NHS
Hertfordshire Community
NHS Trust

ANNUAL REPORT AND ACCOUNTS

FOR 2019-20

About this Report

Our Annual Report follows best practice in corporate governance by reporting our performance against strategic objectives and national targets and presenting information about our services and financial performance transparently and honestly.

The structure of the Report and Accounts also follows the requirements of the Companies Act 2006 and consists of a Performance Report, an Accountability Report, Remuneration and Staff Report and the Financial Statements.

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Glossary of Abbreviations

ADDS	NHS Accelerated Director Development Scheme
ADHD	Attention Deficit Hyperactivity Disorder
AHP	Allied Health Professional
ASD	Autistic Spectrum Disorder
BAF	Board Assurance Framework
BAME	Black, Asian and Minority Ethnic
BPPC	Better Practice Payment Code
C. diff/C. difficile	Clostridium Difficile
CAMHS	Child and Adolescent Mental Health Service
CCG	Clinical Commissioning Group
CETV	Cash Equivalent Transfer Values
CHIS	Child Health Information Service
CLCH	Central London Community Healthcare NHS Trust
CORAS	Children's Observational Rapid Assessment Service
CQC	Care Quality Commission
CQI	Continuous Quality Improvement
CQUIN	Commissioning for Quality and Innovation
CYP	Children and Young People
DHSC	Department of Health and Social Care
DPST	Data Protection and Security Toolkit
EA	Equality Analysis
EDS2	Equality Delivery System
EFL	External Financing Limit
EofE	East of England
EPR	Executive Performance Report
EPRR	Emergency Preparedness, Resilience and Response
EPUT	Essex Partnership University NHS Foundation Trust
FFT	Friends and Family Test
FReM	Financial Reporting Manual
FRF	Financial Recovery Fund
GATE	Gypsy and Traveller Empowerment Hertfordshire
HCC	Hertfordshire County Council
HCPA	Hertfordshire Care Provider's Association
HCT	Hertfordshire Community NHS Trust
HEFMA	Health Estates and Facilities Management Association
HFMA	Healthcare Financial Management Association
HILS	Hertfordshire Independent Living Service
HLRR	High Level Risk Register
HPCI	Herts Parent Carer Involvement

HPFT	Hertfordshire Partnership University Foundation Trust
HPV	Human Papillomavirus
HSJ	Health Service Journal
HUC	Hertfordshire Urgent Care
HWE	Hertfordshire and West Essex
HWESTP	Hertfordshire and West Essex Sustainability and Transformation Partnership
I&E	Income and Expenditure
IBPR	Integrated Business Performance Report
ICO	Information Commissioner's Office
ICP	Integrated Care Partnership
ICS	Integrated Care System
IHEEM	Institute of Healthcare Engineering and Estate Management
JLNC	Medical Joint Local Negotiating committee
JNC	Joint Negotiating Committee
KPI	Key Performance Indicator
LGBT+	Lesbian, Gay, Bisexual, Transgender +
LLV	Lower Lea Valley
LVHF	Lea Valley Health Federation
MIU	Minor Injuries Unit
MRET	Marginal Rate Emergency Tariff
MRSA	Meticillin-resistant Staphylococcus Aureus
MSK	Musculoskeletal
NCMP	National Child Measurement Programme
NHSE/I	NHS England/NHS Improvement
NICE	National Institute for Health and Care Excellence
NQB	National Quality Board
NRLS	National Reporting and Learning System
OD	Organisational Development
PALMS	Positive Behaviour, Autism, Learning Disability and Mental Health Service
PCIP	Primary Care Integration Programme
PCN	Primary Care Network
PDC	Public Dividend Capital
PFI	Private Finance Initiative
PFS	Patient Functional Scale
PHN	Public Health Nursing
PLACE	Patient-Led Assessment of the Care Environment
PROMS	Patient Reported Outcome Measures
PSED	Public Sector Equality Duty
PSF	Provider Sustainability Funding
QSIR	Quality Service Improvement and Redesign
RPA	Robotic Process Automation

RTT	Referral to Treatment
SAIS	School Aged Immunisation Service
SDMP	Sustainable Development Management Plan
SEND	Special Educational Needs
SEQOHS	Safe Effective Quality Occupational Health Service
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SLiPs	Sharing Lessons in Practice
SRC	Strategy & Resources Committee
STF	Strategic Transformation Funding
STP	Sustainability and Transformation Partnership
TUPE	Transfer of Undertakings (Protection of Employment)
VCS	Voluntary and Community Sector
VSM	Very Senior Manager
WDES	NHS Workforce Disability Equality Standard
WRES	NHS Workforce Race Equality Standard

1 Foreword by the Chair

I am very pleased to present our Annual Report and Accounts for 2019/20. It is an unprecedented time in the NHS as, at the time of writing, we are fully occupied with our response to the 2020 Covid-19 global pandemic. Here in Hertfordshire, our health and social care system is significantly affected, both in terms of the need to respond to an ever-changing situation and by the personal effect on each and every member of staff working in our services. As a former GP and public health consultant, I recently renewed my Licence to Practice with the General Medical Council and returned to work part-time to support the public health response to Covid-19 in Cambridgeshire and Peterborough. This has given me a fantastic insight to the challenges being faced, especially in the community.

As I write this we are 100 days into the pandemic and it was about 100 days ago that I was asked to become the interim Chair for HCT, a position I was delighted to accept. I am proud to be leading the Trust and to provide support at this unprecedented time. I have been a non-executive director since July 2013 and became Deputy Chair in July 2019. In September 2019, Declan O'Farrell retired as our Chair, having served in the post for the maximum permitted term of ten years. His successor, Lesley-Anne Alexander, took the decision to stand down from the role in March 2020 for personal reasons due to her other long-standing commitments. In September 2019 we also said goodbye to Brenda Griffiths, who retired as an associate non-executive director having served for over six years. At the end of March we said an official goodbye to HCT's two other longest serving Non-Executive Directors, Anne McPherson and Alan Russell, both of whom had also been with us for the maximum ten year term. They have made an enormous contribution to HCT over the last decade, and I have been tremendously grateful for their support. I say an "official" goodbye because both continue to support HCT at this time of Board transition and global emergency. Anne remains on our Board of Directors as an adviser, continuing to act as a critical friend and bringing the benefit of her considerable experience in both clinical practice and governance. Alan is assisting us as we bring on board two new Non-Executive Directors, who start with us on 1 April 2020.

I am delighted to welcome Richard Rolt and Sarah Wren, both Hertfordshire residents, who join our Board of Directors from 1 April 2020. Richard is the Chief Operating Officer of Viapath, a large pathology provider which was originally set up as a joint venture between Guy's and St Thomas' NHS Foundation Trust, King's College Hospital NHS Foundation Trust and Serco, providing around 35 million diagnostic tests a year. He has a background in IT and commercial business management and was the ICT Services Director of the NHS Central Eastern Commissioning Support Unit in Welwyn Garden City. Sarah is a familiar face to many in the health and social care system across Hertfordshire as the Chief Executive of Hertfordshire Independent Living Service (HILS). HILS is one of HCT's and the local authority's key partners and delivers countywide services to support many frail people. Sarah has led HILS to become the largest social enterprise provider of meals and independent living support in the UK.

We saw changes in our Executive Team earlier in the year, with the appointment of

local GP and experienced frailty doctor, Dr Elizabeth Kendrick, as our Medical Director following the departure of Dr Hari Pathmanathan. Sam Tappenden was successful in his application to become our Director of Strategy. We said goodbye to the Interim Director of Organisational Development, Raj Bhamber, as she left HCT to take up a national role.

Despite the current focus on our Trust's response to the Covid-19 situation, it is important for me to reflect on other events and achievements during the 2019/20 year.

During the last year we took the opportunity to review our strategic direction and to ensure that we are able to play an increasingly significant leadership role in the Hertfordshire and West Essex health and social care system and the emerging plans for Integrated Care Partnerships. We reviewed and revised the Trust's vision and values for the first time since HCT was officially created in 2010. Our new vision – Outstanding Services, Healthier Communities - and our three new values - Innovative, Caring, Agile - are the cornerstones of our approach and our ethos of being an effective and responsive partner and a provider of high quality healthcare which is focused on helping our patients and service users achieve the best possible outcomes.

The values in particular are no accident - so often, community services can be overshadowed by the higher profile work of acute hospitals but in reality they are the very essence of innovation and agility. We are now jointly leading the East and North Hertfordshire Integrated Care Partnership (ICP) with East and North Hertfordshire NHS Trust and are key partners in the other Hertfordshire ICPs, in particular taking a leadership role in shaping the future of services for children and young people. Our reputation as a reliable, innovative and committed partner is growing.

Over the last year we have clearly illustrated our new values on many occasions. Particular examples include responding to a request from East and North Hertfordshire Clinical Commissioning Group (CCG) to support a patient contact exercise for a local dental practice, providing blood tests and coordinating and providing results, as well as being asked by the same CCG to step in and provide phlebotomy services at Cheshunt Community Hospital at short notice when the previous provider was no longer able to do so. Beverley Flowers, the CCG Chief Officer, personally thanked our teams when she attended our Leading Lights staff awards event in June. We also received national recognition for our East and North Hertfordshire Referral Hub - a key part of our response to both these projects - which won the Community or Primary Care Service Redesign Initiative - London and the South category at the prestigious Health Service Journal Awards in November 2019. Judges applauded the team for their passion and the practical steps which have freed up clinical time, enabling our community teams to focus on people and personal care.

We also responded to a number of other competitive tendering processes. Various uncertainties have delayed the outcome of some of these processes, mainly the forthcoming changes to commissioning structures as a result of the Long Term Plan and the emergence of Integrated Care Systems and Integrated Care Partnerships and, of course, most recently the impact of the UK's response to Covid-19. Overall though, we expect to see significantly fewer competitive tender processes in the future.

October 2019 saw the transfer of the majority of our adult community services in West Hertfordshire to a new provider following a competitive procurement process run by Herts Valleys Clinical Commissioning Group in 2018/19. We were very disappointed by the CCG's decision as we had been delivering all our key contractual requirements, and working with the CCG, and other partners in West Hertfordshire to transform and further integrate services. I am proud that HCT managed the transfer effectively, maintaining high quality service delivery, and supporting all HCT staff through the period of uncertainty and change. The hardest part of the transition was saying goodbye to around 600 of our dedicated and hardworking colleagues who TUPE transferred.

The Care Quality Commission carried out its most recent routine inspection of our services in early 2020, focusing in particular on our inpatient units and the changes we are making following the transfer of services in the Herts Valleys area to Central London Community Healthcare NHS Trust. At the time of writing, we await the final outcome of the inspection, but feedback to date has been largely positive, with the inspection team saying that they found our staff to be welcoming, cooperative and honest. Our lead inspector commented that "What was impressive was the passion of all staff to deliver good quality care." This is something I wholeheartedly agree with and which I see every day in my own interactions with our teams and our patients and service users. *(NB: The CQC published HCT's report on 21 May 2020, confirming an overall rating of 'Good').*

In concluding my foreword to this Annual Report, I want to thank our partner organisations across Hertfordshire and West Essex for their support and for working so well with us over what has been a challenging year, but one which I firmly believe has made us a stronger and more effective organisation. Above all, I want to pay tribute to our incredible staff. Whatever their role, the way that they have responded to the year's challenges and now the unprecedented situation with Covid-19 is quite exceptional. The future for the country is currently uncertain as we deal with the challenges the virus presents, but HCT will continue to play a strong and vital role in supporting health and social care across Hertfordshire and West Essex.

Dr Linda Sheridan
Interim Chair
22 May 2020

2 Performance Report

2.1 Overview

The purpose of this section of the Report is to provide background information about Hertfordshire Community NHS Trust, its purpose, its vision, values and strategic objectives, the key risks related to the achievement of those objectives and how we have performed over the 2019/20 financial year.

2.1.1 About the Trust

2.1.1.1 The Trust's history

Hertfordshire Community NHS Trust (HCT) was established on 1 November 2010 by virtue of Statutory Instrument 2010 No. 2464 made under the National Health Service Act 2006. Prior to this, it was the provider services arm of the then Hertfordshire Primary Care Trust. HCT was established along with other 'standalone' community healthcare trusts to provide community healthcare services in order to divide the provision of operational services from commissioning. Community healthcare services are also provided by NHS trusts that run other clinical services including acute and mental health care.

2.1.1.2 The Trust's principal activities

Hertfordshire Community NHS Trust is the principal provider of community-based healthcare services to the 1.2 million population of Hertfordshire. The Trust is rated as 'Good' by the Care Quality Commission. It had an income of £145.7m during 2019/20 (£145.7m in 2018/19) and employed around 2625 staff until 1 October 2019, since when the Trust has employed 2025 people (approximately 2,750 in 2018/19).

Community health services are at the forefront of NHS care and support. Every day we deliver a wide range of high quality health services to people in their homes, in local clinics, in schools and in our community hospitals. We provide the healthcare services at HMP The Mount in Bovingdon. We support people at every stage of their lives, from antenatal, health visiting and school nursing services for children and young people to community nursing and therapy, dentistry, rehabilitation and palliative care. In 2019/20 we had over 1.4 million patient contacts (over 1.7 million in 2018/19).

We work in partnership with colleagues across the NHS, social care, education, charities and local government, helping people to maintain their health and wellbeing, be as independent as possible through self-care, and ensuring all local care is joined up. A full list of our services and where they are provided are set out in the service portfolio section 2.1.3

2.1.2 Our vision, values and strategic objectives

2.1.2.1 Our vision

Outstanding Services, Healthier Communities

2.1.2.2 Our values

Our vision is underpinned by our values which were developed following consultation and engagement with our staff and wider stakeholders. Our patients, families, carers and communities are at the very heart of our vision. Our aspiration is to ensure our communities are as healthy as possible, and our services are outstanding and high quality.

Our three new Trust values illustrate the way in which we will deliver our vision:

- **Innovative** - we seek new ideas and adopt best practice to improve our services
- **Caring** - we act with kindness and consideration for others
- **Agile** - we deal with new situations quickly and successfully

2.1.2.3 Our strategic objectives

Our four strategic objectives identify our key priority areas and underpin our approach to everything that we do:

- **Outstanding quality and performance** - through our approach to Continuous Quality Improvement (CQI) and through involving our staff
- **Joined up local care** - we will strive to be the system leaders for community health services in the emerging Integrated Care Partnerships in Hertfordshire
- **Great place to work** - we will strive to make the Trust a great place to work

by living our values and creating an inclusive, open and compassionate culture

- **Best value through innovation** - known for our innovations as an outstanding provider of clinical services

2.1.3 Service portfolio

The following table lists the services provided by the Trust and the locations where they were provided as at 29 February 2020. This reflects changes to our service portfolio that took place in October 2019 following the transfer of adult community services in Herts Valleys to another provider:

Adult Community Services	
Bladder & Bowel Care	Lymphoedema (also West Essex)
Community inpatient beds (Herts & Essex, Queen Victoria Memorial, Danesbury)	Nutrition & Dietetics
Community Neurological, including Early Supported Discharge	East & North Referral Hub
Discharge Home to Assess	Speech and Language
End of Life and Specialist Palliative Care	Tissue Viability and Leg Ulcer
Foot Health (Podiatry)	Musculoskeletal Services
Integrated Diabetes	Pulmonary Rehabilitation
Minor Injuries Unit (Cheshunt, Herts & Essex)	Respiratory
Diabetic Retinal Screening	Skin Health
In-reach Team	Integrated Care Teams (East & North Herts)
Prison Health Services (HMP The Mount)	

Children and Young People's Services (Countywide)	
Child Health Information Services (CHIS) covering Hertfordshire, Bedford, Luton and Milton Keynes	Children and Young People Physiotherapy Service
Children and Young People Speech and Language Therapy Service	School Aged Immunisation Service (SAIS)
Public Health Nursing (Health Visiting and School Nursing)	Children and Young People Occupational Therapy Service
Specialist Community Dental Services (Adults and Children's)	PALMS (Positive Behaviour, Autism, Learning Disability and Mental Health Service)
Step2 Service	Looked After Children's Service
Children and Young People Referral Hub	
Children and Young People's (CYP) Services (Herts Valleys)	
Children and Young People Community Nursing	Children and Young People Hearing Service (Audiology)
Children and Young People Eye Services	Children and Young People Community Paediatric Service
Specialist School Nursing Service	Specialist Nurse Coordinators (Transition and Sickle Cell)
Children & Young People Continuing Care Service	Children's Observational Rapid Assessment Service (CORAS) (West Herts)

The following interim alternative services were set up and running as at 31 March

2020 in response to the Covid-19 pandemic:

Adult Community Services	
Core nursing (Podiatry, Bladder and Bowel Care, Diabetes, Specialist Palliative Care and Nutrition & Dietetics)	Prevention of Admission (Pulmonary Rehabilitation, Adult Speech & Language and Dental)
Discharge Home to Assess	Pharmacy
Community inpatient beds (Herts & Essex, Queen Victoria Memorial, Danesbury)	Deep Vein Thrombosis (DVT) Pathway
Community Neurological	Minor Injuries Unit (Cheshunt, Herts & Essex)
Phlebotomy	East & North Referral Hub
Integrated Care Teams (East & North Herts)	Intravenous (IV) antibiotic ambulatory care
Leg Ulcer	Pulmonary Rehabilitation
Prison Health Services (HMP The Mount)	
Children and Young People's Services	
Child Health Information Services (CHIS)	Children and Young People Community Paediatric Service
Public Health Nursing (Health Visiting and School Nursing)	Children & Young People Continuing Care Service
Specialist School Nursing Service	Children's Observational Rapid Assessment Service (CORAS) (West Herts)
PALMS and Step2 Service	School Aged Immunisation Service (SAIS)
Children and Young People Referral Hub	Children and Young People Therapy Service

2.1.4 The performance of the Trust in 2019/20 – The Chief Executive's overview

The last year for Hertfordshire Community NHS Trust has been unprecedented, with continuing changes both locally and nationally across the health and social care system as well as within the Trust itself. During these changes the Trust has continued to deliver high quality community-based services which promote the health and wellbeing of adults, children and young people, provided by our caring, professional and agile staff who always put our patients first in all they do.

During this year our Board experienced a number of changes, and Linda has referred to these in her Foreword. I am grateful to all my Board colleagues, who, over the course of the last year, have supported the Trust to refresh its strategy in order that we can effectively respond to the requirements in the NHS Long Term Plan and to work effectively with our system partners delivering the priorities set out by the Sustainability and Transition Partnership in Hertfordshire and West Essex. An important aspect of this work has been the development of our new HCT vision and values, a refresh of our Trust strategy and objectives, all of which focus on improving the health of our communities by providing outstanding services. Our values of *Innovative, Caring* and *Agile* are informed by our approach to place-based care, population health and delivering integrated services as well as our work with multiple partners in the health, social care and voluntary sectors. Our staff have embraced our new values – *Innovative, Caring* and *Agile* – and there has been no time like the present to see these values demonstrated every day in the approach all of us in HCT are taking in response to the Covid-19 pandemic.

Our refreshed strategy sets out our ambition to:

- Be an 'outstanding organisation' by proactively influencing system working to deliver integrated high quality health services, being a well-led organisation and having a highly engaged workforce
- Drive forward innovation in the delivery of healthcare, learning from the best across all sectors and demonstrably setting ourselves stretching goals
- Focus on the future and the many positive aspects of our position within the Hertfordshire and West Essex system - whilst also recognising those areas where we need to improve and not be complacent about our past achievements

Over the last year, HCT continued to perform well, meeting key targets and indicators:

- 77 per cent of our staff had a flu vaccination, helping to protect our patients and communities
- Despite a very challenging financial situation with a substantial loss of income part way through the year, we met our financial control target for the tenth consecutive year and retained our top Single Oversight Framework rating with NHS England and Improvement
- We were the tenth highest placed NHS Trust in England for promoting Freedom to Speak Up – arrangements that allow staff to raise concerns about anything which they feel could affect patient or service user safety or the wellbeing of staff
- Over 70 per cent of our staff responded to the 2019 NHS national staff survey, significantly above the 58 per cent average for other NHS community trusts. Compared with the 2018 survey, we sustained or improved all results, in particular around the quality of appraisals and staff feeling valued at work
- We won a tender to continue providing integrated therapy services for children and young people, with an innovate three-tiered approach to help ensure that every child or young person can get the most appropriate support for their needs
- We continue to have an agile workforce, with more than 80 per cent of our staff able to work remotely with full access to systems and networks, and with 50 per cent of our workforce working less than full time.

To drive our ambition to become an outstanding organisation, we set up a "Good to Outstanding" Steering Group to bring together and systematically embed our quality improvement framework. We introduced our new Quality Wheel - a visual aid which all our clinical teams and services use to self-assess their services against four key areas which relate to the Care Quality Commission's overall priorities:

- Patient experience (is the service responsive and caring)
- Patient safety (is the service safe)
- Well led
- Clinical effectiveness (is the service effective)

The self-assessment enables teams to identify further improvements to be made, and to celebrate their successes. We will build further on this initiative in 2020/21 by introducing an internal quality accreditation scheme for teams and services to apply for.

The Care Quality Commission (CQC) carried out a routine inspection of our services in February and March 2020, focusing mainly on our three inpatient units. The inspection result was announced in May 2020 and we have once again retained our

overall rating of ‘Good’. This is a significant achievement given the amount of change which has taken place across our organisation in the last year and it is a real testament to the sheer hard work, dedication and skill of everyone in HCT. There is more information about the inspection result in the performance review section of this report.

A particular focus of mine as Chief Executive is to ensure HCT is a great place to work. I am privileged to have worked in a number of clinical and managerial roles, locally and nationally, all of which have built on the skills and support I have enjoyed throughout my career. It is important to me and the Board that all our staff, no matter their role, background or qualification, can enjoy work and feel engaged and supported by their colleagues and the Trust. To help with this, we set up a number of initiatives during the year:

- Our Staff Council, a group of self-selecting colleagues who commit to joining the group for a year to inform and engage in decisions about planning and service delivery
- A similar initiative, Howard Court Voices, for colleagues based in our corporate services to support our corporate transformation programme
- A Black, Asian and Ethnic Minority (BAME) network to represent the interests of our staff who are from a BAME background (around 14 per cent of our workforce) with a reverse mentoring scheme for our executive team who are mentored by BAME staff members

We were fortunate to begin the national NHS England/Improvement cultural diagnostic exercise in January 2020. This will give us a baseline analysis of the culture within HCT and how we are viewed by our partners and stakeholders. At the time of writing, the exercise is paused as we respond to the Covid-19 pandemic but I am looking forward to being able to restart it when time allows.

At the end of September we said farewell to around 600 of our staff who transferred under TUPE arrangements to the new provider of adult community services in Herts Valleys. This was as the result of a competitive procurement process by Herts Valleys Clinical Commissioning Group, after which HCT lost around 30 per cent of its income. The transfer took significant management effort and focus as we worked to determine the precise impact of transferring services and separating county wide services. Whilst the transfer of these services was not the outcome we would have chosen, I am very proud of everyone’s commitment to putting patients, and colleagues first, working across the system to safely transfer the services whilst still continuing to meet all our key performance indicators, supporting affected staff and importantly, ensuring that we continued to meet our contractual requirements and delivered high quality care.

The year saw HCT recognised in a series of high profile national award schemes. We were hugely proud that our East and North Hertfordshire Referral Hub – the system through which referrals to the majority of our adult services are triaged and managed – won the 2019 Health Service Journal (HSJ) Award for Community or Primary Care Service Redesign in London and the South. The Hub receives over 6,000 calls a month, with around 87 per cent of referrals clinically triaged within an hour of receipt. We also won the international 2019 Totara Award for Best Healthcare Project for My Learning Zone, our new online staff learning and development system, as well as winning two categories at the NHS Elect Patient Experience and Quality Improvement Awards and being finalists in three other 2019 HSJ awards. All these

awards are testament to the imagination and ability of our teams and the innovative work they do every day to improve outcomes for our patients and service users and to support the wider system around us.

We continue to invest in and improve our estate. An innovative partnership with St Albans City and District Council has allowed us to move from an outdated and cramped healthcare facility in the town centre to a new facility only a short distance away inside the Civic Centre. The St Albans Health and Wellbeing Centre is home to a range of our community services for children, families and adults. Facilities include special soundproof rooms for audiology appointments and a number of clinic rooms which can be used for a range of purposes, from one to one appointments through to group sessions. Its location inside the Civic Centre means it is situated adjacent to the wide range of services already provided there by the Council, Hertfordshire Constabulary and local community and voluntary groups, increasing the opportunities for local partnership working and referrals between health and community services.

As Linda has said, the Covid-19 situation is presenting the NHS and the whole country with unprecedented challenges. Many HCT staff are working in different roles or in different ways as we modify services to meet a new and uncertain demand. I am continuously inspired and humbled by how they are responding, from making it possible for us to conduct patient consultations remotely by video conference to providing greatly enhanced support to our partner organisations to help us collectively keep patients safe at home and continue to provide them with much needed care. I have always felt that providing community health services is the epitome of working in an agile way. This is no more true than now. I am very privileged to lead HCT as the Trust's Chief Executive.

2.1.5 Performance summary

HCT has performed well against targets and standards set nationally and those agreed locally with commissioners. The Board of Directors monitors and reviews performance at each bi-monthly Board meeting via the Executive Performance Report which provides performance information including operational, finance and workforce performance. Strategic risks are captured on the Board Assurance Framework (BAF) and reviewed by the Board of Directors bi-monthly.

2.1.5.1 Care Quality Commission rating

The Care Quality Commission (CQC) carried out a core service and well led inspection of the Trust during February/March 2020, and their report published on 21 May 2020 confirms HCT's rating of 'Good'.

The core service element of the inspection focused on the Trust's three inpatient units and improvements made since the previous inspection in September 2018. The inspection also considered how well led the Trust is, assessing the Trust against the well led standards.

The CQC Lead Inspector commented in particular on how passionate, dedicated, caring and committed staff are to patients and services users, and noted that the Trust is committed to improving services by learning from when things go well and when they go wrong.

A joint review by the Ministry of Justice and the Care Quality Commission was also undertaken at HMP The Mount, in January 2020 and we are currently waiting for the

formal report. Initial feedback following the inspection was positive.

2.1.5.2 NHS Oversight Framework

The NHS Oversight Framework sets out a regulatory oversight process for the monitoring of provider's and commissioners performance and capability. For Providers the aim is to help to achieve CQC 'good' or 'outstanding' ratings, reduce the number of providers in 'special measures', improve productivity, achieve financial balance and meet the standards of the NHS Constitution.

