Annual Report and Accounts

2020/21

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Hampshire Hospitals NHS Foundation Trust
Annual Report for the year ended 31 March 2021

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Chairman's Introduction

I am incredibly proud to be Chairman of Hampshire Hospitals NHS Foundation Trust in what has been an extraordinary year and my thoughts are with the family and friends of all those people who sadly passed away as a result of the Covid-19 pandemic.

Our hospitals and staff have been severely challenged in a way that we have never seen before and the impact was immense. This has undoubtedly been the hardest thing most of us have experienced not only in our professional lives, but in many cases our personal lives too. I was particularly struck by the fact that our staff were not only caring for patients in the most trying of circumstances, but they were also worrying about their own family and friends at the same time.

There were times when we worried that the pandemic would stretch us beyond what was possible but, on every occasion, our amazing staff found solutions that have got us through, delivering the very best care possible in inconceivably difficult circumstances.

The pace at which so many people have had to completely change their roles, being redeployed into areas they had never worked in before at times of extreme stress has been nothing short of incredible. Many have had to re-learn skills in order to return to patient-facing roles, many more have had to learn and perform completely new ones. I am especially proud of the critical care academy that we established in response to the first wave of the pandemic, which enabled us to ensure that hundreds of additional nurses were able to support our intensive care units. This was invaluable when the second wave struck in early 2021 and we found ourselves with more than double the number of patients in intensive care than our normal capacity.

There are, of course, numerous other examples of the HHFT team working brilliantly to meet the challenges faced over the last year. Testing stations and vaccination hubs have been set up in record time, wards have completely changed their ways of working to care for different types of patients, and our incredible laboratory teams have consistently led the way nationally when it comes to finding new and faster ways of testing for the virus.

Indeed, barely a week has passed without one of our teams being featured on local or national television news, setting new standards in one way or another. I was especially proud to see how the actions of two young doctors working at our trust led to a national change in the way that patients with COVID-19 were monitored for signs of deterioration, saving lives not only in our hospitals, but across the country.

Throughout this incredibly difficult time, I have been truly humbled to see how our teams have been able to ensure that patients remain at the heart of everything we do. One of the hardest things about the pandemic has been the severe restrictions we have had to place on visiting our hospitals. We fully understand how difficult this has been for patients and their families and staff on the wards have been doing everything they can to ensure that people can stay in touch with their loved ones, using tablets to enable them to see one another and providing a keep in touch card service.

COVID-19 has, of course, dominated our thoughts, but our team has also achieved many other remarkable things this year.

The improvements we have made in so many areas and our commitment to providing outstanding care was recognised by our regulator, the Care Quality Commission, early in the year. Not only did

their report see us rated as Good overall, but we received a rating of Outstanding for the Caring domain.

Our plans to further improve the care we provide continued in the short term, while the Hampshire Together: Modernising our Hospitals and Health Services programme is our long-term solution to many of the challenges currently faced by the trust and our partners in the Hampshire and Isle of Wight Integrated Care System. Being part of the Government's Health Infrastructure Plan for 40 new hospitals will allow us to modernise not only our facilities, but the way that we work with all of our partners to improve care for our patients. With this in mind, we have been talking to NHS staff, patients and the public in general throughout the last year, not least during a two-month period of formal engagement last summer, as we look for the best way to deliver high-quality, sustainable services well into the future. These discussions have allowed us to begin putting together some proposals for change, which we plan to finalise and discuss with everyone in Hampshire and beyond during the coming year.

We are hopeful that COVID restrictions will be relaxed enough to allow us to carry out some face-to-face events as part of our consultation process, but last year's engagement was just one example of the digital transformation that the pandemic has kickstarted across our hospitals. We found that many people were willing to spend an hour with us via video conference, more than might join us in a face-to-face setting. Our increased use of technology is also benefiting patients, allowing those who are comfortable doing so to have video or telephone consultations without leaving the comfort of their own home, or even monitor their conditions and update clinicians via a technology app.

Work also continues on the development of the Hampshire and Isle of Wight Integrated Care System, within which HHFT plays a key role working with partners to deliver joined-up care for patients in support of the NHS Long Term Plan.

Ensuring that we enable people to be comfortable in their final days and helping families through what is always a difficult time is incredibly important to us. Our efforts in this area were helped by the opening of the new Countess of Brecknock Hospice, in Andover, early in the year – and the coming year will see us get another boost with the opening of the Winchester Hospice. Thank you to everyone who has contributed towards both of these amazing projects and indeed all of our associated charities – we have been astounded by the generosity shown during what has been a time of financial hardship for so many people.

At the end of what has been a challenging but incredible year, to all our wonderful staff, our executive and non-executive Board members, and our governors I would like to simply say: Thank you.

It is a very great pleasure to be able to commend this annual report for 2020/21 to its readers and to set it before Parliament.

………………………………………………

Steve Erskine
Chair

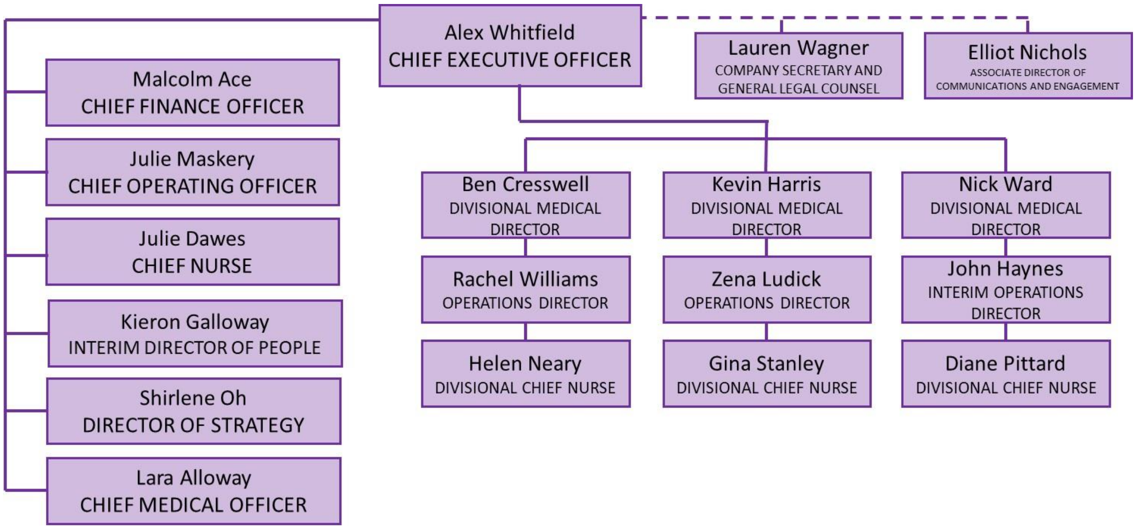
Overview and Performance Report

Overview

This section of the annual report is to provide the reader with an overview of the Trust, its purpose, the key risks we face to achieving our objectives and how we have performed during this year.

Hampshire Hospitals NHS Foundation Trust ("HHFT") is a Trust that provides hospital services to the population of Hampshire and West Berkshire. On 9 January 2012, the Foundation Trust was established by the coming together of Basingstoke and North Hampshire NHS Foundation Trust and Winchester and Eastleigh Healthcare NHS Trust.

We deliver a full range of district hospital services in a variety of locations; most acute services are provided from our two larger hospitals, Basingstoke and North Hampshire Hospital (BNHH) and the Royal Hampshire County Hospital in Winchester (RHCH). We deliver planned services, including surgery, elderly rehabilitation and maternity care in Andover War Memorial Hospital (AWMH). We also deliver outpatient services in community settings and patients' homes. We offer a small range of very specialist services to a regional and national population including surgical treatment for Pseudomyxoma Peritonei (a rare abdominal cancer), liver and colorectal cancer surgery, and intraoperative radiotherapy for breast cancer. We are also the network host for a regional haemophilia service that serves a wide population across Hampshire, Dorset, Sussex and Wiltshire.



Our services are organised into three clinical divisions; surgical services, medical services and family and clinical support services each led by a Medical Director who is supported by an Operations Director and a Divisional Chief Nurse. The six Executive Directors and the divisional leadership comprises the top team who run the organisation on a day-to-day basis.

Our vision, with which our strategy is aligned, is to provide outstanding care for every patient and ensure that our services are clinically and financially sustainable into the future. Concern for the long term sustainability of our services led to the formation of HHFT and the development of the clinical model, which focuses on delivering services locally where possible and centrally where necessary.

To make sure that our patients are seen and treated in a timely manner we monitor our performance against several local and national targets and standards. These include the Referral To Treatment targets (RTT) covering general planned care, A&E targets to ensure that patients are seen in our Emergency Departments (ED) promptly and cancer waiting time targets to ensure patients with suspected cancer are diagnosed and treated quickly.

Hampshire Hospitals Contract Services Limited is a wholly owned subsidiary of HHFT which was established in 2013 to a) support the strategic need to develop alternative income sources beyond core-NHS District General Hospital activity funded by the Clinical Commissioning Groups and b) ensure hospital support services are delivered efficiently and cost-effectively.

Wessex NHS Procurement Ltd (WPL) is a jointly owned subsidiary of HHFT and University Hospital Southampton NHS Foundation Trust. The Joint Venture was set up in 2019, combining the Procurement & Supply teams of HHFT and University Hospital Southampton (UHS). The team, made up of just over 100 professionals, are focused on making a step change delivery in sustainable cost improvements and logistical efficiency, building on the impressive performance that the two Trusts delivered individually.

HHFT also operates the Candover Clinic and Suite which is a dedicated private patients unit located at BNHH, for patients who pay for their treatment themselves or use their private health insurance. Being located on the site of a well-respected district hospital offers patients a very high level of safety and reassurance, including access to critical care and specialist units. The profit generated by Candover is invested in HHFT's NHS services, benefiting NHS patients. Candover also benefits the Trust's hospitals and NHS patients by freeing up beds and resources when insured or self-funding patients choose to be treated privately.

The financial statements contained within this report have been prepared on a going concern basis, on the reasonable assumption that HHFT has sufficient operational resources to continue for the foreseeable future.

Statement from Chief Executive on performance

2020/21 has been a year unlike any other. For the NHS it has been a year of unprecedented pressure and unprecedented innovation. We have done things which we would have considered impossible and we have seen things which we hope we will never see again.

Our incredible staff have responded phenomenally to unimaginable levels of pressure and change. Many were redeployed at short notice taking on significant training in order to support in specialist areas such as critical care. Those with expertise in surgical services cared for respiratory patients. Everyone has adapted to wearing PPE, to meeting over computer screens, to frequent testing and much much more. I have nothing but respect and gratitude for each and every member of our team and am very lucky to work with so many people who live our CARE values every day.

Over the last year, our staff have rapidly adapted to the ever-changing situation – whether through implementing the latest guidance or setting up new processes and pathways to keep themselves and our patients safe. Despite these, and many other hurdles, they have all done a fantastic job of ensuring that patients receive the best possible care.

As a senior team, we have made the health and wellbeing of our staff a key priority over this last year. Our Wellbeing hub has supported people with the emotional challenges they have faced. We have provided free meals to colleagues at times of greatest pressure. We have recruited over 200 international educated nurses to fill vacancies. We have provided an extra day of annual leave, thank you cards, sweets and treats, facilitated team times out, extra break out spaces, recognition events and much more. Lots of these things have been supported by our wonderful communities and by charitable donations. We have made progress on diversity and inclusion this year, and I have particularly valued the Reverse Mentoring programme we have been running, and the work of our Culture Change Ambassadors and our Champions networks in helping to make our culture more compassionate and inclusive. We continue to look for more ways to ensure our colleagues know how much they are valued, and to support them to do the amazing jobs they do.

There has been unprecedented demand on many of our most critical services, with our emergency departments, critical care units, medical wards, and labs all on the front line in our battle against COVID-19.

I am particularly proud of how we have worked with our partners through this last year. We have worked so well with community-based colleagues in primary care, social care and community services to support patients to get safely home from hospital as quickly as possible, reducing hospital lengths of stay by 15-20%. We have worked with our ambulance service colleagues to ensure patients arriving by ambulance are taken into the department quickly, allowing the paramedics to get back out on the road and to their next patient. And we have worked closely with our Clinical Commissioning Groups, local authority partners and many others to progress our new hospital programme, despite the global pandemic.

Our cancer services have kept running throughout continuing to care for so many people in a timely and compassionate way. We worked with our colleagues in the private sector to provide cancer care and emergency surgery in a COVID-safe environment at the local BMI hospitals. We have now been able to safely restore our cancer services to our own hospital sites, initially at The Firs, a self-contained unit at Basingstoke and North Hampshire Hospital, but with plans to also return them to Royal Hampshire County Hospital, in Winchester, in the near future. Our performance against the important national standard of confirming diagnosis and beginning treatment within 62 days of a cancer referral was among the highest in the country in the early part of 2021, showing that our

restoration plan is working. We are also doing a great job of ensuring that people who are referred to us with suspected cancer have a confirmed diagnosis within four weeks, something that is understandably important to patients at what is a worrying time.

We have had access to unprecedented levels of additional funding. The national funding policy has helped us to fight the pandemic, ensuring that we were able to make all of the changes that were needed with the assurance that we would be able to claim back the money required to balance the books. This has been crucial in enabling us to provide safe care during the pandemic. And now we need to re-establish sound budget management principles as we head into what we hope will be a more stable environment.

Unfortunately, the pandemic has also caused waiting times and waiting lists for planned procedures to grow very rapidly. The decision to pause planned care is never one taken lightly, and we are all too aware of the impact this can have, and how important it is to restore this work as quickly and safely as possible. We have been working hard to get our planned surgery programme back up and running and it has been fantastic to see us performing above the South East average in terms of activity rates compared to previous years. We are also putting additional plans in place to reduce our waiting lists over the coming months and years.

In amongst the challenges and difficulties, there has also been so much innovation. Problems that once seemed impossible have been solved in a day and the advances we have made will benefit our staff and our patients for years and years to come.

The advances we have made in digital technology have been astounding. Between April and June 2020, more than 50,000 non-face-to-face consultations took place, from an almost standing start. The feedback we are getting from both patients and clinicians has been very positive and while in some cases there is no substitute for a physical examination, we are looking forward to continuing to support patients with remote consultations where this is possible.

There has been much innovation linked directly to Covid-19, from our laboratory teams who were the first in the UK to test for Covid-19 outside of a Public Health England laboratory, through to the research teams who helped identify the best treatments for this awful disease, and our vaccine teams who set up vaccination hubs overnight.

We have also made great progress towards our ultimate goal of providing the people of north and mid Hampshire with sustainable hospital and health services for the next 50 years. The Government's Health Infrastructure Plan has given us a once-in-a-generation opportunity to reshape both our facilities and the way we provide care. Despite the pandemic, our team have done a fantastic job of keeping the Hampshire Together: Modernising our Hospitals and Health Services programme on track, working up proposals that we will be further discussing with staff, patients and the public during a consultation period in the summer of 2021.

To sum up, it has been an unprecedented year! Whilst I hope we are looking ahead to brighter times, there are positives and learnings we will take with us as we move forward. The outstanding quality of our teams, our leaders and our colleagues has really shone through – as has the wonderful support of our communities.

My last word goes to my amazing colleagues at Hampshire Hospitals, who have been fantastic. I am so lucky to work with people who continually strive to deliver our vision; to provide outstanding care for every patient. Thank you.

Income and expenditure performance

The Trust ended the year in a breakeven position when using the financial reporting definitions for ordinary activities of NHS England/Improvement and a reportable surplus of £5.5 million when including all relevant transactions.

As with every other area of the Trust's activities, the impact of COVID was felt in the Trust's finances. The Annual Governance Statement explains the Trust's system of financial control in these exceptional times and in the context of changed national funding policies.

The Trust closed the previous financial year with a reported deficit of £9.7 million, which included £8.2 million of Provider Sustainability Funding and technical adjustments of £3.3 million and an operational deficit of £21.2 million. The Trust's budget and financial planning for 2020/21 in the pre-COVID period envisaged a difficult financial year, with expenditure levels likely to exceed the anticipated funding levels. The Trust submitted longer term plans showing a financial performance trajectory leading to break even in 2023/24.

With the onset of the pandemic a number of changes were made to the financial regime, including the suspension of operational and financial planning for 2020/21 and block payments plus 'top-ups' to ensure breakeven financial position, for the first 6 months of the year. The revenue funding regime changed again for the second half of the year, retaining the block payments but the cessation of retrospective funding to breakeven. The national funding policy was highly supportive throughout the year, to allow the necessary expenditures to be made to support patients and staff. The funding regime evolved during the year and the expectation by the end of the year was that Trusts and Integrated Care Systems would be close to breakeven.

The income for the year increased by 17.6% to £534 million on 2019/20 and expenditure increased by 14% to £528 million. Within these abnormal increases there were a number of wholly exceptional items, including funding of £28 million for COVID related expenditure, £13 million to recognise the notional cost and funding of the 6% contribution to NHS Pensions (which has been borne centrally by the Treasury) and the recognition of centrally supplied personal protective equipment (PPE) and assets valued at £10.7 million. The Trust also received a subsidy of £5.5 million to compensate for reduced levels of non-NHS derived income (for example, private patient income, patient car parking and catering and rents receivable from commercial tenants) and £6.3 million to fund the additional costs of untaken holiday at 31st March 2021 which staff have brought forward into the new financial year because of the extreme workload pressures absorbed by many HHFT colleagues.

The table below summarises the final income and expenditure position, making reference to the previous year and attempts to 'normalise' the outturn to give a more reflective view of the underlying financial position.

Income and Expenditure Statement – Summary 2020/21

	Actual 2019/20 £ Million	Actuals 2020/21 Core Operations £ Million	National Funding £ Million	Total £ Million	Actual 2020/21 v. 2019/20 £ Million	%
INCOME						
Clinical Income	389.3	423.3		423.3	34.0	8.7%
Other Income	40.1	46.5		46.5	6.4	16.0%
National Funding - Covid	4.3		28.0	28.0	23.7	550.7%
National Funding - Notional Pension	12.0		13.3	13.3	1.3	11.1%
National Funding - Annual Leave Accrual	0.0		6.3	6.3	6.3	N/A
National Funding - Donated Assets	0.0		10.7	10.7	10.7	N/A
National Funding - Non-NHS Income Subsidy	0.0		5.5	5.5	5.5	N/A
Sub - Total	56.4	46.5	63.8	110.3	53.9	95.6%
MRET	5.0	0.0		0.0	(5.0)	N/A
PSF	3.2	0.0		0.0	(3.2)	N/A
TOTAL INCOME	**453.8**	**469.8**	**63.8**	**533.6**	**79.8**	17.6%
EXPENDITURE						
Salary Costs	300.4	321.4		321.4	21.1	7.0%
National Funding - Covid Costs	2.4		17.0	17.0	14.6	606.9%
National Funding - Notional Pension	12.0		13.3	13.3	1.3	11.1%
National Funding - Annual Leave Accrual	0.0		6.3	6.3	6.3	N/A
Sub-Total	314.8	321.4	36.6	358.0	43.2	13.7%
Non-Pay Costs	146.9	150.8		150.8	3.9	2.7%
National Funding - Covid Costs	1.9		11.0	11.0	9.1	479.7%
National Funding - Donated Assets	0.0		8.2	8.2	8.2	N/A
Sub-Total	148.8	150.8	19.2	170.0	21.2	14.3%
TOTAL EXPENDITURE	**463.6**	**472.3**	**55.8**	**528.0**	**64.5**	13.9%
REPORTABLE SURPLUS/(DEFICIT)	**(9.7)**	**(2.4)**	**8.0**	**5.6**	15.3	
Reconcile with Financial Control Total Definitions						
Remove MRET/PSF	(8.2)	0.0		0.0	8.2	
Net Control Total Adjustments	(3.3)	(3.0)	(2.5)	(5.5)	(2.2)	
OPERATING SURPLUS/(DEFICIT) FINANCIAL CONTROL TOTAL	**(21.2)**	**(5.4)**	**5.5**	**0.0**	**21.3**	

Cash Position

The Trust ended the year with cash of £46.6 million an increase of £26 million compared with 31st March 2020. As with the income and expenditure position, cash was heavily impacted by COVID and the interim financial regime, with cash being received for the increased in annual leave accrual, loss of NHS income as well as for the elimination of clinical work in progress and there being no year-end debtors with commissioners. As a condition of the financial support received by the NHS, it was expected that Trust's should pay suppliers even more promptly, and the Trust was able to pay 89.2% of non-NHS suppliers within the better payment practice code target.

Capital expenditure

The Trust ended the year reporting £31.6 million on capital expenditure, financed by £19.4 million of central (PDC) funding, £6 million of very welcome donations and charitable support and £6.2 million of Trust funding.

National funding of COVID related capital totalled £5.3 million on top of which the Trust also received centrally donated capital equipment valued at £2 million.

Although the capital programme was impacted by COVID, significant other projects important for the Trust's long-term contribution to the health economy were undertaken, although the risk of delays was significantly increased because of COVID. Work commenced on the GP Hub on the Andover War Memorial Hospital site and the new Pharmacy site at the Royal Hampshire County Hospital. Building work continued on the Winchester Hospice, where it is expected to complete in the summer of this year, supported by the Winchester Hospice Fundraising Charity. The Trust was able to complete the construction of the Countess of Brecknock Hospice at Andover with the magnificent support of the Countess of Brecknock Hospice Charity.

