during Black History Month at Salisbury NHS Foundation Trust.
- Two successful 'Speak Up' events led by the Chief Executive for members of Dorset HealthCare's Black and Minority Ethnic (BAME) workforce share their experiences.
- Celebrating national events in collaboration with local community networks, including Holocaust Memorial Day in Dorchester and Bournemouth, partnership work with Bournemouth University for Black History Month, Mental Health Awareness Week, Eating Disorders Week and Prejudice Free Dorset Hate Crime Reporting conference.

- A refreshed on-line Equality, Diversity and Inclusion awareness course with updated information and links to external resources available to all staff. Equality and Diversity training has been made mandatory for all staff a minimum of every three years.
- The Trust has developed specific courses based on evaluations and feedback which have been delivered across Dorset including a Transgender Master Class with Chrysalis and a Facilitated Meeting Master Class.
- Supporting Dorset Race Equality Council's Forum for Equality and Diversity.
- Maintaining our status as a Disability Confident Employer and gaining further accreditation under the Mindful Employer Charter.
- Significantly increased completion rate of 56% for Prevent Counter Terrorism Awareness training.

Workforce Data

The BME profile of the Trust has increased by almost 1% in the last year to 12.74% ((925) of total substantive staff including Bank staff. This is an all-time high over the past 11 years. The records for Staff showing as 'undefined' or 'not stated' has continued to fall to a record low of 0.73% (53 staff).

Equality and Diversity Priority Actions 2019-2022:

- Dorset HealthCare will continue to work in partnership with Public Sector Organisations and Diverse Community Groups to foster good relationships between communities and remove barriers, perceived or otherwise, to tackle health inequalities and improve access to health services in line with the specific duties in the Equality Act 2010.
- Refresh our equality objectives using the Equality Delivery System and engage the Trust Board with the assessment and analysis process
- Continue to be an active partner in support of Dorset Clinical Commissioning Group in the development of the Equality Impact Analysis on changes to Health Services in Dorset as a result of the Clinical Services Review through to implementation.
- Supporting the introduction of the Dorset Care Record (DCR). Work internally and externally to support the development of programmes of work that aims to provide our staff with development, training and wellbeing opportunities moving forward.
- The Trust Workforce Race Equality Standard (WRES) report has shown several areas of concern which have become a focus in our action plan for improvement in comparison to similar organisations.
- The Trust Workforce Disability Standard (WDES) report has been recognised by NHS Employers in their National WDES report for good practice.

2.5 NHS FOUNDATION TRUST CODE OF GOVERNANCE

Dorset HealthCare University NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the UK Corporate Code of Governance issued in 2012.

The Trust is compliant with all Code provisions.

2.6 NHS IMPROVEMENT SINGLE OVERSIGHT FRAMEWORK

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

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

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation

The Trust is in segment 1. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4' where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019/20 Scores				2018/19 Scores			
		Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Financial sustainability	Capital service capacity	1	2	2	2	1	1	1	1
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	I&E margin	2	3	3	3	1	1	1	1
Financial controls	Distance from financial plan	1	1	1	1	1	1	1	1
	Agency spend	1	1	1	1	1	1	1	1
Overall scoring		**1**	**2**	**2**	**2**	**1**	**1**	**1**	**1**

2.7 STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Dorset HealthCare University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Dorset HealthCare University NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* (and the *Department of Health and Social Care Group Accounting Manual*) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

Signed _____ Date: 10th June 2020

Eugine Yafele, Chief Executive

2.8 ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Dorset HealthCare University NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Dorset HealthCare University NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Risk Management Leadership and Training

The Trust has continued to develop risk management processes in the organisation. These processes are overseen by coherent and comprehensive management structures and roles.

Non-Executive Directors are aware of their responsibilities in relation to risk management and chair all Board Committees. All Board Committees and Executive Groups have defined terms of reference setting out responsibilities for risk management where appropriate.

As Chief Executive I am the Chief Risk Officer ultimately responsible for risk. High level operational responsibility for risk has been delegated to the Director of Nursing, Therapies & Quality.

All Directors have a specific responsibility for the identification and prudent control of risks within their sphere of responsibility and are responsible, where required, for the provision of specialist advice to the Board of Directors. This acknowledges that all Directors are subject matter experts and have specific responsibilities for interpreting and applying national policy, legislation and regulations in respect of their specific areas of expertise.

The Director of Nursing, Therapies and Quality has designated staff responsible for:

- The risk management process (the development of risk management policy, administration of risk management systems and oversight of clinical risk exposures facing the organisation, ensuring the provision of risk management training, supporting Localities, carrying out checks within and across Localities to monitor the management of risk and triangulating lessons for learning from clinical risks ensuring

defects alerts or changes in practice are conveyed to front line teams promptly); and

- Monitoring the quality of services against Care Quality Commission standards and progress against Quality Priorities, advises on and escalates risks relating to regulatory standards and patients, monitors risks relating to medical devices and leads on the implementation of CQUIN targets to improve quality.

The Trust Secretary has day to day responsibility for managing the Board Assurance Framework. In addition, the capacity to provide leadership to and deliver the risk management function is underpinned by a number of other key roles including;

- Head of Clinical Effectiveness and Audit
- Lead managers for safeguarding children and adults
- Health and Safety Manager
- Local Security Management Specialist
- Fire Safety Officer
- Caldicott Guardian
- Senior Information Risk Owner

A Risk Management Policy is in place, supported by comprehensive training and communication, to provide guidance to staff on risk management. It sets out why it is essential to manage risk well and communicate openly with one another and provides a framework that:

- Reduces harm for patients, carers, staff, volunteers, contractors, any other stakeholders and the Trust itself;
- Continuously improves patient safety, experience, and quality performance;
- Protects everything of value to the Trust (such as reputation, market share, exemplary clinical outcomes); and
- Promotes the success of the Trust.

The risk and control framework

Risk Reporting

The Trust aims to keep patients and staff safe at all times. Risk is therefore anything that is stopping or might stop it from keeping them safe whilst in its care or preventing improvements in the quality of care.

To help identify risks, consideration is given of the Trust's historical operational performance and trends, previous events, current challenges, new innovations from inside and outside the Trust, changes in practice identified by external organisations and the needs of the people who use the Trust's services.

The risk analysis involves determining risk severity (the impact the risk has on the people in the Trust's care and the Trust itself) and likelihood (the probability of that impact happening within 12 months). The scores are multiplied to give an overall risk rating of between 1 and 25. The risk rating is used to determine risk management priorities and monitor acceptable levels of risk. The Trust actively encourages constructive challenge of assumptions made regarding severity and likelihood.

To manage these risks, there is a combination of prevention, detection and contingency controls. Prevention controls are part of a system of internal controls designed to prevent a risk from occurring at all. They typically involve policies, procedures, standards, guidelines, training, protective equipment/clothing, and pre-procedure checks. Detection controls provide an early warning of control failure, such as an alarm, incident reports, complaints, performance reports, audits. They tell the Trust how well the prevention controls are working. Contingency controls help prepare for an effective reaction in response to a major control failure, shocks or an overwhelming event. Contingency controls are designed to maintain resilience. They include reserves of time and money.

The Risk Management Policy sets out six steps for managing risk:

Step 1: Determine priorities

Step 2: Identify risk

Step 3: Assess risk

Step 4: Respond to the risk-seek, accept, avoid, transfer, modify

Step 5: Report Risk

Step 6: Review Risk

The framework for reviewing risks, controls, assurances and action plans is through the submission of reports, generated from Ulysses, as follows:

- ≥15 – Board of Directors; significant risk report (i.e. 15+); monthly;
- ≥15 – Board of Directors; Board assurance framework (BAF) quarterly;
- ≥15 – Audit Committee and the QGC: Board assurance framework (BAF) quarterly;
- ≥10 – Executive Committee and Executive Clinical Governance Group monthly;
- ≥8 – Specialty/Locality Management Groups monthly;
- ≥6 – Ward/Departmental Management monthly.

During the course of 2017/18 the Board agreed a risk appetite statement. This provides further guidance to Directors with regard to the tolerance for risk within the Trust.

Any risk which exceeds the designated risk threshold score is reported to the relevant Board Committee and, if appropriate, the Board.

Strategic Risks

The Board set new strategic goals in November 2018:

1. To provide high quality care; first time, every time.
2. To be an influential and effective partner in the Dorset Integrated Care System.
3. To have a skilled, diverse and caring workforce who are proud to work for Dorset HealthCare.
4. To ensure that all of the Trust's resources are used in an efficient and sustainable way.

The following strategic risks were identified at that time:

- Failures in care caused by inconsistent and unwarranted variations in the provision of services to patients;

- Failure in care as a result of:
  - i) not implementing fully the 'must do' and 'should do' actions in respect of the Care Quality Commission safety domain within an acceptable timescale; and
  - ii) not achieving, at the time of the next assessment, an improvement in the Trust rating in respect of the safety domain from 'requires improvement' to 'good'
- Failure to maximise the opportunities provided by strategic partnerships to deliver integrated health and social care.
- Failure to have in place the required workforce by not
  - i) recruiting and retaining a sufficient workforce to deliver the Trust objectives;
  - ii) providing an environment in which staff have the opportunity to learn from practice and experience in the Trust and beyond; and
  - iii) developing an engaged and motivated workforce.
- Failure to deliver the Trust Financial Plan by not delivering the CIP and lack of appropriate budgetary control and inadequate forecasting.
- Failure to secure the medium-term financial sustainability of the Trust as a result of changed commissioning intentions, service reconfigurations, structural change and/or inadequate financial planning and forecasting.

During the course of 2019/20 the Board de-escalated the risk in respect of the Care Quality Commission. This reflected the achievement of the outstanding rating awarded in the July 2019 inspection report.

Strategic risks have been reviewed over the course of the year by the Board, the Quality Governance Committee, the Audit Committee, the Executive Committee and the Clinical Governance Group.

Reporting of progress in mitigating the likelihood of these risks occurring has developed over the course of 2019/20 to enhance understanding of key assurances and actions planned and completed.

Well-Led Framework

The Board regularly assesses its performance and its development needs. During the course of the year the Board completed a self-assessment against the Well-Led Framework. This will

be used as a basis for commissioning an external governance review later in the year. The Board establishes an annual development programme. This is supported by development plans for individual directors. Board Committees review their performance annually by way of self-assessment against best practice criteria, such as – in the case of the Audit Committee – the toolkit in the NHS Audit Committee Handbook published by the Healthcare Financial Management Association. All of the Trust's Non-Executive Directors are free of any connection to the Trust which might be perceived to be likely to bias their judgement in their roles.