Where a provider is triggering a concern and a potential support need is identified, the NHS Improvement Regional team will consider why the trigger has arisen and whether a support need exists. During 2019/20 the Trust has been assessed by the East of England Regional Team as having Maximum Autonomy (the highest level of 1 on a 1 to 4 scale where 4 represents special measures intensive support required).

2.1.6 Partnership and engagement

2.1.6.1 Strategic partnerships

The Trust works extensively with a wide range of partners across the public, private, and Voluntary and Community Sector (VCS).

The Trust is a key partner in the Hertfordshire and West Essex Sustainability and Transformation Partnership (HWESTP) and in the developing Integrated Care Partnerships (ICPs). Across Hertfordshire the Trust is leading the health provider development of transformed children's services and leads a number of work streams in West Hertfordshire. In East and North Hertfordshire the Trust is co-leading the ICP with East and North Hertfordshire Trust, proactively implementing new integrated care pathways, such as Prevention of Admission, and has set up innovative new services, for example frailty clinics.

Working with our partners Hertfordshire Urgent Care (HUC) and Lea Valley Health Federation (LVHF) we now deliver the minor injuries services at Cheshunt Community Hospital. We are working in partnership with Age UK and Hertfordshire Independent Living Service in the delivery of our Nutrition and Dietetics Service in West Hertfordshire, and with locality-based providers such as the Letchworth Heritage Foundation on local services for people with frailty.

Our partnerships with Hertfordshire County Council, One YMCA, InspireAll and Barnardo's, along with our Public Health Nursing team enable us to bring children's centres, health visiting and school nursing together to offer a more joined up service for children and families.

The implementation of the new General Practice contract has provided the Trust with excellent opportunities to further integrate place-based community and primary care services. We have a suite of services available to Primary Care Networks as part of our drive to deliver the ambitions of the NHS Long Term Plan, including pharmacy and musculoskeletal (MSK) physiotherapy. The Trust is also strengthening relationships with the social care sector, in particular with the Hertfordshire Care Provider's Association (HCPA), and private sector providers, to ensure that we can optimise the healthcare outcomes for people in nursing and residential care homes. Working with St Albans District Council, we opened the St Albans Health and

Wellbeing Centre in December 2019, offering community health services for children, young people and adults. The new centre is adjacent to the Healthy Hub and provides an opportunity for a one-stop shop approach to help people live healthy and active lives and feel better.

2.1.6.2 Engagement with stakeholders

The Trust is committed to ensuring that stakeholders have the opportunity to be involved in service improvement. Over the past year, this has included engagement on changes to the operational delivery of our adult and children's services as well as engagement on the development and refurbishment of the buildings and facilities we provide our services from.

Children and Young People's services engagement

An increased amount of public and patient engagement has taken place during the year, particularly in relation to the transformation and mobilisation of children and young people's (CYP) services. Examples include: Integrated Children and Young People's (CYP) Therapies, Public Health Nursing, and children and young people's pathway for Autistic Spectrum Disorders diagnosis and support.

Children and Young People's Therapies

As part of our engagement with families to support the redesign of a new integrated service model for Speech and Language, Physiotherapy and Occupational Therapy, nine parents of children with complex health needs who attend the Early Years Specialist Development Centres were invited to provide their patient stories. Parents said that they would prefer one referral to all of the therapy services when it is clear that the child has multiple needs, and wanted multi-disciplinary initial and follow up appointments. Parents said they would like 'team around the family' meetings to continue and would find a care coordinator very useful. In 2019/20 we progressed our plans for a single point of access to Therapy services, and a Multi-Professional Assessment Clinic for CYP with multiple assessment needs. Work is underway with Hertfordshire County Council (HCC) Children's services to develop Keyworker roles.

In January 2020, families who attended pilot sessions for a new sensory development training programme were invited to provide feedback on the new booking system. Their feedback has informed the design of the training. In February, Carers in Herts and Herts Parent Carer Involvement (HPCI) supported HCT's development of Moving and Handling training for parents by providing funding for a lunch and a parent networking event. HPCI representatives and families also participated in a focus group to share views on the proposed service offer.

Public Health Nursing

We reviewed our New Birth visits to identify aspects of the visit and information provided that expectant and new parents feel to be most important and beneficial. 79 parents completed a survey, and 38 parents were interviewed. This led to the development of a new assessment format which was implemented in January 2020 and continues to be audited to support sustained learning and improvement in clinical practice.

Autism Spectrum Disorder Pathway

To support improvements in the care delivered to Children with Autism Spectrum Disorder (ASD) we have worked with the Child and Adolescent Mental Health Service (CAMHS) Parent Carer Forum and other health and social care partners to co-design an effective system-wide ASD pathway. We obtained feedback about what parents felt was lacking in the current care model and applied this 'Expert by Experience' knowledge to develop HCT's new pre and post diagnosis ASD/Attention Deficit Hyperactivity Disorder (ADHD) Support Pathway. A representative from HCPI acts as a patient engagement representative on our ASD Transformation Steering Group to maintain the 'Expert by Experience' voice.

Adult services engagement

In 2019/20 we shared our patient stories more widely both within the Trust, and externally using social media, to show how HCT supports patients in self-managing their conditions. This included:

- A young man with heart failure who completed a sponsored challenge, climbing over the roof of the O2 arena, with support from the community cardiology service and the charity 'Pumping Marvellous'
- A former NHS dietician who has lived with MS for 15 years enjoyed a Sit-Ski lesson with the support from HCT's Neurological Service and Disability Snowsport UK at the Hemel Hempstead Snow Centre
- A patient shared their rehabilitation story for a training video, describing the care they received from the Brain Care Team, identifying and advocating self-management exercises at home and the gains it continues to bring

Memory Café Project

As a strategic delivery partner HCT developed Memory Cafes to support individuals and families with memory difficulties. The Lower Broxbourne Healthy Memory Café was our pilot café, set up in partnership with Lea Valley Health GP Federation and Hertswise (Hertfordshire dementia provider charity) and supported by 18 other partners.

100 per cent of attendees found their attendance at the Memory Café useful and 96 per cent said they would attend again. They felt that the most useful aspect of the café was the opportunity to meet with professionals and gain access to information and advice. As a result, monthly community-based Memory Cafes and community run one-stop shops for local residents have been set up to provide access to information, support and guidance on maintaining a healthy memory, living with or caring for individuals with dementia. The project has been recognised as national best practice by the National Association of Primary Care.

Ernest Gardiner Frailty Clinic

The frailty clinic at the Ernest Gardiner treatment centre was set up in collaboration with the staff from the Letchworth Heritage Foundation. HCT embraces new ways of working and this project demonstrates our ability to work across sectors. The clinic runs once a week and sees frail patients who are deteriorating to try to maximise independence, reduce risk of falls and reduce risk of admission. The clinic undertakes a comprehensive geriatric assessment which includes assessment from members of the multi-disciplinary team. All patients set patient goals and progress against these goals is measured. Patient feedback tells us that patients value the opportunity to see all disciplines in one setting.

My Plan

Following recent pilot projects in Lower Lea Valley (LLV), the Pulmonary Rehabilitation service, Ernest Gardiner and Stevenage locality, the Trust has engaged in a number of co-production events to discuss next steps for My Plan (a patient held personal care plan). The Trust has been working with the NHS England group and partners to further refine My Plan in response to feedback from patients and clinicians, and to support implementation across the STP.

Special Care Dental Service

In December 2019 HCT's Special Care Dental Service and Communications Team jointly won the Patient Experience and Communications award for their innovative work to support vulnerable patients who use the service, including making clinical areas as inviting as possible, as well as creating videos to reassure patients and show them what to expect.

Patient Reported Outcome Measures (PROMS) dashboard

Work is currently underway to create a dashboard that will enable the Trust to report on the percentage of teams and services who have implemented Patient Functional Scale (PFS). It has now been agreed by NHSE/I that the PFS can be a proxy measure to demonstrate personalised care. In Q1, 2941 patients had an outcome measure recorded on SystmOne and this rose to 3758 in Q2. Progress is being shared nationally and with partners.

Engaging with carers

Always Events

The Trust has adopted the NHS England Always Events® framework to support coproduction with service users. Engagement with carers via face to face and telephone interviews told us that what matters most to them is being kept informed and involved in every aspect of care and being given information about help and support available. HCT has been participating in the national Always Events programme led by NHS England/NHS Improvement with a focus on Carers and End of Life Care.

End of Life Care

The Always Event for End of Life Care has focused on ensuring that patients, their families and carers always have an understanding of why they are being visited, by

whom and how to contact HCT services, day or night. The Royston Integrated Care Team has successfully led the pilot. Analysis indicates that staff are consistently advising patients why they are being visited, and patients and carers know how to contact the services. Staff and patient feedback about the Always Event has been positive as can been seen from the comments below:

> Myself and the team have found the addition of the always event text to the core assessment really user friendly. We have received some good feedback from patients. I think it nicely conveys what we are trying to find out from patients
>
> *Community Nurse feedback*

> I understood why I was being visited and the nurses have provided me with information about how to contact the service
>
> *Patient feedback*

The Trust received national recognition at the NHS Elect Patient Experience and Quality Improvement Awards, with two staff receiving the Paul Thomas Perseverance Award in the Community Trust and Other Organisations category for the End of Life Care Always Event.

Support for carers

HCT is committed to working with other organisations to ensure that carers across Hertfordshire are supported. We are full participants in the Hertfordshire Carers Planning and Partnership Group and the Hertfordshire Carers Organisations Network. We hold our quarterly carers champions meetings in collaboration with Carers in Herts and Hertfordshire Partnership University Foundation Trust (HPFT). Since July 2019 the patient experience team has been contacting carers of recently discharged patients by telephone each month to understand their involvement in the care of the person they care for and the information and support provided to them.

In 2019/20:

- 96 per cent of carers told us that they were involved in care planning for the person they care for
- 92 per cent of carers told us that they were involved in discharge planning for the person they care for
- 79 per cent of carers told us that they were informed about support available to them as a carer

We continue to make improvements to the information provided to carers about support available to them, meeting our Always Event aims.

Young Carers

In 2019/20 HCT set a quality priority to increase the focus on identifying and supporting carers and young carers in Hertfordshire. We are committed to the development of an effective service and offer support for young carers, particularly

within the school setting.

The Trust has engaged with young carers though the Young Carers in Herts and Youth Council. This initiative is designed to introduce young carers to HCT and our services in order to build relationships and allow them to gain a greater understanding of available support. Many young carers will care for parents, other relatives and/or siblings who are using our services. Young carers have given their input to the Carers' Strategy and Action Plan, and with their ongoing involvement we will continue to implement this into 2020/21.

The development in practice around young carers support has strengthened partnership working with the Carers in Herts service, supporting the strategic quality priority within our Trust. Schools are supported to identifying young carers so that their pastoral teams and HCT's school nurses can work together to provide holistic care to young carers. Sharing and comparing statistics around referrals to the Young Carers in Hertfordshire service from the School Nursing service is a valuable source of evaluation.

In April 2019 a group of young carers, aged 11-17, were welcomed to the Trust Headquarters to find out about HCT services and to tell us what really matters to them as young carers. The carers made a short awareness raising film which was shared with HCT staff. This formed part of a programme of visits to different NHS organisations in Hertfordshire.

The young carers participated in a series of interactive activities to understand more about healthcare in Hertfordshire and HCT services. They met with a number of our staff to share their views about their challenges and support needed. A busy morning of workshops ended with a pizza lunch and a trip to the Gosling Sports Park to give them all a break from their caring roles

Other engagement activities

During the development of the Trust's new Continuous Quality Improvement (CQI) Framework, HCT has engaged with HPCI and CYP at a Hertfordshire-based special school to support the development of the CQI training programme for patients, parents and carers.

HCT participates in patient and public engagement networking events held by our commissioners to inform our quality improvement and service redesign programme, and to work with the ICPs on the development and implementation of integrated care pathways.

As part of an NHSI 150 Day Collaborative - Improving Healthcare Transition - a

stakeholder workshop was held on 6 November 2019. This was attended by providers and representatives from the CCGs, higher education, Herts County Council, hospices and Carers in Herts. The aim was to share the work being undertaken to improve the transition experience for young people, aged 14-21, with learning disability and life-limiting conditions, and give key stakeholders the opportunity to help define the project aims and objectives.

2.1.7 The Trust's strategy and developments

2.1.7.1 Strategy

In 2019 the Trust refreshed its corporate strategy to reflect the publication of the NHS Long Term Plan, and the development of the Integrated Care System (ICS) and Integrated Care Partnerships (ICP) in Hertfordshire and West Essex.

The Trust developed the strategy, which aligns to the STP strategy, and our commissioner's strategies, through a range of engagement sessions with staff, including at our leaders forum, senior leaders forum, workshops and surveys. The new strategy was launched in October 2019 at the organisation's 'Our Future Together' events, which involved over 200 staff.

At the very centre of our strategic vision are our patients, families, and carers, with our aspiration to ensure our communities are as healthy as possible. Our three new values of Innovative, Caring, and Agile illustrate the way in which we will deliver our vision, and our four strategic objectives identify our key priority areas.

The four strategic objectives enable the Trust to stay focused on the delivery of our priorities in everything that we do. Our strategic objectives, and what they mean for our patients, staff, and partners, are described in further detail below.

Strategic objective 1: Outstanding quality and performance

We will strive to deliver 'outstanding' services through our approach to Continuous Quality Improvement (CQI) across the trust, and through involving our staff to provide the best possible care to patients within available resources.

Strategic objective 2: Joined-up local care

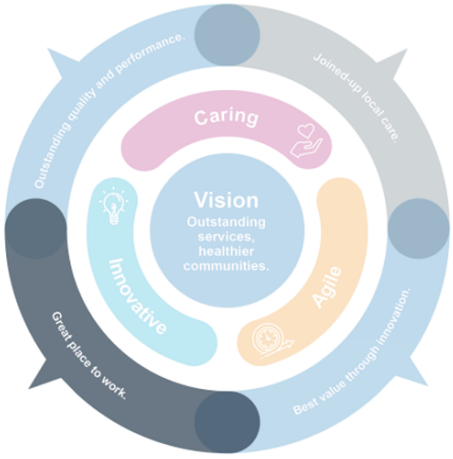
We will strive to be the system leaders for children and young people's and adult community health services in the emerging Integrated Care Partnerships in Hertfordshire. This means working with all our partners to enhance and expand the role of community services, with integrated clinical pathways for the benefit of our populations.

Strategic objective 3: great place to work

We will strive to make the Trust a great place to work by living our values and creating an inclusive, open and compassionate culture. We will motivate and retain our people through excellent leadership at all levels of the organisation, a compelling employee offer, continuous professional development, staff recognition and support

for health and wellbeing.

Great place to work



What does this mean for our patients?

- We will do our best to ensure our staff are at their best.
- Our clinical environments will be pleasant places to be in.

What does this mean for our staff?

- We will proactively improve your working lives at the Trust.
- We will create inclusive, open, and supportive environments.

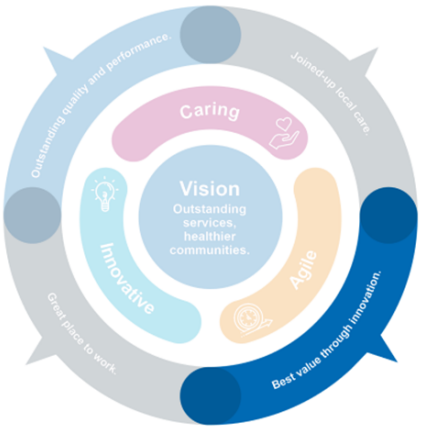
What does this mean for our partners?

- We will support our staff to work with you in different ways.
- We will provide development opportunities our staff with you.

Strategic objective 4: best value through innovation

We will strive to be known for our innovations as an outstanding provider of clinical services. Our people will harness modern processes, systems, and technology to support continuous quality improvement, efficiency, and to ensure the best possible value for the public purse with the resources we have.

Best value through innovation



What does this mean for our patients?

- We will make it easier for you to interact with us.
- We will improve the organisation of our services.

What does this mean for our staff?

- We will use technology to strip-out the mundane parts of your roles.
- We will proactively listen to your ideas for innovations.

What does this mean for our partners?

- We will explore ideas to share corporate services with you.
- We will get as much value out of our investments as possible.

The next stage of our strategic development will be to ensure that our 'enabling' strategies, that is, those strategies which enable the organisation to deliver the corporate strategy (including our commercial, digital, and engagement strategies) will be updated by the end of the calendar year.

2.1.7.2 Strategic developments

In 2019/20 HCT has had a successful year in terms of the delivery of a number of strategic developments across Adults Services, Children and Young People's (CYP)

Services and Corporate Services.

Adults services

1. The roll-out of the Trust's approach to frailty, including:
    - The implementation of our first frailty clinic, in partnership with Letchworth Heritage Foundation at the Ernest Gardiner Treatment Centre
    - Frailty training for staff. To date 629 staff have attended Frailty Awareness sessions and 690 staff in total have received frailty training
    - The development of frailty pathways, in partnership with other organisations across the local health and social care system
2. The implementation of improvements planned care services, particularly Musculoskeletal (MSK) services.
3. The implementation of our Primary Care Integration Programme (PCIP), whereby the Trust has delivered pilot services to Primary Care Networks.
4. Self-management training for a further 333 staff.

Children and Young People's services

Developments in CYP services include:

1. The delivery of innovative new services, including the Children's Observation and Rapid Assessment Service (CORAS). The service has seen 27 children during its first three months, however our evaluation has been delayed due to the Covid-19 pandemic.
2. Work with partners, particularly Hertfordshire County Council (HCC) and Hertfordshire Partnership University Foundation Trust (HPFT), to improve Child and Adolescent Mental Health Services (CAMHS). Following investment from commissioners, we have successfully reduced waiting times for our Step2 service from referral to initial assessment, and assessment to first intervention.

Average weeks waited	March 2019	Feb 2020
Referral to Initial Assessment	11 weeks	6 weeks
Initial Assessment to First Intervention	27 weeks	12 weeks

The project was on track to reduce waiting times even further by the end of March 2020.

Corporate developments

There has been a range of corporate developments during the year, including:

1. Review of our Board Governance Framework and transition of revised Board committees.
2. Launch of our new Continuous Quality Improvement (CQI) framework across the organisation - 63 staff have been trained as Quality Service Improvement

and Redesign (QSIR) Practitioners, with an additional 98 staff trained in QSIR Fundamentals across Children's, Adults and Corporate services.

3. Launch and roll-out of our new Trust branding.
4. Implementation of a new operating model for corporate services.
5. Launch of HCT's first Staff Council and first BAME network
6. Delivery of our 'agile working' technology programme, including:
    - The launch of our new staff intranet
    - Improvements to our data infrastructure and server environments
    - Initial roll-out of Robotic Process Automation (RPA)
    - Remote working, digital consultations and roll-out of smart phones.
7. Ongoing implementation of the Customer Service Transformation programme, specifically CYP specialist services.
8. The refurbishment of a number of properties, including St Albans Health and Wellbeing Centre.
9. The upgrade and roll-out of new computer hardware for staff, including an upgrade to Windows 10.

New services

The Trust has successfully been awarded contracts for a number of new services:

1. Children and Young People's integrated therapy services - five year contract covering the whole of Hertfordshire.
2. Phlebotomy service in the London borough of Enfield.

The Trust has seen a number of other contractual changes as a result of competitive tendering including:

1. Phlebotomy and anti-coagulation services for East and North Hertfordshire - CCG extended until April 2021 following a successful pilot for this new service in August 2019.
2. Health services at HMP The Mount have been extended for six months and are due to transfer to a successor provider in October 2020 following HCT's decision not to bid for the new contract.
3. Hertfordshire County Council has extended our CAMHS Step2 and PALMS services until March 2024.
4. The transfer of Adult services in Herts Valleys to a new provider.

2.1.8 Key strategic risks and uncertainties

Risks to the achievement of the Trust's strategic objectives are identified by the Executive Team and entered on the Trust's Board Assurance Framework (BAF). The BAF is submitted for review and discussion by the Audit Committee and the Board of Directors. Risks or implications are also considered by the Healthcare Governance Committee and Strategy & Resources Committee. Risks identified at Business Unit Level are entered on Business Unit Risk Registers. Risks scoring 15 or over are then

recorded on a ‘High Level Risk Register’ (HLRR). The HLRR is considered monthly by the Executive Team and is submitted to the Healthcare Governance Committee, Audit Committee and the Board meeting in public. Risks on the HLRR that are considered by the Executive Team to have a strategic impact are escalated to the BAF.

2.1.8.1 Strategic risks

HCT’s main strategic risks are linked to the delivery of the Trust’s strategic priorities and include risks relating to:

- Financial sustainability in the new commissioning landscape, the impact of population growth and the increase in long term conditions
- Workforce risks particularly in relation to recruitment and retention, skills and competencies and impact on delivery
- Delivery of long term plan and transition to Integrated Care System and Integrated Care Partnerships
- Cyber security and fraud

2.1.8.2 Service changes

Tendering of HCT’s existing services and the introduction of new services both have the capacity to introduce risk but also provide new opportunities to reconfigure services in order to meet the needs of the local population.

2.1.9 Going concern

When undertaking the Accounts preparation process, the Trust’s management team is required to consider and assess the Trust's ability to continue as a going concern under International Accounting Standard 1 - Presentation of Financial Statements. The HM Treasury Financial Reporting Manual (FReM) directs that in the context of non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without transfer to another entity.

The Board of Directors has carefully considered the principle of ‘going concern’ when approving the Trust's Annual Accounts. It has also taken into account that on 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. HCT does not have any existing DHSC interim or capital loans, as these were repaid during the 2019/20 financial year and so is not directly impacted by many of those changes.

Given the above and an overall review of the Trust's future cashflow, its current liabilities and assets and as a non-trading entity in the public sector, there is full expectation that the services provided by the Trust will continue in the future.

On that basis the Board of Directors considers it is appropriate to prepare the 2019/20 Accounts on a going concern basis. The financial statements do not include the adjustments that would result if the Trust were unable to continue as a going

concern.

2.2 Performance Analysis

2.2.1 Quality performance

Detailed information and analysis on the Trust's performance and objectives in relation to the quality and safety of our services will be contained in our Quality Account for 2019/20 which is due to be published in December 2020. This will be available on the NHS Choices website and on the Trust's own website at https://www.hct.nhs.uk/about-us/our-publications/.

The Trust continues to operate within a strong framework to ensure that we continue to deliver high quality services. We define quality as delivering:

- Excellent clinical outcomes
- An outstanding patient experience
- Consistent and improving patient safety

Quality performance and Continuous Quality Improvement initiatives are driven, assessed and measured by a number of sources - internally through our Healthcare Governance Committee and externally via our commissioners, the Care Quality Commission, other statutory and regulatory bodies, national initiatives, reports and guidance. Examples include the following:

2.2.1.1 Responses to Internally identified areas for improvement

- The Trust's Care Quality Commission (CQC) Quality Improvement Plans, Quality Improvement Framework, Risk Management and Health & Wellbeing Strategy (plus related policies)
- Publication of an annual Quality Account
- Reports on all aspects of quality improvement and performance submitted to the Trust's Healthcare Governance Committee and Trust Board (including incidents, serious incidents and complaints)
- Management and learning from patient care concerns
- Identification and management of quality-related risks
- Quality assurance visits, internal peer reviews, service escalation reviews and 'deep dives' of clinical services
- The Quality Governance, Well Led Framework and Memorandum
- The performance monitoring of service quality delivered as part of Executive Performance Reviews
- Internal audit programme informed by the Board Assurance Framework (BAF), risk register and Audit Committee
- Clinical audits informed by national and locally agreed professional standards
- Staff appraisal feedback, Continuing Professional Development, mandatory training and supervision

- Responses to patient surveys/questionnaires, including the national 'Friends and Family' Test (FFT) and Always Events
- Review of the Trust's performance against the national Safety Thermometer
- Staff survey outcomes – both the annual national NHS survey and our local quarterly Pulse survey
- Patient Led Assessment of the Care Environment (PLACE)
- Learning from the review of deaths – all deaths occurring in our community hospitals and some deaths of patients in the community are subject to case record review with oversight by the Learning from Deaths Panel
- Development of quality priorities which support local population health and wellbeing
- Implementation of the Quality Wheel across all service areas
- Areas for action arising from our professional forums including Professional Clinical Leaders Group and leaders forums

2.2.1.2 Responses to areas for improvement identified by commissioners and other statutory/regulatory bodies

- Quality key performance indicators agreed in our contracts with commissioners (plus monitoring through regular meetings and quality assurance visits by the commissioners)
- Findings from annual Care Quality Commission inspections and regular engagement/relationship events
- National and/or local Commissioning for Quality and Innovation (CQUIN) schemes agreed with commissioners
- Monitoring of key national targets by NHS Improvement and NHS Digital
- Joint local area Special Educational Needs (SEND) inspection carried out by Ofsted and the Care Quality Commission (Children's Services)
- Review of complaints and improvements with the CQC's Hospital Inspectorate liaison lead and the CQC/Ministry of Justice (MoJ) liaison lead
- The Data Protection and Security Toolkit (DSPT) supports the management and reporting to the Information Commissioner's Office (ICO) office of baseline position
- Health and Justice Clinical Quality Visit and contract oversight of HMP The Mount Healthcare Service
- Risk management through the National Reporting & Learning System (NRLS)
- Reporting to the Hertfordshire County Council Health Scrutiny Committee
- NHS England national screening programme quality assurance visits
- Section 11 audit of Safeguarding Children services and an annual review to provide assurance of compliance with safeguarding adults best practice carried out by commissioners

- Commissioner-led quality assurance visits

2.2.1.3 National initiatives, reports, guidance and legality

- External, national initiatives such as supporting patient flow and developing sepsis management
- NHS Improvement workforce implementation plan engagement, enabling support for Nursing Associates registration, the First Contact Practitioners (Allied Health Professionals (AHPs)) pilot and future planning for AHPs
- NHS Elect initiatives including Never Events and collaboratives
- The NHS Outcomes Framework
- National Institute for Health and Care Excellence (NICE) guidance and standards
- Public Sector Equality Duty (PSED) and the national NHS Workforce Race Equality Standard (WRES) and NHS Workforce Disability Equality Standard (WDES)
- New legislation, regulations or court judgements
- National Fraud Initiative
- Coroner Inquest reports
- Specialist or themed reports reviewed and local initiatives aligned including: Promoting professionalism, National Apprenticeship scheme, The NHS Long Term Plan, CQC Beyond Barriers, State of Care, Workforce Implementation Plan
- Local initiatives including working with the University of Hertfordshire to support increased uptake of nursing students and development of new programmes including nursing associates.