Capital investment in the Trust's infrastructure progressed over the year, with replacement of key electrical infrastructure, roofing and windows and preparatory work to enable maintenance of the drainage system at the Basingstoke & North Hampshire Hospital site.

IT and Digital investment remained a key element of the capital programme and 2020/21 saw the final year of external funding for the Global Digital Exemplar Fast Follower programme. As well as major planned transformational projects, the Trust reacted very quickly to the demands of COVID, allowing large numbers of staff to work productively at home with full and secure access to Trust data and IT systems.

Financial and other principal risks

With the high levels of additional funding made available to all NHS Trusts, the Trust was able to show an appropriate financial performance of operational breakeven and a reportable surplus of £5.5m when all transactions are recorded. However, it is clear that the increase in expenditure levels allied to the Trust's position at the start of 2020/21 would be unsustainable if pre-COVID levels of funding were reinstated. At present, it is unclear how NHS providers as a whole will be able to migrate back to historic levels of funding whilst supporting the safe care of patients. As such, there remains a material risk to the financial sustainability of the Trust in the medium to long term, although this may be a common feature of NHS providers in the coming years.

The financial regime for the first half of the financial year commencing 1st April 2021 (H1) is such that the Trust has constructed a credible plan to deliver a breakeven position and maintain a good cash position, however, given the absence of national guidance for the second half of the financial year (H2), the prognosis beyond 30th September 2021 is less certain.

The Trust expects that funding levels will increase beyond those contained in the 2019 – 2024 plan, but that most financial improvement will have to be delivered by a combination of cost reductions and productivity gains. The Trust continues to work productively within the Integrated Care Partnership on transformation programmes aimed at supporting patients in the most appropriate care setting, which will usually not be the acute hospital. This work is fully incorporated into the Trust's financial planning and under the oversight of the Continuous Improvement Group within the Trust and the Integrated Care Partnership Board, chaired by Alex Whitfield, in the North and Mid Hampshire care system.

It has been difficult to provide budget holders within the Trust with consistent guidance and information during 2020/21. There is greater certainty for the first six months of 2021/22, although the expectation for the second half of the year is that funding will be reduced. The Trust will continue with its devolved budgetary responsibility framework and Divisional budget holders will be

issued with financial plans, which reflect the Trust and ICS plans for operational performance. These budgets will continue to be monitored and reported in the usual way, to Trust Senior Management and the Trust Board, via the Finance and Investment Committee. We have been well served by the flexibility of budget holders in the past year, but clearly their responsibility for budget management is made more difficult by uncertainty and in-year budgetary and funding changes.

The Trust maintains a 15-month cashflow forecast and while clinical income projections beyond September are uncertain, a forecast for the 15-month ending June 2022 has been reviewed and endorsed by the Finance and Investment Committee. The forecast is based on a reasonable set of assumptions, including the continuation of block income payments and a reduced incentive payment for the restoration of elective and out-patient activity. The Trust is projecting a positive cash balance throughout this extended period with no recourse to additional revenue loans, although there will be a gradual degradation of the current cash balance to a balance of less than £10 million by the end of June 2022.

The capital programme for 2021/22 (and beyond) has been submitted to NHSE/I. The Trust constructed its capital plan, taking a risk-based approach to prioritising those schemes which addressed the key risks identified by the Divisions and Corporate Teams. As a result, the programme sees the continuation and conclusion of many of the existing schemes, including further investment in addressing backlog maintenance concerns and further digital schemes. The programme includes plans to replace and expand the Cardiac Catheter lab facilities, which has been identified as the highest clinical risk, and the refurbishment the Pathology laboratories, in preparation of a complete refresh of laboratory equipment.

The NHS capital funding regime changed fundamentally at the beginning of the financial year, with the capital expenditure limit being set at an ICS level and the aggregated plans for the constituent organisations were obliged to be contained within that limit. Whilst there are undoubtably benefits to capital planning at a system level, the change challenges the concept of individual organisation ability to plan capital investments to meet patient need and mitigate risks.

Our financial liabilities carry either a nil or low fixed rate of interest, and consequently we are not exposed to significant interest rate risk and with current low rates of interest, changes are unlikely to have material impact on the Trust's position. The NHS policy decision to convert interim revenue loans to PDC grants during 2020/21 has eliminated the risk of needing refinancing to

We are not exposed to significant foreign currency risk because all income is invoiced and received as pounds sterling. All cash investments are held in pounds sterling. The Trust does have exposure to exchange rate movements through our purchasing of drugs and equipment, some of which will have major cost components from outside the UK.

Our credit profile is low risk - the maximum exposure is in receivables from commissioners.

Our cash deposits are held with Lloyds Bank and the Government Banking Service (see note 15 to the accounts). We are satisfied that there is no material exposure to credit risk in respect of cash deposits.

Signed……………………………………………………. Date: 11/06/2021
Alex Whitfield
Accounting Officer

Directors' Report

This report provides an overview of the operations of HHFT in 2020/21. The Directors leading HHFT in 2020/21 were as follows:

Steve Erskine, Chairman
Alex Whitfield, Chief Executive Officer
Lara Alloway, Chief Medical Officer
Malcolm Ace, Chief Financial Officer
Julie Dawes, Chief Nurse
Julie Maskery, Chief Operating Officer
Shirlene Oh, Director of Strategy (from 1st November 2020)
Gary McRae, Non-Executive Director[1]
Jane Tabor, Non-Executive Director[2]
Paul Musson, Non-Executive Director[3]
Ruth Williams, Non-Executive Director[4]
Simon Holmes, Non-Executive Director[5]
Jos Creese, Non-Executive Director
Laks Khangura, Non-Executive Director

A register of interests is maintained by the Company Secretary.

Enhanced quality governance reporting

The Annual Report includes the Annual Governance Statement, which reports in detail how we deliver quality governance. More specific detail about the identified quality priorities for 2020/21 and achievements for 2020/21 are included in the Quality Report, which will be published later in the year. In delivering quality governance, we have used NHS Improvement's (NHSI) Quality Governance Framework as an assessment tool. This identifies compliance and improvement actions required and enables the Board to make judgements in signing off its responsibilities for quality governance. The Annual Governance Statement, in conjunction with the quality governance framework, sets out how we manage risk. This includes clinical risk, performance risk and the Board Assurance Framework (BAF). It also includes information about our systems of internal control.

Stakeholder Relations

Throughout the year, the Trust enters into many relationships with stakeholders in order to help facilitate the delivery of improved healthcare. Examples of these relationships have been detailed below:

- Southampton, Hampshire, Isle of Wight and Portsmouth (SHIP) Local Maternity System (LMS) IT Digital programme – Introduction of a Badgernet digital platform across SHIP

[1] Senior independent Director and Chairman of the Finance and Investment Committee
[2] Chairman of Remuneration Committee and Chairman of the Audit Committee
[3] Chairman of the Workforce and Organisational Development Committee
[4] Joint Chairman of the Quality and Performance Committee
[5] Joint Chairman of the Quality and Performance Committee

developing a single maternity system for all four providers in partnership with NHS Digital across HIOW STP is underway and implementation is due by middle of 2021.

- SHIP Local Maternity System (LMS) Dashboard for four providers being developed in partnership with local CCG partnership, ongoing webinars are now in place to facilitate this in 2021 in order to progress this piece of work.
- Plans for a shared IT platform with Southern Health under development in order to share information for safeguarding. Delayed by Covid-19 in 2020.
- Allen Gardner suite has been redesigned to incorporate a centralised scanning location for 12- and 20-week scan appointments and upgrading as a community hub in Andover.
- Working in partnership with Hampshire County Council and Southern Health to promote and support smoking cessation for the maternity service to improve patient outcome and experience.
- A feasibility study has been completed as part of SHIP Local Maternity System (LMS) to develop the labour line and extend the service to include an antenatal triage service.
- Hampshire Together:Modernising our Hospitals and Health Services initiative leading work towards future health service provision for the population of North and Mid Hampshire together with patient groups, Southern Health, Primary Care, HSIOW CCGs, SCAS, Hampshire County Council, District and Borough Councils, and voluntary organisations.
- Wessex Health Partnership, a strategic collaboration between the Wessex region's universities with world leading expertise, our health and care systems (providers and commissioners), patients and public, industry and local government to accelerate improvements to health and social care through research, innovation, and training, for the benefit of patients and wider society in Wessex, sharing our knowledge nationally and internationally.
- Contributing to pathway planning for transition from birth to parenthood with Public Health.
- Contribution to Public Health England health initiatives including screening, breastfeeding and mental health wellbeing.
- Development of MyMedicalRecord (remote surveillance for Patient-Initiated Follow up) in partnership with UHS
- Introduction of patient support groups in gynae oncology.
- Southern Counties Pathology (SCP) – equipment MSC and LIMS project ongoing leading to closer working relations across the network.
- HHFT pathology service has been a major contributor to the National level response to the Covid pandemic:

- Pioneered the proof of concept of rapid mobile testing in the community to support outbreak management and has resulted in a fleet of 100 mobile labs for a national DHSC work stream that are currently tackling the VOC hotspots.
- The technical lead site for the national rollout of asymptomatic staff testing within the NHS supporting in excess of 16 NHS/University collaborations.
- Being given the status of a Pathfinder site by the Chief Scientific Officer for the NHS E/I helping to drive national policy of all aspects of the DHSC response to the SARS-CoV-2.
- Supporting the DHSC Technology Validation Group and validating numerous SARS-CoV-2 diagnostic platforms to support the national effort.
- Demonstrated the utility and clinical impact of testing in schools, universities and other community testing on a mass scale to help with the Public Health Response to SARS-CoV-2 in Hants and IOW.
- Helping to set-up SARS-CoV-2 testing in Uganda using direct LAMP saliva testing.
- Contributors to the national post-COVID19 diagnostic landscape, including innovative ways to use LAMP, with a focus on Infection control within hospitals and AMR.

- Initiated the formation of a Clinical Reference group across the network to aid with the implementation projects in the first instance. Has clinical representation from Pathology across SCP.
- 2 Biochemistry team members are supporting the clinical team at QAH, Portsmouth, with endocrine authorising to help cover maternity leave.
- The HHFT Mortuary service will continue the joined-up storage capacity resilience planning started during the Covid pandemic with Hampshire County Council, The Coroner and neighbouring trusts at Portsmouth and Southampton to increase business continuity and mutual aid going forward.
- RHCH Pathology have been in discussions with the University of Winchester to provide laboratory research space and cement a mutually beneficial relationship in 2021/22
- Cellular Pathology have been engaging with the successful tender bidder for Southern Counties Pathology on the implementation plan for facilitating work and new equipment
- CAMHs and Sussex Partnership to establish Paediatric psychiatric liaison service.
- Sussex Partnership Eating Disorder service to support increase in activity.
- GP Hub clinics implemented
- We have employed the first of our PCN pharmacist for the Winchester area, 50% of their time working for the PCN and 50% of their time in the hospital
- We have improved flow of information on medication between the HHFT and GPs
- We are part of the HIOW and South East regional medical directors group supporting co-ordination of Covid critical care provision. We received patients from across SE region and midlands during Covid.

Patient Care

Patient care improvements

Below are some of the many patient care improvements the Trust made throughout the year:

- Embedded a Continuity of Care pathway for antenatal, intrapartum, and postpartum care facilitated by a team of midwives for women choosing to birth at home and birth at Hampshire Hospitals Maternity Centre
- Buddied up GP surgeries and community midwives to provide midwifery teams in order to be part of the integrated workforce and care for women who are attached to their GP surgeries.
- Continued to embed the first hour of care by promoting keeping mothers and babies together.
- Birmingham Symptom Specific Triage System (BSOTS) commenced in BNHH and RHCH day assessment units to prioritise women's safe care.
- Midwifery Newborn and Infant Physical Examination (NIPE) clinics across Basingstoke and Winchester sites have been increased to support early discharge from the hospital and provide a local service within the community hubs.
- Non-Medical Referrer Protocol for Radiology specific to the secondary Clinical Nurse Specialist (CNS) has been implemented
- Health Care Support Worker (HCSW) in post supporting the CNS for completion of the Holistic needs assessments – breast care have the best record in the number performed in all the cancer servicers
- Second book in the chemo cookery book series – co-authored by Barbara Parry, breast dietician has been published
- All CNS clinics fully converted to digital E-outcoming with all other clinics in process of changing over
- Patient initiated follow up (PIFU) with end of treatment/PIFU re-access clinics both sites has been implemented
- Second advanced nurse practitioner into training post to optimise skill mix, further roll out of PIFU and meet demand for increasing referrals to 2ww symptomatic breast clinics has been implemented
- Two trainee nurse hysteroscopists have been implemented. These posts will lead to the introduction of nurse led outpatient hysteroscopy clinics across site.
- There has been continued growth in the number of outpatient procedures performed on both sites in the ambulatory clinics, moving patients from a daycase surgery to outpatients. Provision of outpatient hysteroscopy has quadrupled over previous year

- A trainee nurse colposcopist role has been recruited in preparation for a predicted peak in demand for colposcopy services and to further nurse-led provision of services

- Fast and accurate Covid testing performed in our Covid response has helped keep our staff and patients safe:
    - Our lab was the first non-PHE NHS lab in the country to implement in-house PCR testing for SARS-CoV-2, as well as being the first to set up electronic dashboards around the Trust enabling site teams and Health4Work to isolate patients & staff appropriately. Whilst other Trusts were struggling with results coming back from PHE labs in up to three days we were delivering results within 24 hours.
    - Text messaging of Covid results to patients and staff was implemented first in our Trust, and multiple analysers were linked to the laboratory computer system.
    - We have since gone on to set up two "Rapid Labs" at Winchester and Basingstoke allowing admissions patients to be swiftly directed to appropriate wards. And now also have the CAST (Covid Asymptomatic Saliva Testing) trailer for testing all staff- this benefits staff by being confident in their Covid status without having an invasive swabbing experience!
    - We validated the use of novel LAMP (Loop-Mediated Isothermal Amplification) diagnostics, reducing the time taken for traditional PCR testing (approx. 6hours) to circa 2 hours. In the face of an international shortage of swabs we also enabled the use of saliva as a sample type.
    - The Siren Study has been very successful for the Trust with over 250 staff members screened for both Covid PCR and antibodies every fortnight.
    - The Covid pandemic has allowed us to install "**Biofires**" at both Winchester and Basingstoke sites. These allow for very rapid testing which is particularly useful in cases of meningitis and unknown respiratory infections. Results can now be achieved in 3 hours as opposed to up to 1 week!

- An OPAT (Outpatient Parenteral Antibiotic Therapy) team has been set up, as a collaboration between primary and secondary care, led by the Microbiology Consultants. This allows patients to be treated in their home environment, whilst being supported in an outpatient setting. These patients are now able to remain in the safety and comfort of their own homes instead of having lengthy stays in hospital. From 1 January 2021 to 19 April 2021 this has saved 199 bed days. The patients have recently been surveyed to establish their experience of the OPAT service and all have responded very favourably.

- Charity funds for a state-of-the-art "Maldi-TOF" were raised. This analyser uses mass spectrometry to reduce the time taken to identify bacteria and fungi from up to 2 days to 15mins! This has huge benefits for the whole community in terms of antibiotic resistance and guardianship, as well as for the individual patient. Patients, particularly those with sepsis, will now be put onto targeted antibiotics much sooner, allowing for more successful and quicker recovery times and less use of unnecessary antibiotics.

- Phlebotomy have introduced a new appointment-only system across its hospitals to reduce queues and waiting times, and to help comply with Covid-safe procedures. Patients are now able to book online and on-the-day appointments are available.

- Increased attendance at MDT meetings by the biochemistry team: Upper GI, NET, Endocrinology at RHCH.

- HHFT via the Cervical Screening Programme Lead (CSPL) continue to work with Public Health England since the 2019 move of the Gynaecological Cytology Screening Service
- There has been International recruitment of children's nurses supporting direct care
- CHAT team care pathways continue to develop with introduction of Viral Wheeze pathway to assist in the management and support children's care at home
- Increased community specialist nurse to support children with epilepsy
- Cannulation and IVA on Post-natal wards (though planned this has evolved at a faster speed during COVID)
- Diabetes Education lead to support education and digital technology support for service users, their families and staff has been recruited
- Increased access to Associate nurse training to support care
- Transitional Care Medicines Management Technicians (TC MMT) supporting discharge of patients
- New prescription collection bays on both sites to allow for patients to wait in their car and have medication delivered to them. This has been for our vulnerable patients who we are trying to stop coming into hospital and for those who have had remote appointments to collect their medication at a convenient time.
- Working with Serv Wessex to have medications delivered to patients' homes if they are extremely vulnerable
- Increasing the number of wards that have clinical pharmacy support
- Referral of patients using the TCAM system so that patients can be reviewed by their community pharmacist after discharge, this service helps to reduce readmission to hospital.

Volunteers

Our volunteers play a crucial role in enabling us to provide outstanding care to our patients. We are very thankful for their support and the ways in which they have come alongside us providing vital support in new and different ways as we have responded to the challenges of the COVID-19 pandemic. The time volunteers have so generously shared with us and their commitment has made such a huge difference to the CARE we provide.

There has been a tremendous outpouring of volunteer support in response to COVID-19 and volunteers in health and social care have been recognised by the government within its definition of 'critical workers'. Whilst many of our volunteers have needed to pause their volunteering with us, we have benefited from the support of volunteers in new and emerging roles. This has directly reduced pressure on services or staff as part of the Trust's COVID-19 response.

Preserving and protecting volunteers' health, safety and wellbeing has been a priority to help them to stay healthy and protect themselves, colleagues, patients and their families as part of our COVID-19 response. Our volunteer services team have adapted the recruitment process to make it

accessible during the lockdown restrictions and more streamlined in order to onboard volunteers more quickly. Volunteers have been supported in the same way as staff, following proper risk assessment and mitigations including personal protective equipment in accordance with the latest health, safety and wellbeing guidance provided throughout the pandemic. With appropriate guidance and delegation volunteers have safely supported areas of increased pressure and new ways of working.

We recognise that many of our existing volunteers have needed to step down from in-hospital volunteering, some have been in the vulnerable groups, others have been preventatively isolating or have been required to self-isolate. We have kept in touch with our volunteers who have needed or have chosen to temporarily pause their volunteering in order to keep connected. The opportunity remains open for them to return when it is safe to do so and they can.

Many of our existing volunteers have contributed in different ways; engaging in other local community-based volunteering ventures or with the national NHS responders scheme and we have benefited from the generosity and kindness of our local communities. So many people, individuals, families, groups and businesses have supported us. They have made hundreds of pairs of scrubs for our staff, scrub bags, face coverings, ear saver protectors and visors. People have given so many generous gifts including pamper gifts of bath and shower products, skin and nail care, food hampers, soft drinks, chocolate and easter eggs, socks and pyjama's and plants for our gardens.

Volunteers have supported our staff welfare initiatives distributing gifts and donations to staff and a local business kindly printed our volunteer polo shirts so our volunteers were easily recognised in their duties.

Troops from Winchester Army Training Regiment volunteered to support us with the epic move of services to accommodate a new ward as we prepared for winter and COVID-19 pressures at our Winchester hospital. This involved moving several services from the Mount Ward to the Nick Jonas ward and also included the COVID-19 screening and the Fracture Clinic. A complex task that required a lot of staff and several days of work, ended up being achieved in one day thanks to the team effort of staff and Winchester Army.

More than 150 volunteers stepped forward to help out at Hampshire Hospitals during the Coronavirus pandemic. The COVID-19 support volunteers have undertaken delegated tasks to support our frontline staff, while they are caring for our patients. Volunteers have supported us with a range of tasks such as; distributing facemasks, cleaning wipes and hand gel for our supplies department, helping with the preparation of clean linen and scrubs in linen services, maintaining and planting outside garden areas with donated plants for the pleasure of patients and staff. To help the public we have recruited a new team of meet and greet volunteers, based in our main reception with volunteers giving directions, answering queries, prompting people about face masks and escorting people to their appointments.

The patient property hubs have successfully supported the delivery of essential items to patients from family and friends during times of restricted visiting. Our community befriending volunteers have been unable to visit people in their own homes but have offered a telephone service to keep in

touch with patients who are isolated. Our new palliative care community support volunteer service has telephoned patients and their families in the community to ask how they are and do welfare checks, as well as co-ordinating any additional help and support needed. Trained volunteers known as bereavement companions have called bereaved relatives who are known to the palliative care team to provide support. Our hospital radio volunteers for Basingstoke and Winchester have continued to broadcast throughout the pandemic receiving requests online and providing opportunity for company and interaction thorough their programmes for patients.

We had the privilege of working with over 60 amazing volunteers from Project Wingman a group of airline crew from across UK airlines, dedicated to giving back to the NHS staff during this COVID-19 crisis. The Wingman volunteers set up 'First Class lounges' across the NHS to provide a space for staff to unwind and de-stress before, during and after hospital shifts and experience a first class service as a way of saying thank you to NHS staff and to do something to help the NHS effort. Lounges were set up at our Basingstoke and Winchester hospitals and a pop-up lounge visited Andover Hospital.

"Thank you - In these difficult times bringing your lovely smiles and world renown hospitality to our hospital"

Kate was one of the brilliant Wingman volunteers who, after working for British Airways for 19 years, supported our staff to enjoy a well-earned break in our Project Wingman lounges at HHFT when COVID-19 pandemic grounded flights. Kate joined our team as a therapy assistant and is continuing to help make a difference at HHFT. Kate said "Being part of Project Wingman has been a truly fantastic experience and one I will always be grateful for. It acted as a perfect bridge for me between the aviation world and the NHS."