The Chairman is responsible for the leadership of the Board of Directors and Council of Governors. He ensures the effectiveness in all aspects of their roles whilst at the same time ensuring they work together effectively and constructively. The Chairman reports to the Board the views expressed by Governors and by the Council as a whole. The Chairman is also responsible for ensuring that both the Board and Council receive accurate, timely and clear information to enable them to undertake their roles and responsibilities. The Chair has disclosed his other interests which could impact on his time available to perform the role which requires about three days a week of his time. These are set out, along with those of all Directors, in the register of interests included within the Directors Report. All Directors have signed declarations to abide by the Trust's Code of Conduct for Directors. They have each also made declarations as to compliance with NHS's fit and proper persons criteria.

The Board takes seriously the duties and responsibilities of its members, both individually and collectively. Annual appraisals of the Chair, other Non-Executive Directors and Executive Directors are carried out to review and develop performance.

The Trust received an outstanding rating in respect of the well-led domain in the Care Quality Commission's inspection of the Trust in July 2019.

Quality Governance Arrangements

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

Quality performance is reported to the Directorate Management Groups and the Executive Clinical Governance Group on a monthly basis. Scrutiny and assurance is obtained through the Quality Governance Committee. Quality performance is also monitored by the Clinical Commissioning Group at the monthly contract review meetings.

With regard to data quality, a sample is checked monthly to ensure that it is accurate and reliable.

Compliance with Care Quality Commission (CQC) registration has, over the course of the year, been based around assessment visits by the Regulation and Compliance Team and the production and review of action plans following Care Quality Commission inspections.

Data Security Risk Process

Staff are encouraged to report all information security incidents, whether suspected or actual so that they can be investigated, appropriate actions taken to address the incident and lessons learnt to prevent reoccurrence. They are reported using Ulysses, with the risks being graded in accordance with the risk matrix in the usual way.

The Information Governance Manager, Senior Information Risk Owner and Caldicott Guardian and deputies are alerted of all data security incidents. All level two incidents will be reported via the IG Toolkit Incident Reporting Tool which informs the Department of Health, HSCIC and the Information Commissioner's Office of data breaches. This is done within 24 hours of the incident and investigated, with the aim of closing the incident within five days.

The Trust Information Governance Steering Group (IGSG) promotes a consistent approach to information governance. It is responsible for developing and sharing good practice across the Trust and ensuring that information governance standards are included in other work programmes and projects. It co-ordinates the review of the Trust's information governance management and accountability arrangements and produces and monitors the annual information governance work programme. Any matters of concern are escalated to the Executive Committee.

The Trust will, under its duty of candour, inform service users if there has been a breach in respect of their personal information.

Incident Reporting

The Trust uses an online reporting system, Ulysses, for all types of incidents (clinical and non-clinical). The system enables real time notifications to be sent to identified people. These are centrally set up and relate to the type or severity of the incident ensuring that the correct people are aware when an incident has occurred.

The Trust encourages staff to report incidents and near misses and sees reporting as a sign of a healthy safety culture. The Trust remains in the top third of the highest reporters to the National Reporting and Learning System for patient safety incidents in the reporting cluster. Training in incident reporting is embedded in various training programmes such as the prevention and management of violence and aggression, induction, health and safety and clinical risk training. Samples of clinical records are reviewed to see whether incidents recorded in the clinical record are reported via the incident reporting system.

In 2019/20 the top five reported types of incident were in respect of:

- Violence/assaults
- Pressure ulcers
- Slips, trips and falls
- Self-harm
- Medication

The lessons learnt from serious incidents are captured in real time on the intranet via the lessons learnt booklet and details are included monthly in the Quality Matters newsletter and within the locality quality reports. Learning is also incorporated into clinical training.

Workforce

The Trust has a workforce strategy and associated plan that are aligned to the emerging national NHS People Plan and the Dorset Workforce Action Board strategy and plans.
Since 2014/15 we have continued to develop our organisational culture through the engagement and empowerment of our staff. We will continue to nurture and evolve our culture, recognising that even in the short term, as well as medium and long-term, we will need to ensure we have a workforce with the skills and competencies for new care models, integrated teams, new roles and transformed services.

Workforce planning takes place within and across operational directorates, supported by the HR and workforce directorate. This aligns service-level, Trust level and system-wide workforce planning through the Integrated Care System. At each level, workforce planning is integrated with financial, quality and service design plans to ensure workforce and service sustainability. The Electronic Staff Record, e-Roster system and financial systems are used to support effective planning and management. As well as dealing with immediate areas of concern, our focus is on workforce transformation and productivity improvement, with investment in leadership capability and capacity to drive and support this.

A Safer Staffing group meets on a monthly basis to review staffing and quality data and identify areas for action. Detailed staffing reports on inpatient staffing are prepared for the monthly Clinical Governance Group meeting and the Director of Nursing presents exceptions to the bi-monthly Quality Governance Committee. Staffing reports are submitted to the Board in line with the National Quality Board guidance.

These reports provide oversight and assurance as well as the evidence base for staffing investment decisions. The monthly Integrated Corporate Dashboard combines workforce data alongside quality and financial performance data/metrics, providing the Board with insight and foresight of Trust performance and supports effective scrutiny and decision-making. Workforce risks are managed through the established risk management arrangements and 'workforce' has featured on the Board Assurance Framework (BAF), recognised as a strategic risk and reviewed on a quarterly basis through the Board and Committee arrangements for the BAF.

We have introduced advanced practice roles and developed and launched nursing associate and registered degree nursing apprenticeships as part of competency based planning and skill mix initiatives. We have an ambition to recruit in the region of 750 apprentices in the next five years and are working with Dorset Integrated Care System colleagues to achieve this.

Redesigned roles, skill mix changes and similar workforce changes are considered as part of our overarching QIA process. This ensures that schemes for service transformation, innovation and Cost Improvement Programme projects do not adversely impact on patient safety and quality. Assessment is based on impact to quality, clinical effectiveness, patient safety, patient experience, staff safety, education, prevention, innovation and equality and diversity. Alongside this, a further evaluation of risk is carried out that captures detail of any controls either already in place or planned. Such risks may be recorded and managed via the corporate risk register and all will be monitored as part of each scheme's project documentation. Schemes that are considered unrealistic or that pose a risk to quality will not be progressed.

We maintain our focus on increasing Trust bank staff numbers and the development of our 'Dorset Nurse' flexible substantive contract. A dedicated team monitors and reduces reliance on agency staffing and will oversee a systematic process supporting the principle of 'Bank first' to significantly reduce agency spend.

The Trust's Leaning Needs Analysis (LNA) is regularly reviewed alongside individual appraisals and supervision to ensure that staff receive the right level of training relevant to their role and in line with regulatory and best practice requirements.

Employment Practice

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.

Under the pension auto enrolment legislation, we also use NEST as our alternative scheme for those not eligible to access the NHS Pension scheme.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust has a Diversity and Human Rights implementation Scheme which details the Trust's commitment to Equality and Diversity in the provision of services and the support for all staff. Training, communication and equality impact assessment, consultation and involvement strategies to address health inequalities and improve equality outcomes are all outlined within the scheme.

Equality and Diversity training is carried out by all staff that join the Trust as part of the Trust's mandatory induction process. In addition, there is a Level 2 Face to Face Equality and Diversity Course for Front Line Clinical Staff, an online Level 2 course and a Level 3 Course for managers and leaders which sets out how to carry out Equality Impact Analysis.

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP 18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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. The Trust makes publicly available declarations made by all staff, not just decision-makers.

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

The Trust has an established system of financial control which is led by the Director of Finance and Strategic Development. The annual budget setting process for 2019/20 was approved by the Trust Board before the start of the financial year and was communicated to all managers in the organisation.

The Director of Finance and Strategic Development and his team have worked closely with managers throughout the year to ensure robust financial management across the Trust.

All budget managers have a responsibility to manage their budgets and systems of internal control effectively and efficiently. The processes to achieve this are reviewed on an ongoing basis by managers themselves and are also examined by internal audit as part of their annual activities.

The Integrated Corporate Dashboard covers quality, operational, workforce and financial performance and is reported to the Trust Board on a monthly basis. It is set against updated quality metrics as well as overall Trust performance which is tracked with trend analysis over a 13-month period.

All staff have a responsibility to identify and assess risk and to take action to ensure controls are in place to reduce and/or mitigate risks, whilst acknowledging the need for economy, efficiency, and effectiveness of the resources.

The Audit Committee receives reports from Directors of the Trust as well as internal and external audit and Counter Fraud and Security Management, on the work undertaken to review the Trust's systems of control including economy, efficiency and effectiveness of the use of resources. Action plans are agreed from these reports to improve controls where necessary.

Based on the findings of our work, we have concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Information governance

In 2019/20 the Trust classified two information governance incidents at Level 2, and reported both to the Information Commissioners Office (ICO) via the NHS Digital Data Security and Protection Toolkit.

The first incident involved a staff member accessing the records of their ex-partner, on two occasions over a number of years, on one of our clinical systems. Following an investigation, the staff member was found to have committed an act of gross misconduct and dismissed. The ICO decided that sufficient action had been taken by the Trust and no further action was required.

The second incident involved a member of staff sending an email to 47 parents inviting their children for a vaccination. The member of staff did not 'blind copy' the recipients so the email addresses were visible. New procedures have been implemented to prevent a re-occurrence. The ICO acknowledged the prompt action by the Trust and took no further action.

Data Quality and Governance

All Trust policies and procedures are produced in line with best practice. The effectiveness of policies in ensuring quality of care provided is monitored through a variety of mechanisms including:

- as part of root cause analysis,
- by undertaking audit,
- by monitoring incident and complaint data.

Should the Trust wish to explore a particular aspect in the quality of care in more detail a focussed 'deep dive' review will be undertaken.

The Trust wide Clinical Audit programme includes topics from priority areas such as CQC inspection reports, NICE guidance, and contractual requirements. The Trust audit database is a key tool in ensuring monitoring of action plans and that audit activity is effective.

During 2019/20 the Board has continued to refine, under the leadership of the Medical Director, reporting through the integrated corporate dashboard. The metrics are used to populate team level dashboards. All staff have access to the same information and insights as the Board. These metrics will be monitored by the Executive Committee and the Clinical Governance Group.

The data used to support the integrated corporate dashboard comes from various sources including clinical audits, surveys, information management systems, incident reports and internal and external audits. All of these are used to produce the monthly Integrated Dashboard. Data in relation to performance and quality is collated and reviewed by the Directors of Finance, Human Resources and Nursing and Quality. These Directors are responsible for ensuring reliable information is produced on a timely basis.