2.2.1.4 Care Quality Commission

The Care Quality Commission (CQC) carried out a routine inspection of our services in February and March 2020 as part of its programme of regularly inspecting all health and social care providers. Following the inspection, the CQC published its report and announced our overall rating in May 2020. Once again, we retained our overall rating of Good, with a Good rating for four out of the five overall domains – Effective, Caring, Responsive and Well Led – with Safe still being rated as Requires Improvement. The CQC team praised HCT staff for their professionalism, care and dedication, with the lead inspector commenting that the passion of all staff to deliver good quality care was particularly impressive. The full report is available on the HCT provider page on the CQC website at www.cqc.org.uk/provider/RY4.

The inspection report highlights a number of areas of good practice, including:

- Staff understanding of how to protect patients from abuse and effective working with other agencies around adult safeguarding
- Completing and updating risk assessments for patients and removing or minimising risks

- Monitoring of the effectiveness of care and treatment
- Good management of patient safety incidents, including recognising and reporting incidents and near misses
- Good use of monitoring results to improve safety, including the collecting and sharing of safety information with colleagues, patients and the public
- Staff working together as a team to benefit patients
- Giving patients practical support and advice to lead healthier lives

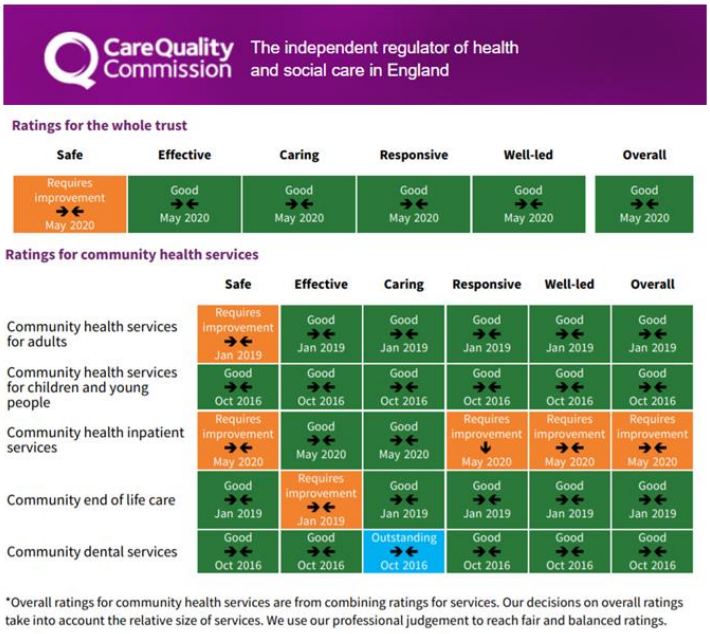
The CQC also highlighted two areas of outstanding practice:

- Our progress chasers in our community inpatient units and how these colleagues help support rapid resolutions, for example to patients' care package requirements
- The knowledge and practice of our safeguarding leads which the inspectors described as exemplary and with excellent feedback from our stakeholders

There are however areas identified by the CQC where we still need to make improvements, including:

- Ensuring our in-patient teams always administer medicines in line with best practice
- Managers having oversight of clinical supervision to ensure we always comply with our target
- Ensuring staff have easy access to laboratory tests and x-ray results
- Implementing appropriate equality and diversity network groups across all protected characteristics
- Implementing Trust strategies covering workforce, equality and diversity, and patient and carer experience and involvement

We fully recognise the areas where the CQC have told us that improvements are required. We responded in early March to the CQC's initial findings and actions and are now working on an action plan to address the findings in the full report.



A joint review by the Ministry of Justice and the Care Quality Commission was undertaken at HMP The Mount in January 2020. The focus of the inspection was on the management of controlled drugs and medications. We are currently waiting for the formal report however the initial feedback following the inspection was positive.

2.2.2 Operational performance

2.2.2.1 Activity

Patient Activity Figures	2017/18	2018/19	2019/20	
Total face to face contacts	1,598,304	1,507,585	1,251,216	↓
Total non-face to face contacts	180,584	187,452	172,725	↓
Total contacts	1,778,888	1,695,037	1,423,941	↓
Total referrals received	391,724	368,317	336,239	↓
Occupied bed days	66,174	62,307	44,097	↓
Minor injuries attendances	10,839	11,718	12,206	↑
Total admissions	2,193	2,212	1,376	↓

Note: The drop in activity is due to the transition of Herts Valleys adult services to a new provider mid-year.

2.2.2.2 National and regional performance targets

The Trust met the majority of national targets and Key Performance Indicators (KPIs) in 2019/20 as set out below:

- 93.1 per cent waiting within 18 weeks (including Consultant & Non-consultant led services) average for the year
- Minor Injuries four hour access – 99.9 per cent achievement
- National Child Measurement programme (NCMP) achieved for 2018/19 School year and on target for 2019/20.
- Human Papillomavirus (HPV) achieved for 2019/20 school year
- Retinal screening targets were not achieved in 2019/20:
    - Diabetic cohort offered screening - achieved 89.5 per cent against a target of 100 per cent
    - Diabetic cohort screened - achieved 73 per cent against a target of 85 per cent

The majority of indicators set with NHS improvement and the Clinical Commissioning Groups have been within target levels. These include:

- Two confirmed cases of *Clostridium difficile*
- Zero *Meticillin-resistant Staphylococcus aureus* (MRSA) blood stream infection cases reported
- HCT has had zero mixed sex accommodation breaches

- Achieved length of stay targets for stroke patients at 37.6 days (year to date position) compared to a target of 42 days
- Non-Stroke Rehab pathway achieved with 18.3 day average against the 19 day target
- Venous Thromboembolism assessments completed for 100 per cent of admitted patients

The Trust continues to perform well in 2019/20. In particular, HCT achieved all but two of the regional/national indicators and national child health measurement programme KPIs. 99.9 per cent of patients that attended our minor injuries unit were seen within the national standard of 4 hours. HCT achieved 93.1 per cent for our Referral to Treatment (RTT) indicator for consultant and Non-consultant led services. HCT also performed well within the NHSI and local CCG targets and in particular the Trust's Stroke pathway average length of stay remained under target with 37 days against the national target of 42 days. Non-stroke Rehab Pathway was achieved with 18.8 days against the 19 day target.

The following table sets out performance against our main targets. Further information on performance against quality standards will be included in the 2019/20 Quality Account due to be published later in the year.

Key Performance Indicators	2019/20 Targets/Thresholds	2019/20 Performance
Minor injuries unit patients seen within 4 hours	95%	99.9%
Mixed sex accommodation breaches	0	0
Avoidable MRSA bacteraemia (see note below)	0	0
C. difficile infections (see note below)	2	2
Venous thromboembolism assessments	100%	100%
Retinal screening - percentage of diabetic cohort offered an annual screen	100%	89.5%
Retinal screening - percentage of diabetic cohort screened in 2019/20	85%	73%
Patient waiting within 18 weeks (including Consultant & Non-consultant led services)	92%	93.1%
Human Papilloma Virus (HPV) Dose 1	80%	88.3%
NHS delayed transfer of care	5%	9.3%
School Nursing - percentage of children who have had height and weight monitored in reception and year 6	90%	95.2%
Percentage of children in reception year who have received vision and audiology screening (subject to school participation)	90%	99.6%
Stroke patients average length of stay	42 days	37.6 days
Non Stroke (Rehab Pathway Only) Patients Average Length of Stay	19 days	18.3 days
CQC Registration	Registered no conditions	Good

2.2.3 Financial performance

This section is a summary and overview only. Further details of the Trust's financial position for the financial year 2019/20 can be seen in the financial statements and notes to the accounts in the Annual Accounts section of this Report which begins on page 95.

2.2.3.1 Financial reporting

The Trust reports under the National Health Service Act 2006 chapter 41 schedule 15: Preparation of annual accounts.

2.2.3.2 Sources of finance

The Trust's funding comes from contracts with commissioners to provide health services. A majority of funding remains on a block basis for the majority of services, i.e. the Trust is paid a fixed sum of money to deliver a range of services with an agreed level of activity. We are, however, seeing an increase in income being received via cost per case funding which is counter to the agenda set out in the NHS Long Term Plan.

2.2.3.3 Summary of financial performance

The Trust has met its Financial Performance Control total for 2019/20 which before Provider Sustainability Funding and other technical adjustments was a surplus of £39k.

By meeting its Financial Performance Control Total the Trust becomes eligible for £1.2m of additional central funding received from NHS Improvement/England relating to Provider Sustainability Funding (PSF), formerly known as Strategic Transformation Funding.

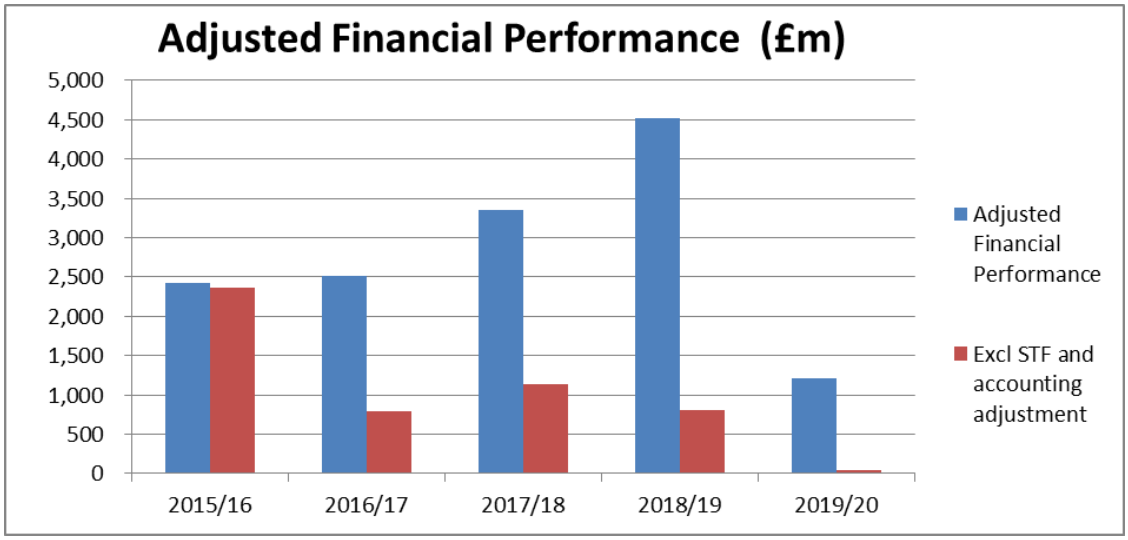
In achieving its Financial Performance Control Total the Trust has had to take in to account two significant transactions reported in its accounts:

a. Transfer of Assets

The accounting requirements within the NHS require assets transferring between provider organisations to do so without transfer of income or cash to the transferring trust. In 2019/20 this requirement relates to the five assets which transferred from the Trust as a result of the movement of adult community services within Herts Valleys to a new provider; this had a negative impact of £22.5m on the Trust's reported position.

b. Central Adjustment re 2018/19

Following the completion of the 2018/19 Accounts and Audit, NHS Improvement advised a variety of organisations that additional 2018/19 PSF funds were available which it added to the Trust's income (£488k) for 2019/20 but which has been adjusted out from the retained position when calculating the 2019/20 financial performance.



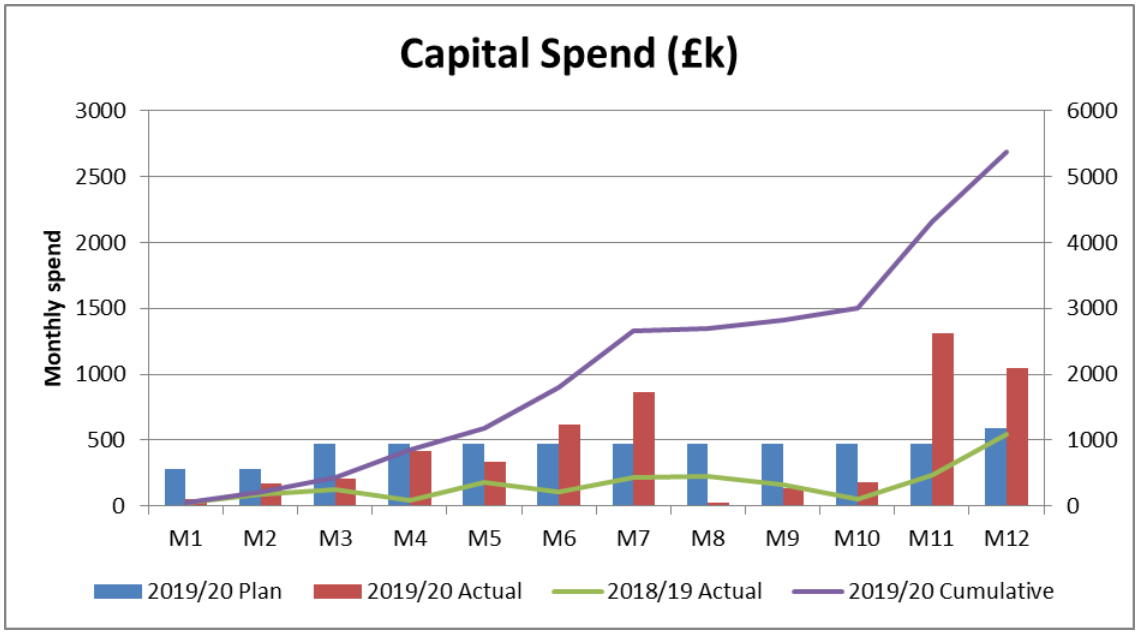
A comparison of planned and actual performance is shown in the table below:

Statement of Comprehensive Income	2018/19	2019/20 financial performance		
	Accounts £000s	Plan £000s	Actual £000s	Variance £000s
Gross Employee Benefits	(105,066)	(87,776)	(95,214)	(7,438)
Other Operating Costs	(35,595)	(26,700)	(30,797)	(4,097)
Revenue from Patient Care Activities	140,499	113,873	124,393	10,520
Other Operating Revenue	5,247	2,890	4,243	1,353
OPERATING SURPLUS/(DEFICIT)	**5,085**	**2,287**	**2,625**	**338**
Investment Revenue	131	120	135	15
Other Gains and (Losses)	408	0	0	0
Finance Costs (including interest on PFIs/Finance Leases/DH Financing/PDC Commitment Fee)	(48)	(48)	(38)	10
SURPLUS/(DEFICIT) FOR THE PERIOD	**5,576**	**2,359**	**2,722**	**363**
Dividends Payable on Public Dividend Capital (PDC)	(1,595)	(1,254)	(1,097)	157
Net gains/ (loss) on transfers by absorption	0	0	(22,544)	(22,544)
RETAINED SURPLUS/(DEFICIT) FOR THE PERIOD	**3,981**	**1,105**	**(20,919)**	**(22,024)**
Adjust (gains)/losses on transfers by absorption	**0**	**0**	**22,544**	22,544
Add back all I&E impairments/(reversals)		60	174	114
Remove capital donations/grants I&E impact	49	48	76	28
Retain impact of DEL I&E (impairments)/reversals			(174)	(174)
Remove impact of prior year PSF post accounts reallocation	488		(488)	(488)
Adjusted financial performance surplus/(deficit) including PSF as per accounts	**4,518**	**1,213**	**1,213**	**0**
Control total including PSF, FRF and MRET funding	**2,077**	**1,174**	**1,174**	**0**
Performance against control total including PSF, FRF and MRET funding	**2,441**	**39**	**39**	**0**

2.2.3.4 Capital investment

During the year, we invested £5.2m in capital schemes. The original plan was to

spend £3.852m, but we sold an asset at the start of the year (worth £1.2m) and received additional central funding of £0.3m which enabled the overall figure to be increased. We underspent against an adjusted Capital Resource Limit of £4.1m (where no overspend is permitted) by £0.1m. We spent £2.082m of this allocation on programmes to upgrade our estate and the balance was invested in information technology and medical equipment.

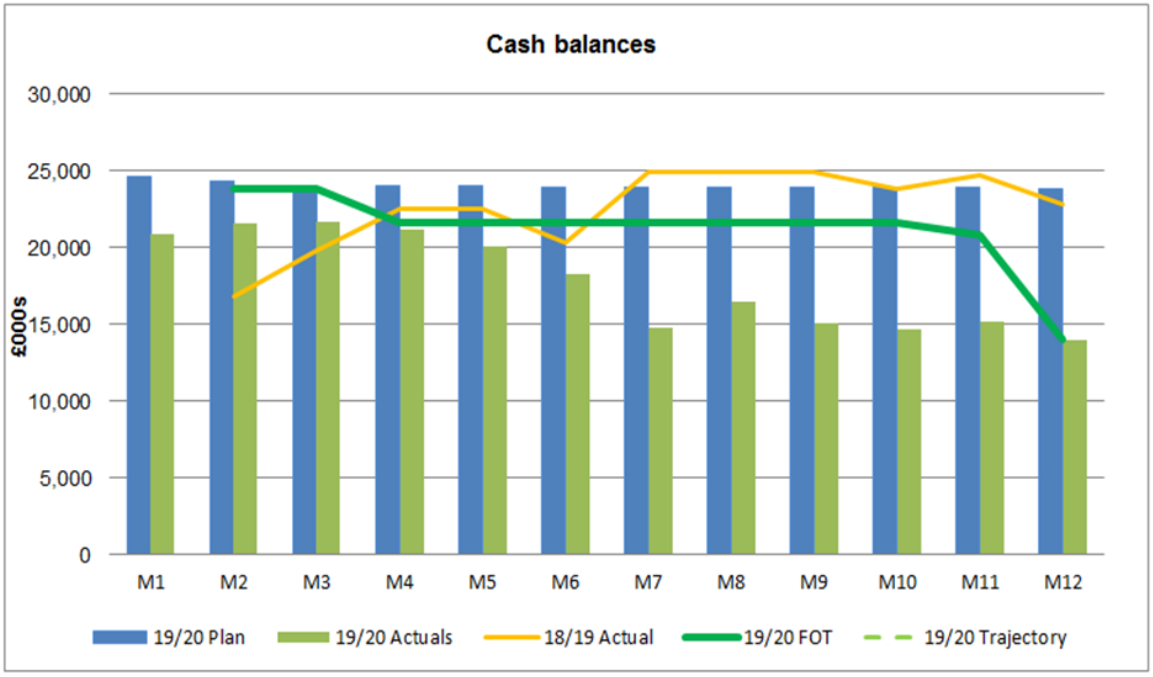


2.2.3.5 Cash

NHS trusts are required to manage cash within their notified External Financing Limit (EFL). This limit is set by the Department of Health and Social Care and determines how much cash a trust may spend beyond the income generated by its normal day to day operations. It is a breach of financial duty to overspend against the EFL. We achieved our obligation without any over or underspend during the year. We had £14.0m cash in the bank at the end of the year which was £9.8m below the plan due to:

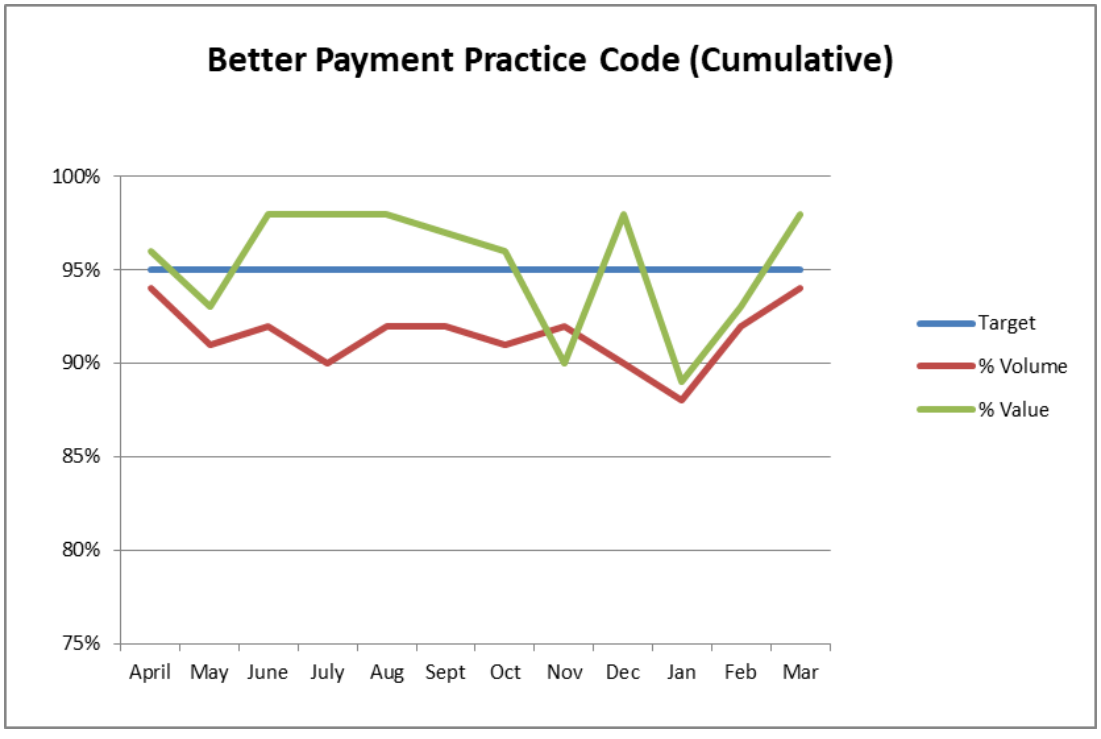
- early repayment of the Trust historical debt of £2.3m
- late payment of outstanding debts from other NHS bodies as they concentrated on their response to Covid-19
- the Trust continuing to pay its suppliers on a timely basis to ensure they were still able to operate during the pandemic

At the time of writing we have already received nearly £4m of the outstanding debt in the new financial year.



2.2.3.6 Better Payments Practice Code

The Trust is required to comply with the Better Practice Payment Code (BPPC). The Code requires organisations to pay 95 per cent of suppliers within 30 days of receiving a valid invoice. The cumulative position, illustrated below, shows that we under-achieved the target by volume by 4 per cent (2018/19 – under-achieved by 7 per cent) and over-achieved the target by value by 1 per cent (2018/19 – under-achieved by 15 per cent).



2.2.4 Sustainability

2.2.4.1 Background

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of the rising cost of natural resources. Demonstrating that we consider social and environmental impact ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met. We acknowledge this responsibility to our patients, local communities and the environment by working hard to minimise our footprint.

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34 per cent (from a 1990 baseline) equivalent to a 28 per cent reduction from a 2013 baseline by 2020. It is our aim to meet this target by reducing our carbon emissions 28 per cent by 2020/21 using 2007/08 as the baseline year.

In 2019 we confirmed our organisational lead for Sustainability as the Associate Director of Integrated Business Services, and our participation in the East of England regional work to promote a sustainable NHS.

2.2.4.2 Policies

In order to embed sustainability within our business HCT plans to develop a Green Plan (formerly known as Sustainable Development Management Plan or SDMP).

The organisation has identified the need for the development of a Board approved plan for future climate change risks affecting our area.

2.2.4.3 Partnerships

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

We currently have strategic sustainability partnerships with:

- Herts Valleys CCG
- East and North Herts CCG
- East and North Hertfordshire NHS Trust
- Hertfordshire Partnership University Foundation Trust
- Hertfordshire County Council
- West Hertfordshire Hospitals NHS Trust
- Primary Care Networks
- Interserve

- Veolia
- SRCL Limited
- Hertfordshire Independent Living Service (HILS)
- Institute of Healthcare Engineering and Estate Management (IHEEM)
- Health Estates and Facilities Management Association (HEFMA)

2.2.4.4 Performance

Note: The submission of data for 2019/20 has been delayed due to Covid-19 and will not be published until later in the year.

Organisation

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

	2017/18	2018/19
Total Gross Internal Floor Space	34,009 m^2	34,009 m^2
Total Number Staff Employed	2,800	2,750

Energy

Hertfordshire Community Trust spent £330,684 on energy in 2018/19, a 46 per cent decrease from the previous year.

	2017/18	2018/19
Electricity Consumed (kWh)	1,658,599	1,895,048
Gas Consumed (kWh)	5,147,357	4,795,612
Total (kWh)	**6,805,956**	**6,690,660**

Waste

Hertfordshire Community Trust spent £136,718 on waste services in 2018/19, a decrease of 53 per cent from the previous year.

	2017/18	2018/19
Alternative Treatment - Clinical (tonnes)	N/A	91.69
Incineration (tonnes)	127.65	274
Offensive Waste (tonnes)	N/A	3.02
Domestic Waste - Recycling (tonnes)	98.53	68
Landfill Disposal (tonnes)	97.88	0
Total (tonnes)	**324.06(*)**	**436.71**

Note: (*)'Alternative Treatment' and 'Offensive Waste' data are categories introduced since 2017/18 The total figure for 2017/18 does not include these figures.

Social Value

Collectively, as an organisation, we recognise the contribution that commissioning, procurement and commercial services can have in delivering sustainability and social value, and our duty under the Public Services Value Act.

Adaptation

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

- Heatwave Plan
- Cold Weather Plan

2.2.5 Equality, diversity and human rights

Hertfordshire Community NHS Trust is committed to delivering services that are responsive to and fully meet the diverse needs of our communities, patients and service users in order to improve health outcomes.

In addition, in line with our 'great place to work' strategic objective, we aspire to be a Trust that celebrates difference and to create a culture of inclusion, valuing the unique contribution of all our staff.

2.2.5.1 Our achievements in 2019/20

Evaluating and Reporting on our Equality Performance

Equality Delivery System (EDS2)

In 2019, we undertook a full review of our Equality Delivery System (EDS2) outcomes. The EDS2 is intended to help NHS organisations deliver better outcomes for their patients and communities, as well as improving the working environment for staff. It covers eighteen outcomes (nine relating to services and the other nine for workforce) against which we assess and grade our equality performance, with staff and external stakeholders.

Overall, the Trust was found to be developing in 9 areas and achieving in 9 areas, with no areas found to be under-developed. This outcome was reviewed by the Trust Board and actions were developed and agreed with the stakeholder groups to address the gaps.