We bid a fond farewell to the British Red Cross trolley service which delviered twice weekly treats, necessities and smiling faces to patients at the Royal Hampshire County Hospital. The service started over 80 years ago (pre-NHS) when a number of ladies followed the example of the British Red Cross in wartime by bringing baskets of goodies for patients. Over the past ten years, almost £25,000 raised by the service has been donated for new equipment for both Hampshire Hospitals and the British Red Cross. We would like to take this opportunity to thank the volunteers for their invaluable support at the hospital and wish them all the very best for the future and we look forward to seeing some of them in other volunteer roles with us.

During COVID-19 we introduced COVID responders, staff who gave their time to volunteer across the Trust to support the COVID response. Responders had role descriptions and regular placements in the same clinical areas and became familiar faces within the placement teams.

COVID responders told us that their experiences had added to their own development and understanding in their usual roles and work. Staff were pleased to welcome responders to their team and appreciated the support they provided during times of increased pressure. A real encouragement and team effort. Over 100 staff registered with us as COVID responders and COVID medical responders and 40 placements were organised including:

- Added capacity into the Patient Interim Transfers Team moving patients between wards and departments (3-9pm shifts at each site)
- Ward E3 supported in the evenings with meal trays and answering the telephone
- Lateral Flow team at RHCH
- Helping hand to Matron of the Day with errands
- Support on Freshfield and Wykeham wards
- Supporting the Bereavement Team with patient property
- Administrative tasks
- COVID Medical Responders – assisting on wards with clinical tasks

- ICU & HDU – answering telephones and providing updates to relatives
- Connecting Patient's with relatives via iPads
- Sitting and talking with patients, providing company and comfort where possible.

We will be exploring opportunities for staff to get involved in volunteering and 'give back'. We will review the model of the COVID responder scheme as part of our COVID-19 response.

Patient Information

The Health Information Point (HiP) is a free and confidential service located at Basingstoke and North Hampshire Hospital providing a service for patients, carers, visitors and staff across the trust and for those within the communities served by the Trust. The HiP responds to queries about medical conditions, tests, treatments and healthy lifestyles and provides details of local and national support groups. The HiP also promotes public health initiatives supporting national awareness campaigns throughout the year.

Since the start of the first lockdown in March 2020, the Health Information Point (HiP) has offered a virtual service to staff and clients via telephone and email. During this time, the HiP has also developed and continued to maintaining a large resource of COVID-19 related national and local information on the HHFT website, including in languages/formats than written English, such as large print, Easy Read, Makaton and BSL (British sign language).

Our virtual readers group receive patient information and publications to review and give their feedback to ensure our information is accessible for our patients, relatives and carers. The group has continued to run during COVID-19 providing essential support with volunteers commenting via email on new HHFT patient information leaflets prior to publication, with very short deadlines if specific to COVID-19. The HiP has supported the volunteering, chaplaincy and staff wellbeing teams with their initiatives, including newsletters, services of reflection, Christmas and staff focus week events, as well as actively participating in the staff wellbeing task and finish group.

We continue to make progress in making our patient information leaflets more accessible and making them available on the patient library created on the Trust's new website.

The BrowseAloud application available on the trust website supports a wide range of communication needs providing access to the information available for patients and the public.

As a Trust our vision is to provide outstanding care for every patient. We want to ensure that the services we provide today and in the future are of high quality and delivered in a way that demonstrates our CARE values in everything we do. We know that patient experience is positive when staff give compassionate care that is respectful and involves patients in decisions and that a strong culture of engagement and working in partnership has a direct impact on patient and staff experience.

We are absolutely committed to making sure the patient experience is considered in all that we do, that it is part of how we do things at Hampshire Hospitals. From our day to day interactions with patients, their families and carers, in the way we welcome and receive feedback and support our staff to listen and act in response and in how we plan services that are inclusive and focused on meeting the needs of patients and that consistently improve patient experience.

Listening to patients tell us about their experience and hearing what matters most to them about the way we do things helps us to understand what we need to do to provide outstanding care for every patient. Sharing the positive feedback we receive with staff is always encouraging but we also take time to share the feedback about the times when we do not get things right.

Examining feedback provides a direct insight into the things that are working well and those that are not working as well. It helps us to understand what is important to patients and what staff tell us works effectively. Discovering the areas where lessons can be learned and areas where improvements can be made is important to us. We want the feedback we receive to make a difference.

There are many ways in which people can tell us about their experience and have their say.

The national patient Friends and Family Test (FFT) survey question is an established way of all NHS hospitals in England asking about peoples experience of the services provided. Patients who are admitted as inpatients or as day cases, use our emergency departments, attend for outpatient appointments and women who use our maternity services are given the opportunity to respond and provide their comments about their experience of our services every day.

2020/21 saw some significant changes to the patient FFT survey. To support the measures required by hospitals to respond to COVID-19, NHS England and NHS Improvement temporarily suspended the submission of FFT data from all settings. Although national reporting was suspended the Trust continued to seek feedback from patients throughout COVID-19.

We adapted our approach to gathering feedback alongside implementing the revised national guidance for the FFT survey from April 2020. The revised guidance includes a new FFT question: "Overall, how was your experience of our service?" and provides the opportunity for patients and service users (e.g. carer/parent) to provide their feedback at any time rather than only at a previously determined point in their care.

One of the key changes in response to COVID-19 was to stop using methods of feedback collection that may pose an increased risk of infection to either staff or patients (e.g. feedback cards or iPads/tablets). For the Trust this meant the temporary suspension of providing patients with FFT cards to complete. In accordance with guidance from the Trust Infection Prevention and Control team all wards were directed to cease the use of gathering FFT feedback via survey card if the ward had any query or positive cases of COVID-19.

Whilst this impacted significantly on the amount of feedback received from inpatient wards and maternity services who predominantly rely on survey cards to gather the views of patients, the data for the year shows that the number of responses from text and voicemail surveys (sent to ED, surgical outpatients and some daycase patients) remained unchanged in comparison to the volumes received in the previous reporting years.

As the Trust responded to the challenges faced by COVID-19 it has been vital to ensure that we continue gathering feedback from our patients, enabling us to understand how it has affected our patient experience and what the Trust can do to improve the care and treatment we provide to patients.

Over **39,000** patients responded to the friends and family test question telling us if they had a positive or negative experience of our service, with patients still wishing to tell us about their experience. The feedback has also provided the Trust with valuable real time insight into patient experience during these exceptional circumstances.

The patient experience team used this as an opportunity to explore the most effective means of gathering feedback from patients and service users, as well as ensuring that the survey is inclusive and accessible. An on-line survey was introduced in June 2020 to provide an alternative channel for those who wish to share their feedback with us, particularly for inpatients and maternity services. The online survey is accessible to patients via iPad, HHFT website and QR code allowing patients to provide feedback at a convenient time to them. The online survey also has the benefits of 'browse aloud' allowing for greater accessibility of the surveys.

As a result of the suspension there is no national comparative data for the reporting period 2020/21 and in accordance with the revised national guidance for FFT issued in April 2020, response rates are no longer calculated or published. The reporting of FFT data was reinstated by NHS England and Improvement in January 2021 with the submission of December 2020 FFT data and will publish data in April 2021.

FFT Response Data

Whilst the Trust no longer reports the number of FFT responses received as percentage of eligible patients we can view the number of responses received in the reporting year as a comparison to the previous reporting year as well as the percentage of patients who had a good or negative experience of our service.

In previous reporting periods the FFT survey recommendation rates were based upon whether patients would or would not recommend the service to friends or family. In this reporting period and all subsequently reporting periods patients are asked whether their experience was positive or negative based on their scores from the options of very good, good, neither good nor poor, poor, very poor or do not know.

Patient feedback has enabled us to review how our response to COVID-19 has shaped patient experience.

Emergency Department (ED)

Whilst ED saw a small reduction in the number of responses from the previous reporting period the overall % of patients who had a positive experience of the service has significantly increased, alongside a reduction in the % of patients who had a negative experience.

Patients preferred method of responding to the FFT is via SMS (text message) which accounts for 69% of the responses received during the reporting period.

Emergency Department	Number of Responses	% Positive Experience	% Negative Experience
2019/20	17,768	87	7
2020/21	15,273	91	5

Patients commented favourably on the safety measures the Trust implemented to prevent the spread of infection in ED areas, however, the feedback also indicates that some patients did not feel the COVID pathway through ED was clearly communicated to them.

'The service was professional and thorough, I felt safe from Covid as the processes in place were thorough for mutual protection.' BNNH Patient

'*Their infection control was outstanding again, attention to detail in this pandemic was superb, standards that were already being applied on the unit which were no different from a previous visit.*' RHCH Patient

'Very kind staff and waiting time wasn't too bad considering it was A&E on a Saturday afternoon (2hrs) main reason for not giving a score of 1 was there was no or little advice/guidance given when it came to the Covid-19 pandemic, some patients in one waiting room I was in were all wearing masks and other areas were more laid back so seemed to contradict other zones just a few feet away from where I was waiting.' BNNH Patient

'All of the staff were kind and helpful. The area that could be improved is in communication. Several times I was asked to wait somewhere and not told why, or what would happen next, or who I was waiting for, or a rough timeline. Just left to wait' RHCH Patient

AWMH MIU

Andover MIU also changed the process for patients accessing the service, with attendance requiring a referral from 111 services. FFT feedback indicates that this new process is received favourably by patients, who view the service as efficient and an effective way of receiving treatment.

'Got appointment through ringing 111 was quick and effective was seen quickly was dealt with quickly'

'I was triaged quickly via the 111 system, and then called directly by the duty medic at Andover and given an appointment. When I arrived I was seen immediately and sent for an x-ray, I was in and out in less than 30 minutes. I have waited 4 hours in the past so this was a fantastic experience'

You said…. We did

*'Asking for cash for prescription payment in a Covid situation was very strange and odd as contactless payment will have made much more sense***.**

Patients commented upon the lack of contact payment facilities in ED in order to pay for prescriptions. Acting on this feedback the Trust has purchased contactless payment cards to support our infection control measures and ease of payment.

Inpatients

The Trust's response to COVID-19 had a significant impact in the number of responses received from inpatients to the FFT survey. This is attributed to the suspension of using postcard surveys in the interests of adhering to infection control guidance to protect our patients and staff.

Whilst the % of patients who had a negative experience of our service has not changed from the previous reporting year, the % of patients who reported having a positive experience has increased

by 1% although this must be considered in the context of a significant reduction in the number of responses.

Inpatients	Number of Responses	% Positive Experience	% Negative Experience
2019/20	26,377	96	1
2020/21	11,312	97	1

Responding to inpatients needs during COVID-19.

The patient experience team recognised how important it is for friends and family to stay connected with patients whilst there have been visiting restrictions and they introduced the 'stay in touch' messaging service. This provides the opportunity for friends and family to share messages with their loved ones in hospital. The service is operated seven days a week, supported by staff from Candover during the initial set up and now by the dementia team. Over 1300 messages have been sent to patients from friends and family during the reporting period.

'Amazing - thanks so much! Such an awesome service to offer those of us who can't see our loved ones during this time.'

'Please thank your team on behalf of my family for your fantastic messaging service, for me personally it has given me comfort that I can get a message to my Dad each day, especially as I live in Canada.'

Outpatients

The number of responses received from outpatients has reduced from the year 2019/20, as has the % score for postive experience**.**

The majority of outpatient feedback is received from surgical outpatients and phlebotomy services patients.

Outpatients	Number of Responses	% Positive Experience	% Negative Experience
2019/20	14,320	95	2
2020/21	10,998	94	2

The Trust has adapted the outpatient services in response to COVID-19 including the introduction of telephone and video link appointments. In order to ensure that experiences of virtual appointments are obtained, patients whose appointment is via 'Attend Anywhere' are invited to complete the on line FFT survey.

'Excellent and well organised Teams Virtual Dietitian Consultation with great care and attention to ensuring that I had all the necessary pre consultation documentation with regard to connecting/joining the virtual consultation. Informative consultation, all topics well covered, good clarity throughout the consultation and agreed, post consultation actions.' Dietitian Outpatient

The Trust has also implemented an online booking system for phlebotomy patients which has been well received by patients.

'Booking online was quick and simple and a wide range of appointment slots were available. Staff were friendly and gentle.' Phlebotomy patient

You said… we did

In the initial stages of the Trust's responses to COVID-19 it became apparent that the PPE masks worn by staff proved a communication challenge to patients with an audio impairment. In response to this the Trust trialled and purchased masks with mouth windows enabling patients to continue lip reading when required.

Maternity

The number of responses received is taken from the accumulative responses of all the touchpoints in the maternity service (antenatal, birth, postnatal ward and postnatal community), however, the % scores for experience are taken from the birth experience responses.

Maternity services rely predominantly on postcard surveys to receive FFT feedback and so has been impacted upon the suspension of this method of feedback during COVID-19.

Maternity	Number of Responses	% Positive Experience	% Negative Experience
2019/20	3,952	99	0
2020/21	2,538	99	1

As part of the launch of the new FFT question the Trust was keen to obtain feedback from patients who benefitted from the labour line service. The FFT maternity question was adapted in order to encompass patient feedback on this service.

'Fast and efficient response from labour line and decisive action plan for unexpected delivery!'

'Labour line was caring and informative. Service on the labour ward was excellent, everyone was helpful, understanding and caring.'

We have a responsibility to use the feedback we receive effectively to understand what it is telling us and to use it to improve services. We use the various sources of feedback we receive including local surveys, national patient experience surveys, FFT themes and trends, complaints and concerns, comments and compliments and triangulate these insights for discovery and action. The insights are shared to highlight areas of good practice or areas for improvement in any given department or service. They are also used to inform service reviews and improvement projects across the Trust.

We recognise that there are times when our actions do not meet the expectations of those who use our services. Listening and responding effectively to complaints and concerns helps us to avoid the same issues from happening again, making our services better and improving things for the people who use them as well as for the staff working in them. Good complaint handling creates a positive connection with the people who use our services and provides a valuable source of learning to help improve services for everyone.

It is important that people know how to raise their concerns and complaints and can do this easily with confidence that their feedback is welcomed and taken seriously and without fear that it will affect their care. Our frontline staff are encouraged to act quickly to anticipate and resolve concerns fairly and at the earliest opportunity. The clinical matron role is key to ensuring that the patient voice is heard and concerns responded to at the point of care.

Our customer care team provide a single point of contact for concerns and complaints across our three hospitals, providing impartial advice and responding to letters, email and telephone contact.

All complainants are signposted to the National Health Complaints Advocacy Service for help in making their complaint at the time we receive it. The team make sure that concerns and complaints are raised quickly with the relevant staff and departments so that action can be taken to resolve them satisfactorily. We want complaints to make a difference to the care we provide.

In response to the COVID-19 pandemic NHS England and NHS Improvement supported a system wide "pause" of the NHS complaints process at the end of March 2020 until July 2020 to allow all health care providers to concentrate their efforts on the front-line duties and responsiveness to COVID-19. The decision was determined locally and as a Trust we did not apply a pause to complaints investigations and our customer care team continued to operate providing support by email and telephone for patients and the public to raise their concerns and complaints with us. We recognised that it may take us longer than usual to investigate and respond to a complaint and communicated this with patients and the public in our contact with them.

In 2020/21 we received a total of 678 new formal complaints managed under the NHS complaints procedures. 95% of complaints overall were acknowledged within the required timeframe of three working days.

As a Trust we appreciate the importance of responding in as timely a manner as possible and we have set ourselves a local aim to investigate and respond to complaints within 25 working days. Overall in 2020/21, 65% of complaints were responded to within our local aim of 25 working days or agreed timeframe. The average time to respond to a complaint was 40 working days. Some complaints have taken longer to investigate especially during COVID-19 with a backlog of complaints waiting for response in some service areas. We are working hard to reduce the backlog and to agree an appropriate timeframe with each complainant and respond within this. We continue to strive to improve our responsiveness and will continue the quality improvement work established before COVID-19 to address the need for sustainable change.

The customer care team have continued to provide the Patient Advice and Liaison (PALS) function with open channels of communication with patients and the public throughout COVID-19, receiving 835 informal concerns in 2020/21. In liaison with staff across the Trust, many more comments, concerns and enquiries have been responded to as part of everyday interactions with patients.

Complaints and concerns are recorded and categorised to help us to identify themes and trends which are shared to improve the experience of care. The Chief Executive or a delegated Executive personally reviews all complaints received and all responses to complaints. The handling of complaints is monitored monthly and reported to each of the divisional boards and the Board of Directors as part of the monthly governance reports.

We use learning to improve our services and promote a culture of openness and accountability and support staff to learn when things do not go as expected. Our learning from events newsletter is published monthly and the learning from events forum has been held via Teams on a regular basis during COVID -19. It is important that the learning from the feedback we receive and from the incidents and complaints that are investigated is shared with staff from the local teams involved so it is put into practice. The learning from events forums also ensure that learning is shared across the Trust so we learn from one another and improvements are spread across services with a bigger impact for patients and staff. The focus in the year ahead will be on showing people the direct improvements that happen as a result and ensuring that all patients understand how their views are leading to change.

We established a quality improvement project to establish a clear and consistent approach to improving our responsiveness and learning from complaints, starting first with our expectations

about how best to handle complaints and to capture the learning. We have identified some key guidance and resources to help us develop training and development for our staff managing complaints and concerns. This has included a programme of on-line learning on the Trust's training and development platform, GreenBrain. We will be basing our approach on 'My Expectations' a framework that sets out what the public expect to see from us when they raise a concern or make a complaint about the services and care we provide. The quality improvement project will be a partnership with patients and staff.

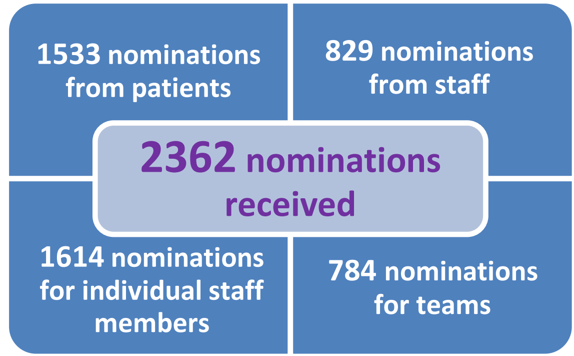
The Parliamentary and Health Service Ombudsman (PHSO) launched a pilot of the NHS Complaint Standards they have developed with complaint handlers, advocacy organisations and other public groups over the last 18 months. The complaint standards set out a single vision of good practice for handling complaints in the frontline with a strong focus on early resolution by empowered and well-trained staff. Aiming to support NHS organisations in England in providing a quicker, simpler and more streamlined complaint handling service, with a strong focus on early resolution by empowered and well-trained staff. We will align our quality improvement plan with the complaints standards pilot and implementing an improvement plan focused on improving our responsiveness to complaints.

Our staff work extremely hard and this is reflected in the many thank you letters and compliments we receive and the nominations for our WOW! Awards.

In 2020/21 272 thank you letters and compliments were made in writing to the Chairman and the Chief Executive's offices and were formally recorded and shared with staff. Many more letters and cards are sent directly to our wards and departments thanking staff for the care they have received. Whilst these are not formally recorded they are shared with staff to recognise the excellent care they provide every day.

THE WOW! AWARDS

Through the WOW! Awards we recognise our staff's dedication to living our CARE values and when staff go the extra mile. Nominations are invited from patients, visitors or staff with nominations for an individual member of staff or a team.



This word cloud represents some of the most popular words used in recent feedback and reflect the things that make a difference and a positive experience. The things we should keep on doing.

Nominations are considered by our Governors and a small number of winners are chosen every month. Unfortunately, during COVID-19 we have not been able to hold our usual celebratory WOW! lunches and Gala event with WOW! winners their colleagues, the board of directors and Foundation Trust governors. However, WOW! winners have been announced throughout the year and presented with a certificate by a member of the senior management team. Staff really appreciate nominations and tell us they are a real encouragement and morale boost.

Several teams reached milestone number of nominations during 2020/21 and Krystian Woloszyk, health care assistant (HCA) achieved the incredible milestone of 50 WOW! nominations

Team	Milestone Wow! nominations	Date milestone achieved
Women's Health	250	August 2020
Day Surgery	100	October 2020
St Cross ward	250	August2020
Peritoneal Malignancy Team	50	March 2021
McGill Acute Assessment Unit	100	October 2020
Maternity services	50	April 2020
Diagnosis and treatment Centre	250	August 2020
Clarke Ward	50	January 2021
Anthony Letchworth ward	100	February 2021

Here are citations from some of WOW! winners 2020/21 that we are very proud to share with you as a demonstration of the way our staff live our CARE values:

Dr Oliver Bevington came to Clarke ward on 26/1/21 as a COVID responder to help the ward. I would like to express our heartfelt appreciation and thanks for the excellent work and support Ollie has given to Clarke ward team. I never ever expected a consultant to do hands on care with my patients. Ollie washed my patients in B bay, assisted them with feeding, checked all the patients' observations and blood sugars on time. And still supported the patients and staff in other bays too. What a difference Ollie made to the team. We were short staffed and very much stretched with the acuity and dependency of patients. Ollie has gone above and beyond to support my team and it was a pleasure to work with him.

When I first realised Ollie was a consultant I was slightly confused with the type of role to allocate. But I was so impressed with the way Ollie communicated with all the staff and worked

hard throughout the shift, we felt he is one of our team members. The Clarke ward team would like to thank you for your support and hard work and you deserve WOW! nomination too. Thank you to the COVID respond team for sending Dr Bevington to Clarke ward. Dr Bevington is an asset to HHFT.