Review of effectiveness

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

System of Internal Control

There are a number of components which form our system for maintaining and reviewing the system of internal control

The Trust Board

The Board has overall responsibility for the activity, integrity and strategy of the Trust. Its role is largely supervisory and strategic and has six key functions:

- to set strategic direction, define objectives and agree plans for the Trust
- to monitor performance and ensure corrective action
- to ensure financial stewardship
- to ensure high standards of corporate and clinical governance
- to appoint, appraise and remunerate executives
- to ensure dialogue with external bodies and the local community.

Audit Committee

The role of the Audit Committee is to provide the Trust Board with the assurance that adequate processes of corporate governance, risk management, audit and internal control are in place and working effectively. It oversees the establishment and maintenance of an effective system of internal control throughout the organisation.

It ensures that there are effective internal audit arrangements in place that meet mandatory NHS Internal Audit Standards and provides independent assurance to the Trust Board. The Committee reviews the work and findings of External Audit and provides a conduit through which their findings can be considered by the Trust Board.

It reviews the Trust's annual statutory accounts before they are presented to the Trust Board, ensuring that the significance of figures, notes and important changes are fully understood.

The Committee maintains oversight of the Trust's Counter Fraud arrangements. It also provides assurance over the Trust's risk process ensuring that risk is dealt with consistently throughout the organisation.

Internal Audit

Internal Audit during 2019/20 was undertaken by BDO who produce an annual internal audit plan, produced in discussion with the Trust to enable high level scrutiny of the effectiveness of the processes and procedures that the Trust has in place.

BDO carried out 12 reviews in 2019/20 designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Trust's objectives.

The Trust Internal Auditors have provided moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently.

Conclusion

This Annual Governance Statement highlights the continuing improvements made within the Trust. No significant internal control issues have been identified during the course of the year.

The Board has absolute clarity of purpose on the priority of moving the Trust's governance structures to an 'exemplary' standard and will continue to make improvements over the course of 2020/21.

Signed _____ Date: 10th June 2020

Eugine Yafele, Chief Executive

Accountability Report:

Signed _____ Date: 10th June 2020

Eugine Yafele, Chief Executive

Independent auditor's report

to the Council of Governors of Dorset HealthCare University NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Dorset HealthCare University NHS Foundation 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 one.

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

— the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care (DHSC) 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.

Overview		
Materiality: Financial statements as a whole	£5.5 million (2019: £5.0 million) 2% (2019: 2%) of total income from operations	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of land and buildings	◀▶
	Recognition of NHS and non-NHS Income	◀▶
	Recognition of Non-Pay and Non-Depreciation Expenditure	◀▶

Key

◀▶ Risk level unchanged from prior year

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Trusts governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of land and buildings (£151.8 million; 2019: £146.2 million) *Refer to page 45 (Audit Committee Report), page A9 (accounting policy) and page A28 (financial disclosures)*	**Subjective valuation** Land and buildings are required to be held at current value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset. 79% of the Trusts land and buildings related to specialised assets. When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. Valuations are completed by an external expert, engaged by the Trust using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. The Trust last had a full valuation undertaken at 28 February 2019 by an external valuer. Between full valuations the Trust carries out an annual review to determine whether there are indications of impairment of assets due to reductions in market value, the clear consumption of economic benefits or a reduction in service potential. At 31 January 2020, the Trust completed a desktop valuation of the estate, based on indices supplied by an external valuer, to determine if asset values had changed significantly. As the movement in asset valuation was not deemed significant, no changes have been made in accordance with the DHSC Group Accounting Manual. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. **Disclosure of Sensitivity** Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note the uncertainty and the sensitivity of the estimates and judgements applied in the valuation of land and buildings. The financial statements (note 1.21) disclose the sensitivity estimated by the Trust.	Our procedures included: — **Assessing valuer's credentials:** We considered the scope, qualifications and experience of the valuer, to identify whether the valuer was appropriately experienced and qualified to provide relevant indices; — **Benchmarking assumptions**: We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms; — **Test of details:** We undertook the following tests of details: — We considered the carrying value of the land and buildings, including any material movements from the previous revaluations; — We tested the completeness of the estate covered by the valuation to the Trust's underlying estate records, including additions to land and buildings during the year; — We re-performed the gain or loss on revaluation for all applicable assets and assessed whether the accounting entries were consistent with the DHSC Group Accounting Manual; and — For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Trust would receive future benefits. — **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the valuations disclosure, including the group's disclosures of the sensitivity of the valuation. **Our results:** — From the evidence obtained, we considered the valuation of land and buildings and related disclosure to be acceptable.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of NHS and non-NHS income (£291.5 million; 2019: £265.7 million) *Refer to page 45 (Audit Committee Report), page A7 (accounting policy) and page A18 (financial disclosures).*	**Effects of Irregularities** Of the Trusts reported total income, £257.2 million (2019: £224.7 million) came from commissioners (Clinical Commissioning Groups (CCG), other NHS Bodies and NHS England). Income from CCGs, other NHS Bodies and NHS England make up 88% of the Trust's income. The majority of this income is contracted on an annual basis, however actual income is based on completing actual levels of activity completed during the year. An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are produced setting out discrepancies between the submitted balances and transactions between each party, with variances over £300,000 being required to be reported to the National Audit Office to inform the audit of the DHSC consolidated accounts. The Trust reported total other income of £15.3 million (2019: £18.4 million) from other activities principally, education and training and non-patient care services. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on achieving financial targets, varied payment terms, including payment on delivery, milestone payments and periodic payments. The amount also includes £2.2 million (2019: £7.9 million) Provider Sustainability Funding (PSF) received from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. As such there is a fraudulent risk of revenue recognition over both NHS and non-NHS income.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over revenue recognition; — **Test of details:** We undertook the following tests of details: — We agreed commissioner income to the signed contracts and selected a sample of the largest balances (comprising 91% of income from patient care activities) to the supporting invoice and payments to the bank receipts; — We inspected invoices for material income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income; — We assessed the judgements made to receive the transformation funding recorded in the financial statements as part of the Trust's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHSI; and — We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. **Our results:** — The results of our testing were satisfactory and we considered the amount of NHS and non-NHS income recognised to be acceptable.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of non-pay and non-depreciation expenditure (£68.1 million; 2019: £57.8 million) *Refer to page 45 (Audit Committee Report), page A8 (accounting policy) and page A22 (financial disclosures)*	**Effects of Irregularities:** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay and non-depreciation expenditure at the year-end. There may therefore be an incentive to defer non-pay and non-depreciation expenditure or recognise commitments at a reduced value in order to achieve financial targets.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over expenditure approval; — **Test of details:** We undertook the following tests of details: — We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; — We inspected invoices for material expenditure in the month prior to and following 31 March 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance; and — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with other providers and other bodies within the AoB boundary. **Our results:** — The results of our testing were satisfactory and we considered the amount of non-pay expenditure recognised to be acceptable.

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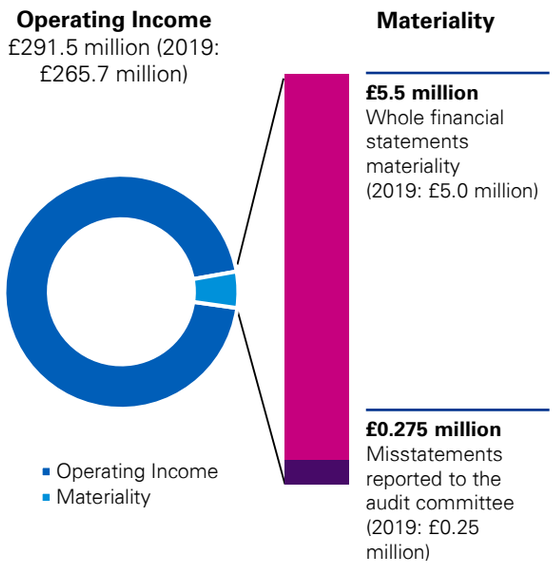
3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £5.5 million (2019: £5.0 million), determined with reference to a benchmark of operating income (of which it represents approximately 2.0% (2019: 2.0%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £275,000 (2019: £250,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed at the Trust's headquarters in Poole, Dorset.



4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1.2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

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6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 100, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; 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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

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

We have nothing to report in this respect.

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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources .

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017**,** as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

No significant risks were identified during our risk assessment.

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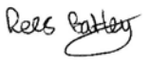
THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Dorset HealthCare University NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Rees Batley
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square, Bristol BS1 4BE
***11 June** 2020*

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Dorset HealthCare University
NHS Foundation Trust

ANNUAL ACCOUNTS 2019/20

Dorset HealthCare University NHS Foundation Trust

Annual Accounts for the year ended 31 March 2020

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2020 have been prepared by Dorset HealthCare University NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Eugine Yafele
Chief Executive

Date: 10 June 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2020

	NOTE	2019/20 £000	2018/19 £000
Revenue from patient care activities	2.1	**276,242**	247,278
Other operating revenue	2.4	**15,275**	18,404
Operating expenses	3.1	**(284,893)**	(254,497)
NET OPERATING SURPLUS		**6,624**	11,185
FINANCE COSTS			
Finance income	5.1	**309**	255
Finance costs	5.2	**(3)**	(2)
Public Dividend Capital Dividend charge		**(4,664)**	(4,357)
NET FINANCE COSTS		**(4,358)**	(4,104)
Other gains/(losses)	6.2	**179**	157
SURPLUS FROM CONTINUING OPERATIONS		**2,445**	7,238
SURPLUS FOR THE YEAR		**2,445**	7,238
Other comprehensive income/(expense) will not be reclassified to income and expenditure			
Impairments	16	**-**	(1,159)
Revaluations	16	**-**	3,966
Gain/(loss) on transfers by absorption (modified)	8	**1,627**	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**4,072**	10,045

The notes on pages A6 to A43 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2020