Workforce Race Equality Standard (WRES)

The national NHS Workforce Race Equality Standard (WRES) is designed to improve the representation and experience of Black Asian and Minority Ethnic (BAME) staff at all levels of the organisation. There are a total of nine indicators that make up the WRES, split across workforce data, the national NHS Staff Survey and Trust Board of Directors composition.

Our WRES report showed improvements against five indicators compared the

previous year, including fewer staff experiencing bullying and harassment from other staff, and more BAME candidates being recruited into jobs, reflecting the work we have undertaken on fair recruitment practices and unconscious bias training. These results were reviewed by the Trust Board and a plan was put in place to address the areas of deterioration.

Workforce Disability Equality Standard (WDES)

In 2019, we published our first Workforce Disability Equality Standard (WDES) report. The WDES is a set of ten specific measures (metrics) that enables NHS organisations to compare the experiences of disabled and non-disabled staff.

This showed that people with a disability are less likely to be at our most senior management levels or within our medical workforce, although candidates with a disability are equally likely as those without to be appointed into posts. This information was reviewed by the Trust Board of Directors and used to develop actions to enable us to provide a more inclusive environment for disabled people working with us.

Gender Pay Gap Report

In March 2020, we published our third Gender Pay Gap report. As an employer with over 250 staff we are required by law to carry out Gender Pay reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Trust mean gender pay gap (the difference between men's and women's average hourly pay) was 11.1 per cent, an improvement of 1.1 per cent since the previous year and better than the national average of 16.2 per cent. Our median gender pay gap was 1.45 per cent, improved by 0.75 per cent since last year, comparing very well with the 17.3 per cent national average. As with many organisations, gender pay gaps arise because a larger proportion of men are found in senior positions.

Meeting the Needs of our Patients and Service Users

Equality and Community Engagement Forum

Our Equality and Community Engagement Forum is where we meet and plan service improvements with a wide range of representatives from community organisations in Hertfordshire. The principle of community engagement is an essential component of our patient experience strategy and approach.

Community and Engagement Forum members include representatives from the Herts Interfaith Forum, the deaf community, Gypsy and Traveller Empowerment Hertfordshire (GATE), Terrence Higgins Trust/Herts AID, Carers in Herts, Healthwatch Hertfordshire, Community Development Action and MIND. The Forum has a positive and progressive approach where diversity is embraced and difficult issues are discussed.

The Forum has been involved in the refresh of the Trust's survey for people who make a complaint, FFT comment cards and learning disability action planning. The Forum also helped us to review our EDS2 performance and actions.

Religious Beliefs

Our Care Plans recognise the diverse needs of the patient/carer and include all aspects of an individual's life where support might be required, for example, psychological, physical and spiritual or religious. Multidisciplinary Team and Gold Standard Framework meetings are used to discuss a patient's preferences and wishes, and ensures that everyone likely to care for that person has knowledge of the spiritual and/or religious issues important to them so they are more likely to be met. Through our engagement with Herts Interfaith Group, Cultural Cards are now available on our wards. These aim to raise awareness of the diverse cultures and communities of the county to assist with service planning and delivery of personalised care.

Interpreting support for patients

The Trust recognises the diversity within the local population and we are committed to providing effective communication with non-English speakers, people for whom English is a second language and patients with a sensory impairment who require communication support. The Trust commissions a confidential translation and interpreting service to ensure that patients, their families and carers are provided with appropriate communication support when accessing our services. In the last financial year there were 1,520 interpreting and over 120 British Sign Language sessions fulfilled. We aim to ensure that all patient information leaflets, booklets and posters state that patient information can be made available in Braille, large print or audio versions.

Improving the care of people with learning disabilities

We aim to ensure the best outcomes for people with learning disabilities by working in partnership with individuals and their families and carers. We have a number of initiatives in place to support this:

- We identified Board leads and have started a refresh of our learning disability improvement plan, led by our Clinical Director for Dentistry
- We train staff on meeting the diverse and complex needs of people with learning disabilities
- We have developed a resource pack which includes information on how patients and staff can access specialist advice from Hertfordshire County Council's Learning Disability Team
- HCT is a key partner in the county-wide Purple Star strategy, which promotes equitable health care for people with learning disabilities by using the Purple Folder; appointing Learning Disability Champions; working with the Council's learning disability team and providing accessible information
- Easy-read Friends and Family Test comment cards are available for use by all HCT services to enable patients with learning disabilities to provide feedback about the care they have received
- HCT has actively participated in the Hertfordshire-wide Improving Health Outcomes Group for Learning Disabilities

Rainbow Badges

In the autumn of 2019, we signed up to the NHS Rainbow Badge scheme, which provides a visible confirmation that the Trust is a non-judgemental and inclusive place for the LGBT+ community, through staff wearing a rainbow badge. LGBT+ represents lesbian, gay, bisexual and transgender with the + representing inclusivity of all identities regardless of how a person defines themselves.

Research undertaken by the LGBT+ charity Stonewall reported that one in seven LGBT+ people said they have avoided healthcare treatment for fear of discrimination. Rainbow badges have been introduced within the Trust to increase awareness and help to improve the experience of healthcare for LGBT+ people, supporting both their physical and mental health.

Equality Analysis

The Trust continues to analyse the effect of any policy, service, function, on staff or patients from the nine protected characteristics. A new template was developed for equality analysis (EA) in 2018 with new guidance for completing them in order to enable more consistent and better quality EAs to take place. Our EA process allows us to establish whether there is a negative or positive effect or impact on a particular protected group and take action to remedy any adverse impact.

Meeting the Needs of our Staff

Disability Confident Employer

The Trust has achieved Level 2 Disability Confident Employer status under the Disability Confident scheme. This supports employers to make the most of the talents disabled people can bring to the workplace, by helping them to successfully recruit and retain disabled people and those with health conditions.

Under the scheme, where applicants have a disability, as defined under the Equality Act 2010, they are guaranteed an interview subject to meeting the essential criteria for the job. In addition, HCT is required to support our staff with a disability, including making reasonable adjustments for them in their jobs. We have numerous examples of making adjustments for staff, from providing them with specialist equipment or altering their hours to better meet their needs, through to redeploying them into different roles that make use of their skills which enables them to continue working for us.

BAME Network

We launched our BAME (Black, Asian and Minority Ethnic) staff network in August 2019. The very successful launch event was accompanied by a strong social media campaign. This network is important to promote inclusion and help give our BAME staff a stronger voice in the organisation, including acting as a focus group to give views on Trust actions and developments.

Through these sessions, our staff can discuss their experience of working in the NHS and support each other on the issues they face, through providing leadership, advice and best practice. The network has also celebrated multi-cultural events such as

Black history month, and the Network Chair has been involved in wider Trust activities such as joining Stakeholder Panels for Board of Directors level recruitment.

Reverse Mentoring Scheme

The Trust introduced a Reverse Mentoring Scheme at the end of 2019. This scheme aims to help senior managers to learn and see issues from the perspective of others. The scheme is being piloted with Executive Team members, who have been paired primarily with BAME mentors. Training for both mentors and mentees was provided and monthly mentoring meetings are now taking place. Following this initial pilot, the plan is to roll this out more widely. This is part of the Trust's staff engagement and leadership development approach.

Flexible working

The Trust has had a Flexible Working Policy in place for many years and supports a wide range of flexible working patterns to enable staff to balance their working lives with their out of work commitments. This report shows that over 51 per cent of our staff work part-time hours, whilst we also have other full-time staff on staggered hours or other working patterns to meet their needs. Our flexible working also enables staff to work patterns that support their religious beliefs, with examples of teams rostering around the Sabbaths of different faiths, flexing shifts to take account of those who need to fast (Eid and Ramadan) and accommodating annual religious holidays and retreats.

Policy Developments

Over the last year or two we have introduced a number of Trust policies relating to promoting inclusion and supporting our staff. These include:

- Our Conflict Resolution and Challenging Behaviour Policy – developed to provide staff with information on the processes and support available where they experience difficulties, challenging or anti-social behaviour from patients and their family members.
- Our Staff Mental Health Wellbeing Policy – developed in 2019 to promote mental health awareness for staff, including practical guidance for managers based on best practice.
- Our Domestic Abuse Policy – introduced in January 2020 to provide guidance and support to staff impacted by domestic violence, which can in turn affect their mental and physical health.

We also reviewed our Equality and Diversity, Sickness Absence Management, and Stress Prevention and Management policies and updated them in line with best practice.

Our reports and plans to further promote diversity and inclusion can be found on our website at: https://www.hct.nhs/uk/about-us/equality-and-diversity.

Performance report signed by the Chief Executive

Clare Hawkins
Chief Executive
22 May 2020


NHS

3 Accountability Report

3.1 Corporate Governance Report

This section of the Annual Report explains the composition and organisation of the Trust's governance structures and how they support the achievement of the Trust's objectives.

3.1.1 Director's Report

3.1.1.1 The Board of Directors 2019/20

The Trust Board of Directors, as at 31 March 2020, consists of an Interim Chair (appointed in March 2020), three Non-Executive Directors (appointed through NHSE/I) and four voting Executive Directors including the Chief Executive. The Board of Directors is supported by a non-voting Non-Executive Director (associate) and two non-voting Executive Directors.

The Board of Directors is responsible for setting and developing the strategic direction of the Trust, sustaining business viability and holding the Executive Directors to account for all aspects of the Trust's activities, including quality and safety of patient services, financial management and legal compliance. The role also includes seeking assurances from the Executive Directors that risks to the Trust are being appropriately assessed and managed.

In 2019/20, the Hertfordshire Community Trust (HCT) Board of Directors met formally in public on five occasions between May 2019 and January 2020. Due to the Covid-19 pandemic the March Board was held virtually with no public in attendance. The Annual General Meeting to present the 2018/19 Annual Report and Accounts was held on 19 June 2019.

The Board of Directors has a duty to operate in a way that is transparent and to comply with best practice in probity. To this end, the Board of Directors signs up annually to following the Nolan principles of good governance, the NHS Code of Conduct and Accountability, the NHS Code of Openness and the NHS Constitution. The Board of Directors has also subscribed to principles of board etiquette as set out in the NHS Integrated Governance Handbook.

Throughout 2019/20, the Board of Directors has continued to undertake a programme of collective and individual development. The Board of Directors regularly hears specific stories from, or about, individual patients or services at the start of its meetings in public. Briefing and development sessions are bi-monthly to provide Board members with dedicated time to increase their strategic understanding, develop specific areas of knowledge related to the Trust's services and the environment in which it operates, and for strategic planning.

The voting members of the Board of Directors also act as the corporate trustees for HCT's charitable funds, for which a separate report and accounts are published.

3.1.1.2 Changes to the Board of Directors in 2019/20

The following changes to the Board of Directors occurred in 2019/20:

Month	Changes
April 2019	• Dr Elizabeth Kendrick appointed Medical Director (acting) • Dr Hari Pathmanathan appointed Board Special Advisor
June 2019	• Luke Edwards joined as non-voting, non-executive Director (associate)
July 2019	• Alan Russell relinquished the role of Deputy Trust Chair • Dr Linda Sheridan appointed as Deputy Trust Chair • Sam Tappenden appointed Director of Strategy (acting)
September 2019	• Declan O'Farrell, Trust Chair completed maximum term • Brenda Griffiths non-executive Director designate resigned
October 2019	• Lesley-Anne Alexander appointed as Trust Chair • Dr Elizabeth Kendrick appointed substantive Medical Director • Marion Dunstone role title change from Director of Operations to Chief Operating Officer • Dr Hari Pathmanathan Board Special Advisor resigned
November 2019	• Sam Tappenden appointed substantive Director of Strategy
January 2020	• Raj Bhamber, Interim Director of Organisational Development completed fixed term contract
March 2020	• Anne McPherson, non-executive Director resigned after maximum term and subsequently appointed as Board Advisor • Alan Russell, Non-Executive Director and Senior Independent Director, resigned after maximum term • Lesley-Anne Alexander resigned • Linda Sheridan appointed Trust Chair (Interim) Jeff Phillips appointed Senior Independent Director

3.1.1.3 Board of Directors and committee meeting attendance 2019/20

In 2019/20, the Trust Board of Directors was supported by the following committees, with membership and attendance records for meetings in 2019/20 as indicated (number attended/total meetings held in year eligible to attend as a committee member).

Committee:	Trust Board of Directors	Audit Committee	Healthcare Governance	Strategy & Resources	Remun-eration	Charitable Funds Trustees	Charitable Funds Committee
Chair and Non- Executive Directors							
Total no. of meetings held in Year:	***6***	***5***	***5***	***11***	***3***	***1***	***3***
Declan O'Farrell (*) Trust Chair	*(3/3)*	*(1/2) Non Member*	*(0) Non Member*	*(5/6) Non Member*	*(2/2) Member*	*(0) Member*	*(1/2) Non Member*
Lesley-Anne Alexander (*) Trust Chair	*(1/2)*	*(0) Non Member*	*(1) Non Member*	*(5/5)[1] Non Member*	*(1/1) Member*	*(0) Member*	*(1/1) Non Member*
Dr Linda Sheridan (*) Trust Chair (Interim)	*(6) Member*	*(4/5) Non Member*	*(5) Member*	*(11) [1] Chair*	*(0)[4] Non Member*	*(1) Member*	*(3) Chair*
Alan Russell (*) Non-Executive Director	*(6) Member*	*(0) Non Member*	*(0) Non Member*	*(7) [1] Member*	*(0) Non Member*	*(1) Member*	*(0) Non Member*
Anne McPherson (*) Non-Executive Director	*(5) Member*	*(5) Member*	*(5) Chair*	*(8) [1] Member*	*(3) Chair*	*(1) Member*	*(0) Non Member*
Jeff Phillips (*) Non-Executive Director	*(6) Member*	*(5) Chair*	*(4) Member*	*(11) [1] Member*	*(3) Member*	*(1) Member*	*(3) Member*
Brenda Griffiths Non-Executive Director (designate)	*(3/3) Member*	*(3/3) Member*	*(2/2) Member*	*(4/6) Member*	*(0) Non Member*	*(0) Member*	*(0) Member*
Luke Edwards Non-Executive Director (associate)	*(4/5) Non-Voting Member*	*(0) Non Member*	*(0) Non Member*	*(5/9) Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*

Committee:	Trust Board of Directors	Audit	Healthcare Governance	Strategy & Resources	Remun-eration	Charitable Funds Trustees	Charitable Funds Committee
Executive Directors							
Total no. of meetings held in Year:	***6***	***5***	***5***	***11***	***3***	***1***	***3***
Clare Hawkins (*) Chief Executive	*(6) Member*	*(2) Non Member*	*(2) Non Member*	*(9) [1] Member*	*(2) Non Member*	*(1) Member*	*(1) Non Member*
David Bacon (*) Director of Finance	*(6) Member*	*(3) Non Member*	*(0) Non Member*	*(10)[1] Member*	*(0) Non Member*	*(1) Member*	*(2) Member*
Dr Elizabeth Kendrick (*) Medical Director	*(4) Member*	*(0) Non Member*	*(3) Member*	*(5) [3] Non Member*	*(0) Non Member*	*(1) Member*	*(0) Member*
Marion Dunstone Chief Operating Officer	*(4) Non-Voting Member*	*(0) Non Member*	*(3) Member*	*(9) [1] Non Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*
Raj Bhamber Interim Director of Organisational Development	*(0/5) Non-Voting Member*	*(0) Non Member*	*(0) Member*	*(1/10) Member*	*(2/3) Non Member*	*(0) Non Member*	*(0) Non Member*
Sarah Browne((*) Director of Nursing & Quality	*(5) Member*	*(0) Non Member*	*(3) Member*	*(8) Non Member*	*(0) Non Member*	*(1) Member*	*(0) Non Member*
Sam Tappenden Director of Strategy	*(5/5) Member*	*(0) Non Member*	*(0) Non Member*	*(7/8) [2] Non Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*
Board Special Advisors							
Dr Hari Pathmanathan	*(0/3) Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*	*(0) Non Member*

Notes:
(*) = Voting Board member

(1) The Strategy & Resources Committee in February 2020 was split into two parts (A and B) to discuss business mirroring the new governance structure agreed for 1 April 2020. Part A reviewed Strategy Engagement and Planning and part B reviewed People Performance and Finance - these board members attended both parts A and B.

(2) The Strategy & Resources Committee in February 2020 was split into two parts - these board members attended only part A.

(3) The Strategy & Resources Committee (SRC) in February 2020 was split into two parts - these board members attended only part B.

(4) Dr Linda Sheridan became a member of the Remuneration Committee on her appointment as Trust Chair (Interim) which will be reported from April 2020 onward.

3.1.1.4 The Trust Board of Directors as at 31 March 2020

(= voting member)*

Dr Linda Sheridan (*)
Interim Chair

Linda was appointed as a non-executive director in June 2013. She qualified as a doctor from Trinity College, Dublin and moved to the UK for post-graduate training in general practice. Linda worked in primary care in Bedfordshire for over 15 years before training to be a public health medicine consultant. She worked in that capacity in London, Hertfordshire, Cambridgeshire, and more widely across the East of England region. She retired from her post as Deputy Regional Director in March 2013.

During her time as a clinician, Linda has led many programmes aimed at improving the quality and resilience of health services, including GP prescribing, diabetes care, cancer screening, child health, maternity services, healthcare associated infection, emergency planning, the 2009 flu pandemic and NHS preparedness for the 2012 Olympic Games.

Committee membership

- Interim Chair – Trust Board of Directors
- Chair - Strategy & Resources Committee
- Chair - Charitable Funds Committee
- Member - Healthcare Governance Committee

Appointment history

- Appointed 1 June 2013 to 30 May 2017
- Reappointed in 2017 to 30 May 2019
- Extended in 2019 to 31 March 2020

Lesley-Anne Alexander
Chair (*) – Trust Board of Directors

Lesley-Anne was appointed Chair in October 2019. She has many years' experience in local government (housing and social services) and significant experience as both a chief executive and a non-executive director. She was the Group Chief Executive of RNIB from 2004 to 2016, leading the charity through a significant period of growth and direct engagement with blind and partially sighted people. In 2015 she was awarded the title of Britain's Most Admired Charity Chief Executive. Prior to this, she was Director of Operations at the Peabody Trust for six years. Lesley-Anne was also the Chair of ACEVO, the Association of Chief Executives of Voluntary Organisations, and was most recently a non-executive director of the Royal Brompton and Harefield NHS Foundation Trust. She holds a number of other

non-executive director roles including at Brevia Consulting, Big Society Capital and the Metropolitan Thames Valley Housing Trust.

Appointment history

- Appointed 1 October 2019
- Resigned February 2020

Alan Russell (*)
Non-Executive Director

Senior Independent Director (Voting member)

Alan was appointed as a non-executive director in April 2010. He was previously Managing Director of Logica Consulting UK and prior to that Managing Director of Atos Consulting and Chair of its global consulting board. Both companies engaged in complex transformational change programmes for public and private sector organisations. He was a Director of the Management Consultancies Association and President in 2005.

Committee membership and other responsibilities

- Senior Independent Director (SID)
- Chair - Partnership & Engagement Committee
- Member - Strategy & Resources Committee

Appointment history

- Appointed from 1 October 2010 to 31 March 2013
- Reappointed in 2013 to 31 March 2015
- Extended in 2015 to 31 March 2017
- Extended in 2019 to 31 March 2020

Jeff Phillips
Non-Executive Director (*)

Jeff was appointed as a non-executive director in September 2011. He has a degree in Economics and is a qualified accountant. He has had a wide and varied career in the telecommunication and chemical industries.

Jeff has also served as a non-executive director for Luton Community Services and was the founding chairman of CHUMS, a bereavement and trauma social enterprise based in Bedfordshire. He is also former Treasurer of Shelter. Jeff is Vice Chair of Governors at Manland Primary School in Harpenden and is a member of Hertfordshire County Council Schools' Appeals Panel.

Committee membership

- Chair - Audit Committee
- Member - Healthcare Governance Committee
- Member - Strategy & Resources Committee
- Member - Charitable Funds Committee
- Member - Remuneration Committee

Appointment history

- Appointed from 1 September 2011 to 13 May 2015
- Reappointed in 2015 to 13 September 2017
- Extended in 2017 to 13 September 2019
- Extended in 2019 to 31 March 2020

Anne McPherson MBE
Non-Executive Director (*)

Anne was appointed as a non-executive director in October 2010. She is a nurse and midwife with extensive board level experience. Anne was Chief Nurse for the former health authorities in Hertfordshire and held several other Director of Nursing posts, including at an integrated NHS trust. Anne was Executive Officer for the Nurse Directors Association and Associate Consultant for the International Hospitals Group where she was involved in commissioning new hospitals overseas. She is also a Specialist Advisor for the Care Quality Commission.

Anne has also served as a non-executive director for Dacorum Primary Care Trust and West Hertfordshire Primary Care Trust and as a Trustee for Isabel Hospice. She was also Independent Lay Chair for NHS England's Central Midlands and East Performers List Decision Panel. In January 2015 Anne was awarded the MBE for services to nursing and healthcare.

Committee membership and other responsibilities

- Chair - Healthcare Governance Committee
- Chair - Remuneration Committee
- Member - Audit Committee
- Member - Strategy & Resources Committee
- Non-executive director for Freedom to Speak Up
- Board lead for Patient Safety and Experience

Appointment history

- Appointed 1 October 2010 to 31 March 2013
- Reappointed in 2013 to 31 March 2015
- Extended in 2015 to 31 March 2017

- Extended in 2017 to 31 March 2019
- Extended in 2019 to 31 March 2020

Luke Edwards
Associate Non-Executive Director

Luke was appointed as an associate non-executive director in June 2019. He is Director of Fire and Resilience in the Home Office and previously worked for Lord Carter of Coles at NHS Improvement, undertaking a number of reviews aimed at improving the efficiency and effectiveness of health services, including community services. He has over 15 years' experience in a range of public services, including in the Home Office, Ministry of Justice, Revenue and Customs and the NHS. His previous roles include developing the payment by re-offending outcomes programme at the Ministry of Justice, managing the collection of student loans and being responsible for police finance and efficiency.

Committee membership and other responsibilities
- Member - Strategy & Resources Committee

Appointment history
- Appointed 25 June 2019 (unremunerated)

Declan O'Farrell CBE
Chair (until 30 September 2019) (*)

Declan was appointed Chair in February 2010. He was previously Chair of West Herts College in Watford for eight years from 2003, leading its transformation from a failing college to one with an Ofsted rating of Outstanding. Declan was also Chair of the Training and Enterprise Council in north west London and Chair of Business Link London. He was awarded a CBE in 2000 for services to businesses in London.

Declan is a qualified accountant who has held senior financial roles in Grand Metropolitan Group and London Transport. Whilst at London Transport he became Managing Director of a bus division which was then privatised and successfully listed on the London Stock Exchange. He has maintained an interest in public transport systems and in product development in music and retail marketing.

Declan has overseen the development of HCT's strategies in integrated service delivery and also represents HCT on the strategic oversight group for the development of the Hertfordshire and West Essex Strategic Transformation Partnership.

Committee membership

- Chair – Trust Board
- Member - Strategy & Resources Committee
- Member – Remuneration Committee

Appointment history

- Appointed from 1 October 2010 to 31 March 2013
- Reappointed in 2013 to 31 March 2015
- Extended in 2015 to 31 March 2017
- Extended in 2017 to 31 March 2019
- Extended in 2019 to 30 September 2019

Brenda Griffiths
Non-Executive Director (Designate) (until September 2019)

Brenda was appointed as a non-executive director (designate) in June 2013. A trained nurse, she worked in the NHS for 25 years until 2003 when she was appointed as an independent member of Hertfordshire Police Authority. She remained on the Authority until its abolition in 2012.

Brenda was Chair of the Standards Committee of Hertsmere Borough Council from 2005 to 2011. She is a member of St Bartholomew's Hospital League of Nurses. She sits on the local committees for both Peace Hospice Care Watford and the Royal Medical Benevolent Fund. In February 2016, Brenda was elected as Foundation Master of The Guild of Nurses in the City of London. Brenda is Chair of the Board of Trustees of the Company of Nurses Charitable Trust. She is an Associate Member of the College of Policing and acts as an Assessor for senior selection, promotion, graduate and direct entry candidates.

Committee membership and other responsibilities

- Member - Strategy & Resources Committee
- Member - Audit Committee
- Member - Partnership & Engagement Committee
- Member - Charitable Funds Committee
- Non-executive lead for frailty
- Non-executive lead for diversity and inclusion

Appointment history

- Appointed 1 June 2013 to 31 May 2015
- Extended in 2015 to 31 May 2017 (Honorary contract)
- Re-appointed in 2017 to 30 May 2019
- Extended in 2019 to 31 March 2020

Clare Hawkins
Chief Executive (*)

Clare was appointed as Chief Executive in October 2018, having been Acting Chief Executive for the previous year. She was previously Deputy Chief Executive and Chief Nurse.

Clare joined HCT as Director of Quality and Governance in March 2011. She is a Registered Nurse, District Nurse and Nurse Practitioner. Prior to joining HCT, Clare was Deputy Director and Director of Nursing and Quality at NHS Hertfordshire. She has held a number of other senior NHS management posts since 1995. Clare was seconded part-time to the nursing directorate at NHS Improvement from January 2017 to October 2018, providing community services advice and expertise to the national team, and continues to work with her professional networks.

Clare's particular areas of interest are patient safety and workforce development. She is the Trust's Director of Infection Prevention and Control.

Clare is working with the Hertfordshire and West Essex Sustainability and Transformation Partnership (STP), developing the clinical strategy and led the establishment of the STP's Clinical Oversight Group. She co-leads the East and North Hertfordshire Integrated Care Partnership.

Clare's portfolio

- Overall leadership of the Trust
- Chair of Executive Team and Staff Council
- Trust strategy
- Director of Infection Prevention and Control
- Strategic communications and engagement

David Bacon
Director of Finance (*)

David was appointed as Director of Finance in December 2018, having previously been Interim Director of Finance since July 2018.

David qualified as a Chartered Accountant in 1986 and joined the NHS in 1990 becoming Deputy Director of Finance of Leicestershire Health Authority in 1995. Between 2001 and 2010 he held Director of Finance and Turnaround Director posts in both the East Midlands and the East of England. Since 2010, David provided senior financial expertise to NHS organisations on an interim basis, working in a variety of senior roles for commissioners, providers and regulators across England in line management and project roles.