I would like the nominate the amazing Theatre Sterile Surgical Unit (TSSU) team at HHFT. They work behind the scenes every day to ensure we have sterile instruments, kit for surgery and the whole hospital. They are now working 24/7 during the COVID outbreak to provide an essential service for the whole Trust. Today, as Director of Infection Control, we asked them if they would work with us to prolong the life of our personal protective gowns, which are critical for our staff to look after COVID cases. They are working 24/7 to allow this to happen, and I cannot thank them enough; these are the unseen Heroes of HHFT! Thank you for helping us look after our staff and our patients!

The linen team provide the three hospitals with essential ward linen, uniforms, and scrubs. They are an essential but often hidden part of the hospital's team, going about their daily work 24/7 without a fuss, quietly making sure the hospitals are well stocked and the wards supported.
They are doing an amazing job during this Covid19 pandemic, rising to the huge challenge of getting essential linen and scrubs to the wards areas and taking away dirty linen for cleaning, all this with the extra pressures of the extra demands. They have been hidden heroes in this long marathon that is Covid19, just getting on with their job and I am very very proud of them. They richly deserve a WOW! nomination. Thank you to all the amazing linen team!!

On the Candover Suite we had a patient who was sadly dying. The patient's son was very distressed and had a lot of concerns that he wanted to be addressed.
Dr Wilkinson was amazing with the family. She took a considerable amount of time out of her day. As the son was unable to come in due to COVID-19, Anna went at lengths to set up a video call with the patient's son. She took over an hour to address his concerns and ensure that we all came to an agreement on his best management.

Dr Wilkinson really went above and beyond. This is one isolated incident in a crowded field of examples where she puts the patient first and excels at her job. We in the junior doctors' team have nothing but praise for her and feel that she is a credit to the trust. I have nominated quite a few people for WOW! Awards over the years and this is the first time that I have nominated one of our consultants. She truly deserves this award.

The intensive care team have shown outstanding compassion and care to their patients at the end of life. This has been more challenging due to all the issues surrounding Covid. However, they have still managed to involve the families as much as possible and treat the patients with the greatest respect. One of many examples of this was helping a child dress in PPE and cuddle his father before he died. I feel privileged to be part of their team.

Staying on both F2 and F3 I came into contact with Carmenia. Truly all staff on the wards were amazing, but she really helped when I felt low. Having a brain tumour I needed help with washing, toileting and independence which I didn't like. I felt like not drinking to avoid unnecessary fuss to use staff time. She was patient, kind but firm at making me drink and wash properly and to take things slow and steady. Nothing was too much. It really made me feel like I wasn't a burden and she persuaded me I had a right to be clean, refreshed and comfortable and not suffer. Thank you.

From the first day of being admitted Andrew made me feel at ease, I didn't want to be admitted, but knew I had to so felt a bit down. He has made me feel like a person, and even when he had to be somewhere else, he never rushed me, but listened when I asked questions. I also saw his kindness to other patients and he was no different in his care and compassion. I don't normally do this sort of thing but feel he needs to be recognised for his total care and compassion to all the patients. He has made my stay that bit easier and always with a smile. I thought he was a long-term member of staff, but it turns out he is only on his fourth week, you would never have known!

One of the ladies on our ward got quite confused, he would kneel down beside her and make her feel at ease, holding her hand, explaining to her with lots of patience, and lots of times the same things, always as if it was the first time he had heard it. I feel this is a way of saying thank you to Andrew and I really hope he gets recognised for a wonderful bedside manner.

From when I was first admitted (C4 ward), everyone I came across made me feel so comfortable and well cared for. It's scary being on the other side, especially when I was seriously ill and in isolation, and normally a member of staff. But every single member of that team was incredible. A massive thank you to Lucy and Gabby (doctors); Sam, Reggie, Athena, Alice, Amanda (nurses), Cete HCA; and the rest of the team. You made a scary and painful experience so much easier with your caring nature and good humour.

On my admission to Shawford Ward with Covid I would like to say a big thank you from the bottom of my heart to all the staff that cared for me. From the kitchen staff who cooked my meals, even though I was unable to eat them, to the consultant Dr Owen who visited me every day. The entire team showed compassion, honesty in information given, respected my dignity and individuality as a person and they encouraged me when I was struggling not to give up.

The support they gave me in the absence of my family was beyond their job role. It is the human things I remembered the most, the holding of my hand to make me feel less scared and alone by Allison, Lisa and Karolina. The selflessness of all the staff who put themselves in harm's way due to the risks of Covid but showed no fear or nervousness when dealing with me. And to the staff, especially Isaac, for the ice cubes when I was not eating or drinking, which was very much appreciated. Once again, I would like to show my appreciation to all the staff who nursed me when I had Covid.

My dad was admitted to hospital on Saturday 20 June 2020, initially into McGill Ward but later transferred to Bartlett Ward. On Tuesday 23 June 2020, the consultant shared his diagnosis with the family (bowel and bone cancer) and as you would expect the news was devastating for the family. Elaine was the nurse in charge on Tuesday evening, her care (and all of the staff on the ward) of my dad was immaculate - I cannot thank her enough. Visiting the hospital that evening, to essentially start the process of saying goodbye, was traumatic but made as painless as possible by Elaine; her patience, comforting manner and pragmatic but empathetic style made the process so much easier for me and my family. It was obvious that the staff on the ward genuinely care for their patients, despite being full to capacity and agnostic of the current Covid-19 concerns.

Sadly, my dad passed away on 30 June 2020, in Andover hospice. But the last few days of his life was as comfortable and painless as possible, primarily due to the care, attention and devotion of the wonderful staff on the Bartlett Ward. While waiting to see Dad on the Tuesday evening, I thought it strange that the notice board outside the ward displayed a 'recommend to a friend' card. While I wouldn't want anyone to have to go through the pain of losing a loved one, the fact that we are blessed with such wonderful NHS staff is a huge comfort. For her wholehearted professionalism, immaculate attention to detail and deeply comforting approach with the entire family, Elaine is the epitome of the NHS; proving high quality care for all, now and for future generations. Thank you x

In July 2020 I was rushed through to Labour Ward for an emergency c-section after experiencing reduced movements. Sarah West was present when my son was born. I was under general anaesthetic due to health concerns so not awake for the procedure and my partner was waiting outside. My son required CPR and was extremely poorly requiring a stay in neonatal. Sarah was incredible, extremely supportive and approachable. She helped save my son's life and acted very fast in such awful circumstances, even after providing such support and being under immense pressure she then came out of theatre and supported my partner who was extremely shell shocked, all whilst I was still under anaesthetic.

Sarah spoke to me after the birth whilst my son was in neonatal downstairs. I had to wait 7 hours to even meet my son and Sarah came to my hospital bed on the Labour Ward and provided me support. She continued to be present in the neonatal journey and I can never be thankful enough for her support. She asked about my mental health and completely understood the stress that had been added to already such a stressful situation by the Covid restrictions. We will forever remember her support. She continued to see our son in follow up appointments after our son was discharged from NICU and did so with such compassion and support.

My husband was in the emergency department waiting for a scan on a fall he had at home. Richard appeared in our little curtained area and introduced himself to us. He had a really happy nature about him and took time to talk to my husband with general chit chat which my husband loves as he is 82 now. Richard took us for the scan, but all the time we took the short walk around he checked that my husband was comfortable and warm enough the whole way around. He seemed to really care about my husband's wellbeing which was heart-warming for me to witness in these times that you in the hospital must be going through. When we returned back to the emergency department my husband was really thirsty as we had been there for 2 hours.

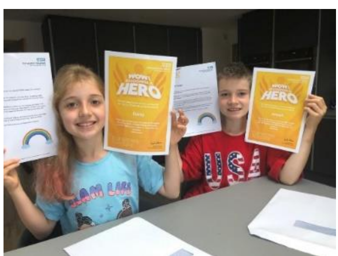
Richard went and spoke to the nurse, but they were busy with people so he went and made my husband a cup of tea and me too. I'm sure this was above and beyond the duties he would have to carry out, but to us it was such a lovely gesture and might be a little thing but to us it meant a lot. We felt he really showed us empathy on that day in the hospital.

On a normal day of the week, staff are nominated for a WOW! award by their colleagues, patients or visitors.

We wanted to say thank you to all of the children of our staff who have done such a brilliant job in supporting us over the last few months, by giving them a special WOW! Award for being an amazing NHS helper. Nominations were open for submission from all our staff at team HHFT and we had well over 700 submissions from staff across our sites, all of which

were honoured and either posted or made available for collection with an optional sweet treat.

Made up of a personalised letter from Alex Whitfield, our Chief Executive, and a named certificate produced by the WOW! Awards employee recognition programme, the awards have gone down a treat with children of our staff.



NHS Ratings and Reviews

The NHS website (previously known as NHS Choices) provides another valuable way for patients to provide online feedback to us about their care. The site allows patients to rate their experience at a hospital, out of five stars. All comments posted on the site are reviewed by the Chief Executive and are sent to the relevant staff within the divisions for their review and action. Individuals leaving comments of concern are encouraged to contact the customer care team to discuss them more fully so that we can listen, learn and respond. We also respond to comments and stories shared on Patient Opinion.

Emergency Department

Site	Number of 5 ★ responses	Number of 4 ★ responses	Number of 3 ★ responses	Number of 2 ★ responses	Number of 1 ★ responses
AWMH	0	0	0	0	0
BNNH	2	1	0	0	1
RHCH	2	0	0	0	1
Not specified	1	0	0	0	0

Inpatient

Site	Number of 5 ★ responses	Number of 4 ★ responses	Number of 3 ★ responses	Number of 2 ★ responses	Number of 1 ★ responses
AWMH	0	0	0	0	0
BNNH	1	0	0	0	0
RHCH	4	0	0	0	2

Outpatient

Site	Number of 5 ★ responses	Number of 4 ★ responses	Number of 3 ★ responses	Number of 2 ★ responses	Number of 1 ★ responses
AWMH	1	0	0	1	0
BNNH	0	0	0	0	1
RHCH	2	0	0	0	1

Maternity: There have been no reviews of the maternity services completed during 2020/21.

PLACE (Patient Led Assessment of the Care Environment)

Good environments matter and every patient should be cared for in a clean and safe environment. The annual PLACE assessment is an important opportunity to review and assess the patient environment and contribute to understanding the things that make a real difference to the experience of our patients and quality of care. The assessments are carried out by teams of patient assessors, people who use our buildings and are supported by staff assessors. The assessments provide insight into how the environment or services can be enhanced.

The annual PLACE programme was cancelled in 2020 in response to COVID-19 and the restrictions in place. PLACE-lite assessment forms were published in March 2021 to be used until the next iteration of the national PLACE programme. We are reviewing the PLACE lite assessment forms and supporting guidance to consider how we can incorporate these into our patient experience programme including ward accreditation scheme and our estates and facilities programme to ensure that the environment remains central to our vision of providing outstanding care.

To meet the high demand for treatment, the footprint of the Trust's hospitals have changed multiple times, with separate emergency departments for those with and without COVID-19 symptoms, and the Trust has carried out several ward reconfigurations to create more capacity in ward areas and critical care with the required distancing between bed spaces and access to the increased requirement for oxygen and ventilation. Our estates and facilities teams have worked with our infection, prevention and control team and our wards and departments to make the required changes happen safely and as soon as possible. Maintaining high standards of cleaning across the Trust has been an essential part of the Trust's response to COVID-19 and has involved a tremendous team effort from our domestic services team to undertake an intensive schedule of cleaning and deep cleans of wards and our public areas.

CQC National Survey programme

We participate in the CQC national programme of patient experience surveys and the results are used to help us benchmark the care we provide with other Trusts across England and our Trust performance over time. The 2019 Adult Inpatient survey reflects the experiences of patients who received NHS Inpatient care during July 2019. Results were published in July 2020 with a score of 9.3 out of 10 when patients were asked whether they felt they were treated with dignity and respect while in hospital, and 9.6 out of 10 for patients being given enough privacy when being examined or treated. Patients rated high levels of trust for our doctors and nurses with scores of 9.1 out of 10 and 9 out of 10 respectively and a score of 9.2 out of 10 when patients were asked if they were well looked after by our non-clinical hospital staff. Patients consistently rate their overall experience of our services as 8 or more out of 10.

Changes were made to the national survey programme in April 2020 in recognition of the important work that NHS trusts were doing in response to the COVID-19 outbreak. The fieldwork for the 2020 national maternity survey was cancelled. The Trust participated in a voluntary survey to find out about new mothers' experiences of care as an opportunity to compare our performance with previous results. Positive scores were given for being treated with dignity and respect, having confidence and trust in staff, being involved in decisions about their care during labour and birth and being treated with kindness and understanding. Key improvements since 2019 included being given information about changes to mental health and who to contact for advice about mental health. Three areas of focus for improvement were identified; offering choice about where to have check-ups and give birth, give active support, encouragement and relevant information on breastfeeding and discharge without delay.

As a Trust we have participated in the national 2020/21 survey programme with the 2020 Urgent and Emergency Care Survey, 2020 Adult Inpatients survey, and the 2020 Children and Young People Survey with results expected to be published in September and November 2021.

Patients, their families and carers

We want the experience of our patients, their families and carers to be the best it can be, where patients are more involved in decisions around their care and actively provide feedback to shape the design and delivery of services so we can provide outstanding care. We have responded to key

themes from the feedback we have received during the last year and we have been engaged in some prioritised improvement activities to support involvement in care.

COVID -19 safety measures

Worrying about catching COVID-19 has been a real and consistent concern for many people particularly for patients using our services, their families and carers and for our staff. A COVID secure environment has become paramount for infection prevention and control. We have followed the recommendations from Public Health England published throughout the pandemic and have made significant changes across our hospitals for the safety of patients, staff and our community. Social distancing measures, hand hygiene, cleaning and decontamination together with the appropriate use of personal protective equipment have been a critical part of the COVID response. Communicating the measures, we have taken clearly so they are understood by staff, patients and visitors has been important in providing confidence in the safety of our services.

We launched the COVID ZERO campaign across the Trust, calling on staff and members of the community to do everything they can to reduce the transmission of Coronavirus in our communities.

COVID ZERO is the ambition to have zero transmission of COVID in our hospitals and in the community, which will also enable us to make sure we can continue to run as many of our services as possible and provide the best possible care to our patients.

We saw in the first wave the positive impact following national guidelines had in keeping prevalence low, and it is really important we continue to behave in this way for our own safety, as well as protecting our friends, family and patients. In our hospitals, this means focusing on infection prevention practices in our hospitals and making sure we are following these rigorously.

Members of staff and volunteers have become COVID safety ambassadors, helping us to keep our hospitals COVID secure. With training and support from the infection, prevention and control team the ambassadors have been an initial point of contact and source of advice for those they work with, as well as spotting and helping to resolve and potential issues. This might be making sure sure colleagues are two metres apart when on a well-earned break or reminding someone to make sure they are wearing their mask correctly when walking around our hospitals. Ideas, comments or issues have been shared with senior managers to shape trust policy and how we respond to COVID-19.

Being able to test for COVID-19 has been a critical part of our COVID-19 response.

The microbiology team at HHFT have led the way in COVID-19 testing from the very beginning of the pandemic. They introduced the 'lab in a van' as part of a government pilot looking at a rapid test for coronavirus. Having a mobile rapid test enabled us to take the test out into the community to care homes and GP assessment centre as well as the Trust's two emergency departments in Basingstoke and Winchester.

Basingstoke hospital was also the first non-Public Health England lab to test for COVID-19, led by Stephen Kidd and thanks to the hard work and ingenuity of the entire microbiology department, from clinical scientists and the laboratory team to volunteers from academia and industry as well as the staff on the wards.

Now, the Trust's lab can process up to 1,000 COVID-19 tests a day from both inside the hospitals and community settings, with testing capacity increasing all the time in addition to the rest of the vital work the team processes each day. This means that staff can quickly identify patients who test positive and ensure they receive the care that is right for them, staff can come back to work once they receive a negative result, and community partners are supported too. The microbiology team have been such an essential part of the Trust's COVID response and their innovation has made a huge difference to the care we have been able to provide for patients and staff.

Keeping in touch with family and friends

The visiting restrictions introduced across the NHS in response to national guidance to protect our patients, visitors and staff have been a significant cause of concern. There have not been the same opportunities for families and carers to be involved in care, to act as an advocate seeking information and explanation and to be alongside loved ones providing a comforting presence. Patients have really missed this support and staff have also missed the benefits of the insights and mutual support that visiting family and loved ones provide as part of the care we provide.

Throughout the pandemic there have been separate arrangements for visiting for the exceptional circumstances outlined in the national guidance with the aim of balancing compassion, necessary support for those with vulnerabilities and infection prevention and control. These have included visiting for patients receiving end of life care, patients requiring support with complex or difficult decision making or assistance with communication and /or to meet their health, emotional or spiritual care needs, partners of women requiring support at antenatal and scan appointments and birthing partners, parents or guardians of children.

We made alternative arrangements for patients so that they can keep in touch with family and friends by phone calls, messaging on mobile phones, video calls using FaceTime, Zoom or Teams. Our bedside systems have provided the opportunity for patients to receive and make outgoing calls.

All of our wards now have iPads to support patients to stay in touch with their friends and family and enhance the communication our teams have with patients' loved ones. This is just one of the ways our teams have rapidly changed how we work to help support patients and their families at this difficult time. The tablets can be used by wards to have virtual family meetings where they can go over treatment plans and provide regular updates to patients' loved ones.

Parents of unwell and premature babies being cared for at our trust have been receiving extra support through the COVID-19 crisis, thanks to a new secure messaging video app.

iPads were generously donated to the neonatal units by the Ickle Pickle Charity, which enables staff to send parents videos and photos of their babies, as well as notifications about how they are progressing. The secure video and photo diary means families can stay in touch remotely at this difficult time and stay connected virtually in the first few weeks of their babies life, alongside coming to the hospital where possible.

Our new 'stay in touch' messaging service provides the opportunity for friends and family to share messages with their loved ones who are in our hospitals. Over 1300 messages were completed online and our team arranged for the messages to be printed on a chosen card and delivered to patients.

Alongside the message service, patients, family and friends can also request a song to be played by our award-winning hospital radio stations, Basingstoke Hospital Radio and Winchester Radio through our bedside systems. Family and friends can also ask for a message to be passed on to someone they know in hospital.

The requirement for our staff to wear PPE while in hospital which included face masks and visor shields has had an impact on communication between patients and staff. This was especially difficult for some people especially those with hearing loss and people with dementia or Alzheimer's or those with a learning disability. We purchased masks with clear panel mouth windows to facilitate communication with positive feedback from both patients and staff. Staff wore 'name stickers' on their uniforms with their roles described and some with their photograph so patients could recognise staff when they were wearing PPE. Our dementia team and learning disability team have continued to provide support to patients, their families and carers and our staff to facilitate communication and undertake a family liaison role during the pandemic.

Thank you Amy and Rizza

Janine has previously found coming into hospital difficult and was anxious about coming to the outpatients department and frightened of the scanning machines that was used to obtain images of her eyes. This was until Janine met Amy Sammut from the learning disability hospital liaison team and Rizza, a HCA in outpatients, at Basingstoke Hospital. With support from Amy, Rizza and Janine's sister, Janine spent visiting the department and getting used to the scanning machine to remove the fear and practiced relaxation techniques in the scanning chair. Janine had her scan listening to music and took home photo's of her eyes and a certificate to celebrate how well she had done. Working together with Janine and her family made a real difference to providing care in a way that enabled Janine to have the eye scan she needed.

Quote from patient – *"Thank you Amy and Rizza for being so kind"*

Quote from NOK who also attended the sessions - *"I didn't even know there was a department in B'stoke and N.H'ts. Hospital that could be called on for assistance. What a relief to have been introduced to you!*

You've been a delight to work and communicate with. The team has been so very patient and accepting of J's limitations and fears, as well as welcoming suggestions and ideas from the family. This, I believe, has led to the success of accomplishing the much needed eye scan.

And all this added to the current Covid situation! Absolutely outstanding! We don't hear enough about the positive results of continuing services during this unprecedented time. I can't thank or praise you enough."

Involved in decisions about care

Rachel Hayden, one of our dementia specialist nurses at the Trust has been selected to become an Admiral Nurse Clinical Lead, working collaboratively with Dementia UK. The UK charity is the only one dedicated to supporting whole families affected by dementia through dementia specialist Admiral Nurses. Rachel's appointment is part of the Trust's commitment to providing outstanding care. This is the start of a great relationship with Dementia UK that will only improve the dementia care we offer to patients and their families."

Rachel will be joined by two more Admiral Nurses so that specialist dementia support will be available at all three of our hospital sites. The Admiral Nurses will also be able to provide ward staff with the most up-to-date knowledge and training on dementia care and staff will be able to seek expert advice whenever they need it. Families can benefit from specialist care and support whilst the person with dementia is in hospital, and have their ongoing needs assessed before they are discharged. This is especially important during the current pandemic, when families may be unable to visit their loved ones in hospital or seek advice on what to do to prevent or manage any issues they may have difficulty with. Having a planned support package in place will also prevent readmission.

Patient Information

Throughout the pandemic, the Trust has followed national guidance and introduced a number of new measures to help support staff, patients and visitors - including limiting the number of people coming into the hospitals each day and introducing guidance around wearing face masks to reduce the risk of transmission.