	NOTE	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	7.1	**6,757**	2,151
Property, plant and equipment	8.1	**160,677**	155,366
Trade and other receivables	12.1	**228**	-
Total non-current assets		**167,662**	157,517
Current assets			
Inventories	11.1	**854**	784
Trade and other receivables	12.1	**15,855**	16,195
Assets held for sale and assets in disposal groups	10	**219**	368
Cash and cash equivalents	17	**34,277**	33,259
Total current assets		**51,205**	50,606
Current liabilities			
Trade and other payables	13	**(21,060)**	(19,040)
Borrowings		**(84)**	-
Other liabilities	14	**(1,059)**	(1,375)
Provisions	15	**(1,884)**	(2,496)
Total current liabilities		**(24,087)**	(22,911)
Total assets less current liabilities		**194,780**	185,212
Non-current liabilities			
Borrowings		**(336)**	-
Provisions	15	**(1,792)**	(1,655)
Total non-current liabilities		**(2,128)**	(1,655)
Total assets employed		**192,652**	183,557
Financed by taxpayers' equity			
Public Dividend Capital		**40,341**	35,318
Revaluation reserve	16	**48,217**	47,979
Income and expenditure reserve		**104,094**	100,260
Total taxpayers' equity		**192,652**	183,557

The accounts on pages A2 to A43 were approved by the Board on 20 May 2020 and signed on its behalf by Eugine Yafele (Chief Executive):

Signed: .....(Chief Executive) Date: 10 June 2020

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended: 31 March 2020

	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' equity at 1 April 2019	**183,557**	35,318	47,979	100,260
Surplus for the year	**2,445**	-	-	2,445
Gain / (loss) on transfers by absorption (modified)	**1,627**	-	-	1,627
Transfers by absorption: transfers between reserves	**-**	-	293	(293)
Transfer between reserves	**-**	-	(55)	55
Public Dividend Capital (PDC) received	**5,023**	5,023	-	-
Taxpayers' equity at 31 March 2020	**192,652**	40,341	48,217	104,094

31 March 2019

	£000	£000	£000	£000
Taxpayers' equity at 1 April 2018	**169,761**	31,566	45,396	92,799
Impact of implementing IFRS9 on opening reserves	**(1)**	-	-	(1)
Surplus for the year	**7,238**	-	-	7,238
Impairments	**(1,159)**	-	(1,159)	-
Revaluations - Property, plant & equipment	**3,966**	-	3,966	-
Transfer to retained earnings on disposal of assets	**-**	-	(224)	224
Public Dividend Capital (PDC) received	**3,752**	3,752	-	-
Taxpayers' equity at 31 March 2019	**183,557**	35,318	47,979	100,260

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2020

	NOTE	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus from continuing operations		**6,624**	11,185
Operating surplus		**6,624**	11,185
Non-cash or non-operating income and expense			
Depreciation and amortisation		**6,524**	6,304
Impairments and reversals		**-**	2,386
Income recognised in respect of capital donations		**-**	(212)
Decrease/(increase) in trade and other receivables		**237**	(5,867)
(Increase)/decrease in inventories		**(70)**	17
Increase in trade and other payables		**1,603**	275
(Decrease)/increase in other liabilities		**(316)**	1,375
(Decrease)/increase in provisions		**(478)**	922
Net cash generated from operating activities		**14,124**	16,385
Cash flows from investing activities			
Interest received		**309**	255
Purchase of intangible assets		**(3,828)**	(912)
Purchase of property, plant and equipment		**(10,451)**	(14,114)
Sales of property, plant and equipment		**348**	381
Receipt of cash donations to purchase capital assets		**-**	212
Net cash used in investing activities		**(13,622)**	(14,178)
Cash flows from financing activities			
Public dividend capital received		**5,023**	3,752
Movement in other loans		**420**	-
Other interest		**-**	(1)
PDC Dividend paid		**(4,927)**	(3,943)
Net cash used in financing activities		**516**	(192)
Increase in cash and cash equivalents		**1,018**	2,015
Cash and cash equivalents at 1 April	17	**33,259**	31,244
Cash and cash equivalents at 31 March	17	**34,277**	33,259

NOTES TO THE ACCOUNTS

1. Accounting Policies and Other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following accounts 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 (IFRS) 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. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

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

The Trust is the Corporate Trustee to Dorset HealthCare Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has right to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

Normally such a relationship would require the accounts of the subsidiary to be consolidated by the Trust where material. The Dorset HealthCare Charitable Fund is not sufficiently large to materially affect the results of the Trust and the Trust has therefore not consolidated the charity accounts.

The Trust has an investment of £1 in Ansbury Limited, a company limited by guarantee and registered in England. The Trust is one of 14 members, as at 31 March 2020. There is no requirement to consolidate the financial results of this company in the Trust's accounts.

1.2 Going Concern

These accounts have been prepared on a going concern basis.

The Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust currently holds a cash position of £34.3m as at 31 March 2020 and prepares forecasts to further substantiate this assessment as this demonstrates a strong cash position throughout the going concern period.

1.3 Revenue from contracts with customers

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

Revenue in respect of goods/ services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/ services to the customers 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.

1.3 Revenue from contracts with customers (continued)

Services are typically contracted to be provided evenly over a financial year. For the majority of income, invoices are raised dated the first of the month in which the service is being provided. These invoices are usually paid in that month so there are no contract balances outstanding at the end of each month. For other income, invoices are raised according to local agreement and can lead to contract receivables or contract liabilities being recorded, depending on when the invoices is raised relevant to the satisfaction of the performance obligations. Credit terms are 30 days and invoiced amounts will remain showing as contract receivables until settled.

Revenue from NHS contracts

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

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 other entities

The Local Authority also commissions substantial community services and NHS England funds specialised Mental Health services. Other operating income is material in total, but individual elements within it are not material. The actual recipients of our performance obligations are the beneficiaries of our services and not those with whom the service contracts are agreed.

The value of the benefit received when accessing funds from the Government's apprenticeship service are 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 expenses is also recognised at the point of recognition for the benefit.

Provider sustainability fund (PSF)

The PSF enables providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

1.4 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 accounts 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 schemes were not designed to be run in a way that would enable individual NHS bodies to identify their share of the underlying schemes' assets and liabilities. Therefore, the schemes are accounted for as defined contribution schemes: the cost to the Trust is taken as equal to the employer's pension contributions payable to the schemes for the accounting period. The contributions are charged to operating expenses as 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 operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.5 Operating Expenditure on Goods and Services

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

1.6 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
  - they individually have a cost of at least £5,000; or
  - collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous 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 e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

1.6 Property, Plant and Equipment (continued)

IAS 16 requires a land and buildings revaluation to be undertaken at least every five years, with interim valuations obtained and actioned dependent upon the changes in the fair value of the property. The last full revaluation was carried out during 2018/19. 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 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 of the services being provided.

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

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.

Depreciation

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

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value in existing use evenly over the estimated remaining life of the asset as assessed by the Trust’s professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on cost evenly over their estimated life.

Details of useful economic lives are as follows:

Buildings and dwellings have useful economic lives of between 9 and 91 years;
Plant and machinery have useful economic lives of between 5 and 20 years;
Furniture and fittings have useful economic lives of between 5 and 15 years;
IT equipment items have useful economic lives of between 4 years and 15 years, except in the case of servers, which have useful economic lives of 8 years; and
Transport equipment items have useful economic lives of between 5 and 7 years.

1.6 Property, Plant and Equipment (continued)

Revaluation gains and losses and impairment

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating expenses.

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'.

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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

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

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to the income and expenditure reserve when the asset is disposed of.

1.6 Property, Plant and Equipment (continued)

Donated assets

Donated property, plant and equipment assets are capitalised at their fair value on receipt. The donation 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 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 assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Transfer by absorption

Where there is a transfer of an asset to the Trust, the asset is recognised in Non-Current Assets and recognition of the gain on the Statement of Comprehensive Income. Any Revaluation Reserve attached to this property is recognised in the Statement of Changes in Taxpayer's Equity.

1.7 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably and exceeds £5,000.

Internally generated intangible assets

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during the development.

Software

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

Measurement

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

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of amortised replacement cost (modern equivalent assets basis) and the value in use where the asset is income generating. Revaluation gains, losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The useful lives of software assets range from 5 to 7 years.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value using the First In, First Out method.

1.9 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.

1.10 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 the Office for National Statistics (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, are recognised when, and to the extent which, performance occurs i.e. 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.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

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 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 as a finance income or expense.

1.10 Financial Assets and Financial Liabilities (continued)

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

The financial assets that are subject to credit losses are trade and other receivables. There are certain categories of income that are subject to higher credit risk and these have been assessed individually. They are immaterial but are provided for at the expected credit loss when the invoice is raised. This was based upon a review of actual losses sustained by the Trust over a number of years.

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

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

De-recognition

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

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

1.11 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 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 inception of the lease, and are de-recognised when the liability is discharged, cancelled or expired. The annual rental charge is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to 'finance expense' in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expenses 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.

1.11 Leases (continued)

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.

The Trust as Lessor

Operating leases

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

1.12 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 15, but is not recognised in the Trust's accounts.

NHS Resolution also operates a third party liability scheme that the Trust participates in. Liability is limited to £10k per employee claim and £3k for public liability claims under this scheme.

Non-clinical risk pooling

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

1.13 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 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events, whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.14 Public Dividend Capital (PDC) and PDC Dividend

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

At any time, 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 assets,
(ii) average daily cash balances held with the Government Banking Service and National Loans Fund deposits,
(iii) any PDC dividend balance receivable or payable, and
(iv) any balance receivable from the Provider Sustainability Fund.

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

1.15 Value Added Tax

Most of the activities of the Trust are outside the scope of value added tax (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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation Tax

The Trust has no Corporation Tax liability at present.

A consultation on revised legislation for Corporation Tax, as applicable to Foundation Trust status, is awaited from HM Revenue and Customs.

1.17 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 the HM Treasury's FReM. See Note 18.

1.18 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 individual cases are handled.

Losses and Special Payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). Note 24 is compiled directly from the losses and compensations register which is prepared on an accruals basis with the exception of provisions for future losses.

1.19 Accounting Standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2019/20. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2021/22, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

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 £4,000). 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.

IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM. Early adoption is not permitted.

1.20 Accounting Standards issued that have been adopted early

There are no accounting standards issued that have been adopted early.

1.21 Critical Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates, and the estimates and underlying assumptions are continually reviewed.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Only key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are disclosed as follows:

Valuation of land and buildings and useful economic lives thereon

Professional valuations are obtained from the District Valuer. This includes an assessment of useful economic lives for each building. We rely upon this professional advice but challenge both the assumptions made and where material changes have occurred. If there are errors included, this would affect the value of property, plant and equipment, revaluation reserve and possibly the deficit stated in the Statement of Comprehensive Income for the year as reported in the accounts.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset recorded in note 8.

A review is undertaken annually to determine if there are any material changes in asset values from the desktop valuation, and therefore if the accounts need to be amended. If asset values are materially different at the year end a formal valuation will be undertaken.