David holds an MBA and has completed the Strategic Financial Leadership Programme at Cass Business School. He is an active member of the Healthcare

Financial Management Association (HFMA). He chaired the National Accounting and Standards Committee for 10 years up to December 2019 and during that time was also chair of the HFMA's annual pre-accounts planning conferences and the HFMA's Finance Team of the Year Award judging panel. His work for the HFMA was recognised in April 2011 when he received an HFMA inaugural Key Contributor award.

David's portfolio

- Financial management
- Performance management
- Contract management
- Business planning
- Information management
- Clinical Systems
- Senior Information Risk Owner (SIRO)
- Estates
- Financial governance

Sarah Browne
Director of Nursing and Quality (*)

Sarah was appointed as Director of Nursing and Quality in February 2019 from Essex Partnership NHS Foundation Trust (EPUT), a combined mental health and community trust with services in Essex and Bedfordshire where she was Deputy Director of Nursing and Director of Infection Prevention and Control. Sarah was previously Acting Executive Nurse at South Essex Partnership University NHS Foundation Trust and she has worked at a senior level in the former Bedfordshire Community Health Services Trust.

Sarah brings a breadth and depth of experience to the Trust role. She has extensive experience of integrated community and mental health services, nursing and clinical leadership and workforce transformation across complex systems. She has worked at local, regional and national levels.

Sarah's portfolio

- Executive Lead and advisor for nurses and allied health professionals on the Trust Board of Directors
- Board lead for safeguarding
- Quality and governance
- Clinical leadership
- Patient safety
- Patient experience
- Deputy Director of Infection Prevention and Control
- Executive director for Freedom To Speak Up

- Executive lead for mental health and learning disability (joint with Medical Director)

Dr Elizabeth Kendrick (*)
Medical Director

Dr Elizabeth Kendrick was appointed as Medical Director in October 2019, having previously been Acting Medical Director and Deputy Medical Director.

Dr Kendrick has been a GP for 15 years. She works as a GP in Buntingford and also in a community role looking after older people in North Hertfordshire, working with community healthcare teams to reduce admissions to hospital, facilitate early discharge, and enabling people to stay as independent as possible for as long as possible. She was previously National Professional Advisor for older people to the Care Quality Commission. Prior to this, she was End of Life Lead for the North East and Commissioning Lead for the frail elderly for North Durham Clinical Commissioning Group.

Elizabeth's portfolio

- Executive lead and advisor for medical, dental and pharmacy professionals on the trust Board of Directors
- Clinical leadership
- Caldicott guardian
- Responsible Officer for medical revalidation
- Accountable Officer for controlled drugs
- Guardian for safe working hours
- Executive lead for learning from deaths
- Executive lead for medicines management
- Executive lead for mental health and learning disability (joint with Director of Nursing and Quality)

Marion Dunstone
Chief Operating Officer

Marion was appointed as Director of Operations in January 2016, having acted into the role for the previous six months, and became Chief Operating Officer in October 2019. Prior to this, Marion was General Manager for Children's and Young People's Services.

Marion has many years of experience in the NHS. She initially qualified and worked as a dietitian and has managed adult and children's services in hospitals and within the community.

Marion leads the operational delivery of adult and children's services across HCT

and is the emergency planning lead for the organisation.

Marion's portfolio

- Operational management
- Service transformation and improvement
- Emergency planning and resilience
- Communications with general practices and primary care networks
- Integrated care

Sam Tappenden
Director of Strategy

Sam was appointed Director of Strategy in November 2019, having previously been Acting Director of Strategy and Associate Director of Strategy and Transformation. He recently completed the regional NHS Accelerated Director Development Scheme (ADDS). Sam originally joined the Trust in 2014, working in both adult and children's and young people's services, leading on business planning and improvement projects.

Sam has also worked for Hertfordshire County Council and in the office of the Hertfordshire Police and Crime Commissioner's Office. From 2015 to 2018, Sam was a non-executive director of Hertfordshire Independent Living Service. He has also served as a Special Constable in the South Wales Police. Sam has an MSc in Public Management from the University of Birmingham.

Sam's Portfolio

- Business development
- Communications, engagement, and partnerships
- Digital and innovation
- Quality improvement
- Strategy development
- System transformation

3.1.1.5 The Board of Directors Register of Interests

The table shows the Board Members and their interests declared as at 31 March 2020 and interests declared by Board members who were in post during 2019/20.

Name	Position	Interests Declared
Dr Linda Sheridan (*)	Chair (Interim)	Team leader and peer reviewer for External Quality Assurance reviews of non-cancer screening services for the National Screening Programmes, Public Health England (Occasional role)

Name	Position	Interests Declared
		Daughter employed in Operations Directorate, NHS Midlands and East Part time Public Health Consultant with Cambridgeshire County Council supporting Covd-19
Alan Russell (*)	Non- Executive Director	Member of Herts Urgent Care
Anne McPherson (*)	Non- Executive Director	Specialist Adviser for the Care Quality Commission (CQC)
Jeff Phillips (*)	Non -Executive Director	School Governor, Manland School, Harpenden Lay Member HCC Schools Admissions Appeals Panel Member of Davenport House Patient Group, Harpenden Treasurer of the St. Albans and Harpenden Patient Group Director of Wyse Ltd
Luke Edwards	Non-Executive Director (Associate)	Director of Fire and Resilience, Home Office - primary employment
Clare Hawkins (*)	Chief Executive	Community Services adviser, NHSI Nursing Directorate Honorary Visiting Senior Clinical Fellow, University of Hertfordshire
David Bacon (*)	Director of Finance	Director and Owner of DB Interim Management Ltd a Personal Services Company providing consultancy and management services predominantly in the NHS
Dr Elizabeth Kendrick (*)	Medical Director	Salaried GP Buntingford Medical Centre Medical Advisory to Birdie App Husband works as a drug developer for GSK
Marion Dunstone	Chief Operating Officer	None
Sarah Browne (*)	Director of Nursing & Quality	None
Sam Tappenden	Director of Strategy	Wife works for Hertfordshire Partnership University Foundation Trust as Psychiatrist
Board Members in post during 2019/20		
Lesley-Anne (*) Alexander	Trust Chair	NED - Big Society Capital NED - Metropolitan Thames Valley Housing Association Stanton Alexander Ltd

Name	Position	Interests Declared
		Institute for Apprenticeships and Technical Education Meridian Water Regeneration Board (London Borough of Enfield) Metropolitan Housing Trust MicroLoan Foundation
Declan O'Farrell (*)	Trust Chair	Director: Castletown Corporation Limited Beatselecta Limited Director and Chairman of Catena Publications Limited
Brenda Griffiths	Non-Executive Director (designate)	Member East and North Herts NHS Trust Member Red House (Radlett) Patient Reference Group Husband employed by UCL on Royal Free Campus Foundation Master of The Guild of Nurse in the City of London Member of the Royal Free London NHS Foundation Trust Member of the Executive Committee of the Royal British Nurses Association Governor Trustee on the Voluntary Board of St Bartholomew's Hospital Chair of the Board of Trustees of the Company of Nurses Charitable Trust
Raj Bhamber	Director of People and Organisational Development (Interim)	Bhamber Estates Limited Trustee of Scotts Learning Disability OD & People Lead with NHSx and People lead with NHSE/I Trustee of The Staff College
Dr Hari Pathmanathan	Board Special Advisor	Partner, Bridge Cottage Surgery Ephedra Ltd (GP Federation) Director Bridge Cottage Pharmacy Ltd Director Vision Medicare Ltd.

Notes: See Board of Directors changes during 2019/20 in section 3.1.1.2

3.1.1.6 Audit

The Trust has an Audit Committee which is chaired by a financially qualified non-executive director and has two other Non-Executive Directors as members. As at 31 March 2020, membership is:

Chair: Jeff Phillips (Non-Executive Director)
Members: Anne McPherson (Non-Executive Director) (*)
One Non-Executive Director (vacant)

(*) Also Chairs the Trust's Healthcare Governance Committee and Remuneration Committee. Conversely, the Chair of the Audit Committee sits on the Trust's Healthcare Governance Committee.

The Audit Committee met five times in 2019/20, with four standing meetings and an extraordinary meeting to review the Trust's Annual Accounts, Annual Report, Quality Account and other mandatory submissions.

In 2019/20, internal audit services were provided by RSM and the external auditors were Grant Thornton UK LLP. The cost of external audit for work undertaken in 2019/20 was £43,650 plus VAT (2018/19 = £48.500 plus VAT). The external auditors have not undertaken any non-audit work which may have given rise to conflict of interest or compromised the audit function. As far as the Directors are aware, there is no relevant audit information of which the NHS body's auditors are unaware. The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

3.1.1.7 Personal data-related incidents

During 2019/20, the Trust had 1 lapse of data security that warranted reporting to the Information Commissioner's Office:

- October 2019 - Patient electronic record inappropriately accessed by a member of IT staff.

As at April 2020 the Trust has not received any further communication from the Information Commissioner's Office in relation to this incident. This incident came to the Trust's attention as a result of our robust process for auditing access to patient records held on SystmOne.

3.1.2 Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary

of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

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

Clare Hawkins
Chief Executive
22 May 2019

3.1.3 The Governance Statement 2019/20

3.1.3.1 Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

3.1.3.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Hertfordshire Community NHS 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 Hertfordshire Community NHS Trust for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts.

3.1.3.3 Capacity to handle risk

The governance structure within the Trust enables an embedded risk management approach across all corporate and operational services, with discussions being reflected at the key governance committees reporting directly to the Board of Directors.

This ensures identification, assessment, management and monitoring of strategic and operational risks at all levels. In addition, an annual audit cycle of governance due diligence is undertaken by the internal auditors who report to the Audit Committee and provide assurance on the efficacy of the Trust's governance programme. The annual audit cycle includes an audit of the risk management process, including escalation/de-escalation of risk to and from the High Level Risk Register and the impact upon the Board Assurance Framework (BAF).

The risk architecture/risk management process is supported by clearly-defined leadership roles in all levels of the Trust from staff to Board members. Every staff member is responsible for identifying, escalating and managing risks within their sphere of competency, supported by their managers, as outlined in the Risk Management Policy.

Managers are also required to demonstrate that appropriate control measures are in place and actions are being undertaken to mitigate negative risk and enable positive risk achievement, reporting to their respective lead Executive Director responsible for the aligned portfolio of services.

The Trust uses an electronic risk management system. All staff undertake generic risk management awareness training and an introduction to the electronic risk management system as part of their induction. Focused risk management training in risk assessment, recording, management and monitoring risk is arranged with all new staff relevant to their area of responsibility with refresher training provided for existing system users. In addition there is a programme of risk management, incident and patient experience training delivered in year with additional support provided directly to staff when requested. The training programme is also supported with guidance tools embedded into the electronic risk management system utilised by the Trust.

There are named key specialists within the Trust who offer further specialist risk management training and guidance to all Trust employees, including for health and safety, back awareness, patient handling training, infection prevention and control, safeguarding adults, safeguarding children and information governance. The Trust's annual training programme reflects this provision. Key elements are recorded within staff mandatory training records, a summary of which is monitored at Executive Team and Board of Directors level.

3.1.3.4 The risk and control framework

The Trust has a five year risk management strategy which is annually reviewed and refreshed at the Board. In 2019/20 a refresh of the policy was completed. In 2020/21 we plan a full review, to include the participation of the new Board members. This ensures both national and local changes in health and social care developments are given due consideration and informs both the strategy and implementation milestones.

Policies and standard operating procedures to support effective risk management in practice are developed, reviewed and refreshed in line with national guidance. They support the overall risk strategy and workforce and organisational development training programmes.

Risks to the achievement of the Trust's strategic objectives are identified by the Executive Team and entered on the Board Assurance Framework (BAF). The BAF is submitted for review and discussion by the Board of Directors, the Healthcare Governance Committee and the Strategy & Resources Committee. It is also assessed annually for 'fitness for purpose' by the Audit Committee.

Risks identified at business unit level are entered on business unit risk registers. Risks scoring 15 or over are then recorded on the High Level Risk Register (HLRR). Risks on the HLRR are linked to the BAF and those that are considered by the Executive Team to have a strategic impact are escalated to the Board of Directors.

Local risk activity is reviewed at service and business unit performance meetings and risk summits. High level risks are scrutinised further at executive Team and Board committees with a remit to challenge where appropriate and receive assurance on the efficacy of controls and actions.

Business unit performance reviews and focused reviews enable lessons to be shared in the identification and management of risk while supporting the alignment of resources to optimise the Trust's ability to achieve its objectives.

As at 31 March 2020, there were 99 risks being actively managed across all business units. The Trust's risk team works with risk owners to ensure they are being

reviewed, managed and updated appropriately.

The Board of Directors business cycle ensures there is oversight, review and challenge of both the High Level Risk register and the BAF.

Risk management is seen as an integral part of everyday clinical and non-clinical practice, supporting delivery of the Trust's strategic objectives.

As part of the Trust's Estates strategy and risk planning, consideration is made around the impact of our services on the environment and their contribution to climate change. Our risk assessment and mitigation processes take into account the UK Climate Projections 2018 and our responsibilities under the Climate Change Act. We continuously look to minimise the impact our services have on the environment and we will continue to adapt and enhance our reporting on environmental impacts.

Lessons learned from risks which materialise, plus sources such as complaints, claims, incidents and internal or external reports highlighting any areas of weakness, are shared throughout the organisation through a variety of communication tools, newsletters, bulletins, operational forums and film updates.

3.1.3.5 Workforce strategy

During 2019/20 we developed a new People Strategy with its five strategic workforce objectives, supported by our People Plan setting out our activities to deliver these objectives over the year.

We also developed our supporting workforce models and plans to take account of:

- Commissioner intentions and STP strategic plans to develop community services as part of the NHS Long Term Plan
- The Trust's Health and Wellbeing Strategy (combined clinical and quality strategy) and Adults and Children's service delivery models which are developed with wide clinical involvement
- The NHS National Quality Board's (NQB's) requirements, which ensure that the Trust:
    - must deploy sufficient suitably qualified, competent, skilled and experienced staff to meet care and treatment needs safely and effectively
    - must use an approach that reflects current legislation and guidance where it is available
    - should have a systematic approach to determining the number of staff and range of skills required to meet the needs of people using the service and keep them safe at all times
- Other supporting strategies, such as estates and information technology
- Service plans developed by multi-disciplinary teams which are based on relevant metrics, guidance and evidence-based tools where applicable
- Cost improvement plans developed by multi-disciplinary teams
- Other National policy developments

The Trust's annual People Plan, as part of the wider Operating Plan, is approved by

the Executive Team and then signed off by the Trust Board of Directors. Delivery of the People Strategy and Plan is monitored throughout the year by the People and OD Group, with a summary of progress reported to the Strategy & Resources Committee. This provides assurance that staffing governance processes are safe and sustainable and is also compliant with the National Quality Board (NQB) 2016 guidance which required the embedding of safe staffing within the Trust's governance arrangements.

3.1.3.6 Strategic risks

The strategic risks on the BAF as at 31 March 2020 were:

Risk Identification	Summary Description	Overall Risk Score
Financial 01	**National and local system-generated financial pressures** Pressures on financial resources available to the Trust and increasing number of contracts with financially linked KPIs may lead to: • Trust's inability to transform and implement productivity improvements at sufficient scale or pace to mitigate financial pressures • Financial penalties if KPIs are not met • Pressure on the ability to achieve financial balance and meet previously agreed control total • Trust developing a poor reputation • Inability to acquire new business and difficulties to renew the current contracts	**16** **(4x4)**
Quality and Regulatory 01	**Fundamental standards and regulatory compliance** The inability of Trust Services to embed and deliver continuous quality improvement to maintain current CQC rating and enable movement from good to outstanding may lead to inability for current good CQC rating, following formal inspection in 2018, to be maintained/improved which may result in potential: • Loss of confidence by key stakeholders including the local population, commissioners and partner organisations • Impact on the Trust's reputation for delivering safe, effective, well led care • Reduction in staff morale	**12** **(4x3)**
Corporate 01	**Workforce** Insufficient supply of workforce with the right skills and values potentially leading to difficulties in meeting current and future service needs impacting on the ability to deliver our vision, objectives and NHS Long Term Plan.	**15** **(3x5)**
Corporate 02	**Workforce** There is a risk that the current climate of external and internal pressure will have a negative impact on staff satisfaction, wellness and turnover.	**12** **(3x4)**

Risk Identification	Summary Description	Overall Risk Score
Corporate 03	**Not being able to evidence improved outcomes** Insufficient consistent reporting of clinical measure intervention and outcomes may lead to difficulties in demonstrating evidence-based clinical interventions potentially leading to queries about clinical effectiveness.	**9** **(3x3)**
Corporate 05	**Use of technology and cyber security** Underdeveloped/ineffective use of technology and Cyber Security Risks may result in having outdated or vulnerable technical systems and/or working practices thereby: • Hindering delivery of modern, effective healthcare and • Presenting barriers to: (a) efficiency or (b) operational viability/vulnerability or (c) market/competitive advantage leading to Trust's information being at risk and Trust's services/functions being compromised and impact healthcare delivery	**15** **(5x3)**
Corporate 06	**NHS Long Term Plan and the Hertfordshire and West Essex Integrated Care System (ICS)** Failure of HCT to meet the requirements of the NHS Long Term Plan, the emerging Hertfordshire and West Essex (HWE) Integrated Care System (ICS), and the emerging Integrated Care Partnerships (ICPs), which would impact on the ability of the Trust to deliver quality improvements for patients, the reputation of the Trust, and the ability to attract investment (including winning tenders) to support financial sustainability in light of rising demand.	**15** **(5x3)**

The overall risk score is calculated as the product of current likelihood and current impact. There is a maximum score of 25 for each rating. The following table shows the calculation formula used where the total score is the consequence multiplied by the likelihood:

	Likelihood score				
	1	2	3	4	5
Consequence score	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

3.1.3.7 Quality governance

The Healthcare Governance Committee monitors arrangements and seeks assurance on behalf of the Board of Directors in respect of the quality and safety of services provided by the Trust, including follow-up actions as necessary. These include:

- Standing reports on serious incidents and complaints, including follow-up actions
- Clinical audit and clinically-related internal audits
- Quality Improvement Plan
- Quality priorities for each year with action plans to achieve them
- Production and content of the Trust's Quality Account
- CQUINS
- Clinical policies
- CQC registration compliance
- Infection Prevention and Control
- Safeguarding
- Safe staffing levels
- Learning from Deaths
- Response to external reports and initiatives
- Monitoring progress against relevant action plans
- Assessment and challenge of quality information

The Healthcare Governance Committee also undertakes periodic operational reviews where specific services or specialties are reviewed in depth.

During 2019/20 the various committees supporting the Healthcare Governance committee were restructured to reduce duplication and improve governance. The Clinical Effectiveness Group and the Patient Safety and Experience Group became the Clinical Governance Sub Committee with associated forums as follows:

Group	Associated Forums
Clinical Governance Sub Committee	Medicines Management Clinical Effectiveness Equality & Community Engagement Safeguarding Adults Safeguarding Children Infection Prevention and Control Medical Devices Learning from Deaths Serious Incident Panel
Professional Clinical Leaders Group	Professional Forums: Nurses Allied Health Professionals Doctors and Dentists

In addition to the Healthcare Governance Committee Chair's Assurance Report, the Board of Directors receives quarterly quality reports and regular reports on complaints, incidents and safe staffing. Quality issues and risks also feature in the Director of Nursing and Quality and Medical Director's reports which are submitted to each Board meeting.

3.1.3.8 Data security

The Director of Finance, as the Trust's Senior Information Risk Owner (SIRO), has accountability for data security. In this role he is supported by the work of the Associate Director of Business Services, the Assistant Director of Governance and Business Support, the Assistant Director of Contracts, Analysis and Reporting, and the Head of Information Governance.

Management and control of data security risks is also undertaken by the Trust's outsourced IT service supplier. Oversight of data security is through the Trust's Information Governance Group, which reports to the Executive Team.

Risks to data security identified are, in common with other risks, entered on the appropriate risk register, as relevant to the risk.

3.1.3.9 NHS Provider Licence

Whilst NHS trusts are exempt from the requirement to apply for and hold the NHS Provider Licence, directions from the Secretary of State require NHS Improvement to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. This includes giving directions to an NHS Trust where necessary to ensure compliance. NHS Improvement base their oversight of all NHS Trusts and Foundation Trusts on the conditions of the NHS Provider Licence, using the NHS Oversight Framework.

In May 2019 the Board of Directors confirmed self-certification of compliance with NHS Provider Licence Condition 4. This included consideration of the principal risks to compliance and assurances regarding evidence, identification of risks and actions to mitigate these risks, as matched against the 20 prescribed statements which form the Licence Condition, particularly in relation to:

- The effectiveness of governance structures
- The responsibilities of directors and committees
- Reporting lines and accountabilities between the Board of Directors, its committees and the Executive Team
- The submission of timely and accurate information to assess risks to compliance with the conditions of the licence
- The degree and rigour of oversight the Board of Directors has over the Trust's performance

The Board of Directors concluded that HCT is compliant with the NHS Provider Licence.

3.1.3.10 The Well Led Framework

The Trust undertook a Well Led self-assessment against the CQC Well Led

Framework in November 2019, and commissioned a Well Led assessment by the Trust's internal auditor, which was completed in February 2020. A CQC inspection followed in February 2020 and their report published on 21 May 2020 confirmed HCT's rating of 'Good'.

3.1.3.11 Registration with the Care Quality Commission

The Trust is fully compliant with the registration requirements of the Care Quality Commission and currently holds a CQC rating of 'Good'. The previous inspection was in September 2018, with the February 2020 inspection report expected soon.

3.1.3.12 Managing conflicts of interest in the NHS

The Trust publishes 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 Board meeting in public receives a Board Governance update in July which includes the up-to-date Register of Interests. This is recorded in the publically posted minutes and in the end of year Annual Report. The Board of Directors Register of Interests is also posted on the Trust website and is updated whenever any changes or amendments are advised.

3.1.3.13 NHS pension scheme rules

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.

3.1.3.14 Modern Slavery Act 2015 - Transparency in supply chains

The Trust is aware that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse. The Trust is committed to maintaining and improving systems, processes and policies across the organisation to avoid complicity in human rights violation.

Our policies, governance and legal arrangements are robust, ensuring that proper checks and due diligence take place in our procurement and employment procedures to ensure compliance with this legislation.

3.1.3.15 Equality, diversity and human rights

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

3.1.3.16 Emergency preparedness, resilience and response

HCT works closely with partner agencies and external organisations across the healthcare economy to ensure resilience during times of disruption, regardless of the cause. Robust plans are in place to maintain critical services when interruptions occur, for example severe weather, infrastructure failures or disruption to transport. These measures are planned and put in place to provide safe care to both our

patients and our staff at all times. The Trust is proud to have maintained our fully compliant status with NHS England core standards requirement for emergency preparedness, resilience and response.

In March 2019 it became necessary to mobilise and respond to the arrival of the Covid-19 pandemic. As per national guidance we implemented our Emergency Preparedness, Resilience and Response (EPRR) business continuity plans. We established Command and Control arrangements, including arrangements for Strategic (Gold), and Tactical (Silver) incident command, with a number of command cells at operational (Bronze) level. A risk management review and updated risk register has been established. Board of Directors arrangements are in place to enable 'emergency' decisions to be made outside of scheduled Board meetings.

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

The Trust's financial performance is monitored at the monthly Strategy & Resources Committee. The committee monitors financial performance in its broadest sense and is concerned with the overall efficiency and effectiveness relating to the deployment of Trust resources. Further assurance is sought at the Trust Board of Directors.

The Trust's Audit Committee also performs a pivotal role in providing the Board of Directors with assurance on the use of resources. Each year the Audit Committee commissions the internal auditors to undertake reviews of key internal risks with a view to gaining assurance that there are sufficient and appropriate processes in place to demonstrate the economic, efficient and effective use of resources.

To ensure that the Trust is able to demonstrate the effectiveness of its services, it participates in local and national benchmarking exercises. The Trust is a member of the NHSE/I Model Hospital cohort for community trusts. This group enables the Trust to compare itself with peer organisations and share best practice to promote improvement.

The Trust has continued to participate in the national reference costs collection process. Issues with the national reporting collection process and the subsequent Covid-19 pandemic prevented the Trusts costs collection data being included in the latest national cost collection data set. The Trust has taken significant actions to strengthen and improve its costing arrangements during the year. It has taken a significant step forward by implementing service line reporting and was, until the Covid-19 pandemic, actively working to implement a Patient Level Costing System. The Trust is actively working with NHS E/I's Pricing and Costing Team to be one of the first community trusts within the NHS to be reporting on a patient level basis, before the national implementation requirement of 2021/22. The early implementation of this costing process (which the acute sector has already implemented) will enable the Trust to actively engage with its other STP partners.

3.1.3.18 Information Governance

Annual Governance Statement 2019/20

All information governance incidents are taken seriously and advice is taken as appropriate from the Medical Director, as Caldicott Guardian, and/or the Director of Finance, as Senior Information Risk Owner (SIRO). Incidents are fully investigated,

remedial action is taken and lessons learned are applied across the organisation.

The Trust's Information Governance Group, which includes the SIRO and Caldicott Guardian, reviews all data security incidents. Changes in practice have been made in some cases to minimise the risk of repetition, a standard operating procedure has been adopted across the Trust for the handling and processing of correspondence that includes Personal Confidential Data.

The Trust has achieved 'Standards Met' compliance for the Data Security and Protection Toolkit (DSPT) that replaced the Information Governance toolkit during 2018/19.

During 2019/20, the Trust had 1 lapse of data security that warranted reporting to the Information Commissioner's Office.

3.1.3.19 Annual Quality Account 2019/20

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

The Trust has a formal reporting process to collate the quality data (both quantitative and qualitative) which forms the basis of information provided in the end of year Quality Account. The quarterly quality report and Trust performance data is reviewed and validated internally through relevant performance and quality governance committees/groups, including the Executive Team, prior to sign-off. It is shared with our commissioners and is incorporated within our contract review meetings, thus ensuring external validation of all relevant data.

The Quality Account is developed through a robust process which commences early in Quarter 4 each year and involves input and oversight from the Executive Team and Trust Board of Directors. The draft Quality Account is shared with key stakeholders for comment, providing an external overview of its content and balance as well as agreement for the key quality priorities set out in the Account. The final version is signed off by the Executive Team and the Board of Directors. This year's Quality Account has been delayed due to the current Covid-19 situation and is due to be published in December 2020.