Providing up to date information, advice and guidance has been an essential part of our COVID-19 response with our patient information lead and our readers group helping us to ensure our information about COVID-19 is accessible in a range of formats.

Virtual Appointments

The Trust's response has also seen the rapid acceleration of virtual appointments and online consultations where clinically appropriate, to reduce the number of patients who need to travel to get the care and expert advice they need. While some consultations were already non-face to face, such consultations greatly increased since mid-March 2020, with a total of 206,553 consultations of this kind having taken place since then. April 2020 was the month with the highest percent of non-face to face appointments, with up to 80% being performed virtually or by telephone.

Patient Hub

We have introduced the secure online portal Patient Hub, which allows patients to confirm attendance or request to rebook or cancel hospital appointments online, using a smart phone or computer.

Patients provide an up-to-date mobile phone number so a text message can be sent with a link to the secure portal to gain access. They can then login and select the method they want to be contacted by. Patients will then automatically have access to the service. Rather than initially receiving appointment letters by post, they will be sent a text message providing a personalised link to a secure portal, to gain access to all their letters.

Each time a new letter is added to the portal, a text message is sent within about a minute (depending on signal) with a link to it. If this link is not used and the letter not accessed within 48 hours, a paper copy will be sent by post. Giving the opportunity to access appointment letters online has benefits for both patients and the Trust.

Paper appointment letters are easily mislaid, which sometimes leads to patients arriving for appointments at the wrong time or even missing their consultations. Having access to all of the information on computer or even mobile phone will ensure appointment details are kept safely in one place to avoid them being mislaid and appointments can be put in an online diary. It will help the Trust save money through reducing postage and printing which can be reinvested in patient services. This will reduce the amount of paper used which makes us kinder to the environment.

New Telemedicine service

To help support care home residents and avoid patients experiencing unnecessary or difficult admissions into hospital we have launched a new telemedicine service, in partnership with other local organisations including the West and North Hampshire Clinical Commissioning Groups. As the challenges of COVID-19 arose, the project was accelerated to help provide the best care for some of the most vulnerable people in our community. The first phase of the service provided instant advice to care homes for residents who experience a sudden and unexpected health need between 8am-8pm seven days a week. This quick, personalised care will mean that more elderly people will be able to get the care they need in the safety and comfort of their own home.

Where they do need to come into hospital, we can work with partners in our healthcare system to make sure these patients can go directly to the best place to get help, without first having to call 111 or 999 and spend time in the emergency department, which can often be difficult for elderly or confused patients. It can also be used to prescribe urgent medications, making treatment or symptom control much faster. Mutually agreed plans will be available to anyone who cares for the resident like GP's and community teams. As the service grows it will be accessible to care homes 24/7 across Hampshire and the Isle of Wight.

Engagement and Involvement

We have continued to focus on improving access to services and experiences for patients, their families and carers. We have worked closely with partners to share good practice and information

to meet the needs of our local communities and engaged with our local communities, local community and voluntary services, members of the trust patient forums, volunteers and public and stakeholder Governors.

During COVID-19 our patient forums have continued to support us as critical friends and partners remaining active in virtual ways in response to lockdown and strict isolation of many people who use our services, their families and carers. Forum members have stayed connected with key members of our staff to exchange information and discuss concerns and engage in quality improvement initiatives. The forums have been actively engaged in the Hampshire Together Programme with representation on the Patient, Staff and Stakeholder Group and through their participation in focus groups and engagement activities.

Patient Forums include:

- The Patient Voice Forum – whose members engage with us regarding issues of patient experience and support improvement and development opportunities.
- Cancer Services Partnership Group – whose members support our cancer services and those patients, families and carers it supports.
- The Youth Forum – young people using our paediatric services supporting service improvements for children and young people
- Maternity Services Liaison Committee – ensuring women and their partners have a voice in maternity service design.
- Patient Experience Group – a subgroup of the Council of Governors with a focus on patient experience
- Trust readers group – whose members review patient information for the Trust

We have an established network of community partners across health and social care and the voluntary and community sector that we are connected with and continue to develop relationships with:

- Basingstoke Older people's forum
- Basingstoke and Deane Borough Council
- Hampshire County Council
- Clinical Commissioning groups
- GP participation groups
- Healthwatch Hampshire
- Carer organisations / carer representatives
- Andover Mind Carer support and dementia advice service
- Alzheimers Society
- Dementia UK and Admiral Nurses
- Local Implementation Groups – Learning Disability
- Open Sight and RNIB
- Voluntary and Community Services including; Basingstoke Voluntary Action, One Community, Unity
- Royal Voluntary Services and British Red Cross
- Basingstoke Disability Forum
- Wessex Cancer Alliance
- Wessex voices

Examples of initiatives and support our patient forums and representatives have provided include:

Hampshire Together: Modernising our Hospitals and Health Services programme

The Hampshire Together programme involves NHS and social care providers across Alton, Andover, Basingstoke, Eastleigh, Winchester and the surrounding areas. It is being led by the Hampshire and Isle of Wight Partnership of Clinical Commissioning Groups, Hampshire Hospitals NHS Foundation Trust and West Hampshire Clinical Commissioning Group.
The programme includes the construction of a brand new hospital – but its impact will reach far beyond the walls of this new building, involving GPs, mental health, community care, social care and the wider voluntary sector, as well as acute hospital care. As part of the Hampshire Together programme, people across north and mid Hampshire have been asked for their views on the way health services are provided in the area now and in the future. People from across our local communities have shared their views in relation to their local care and in regard to specific aspects of clinical care including a focus on cancer care, diabetes, emergency care and maternity care.

The Trust, in collaboration with its partners, has established a Patient, Staff and Stakeholder Advisory Group (PSSAG) to support the programme by offering advice, views, suggestions and opinions.
Representatives from our patient forums sit alongside NHS partners, Local authority, MP's, third sector organisations and Healthwatch. Members have been involved in offering their advice, views and suggestions on the plan of engagement activities to be undertaken, the content of plans or proposals made by the steering group and the language, tone and style of materials including, for example, consultation documents or information leaflets. Patient forums have advised regarding who should be engaged/consulted including seldom-heard groups and what forms of consultation would be most appropriate for these groups

In support of the Hampshire Together programme, Healthwatch Hampshire facilitated some focus groups and other methods of engagement with hard to reach communities of interest as part of the programme's engagement phase. This included the following groups:

• Disability – Basingstoke Disability Forum.
• Gender Reassignment – Chrysalis, supporting people with their gender identity.
• Young Carers – Winchester Young Carers.
• Digitally Disenfranchised – those people who are disadvantaged due to being digitally inexperienced or without access to digital equipment

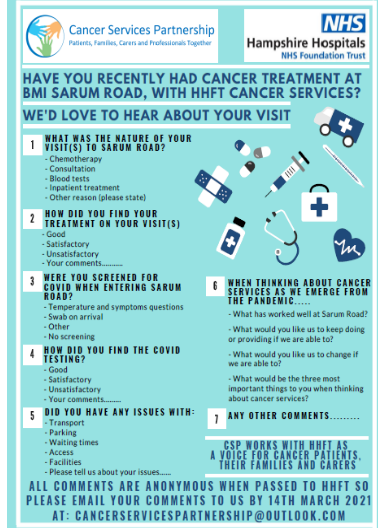
Interaction with the participants focused on the following:

• An overview of the Hampshire Together Programme.
• Conversations about how far people would be willing to travel to access services.
• An overview of the outcomes from the options development programme.
• Conversations about how they might be impacted by options.
• Provide opportunities for participants to raise concerns and possible benefits.
• Introduce next steps – consultation period of the programme.

Valuable feedback was shared about travel, parking, physical access, continuity of care, ideas for the new hospital and ways to improve experiences for people using the services.

Members of our Patient Voice Forum (PVF) were involved in research during the pandemic including rapid research conducted by Healthwatch in partnership with Traverse, National Voices and PPL about people's experienced of remote appointments since the start of the pandemic. The research involved people who had a virtual consultation during the pandemic. The PVF were able to share their perspective through a member of the forum who participated in a webinar, telephone interview and online workshop as part of the research. The outcomes of the research about how to make virtual appointments work better have been published and shared with services who have utilised virtual appointments.

The Cancer Services Partnership (CSP) combines the patients voice in a partnership with HHFT and other cancer related groups to ensure consistency of outstanding treatment and care for cancer patients, their families and carers. People with personal experiences can share their views and ideas to help improve local cancer services so that all cancer patients, their families and carers, in north and central Hampshire, can have the best possible experience throughout their cancer journey and beyond.



The CSP have maintained their connections during the pandemic with regular virtual meetings and networking events and seeking feedback to share with the trust about cancer services. In particular, the CSP have been actively involved in the Hampshire Together programme.

Members supported the trust with a survey about peoples experience of cancer treatment at BMI Sarum Road Hospital. Cancer services were moved off site in response to COVID-19 supporting a COVID secure environment for the continued treatment of cancer patients. Views were sought to understand the experience of this service change and to inform the return of services to the Trust hospital site/s.

Patient Experience and Engagement strategy

The Trust Patient Experience and Engagement strategy was co-produced with the involvement of people who use our services, their families and carers, our governors and staff and local partners and was launched in March 2020 for 2020/23. Our ambition is to make experience, engagement and inclusion an integral part of how we develop, deliver and improve services.

Whilst progress of the strategy has been limited during the COVID-19 pandemic, the Patient Partnership and Experience Steering Group (PPESG) has been established as a subgroup of the Quality and Performance Committee to provide the governance framework and oversight for the strategy. PPESG will have a joint chair role with a patient partner as a co-chair. PPESG has reviewed

the strategy and consider it remains current and relevant and is reviewing the priorities set out for year one to carry forward for the year 2021/22 with a focus on engaging for improvement and building our capability and competence for involvement and co-production.

NHS well-led framework

The Board of HHFT is responsible for all aspects of leadership within the organisation. The Board has a duty to conduct their affairs effectively and demonstrate measurable outcomes that build patient, public and stakeholder confidence that high quality, sustainable care is provided.

In-depth, regular and externally facilitated developmental reviews of leadership and governance are good practice and should look to identify the areas of the Trust's, leadership and governance that would benefit from further targeted development work to secure and sustain future performance. NHS Improvement requires all trusts to carry out externally facilitated, developmental reviews of their leadership and governance using the well-led framework. The Trust last commissioned an externally facilitated well-led review in 2018 and will be looking to make arrangements for its next in 2021/22.

Trust was inspected by the CQC in February 2020 to assess performance in respect of the well-led framework which is a standard measure for leadership across NHS providers. The overall rating for well-led was 'good'.

Declarations

- The Foundation Trust did not make any political donations during 2020/21, neither did the Foundation Trust make any charitable donations during the year. Hampshire Hospitals Charity is not consolidated into the trust accounts.
- The Foundation Trust engages in research and development projects funded by external resources, usually for a fixed term. No research and development is undertaken without external funding;
- The Foundation Trust has no branches or activities outside the UK;
- The Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012;
- The Board confirm that they have complied with all matters set out in the Code of Governance;
- Whilst the Trust is committed to dealing fairly and professionally with all of our supplier partners, by working to the Better Payment Practice Code (under which we aim to pay 95% of our invoices within the agreed terms unless there is a dispute), this has not been achievable in practice. During 2020/21 the performance of the Trust was as set out in the table below:

BPPC Period Paid	Invoice Count	Invoice Count (Passed)	% Passed	BPPC Amount	Invoice Amount (Paid)	% Amount Passed
2020/21	75,453	66,340	87.92%	263,932,508	238,480,790	90.36%

- The Trust incurred £7,484 of interest charges under the Late Payment of Commercial Debts (Interest Act) 1998. (2019/20 £nil)
- Each director confirms that they have taken all the requisite steps to make themselves aware of any relevant audit information and establish that the auditors are aware of that information;

- So far as the Directors are aware, there have been no post-balance sheet events which require disclosure;
- The annual report has been prepared using the Annual Reporting Manual (ARM) guidance and a direction issued by NHSI and the accounts prepared using the Group Accounting Manual;
- The Board take ultimate responsibility for the preparation of the annual accounts and have reviewed the systems of internal control;
- Accounting policies for pensions and other retirement benefits are set out in note 1 to the accounts. Details of Directors' remuneration can be found on page 42 of this report;
- No Director or Governor held any company directorship or had any other significant interest which might conflict with his or her responsibilities. A register of declared interests is maintained by the Company Secretary of the Foundation Trust;
- The Foundation Trust has met the requirement that the income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes;
- Other income received by the Foundation Trust is applied towards the provision of goods and services to enhance and support the delivery of patient care;
- The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Foundation Trust's performance, business model and strategy;
- After making enquiries, the Directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to accept the going concern basis in preparing the accounts;
- So far as each Director is aware, there is no relevant audit information of which the Trust's auditors are unaware and each Director confirms that they have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Foundation Trust's auditor is aware of that information;
- The Directors are required under the National Health Service Act 2006 to prepare financial statements for each financial year. The Secretary of State, with the approval of the Treasury directs that these financial statements give a true and fair view of the state of affairs of the Foundation Trust and of the income and expenditure of the Foundation Trust for that period. In preparing these financial statements, 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 and state whether applicable accounting standards have been followed, subject any material departures disclosed and explained in the financial statements;
- The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the financial statements.

Signed………………………………………………………………….. Date: 11/06/2021
Alex Whitfield
Chief Executive

Remuneration Report

The terms and conditions of employment for most of HHFT's employees are linked to the agreed national frameworks (for example Agenda for Change). The exceptions to this are the Executive and Non-Executive Directors and other senior managers, whose terms and conditions of employment and remuneration are determined by Remuneration Committees, as detailed further on in this report. Membership of, and attendance at, committee meetings is shown in Annex A and Annex B of this Annual Report. Neither committee appointed any advisors during the year.

For Executive Directors who are paid an annual salary higher than £150k, HHFT is satisfied that this remuneration is reasonable by considering the skills and experience of the individuals in those roles and by comparing the salaries with the market rate for those roles at other NHS providers.

Annual statements on remuneration

Statement of the Chairman of the Council of Governors' Nomination, Remuneration and Evaluations Committee

"The Committee met once during the year and recommended to the Council of Governors that there be no pay award to the Non-Executive Directors or Chairman. This was not a reflection on performance but was in response to NHSE/I guidance that is trying to equalise the pay difference between NHS Foundation Trusts and other NHS Trusts"

Steve Erskine
Chairman of the Nomination, Remuneration and Evaluations Committee (NREC)

Statement of the Chairman of the Board of Directors'

"*The Committee met once during the year and recommended a 1.67% non-consolidated award to the Executive Directors. It was subsequently agreed to make a consolidated 1.03% increase to the Chief Executive from 1st April 2020"*

Jane Tabor
Non-Executive Director and Chairman of the Remuneration Committee for Executive Directors

Pay awards for Executive Directors for 2020/21

As noted in the statement by the Committee's Chairman the Remuneration Committee decided to recommend a 1.67% non-consolidated award to Executive Directors, in line with the Agenda for Change cost of living increase and following the NHSI guidance on Executive pay ranges for large acute NHS Trusts. The Chief Executive Officer was awarded a 1.03% consolidated increase in line with NHSI guidance

The Chief Financial Officer informed the Remuneration Committee that he would not accept the award.

Executive Directors

Executive Directors are full time employees of the Trust and Board members. Membership of the Board at the 31 March 2021 comprises eight Non-Executive Directors, including the Chair, and six Executive Directors.

The remuneration of Executive Directors and a number of very senior managers is reviewed annually by the Board's Remuneration Committee and to inform the discussion and outcome a national report on benchmarking of NHS Executive Director salary levels is received from NHS Providers.

Other Senior Managers

Before 2018/19 the Trust operated a separate pay system (Non-Agenda for Change) for its very senior managers, which had been in operation since 2012 and affected the management tier below Executive Directors and comprising the Operations Directors, Associate Directors and Deputy Directors or equivalent. There were eighteen roles which fell within this category. Following consultation with the senior managers it was decided that the majority of those individuals would move to the agenda for change pay system with the remainder continuing to be subject to the separate pay system which receives pay progression at the discretion of the remuneration committee taking comparative benchmarking data into account.

If a new role is created, or a role is vacated and a successor is internally or externally sourced, the committee will consider and make a recommendation as to whether that post should fit within the separate pay system or agenda for change taking into account:

- Salary of predecessor (as appropriate)
- Market rate in given role/profession/market sector and cross sector as is appropriate
- Prevailing NHS/Public Sector Guidelines (if relevant)
- Current salary (if relevant)
- Salary in equivalent roles internally to HHFT.

During 2020/21, the Remuneration Committee awarded a 1.67% increase to all Very Senior Managers (VSM), mirroring the agenda for change cost of living increase, except for the Operations Director for Surgical Services who hadn't been in post long enough to be considered for a pay increase.

Board of Directors' Remuneration Committee

The Remuneration Committee's main roles are to:

- Agree with the Board of Directors a framework for remunerating Executive Directors (including the Chief Executive) and senior managers;
- Determine the total remuneration of each Executive Director and senior manager; and
- Ensure that contractual terms on termination are fair to both the director and HHFT, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

The membership of the Remuneration Committee is comprised of the eight Non-Executive Directors listed in Annex A and is chaired by Jane Tabor. The Remuneration Committee works in consultation with the Chief Executive, where appropriate, and may take other professional advice as it considers appropriate or beneficial, although none has been sought during this year.

The Committee met once during the year 2020/21.

Council of Governors' Nomination, Remuneration and Evaluations Committee (NREC)

There has been one meeting of the NREC held in the financial year 2020/21. The NREC has discussed the guidance from NHSI "structure to align remuneration for Chairs and Non-Executive Directors and

NHS Trusts and NHS Foundation Trusts" both in the committee meeting and with the full Council of Governors. This will be considered by NREC when considering recommendations on pay awards for the Chair and Non-Executive Directors and appropriate disclosures will be made in future annual reports on a "comply or explain" basis as appropriate.

The following table lists the Non-Executive Directors as at 31 March 2020 and the date that their current term ends:

Non-Executive Director	End of current term
Steve Erskine	31 December 2021
Gary McRae	30 November 2021
Paul Musson	31 August 2022
Jane Tabor	31 August 2022
Ruth Williams	31 March 2022
Simon Holmes	31 March 2022
Jos Creese	31 March 2023
Laks Khangura	31 March 2023

Although Non-Executive Directors' appointments terminate on the respective dates shown above, these appointments automatically terminate on the happening of certain events, such as bankruptcy, and either HHFT or the Non-Executive Director can terminate on 3 months' notice. There are no special compensation provisions for early termination.

Remuneration of Executive and Non-Executive Directors

The table below shows the commencement date of the service contract of all Executive Directors as at 31 March 2021.

Name	Start date	Unexpired term	Notice period
Alex Whitfield	13 March 2017	Open ended	Six months
Lara Alloway*	2 September 2019	Open ended	Three months
Malcolm Ace	1 May 2016	Open ended	Three months
Julie Maskery*	1 July 2015	Open ended	Three months
Julie Dawes	3 September 2018	Open ended	Six months
Shirlene Oh*	1 November 2020	Open ended	Three months

The salary and pension entitlements of Non-Executive Directors and Executive Directors are set out in the following tables showing the current year and the previous year.