In making these judgements, the Trust is aware that the Royal Institute of Chartered Surveyors (RICS) has issued a valuation practice notice which gives guidance to valuers where a valuer declares a materiality uncertainty attached to a valuation in light of the impact of COVID-19 on markets. Although the Trust obtained a valuation report dated 31st January 2020 this was not implemented as there was no material difference to the carrying values, but it should be noted that there may now be greater uncertainty in markets on which the valuation obtained in 2018/19 and reflected in these financial statements is based. Given the judgements explained above in preparing these 2019/20 financial statements, the Trust has not deviated from its existing accounting policy by obtaining an additional valuation to which a materiality uncertainty might be attached.

Of the £152m net book value of land and buildings subject to valuation, £120m relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced.

A 1% change in the valuation for non-specialised assets would have a £0.3m impact on the statement of financial position.

A 1% change in the valuation for specialised assets would have a £1.2m impact on the statement of financial position.

It is possible that the COVID-19 pandemic will affect the Trust’s future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

2 Revenue from patient care activities

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

2.1 Revenue from patient care activities (by nature)

	2019/20 £000	2018/19 £000
Mental health services		
Block contract income	**121,482**	110,080
Community services		
Income from CCGs and NHS England	**119,414**	108,566
Income from other sources (e.g. local authorities)	**20,350**	20,611
General health services		
Private patient income	**1**	1
AfC pay award central funding	**-**	3,040
Additional pension contribution central funding	**9,016**	-
Other clinical income	**5,979**	4,980
Total revenue from patient care activities	**276,242**	247,278

2.2 Revenue from patient care activities (by source)

	2019/20 £000	2018/19 £000
NHS Foundation Trusts	**6,387**	5,200
NHS Trusts	**-**	-
CCGs and NHS England	**250,831**	219,460
Local Authorities	**17,610**	18,201
Department of Health & Social Care	**-**	3,040
NHS Other	**52**	219
Non NHS:		
- Private patients	**1**	1
- Overseas patients (non-reciprocal)	**6**	-
Injury costs recovery scheme	**156**	116
Non NHS: Other	**1,199**	1,041
Total revenue from patient care activities	**276,242**	247,278
Of which:		
Related to continuing operations	**276,242**	**247,278**
	276,242	247,278

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

	2019/20 £000	2018/19 £000
Income recognised this year	**6**	**-**
	6	**-**

2.4 Other operating revenue

	2019/20 £000	2018/19 £000
Other operating revenue from contracts with customers:		
Research and development (contract)	**290**	327
Education and training (excluding notional apprenticeship levy income)	**4,239**	3,756
Non-patient care services to other bodies	**4,654**	4,207
Provider Sustainability Fund / Sustainability and Transformation Fund Income (PSF / STF)	**2,202**	7,867
Other contract income	**1,552**	1,323
Other non-contract operating revenue		
Research and development (non-contract)	**20**	-
Education and training - notional income from apprenticeship fund	**574**	148
Receipt of capital grants and donations	**-**	212
Charitable and other contributions to expenditure - received from NHS Charities	**28**	32
Charitable and other contributions to expenditure - received from other bodies	**1,171**	127
Rental revenue from operating leases - minimum lease receipts	**338**	291
Other (recognised in accordance with standards other than IFRS 15)	**207**	114
Total other operating revenue	**15,275**	18,404
Of which:		
Related to continuing operations	**15,275**	18,404
	15,275	18,404

2.5 Revenue from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2019/20	2018/19
	£000	£000
Revenue from activities arising from Commissioner Requested Services	**276,241**	247,277
All other services	**15,276**	18,405
	291,517	265,682

2.6 Additional information on revenue from contracts with customers recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	**1,374**	981
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	**647**	624

2.7 Transaction price allocated to remaining performance obligations

	2019/20	2018/19
	£000	£000
Revenue from existing contract allocated to remaining performance obligations is expected to be recognised:		
Within one year	**1,059**	1,374
after one year, not later than five years	**-**	-
after five years	**-**	-
Total revenue allocated to remaining performance obligations	**1,059**	1,374

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

2.8 Operating Lease Income

	2019/20	2018/19
	£000	£000
Rental revenue from operating leases - minimum lease receipts	**338**	291
Total	**338**	291
Future minimum lease payments due on leases of buildings expiring:		
- not later than one year;	**78**	140
- later than one year and not later than five years;	**145**	371
- later than five years.	**69**	92
Total	**292**	603

2.9 Segmental Analysis

The Reporting Segments ensure that the Trust has the right structures and roles in place to enable us to work effectively with local authorities and other NHS organisations, manage projects using existing skills, and strengthen our functional management arrangements.

The reporting segments are as follows:

Community Services include integrated services across all our locality areas, as well as specialist services and emergency planning.

Mental Healthcare Services include Mental Health, Learning Disabilities, Children and Adolescent Mental Health Services, Steps to Wellbeing, Eating Disorders, Forensic Services, Psychology and Psychological Services.

Children and Young Persons include Paediatric Speech and Language Therapy, Sexual Health Services and Children's Services Public Health (urban and rural).

Year ended 31 March 2020	Community Services	Mental Healthcare Services	Children and Young Persons	Total
	£000	£000	£000	£000
Revenues from external customers	131,135	136,247	24,623	292,005
Reportable segment surplus/(deficit)	(2,054)	5,281	(782)	2,445

Segmental Analysis - reconciliation of segments to statement of comprehensive income

	£000
Revenues	
Total revenues for reportable segments	292,005
Entity's revenues	292,005
Expenditure	
Entity's expenditure	289,560
Surplus	
Total surplus for reportable segments	2,445
Income before corporation tax expense	2,445
Of which:	
Continuing operations	2,445
	2,445

2.9 Segmental Analysis (continued)

Year ended 31 March 2019

	Community Services £000	Mental Healthcare Services £000	Children and Young Persons £000	Total £000
Revenues from external customers	112,520	128,972	24,190	265,682
Reportable segment surplus/(deficit)	1,756	5,694	(212)	7,238
Reversal of impairments included above:	35	447	9	491
Impairments included above:	2,035	755	86	2,876

Segmental Analysis - reconciliation of segments to statement of comprehensive income

	£000
Revenues	
Total revenues for reportable segments	265,682
	265,682
Expenditure	
Entity's expenditure	258,444
Surplus	
Total surplus for reportable segments	
Other profit or loss	7,238
	7,238
Of which:	
Continuing operations	7,238
	7,238

3. Operating Expenses from Continuing and Discontinued Operations

3.1 Operating Expenses

	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC bodies	**19,850**	6,702
Purchase of healthcare from non-NHS and non-DHSC bodies	**5,012**	4,449
Purchase of social care	**127**	146
Staff and executive directors costs	**210,100**	190,244
Remuneration of non-executive directors	**151**	158
Supplies and services - clinical (excluding drugs costs)	**10,053**	9,941
Supplies and services - general	**3,869**	4,438
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)	**2,577**	2,667
Consultancy costs	**88**	321
Establishment	**2,189**	2,260
Premises - business rates collected to local authorities	**1,488**	1,420
Premises - other	**7,434**	7,250
Transport (business travel only)	**2,782**	2,870
Transport - other (including patient travel)	**981**	970
Depreciation	**5,981**	5,971
Amortisation	**543**	333
Impairments net of (reversals)	**-**	2,386
Movement in credit loss allowance: contract receivables/contract assets*	**(233)**	212
Movement in credit loss allowance: all other receivables and investments*	**6**	-
Provisions (released)/arising in year	**(31)**	13
Change in provisions discount rate	**87**	(22)
Audit fees payable to the external auditor:		
Audit services - statutory audit	**60**	50
Other auditor remuneration (payable to external auditor only)	**1**	8
Internal audit - staff costs	**61**	61
Internal audit - non-staff	**70**	71
Clinical negligence - amounts payable to NHS Resolution (premium)	**578**	489
Legal fees	**361**	776
Insurance	**109**	105
Research and development - staff costs	**306**	229
Education and training - staff costs	**1,802**	1,874
Education and training - non-staff	**1,027**	1,081
Education and training - notional expenditure funded from apprenticeship fund	**574**	148
Operating lease expenditure (net)	**4,363**	4,092
Redundancy costs - staff costs	**816**	1,270
Car parking and security	**121**	113
Hospitality	**42**	53
Other losses and special payments - non-staff	**28**	28
Other services (e.g. external payroll)	**413**	391
Other	**1,107**	929
Total operating expenditure	**284,893**	254,497
Of which		
Related to continuing operations	**284,893**	254,497
	284,893	254,497

3.2 Limitations of Auditors' Liability

The Trust's contract with its auditor has a specified limitation of the auditors' liability of £5m (2018/19 £5m).

3.3 Arrangements containing an Operating Lease - Expenditure

Leases entered into by the Trust are generally for rent of equipment or premises. There are no special conditions attached to the leases.

	2019/20 £000	2018/19 £000
Minimum lease payments	**4,363**	4,092
Total	**4,363**	4,092

3.4 Arrangements containing an Operating Lease - Future Commitments

Future minimum lease payments due:	**2019/20 £000 Buildings**	**2019/20 £000 Land**	**2019/20 £000 Other**	**2019/20 £000 Total**
- not later than one year	**623**	**99**	**541**	**1,263**
- later than one year and not later than five years	**1,304**	**395**	**384**	**2,083**
- later than five years	**501**	**3,336**	**-**	**3,837**
	2,428	**3,830**	**925**	**7,183**

	2018/19 £000 Buildings	2018/19 £000 Land	2018/19 £000 Other	2018/19 £000 Total
- not later than one year	627	99	654	1,380
- later than one year and not later than five years	1,662	395	517	2,574
- later than five years	658	3,435	-	4,093
	2,947	3,929	1,171	8,047

3.5 Other Audit Remuneration

	2019/20 £000	2018/19 £000
Other auditors remuneration paid to the external auditors is analysed as follows:		
Audit-related assurance services	**1**	8
	1	8

4. Employee Expenses and Numbers

4.1 Employee Expenses

	2019/20 £000	2018/19 £000
Salaries and wages	**163,226**	154,203
Social Security Costs	**13,915**	13,077
Apprenticeship Levy	**800**	758
Employer contributions to NHS Pensions	**20,611**	19,554
Pension Costs - other contributions	**9,016**	-
Pension cost - other	**115**	-
Temporary staff - agency/contract staff	**5,222**	5,143
Recoveries from Department of Health and Social Care	**(170)**	-
Total Staff Costs	**212,735**	192,735
Included within		
Costs capitalised as part of assets	**466**	327
Operating Expenditure analysed as:		
Staff & executive directors costs	**210,100**	190,244
Research and development - staff costs	**306**	229
Education and training - staff costs	**1,802**	1,874
Internal audit - staff costs	**61**	61
Total Employee benefits excl. capitalised costs	**212,269**	192,408

The employer pension contributions above are the Trust's total employer pension contributions.
See also Note 1.4 for more information on pension costs.