3.1.3.20 Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee, the Healthcare Governance Committee and other sources. Plans to address weaknesses and ensure continuous improvement of the system are in place.

3.1.3.21 The Head of Internal Audit opinion for 2019/20

The Head of Internal Audit opinion for 2019/20 is that:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

More specific actions were identified in the areas of Partnership and Subcontractor Risk Management and Health and Safety. The Trust is the process of implementing the actions to close the gap on the weaknesses identified. The Trust also has some overdue actions relating to the previous year's work covering estates; the Trust is actively resolving these outstanding actions as soon as possible.

3.1.3.22 Assurances as to the effectiveness of internal controls

Executive managers within the Trust who have responsibility for the development and maintenance of the system of internal control also provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- Internal audit reports and the Head of Internal Audit's opinion
- External audit
- Care Quality Commission (CQC) registration requirements and outcomes
- CQC inspection reports
- The Trust's monthly Integrated Business Performance Report (IBPR)
- Monthly Executive Performance Report (EPR)
- Minutes and papers of the Trust Board of Directors, Board committees and sub committees, including reports from Executive Directors as standing items
- Reports from the local counter-fraud specialist
- Submissions to, and feedback from, NHS Improvement (NHSI)
- Quality and contract review meetings with commissioners
- Board of Directors and Executive site visits and 'deep dives' into services
- Assurance reports from the chairs of groups which report to the Executive Team
- Compliance with the NHS Data Security and Protection Toolkit (DSPT)
- Board self-certification of compliance with NHS Provider Licence conditions GC6 and FT4

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee, Healthcare Governance Committee, Strategy & Resources Committee and the Executive Team.

The following have a role in maintaining and reviewing the effectiveness of the system of internal control:

- The **Board of Directors** has been actively involved in developing and reviewing the Trust's risk management processes including receiving and reviewing minutes and chair's observations from all committees which report to the Board of Directors. The Board also reviews the Board Assurance Framework, High Level Risk Register, Integrated Board Performance reports and Quality reports.
- The **Audit Committee** has been a directing force in relation to reviewing the framework of internal control particularly with regard to corporate risk, the Assurance Framework, the High Level Risk Register and counter fraud.
- The **Healthcare Governance Committee** is responsible for the governance and management of clinical risk, including ensuring compliance with regulatory standards and requirements, adoption of clinical policies and review of clinical aspects of performance, including incidents and complaints. The Committee also provided assurance to the Board of Directors in respect of patient safety, quality of services and patient experience and sought assurance as to the assessment of the quality impacts of cost improvement schemes.
- The **Strategy & Resources Committee** scrutinised current financial performance and future financial plans; reviewed financial, workforce and business risks; monitored that decisions involving finance, resources and assets were properly made to promote good financial practice throughout the Trust and received assurances that an integrated and holistic approach was taken to the use of all the Trust's resources for the delivery of the Trust strategy.
- The **Information Governance Group** reports to the Executive Team and is responsible for the governance and management of information associated risk and compliance with the Data Security and Protection Toolkit (DSPT).
- The **Executive Team** met weekly and operationally managed all areas of risk, including the risk and control framework. The Executive Team also populates and reviews the Board Assurance Framework and reviews the High Level Risk Register, as well as ensuring that key risks have been highlighted and monitored within their directorates and the necessary action has been taken to address them.
- **Internal Audit** has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee and endorsed by the Board of Directors. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management.
- **Clinical audit** is overseen by the Trust's Clinical Governance Sub Committee, which reports to the Executive Team and gives assurance to the Healthcare Governance Committee. The clinical effectiveness programme is also reported to the Trust's Audit Committee. Lessons learned from clinical audits are fed back to services and lessons of general application are disseminated through the Trust's Sharing Lessons in Practice (SLiPs) notices.

My review confirms that Hertfordshire Community NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and

objectives.

3.1.3.23 Conclusion

No significant control issues have been identified for 2019/20.

Clare Hawkins
Chief Executive
22 May 2020

3.2 Remuneration and staff reports

3.2.1 Remuneration report

3.2.1.1 Remuneration and the Remuneration Committee

The Trust's Remuneration Committee, which met 3 times during 2019/20, makes decisions to recommend to the Board of Directors on the remuneration, terms and performance related pay of the Chief Executive and Executive Directors on Very Senior Manager (VSM) terms and conditions. The Committee also reviews all severance payments as required by the NHS Improvement (NHSI) Accountability Framework, which applies to all employees at Executive Director level and below.

Membership of the Committee consists of:

- Anne McPherson - Non-Executive Director and Chair of the Remuneration Committee
- Declan O'Farrell/Lesley-Anne Alexander/Linda Sheridan – Chair
- Jeff Phillips – Non-Executive Director and Chair of the Audit Committee

The following may also be in attendance:

- Chief Executive
- Associate Director of People
- Executive Directors (except when their remuneration or terms and conditions of service are discussed)

During 2019/20, the main agenda items addressed by the committee were:

- Consideration of national guidance on remuneration for Non-Executive Directors
- Chair, Non-Executive Director and Executive Director recruitment processes
- Salary, terms and conditions for new Executive Directors (substantive and interim)
- One redundancy following the loss of contract with Herts Valleys CCG

The Chair and Non-Executive Directors are remunerated at rates prescribed by the Secretary of State for Health and Social Care. Executive Directors are remunerated as set out in the NHS Very Senior Managers (VSM) Pay Framework and senior managers are paid in accordance with NHS Agenda for Change pay scales.

Executive Directors are appointed on substantive, permanent contracts with remuneration overseen by NHS Improvement.

Where there is a temporary vacancy, an interim Director may be appointed. In the event of termination by the Trust, any payment due is paid in accordance with the reason for termination and the contract of employment.

During 2019/20, the Trust appointed a new Chair - Lesley-Anne Alexander - who commenced on 1 October 2019. However, she stood down on the 17 March 2020

due to other commitments and the Deputy Chair, Dr Linda Sheridan, took over as Interim Chair from this date.

Recruitment was carried out for two Non-Executive Directors, and Sarah Wren and Richard Roth were appointed to commence on the 1 April 2020. These appointments replace Alan Russell and Anne McPherson, whose maximum terms came to an end on the 31 March 2020. The Trust acknowledges the immense contribution made to the organisation by Declan, Anne, and Alan.

During the year, the Trust also made two new substantive Executive Director appointments:

- Medical Director - Dr Elizabeth Kendrick
- Director of Strategy - Sam Tappenden

Prior to these substantive appointments, acting-up arrangements by the subsequent appointees were in place to cover these posts during the recruitment process.

3.2.1.2 Fair pay disclosure

(This section was subject to audit and is referred to in the Auditor's Opinion).

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/member in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid Director/member in Hertfordshire Community NHS Trust in the financial year 2019/20 was £153,987 (2018/19 - £149,999). This was 7.43 times (2018/19-5.07) the median remuneration of the workforce, which was £20,727 (2018/19 - £29,608). *(This paragraph was subject to audit and is referred to in the Auditor's Opinion).*

In 2019/20, no (2018/19 - no) employees received remuneration in excess of the highest-paid Director/member. Remuneration ranged from £6,295 to £153,987 (2018/19 - £6,157 to £149,999). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

3.2.1.3 Compensation on early retirement or for loss of office and payments to past directors

(This section was subject to audit and is referred to in the Auditor's Opinion).

The Trust made no payments in respect of exit packages or severance payments to Directors in 2019/20 and no payments were made to past Directors.

3.2.1.4 Exit packages

(This section was subject to audit and is referred to in the Auditor's Opinion).

One exit package was agreed in 2019/20 and is set out in the table below. This related to a contractually obligated payment in respect of redundancy.

Exit package cost band (including any special payments)	Number of compulsory redundancies (Whole numbers only)	Cost of compulsory redundancies £s	Number of other departures	Cost of other departures Agreed £s	Total number of exit packages (Whole numbers only)	Total cost of exit packages £s	Number of departures where special payments have been made	Cost of special payment element included in exit packages £s
Less than £10,000	0	0	0	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	1	£25,112	0	0	1	£25,112	0	0
£50,001 to £100,000	0	0	0	0	0	0	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	0	0	0	0	0	0
Over £200,000	0	0	0	0	0	0	0	0
Total	1	£25,112	0	0	1	£25,112	0	0

3.2.1.5 Non-contractual exit payments

The Trust made no non-contractual exit payments in 2019/20. Non-contractual payments are those made without contractual or legal obligation, including those from judicial mediation.

3.2.1.6 Board of Directors Salaries and Pensions

(This section was subject to audit and is referred to in the Auditor's Opinion).

Board of Directors Salaries and Allowances 2019/20

2019/20			(a)	(b)	(c)	(d)	(e)	(f)
Name	Title	Dates	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
			£000	£00	£000	£000	£000	£000
Alan Russell	Non-Executive Director	1/4/19 - 31/3/20	5 - 10	0	0	0	0	5 - 10
Anne McPherson	Non-Executive Director	1/4/19 - 31/3/20	5 - 10	0	0	0	0	5 - 10
Jeff Phillips	Non-Executive Director	1/4/19 - 31/3/20	5 - 10	0	0	0	0	5 - 10
Dr Linda Sheridan	Non-Executive Director * with effect from 17th March took over as Acting Chair	1/4/19 - 31/3/20	5 - 10	0	0	0	0	5 - 10
Luke Edwards	Associate Non-Executive Director	1/6/19 - 31/3/20	0 - 5	0	0	0	0	0 - 5
Clare Hawkins	Chief Executive Officer	1/4/19 - 31/3/20	145-150	12	0	0	63-65.5	205-210
David Bacon	Director of Finance, Systems and Estate	1/4/19 - 31/3/20	105-120	85	0	0	27.5-30	135-140
Marion Dunstone	Director of Operations	1/4/19 - 31/3/20	100-105	9	0	0	40-42.5	145-150
Sarah Browne	Director of Nursing and Quality	1/4/19 - 31/3/20	100-105	18	0	0	42.5-45	145-150
Elizabeth Kendrick	Medical Director *was acting director until 31st October 2019	1/4/19 - 31/3/20	80-85	10	0	0	27.5-30	105-110
Sam Tappenden	Director of Strategy *was acting director until 31st October 2019	1/4/19 - 31/3/20	80-85	8	0	0	5-7.5	90-95

Salaries of individuals no longer in post at year end

2019/20			(a)	(b)	(c)	(d)	(e)	(f)
Name	Title	Dates	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
			£000	£00	£000	£000	£000	£000
Declan O'Farell	Chair	1/4/19 - 30/9/19	15 - 20	0	0	0	0	15 - 20
Lesley Alexander	Chair	1/10/19 - 16/3/20	15 - 20	0	0	0	0	15 - 20
Brenda Griffiths	Non-Executive Director	1/4/19 - 30/9/19	0 - 5	0	0	0	0	0 - 5
Antonia Robson	Acting Director of Business Services	1/4/19 - 30/9/19	40 - 45	0	0	0	7.5 - 10	40 - 45
Rajwant Bhamber	Director of Human Resources & Organisation Development	1/4/19 - 31/1/20	65 - 70	0	0	0	0	65 - 70

Board of Directors Salaries and Allowances 2018/19

2018/19			(a)	(b)	(c)	(d)	(e)	(f)
Name	Title	Dates	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
			£000	£00	£000	£000	£000	£000
Declan O'Farell	Chair	1/4/18 - 31/3/19	20 - 25	0	0	0	0	20 - 25
Alan Russell	Non-Executive Director	1/4/18 - 31/3/19	5 - 10	0	0	0	0	5 - 10
Anne McPherson	Non-Executive Director	1/4/18 - 31/3/19	5 - 10	0	0	0	0	5 - 10
Jeff Phillips	Non-Executive Director	1/4/18 - 31/3/19	5 - 10	0	0	0	0	5 - 10
Dr Linda Sheridan	Non-Executive Director	1/4/18 - 31/3/19	5 - 10	0	0	0	0	5 - 10
Brenda Griffiths	Non-Executive Director (Designate)	1/4/18 - 31/3/19	5 - 10	0	0	0	0	5 - 10
David Law	Chief Executive Officer	1/4/18 - 30/4/18	10-15	0	0	0	57.5-60	70-75
Clare Hawkins	Chief Executive Officer	1/4/18 - 31/3/19	145-150	0	0	0	57.5-60	205-210
Marion Dunstone	Director of Operations	1/4/18 - 31/3/19	100-105	0	0	0	37.5-40	140-145
Julie Hoare	Director of Service Development & Partnerships	1/4/18 - 28/2/19	105-110	0	0	0	47.5-50	155-160
Debbie Eyitayo	Director of Human Resources & Organisation Development	1/6/18 - 16/9/18	50-55	0	0	0	35-37.5	85-90
Dr John Omany	Medical Director	1/4/18 - 30/4/18	5-10	0	0	0	40-42.5	45-50
Phil Bradley *	Director of Finance	1/4/18 - 30/4/18	50-55	0	0	0	57.5-60	110-115
Kevin Curnow	Acting Director of Finance	1/4/18 - 3/5/18	10-15	0	0	0	15-17.5	25-30
Antonia Robson	Acting Director of Business Services	1/4/18 - 31/3/19	80-85	0	0	0	12.5-15	95-100
Patricia Wren	Acting Director Quality & Governance/Chief Nurse	1/4/18 - 31/12/18	75-80	0	0	0	25-27.5	100-105
David Bacon	Director of Finance	1/7/18 - 31/3/19	75-80	0	0	0	25-27.5	100-105
Rajwant Bhamber	Director of Human Resources & Organisation Development	4/9/18 - 31/3/19	55-60	0	0	0	25.27.5	85-90
Hariharan Pathmanathan	Medical Director / Deputy Chief Executive	3/9/18 - 31/3/19	50-55	0	0	0	0	55-60

Pension Benefits 2019/20

Pension Benefits of individuals in post at year end

2019/20									
Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31st March 2020 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31st March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 1st April 2019	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2020	Employers contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£00
Clare Hawkins	Chief Executive Officer	2.5-5	10-12.5	60-65	185-190	1293	118	1411	
David Bacon	Director of Finance, Systems and Estate	2.5-5	0 - 2.5	25-30	75-80	603	59	662	
Marion Dunstone	Director of Operations	2.5-5	2.5-5	40-45	95-100	731	64	795	
Sarah Browne	Director of Nursing and Quality	2.5-5	5 - 7.5	40-45	125-130	802	82	884	
Elizabeth Kendrick	Medical Director *was acting director until 31st October 2019	0 - 2.5	0 - 2.5	30-35	70-75	431	27	457	
Sam Tappenden	Director of Strategy *was acting director until 31st October 2019	0 - 2.5	0 - 2.5	5-10	0	35	15	50	

Pension Benefits 2018/19

2018/19									
Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31st March 2019 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31st March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 1st April 2018	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2019	Employers contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£00
David Law	Chief Executive Officer	0 - 2.5	0 - 2.5	55-60	150-155	1183	0	0	
Clare Hawkins	Chief Executive Officer	7.5 - 10	25 - 27.5	55-60	175-180	970	294	1293	
Marion Dunstone	Director of Operations	0 - 2.5	0 - 2.5	35-40	90-95	613	99	731	
Julie Hoare	Director of Service Development & Partnerships	5 - 7.5	7.5 - 10	45-50	130-135	800	1196	2131	
Debbie Eyitayo	Director of Human Resources & Organisation Development	0 - 2.5	0 - 2.5	35-40	85-90	552	8	595	
Dr John Omany	Medical Director	0 - 2.5	0 - 2.5	40-45	125-130	0	16	189	
Phil Bradley *	Director of Finance	0 - 2.5	5-7.5	55-60	170-175	1056	98	1321	
Kevin Curnow	Acting Director of Finance	0 - 2.5	0 - 2.5	15-20	0	113	6	178	
Antonia Robson	Acting Director of Business Services	0 - 2.5	0 - 2.5	15-20	0	114	4	169	
Patricia Wren	Acting Director Quality & Governance/Chief Nurse	0 - 2.5	60-62.5	25-30	165-170	651	0	0	
David Bacon	Director of Finance	20 - 22.5	55-57.5	25-30	75-80	0	453	603	
Rajwant Bhamber	Director of Human Resources & Organisation Development	15 - 17.5	42.5-45	25-30	75-80	0	341	596	
Hariharan Pathmanathan	Medical Director / Deputy Chief Executive	0 - 2.5	0 - 2.5	0	0	0	0	0	

Information on each director's period of employment is detailed in section 3.1.1.

3.2.1.7 Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.

3.2.1.8 Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

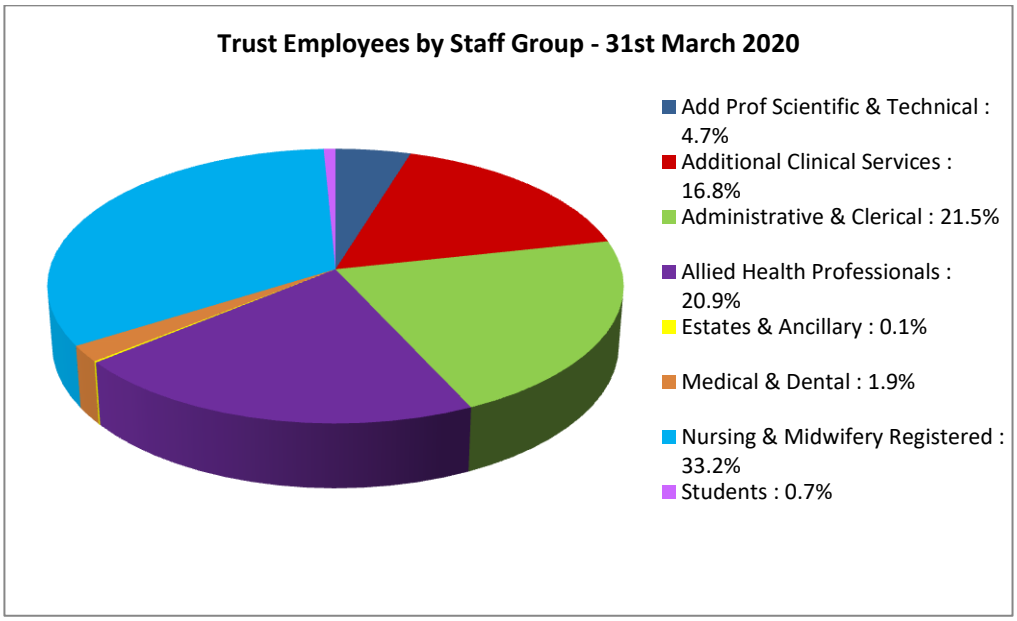
3.2.1.9 Pension liabilities

Pension liabilities are treated as payables in the accounts. The accounting policy refers to the treatment of pensions within the Trust's accounts.

3.2.2 Staff report

3.2.2.1 Staff Groups

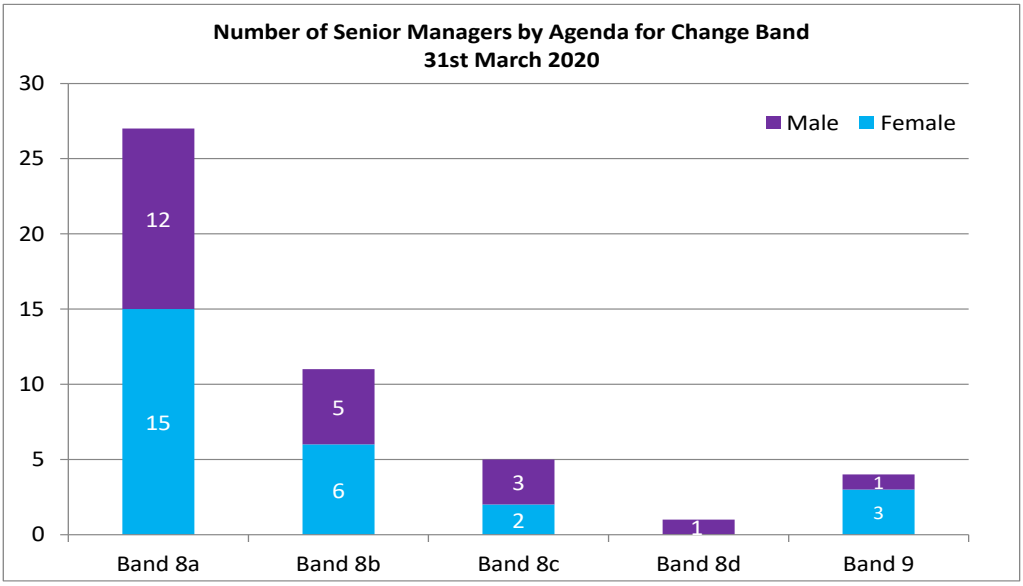
The breakdown of the Trust by staff group is shown below:



Staff Group by Headcount 31 March 2020	Substantively Employed
Nursing and Midwifery Registered	672
Allied Health Professionals	424
Administrative and Clerical	435
Healthcare Assistants and other Clinical Support	344
Professional Scientific and Technical	96
Medical and Dental	39
Student Health Visitors	15
Total	**2025**

3.2.2.2 Senior managers

For the purposes of the graph below a senior manager has been classed as a non-clinical member of staff in Agenda for Change Band 8a or above.



3.2.2.3 Staff by gender

Staff by Gender 31March 2020	Male	Female	Total
Directors	2	4	6
Senior Managers (Non-Clinical)	22	26	48
All other Staff	107	1,864	1,971
Total	**131 (6.5%)**	**1894 (93.5%)**	**2025**

3.2.2.4 The Trust Board of Directors and Executive Directors by gender

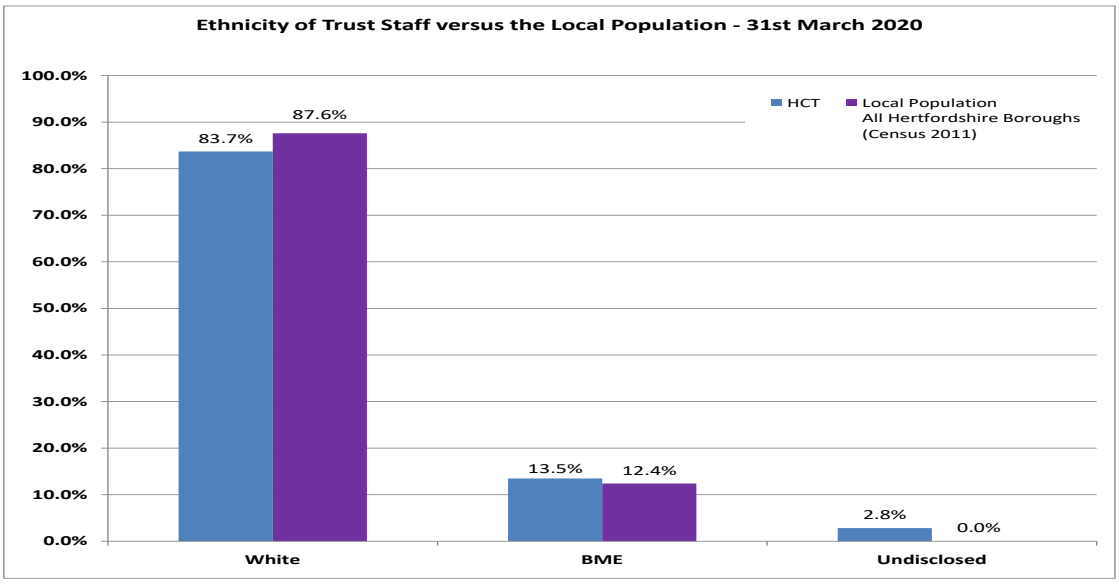
The mix of gender on the Board of Directors as at 31 March 2020 was as follows:

Trust Board and Executive Directors 31 March 2020	Male	Female	Total
Chair and Non-Executive Directors	3 60%	2 40%	**5**
Executive Directors	2 33%	4 67%	**6**
Combined	**5** **45%**	**6** **55%**	**12**

Note: Includes voting, non-voting and interim members.

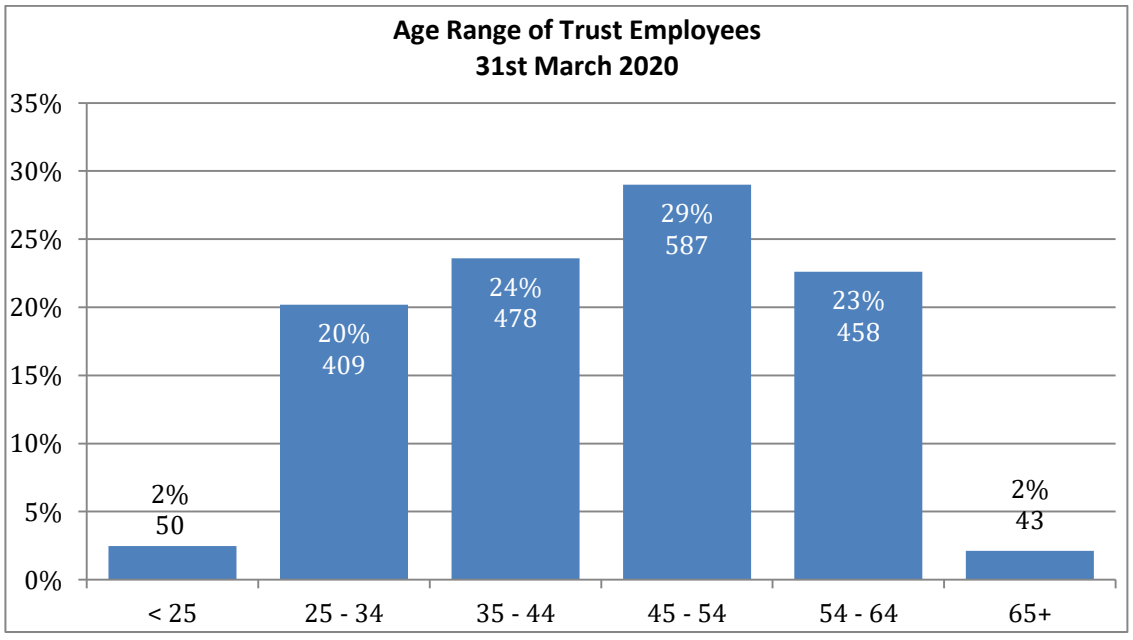
3.2.2.5 Staff by ethnic background

A breakdown of staff by ethnic background is provided below:



3.2.2.6 Staff by age band

The age breakdown of staff at 31 March 2020 was as follows:



3.2.2.7 Staffing cost analysis

(This section was subject to audit and is referred to in the Auditor's Opinion).