*Service at the Trust predates their start date as Directors

Period covering 1 April 2020 to 31 March 2021

Name and Title	Salary and fees (in bands of £5,000) £'000	Taxable benefits (total to the nearest £100) £'000	Annual performance related bonuses (in bands of £5,000) £'000	Long-term performance related bonuses (in bands of £5,000) £'000	Pension related benefits (in bands of £2,500) £'000	Total 2020/21 (in bands of £5,000) £'000
Chair:						
Steve Erskine	50-55	-	-	-	-	50-55
Non Executive Directors						
Gary McRae	15-20	-	-	-	-	15-20
Jane Tabor	15-20	-	-	-	-	15-20
Paul Musson	15-20	-	-	-	-	15-20
Simon Holmes	15-20	-	-	-	-	15-20
Ruth Williams	15-20	-	-	-	-	15-20
Laks Khangura (joined 1st April 2020)	15-20	-	-	-	-	15-20
Jos Creese (joined 1st April 2020)	15-20	-	-	-	-	15-20
Executive Directors						
Alex Whitfield, CEO	185-190	-	-	-	42.5-45.0	230-235
Julie Dawes, Chief Nurse & Deputy CEO	150-155	-	-	-	-	150-155
Lara Alloway, Medical Director	230-235	-	-	-	37.5-40.0	270-275
Shirlene Oh, Director of Strategy (started 1 Nov 2020)	50-55	-	-	-	40.0-42.5	90-95
Malcolm Ace, CFO	150-155	-	-	-	-	150-155
Julie Maskery, COO	150-155	-	-	-	12.5-15.0	160-165

(*) Shirlene Oh was appointed as Director of Strategy from 1st November 2020. The Trust has been unable to obtain the comparative pension figures the year ending 31 March 2020.
(**) Lara Alloway is a practicing consultant which is reflected in the remuneration of the Chief Medical Officer

Period covering 1 April 2019 to 31 March 2020

Name and Title	Salary and fees (in bands of £5,000) £'000	Taxable benefits (total to the nearest £100) £'000	Annual performance related bonuses (in bands of £5,000) £'000	Long-term performance related bonuses (in bands of £5,000) £'000	Pension related benefits (in bands of £2,500) £'000	Total 2019/20 (in bands of £5,000) £'000
Chair:						
Steve Erskine	50-55	-	-	-	-	50-55
Non Executive Directors						
John MacMahon (left 31st Dec 2019)	10-15	-	-	-	-	10-15
Jeff Wearing (left 30th Apr 2019)	0-5	-	-	-	-	0-5
Gary McRae	15-20	-	-	-	-	15-20
Jane Tabor	15-20	-	-	-	-	15-20
Paul Musson	15-20	-	-	-	-	15-20
Simon Holmes (joined 1st April 2019)	15-20	-	-	-	-	15-20
Ruth Williams (joined 1st April 2019)	15-20	-	-	-	-	15-20
Executive Directors						
Alex Whitfield, CEO	200-205	-	-	-	67.5-70.0	265-570
Julie Dawes, Director of Nursing	150-155	-	-	-	-	150-155
Andrew Bishop, Medical Director (resigned 31st May 2019)	40-45	-	-	-	45.0-47.5	90-95
Nicolette Hutchinson, Interim Medical Director (1st Jun 2019 to 1st Sep 2019)	50-55	-	-	-	0-2.5	50-55
Lara Alloway, Medical Director (started 2nd Sep 2019)	130-135	-	-	-	60.0-62.5	190-195
Malcolm Ace, CFO	155-160	-	-	-	-	155-160
Julie Maskery, COO	145-150	-	-	-	45.0-47.5	190-195

'Pension related benefits' are calculated according to the 'HMRC method' defined as ((20 x current annual pension entitlement) + current lump sum entitlement) – ((20 x prior year annual pension entitlement) + prior year lump sum entitlement), less any amounts paid by employees. *The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.*

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

Included in the above remuneration tables are uplift fees for additional responsibilities held for the following Non-Executive positions:

Role	Fee (in bands of £5,000)
Chairman of Audit Committee	0-5
Chairman of Risk Committee	0-5
Senior Independent Director	0-5
Chairman of Workforce and Organisational Development Committee	0-5
Chairman of Quality and Performance Committee	0-5
Chairman of Finance and Investment Committee	0-5

The table below shows individual pension benefits for each Executive Director for the last financial year:

Period covering 1 April 2020 to 31 March 2021

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500	(c) Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2020	(f) Real increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2021	(h) Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Directors								
Alex Whitfield, CEO	2.5 - 5.0	0 - 2.5	40 - 45	60 - 65	605	32	674	-
Lara Alloway, Medical Director	2.5 - 5.0	0 - 2.5	45 - 50	90 - 95	716	32	780	-
Malcolm Ace, CFO	-	-	-	-	-	-	-	-
Shirlene Oh, Director of Strategy	0 - 2.5	-	10 - 15	-	(*)	(*)	178	-
Julie Maskery, COO	0 - 2.5	-	70 - 75	-	997	22	1,057	-

(*) Shirelene Oh was appointed as Director of Strategy from 1st Nov 2020. The Trust has been unable to obtain the comparative Cash Equivalent Transfer Value for the year ending 31 March 2020

Period covering 1 April 2019 to 31 March 2020

Name and Title	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500	(c) Total accrued pension at pension age at 31 March 2020 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000)	(e) Cash Equivalent Transfer Value at 1 April 2019	(f) Real increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2020	(h) Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive Directors								
Alex Whitfield, CEO	2.5 - 5.0	2.5 - 5.0	35 - 40	60 - 65	516	49	605	-
Andrew Bishop, Medical Director (resigned 31st May 2019)	0 - 2.5	0 - 2.5	60 - 65	185 - 190	1,375	11	1,496	-
Lara Alloway, Medical Director (started 2nd Sep 2019)	0 - 2.5	0 - 2.5	40 - 45	85 - 90	(*)	(*)	716	-
Malcolm Ace, CFO	-	-	-	-	-	-	-	-
Julie Maskery, COO	2.5 - 5.0	0 - 2.5	70 - 75	0 - 2.5	910	43	997	-

(*) Lara Alloway was appointed as Medical Director from 2nd September 2019. The Trust has been unable to obtain the comparative figures for her CETV at 31 March 2019.
Nicolette Hutchinson acted as interim Chief Medical Officer from 1st June to 1st September. During this period she did not receive a real increase in pension payable nor an increase in the pension lump sum payable at pension age.

Julie Dawes, Chief Nurse, is excluded from the above tables disclosing individual pensions benefits for 2020/2021 and 2019/2020. The is because the Trust did not obtain information from the NHS Pensions Agency during the prescribed annual window for such requests to allow for full pensions benefit disclosures to be made for the Chief Nurse, and that information cannot now be obtained retrospectively. The Trust did not request the information from the NHS Pensions Agency because the Chief Nurse stopped contributing to the NHS Pension Scheme in 2019

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

	2020-21	**2019-20**	**2018-19**
Highest paid director's total remuneration (£'000)	230-235	200-205	270-275
Median total workforce remuneration	27,314	24,662	26,974
Ratio	8.51	8.11	10.10

This calculation excludes agency staff.

The banded remuneration of the highest-paid HHFT director in the financial year 2020/21 was £230,000-£235,000 (2019/20: £200,000-£205,000). This was 8.51 times (2019/20: 8.11 times) the median remuneration of the workforce, which was £27,314 (2019/20: £24,662).

At 31 March 2021, 1 employee (2019/2020: no employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £4,643 - £244,971 (2019/20: £4,552 - £236,498).

For the year ended 31 March 2021 no expenses were paid any Executive Directors (2019/20: £1,447 paid to 4), expenses paid to 2 Non-Executive Directors totalled £2,715 (2019/20: £4,700 paid to 2) and expenses paid to 1 Governors totalled £39 (2019/20: £1,050 paid to 4).

One of the Non-Executive Directors held Non-Executive Director roles in other organisations. Gary McRae is a Non-Executive Director at SAS Group Holdings Ltd, William Harvey Ltd and William Harvey Research Foundation.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. No payments were made for loss of office to any senior manager in the year 2020/21.

Signed………………………………………………………………… Date: 11/06/2021
Alex Whitfield
Chief Executive

Corporate Governance and Disclosures

The Board of Directors

The Board of Directors is the corporate decision-making body of HHFT and delegates day-to-day operational management of HHFT to the Chief Executive and Executive Directors. The Schedule of Matters Reserved to the Board which forms part of our Constitution, sets out the business to be conducted by the Board, or by one of its Committees. It also details the roles and responsibilities of the Council of Governors and how it and the Board will work together.

In 2020/21, the Board comprised a Non-Executive Chairman, a further seven Non-Executive Director roles each appointed by the Council of Governors for a term of three years, and six Executive Director roles. Its members bring a wealth of experience from the NHS, not for profit and the commercial sectors. Directors' membership of Board Committees and their attendance at Board meetings and Committee meetings in 2020/21 is shown in Annex A.

The Board's main responsibilities are to:

- Provide leadership to HHFT and promote achievement of HHFT's Principal Purpose as set out in its Constitution, ensuring at all times that it operates in accordance with its Constitution and Terms of Authorisation;
- Consider guidance from NHS Improvement, in particular "The Code of Governance";
- Function as the corporate decision-making body with Non-Executive Directors and Executive Directors as full and equal Board members;
- Consider the key strategic and managerial issues and risks facing HHFT in carrying out its statutory duties and other functions;
- Set the values and strategic direction of HHFT and submit them to the Council of Governors for approval and monitor their delivery throughout the year;
- Produce an annual plan, taking into account the views of the Council of Governors, and submit it to NHS Improvement to an agreed timetable;
- Ensure effective overall stewardship of HHFT through monitoring and overseeing all activities undertaken, ensuring competent and prudent management, sound planning, proper procedures for the maintenance of adequate accounting and other records and systems of internal control, and for compliance with statutory and regulatory obligations; and
- Ensure that HHFT has adequate and effective governance and risk management systems in place.

Balance of the Board

The range of skills and experience of Executive and Non-Executive Directors ensures an appropriate balance, and the independence of Non-Executive Directors helps to create a unitary Board with the appropriate skills to fulfil its role.

Independence of the Board

The Board has reviewed and determined that, by reason of their character and judgements, all Non-Executive Directors, including the Senior Independent Director, are independent.

In order to fulfil their duties, it is necessary that the Directors are free from conflicts of interests. As part of their functions, Directors are invited to declare any interest they may have at every Board meeting and a register of Directors' interests is maintained and regularly updated by the Company Secretary. Access to the register of Directors' interests is available to members of the public on request to company.secretary@hhft.nhs.uk. The register is also published on the Trust website. If any item to be discussed at a Board meeting conflicts with an interest of a Board member, they exempt themselves from the discussion.

The Senior Independent Director (SID) for the financial year 2020/21 is Gary McRae. In this role the SID is available to staff, members and Governors whose concerns were not resolved through the normal channels (Chair, Chief Executive or Chief Financial Officer) or for which these channels were inappropriate.

Board membership at 31 March 2021

BOARD MEMBER			
Name	**Title**	**Biography**	**Declarations**
Alex Whitfield	Chief Executive Officer	Alex joined the Trust as Chief Executive Officer in April 2017 after holding the position of chief operating officer for Solent NHS Trust. Alex has held senior roles in both the former Basingstoke and Winchester organisations over a number of years. Her first NHS role was at North Hampshire Hospital in 2005 and during her time there she covered areas as diverse as project management, governance, productivity and operational management of the Emergency Division. She went on to become chief operating officer at Winchester. Alex started her career in operational management at ExxonMobil's Fawley Oil Refinery and holds an engineering degree from Cambridge University. After 13 years at Exxon, Alex moved to the NHS.	Director of Wessex Academic Health Science Network Chair of Wessex Clinical Research Network Partnership Board, which pays £2000 per annum to HHFT for the role Member of the Hampshire Health and Wellbeing Board
Malcolm Ace	Chief Financial Officer	Malcolm joined the Trust as Chief Financial Officer in May 2016 after joining the NHS Executive Fast track programme in 2014 where he was based at Salisbury NHS Foundation Trust. Malcolm was previously the Director of Finance for the University of Portsmouth followed by the University of Southampton. Malcolm qualified as an accountant in 1987 after graduating from Jesus College, University of Oxford in 1983.	Director of HHFT subsidiary HHCS Ltd Director of Wessex NHS Procurement Ltd

Dr Lara Alloway	Chief Medical Officer	Lara qualified from the University of Southampton in 1995. She trained in general medicine in Wessex, later completed palliative medicine specialist training in the South Thames Deanery and was appointed to the Trust as a consultant in palliative medicine in 2005. She has held a number of leadership roles within the trust as clinical lead for palliative and end of life care, clinical director for cancer services, associate medical director and divisional director for medical services. She was appointed as chief medical officer for the Trust in September 2019	Trustee of Hampshire Medical Fund Trustee of Winchester Hospice Charity
Julie Maskery	Chief Operating Officer	Julie was appointed Chief Operating Officer in July 2017, having joined the Board of Directors as Director of Transformation and Performance two years earlier. Julie held a number of senior roles across HHFT, including Head of Human Resources, Education and Medical Staffing. She then moved into operational management and was the Operational Director for both the Surgical and Medical Divisions. Julie joined the NHS in April 2008 on the National NHS Gateway to Leadership programme. Prior to joining the NHS, she had worked for 15 years in local government in Leisure and Environmental Services	
Julie Dawes	Chief Nurse	Julie joined the Trust in September 2018 after holding the position of chief nurse and interim chief executive at Southern Health NHS Foundation Trust. Julie qualified at St James Hospital in Leeds and has worked as a nurse for 37 years. Her clinical background was mainly in cancer and palliative care and she is passionate about patient care and drives hard to maintain high standards of care. Julie graduated from Southampton University with a Master's Degree in 2005.	Trustee of Naomi House and Jacks Place

Shirlene Oh	Director of Strategy	Shirlene is responsible for working collaboratively with partners in the health ecosystem including the public, commissioners, providers of health and social care services, local authority, the voluntary sector and private sector, to develop its strategy to provide outstanding care to patients and to improve the health and wellbeing of the population it serves. This includes the strategy planning process, which links the clinical, financial, estate and digital/technology planning cycles into a coherent whole Trust strategy, work with the Local Care Partnership join acute care seamlessly with primary, community, mental health and social care plans and work with the Hampshire & Isle of Wight STP on its Strategic Delivery Plan. Her areas of professional interest include strategy, systems leadership, population health, innovation and quality improvement. Shirlene has developed capability programmes for health professionals in outcomes-based commissioning & integrated care and innovation. Shirlene has worked in both public and private sectors and has previously held senior positions at GlaxoSmithKline including Vice President, Sustainable Health Lab and Vice President, Supply Strategy, and at Imperial College Health Partners as Director of Innovation, Commerce & Capability. She has a PhD, MBA, Certificate in Population Health and is a Fellow of the Royal Society of Chemistry.	

NON-EXECUTIVE DIRECTORS			
Steve Erskine End of current term: 31/12/21	Chair	Steve has over 20 years board level experience in both the public and private sectors. He was previously the chairman of Poole Hospital NHS Foundation Trust and sat on the Dorset Integrated Care System partnership board. He was also vice-chairman at Portsmouth Hospitals NHS Trust and has been an NHS non-executive director since 2011. As a business development director for L3 Communications, a large US technology company, Steve was responsible for the delivery of intelligence and information systems into a range of domestic and international markets. During this time he led a multi-company team on the implementation of a new national child protection technology system to 46 police and law enforcement agencies in the UK. Between 2005 and 2010 Steve was the Integrated Service Management Director for a large Home Office agency. He was responsible for the delivery of operational services in the UK and 40 countries worldwide. Steve's career started at Ordnance Survey where he worked his way up through the organisation to become the main board director responsible for technology, product management and the full paper mapping production business. During this time he was the strategic relationship lead for external organisations and partners such as the Countryside Agency, DEFRA and MoD and also represented the UK on the management board of the European association for national mapping, cadastral and land registration authorities.	Director of HHFT subsidiary HHCS Ltd

Gary McRae End of current term: 30/11/21	Non-Executive Director Senior Independent Director Chairman of the Finance and Investment Committee	Gary is a Chartered Accountant and brings a wealth of experience from the private sector to HHFT. He previously worked as Finance Director of NSC, a privately-owned business based in Camberley providing training, simulation and consultancy products. Prior to this, he was the Director of Corporate Development and Legal at Laird PLC. He has also worked for British Aerospace Defence, the Dowty Group and Ernst & Young. Gary is currently a NED of SAS International.	Trustee of SAS Pension Fund NED/Trustee William Harvey Research Foundation NED of SAS Group Holdings Ltd Senior Independent Member of Court at the University of Aberdeen Director of HHFT subsidiary HHCS Ltd Co-opted member to the Group Risk and Compliance Committee of Aster Group
Jane Tabor End of current term: 31/08/22	Non-Executive Director Chairman of the Remuneration Committee	Jane has over 20 years commercial experience developing and leading major UK and European technology, services and software businesses for IBM. She held many senior executive positions within IBM, leading multi-national, multi-disciplinary teams working extensively through complex business partnerships and managing major client relationships. In addition to Hampshire Hospitals, Jane serves as a Non-Executive director of Vivid Housing, where she is a member of the Audit & Risk and Remuneration & Nominations Committees, and on the governing council of Loughborough University, where she is on the Finance, Nominations and Remuneration Committees. She is also a co-opted member of the Audit and Assurance Committee for England Athletics. Previously Jane was a Non-Executive director at the Isle of Wight NHS Trust and was a Board member with two not-for-profit organisations – AbilityNet and the IBM Charitable Trust.	Director of Imago@Loughborough Ltd Lay member of Council, Loughborough University Co-opted committee member of Audit & Assurance, England Athletics Director of Wessex NHS Procurement Ltd

Paul Musson End of current term: 31/08/22	Non-Executive Director Chairman of the Workforce and Organisational Development Committee	Paul Musson was Chief People Officer at Colt Technology Services, where he had a clear remit to drive the people and performance agenda 'top down' across Colt's business and service units. Paul was a key member of the strategic project team supporting the implementation of the new strategy and operating model through concept and design to execution. Paul has over 22 years' experience in Human Resources, working at a leadership level, having held corporate roles at global FTSE 100/S&P 250 companies, BAE Systems and Weatherford International. Prior to this Paul spent 20 years in the military in various leadership roles and was involved in two major reorganisations of the Army; his service also included 4 years in Special Forces as a Team Leader. Paul retired as a Captain in 1999.	
Ruth Williams End of current term: 31/03/22	Non-Executive Director Joint Chair of the Quality Committee	Ruth has long experience of securing quality improvements for patient care. She most recently worked as the Director of Nursing for NHS England, Wessex and latterly Hampshire, Isle of Wight and Thames Valley. In this capacity she led the quality team, and worked with commissioners and providers of health care to ensure and support improvement and strategic planning for quality care. Ruth's responsibilities in this role also included ensuring that patient experience and safeguarding duties were met across Wessex and Hampshire and Thames Valley. In addition she worked closely with Health Education England on workforce development. Ruth has held senior positions in South East Coast SHA, including interim Director of Nursing. Before this she worked in nursing management positions in Western Sussex NHS Trust and the Royal West Sussex NHS Trust. Ruth is also a Trustee of Langley House Trust charity and a Member of Gosport and Fareham multi academy Trust Board.	Trustee of Langley House Trust Independent Chair of Southampton CCG Clinical Governance Committee Member of Gosport and Fareham Multi-academy Trust

Simon Holmes End of current term: 31/03/22	Non-Executive Director Joint Chair of the Quality Committee	Simon Holmes trained in medicine at St Marys Hospital, London qualifying in 1984 and then underwent surgical training in and around London, before specialising in Urology which included completion of a higher surgical research degree. Simon then climbed the specialist ladder before being appointed a consultant in Portsmouth Hospitals Trust in 1995. During his surgical career Simon sub-specialised in Urological cancer surgery and also established a research unit in the department. His interest in cancer therapies led to involvement in the national cancer networks and he became medical director of the Central South Coast Cancer Network in 2007. Simon was then appointed to the role of medical director of Portsmouth Hospitals Trust in 2010, a post which he held until 2017 gaining board experience of a large acute Trust during this time. Simon retired from clinical practice at the end of 2018.	
Jos Creese 	Non-Executive Director	Jos is an independent consultant and analyst, providing advice to public and private sectors on digital and IT strategies, business risk, marketing and customer service. He also undertakes lecturing for a range of universities and professional bodies in the UK and internationally, including on health and social care integration and cyber risk. He is a past president of the British Computer Society and also of the Society of Innovation, Technology and Management (Socitm), and for over a decade he was CIO and latterly CDO for Hampshire County Council. He chairs the Open University School of Computing Industrial Board and is a non-Exec for the Department of International Trade on the Risk and Audit Committee covering cyber, digital and information risk. Jos started his professional life in the Department of Health and Social Security as a government statistician, advising the BDA and the BMA in medical research analyses, working with a number of major hospitals in the UK on clinical trials.	

Laks Khangura	Non-Executive Director	Laks is a fellow member of the Chartered Association of Certified Accountants (ACCA) with 20 years of experience in the utilities, aviation, health, education and telecommunications industries. He qualified with Southern Electric PLC before moving to British Airways as Finance Controller for one of their subsidiary company's, Speedwing International (SIL). Laks was involved in the successful sale by British Airways of Speedwing Mobile Comms to Spice Holdings PLC and was asked to join the board of the newly formed company, AirRadio Ltd as their Finance Director. Laks has held senior financial and commercial board roles in healthcare companies including DMC Healthcare (Primary Care), Community Dental Services (Community Interest Company) and Radiology Reporting Online (partly owned by UCLH) Laks has also held a portfolio of part time non-executive director positions. He joined Hillingdon PCT as Non-Executive Director and was appointed Chairman of Hillingdon Community Healthcare (HCH) where he supported the transfer of HCH to CNWL. He joined the board of CNWL Mental Health Trust as Non-Executive Director where he was Chair of the Audit Committee. Laks has recently left his role as CEO of FedBucks, the GP Federations in Buckinghamshire. He led the organisation from start up to being a significant player in the Bucks Integrated Care System.	Commercial Director for London Procurement Partnership

Board evaluation of performance

The Board evaluates its performance internally on an annual basis and commissions an external evaluation periodically on a three-yearly basis.

Board Committees

The Board of Directors has six main sub-committees:

- (a) Audit Committee;
- (b) Nomination Committee;
- (c) Remuneration Committee.
- (d) Finance and Investment Committee
- (e) Quality and Performance Committee
- (f) Workforce and Organisational Development Committee

Membership of these Committees and attendance at meetings in 2020-21 is shown in Annex A.

(a) **Audit Committee**

The Audit Committee is a non-executive committee of the Board with delegated authority to review the establishment and maintenance of an effective system of financial, non-financial and non-clinical internal controls, which supports the achievement of HHFT's objectives.

The principal purpose of the committee is to assist the Board in discharging its responsibilities for monitoring the integrity of HHFT's accounts. In addition it reviews the adequacy and effectiveness of HHFT's systems of risk management and internal controls and monitors the effectiveness, performance and objectivity of HHFT's external auditors, internal auditors and local counter fraud specialist. Within this remit, it also has responsibility for the oversight of the whistleblowing procedures within HHFT.

The members of the Audit Committee are listed in Annex A and include three independent Non-Executive Directors.

Effectiveness of the committee

The committee reviews and self-assesses its effectiveness annually using criteria from best practice guidance and ensures that any matters arising from this review are addressed.

The committee also reviews the performance of its internal and external auditors' service against best practice criteria identified from the *NHS Audit Committee Handbook*.