4.2 Average Monthly Number of Employees (whole time equivalent basis)

	2019/20 Number Total	2018/19 Number Total
Medical and dental	**103**	109
Ambulance staff	**5**	4
Administration and estates	**1,192**	1,141
Healthcare assistants and other support staff	**416**	364
Nursing, midwifery and health visiting staff	**2,482**	2,465
Nursing, midwifery and health visiting learners	**19**	20
Scientific, therapeutic and technical staff	**800**	764
Healthcare science staff	**18**	18
Other	**1**	2
Total average numbers	**5,036**	4,887
Of which:		
Number of Employees (WTE) engaged on capital projects	**8**	5

4.3 Employee Benefits

Other than the employee expenses shown in note 4.1 the Trust has no other employee benefits in 2019/20 or 2018/19.

4.4 Early Retirements due to ill-health

During 2019/20, there were 4 (5 in 2018/19) early retirements from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £191k (£307k in 2018/19) as notified by the NHS Business Services Authority - Pensions Division. The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

4.5 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.

The estimated employer contributions to the NHS Pension Scheme for 2019/20 are £29,742k.

5. Finance Costs

5.1 Finance Income

	2019/20 £000	2018/19 £000
Interest on bank accounts	**309**	255
Total finance revenue	**309**	255

5.2 Finance Costs

	2019/20 £000	2018/19 £000
Interest on late payment of commercial debt	**-**	1
Unwinding of discounts on provisions	**3**	1
Total finance expense	**3**	2

5.3 The Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015

	2019/20 £000	2018/19 £000
Total liability accruing in year under this legislation as a result of late payments legislation	**45**	102
Compensation paid to cover debt recovery costs under this legislation	**-**	-

6 Impairment of assets

6.1 Net impairments charged to operating surplus/deficit resulting from:

	2019/20 £000	2018/19 £000
Changes in market price	**-**	760
Other	**-**	1,626
Total net impairments charged to operating surplus/deficit	**-**	2,386
Impairments charged to the revaluation reserve	**-**	1,159
Total net impairments	**-**	3,545

6.2 Other gains/(losses)

	2019/20 £000	2018/19 £000
Gains on disposal of property, plant and equipment	**199**	175
Losses on disposal of property, plant and equipment	**(20)**	(18)
Total gains/(losses) on disposal of property, plant and equipment	**179**	157

Non-current assets disposed in 2019/20 and 2018/19 do not relate to Commissioner Requested Service assets.

7. Intangible Assets

7.1 Intangible Assets

	31 March 2020			31 March 2019
	Software licences	**Intangible assets under construction**	**Total**	Total
	£000	**£000**	**£000**	£000
Gross cost at 1 April	2,465	500	2,965	1,830
Additions purchased	-	5,149	5,149	1,135
Disposals	(143)	-	(143)	-
Gross cost at 31 March	**2,322**	**5,649**	**7,971**	2,965
Amortisation at 1 April	814	-	814	481
Provided during the year	543	-	543	333
Disposals	(143)	-	(143)	-
Amortisation at 31 March	**1,214**	**-**	**1,214**	814
Net book value				
NBV - Purchased at 1 April	1,609	500	2,109	1,291
NBV - Donated at 1 April	42	-	42	58
NBV - Total at 1 April	**1,651**	**500**	**2,151**	1,349
NBV - Purchased at 31 March	1,082	5,649	6,731	2,109
NBV - Donated at 31 March	26	-	26	42
NBV - Total at 31 March	**1,108**	**5,649**	**6,757**	2,151

7.2 Intangible Assets acquired by Government Grant

The Trust had no intangible assets acquired by government grant in either 2019/20 or 2018/19.

7.3 Economic Life of Intangible Assets

The economic life of purchased software is between 5 and 7 years.

8. Property, Plant and Equipment

8.1 Property, Plant and Equipment 2019/20

	Land	Buildings excluding Dwellings	Dwellings	Assets under Construction and POA*	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross Cost at 1 April 2019	41,685	109,703	689	442	11,106	1,225	11,462	2,059	**178,371**
Transfers by absorption	37	1,590	-	-	-	-	-	-	**1,627**
Additions - purchased	-	6,970	-	279	425	178	1,762	71	**9,685**
Reclassifications	-	(2)	2	-	-	-	-	-	**-**
Disposals	-	-	-	-	(209)	(40)	(1,291)	(14)	**(1,554)**
Valuation/Gross Cost at 31 March 2020	**41,722**	**118,261**	**691**	**721**	**11,322**	**1,363**	**11,933**	**2,116**	**188,129**
Accumulated depreciation at 1 April 2019	-	5,826	9	-	8,211	719	6,293	1,947	**23,005**
Provided during the year	-	3,027	21	-	1,025	160	1,688	60	**5,981**
Disposals	-	-	-	-	(208)	(40)	(1,272)	(14)	**(1,534)**
Accumulated depreciation at 31 March 2020	**-**	**8,853**	**30**	**-**	**9,028**	**839**	**6,709**	**1,993**	**27,452**
Net book value									
NBV - Owned at 1 April 2019	41,685	95,183	680	442	2,723	498	5,163	109	**146,483**
NBV - Finance Lease at 1 April 2019	-	3,333	-	-	-	-	-	-	**3,333**
NBV - Donated at 1 April 2019	-	5,361	-	-	172	8	6	3	**5,550**
NBV Total at 1 April 2019	**41,685**	**103,877**	**680**	**442**	**2,895**	**506**	**5,169**	**112**	**155,366**
NBV - Owned at 31 March 2020	41,722	100,200	661	721	2,199	521	5,219	122	**151,365**
NBV - Finance Lease at 31 March 2020	-	3,993	-	-	-	-	-	-	**3,993**
NBV - Donated at 31 March 2020	-	5,215	-	-	95	3	5	1	**5,319**
NBV Total at 31 March 2020	**41,722**	**109,408**	**661**	**721**	**2,294**	**524**	**5,224**	**123**	**160,677**

*POA - Payments on Account

8. Property, Plant and Equipment (continued)

8.2 Property, Plant and Equipment 2019/20

Land, buildings excluding dwellings, and dwellings had a full revaluation during the year 2018/19. A desktop valuation was obtained for 31 January 2020 as an approximation for the year end value, the valuation demonstrated a non-material movement to the carrying values of land, buildings and dwellings and therefore a revaluation was not actioned. This valuation was carried out by the District Valuers (independent, professionally qualified valuers) from the Valuation Office Agency, which is an executive agency of HM Revenue and Customs. The valuations were carried out in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Standards, in so far as these terms are consistent with the currently applicable and agreed requirements of HM Treasury and the Trust Regulator, NHS Improvement. In carrying out these valuations, Modern Equivalent Asset basis was used. In arriving at the valuation, the District Valuer considered alternative sites, and values for alternative sites were used where appropriate.

8.3 Transfer by absorption

During the year the ownership of Boscombe and Springbourne Health Centre was transferred to the Trust. This resulted in a £1,627k increase in Non-Current Assets and recognition of the gain on the Statement of Comprehensive Income. In addition the remaining Revaluation Reserve attached to this property was transferred totalling £238k which can be seen on the Statement of Changes in Taxpayer's Equity.

8. Property, Plant and Equipment (continued)

8.4 Property, Plant and Equipment 2018/19

	Land	Buildings excluding Dwellings	Dwellings	Assets under Construction and POA*	Plant and Machinery	Transport Equipment	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross Cost at 1 April 2018	39,750	106,370	656	-	10,404	1,249	9,433	2,061	169,923
Additions - purchased	-	7,885	-	442	713	82	2,819	10	11,951
Additions - grants/donations of cash to purchase assets	-	137	-	-	75	-	-	-	212
Impairments charged to operating expenses	-	(3,257)	-	-	-	-	-	-	(3,257)
Impairments charged to the revaluation reserve	-	(1,765)	-	-	-	-	-	-	(1,765)
Reversal of impairments credited to operating expenses	-	491	-	-	-	-	-	-	491
Revaluations	2,180	67	139	-	-	-	-	-	2,386
Transfers to/from assets held for sale and assets in disposal groups	(245)	(225)	(106)	-	-	-	-	-	(576)
Disposals	-	-	-	-	(86)	(106)	(790)	(12)	(994)
Valuation/Gross Cost at 31 March 2019	**41,685**	**109,703**	**689**	**442**	**11,106**	**1,225**	**11,462**	**2,059**	**178,371**
Accumulated depreciation at 1 April 2018	-	5,504	9	-	7,180	672	5,425	1,788	20,578
Provided during the year	-	2,878	22	-	1,111	143	1,646	171	5,971
Impairments charged to operating expenses	-	(380)	-	-	-	-	-	-	(380)
Impairments charged to the revaluation reserve	-	(606)	-	-	-	-	-	-	(606)
Revaluations	-	(1,563)	(17)	-	-	-	-	-	(1,580)
Transfers to/from assets held for sale and assets in disposal groups	-	(7)	(5)	-	-	-	-	-	(12)
Disposals	-	-	-	-	(80)	(96)	(778)	(12)	(966)
Accumulated depreciation at 31 March 2019	**-**	**5,826**	**9**	**-**	**8,211**	**719**	**6,293**	**1,947**	**23,005**
Net book value									
NBV - Owned at 1 April 2018	39,750	92,450	647	-	3,049	564	4,000	268	140,728
NBV - Finance Lease at 1 April 2018	-	2,931	-	-	-	-	-	-	2,931
NBV - Donated at 1 April 2018	-	5,485	-	-	175	13	8	5	5,686
NBV Total at 1 April 2018	**39,750**	**100,866**	**647**	**-**	**3,224**	**577**	**4,008**	**273**	**149,345**
NBV - Owned at 31 March 2019	41,685	95,183	680	442	2,723	498	5,163	109	146,483
NBV - Finance Lease at 31 March 2019	-	3,333	-	-	-	-	-	-	3,333
NBV - Donated at 31 March 2019	-	5,361	-	-	172	8	6	3	5,550
NBV Total at 31 March 2019	**41,685**	**103,877**	**680**	**442**	**2,895**	**506**	**5,169**	**112**	**155,366**

*POA - Payments on Account

8. Property, Plant and Equipment (continued)

8.5 Property, Plant and Equipment 2018/19

Land, buildings excluding dwellings, and dwellings have been revalued as at 31 March 2019 using the valuation as at 28 February 2019 as an approximation for the year end value. This was a full valuation carried out by the District Valuers (independent, professionally qualified valuers) from the Valuation Office Agency, which is an executive agency of HM Revenue and Customs. The valuations were carried out in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Standards, in so far as these terms are consistent with the currently applicable and agreed requirements of HM Treasury and the Trust Regulator, NHS Improvement. In carrying out these valuations, Modern Equivalent Asset basis was used. In arriving at the valuation, the District Valuer considered alternative sites, and values for alternative sites were used where appropriate. The valuation resulted in a £0.4m increase in the land and buildings values in year.