The tables below show the average number of staff throughout the year and the total costs of staff to the Trust as employer:

Staff costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	67,060	-	**67,060**	76,110
Social security costs	5,742	-	**5,742**	6,329
Apprenticeship levy	312	-	**312**	353
Employer's contributions to NHS pension scheme	8,640	3,902	**12,542**	9,749
Pension cost - other	26	-	**26**	2
Temporary staff	-	9,832	**9,832**	12,777
Total gross staff costs	**81,781**	**13,734**	**95,515**	**105,320**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**81,781**	**13,734**	**95,515**	**105,320**
Of which				
Costs capitalised as part of assets	301	-	**301**	254

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	27	3	**30**	31
Ambulance staff	8	-	**8**	-
Administration and estates	410	7	**417**	464
Healthcare assistants and other support staff	370	43	**413**	461
Nursing, midwifery and health visiting staff	657	33	**690**	771
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	443	-	**443**	542
Healthcare science staff	-	-	**-**	-
Social care staff	-	-	**-**	-
Other	14	-	**14**	14
Total average numbers	**1,929**	**86**	**2,015**	**2,283**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	-

3.2.2.8 Workforce vision

Our workforce vision aligns with our Trust strategic objective 'great place to work' and is set out in the 5 pillars of our People Strategy, to:

- Align and embed health and wellbeing culture consistent with our vision values and strategic goals.

- Develop and implement a workforce resourcing plan celebrating our employer brand and diversity.
- Invest in learning, leadership and team development to attract and retain talent.
- Co-design and implement new service and workforce models across the STP and Integrated Care Partnerships.
- Maximise use of technology to support productivity and efficiency.

This is supported by our annual People Plan which describes the activities we plan to undertake to achieve this vision.

3.2.2.9 Staff engagement

Staff engagement has continued to be a strong focus over the past year, with a strong emphasis on inclusion and staff involvement in the transformation and delivery of our innovative Adult and Children's service models designed to meet the needs of our patients and service users, along with the Trust's Corporate Services programme.

We undertook extensive staff engagement throughout the first six months of the year to support staff affected by the transfer of a proportion of our Adult services to an alternative provider under the TUPE Regulations following the outcome of a competitive procurement exercise.

We have launched our new Trust values, engaging with our people through a range of forums and events. This included our 'HCT Way' launch events, where we were able to share and co design the Trust's vision, values and strategic objectives. We worked with staff to agree a Staff Charter which describes our Trust employment offer. Each member of staff has the opportunity to reflect on how they demonstrate the Trust values as part of their annual appraisal process.

In autumn 2019 we introduced a new Staff Council, with representatives from a cross-section of staff groups to work with the Chief Executive on ways to deliver the 'great place to work' objective and improve staff experience. The Council has reviewed the annual staff survey results and is working on an action plan to address areas for improvement.

We launched our BAME (Black, Asian and Minority Ethnic) staff network in August 2019, with more than 30 staff engaging. The network has been highly active since its launch, with members providing reverse mentoring for our Executive Team and acting as facilitators for our culture focus groups. The network aims to promote inclusion and help give our BAME staff a stronger voice in the organisation, including influencing Trust changes and developments.

These two forums supplement our well-established Joint Negotiating Committee (JNC) and Medical Joint Local Negotiating Committee (JLNC), through which we engage regularly with union and professional association representatives on issues such as policy development, staff health and wellbeing and equalities, as well as in relation to organisational change and individual case management.

We communicate regularly with all our staff through our regular Chief Executive videos, all staff emails and our newly introduced monthly Team Conversations, which support our wide range of other established communication mechanisms, including

our programme of Board visits to services, professional forums, Clinical Matters and HCT Trust newsletter, local business unit bulletins, HCT Facebook and Twitter accounts and our weekly staff e-bulletin Noticeboard.

3.2.2.10 Staff recognition

We recognise and celebrate the fantastic achievements of our staff through a range of mechanisms, including through nominations for a range of external awards such as the prestigious Health Service Journal (HSJ) awards. In the 2019 HSJ awards we were delighted to win the category of Community or Primary Care Service Redesign for the introduction of our East and North Hertfordshire Referral Hub, and proud to be finalists in three further HSJ awards; two in the HSJ Value Awards (PALMS and adult acute therapies teams) and one in the HSJ Safety Awards (Paediatric A&E liaison system). This was in addition to success in the 2019 NHS Elect Patient Experience and Quality Improvement Awards, 2020 NHS Employers Advancing Healthcare Awards and 2019 Nursing Times Awards.

Internally, staff achievements are recognised through our annual Trust Leading Lights Awards, presented at our celebration event in June 2019. These awards include individual and team nominations under a range of categories, with all nominees being recognised for their achievements, and certificates and vouchers being presented to the winners and runners up. Long Service Awards were also presented at this event, recognising 25, 30 and 40 years of NHS service, along with recognition for our long serving retirees.

This annual event is supplemented by our HCT Superstars Awards, where staff nominated for their exceptional contribution are presented with badges and invited to a quarterly tea party. Around 350 HCT Superstars awards were made in the last year, reflecting the outstanding achievements of our staff. We commenced our celebrations for the International Year of the Nurse 2020 and are recognising nurses, health visitors, school nurses and healthcare assistants with a rolling programme of celebrations.

The Chief Executive posts her own Glimpses of Brilliance - examples of the excellent work being undertaken by our people in HCT and these are published in our Trust newsletter.

3.2.2.11 National Annual Staff Survey

The Trust runs the National Annual Staff Survey as a full online census of all staff. The percentage response rate to the 2019 survey was 70 per cent, compared to 55 per cent in 2018. This is an excellent achievement during a year of unprecedented organisational change and was a substantially higher response rate than the Community Trust average of 58 per cent, demonstrating a high level of staff engagement.

The results show a picture of strong improvement overall, with seven of the eleven themes statistically better than last year and no areas of deterioration.

When compared to the Community Trust average, we were better than average in three themes: Quality of Appraisals, Safe Environment - Bullying & Harassment and Safety Culture, and at the average for four themes: Equality, Diversity & Inclusion, Immediate Managers, Safe Environment - Violence and Team Working. For the remaining four themes we were below average (by 0.1 point).

We consider the staff survey results thoroughly and are now working with our Staff Council and JNC to develop plans to address areas requiring further development. At a team level services are also putting in place local actions for any areas of improvement needed in their own teams.

3.2.2.12 Pulse surveys

In addition to the annual National Staff Survey, we undertake quarterly Pulse surveys, three times a year. These comprise a number of core questions plus some 'hot topic' questions on areas of particular interest. Response rates are high for this type of survey, at around 25 per cent of the workforce each quarter.

The Pulse survey includes the staff Friends and Family Test questions, with stable results for the questions on staff recommending the Trust as a place to receive treatment. Staff recommending the Trust as a place to work declined over the first half of the 2019/20 to 47 per cent in Q2, due to the high level of organisational change being undertaken, and impacted by the pending TUPE transfer of around 600 staff. This improved markedly in the annual staff survey (which replaces the Q3 pulse survey), being back to 64 per cent. The Q4 Pulse survey has not been closed or analysed due to the Covid-19 pandemic.

3.2.2.13 Leadership development

The Trust is committed to continual leadership development through a comprehensive development programme which includes opportunities for training and induction, action learning sets, secondments, project work, coaching and access to regional strategic leadership programmes.

Development opportunities have been supported by a range of engagement events and forums where leaders have come together to network, celebrate good practice, learn and influence. HCT's annual leadership conference theme was "Thriving through Leadership" and was attended by 140 staff. This continues to be appreciated

as an opportunity for our leaders to come together to hear inspirational speakers, including a presentation from the winner of our 'Leading Lights Chair's Award for Leadership'

During the year, we have commenced a new Organisational Development programme in collaboration with NHS Improvement, using the Cultural Diagnostic Tool. We have engaged with our staff through focus groups and a leadership survey to gain initial insights into their view of the culture and leadership behaviours at the Trust. This information will enable us to establish a baseline of our strengths and areas for further development.

We updated our appraisal documents to reflect our new Trust values and to support our staff to discuss their career aspirations Work on a talent management framework is underway, and we have seen the successful promotion of a number of our staff, both internal and external to the Trust.

We work closely with STP partners, participating in the STP's Accelerated Directors Development programme and supporting the Hertfordshire County Council and NHS graduate schemes through an expanded range of placements. We were early adopters with our partners in delivering the local model of the Mary Seacole Leadership Academy Programme, designed to develop knowledge and skills of first-time leaders in healthcare. We have also worked with system partners on the development of a Herts and West Essex Health and Care Academy and portal.

3.2.2.14 Staff development

Over the last year, we have continued to build on our training programme with other Trusts and the University of Hertfordshire to develop the skills and competencies of our staff, enabling them to deliver new models of care and to support patients as partners in their own health.

Our clinical training programme for nurses in adult services continues to expand. We have trained more than 600 staff in our frailty education programme, creating a new one-day programme covering frailty, self-management and dementia.

This year we welcomed our first four registered nursing associates, working in our community services and inpatient units. This new role can undertake a wider range of clinical tasks than healthcare assistants, freeing up registered nurses for more complex activities. The opportunity to train as a nursing associate is being made available to more staff and we expect to have a steady stream of new nursing associates graduating. We are working with the University of Hertfordshire on the development of an apprenticeship to enable our staff to train to become occupational therapists.

We have further extended use of our electronic learning system, My Learning Zone, and we won the International Totara Award for Best Healthcare Project 2019 for our work on making learning easy for staff to access. We have offered greater flexibility to staff by introducing a wider range of blended and online training. This includes our first e-learning programme 'Medical Gases Awareness', as well as presentations, videos and quizzes to support learning.

We commissioned a new Clinical Supervision module within My Learning Zone to enable staff to easily keep records of their supervision sessions and for managers and the Trust to be assured that supervision is taking place. More than 2500 sessions have been recorded on the system.

3.2.2.15 Staff recruitment and retention

The Trust recognises the vital importance of being able to recruit sufficient numbers of high quality staff to deliver safe and effective services to our patients and service users, along with retaining the experienced staff we already have working with us. To address this important area, the Trust has a Workforce Resourcing and Retention Plan and is implementing a wide range of initiatives. During 2019/20, this included increasing the use of social media campaigns, running some joint events with other local providers and working with managers to fast track recruitment. This has resulted in a reduction in our vacancy rate from 14.4 per cent to 10.9 per cent in March 2020.

Our continual training for managers in recruitment best practice has had a positive impact on recruitment outcomes. All our panels include at least one person who has been trained, which includes an understanding of unconscious bias.

We redesigned our Induction days to make them more interactive, with a focus on Trust values, quality and patient experience.

Alongside ongoing work on staff engagement, health and wellbeing and flexible working to improve colleagues' working lives, our work on retention has included:

- Holding focus groups to ask staff what is important to them
- Improving preceptorship by providing increased support/buddying
- Introducing career conversations as an integral part of our appraisal processes, which enable us to understand the career aspirations of our staff so that we can offer appropriate development opportunities

3.2.2.16 Equal opportunities in employment

We are committed to being an equal opportunities employer and our Equality and Diversity Policy sets out our aim to ensure that all employees, irrespective of their background, are supported to develop their full potential. An equal opportunity statement is included in all job descriptions to ensure staff are aware of their responsibilities.

We are committed to leading and embedding fairness in the culture and behaviours of our staff by:

- Providing an environment where staff can thrive, are confident to be themselves, feel valued and treat each other with fairness, dignity and respect
- Helping and supporting staff to understand the importance of personalisation, fairness and diversity in the planning and delivery of services
- Showing zero tolerance towards bullying, harassment, inappropriate language and behaviour and encouraging the reporting of all cases of discrimination

We review and report on the profile of our workforce through our Public Sector Equality Duty (PSED) report, NHS Workforce Race Equality Standard (WRES) report, Workforce Disability Equality Standard (WDES) and Gender Pay Gap Report, with development of associated action plans. We train managers and staff in equality and diversity and are committed to implementing our equality and diversity objectives, which include further analysis of our equalities data to address any unconscious bias.

Further information on our actions and achievements on diversity and inclusion are set out in the Equalities Performance section 2.2.5.

3.2.2.17 Disability

The Trust has achieved Level 2 Disability Confident Employer status under the Disability Confident scheme. This supports employers to make the most of the talents disabled people can bring to the workplace, by helping them to successfully recruit and retain disabled people and those with health conditions.

We currently employ 56 staff with a declared disability (2.77 per cent of the workforce). Over the last year we have recruited 13 new staff with a disability to work in our services. We recognise the need to do more and have introduced an application process to make it easier for people with learning disabilities to apply.

3.2.2.18 Health and wellbeing and sickness absence

One of our workforce priorities is to sustain positive initiatives for staff health and wellbeing in recognition of the significant transformational change we are asking our staff to deliver and the pressure they are working under.

Over the last year we have worked with our Staff Health & Wellbeing Group and Network, to continue to promote staff health and wellbeing. This included running our first Staff Wellbeing Week in September, which involved over forty activities across the Trust. Three Health & Wellbeing Kiosks were available to staff to complete self-checks of a number of health measures, accessed by around 500 staff. Face to face 'Over 40' health checks were facilitated, accessed by over 100 staff.

We implemented our Staff Mental Health & Wellbeing Policy and comprehensive mental health action plan. These have been supported by our Mental Health Awareness sessions and continued resilience training. Alongside this we agreed a Domestic Abuse Policy and commenced work to develop guidance on raising awareness and managing the menopause.

We have continued to support the emotional wellbeing our staff with our comprehensive Employee Assistance Programme, which provides staff counselling, along with legal and debt advice. We have also further extended our fast track physiotherapy support to staff to help address musculoskeletal issues in a timely way, with very positive staff feedback.

Staff sickness continues to be managed with support of our Health at Work (Occupational Health) Service. For the 12 month period to March 2020, our cumulative absence rate (Full Time Equivalent) was 3.6 per cent. This equates to 13.1 calendar days per employee, which is a decrease compared with the previous year's rate of 4.0 per cent (14.6 calendar days per employee).

The Trust's Health at Work Service is provided by East and North Hertfordshire NHS Trust, which is accredited under the SEQOHS (Safe Effective Quality Occupational Health Service) scheme. In 2019/20:

- 489 pre-placement assessments were undertaken
- 345 employees were referred to the Health at Work Service for advice
- 279 appointments were attended for occupational immunisations, including vaccines and blood tests for Hepatitis B, chickenpox, measles, mumps,

rubella and tuberculosis (but excluding flu).

We also ran our annual flu campaign, with Health at Work and our flu champions vaccinating 77.0 per cent of eligible front-line staff to protect them and vulnerable patients. This was higher than the 74.3 per cent national average and 72 per cent for the East of England region.

Hertfordshire Community NHS Trust

Annual accounts for the year ended 31 March 2020

Contents: Page

Statement of directors' responsibilities in respect of the accounts

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

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

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

Chief Executive Date: 22nd June 2020

Director of Finance, Systems & Estates Date: 22nd June 2020

Independent auditor's report to the Directors of Hertfordshire Community NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hertfordshire Community NHS Trust (the 'Trust') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2019 to 2020 that the Trust's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Trust's operating activities, including effects arising

from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Trust's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

We draw attention to Note 1.23 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of land and buildings as at 31 March 2020. As, disclosed in Note 1.23 to the financial statements, the Trust had its Property Plant and Equipment valued in January to March 2020 with a valuation date of 31st March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (Red Book), the Trust's independent valuer has declared a "material valuation uncertainty" in the valuation report. This is on the basis of uncertainties in property markets caused by the COVID-19 pandemic. The valuer have provided additional clarification that the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. This clause is a disclosure, not a disclaimer. It is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The values in the report have been used to inform the measurement of property assets at valuation within these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts 2019-2020, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2015 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Governance Statement 2019/20 does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Governance Statement 2019/20 addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Reports to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report and Accounts 2019-2020 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

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

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, 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. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of Hertfordshire Community NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

Paul Dossett

Paul Dossett

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

London

Date 22 June 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	124,393	140,499
Other operating income	4	4,158	5,247
Operating expenses	6, 8	(126,825)	(140,661)
Operating surplus/(deficit) from continuing operations		**1,726**	**5,085**
Finance income	11	135	131
Finance expenses	12	(38)	(48)
PDC dividends payable		(1,097)	(1,595)
Net finance costs		**(1,000)**	**(1,512)**
Other gains / (losses)	13	-	408
Gains / (losses) arising from transfers by absorption	15.5	(22,461)	-
Surplus / (deficit) for the year from continuing operations		**(21,735)**	**3,981**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	**-**	**-**
Surplus / (deficit) for the year		**(21,735)**	**3,981**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(1,005)	(583)
Revaluations	15.4	1,548	582
Total comprehensive income / (expense) for the period		**(21,193)**	**3,980**

Adjusted financial performance (control total basis):		
Surplus / (deficit) for the period	(21,735)	3,981
Remove net impairments not scoring to the Departmental expenditure limit	900	-
Remove (gains) / losses on transfers by absorption	22,461	-
Remove I&E impact of capital grants and donations	76	49
Prior period adjustments	-	-
Remove non-cash element of on-SoFP pension costs	-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)	(488)	
Adjusted financial performance surplus / (deficit)	**1,214**	**4,030**

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	14	595	429
Property, plant and equipment	15	40,324	63,506
Other assets	17	-	-
Total non-current assets		**40,929**	**63,935**
Current assets			
Receivables	16	11,398	7,227
Non-current assets for sale and assets in disposal groups	17	1,500	-
Cash and cash equivalents	18	14,685	22,789
Total current assets		**27,583**	**30,016**
Current liabilities			
Trade and other payables	19	(11,433)	(13,853)
Borrowings	21	-	(178)
Provisions	23	(44)	(404)
Other liabilities	20	(1,018)	(169)
Total current liabilities		**(12,495)**	**(14,604)**
Total assets less current liabilities		**56,017**	**79,347**
Non-current liabilities			
Borrowings	21	-	(2,180)
Provisions	23	(1,102)	(1,098)
Total non-current liabilities		**(1,102)**	**(3,278)**
Total assets employed		**54,915**	**76,069**
Financed by			
Public dividend capital		1,426	1,387
Revaluation reserve		9,797	18,477
Other reserves		4,946	4,946
Income and expenditure reserve		38,747	51,259
Total taxpayers' equity		**54,915**	**76,069**

The notes on pages 6 onwards form part of these accounts.

Clare Hawkins

Name Clare Hawkins
Position Chief Excutive

Date 22 June 2020

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**1,387**	**18,477**	**-**	**4,946**	**-**	**51,259**	**76,069**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	-	-	-	-	-	(21,735)	**(21,735)**
Gain/(loss) arising from transfers by mofieid absorption	-	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	(8,752)	-	-	-	8,752	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	**-**
Other transfers between reserves	-	(471)	-	-	-	471	**-**
Impairments	-	(1,005)	-	-	-	-	**(1,005)**
Revaluations	-	1,548	-	-	-	-	**1,548**
Public dividend capital received	39	-	-	-	-	-	**39**
Public dividend capital repaid	-	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2020	**1,426**	**9,797**	**-**	**4,946**	**-**	**38,747**	**54,915**

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**1,131**	**19,602**	**-**	**4,946**	**-**	**46,154**	**71,833**
Prior period adjustment	-	-	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2018 - restated	**1,131**	**19,602**	**-**	**4,946**	**-**	**46,154**	**71,833**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	-	-	-	-	-	3,981	**3,981**
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	**-**
Other transfers between reserves	-	(1,124)	-	-	-	1,124	**-**
Impairments	-	(583)	-	-	-	-	**(583)**
Revaluations	-	582	-	-	-	-	**582**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	**-**
Public dividend capital received	256	-	-	-	-	-	**256**
Taxpayers' and others' equity at 31 March 2019	**1,387**	**18,477**	**-**	**4,946**	**-**	**51,259**	**76,069**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Other reserves
The balance of this reserve represents the opening balance for Hertfordshire Community NHS Trust at its establishment in November 2010; the balances were transferred from Hertfordshire PCT.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		1,726	5,085
Non-cash income and expense:			
Depreciation and amortisation	6	3,806	3,467
Net impairments	7	1,074	-
(Increase) / decrease in receivables and other assets		(4,024)	3,348
Increase / (decrease) in payables and other liabilities		(1,836)	(1,426)
Increase / (decrease) in provisions		(376)	373
Other movements in operating cash flows		(2)	(411)
Net cash flows from / (used in) operating activities		**369**	**10,436**
Cash flows from investing activities			
Interest received		135	131
Purchase of intangible assets		(377)	(224)
Purchase of PPE and investment property		(4,927)	(6,731)
Sales of PPE and investment property		123	2,004
Net cash flows from / (used in) investing activities		**(5,046)**	**(4,820)**
Cash flows from financing activities			
Public dividend capital received		39	256
Movement on loans from DHSC		(2,356)	(176)
Interest on loans		(18)	(46)
PDC dividend (paid) / refunded		(1,092)	(1,595)
Net cash flows from / (used in) financing activities		**(3,427)**	**(1,561)**
Increase / (decrease) in cash and cash equivalents		**(8,104)**	**4,055**
Cash and cash equivalents at 1 April - brought forward		**22,789**	**18,734**
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		**22,789**	**18,734**
Cash and cash equivalents at start of period for new FTs		**-**	**-**
Cash and cash equivalents transferred under absorption accounting	31	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	18	**14,685**	**22,789**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation
Accounting convention
These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.
The Trust's management has recognised the requirements under IAS 1 to assess the Trust financial and operational activities and whether any of these raise concerns for the Trust to be deemed as a going concern. The Trust has considered the following key areas in reaching its conclusion:

Financial risk, including the consideration of future risks and the Trust's historical ability to meet these challenges. This has included the recognition that the current COVID-19 pandemic has seen emergency financial arrangements implemented within the NHS. As a result a number of key intra NHS contracts have yet to be agreed or signed between the Trust or its commissioners for the 2020/21 financial year. All provider Trusts are currently receiving direct payments during this crisis via direction from NHS England/Improvement (NHS E/I). Assurances have been provided by NHSE/I that sufficient funds will be made available to the Trust to ensure it is able to meet its liabilities during the pandemic.

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. HCT does not have any existing DHSC interim or capital loans, as these were repaid during the 2019/20 financial year.

Given the above, the Trust Management have assumed that sufficient income will be received during the 20/21 financial year and that either direct payments will continue or that contract agreements will be agreed quickly to ensure the Trust secures sufficient income to continue its operations. Management have also continued to review of the Trust's future cash flows, its current liabilities and assets and as a non-trading entity in the public sector to assure itself that there is full expectation that the services provided by the Trust will continue in the future. The Trust's management has assessed that the Trust is a going concern. This is in accordance with the GAM 2019/20 issued by DHSC.

Note 1.3 NHS Charitable Funds Consolidation

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.
For Hertfordshire Community NHS Trust the values of Charitable Funds are not material and are therefore not consolidated.

Note 1.4 Revenue from contracts with customers

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

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

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.

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

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

The Trust 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.

NHS injury cost recovery scheme

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

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable 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.

Note 1.5 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5.1 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The Trust leave year runs from 1st April to 31 March. The Trust has historically had a policy of not allowing any staff to carry forward untaken leave into the new financial year, however the Trust acknowledges that those staff on maternity leave or long-term sickness leave are entitled to annual leave that they will not have been able to take during the year and, therefore, a provision has historically been made to take into account of this. Given the impacts of the COVID-19 pandemic the Trust has recognised that staff who had planned to take annual leave in March 2020 have been unable to do so and as such the cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations
Activities are considered to be ‘acquired’ only if they are taken on from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

Note 1.9 Property, plant and equipment

Note 1.9.1 Recognition
Property, plant and equipment is capitalised where:

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

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

Note 1.9.2 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.

Note 1.9.3 Measurement
Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.
Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. The Trust undertakes a full revaluation of all its properties every 5 years. In the intervening period an interim desk top valuation is carried out at 3 years with individual valuation exercises being performed on specific assets where significant works have been undertaken. 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.

The last full revaluation was undertaken at 31st March 2020.
The Trust valuer has reported their valuations were on the basis of “material valuation uncertainty” as a result of the COVID-19 pandemic and government actions taken to limit the effect of the disease. At the reporting date it is too soon to judge the extent of the economic impact of these measures at this time. It is the Trust opinion that the valuations provided as at 31st March 2020 are appropriate and correct at that date given the property market is in effect frozen. Trust management continue to liaise with our valuers and should further information be able before the trusts external auditors provide an opinion on the financial statements, these will be considered and whether a post balance sheet event is required or not. Further explanation around the valuations is included within note 16.

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

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

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

Note 1.9.4 Depreciation
Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land, assets under construction or development, and assets held for sale are not depreciated.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the NHS trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives.

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification.

Note 1.9.5 Revaluation gains and losses

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

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

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

Note 1.9.6 Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

At each financial year-end, the Trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

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

Note 1.9.7 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 programme has begun to find a buyer and complete the sale
- the asset is being 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. Assets are de-recognised when all material sale contract conditions have been met.

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

Note 1.9.8 Donated and grant funded assets

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

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

Note 1.9.9 Useful lives of propert, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	47
Plant & machinery	1	15
Transport equipment	1	1
Information technology	1	10
Furniture & fittings	1	15

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

Note 1.10 Intangible assets

Note 1.10.1 Recognition

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

Internally generated intangible assets

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

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

Internally generated assets are recognised if, and only if, all the following have been demonstrated:

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

Software

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

Note 1.10.2 Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.10.3 Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Intangible assets - internally generated		
Development expenditure	1	5
Intangible assets - purchased		
Software licences	1	10

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Note 1.12.1 Recognition

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

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

Note 1.12.2 Classification and measurement

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

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

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

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

The Trust has irrevocably elected to measure Buildings and associated plant and equipment including fitting financial assets / financial liabilities at fair value through income and expenditure

Impairment of financial assets
For 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 Trust's accounting policy covering expected Non NHS credit losses and how they are determined are outlined in Note 1.23.

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.

Note 1.12.3 Derecognition
Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

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

Note 1.13 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.13.1 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 commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

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

Note 1.13.2 The Trust as lessor
Finance leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Operating leases

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.

Note 1.14 Provisions
The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

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

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

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

Continued on the next page

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 24.1 but is not recognised in the Trust's accounts.