The committee has a secretary responsible for administrative support to its meeting. At each meeting the committee receive papers of good quality, provided in a timely fashion to allow due consideration of the content. Meetings are scheduled to allow sufficient time to enable a full and informed debate. Each meeting is minuted and reported to the Board.

The Committee undertook a self-evaluation in February 2021. The Committee was assured that it is running effectively and largely without issue. The suggested improvements have been implemented and will be re-evaluated in the next financial year to ensure change has been embedded.

The following areas were internally audited and considered by the Committee:

- Capital projects
- Remote working
- Financial management and sustainability
- Health and Safety
- Risk management
- Data quality
- Financial governance

External audit

Ernst and Young (EY) have been appointed as external auditors. EY has finalised their audit report for the current period, which is included in the accounts. Their audit fees and non-audit fees are set, monitored and reviewed throughout the year and are included in note 43 of the accounts.

Internal audit and counter fraud services

The Board contracts with external parties to deliver internal audit and counter-fraud services:

- RSM Risk Assurance Services LLP (RSM) has provided their services as internal auditors. RSM's service covers both financial and non-financial audits determined by a risk-based plan agreed with the Audit Committee.

- The Trust contracts with the NHS Hampshire and IOW Counter Fraud Service to provide a separate independent counter fraud service. The service includes carrying out reviews of areas at risk of fraud, investigating any allegations of fraud and providing fraud awareness training across the Trust.

Internal controls

The Committee focussed the internal audit plan on the areas set out above. Action plans were agreed and put in place to address issues in control processes.

Fraud detection processes and whistle-blowing arrangements

The Committee reviewed the levels of fraud and theft reported and detected, and the arrangements in place to prevent, minimise and detect fraud and bribery. NHS Hampshire and IOW Counter Fraud Service Awareness indicated that awareness of fraud risk and how to report fraud was high across the Trust's employees. No significant fraud was uncovered during the year. Whistleblowing arrangements are reviewed regularly, and no significant matters were brought to the Trust's attention during the year. Whistleblowing arrangements, including freedom to speak up guardian activities, are reviewed regularly.

Financial reporting

The Audit Committee reviewed the Trust's accounts and Annual Governance Statement and the consistency of these with the Annual Report as a whole. As part of this review it considered reports from management and from external and internal auditors to assist its consideration of the quality and acceptability of accounting policies, including their compliance with accounting standards. In particular the review considered:

- Key judgements made in preparation of the financial statements;
- Compliance with legal and regulatory requirements;
- Clarity of disclosures and their compliance with relevant reporting requirements; and
- Whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the Trust's performance and strategy.

The Audit Committee has reviewed the content of the Annual Report and Accounts and advised the Board that, in its view, taken as a whole:

- It is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's performance, business model and strategy; and
- It is consistent with the Annual Governance Statement, feedback received from the external auditors and the Head of Internal Audit Opinion.

Significant financial judgements and reporting for 2020/21

The Audit Committee considered a number of areas where significant financial judgements were taken which have influenced the financial statements.

We identified through discussion with both management and the external auditor the key risks of misstatement within the Trust's financial statements. We discussed these risks with management during the year and received a paper from management in advance of the year-end. We also discussed these with the external auditor during the year and at the conclusion of the external audit. We set out below how the Audit Committee satisfied itself that these risks of misstatement had been properly addressed.

Areas of accounting judgement and other issues

The following areas were considered by the Committee:

- Fixed Assets Valuations: reports from management which explained the basis of valuation for the most significant buildings, taking into account future life, use and structural refurbishment expenditure and including a review of the rationale for any impairment were reviewed. The external auditor's views on the proper accounting treatment for these buildings were taken into account. The Committee was satisfied that the valuation of these buildings included in the financial statements was consistent with management intention, and is in line with accepted accounting standards; and

- Impairment of Asset Valuation: the Committee considered reports from management triangulated with the views of the external auditor on a specific impairment issue. The recommendation of the Audit Committee, which accorded with that of management and the external auditor, was endorsed by the Board of Directors, and consequently incorporated in the financial statements; and

- Receipt of NHS Income: the Agreement of Balances exercise across the NHS was reviewed as part of the consideration of the external auditor's report. This confirmed that the Trust had recognised income appropriately within the financial statements including its valuation of work in progress; and

- Charity Consolidation: the decision to continue not to consolidate the accounts of the Hampshire Hospitals Charity was reviewed. This continues to be disclosed in the accounts with an explanation to the reasons for non-consolidation; and

- Hampshire Hospitals Contract Services Ltd (HHCS): the required disclosures under IFRS of the subsidiary company were reviewed and will be included in the accounts due to the materiality of the company's assets.

(b) Nomination Committee

The Nomination Committee reviews, and recommends to the Board, the appointment of Executive Directors and considers succession planning. The Nomination Committee met once during the year and reviewed pay awards made in 2019/20 and a pay review for 2020/21.

(c) Remuneration Committee

The details of this committee can be found on page 88 of this report.

(d) Finance and Investment Committee

The Trust has to be sustainable in the short, medium and long term. Sustainability has different aspects, the most important being that our clinical services meet the changing demands and needs of our population. To do this, the Trust must be able to support the requirements of clinical services within the resources available to the Trust, while maintaining the future operational capacity of the Trust in terms of investment in estate, equipment, digital services and crucially our people.

The Finance and Investment Committee aims to ensure that:

- the Trust's clinical and other operational plans are consistent with realistic resource plans
- all services are provided in the most efficient and effective manner, consistent with good practice in the NHS and the wider economy where helpful comparison and learning can be used
- senior managers are controlling budgets in line with agreed resource plans
- new opportunities and requirements to support our population are facilitated and where possible accelerated by early and rigorous financial and resource planning
- senior managers and leaders are supported in their relationship with regulators, system partners and other external organisations with requisite financial and resources information and support
- assurance is provided to the Board of Directors of HHFT that resources are used in the most creative way to benefit our population and that the Trust is meeting the requirements of our regulators in providing outstanding care within the resources available

(e) Quality and Performance Committee

The Committee is responsible for providing the Board of Directors with assurance on all aspects of clinical quality including patient safety, experience and effective outcomes, governance processes, quality monitoring, clinical risk management and the regulatory standards of quality and safety.

The Committee will provide scrutiny and challenge of any quality issue it deems appropriate to provide assurance to the Board that the risks associated with clinical quality and the Trust's provision of outstanding care are identified, managed and mitigated appropriately by:

- Providing oversight of the areas which best support delivery of the Trust's strategic objectives and quality priorities in relation to patient safety, experience, patient outcomes and effectiveness
- Reviewing compliance with regulatory standards and statutory requirements e.g. CQC standards of quality and safety and the adequacy of assurances provided by the controls and actions in place to ensure compliance
- Reviewing the adequacy of actions in all areas of the Trust's clinical quality, patient safety and governance performance including review of the annual clinical audit programme and implementation of NICE guidance
- Receiving and considering reports from the Divisions based on a range of outputs relating to quality assurance in the delivery of services e.g. complaints, incidents, patient safety issues, patient experience and effectiveness of patient outcomes
- Receiving and reviewing reports from external assessment and accreditation systems, professional bodies and regulatory bodies, and from Trust groups established to focus on specific quality related issues e.g. SERG, PSEEG, MERG
- Oversee 'Deep Dive Reviews' of identified risk to quality escalated by the Board or the Committee, particularly in relation to clinical issues raised in national/local reports, patient surveys and complaints, SIRIs, Never Events, duty of candour, claims and inquests; and how recommended actions have been implemented

- The Committee may also initiate reviews based on its own insight and analysis of quality trends identified through the regular performance reporting to the Board

(f) Workforce and Organisational Development Committee

The Workforce and Organisational Development Committee is responsible for ensuring workforce strategies are appropriate, and for gaining assurance by monitoring the management needed to deliver a workforce with the capacity and capability to provide high quality, safe patient care in line with strategic objectives, the Trust Values and the relevant elements of the Board Assurance Framework.

During the year, the Committee looked at the following:

- Key HR metrics
- Cultural change programme
- Medical engagement survey
- Gender pay gap
- WRES reports
- Staff survey results
- Staff appraisal data
- Mandatory training data

Council of Governors

The specific responsibilities of the Council of Governors include:

- appointing the Chairman and other Non-Executive Directors of HHFT at a general meeting;
- agreeing the remuneration and other terms and conditions of office of the Chairman and Non-Executive Directors;
- removing the Chairman and other Non-Executive Directors if deemed necessary;
- approving the appointment of the Chief Executive Officer by the Non-Executive Directors;
- appointing or removing the external auditors;
- receiving the Annual Report and Accounts and the report of the external auditor;
- considering any proposals for non-NHS activity in the forward plan;
- approving an increase of more than 5% of non-NHS activities; and
- approving significant transactions.

Opinions of the public, members and appointing bodies, including on the Trust's strategy and forward plan, are canvassed by elected and appointed Governors. The Council's Membership and Community Engagement Working Group (MWG) acts as a steering and planning group to help identify ways for Governors at large to be able to engage with the membership and the wider community. Governors are invited to attend all HHFT events held for members and the public.

The Governors met with the Board at a number of meetings during the year, including joint workshops where Governors gave their views on matters such as the Annual Plan and future strategy. Non-Executive Directors and Executive Directors attend meetings of the Council of Governors. Executive Directors provide regular updates to the Council of Governors on our performance.

In all these ways, the Directors maintain their understanding of the views of the Governors and the public, members and appointing bodies whom they represent and interact with regularly.

Independence of Governors

The full Council of Governors meets confidentially with the full Board of Directors three times a year and privately with the Chairman and Chief Executive Officer at least four times a year, during which debate and discussion can be held and any disagreements between views resolved. The Chairman also holds individual meetings with each Governor.

In order to fulfil their duties it is necessary that the Governors are independent and free from conflicts of interests. Upon appointment, Governors are required to complete a declaration of interest form and are regularly prompted to update their declarations (if appropriate). A register of Governors' interests is kept and maintained by the Company Secretary and extracts can be requested by contacting company.secretary@hhft.nhs.uk.

Membership of the Council of Governors

Council of Governors for Hampshire Hospitals NHS Foundation Trust

From 1 April 2020 until 31 March 2021, the Council of Governors was constituted as follows:

Public elected Governors – 15

These Governors are elected from the public membership of HHFT across four constituencies:

- North Hampshire and West Berkshire (5 Governors);
- Mid and East Hampshire (5 Governors);
- West and South Hampshire (4 Governors);
- Rest of England and Wales (1 Governor).

In 2020/21, one election was held. Four public elected governors came to the end of their terms and were re-elected. A further three governors came to the end of their terms but as they had already served three terms, in line with the constitution they were unable to stand again. One Governor also resigned from the Council due to personal reasons.

Staff Governors – 5

There is one staff Governor from each of five staff constituencies - administrative, clerical and managerial; medical and dental practitioners; support staff; allied healthcare professional; and nursing and midwifery.

All elections were held in accordance with the constitution.

Appointed Governors – 5

These Governors are nominated by local voluntary and public sector organisations and are categorised as follows:

- Hampshire County Council (1 Governor);
- University of Winchester (1 Governor);
- Young people appointed by Hampshire County Council (1 Governor);
- Older people appointed by Hampshire County Council (1 Governor);
- People with a disability appointed by Hampshire County Council (1 Governor).

Registers of the membership of the Council of Governors is available for inspection upon request to: company.secretary@hhft.nhs.uk.

Information about individual Governors and their attendance at Council of Governors meetings between 1 April 2020 and 31 March 2021 is given in Annex B together with membership of its Remuneration and Nomination committees.

Committees of the Council of Governors

Nomination, Remuneration and Evaluations Committee (NREC)

NREC has the following responsibilities:

- Identify and nominate candidates to fill Non-Executive Director or Chairman vacancies as and when they arise;
- Make recommendations in relation to the suitability of candidate for Non-Executive and Chairman vacancies to the Council of Governors;
- Take into account the challenges and opportunities facing the Trust and make an assessment, given the skills and experience of current Non-Executive Directors, of what additional skills and expertise would complement the existing skills set in the future;
- Assist the Board in the management of the recruitment and selection process for Non-Executive Director or Chairman vacancies and in doing so take account of the views of the Chief Executive Officer and Board of Directors;
- Assess the remuneration of the Non-Executive Director and Chairman to ensure that Non-Executive Directors are suitably rewarded for their contributions to the success of the Trust;
- Make recommendations to the Council of Governors as to the total individual remuneration package of each Non-Executive Director including the Chairman, taking into account relevant benchmarking data and any current guidance issued by the regulator of the Trust;
- Evaluate the performance of the Non-Executive Director including the Chairman, taking into account their annual appraisals and any appraisal framework issued by the regulator of the Trust;
- Take into account any competency framework issued by the regulator of the Trust.

Working groups of the Council of Governors

The Council has a number of working groups who focus on particular areas within the Trust.

The Patient Experience Group (PEG) is made up of public, stakeholder and staff Governors. Meeting every two months, the group receive information about the wide-ranging patient experience activities across the Trust, together with the results of national surveys in a range of specialities. The group review findings provide feedback and make appropriate recommendations to improve the experience of the care and services provided by the Trust. Individual members have participated in the PLACE assessments in all three hospitals.

PEG has designed and implemented a rolling programme of Governor visits. Governors and governance staff make unannounced visits to a ward or department and meet with staff and patients to hear from them about their experiences. The visit programme is designed to understand how the CQC fundamental standards are being met and to identify and share areas of good practice and opportunities for improvement. The visits have been well received and all members of the

Council of Governors (CoG) either have, or are planned to, take part in this activity. The visits are scheduled every two weeks and include visits at the weekend and at night.

The Membership and Community Engagement Group which is a joint working party of the Council of Governors and members of staff of the Trust reviewed its remit in the light of the need for wider participation with the community. The purpose of the group is to maximise the contribution of the membership to the development of the Trust. The aim is to enable Governors to be more visible and available to members and the public, listening to their point of view, sharing the Trust's objectives and attracting more members. The Council of Governors approved the Group changing its name to the Membership and Community Engagement Group to reflect the intention to involve members and to also raise awareness among the community. The group meets regularly and reports to the wider Council and Board every quarter.

Members of the Public and Patient Involvement Working Group continue to support the Trust's research by raising patients' awareness of the Trust's research activity and inviting them to ask their clinical teams about research studies that may suit their needs.

Membership

As a Foundation Trust, we are directly accountable to our local community through our members and elected governors. By joining our organisation, our members have chosen to show their support and their interest in how our hospitals are run. The involvement and participation of our members is very important to us. It is a key aim of ours that our membership is a reflection of our patient population and the community we serve. The conversation with trust members and the wider public is enabled through a combination of mechanisms including face to face, social media and surveys. Our Board of Directors meetings and our Council of Governor meetings are held in public and are publicised in advance. We also provide members with insights into our services by holding Health Focus talks which feature talks from our clinicians and experts across the Trust. All our events are free and open to members and the general public – we advertise them widely in the hope of encouraging as many people to join as possible. Usually we aim to hold talks in each of our constituencies which are free and advertised widely, in the last year our events have been held virtually in line with national guidelines – with great success.

Public membership is divided into four constituencies:

- North Hampshire and West Berkshire;
- Mid and East Hampshire;
- West and South Hampshire; and
- Rest of England and Wales.

Staff membership is divided into five constituencies:

- Administrative, Clerical and Managerial;
- Allied Health Professionals;
- Medical and Dental Practitioners;
- Nursing and Midwifery; and
- Support Services staff.

Engaging with both our public and staff members and our community in 2020-21

During 2020/21, due to the COVID-19 pandemic, we engaged with our public, staff members and community using a different approach that embraced digital technology. Online and virtual events were our main method of continuing to host public events during the pandemic.

We held a virtual Health Focus talk during Black History Month (October 2020) looking at what was known about the impact of COVID-19 on ethnic minority populations. Over 106 individuals registered for the event to hear a Trust update and next steps from our chief executive, Alex Whitfield, before Dr Yogasundaram Arunan, intensive care unit consultant shared his reflection on caring for some of the most unwell patients with COVID-19 in critical care, and a look at how the virus impacts those in ethnic minority communities.

Our Annual General Meeting (AGM) was also held online due to the pandemic, but we had one of the highest numbers of attendees with over 160 individuals registering for the event, including members, the public and stakeholders. The meeting, titled 'Inside Hampshire Hospitals', opened the doors to what was happening inside the Trust in arguably the most talked about year for the NHS and gave insights into different departments and services across the Trust, as well as an update from the executive team on our annual reports and accounts.

The virtual tour started at the front of our hospitals. An emergency department consultant and our operational services manager for unscheduled care spoke about what happens within our emergency departments, from patient pathways to innovative ideas. We then moved onto our microbiology team and explored their response to the pandemic – which itself has been at the centre of a great deal of media coverage over the last year, for the innovative work happening at HHFT which has made its way to hospitals and labs across the country. The talk included a virtual tour of our Lab In A Van testing vehicle - a completely ground-breaking and inventive idea never before seen across our hospital sites or further afield.

Our chief medical officer, Dr Lara Alloway, and Dr Dominic Kelly, a consultant cardiologist, gave an in-depth presentation and update on the exciting new hospital programme, Hampshire Together: Modernising our Hospitals and Health Services. Together, Dr Alloway and Dr Kelly thrilled attendees with the prospect of improving hospital facilities and hospital and health services across Hampshire for generations to come and encouraged them to get involved and share their views.

Working together with our partners is a vital part of ensuring that we continue to deliver outstanding patient care across Hampshire. As part of this, Ruth Colburn Jackson, the managing director for north and mid Hampshire at what is now the Hampshire, Southampton and Isle of Wight Clinical Commissioning Group presented alongside the senior programme manager for the Trust about the benefits of integrated care, working together and improving relationships. All of these things have been critical during the global pandemic and will influence how we work together going forward. The audience were also introduced to new models of urgent and emergency care, which highlighted just how important being adaptive, imaginative and flexible in a time of crisis can be.

We have also undertaken a wide range of engagement activities with both staff and public. Most notably, this includes the Hampshire Together: Modernising our Hospitals and Health Services project, which forms part of the government's Health Infrastructure Plan.

Following an initial round of engagement in January 2020, which involved a staff and public survey, the summer of 2020 saw a period of public engagement period, during which the people of Hampshire were asked to tell us what they thought about the challenges being faced by the local

health system and how they could be overcome. More than 50 online engagement events, from larger public events to smaller focus groups, were held between June and August, with more than 1,700 individual pieces of feedback gathered.

This feedback was used to inform the options generation and development process, which took place between August and November and included three large online workshops attended by more than 100 service users and current patients, NHS staff, the programme team, wider stakeholders and community groups.

With the help of colleagues at Healthwatch Hampshire, a second round of engagement took place in October and November, focusing on protected characteristic groups. A team of programme ambassadors was established to keep staff across the trust and in partner organisations informed. There are now more than 100 ambassadors in place.

Pre-consultation engagement was the focus of our public and staff-facing efforts throughout February and March 2021. A variety of methods were utilised to continue conversations with the public, NHS staff and stakeholders, including focus groups, a public survey and a public event. More than 15 targeted focus groups were held during this time, which were attended by over 150 individuals. The public survey, which asked the people of Hampshire how they wanted to be communicated with during public consultation, received more than 1,100 responses, with around 600 people signing up to receive regular updates on the programme.

The public *Get to Know Your NHS* event had more than 150 attendees, who heard how healthcare in Hampshire is currently provided directly from local GPs and clinicians involved in the programme. Each speaker shared intimate knowledge of their area of expertise and how the programme will benefit these specialties.

A tremendous amount of work has gone into ensuring the programme is ready for public consultation in 2021. Work has begun to ensure the best possible engagement with the public, staff and community groups across Hampshire, including social media, physical collateral and advertising, interactive events and focus groups, Hampshire Together newsletters, local media coverage and more.

Membership strategy development

Engagement with our members is key to our trust wide stakeholder strategy which reflects how we engage with partners and the public. The Membership and Community Engagement Group (MCEG), which is a working group of governors, has a membership engagement strategy that includes a number of key recommendations and objectives as follows:

- Governors take an active role in interacting with groups and networks in their communities, including attendance at Health Focus events
- Governors are further supported by the communications team to be able to reach into the Trust's community and engage with members and the public; including stands at events, in public areas and in each of the three hospitals
- MCEG review and update the Membership Communications Strategy and continue to liaise closely with the Patient Experience Group
- Ensure that our membership community is representative of the patient population we serve and the wider population
- Welcome new members and grow the membership where possible

- Develop an understanding of the level of engagement that members wish to have; and how this can best be achieved
- Support the visibility of Governors within the Trust and to our community
- Ensure that we have a cost-effective communication strategy that enables member involvement
- Foster a partnership approach between members and management to encourage cocreation relationships and dialogue
- Ensure that our membership strategy continues to innovate, develop and evolve

We strive to ensure that the membership represents the patient and wider community's population served by HHFT in terms of geographical spread, ethnicity, socio-economic groups, gender and age, monitoring our membership statistics regularly. We have a duty and a desire to engage with young people, minority ethnic people and others who sometimes struggle to be heard such as LGBT+, the homeless and people in custody – and this is a particular challenge that we aim to address in our strategy. A breakdown of membership data (as of April 2021) is shown below. Governors are key to reaching into the local community and engaging directly with networks in their constituencies.