The additions to donated assets in the year are disclosed at market value in existing use and there are no restrictions on use.

9. Assets held under finance leases

9.1 Net book value of assets held under finance leases at the balance sheet date

	Total £000	Buildings excluding dwellings £000
Net Book Value at 31 March 2020	**3,993**	**3,993**
Net Book Value at 31 March 2019	3,333	3,333

There are two buildings which are treated as owned where the sites are subject to long leases. The amounts payable are peppercorn amounts so do not result in a finance lease liability.

9.2 The total amount of depreciation charged to the income and expenditure account in respect of assets held under finance leases and hire purchase contracts

	Total £000	Buildings excluding dwellings £000
Depreciation 2019/20	87	87
Depreciation 2018/19	74	74

10. Assets Held for Sale and Assets in Disposal Groups

10.1 Assets Held for Sale and Assets in Disposal Groups 2019/20

	Total £000	Property, Plant and Equipment £000
NBV of assets held for sale and assets in disposal groups at 1 April 2019	368	368
Less assets sold in the year	(149)	(149)
NBV of assets held for sale and assets in disposal groups at 31 March 2020	**219**	**219**

10.2 Assets Held for Sale and Assets in Disposal Groups 2018/19

	Total £000	Property, Plant and Equipment £000
NBV of assets held for sale and assets in disposal groups at 1 April 2018	-	-
Plus assets classified as available for sale in the year	564	564
Less assets sold in the year	(196)	(196)
NBV of assets held for sale and assets in disposal groups at 31 March 2019	368	368

The assets held for sale are properties, encompassing land and buildings excluding dwellings. Following a review of the Trust's properties, the properties included in assets held for sale were considered to be surplus to requirements. These properties are not commissioner requested services properties and their disposal does not impact upon the Trust's Commissioner Requested Services.

11. Inventories

11.1 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	**131**	149
Consumables	**62**	44
Other	**661**	591
	854	784

11.2 Inventories Recognised in Expenses

	2019/20 £000	2018/19 £000
Inventories recognised as an expense in the year	**2,985**	3,321
	2,985	3,321

12. Receivables

12.1 Trade and Other Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	**10,045**	6,531
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	**2,216**	6,496
Allowance for impaired contract receivables / assets	**(24)**	(394)
Allowance for other impaired receivables	**(39)**	(40)
Prepayments (Non-PFI)	**2,215**	1,906
PDC dividend receivable	**125**	-
VAT receivable	**474**	526
Clinician pension tax provision reimbursement funding	**3**	-
Other receivables	**840**	1,170
Total current trade and other receivables	**15,855**	16,195
Non-Current		
Clinician pension tax provision reimbursement funding	**228**	-
Total Non-Current trade and other receivables	**228**	-
Total trade and other receivables	**16,083**	16,195
Of which receivables from NHS and DHSC group bodies:		
Current	**9,865**	11,635
Non-current	**228**	-
	10,093	11,635

12. Receivables (continued)

12.2 Allowances for credit losses - 2019/20

	Total	Contract receivables and contract assets	All other receivables
	£000	£000	£000
Allowances as at 1 April 2019 - brought forward	**434**	**394**	**40**
New allowances arising	**66**	**53**	**13**
Reversals of allowances	**(293)**	**(286)**	**(7)**
Utilisation of allowances (write offs)	**(144)**	**(137)**	**(7)**
Allowances as at 31 March 2020	**63**	**24**	**39**

12.3 Allowances for credit losses - 2018/19

	Total	Contract receivables and contract assets	All other receivables
	£000	£000	£000
Allowances as at 1 April 2018 - brought forward	**229**	**-**	**229**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	**1**	**182**	**(181)**
New allowances arising	**290**	**283**	**7**
Reversals of allowances	**(78)**	**(71)**	**(7)**
Utilisation of allowances (write offs)	**(8)**	**-**	**(8)**
Allowances as at 31 March 2019	**434**	**394**	**40**

12.4. Analysis of financial assets past due or impaired

	31 March 2020	31 March 2019
	£000	£000
Ageing of impaired financial assets:		
In 0 to 30 days	**-**	267
In 30 to 60 days	**-**	-
In 60 to 90 days	**-**	1
In 90 to 180 days	**-**	8
In over 180 days	**63**	158
TOTAL	**63**	434

	31 March 2020	31 March 2019
	£000	£000
Ageing of non-impaired receivables past their due date:		
In 0 to 30 days	**1,005**	737
In 30 to 60 days	**1,603**	680
In 60 to 90 days	**605**	656
In 90 to 180 days	**3,107**	1,801
In over 180 days	**1,567**	340
TOTAL	**7,887**	4,214

13. Trade and Other Payables

Current	31 March 2020 £000	31 March 2019 £000
Trade payables	**4,989**	4,741
Capital payables (including capital accruals)	**1,964**	1,409
Accruals (revenue costs only)	**7,070**	6,222
Social security costs	**3,961**	3,716
PDC dividend payable	**-**	138
Other payables	**3,076**	2,814
Total trade and other payables	**21,060**	19,040
Of which payable to NHS and DHSC group bodies:	**4,013**	3,654

14. Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liability (IFRS 15)	**995**	1,374
Deferred income: other (non-IFRS 15)	**64**	1
Total other current liabilities	**1,059**	1,375

15. Provisions

	Pensions - other staff £000	Pensions - Injury benefits £000	Other legal claims £000	Redundancy £000	Clinician pension tax reimbursement £000	Other £000	**Total £000**
At 1 April 2019	222	852	85	643	-	2,349	**4,151**
Change in the discount rate	6	81	-	-	-	-	**87**
Arising during the year	15	1	64	394	231	301	**1,006**
Utilised during the year - accruals	(15)	(8)	-	-	-	-	**(23)**
Utilised during the year - cash	(4)	(25)	(5)	(346)	-	(236)	**(616)**
Reversed unused	(45)	-	(48)	(260)	-	(579)	**(932)**
Unwinding of discount rate	1	2	-	-	-	-	**3**
At 31 March 2020	**180**	**903**	**96**	**431**	**231**	**1,835**	**3,676**
Expected timing of cash flows:							
- not later than one year;	17	31	96	431	3	1,306	**1,884**
- later than one year and not later than five years;	69	122	-	-	10	326	**527**
- later than five years	94	750	-	-	218	203	**1,265**
TOTAL	**180**	**903**	**96**	**431**	**231**	**1,835**	**3,676**

The provision under "Other Legal claims" is in respect of the Trust's net liability for claims made against the Trust under the Liability to Third Parties Scheme as administered on the Trust's behalf by NHS Resolution, and relates to 17 outstanding cases (2018/19 13 cases). The Trust's liability is capped at £10k per employee case and £3k for public liability cases.

Redundancy provisions have arisen from restructuring.

Other provisions arise from employment issues, dilapidation to property and other contractual obligations.

A provision of £578k is included in the provisions of NHS Resolution at 31 March 2020 (£3,107k at 31 March 2019) in respect of clinical negligence liabilities of the Trust.

16. Revaluation Reserve

	Total Revaluation Reserve	Revaluation Reserve - property, plant and equipment	Revaluation Reserve - assets held for sale
	£000	£000	£000
Revaluation reserve at 1 April 2019	**47,979**	47,979	-
Transfers by absorption	**293**	293	-
Transfers to other reserves	**(55)**	(55)	-
Revaluation reserve at 31 March 2020	**48,217**	**48,217**	**-**
Revaluation reserve at 1 April 2018	**45,396**	45,396	-
Net Impairments	**(1,159)**	(1,159)	-
Revaluations	**3,966**	3,966	-
Other reserve movements	**-**	(224)	224
Transfer to I&E reserve upon asset disposal	**(224)**	-	(224)
Revaluation reserve at 31 March 2019	**47,979**	**47,979**	**-**

17. Cash and Cash Equivalents

	31 March 2020	31 March 2019
	£000	£000
At 1 April	**33,259**	31,244
Net change in year	**1,018**	2,015
At 31 March	**34,277**	33,259

	31 March 2020	31 March 2019
	£000	£000
Broken down into:		
Cash at commercial banks and in hand	**864**	574
Cash with the Government Banking Service	**33,413**	32,685
Cash and cash equivalents as in SoFP	**34,277**	33,259
Cash and cash equivalents as in SoCF	**34,277**	33,259

18. Third Party Assets held by the Trust

The Trust held £108k (2018/19 £115k) in bank accounts on behalf of third parties. These amounts are not included within the Trust's accounts.

19. Contractual Capital Commitments

Commitments under capital expenditure contracts at 31 March 2020 were £3,327k (£2,521k at 31 March 2019) in respect of property, plant and equipment and £749k (£147k at 31 March 2019) in respect of intangible assets.

20. Other Financial Commitments

The Trust's commitment to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) as at 31st March 2020 are as follows, analysed by the period during which the payment is made:

	31 March 2020	31 March 2019
	£000	£000
Not later than 1 year	**633**	1,002
After 1 year and not later than 5 years	**406**	210
Paid thereafter	**-**	-
Total	**1,039**	1,212

21. Events after the Reporting Period

There are no events after the reporting period to disclose.

22. Related Party Transactions

The Trust is a body corporate established by order of the Secretary of State for Health and Social Care.

The Department of Health and Social Care (DHSC) is regarded as a related party. During 2019/20 and 2018/19 the Trust had a significant number of material transactions with the Department of Health and Social Care, and with other entities (and or/their predecessor bodies) for which the Department is regarded as the parent organisation. These entities are listed below:

Devon Partnership NHS Trust
Dorset County Hospital NHS Foundation Trust
Health Education England
HMRC
NHS Dorset CCG
NHS England
NHS Southampton CCG
Oxford Health NHS Foundation Trust
Poole Hospital NHS Foundation Trust
Royal Bournemouth and Christchurch NHS Foundation Trust
Salisbury NHS Foundation Trust
Solent NHS Trust
South Western Ambulance Service NHS Foundation Trust

John Carvel (Non-Executive Director) is a panel member for National Data Guardian for Health and Care.