Audit negligence costs
The audit liability to the Trust on operational negligence is limited to £2 million.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 25 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.16 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.17 Value added tax
Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Losses and special payments

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

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

Note 1.19 Transfers of functions to other NHS bodies
For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss corresponding to the net assets transferred is recognised within expenses, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.20 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted
IFRS 16 Leases
It was planned that IFRS 16 Leases would 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 2020. However it was announced by HM Treasury on 20th March 2020 that in light of the COVID-19 response this adoption would be delayed and would occur form 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 (1.27%). 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 £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

Note 1.22 Critical judgements in applying accounting policies
The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

In the application of the NHS 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.

The Trust has considered its position with regard to financial, operational and other associated risks and determined that it is a going concern. These accounts have been prepared on this basis.

Note 1.23 Sources of estimation uncertainty
The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The Trust had its Property Plant and Equipment valued in January to March 2020 with a valuation date of 31st March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (Red Book), the Trust's valuer (Boshier & Company) has declared a "material valuation uncertainty" in the valuation report. This is on the basis of uncertainties in property markets caused by the COVID-19 pandemic. The valuer have provided additional clarification that the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. This clause is a disclosure, not a disclaimer. It is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The values in the report have been used to inform the measurement of property assets at valuation within these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

The valuation uncertainty covers the revaluation movements (a mixture of impairments and revaluation upward movements of Land and Building assets within Property Plant and Equipment and Assets Held for Sales within the Statement of Financial Position (worth a total of £33.565m as at 31st March 2020).

Given that there is no alternative information to suggest the valuations are materially incorrect, it not possible to provide a sensitivity of the assumption of the assets values as at 31st March 2020 with any certainty. Given the lack of available alternative data the Trust has assured itself that the values provided are an appropriate reflection of the assets worth within the financial statements at the financial year end.

The Trust has estimated the life of assets capitalised as Plant, Property & Equipment based on advice from specialist staff and previous experience - Note 15

The Trust continues to hold a provision for impairment of receivables. Assessment of bad debt is based on past performance in not being able to obtain receivable balances above 1 year for non NHS debts

The Trust is carrying a liability for provisions. In order to calculate the carrying amount the Trust has estimated the costs of dilapidation repairs required, its liability for potential litigation or claims during 2019-20 and beyond from issues arising in the current year such possible redundancies.

The Trust has made a number of accruals for both income and expenditure; these have been estimated using the most appropriate information available for instance data provided by a counterparty organisation or the Trust's own internally generated information.

The Trust has used, wherever possible, advice from specialist providers or information from counterparty organisations to support estimated values within the accounts. If these were not available then the Trust's own data and experience has been used to calculate estimated amounts. This should reduce the risk of material errors arising in 2020-21 and future years from the estimated values included in these accounts.

Note 2 Operating Segments

The Trust engages in its activities as a single operating segment ie the provision of healthcare. The main source of revenue for the Trust is from commissioners of healthcare services which are principally CCGs and NHS England. The Department of Health has deemed that as CCGs and NHS England are under common control they are classed as a single customer for the purposes of segmental analysis.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	**2019/20 £000**	**2018/19 £000**
Community services		
Community services income from CCGs and NHS England	91,542	106,333
Income from other sources (e.g. local authorities)	28,900	32,790
All services		
Private patient income	49	36
Agenda for Change pay award central funding*	650	1,340
Additional pension contribution central funding**	3,902	-
Other clinical income	-	-
Total income from activities	**125,043**	**140,499**

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services for services comissioned directly by the NHS. For service commissioned by Local Government, centralised funding again received in 2019/20

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	**2019/20 £000**	**2018/19 £000**
NHS England	14,272	8,786
Clinical commissioning groups	81,845	97,277
Department of Health and Social Care	-	1,340
Other NHS providers	4,864	8,996
NHS other	-	-
Local authorities	22,451	23,671
Non-NHS: private patients	49	36
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	8	19
Non NHS: other	904	374
Total income from activities	**124,393**	**140,499**
Of which:		
Related to continuing operations	124,393	140,499
Related to discontinued operations	-	-

Note 4 Other operating income

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	-	-	**-**	-	-	**-**
Education and training	1,358	-	**1,358**	1,042	-	**1,042**
Non-patient care services to other bodies	84		**84**	-		**-**
Provider sustainability fund (PSF)	1,662		**1,662**	3,220		**3,220**
Income in respect of employee benefits accounted on a gross basis	-		**-**	-		**-**
Receipt of capital grants and donations		-	**-**		-	**-**
Charitable and other contributions to expenditure		-	**-**		-	**-**
Support from the Department of Health and Social Care for mergers		-	**-**		-	**-**
Rental revenue from operating leases		-	**-**		-	**-**
Other income	1,030	25	**1,054**	663	322	**985**
Total other operating income	**4,133**	**25**	**4,158**	**4,925**	**322**	**5,247**
Of which:						
Related to continuing operations			**4,158**			**5,247**
Related to discontinued operations			**-**			**-**

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

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	169	1,561
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

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

Note 6 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	691	438
Purchase of healthcare from non-NHS and non-DHSC bodies	1,741	2,340
Staff and executive directors costs	95,360	104,999
Remuneration of non-executive directors	67	55
Supplies and services - clinical (excluding drugs costs)	5,029	1,945
Supplies and services - general	1,944	6,096
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	895	900
Inventories written down	-	-
Consultancy costs	447	1,453
Establishment	4,520	6,275
Premises	6,714	7,867
Transport (including patient travel)	1,644	2,133
Depreciation on property, plant and equipment	3,595	3,288
Amortisation on intangible assets	211	179
Net impairments	1,074	-
Movement in credit loss allowance: contract receivables / contract assets	-	-
Movement in credit loss allowance: all other receivables and investments	-	450
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	(174)	-
* Audit fees payable to the external auditor		
audit services- statutory audit	53	49
other auditor remuneration (external auditor only)	-	-
Internal audit costs	63	63
Clinical negligence	171	225
Legal fees	-	206
Insurance	-	9
Research and development	1	-
Education and training	71	472
Rentals under operating leases	1,790	591
Early retirements	-	-
Redundancy	24	387
Losses, ex gratia & special payments	-	-
Other services, eg external payroll	-	-
Other	895	241
Total	**126,825**	**140,661**
Of which:		
Related to continuing operations	126,825	140,661
Related to discontinued operations	-	-

* audit fee disclosed above includes irrecoverable VAT of £9k

Note 7 Impairment of assets

	2019/20	2018/19
	£000	£000
Abandonment of assets in course of construction	174	-
Changes in market price	900	-
Total net impairments charged to operating surplus / deficit	**1,074**	**-**
Impairments charged to the revaluation reserve	1,005	583
Total net impairments	**2,079**	**583**

Full year valuation was carried out by an Independent Professional Valuer which resulted in some of the land and buildings revalued less than the carrying book value and the resulting net negative impact of this exercise was £293k. See Note 15

Note 8 Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	67,060	76,110
Social security costs	5,742	6,329
Apprenticeship levy	312	353
Employer's contributions to NHS pensions	12,542	9,749
Pension cost - other	26	2
Temporary staff (including agency)	10,002	12,777
Total gross staff costs	**95,685**	**105,320**
Recoveries in respect of seconded staff	-	-
Total staff costs	**95,685**	**105,320**
Of which		
Costs capitalised as part of assets	301	254

Note 8.1 Retirements due to ill-health

During 2019/20 there was 1 early retirement from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2019). The estimated additional pension liabilities of thise ill-health retirements is £3k (£251k in 2018/19).

Note 9 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 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 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. The employer contribution rate for 2019/20 is 20.6%.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 10 Operating leases

Note 10.1 Hertfordshire Community NHS Trust as a lessee

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

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	1,691	591
Less sublease payments received	99	-
Total	**1,790**	**591**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,804	652
- later than one year and not later than five years;	6,645	1,984
- later than five years.	3,032	742
Total	**11,481**	**3,378**
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	135	131
Total finance income	**135**	**131**

Note 12 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	18	48
Total interest expense	**18**	**48**
Unwinding of discount on provisions	20	-
Total finance costs	**38**	**48**

Note 13 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	-	408
Total gains / (losses) on disposal of assets	**-**	**408**

Note 14 Intangible assets - 2019/20

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	**2,004**	**-**	**-**	**-**	**-**	**-**	**2,004**
Additions	197	-	-	-	180	-	**377**
Valuation / gross cost at 31 March 2020	**2,201**	**-**	**-**	**-**	**180**	**-**	**2,381**
Amortisation at 1 April 2019 - brought forward	**1,575**	**-**	**-**	**-**	**-**	**-**	**1,575**
Provided during the year	211	-	-	-	-	-	**211**
Amortisation at 31 March 2020	**1,786**	**-**	**-**	**-**	**-**	**-**	**1,786**
Net book value at 31 March 2020	**415**	**-**	**-**	**-**	**180**	**-**	**595**
Net book value at 1 April 2019	**429**	**-**	**-**	**-**	**-**	**-**	**429**

Note 14.1 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	**1,780**	**-**	**-**	**-**	**-**	**-**	**1,780**
Valuation / gross cost at 1 April 2018 - restated	**1,780**	**-**	**-**	**-**	**-**	**-**	**1,780**
Additions	224	-	-	-	-	-	**224**
Impairments	-	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2019	**2,004**	**-**	**-**	**-**	**-**	**-**	**2,004**
Amortisation at 1 April 2018 - as previously stated	**1,396**	**-**	**-**	**-**	**-**	**-**	**1,396**
Prior period adjustments	-	-	-	-	-	-	**-**
Amortisation at 1 April 2018 - restated	**1,396**	**-**	**-**	**-**	**-**	**-**	**1,396**
Provided during the year	179	-	-	-	-	-	**179**
Amortisation at 31 March 2019	**1,575**	**-**	**-**	**-**	**-**	**-**	**1,575**
Net book value at 31 March 2019	**429**	**-**	**-**	**-**	**-**	**-**	**429**
Net book value at 1 April 2018	**384**	**-**	**-**	**-**	**-**	**-**	**384**

Note 15 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**19,289**	**46,414**	**-**	**996**	**1,872**	**22**	**14,393**	**266**	**83,252**
Valuation/gross cost at start of period as FT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers by absorption	(7,787)	(14,506)	-	(378)	(107)	-	-	(10)	**(22,788)**
Additions	-	2,551	-	21	57	-	2,400	-	**5,029**
Impairments	(227)	(778)	-	(169)	-	-	-	(5)	**(1,179)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	1,548	-	-	-	-	-	-	**1,548**
Reclassifications	-	470	-	(470)	-	-	-	-	**-**
Transfers to / from assets held for sale	(1,369)	(1,057)	-	-	-	-	-	-	**(2,426)**
Disposals / derecognition	-	-	-	-	(86)	-	(53)	-	**(139)**
Valuation/gross cost at 31 March 2020	**9,906**	**34,642**	**-**	**-**	**1,736**	**22**	**16,740**	**251**	**63,297**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**9,627**	**-**	**-**	**501**	**22**	**9,373**	**223**	**19,746**
Depreciation at start of period as FT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers by absorption	-	(323)	-	-	(4)	-	-	-	**(327)**
Provided during the year	-	1,679	-	-	194	-	1,717	6	**3,595**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	(26)	-	-	-	-	-	-	**(26)**
Disposals / derecognition	-	-	-	-	(5)	-	(11)	-	**(16)**
Accumulated depreciation at 31 March 2020	**-**	**10,957**	**-**	**-**	**686**	**22**	**11,079**	**229**	**22,972**
Net book value at 31 March 2020	**9,906**	**23,685**	**-**	**-**	**1,050**	**-**	**5,661**	**22**	**40,324**
Net book value at 1 April 2019	**19,289**	**36,787**	**-**	**996**	**1,371**	**-**	**5,020**	**43**	**63,506**

Note 15.1 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**20,198**	**41,249**	**-**	**4,610**	**1,129**	**22**	**11,982**	**266**	**79,456**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**20,198**	**41,249**	**-**	**4,610**	**1,129**	**22**	**11,982**	**266**	**79,456**
Valuation / gross cost at start of period as FT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	1,516	-	567	490	-	2,411	-	**4,984**
Impairments	(349)	(234)	-	-	-	-	-	-	**(583)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	582	-	-	-	-	-	-	**582**
Reclassifications	-	3,928	-	(4,181)	253	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	(560)	(627)	-	-	-	-	-	-	**(1,187)**
Valuation/gross cost at 31 March 2019	**19,289**	**46,414**	**-**	**996**	**1,872**	**22**	**14,393**	**266**	**83,252**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**8,165**	**-**	**-**	**385**	**22**	**7,686**	**200**	**16,458**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2018 - restated	**-**	**8,165**	**-**	**-**	**385**	**22**	**7,686**	**200**	**16,458**
Depreciation at start of period as FT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	1,462	-	-	116	-	1,687	23	**3,288**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 31 March 2019	**-**	**9,627**	**-**	**-**	**501**	**22**	**9,373**	**223**	**19,746**
Net book value at 31 March 2019	**19,289**	**36,787**	**-**	**996**	**1,371**	**-**	**5,020**	**43**	**63,506**
Net book value at 1 April 2018	**20,198**	**33,084**	**-**	**4,610**	**744**	**-**	**4,296**	**66**	**62,998**

Note 15.2 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	9,906	22,074	-	-	1,050	-	5,661	17	**38,708**
Owned - donated	-	1,611	-	-	-	-	-	5	**1,616**
NBV total at 31 March 2020	**9,906**	**23,685**	**-**	**-**	**1,050**	**-**	**5,661**	**22**	**40,324**

Note 15.3 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	19,289	35,302	-	996	1,371	-	5,020	38	**62,016**
Owned - donated	-	1,485	-	-	-	-	-	5	**1,490**
NBV total at 31 March 2019	**19,289**	**36,787**	**-**	**996**	**1,371**	**-**	**5,020**	**43**	**63,506**

Note 15.4 Revaluation of property, plant and equipment

The Trust undertakes a full revaluation of all its properties every five years; the last full revaluation was undertaken at 31st March 2020, carried out by the Trust's qualified chartered surveyor. In the intervening period an interim desk top valuation is carried out annually in consultation with the Trust's valuer, to ensure that the Trust's land and property is being held at current value in existing use.

The current years full valuation was undertaken by Mr David Boshier a RICS Registered Valuer, an independent and experienced External Valuer of Boshier & Company. Forecast increases for both land and non specialised properties is negligible in the context of current property values, therefore, no adjustment has been made to these categories of non current asset.

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. This is due to the "Market activity is being impacted in many sectors. As at the valuation date, the valuer has considered attacingh less weight to previous market evidence for comparison purposes, to inform opinions of value

Given the unknown future impact that COVID-19 might have on the real estate market, the valuer has recommend that the Trust keeps the valuation of the portfolio under review. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

The Trust's management continued to review market movements and has regular dialogue with its valuers since the financial year end. Managements conclusions and around the market as a result of the COVID-19 pandemic is outlined in accounting policiy 1.19.1 is the Trust opinion that the valuations provided as at 31st March 2020 are appropriate and correct at that date given the property market is in effect frozen. Until further information is available to suggest the valuations are materially misstated, the Trust has elected not to diverge from the valuations provided by its valuers, whome the Trust deem as experts in their field.

Given the uncertainty presented by the COVID-19 pandemic, the valuer is not in a position to indivate a range of uncertainty within their reprot or the valuation impact this would have on in tersm of percentage or financial change within the statements. For clarity for the readers of the accounts, the Trust's PDC dividends balances outlined within the Statement of Comprehensive Income and Expenditure would be impacted, with a reduction in the amount the Trust would be required to pay if the valuation of its properties were to be reduced.

The net increase in valuation for the Trust's properties was a net impairment of £293k; more detail is provided in the Statement of Changes in Taxpayers' Equity and Note 15.1 Property, plant and equipment.

Note 15.5 Gains / (losses) arising from transfers by absorption

Following the loss of via competitive tender, adult community services within Herts Valleys have been transferred to another NHS service provider. The transfer included the transfer of Property, Plant and Equipment assets used in relation to these services. The requirement under the NHS Group Accounting Manual is that these is required to be accounting for under absorption costing. As a result the Trust received no corresponding payment for assets transferred to the new provider and to NHS property services. The transfer resulted in the Trust recognising a loss of £22.461m which covered the following assets and their Net Book values at the time of transfer :

Land and Building - £21.970m
Assets under construction - £0.378m
Plant and Machinery- £0.103m
Fixture and Fittings - £0.010m

Note 16 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	11,143	6,982
Allowance for other impaired receivables	(250)	(450)
Prepayments (non-PFI)	238	395
PDC dividend receivable	158	-
VAT receivable	96	297
Other receivables	14	3
Total current receivables	**11,398**	**7,227**
Total non-current receivables	**10**	**-**
Of which receivable from NHS and DHSC group bodies:		
Current	9,359	7,220
Non-current	10	-

Note 16.1 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**-**	**450**	**-**	**248**
Allowances as at 1 April - restated	**-**	**450**	**-**	**248**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			-	(248)
New allowances arising	-	-	-	450
Utilisation of allowances (write offs)	-	(200)	-	-
Allowances as at 31 Mar 2020	**-**	**250**	**-**	**450**

Note 17 Non-current assets held for sale and assets in disposal groups

	2019/20 £000	2018/19 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**-**
Assets classified as available for sale in the year	2,400	-
Impairment of assets held for sale	(900)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**1,500**	**-**

In 2019/20 these assets composed of:
- land and buildings
- the two principle assets have been classified as held for sale as the services that had been previously provided were decommissioned by the Trust's commissioners or re-provided in alternative premises
- The Trust is looking to dispose of these two assets within the 2020/21 financial year and reinvest the funds into the Trust's assets base to improve the quality of its estate

Note 18 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily

	2019/20 £000	2018/19 £000
At 1 April	**22,789**	**18,734**
At 1 April (restated)	**22,789**	**18,734**
Net change in year	(8,104)	4,055
At 31 March	**14,685**	**22,789**
Broken down into:		
Cash at commercial banks and in hand	1	1
Cash with the Government Banking Service	14,684	22,788
Total cash and cash equivalents as in SoFP	**14,685**	**22,789**
Bank overdrafts (GBS and commercial banks)	-	-
Total cash and cash equivalents as in SoCF	**14,685**	**22,789**

Note 19 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	819	3,125
Capital payables	502	400
Accruals	6,433	6,476
Social security costs	802	1,059
VAT payables	15	6
Other taxes payable	501	666
PDC dividend payable	-	(162)
Other payables	2,361	2,283
Total current trade and other payables	**11,433**	**13,853**
Of which payables from NHS and DHSC group bodies:		
Current	3,549	1,739
Non-current	-	-

Note 20 Other liabilities

	2020 £000	2019 £000
Current		
Deferred income: contract liabilities	1,018	169
Total other current liabilities	**1,018**	**169**

Note 21 Borrowings

	2020 £000	2019 £000
Loans from DHSC	-	178
Total current borrowings	**-**	**178**
Non-current		
Loans from DHSC	-	2,180
Total non-current borrowings	**-**	**2,180**

Note 22 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	**2,360**	**-**	**-**	**-**	**2,360**
Cash movements:					
Financing cash flows - payments and receipts of principal	(2,356)	-	-	-	**(2,356)**
Financing cash flows - payments of interest	(18)	-	-	-	**(18)**
Non-cash movements:					
Application of effective interest rate	16	-	-	-	**16**
Carrying value at 31 March 2020	**2**	**-**	**-**	**-**	**2**

Note 22.1 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	**2,532**	**-**	**-**	**-**	**2,532**
Prior period adjustment	**-**	**-**	**-**	**-**	**-**
Carrying value at 1 April 2018 - restated	**2,532**	**-**	**-**	**-**	**2,532**
Cash movements:					
Financing cash flows - payments and receipts of principal	(176)	-	-	-	**(176)**
Financing cash flows - payments of interest	(46)	-	-	-	**(46)**
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	2	-	-	-	**2**
Application of effective interest rate	48	-	-	-	**48**
Carrying value at 31 March 2019	**2,360**	**-**	**-**	**-**	**2,360**

Note 23 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	**-**	**-**	**84**	**-**	**-**	**320**	**1,098**	**1,502**
Change in the discount rate	**-**	**-**	**-**	**-**	**-**	**-**	**(174)**	**(174)**
Arising during the year	**-**	**-**	**-**	**-**	**-**	**-**	**172**	**172**
Utilised during the year	-	-	-	-	-	(25)	-	**(25)**
Reversed unused	**-**	**-**	**(54)**	**-**	**-**	**(295)**	**-**	**(349)**
Unwinding of discount	**-**	**-**	**-**	**-**	**-**	**-**	**20**	**20**
At 31 March 2020	**-**	**-**	**30**	**-**	**-**	**-**	**1,116**	**1,146**
Expected timing of cash flows:								
- not later than one year;	-	-	30	-	-	-	**14**	**44**
- later than one year and not later than five years;	-	-	-	-	-	-	**10**	**10**
- later than five years.	-	-	-	-	-	-	**1,092**	**1,092**
Total	**-**	**-**	**30**	**-**	**-**	**-**	**1,116**	**1,146**

Legal Claims:

These are provisions for Employer Liability and NHS Resolution member provision.

Other:

Other includes provisions for dilapidations in respect of leased buildings, the non achievement of improvement targets which have been invoiced on an estimated basis but may have to be part credited when actual activity becomes available, and the review of floor space utilisation with respect to specific rental income.

Note 24 Clinical negligence liabilities

At 31 March 2020, £30k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Hertfordshire Community NHS Trust (31 March 2019: £26k).

Note 25 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
Redundancy	(25)	-
Other	(54)	(16)
Gross value of contingent liabilities	**(79)**	**(16)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(79)**	**(16)**
Net value of contingent assets	**-**	**-**

Note 26 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	-	54
Total	**-**	**54**

Note 27 Financial instruments

Note 27.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with its commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Currency risk

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

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with commissioning organisations, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 27.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	10,892	-	-	**10,892**
Cash and cash equivalents	14,685	-	-	**14,685**
Total at 31 March 2020	**25,577**	**-**	**-**	**25,577**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	6,948	-	-	**6,948**
Cash and cash equivalents	22,789	-	-	**22,789**
Total at 31 March 2019	**29,737**	**-**	**-**	**29,737**

Note 27.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other payables excluding non financial liabilities	9,053	-	**9,053**
Total at 31 March 2020	**9,053**	**-**	**9,053**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	2,358	-	**2,358**
Trade and other payables excluding non financial liabilities	12,284	-	**12,284**
Total at 31 March 2019	**14,642**	**-**	**14,642**

Note 27.4 Maturity of financial liabilities

	31-Mar-20	31-Mar-19
	£000	£000
In one year or less	9,053	12,462
In more than one year but not more than two years	-	176
In more than two years but not more than five years	-	528
In more than five years	-	1,476
Total	**9,053**	**14,642**

Note 28 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Stores losses and damage to property	3	1	1	-
Total losses	**3**	**1**	**1**	**-**
Special payments				
Extra-contractual payments	-	-	-	-
Total special payments	**-**	**-**	**5**	**2**
Total losses and special payments	**3**	**1**	**6**	**2**
Compensation payments received		-		-

Note 29 Related parties

There have not been any related party transactions with individuals during 2019-20.
The Department of Health and Social Care is regarded as a related party. During the year Hertfordshire Community NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Hertfordshire County Council	27,000	22,514,000	14,000	1,507,000

Note 30 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	12,533	54,805	14,227	55,903
Total non-NHS trade invoices paid within target	11,478	53,129	12,534	49,306
Percentage of non-NHS trade invoices paid within target	91.6%	96.9%	88.1%	88.2%
NHS Payables				
Total NHS trade invoices paid in the year	1,186	10,849	1,384	17,850
Total NHS trade invoices paid within target	1,042	9,586	1,168	13,990
Percentage of NHS trade invoices paid within target	87.9%	88.4%	84.4%	78.4%

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

Note 31 External financing limit

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

	2019/20 £000	2018/19 £000
Cash flow financing	5,787	(846)
Finance leases taken out in year		
Other capital receipts	-	(3,975)
External financing requirement	**5,787**	**(4,821)**
External financing limit (EFL)	6,463	(4,821)
Under / (over) spend against EFL	**676**	**-**

Note 32 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	5,406	5,208
Less: Disposals	(123)	(1,187)
Charge against Capital Resource Limit	**5,283**	**4,021**
Capital Resource Limit	5,395	4,108
Under / (over) spend against CRL	**112**	**87**

Note 33 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus / (deficit) (control total basis)	1,214
Remove impairments scoring to Departmental Expenditure Limit	174
Add back income for impact of 2018/19 post-accounts PSF reallocation	488
Breakeven duty financial performance surplus / (deficit)	**1,876**

Note 34 Breakeven duty rolling assessment

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance	2,129	2,419	2,512	3,350	4,030	1,876
Breakeven duty cumulative position	6,111	8,530	11,042	14,392	18,422	20,298
Operating income	140,852	146,266	148,281	142,405	145,746	128,550
Cumulative breakeven position as a percentage of operating income	4.3%	5.8%	7.4%	10.1%	12.6%	15.8%

Note 35 Staff Costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	67,060	-	**67,060**	76,110
Social security costs	5,742	-	**5,742**	6,329
Apprenticeship levy	312	-	**312**	353
Employer's contributions to NHS pension scheme	12,542	-	**12,542**	9,749
Pension cost - other	26	-	**26**	2
Temporary staff	-	10,002	**10,002**	12,777
Total gross staff costs	**85,683**	**10,002**	**95,685**	**105,320**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**85,683**	**10,002**	**95,685**	**105,320**
Of which				
Costs capitalised as part of assets	301	-	**301**	254

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	27	3	**30**	31
Ambulance staff	8	-	**8**	-
Administration and estates	410	7	**417**	464
Healthcare assistants and other support staff	370	43	**413**	461
Nursing, midwifery and health visiting staff	657	33	**690**	771
Scientific, therapeutic and technical staff	443	-	**443**	542
Other	14	-	**14**	14
Total average numbers	**1,929**	**86**	**2,015**	**2,283**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	-

Reporting of compensation schemes - exit packages 2019/20

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	**-**
£10,000 - £25,000	-	-	**-**
£25,001 - 50,000	1	-	**1**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**1**	**-**	**1**
Total cost (£)	£26,000	£0	**£26,000**

Reporting of compensation schemes - exit packages 2018/19

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,001 - 50,000	-	-	-
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	-	-	-
Total resource cost (£)	£0	£0	**£0**

Exit packages: other (non-compulsory) departure payments

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

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