Belinda Phipps (Non-Executive Director) is the Interim CEO of the British Medical Association and the Chair of Dorset HealthCare Charitable Fund.

David Brook OBE (Non-Executive Director) is the Managing Director & Bursar at Canford School.

Tristan Philips (Non-Executive Director) appointed in 2019/20 is a Director of Creeds Design & Print Ltd.

Nicola Plumb (Director for Oranisational Development and Corporate Affairs) is a Trustee of Essential Drug and Alcohol Services (EDAS). Her partner is a Director at Salisbury Hospital NHS FT.

Stephen Peacock (Non-Executive Director) appointed in 2019/20 is Chief Finance Officer for the RNLI and his wife is a Non-Executive Director of Tricuro Limited.

Arms length transactions and balances with these related parties are set out in the table.

22. Related Party Transactions (continued)

During the year none of the other Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Dorset HealthCare University NHS Foundation Trust, with the exception of the contractual pay which has been disclosed in the Remuneration Report within the Directors' Report.

Transaction values with related trading organisations:	2019/20 Income £000	2019/20 Expenditure £000	31 March 2020 Receivables £000	31 March 2020 Payables £000
National Data Guardian for Health and Care	-	-	-	-
British Medical Association	-	8	-	-
Canford School	-	-	-	-
Creeds Design & Print Ltd	-	5	-	-
EDAS	-	-	-	-
RNLI	-	1	-	-
Tricuro Limited	8	21	-	-

Transaction values with related trading organisations:	2018/19 Income £000	2018/19 Expenditure £000	31 March 2019 Receivables £000	31 March 2019 Payables £000
National Data Guardian for Health and Care	-	1	-	-
GlaxoSmithKline	-	1	-	-
British Medical Association	-	7	-	-
Canford School	-	-	-	-
EDAS	-	-	-	-
RNLI	-	-	-	-

The Trust has also received revenue of non material amounts in 2019/20 and 2018/19 from Dorset HealthCare Charitable Fund where the Trustees are also the members of the Trust Board.

The independently reviewed accounts for Dorset HealthCare Charitable Fund are available from the Trust.

The Trust also has an investment relationship with Ansbury Limited from 2009/10. There were no material transactions with this entity in 2019/20 or 2018/19.

There are no material transactions that have been concluded under non market conditions.

23. Financial Instruments

23.1 Financial Assets by Category

Carrying values of financial assets as at 31 March 2020	Total £000	Held at amortised cost £000
Trade and other receivables (excluding non financial assets) - with NHS and DHSC bodies (at 31 March 2020)	**9,963**	9,963
Trade and other receivables (excluding non financial assets) - with other bodies (at 31 March 2020)	**3,306**	3,306
Cash and cash equivalents at bank and in hand (at 31 March 2020)	**34,277**	34,277
Total at 31 March 2020	**47,546**	**47,546**

The difference between trade receivables and other receivables shown in note 12.1 and note 23.1 relates to non-financial assets which are prepayments £2,215k, VAT receivable £474k and PDCD receivable £125k.

Carrying values of financial assets as at 31 March 2019	Total £000	Held at amortised cost £000
Trade and other receivables (excluding non financial assets) - with NHS and DHSC bodies (at 31 March 2019)	**11,619**	11,619
Trade and other receivables (excluding non financial assets) - with other bodies (at 31 March 2019)	**2,144**	2,144
Cash and cash equivalents at bank and in hand (at 31 March 2019)	**33,259**	33,259
Total at 31 March 2019	**47,022**	47,022

The difference between trade receivables and other receivables shown in note 12.1 and note 23.1 relates to non-financial assets which are prepayments £1,906k and VAT receivable £526k.

23. Financial Instruments (continued)

23.2 Financial Liabilities by Category

	Total	Held at amortised cost £000
Carrying values of financial liabilities as at 31 March 2020		
Other borrowings excluding finance lease and PFI liabilities	**420**	420
Trade and other payables (excluding non financial liabilities) - with NHS and DHSC bodies	**4,013**	4,013
Trade and other payables (excluding non financial liabilities) - with other bodies	**11,349**	11,349
Provisions under contract	**2,594**	2,594
Total at 31 March 2020	**18,376**	**18,376**

The difference between trade and other payables shown in note 13 and note 23.2 relate to non-financial liabilities of £3,075k shown in Other Payables and £3,961k shown in Taxes payable. Provisions are shown in note 15. The difference between note 15 and note 23.2 relate to non-financial liabilities of £180K Pensions - other staff, and £903k Injury Benefit.

Carrying values of financial liabilities as at 31 March 2019	**Total £000**	**Held at amortised cost £000**
Trade and other payables (excluding non financial liabilities) - with NHS and DHSC bodies	**3,516**	3,516
Trade and other payables (excluding non financial liabilities) - with other bodies	**10,033**	10,033
Provisions under contract	**3,077**	3,077
Total at 31 March 2019	**16,626**	16,626

The difference between trade and other payables shown in note 13 and note 23.2 relate to non-financial liabilities of £1,637k shown in Other Payables, £3,716k shown in Taxes payable and PDC payable of £138k. Provisions are shown in note 15. The difference between note 15 and note 23.2 relate to non-financial liabilities of £222k Pensions - other staff, and £852k Injury Benefit.

23. Financial Instruments (continued)

23.3 Maturity of Financial Liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	**17,283**	15,992
In more than one year but not more than two years	**116**	85
In more than two years but not more than five years	**556**	326
In more than five years	**421**	223
Total financial liabilities	**18,376**	16,626

23.4 Financial Instruments - Risks

Market risk

(a) Interest rate risk - The Trust's financial assets and liabilities carry nil, variable and fixed rates of interest. Variable rates are applicable to the Trust's deposit accounts, the most significant of which is with the Government Banking Service (GBS). GBS interest rate varies in line with the Bank of England base rates. Other deposits are placed with other organisations for a maximum of 3 months. The rate is agreed in advance which reduces the interest rate risk. The Trust is therefore not exposed to significant interest rate risk.

(b) Currency risk - The Trust has no significant foreign currency transactions and is therefore not exposed to significant currency risk.

(c) Credit and liquidity risk - The Trust's significant operating income is incurred under contracts with local NHS Clinical Commissioning Groups, NHS England and Local Authorities, which are financed from resources voted annually by Parliament. The Trust finances its capital expenditure from internally generated funds. The Trust is therefore not exposed to significant credit or liquidity risks.

23.5 Fair Values of non-current Financial Liabilities at 31 March 2020 and at 31 March 2019

Fair value is not different to carrying value.

24. Losses and Special Payments

	31 March 2020		31 March 2019	
	£000	Number	£000	Number
Cash losses	**10**	**32**	7	37
Fruitless payments and constructive losses	**1**	**6**	-	2
Bad debts and claims abandoned (excluding NHS Bodies)	**138**	**33**	1	70
Damage to buildings and property etc.	**0**	**1**	1	1
Compensation under legal obligation	**3**	**1**	-	-
Special payments - ex-gratia payments	**11**	**20**	9	19
	163	**93**	18	129

The ex-gratia payments made were in respect of loss of personal effects/ compensation.

There were no cases exceeding £300,000 for the current year (2018/19 no cases).

These amounts are reported on an accruals basis but exclude provisions for future losses.

25. Pooled Budget Arrangements

From 1 April 2015 community equipment has been part of the Better Care Fund. Dorset CCG is the only health partner signatory on the Section 75 Agreement for the Better Care Fund, as such Dorset CCG will be the only health partner to appear on this year's Partnership Account issued by BCP Council, and so it will show only the total health partner funding amount of £5,508k.

The risk share liability for the health partners is shown below under partner allocation: CCG £245K, of this Dorset HealthCare's share is nil.

The Trust was part of the Integrated Community Equipment Store Section 75 Agreement for 2014/15 which has since been transferred to a Better Care Fund in 2015/16. The breakdown of the £5,508k across the 5 Health bodies was not available due to the timing of the Covid-19 pandemic. The 2019/20 figures as shown below, are not materially different to 2018/19 and as a result no update has been included in the 2019/20 accounts. The information available for the 2019/20 pooled budget is as follows:

Gross Partner Funding : **Investment and Risk as per Section 75 Agreement**	**Cash** **£000**	**Staff** **£000**	**Other** **£000**	**Total** **£000**	
BCP Council	1,410	-	-	1,410	17.30%
Dorset Council	1,232	-	-	1,232	15.12%
Dorset CCG	5,508	-	-	5,508	67.58%
	8,150	**-**	**-**	**8,150**	**100.00%**
Partner allocation: Local Authority	245	-	-	245	
Partner allocation: CCG	498	-	-	498	
NHS Covid 19 Funding (Unpooled)	56	-	-	56	
Total Funding	**8,949**	**-**	**-**	**8,949**	
Expenditure					
Integrated Equipment Service	8,949	-	-	8,949	
Total Expenditure	**8,949**	**-**	**-**	**8,949**	
Net underspend/(overspend)	**-**	**-**	**-**	**-**	

The Trust was part of Section 75 agreement for 2018/19. Pooled budget is as follows:

Gross Partner Funding : **Investment and Risk as per Section 75 Agreement**	**Cash** **£000**	**Staff** **£000**	**Other** **£000**	**Total** **£000**	
Bournemouth Borough Council	636	-	-	636	7.95%
Borough of Poole	592	-	-	592	7.40%
Dorset County Council	1,413	-	-	1,413	17.66%
Dorset CCG	1,405	-	-	1,405	17.56%
Dorset HealthCare University NHS FT	3,232	-	-	3,232	40.40%
The Royal Bournemouth & Christchurch Hospitals NHS FT	354	-	-	354	4.43%
Dorset County Hospital NHS FT	189	-	-	189	2.36%
Poole Hospital NHS FT	179	-	-	179	2.24%
	8,000	**-**	**-**	**8,000**	**100.00%**
Partner allocation: Local Authority	115	-	-	115	
Partner allocation: CCG	235	-	-	235	
Total Funding	**8,350**	**-**	**-**	**8,350**	
Expenditure					
Integrated Equipment Service	8,350	-	-	8,350	
Total Expenditure	**8,350**	**-**	**-**	**8,350**	
Net underspend/(overspend)	**-**	**-**	**-**	**-**	

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