Governors are supported in this engagement by provision of posters, presentations and other materials to enable them to talk to and engage with the public in their area. Interaction with members is steered by the Membership Communications and Engagement Group (MCEG), which is a working group of the Council of Governors. Governors are provided with materials and support to enable them to interact with their local community groups and networks. It is recommended that governors attend all health focus events and other trust events so that they may interact with those they represent. Board of Directors and Council of Governors are promoted to the public and members via press releases and direct emails. There is an opportunity at the end of Council of Governors meetings to interact with the public observers. It is recommended that governors reinstate the regular governor/ membership stands at trust events and in each of the three hospital sites to increase opportunities for engagement with the public, patients and staff.

Governors support our public meetings and events and we support governors as speakers at local community groups and colleges to promote membership and explain the role of the governor. We provided an induction session for new governors elected in January 2021 including a session which focused on the governors' role in actively engaging with our members and the wider community. It also introduced and explained the role and remit of the MCEG. The MCEG met two times in the year to consider member communications and events. Governors attended the Health Focus events and the AGM hosting stands at each event on the role of governors and membership. Governors help select the monthly WOW! Award winners from the thousands of nominations received. More information is available on our website http://www.hampshirehospitals.nhs.uk.

Our membership and community engagement working group plans for 2021/22 include to:

- Continue to increase the proportion of our members with whom we can communicate via email
- Encourage increased attendance and interaction with members and the public through social media, as well as a blended approach of both face-to-face and virtual events as a result of COVID-19
- Hold the Trust's Annual General Meeting in Summer 2021
- Further expand and develop opportunities for governors to engage with members, community groups/organisations and the wider public, including staff governors and patient champions

- Develop plans for a wider range of health focus talks in a variety of hospital and community locations for members and the public.
- Based on the success of digital events – blended approach of virtual and face to face where possible.

Membership development

All staff are members unless they choose to opt out. We also have five governors appointed from local organisations as set out earlier in this chapter.

Details of membership, including an online application form, can be found at: www.hampshirehospitals.nhs.uk/membership

The list of named governors and their attendance at meetings can be found in Annex B of this report. Governor profiles and details of the Council of Governors are online at: www.hampshirehospitals.nhs.uk/governors

An email address hampshire.hospitals@hhft.nhs.uk publicised through the newsletter and HHFT website which members and the public can use to get in contact with governors or if they have any general queries.

Membership HHFT 29 April 2021	
Public	7809
Staff	6223
Total	14032
Number of members in each constituency	
North Hampshire and West Berkshire	2586
Mid and East Hampshire	2364
West and South	2456
Rest of England and Wales	396
Outside of Trust area (Scotland, NI and overseas)	7

The age profile of our membership is broadly matched to the age profile of our patient population. Below is a table showing the distribution of our membership by age profile, compared with the age profile of the population of our catchment area.

Age	No. members	% membership	% population
16 and under*	0	0.00	20.36
17-21	18	0.23	5.07
22-29	213	2.73	8.03
30-39	275	3.52	11.79
40-49	484	6.20	13.49
50-59	858	10.99	14.65
60-74	2328	29.81	16.83
75+	3585	45.91	9.77

*Membership is only open to those aged 16 years and older; therefore the membership figure for this age group is low in comparison to the community population.

Staff Report

Introduction

2020/21 has been a year like no other for staff within the NHS, including those at Hampshire Hospitals. Almost overnight, COVID-19 changed everything – requiring the rapid adjustment of existing services, development of new COVID-related services and an 'agility' in the workforce the like of which we have never seen before.

It has been a tiring, relentless and challenging year for staff. Yet, against this backdrop, our people have been **simply magnificent** in providing excellent care for patients.

Throughout this period, the commitment and dedication of our people has shone through. They have quite literally lived our **Trust CARE Values** and **Employer Brand (Life Changing | Changing Lives)** in the discharge of their daily duties.

However, our work as a Trust doesn't stop here. In line with wider society we need to learn how to adapt to co-exist alongside COVID-19, whilst simultaneously managing the potential of further COVID-19 surges. Further work will be required on configuring our services and looking at how to best deploy our people for the benefit of patients. There are some practices adopted through the pandemic that we will retain (for example, heightened use of technology and more agile working arrangements) and others that we will step down as some 'normality' returns.

Critically, for our people, we will need to provide wide-ranging support into the future to ensure that they are able to *thrive* at work, accepting that for many, the experience(s) of the pandemic may stay with them for some time to come.

The year that was defined by COVID-19

Many of our people practices were transformed during 2020/21 in response to COVID-19.

From a workforce perspective we have needed to:

- Constantly shift our services, teams and organisation, to support patient care and patient flow through our hospitals – agility has been key.
- Make temporary changes to roles, often at short notice, to meet clinical and non-clinical demands.
- Redeploy or redirect staff to other (sometimes unfamiliar areas), to ensure patient care could be secured.
- Draw on multiple staffing channels (for example, retirees, volunteers and other Public Sector

agencies) to augment our existing workforce.

- Provide and draw down mutual aid requests (i.e. sharing of staff and resources) from other NHS providers.
- Periodically pause or delay some organisational programmes and initiatives (for example, our Culture Change Programme) freeing up staff to focus on clinical demands.

We have worked particularly hard through this period to ensure the safety and wellbeing of staff, with significant resources redirected to this cause. Key measures have included:

- Uninterrupted provision of Personal Protective Equipment (PPE) to national standards.
- Development and implementation of COVID secure measures across our sites, including specific COVID-19 workplace risk assessments and our COVID Zero campaign.
- Implementation of an individualised COVID-19 Staff Risk Assessment to help ensure deployment of staff to the most appropriate duties/areas.
- COVID-19 Redeployment Hub(s) supporting the redeployment of high risk clinical and non-clinical staff to other roles/duties.
- Initiation of a COVID Responder Scheme, enabling non-clinical staff to provide suitable support and relief to frontline teams.
- COVID-19 testing, support and follow-up for symptomatic staff members and their household members.
- A Track and Trace team, ensuring quick and rapid identification (and isolation) of contacts.
- Regular COVID-19 asymptomatic testing for staff members.
- Rollout of a COVID-19 staff vaccination programme.
- Deployment of tools, training and resources to support remote working, including a new remote working policy, risk assessment and online hub.
- Implementation of a holistic Wellbeing Offering for staff, with a range of tools available from conversation and self-help guides through to professional Psychological Support.

In and amongst all of this, the Trust has continued to make progress on the longer-term people agenda; launching, maintaining and improving programmes and initiatives in line with the national NHS People Promise. This work is summarised in the sections that follow.

We are compassionate and inclusive
We are recognised and rewarded
We each have a voice that counts
We are safe and healthy
We are always learning
We work flexibly
We are a team
OUR NHS PEOPLE PROMISE

Staff Health and Wellbeing

The health and wellbeing of NHS staff has never been of greater importance. The Trust has continued to provide a range of education and health promotion campaigns during 2020/21, covering topics such as healthy eating, reducing alcohol consumption, smoking cessation, substance misuse, exercise and more.

Staff Wellbeing Hub

In Spring/Summer 2020, in response to the first COVID-19 surge, the Trust established a Staff Emotional Wellbeing Helpline operated by redeployed staff and supervised by Clinical Psychologists. This provided same day/next day listening support and signposting. Alongside this, a bank of volunteer counsellors, led by a Counselling Clinical Supervisor also provided interventions and support. Where appropriate, referrals were made to outside services. Towards the end of the summer 2020, this service transitioned to Southern Health, ensuring the provision of fast track psychological support for staff.

In early 2021, with the onset of another significant COVID-19 surge, the Trust developed this offering further with the creation of a 'Staff Wellbeing Hub', which provided individuals, managers and teams with bespoke wellbeing interventions and support. The Staff Wellbeing Hub initially prioritised the emotional wellbeing needs of staff. As the offering develops into 2021/22 it will expand to incorporate more resources focussed on physical wellness and healthy living. Over time, the Trust aims to open up the Hub to partners across the Hampshire and Isle of Wight region.

Emotional wellbeing support in the immediate aftermath of COVID-19 has also been provided to wider teams in the Trust through in-reach projects such as Virtual Care Spaces and departmental check-ins/visits. Care Spaces are group sharing/reflection spaces facilitated by Psychologists and Clinical Supervisors, providing a safe space for staff to reflect and decompress. This has served to augment existing provision, such as Mental Health First Aid training and REACT Mental Health training.

The continued development of the Staff Wellbeing Hub and psychological support for staff will remain a priority for the Trust into 2021/22.

Occupational Health

The Trust's Health4Work Occupational Health Team has experienced considerable, altered and increased workload during 2020/21 in response to COVID-19. As a means of mitigation, it was necessary to temporarily outsource Case Management Referrals to an outside provider during this period, increasing capacity for the Health4Work team to focus on COVID-19 related matters. Qualified staff from other areas of the Trust were also redeployed into the team during this period to support increased workload.

Notable achievements for the Health4Work team in 2020/21 included:

- Development and ongoing update of a COVID-19 Staff Risk Assessment tool, reflecting

individual risk factors for staff members.

- Completion of almost 6,000 individual COVID-19 Staff Risk Assessments, with outcomes and workplace recommendations issued to managers.
- Follow-up support and guidance for managers in relation to COVID-19 Staff Risk Assessments to ensure safe working of staff.
- Supporting increased recruitment activity, particularly health clearance for new starters. On average, approximately 100 additional Work Health Assessments were processed per month compared to pre-pandemic levels.
- Establishing in-house COVID-19 Contact Tracing protocols and procedures to minimise risk of outbreaks where staff have tested positive for COVID-19.
- Conducting in-house COVID-19 Contact Tracing through a newly established Test and Trace service.
- Overall welfare provision for staff affected (directly or indirectly) by COVID-19.
- Support for the COVID-19 Staff Vaccination programme.

During this period, the Occupational Health Management Software was also upgraded to a cloud-based solution, offering 24/7 online portal for easy and secure access to Occupational Health records, processes and services. This solution will serve as a robust platform to drive further efficiencies, automation and an enhanced customer experience in the future.

2020/21 Staff Flu Programme

This year's Flu campaign required a significantly different approach due to COVID-19 related social distancing requirements and increased infection control procedures. Heath4Work worked closely with regional partners to determine the approach that centred on using Peer Vaccinators in teams and a dedicated Flu vaccine appointment system to ensure a managed flow of staff.

The Divisional Chief Nurses played a crucial role in recruiting and supporting Peer Vaccinators within their divisions and training was conducted as per Public Health England recommendations. In total, the 2020/21 Flu campaign drew on the support of 103 active Peer Vaccinators. The programme was supported by a dedicated communications campaign, leveraging multiple channels including social media and electronic newsletters. Virtual channels were more important than ever this year in promoting the campaign, given the COVID-19 related restrictions on face-to-face meetings.

Health4Work offered clinics on all sites via booked appointments across 7 days with accessibility from 07:00 – 20:00 to cover shift handover periods. This was supplemented by a 'walk in' service during December 2020. Flu vaccinations remain available for all Trust staff, including new starters (who are offered a flu vaccination during their onboarding process.)

80.72% of Frontline clinical staff received their vaccine during the 2020/21 campaign (as of 28th February 2021).

2020/21 Staff COVID-19 Vaccination Programme

The Trust's first COVID-19 Staff Vaccination Programme commenced in January 2021, following delivery of the first batch of the Pfizer and BioNTech COVID-19 Vaccine.

Supported by strong communications, COVID-19 vaccines were made available to all staff, with the majority of vaccinations occurring at our Basingstoke and Winchester sites. As of 10th February

2021, 7,965 staff members had received the first dose of the COVID-19 vaccine, representing almost 90% of staff. This includes those directly employed by the Trust and other groups working with us such as medical and nursing students, and volunteers.

The Trust conducted dedicated engagement activities with our Black, Asian and Minority Ethic (BAME) and international colleagues to try and encourage high uptake rates within these staff groups. This was in response to national findings and reports that BAME individuals, for a variety of reasons, may be more reluctant to receive the COVID-19 vaccination. Trust activities included:

- Guidance documents and videos made available in different languages and shared with our International Workforce Community Group.
- Dedicated staff information and Q&A sessions supported by the BAME Champions Group.
- BAME peer-to-peer communications, e.g. videos and photos of BAME colleagues receiving the COVID-19 vaccination, sharing of general 'myth busting' information, 'Safe Spaces'.
- Staff video promoting the vaccine in different languages.

The Trust will begin to administer 2nd doses of the COVID-19 vaccination in late March 2021.

Culture & Staff Engagement

Building on the 2019-2020 Culture Programme work, the Trust maintained momentum through 2020/21 on designing and delivering sustainable culture change.

Culture Change Programme

In early 2020, the Trust launched phase 2 of the Culture Programme by forming a new group of Culture Ambassadors from across the Trust who were committed to designing initiatives and solutions to develop our culture.

Four workstreams were established to focus on agreed priority cultural drivers:

- Staff recognition and team working
- Effective management
- Behaviours framework
- Reverse mentoring

Shortly after this, the onset of the pandemic impacted the culture programme significantly, pausing work by 5 months. Despite this challenge, all workstreams successfully delivered a range of interventions, including:

- A Trust wide behaviours framework, establishing a new set of values-linked and leadership behaviours applicable to all staff.
- A Trust wide management competency framework that describes effective competencies and skills of people managers at all levels.
- A reverse mentoring programme that was designed and piloted with members of the Board and Executive team.

These interventions will be taken forward in 2021/22 by a new set of Culture Ambassadors, as part of the next phase of the Culture Programme.

2020 Staff Survey

The impact of the culture programme and wider changes to the staff experience at the Trust is measured annually through the Staff Survey. The survey measures overall staff engagement including the extent to which our staff want to remain working at the Trust, are motivated in their role, and speak positively about the Trust. Higher staff engagement can lead to improved Trust performance. To help the Trust identify how it can improve, the survey also measures how positive staff are about aspects of their experience at work. It does this by asking questions in 9 key themes known to impact overall levels of engagement.

In October 2020 the Trust launched the latest survey to all members of staff and 42% of eligible staff responded.

The Trust Employee Net Promoter score improved by 6 percentage points in 2020 compared to 2019. This means that more staff would recommend the Trust as a place to work.

Another important Net Promoter metric is how positively staff feel about recommending the Trust to friends or relatives. Building on growth in 2019, the Trust has again improved significantly in 2020, moving to 76% positive sentiment, 3 percentage points higher than the previous year and 4 percentage points above the benchmark average.

2020 Staff Survey summary:

<table>
<tr><td>42%
Of eligible staff completed the survey
(45% 2019)</td><td>45%
Average Acute Trust response rate
(48% 2019)</td><td>71%
Overall staff engagement at Hampshire Hospitals
(71% 2019)</td><td>70%
Acute Trust staff engagement benchmark
(70% 2019)</td></tr>
<tr><td colspan="2">68%
Of staff would recommend the Trust as a place to work
(62% in 2019)</td><td colspan="2">76%
Of staff would be happy with the standard of care provided by the Trust if a friend or relative needed treatment
(73% in 2019)</td></tr>
</table>

Results in 7 of the 10 themes have improved compared to 2019; the remaining 3 themes have stayed the same. Compared to the average benchmark of other Acute Trusts, Hampshire Hospitals is performing the same or better in 6 of the themes.

Staff Survey results, by theme:

Year	2018		2019		2020	
Theme	Hampshire Hospitals	Benchmark	Hampshire Hospitals	Benchmark	Hampshire Hospitals	Benchmark
Engagement	7.0	7.0	7.1	7.0	7.1	7.0
Quality of care	7.3	7.4	7.4	7.5	7.5	7.5
Equality, Diversity & inclusion	9.0	9.1	9.0	9.1	9.1	9.1
Health & wellbeing	5.9	5.9	6.0	5.9	6.2	6.1
Immediate managers	6.5	6.8	6.6	6.9	6.7	6.8
Morale	6.0	6.1	6.1	6.1	6.2	6.2
Safe Environment - Bullying & harassment	8.0	8.0	8.0	8.0	8.1	8.1
Safe Environment - Violence	9.4	9.4	9.4	9.4	9.4	9.5
Safety Culture	6.6	6.7	6.6	6.7	6.8	6.8
Team working	6.3	6.6	6.4	6.6	6.4	6.5

Encouragingly, the Trust's 3-year trend is upward in all themes except Violence, where it remained flat. The strong performance compared to 2019 and the 3-year trend reflects the actions that the Trust has taken in all areas, in particular Health & Wellbeing, Incident Reporting & Management, and Staff Communications. The Trust engages with staff about survey results throughout the year, considering them alongside our Trust values and highlighting the actions and progress achieved.

The Trust's Senior Management Team has prioritised two areas of focus for 2021 in response to the latest survey:

1. Violence – the Trust will be reviewing the range of training; policy & practice, and wellbeing & HR practice to support reducing the incidents of violence and aggression in the workplace. We will also be working closely with Police and other services to support staff who witness or are subjected to assault or abuse at work.
2. Team – the Trust will be offering new development and support to help teams 'thrive' together through 2021. Specialist Team Care Services will support teams particularly affected by trauma through the pandemic, and a wider range of resources and tools to help teams 'Reflect', 'Re-form', and 'Refocus' will be made available to all managers to use with their teams.

As well as specific actions in response to the survey, the Trust will be launching a new Pulse Survey during 2021 to engage with staff more frequently around a small number of key topics. This will help to maintain momentum, ensure focus on key actions throughout the year, and provide an early indication of emerging issues that may need to be addressed.

An extract of communication sent to all staff following the 2020 Staff Survey results, highlighting key results linked to the Trust's CARE values:

Compassionate: 'kind, caring, involving, listens'

- More staff are saying they can deliver the care they aspire to – we have been focusing on retention and recruitment meaning that, before Covid, we had lower vacancy rates and better staffing levels.

Accountable: 'speaks up, works together, takes responsibility, honest'

- When incidents are reported, more people say HHFT takes action to ensure they don't happen again – we have been doing more to support incident reporting, publicising our Freedom To Speak Up processes, the Speak in Confidence system, and encouraging feedback on actions taken in response to incidents.

Respectful: 'professional, inclusive, works with integrity, fair'

- There are more opportunities for flexible working, and more people have said they've had reasonable adjustments they need to do their work – we have had a big increase in working from home, and have been encouraging managers to support flexible working where we can do this and still meet the service need.

Encouraging: 'celebrates success, makes a contribution, open to change, supportive'

- More people would recommend HHFT as a place to work – we have been focusing on internal communication, visibility of the senior team, and keeping people updated about what is happening through Covid.

Equality, Diversity and Inclusion

The Trust's Equality, Diversity and Inclusion (EDI) Strategy was updated in late 2020, to cover the period 2020-2023. The strategy outlines the Trust's commitment to making our organisation a 'great place to work', being an **inclusive employer of choice** and **provider of outstanding, compassionate care for our patients**.

The Trust's EDI strategy identifies 10 specific priorities:

1. Compassionate, collective and inclusive leadership at all levels.
2. A representative and diverse workforce across all levels.
3. Improving Disabled, BAME, Lesbian, Gay, Bisexual and Transgender (LGBT+) and international workforce staff experiences.
4. Improving the quality of equality information.
5. Improving the capability of staff and others to understand and address the legal obligations under the Public Sector Equality Duty (PSED) and duties to reduce health inequalities introduced by the Health and Social Care Act 2012.

6. Reducing health inequalities and improving patient experiences and outcomes for all.
7. Improving engagement with local community and charities, voluntary and community groups, volunteers and hard-to-reach/at risk groups.
8. Celebrating and recognising diversity and inclusion.
9. New hospital model and service delivery.
10. Working together and in collaboration with system/regional partners.

These priorities are being used to monitor the Trust's progress and to ensure we meet our legal requirements under the Equality Act 2010 (Public Sector Equality Duty) for staff.

Inclusivity Network and Champions Groups

The Inclusivity Network is a strategic forum that reports to the Workforce and Organisational Development (OD) Subcommittee and includes representation from the Trust's Champions Groups (staff networks) and their Executive sponsors, Staff Side, Human Resources, Chaplaincy, Communications and Occupational Health.

Over the past 12 months, the focus for the Inclusivity Network has been to shape and set out the Trust's EDI vision and strategic priorities and support the growth and development of our Champions Groups. A key focus for 2021/22 is to continue to embed EDI into business as usual activity at a divisional level, and to further increase participation and involvement in the network and champions groups. The Inclusivity Network is also keen to work closely with the Trust's Patient Partnership Group once established, as we improve our engagement with local community and charities, voluntary and community groups, volunteers and hard-to-reach/at risk groups.

The Trust's Champions Groups - BAME; LGBT+, Disability and International Workforce Community meet monthly and have nominated Chairs/Vice-Chairs. They have developed their own Terms of Reference and provide an important two-way communication channel between staff and the Inclusivity Network.

The Trust's Inclusivity Network and Champions Groups have been instrumental to engaging with our staff during the pandemic. This engagement has included:

- Writing to all staff outlining support available, including COVID-19 Staff Risk Assessments, personal protective equipment (PPE), Champions Groups, testing and health and wellbeing.
- Supporting the COVID-19 Staff Vaccination Programme and staff take-up, particularly for BAME staff.
- Promotion of the Staff Wellbeing Hub.
- Feedback and report to NHS England/NHS Improvement (NHSI) on the Trust's risk assessment process, for quality and assurance purposes.

In addition to COVID-related activities, the Inclusivity Network and Champions groups have driven a number of key EDI awareness raising activities during 2020/21. Some highlights are summarised in the table below.

<table>
<tr><th>Black History Month
(October 2020)</th><th>Disability History Month
(November 2020)</th><th>LGBT+ History Month
(February 2021)</th></tr>
<tr><td>Black History Month is a nationwide celebration of Black history, arts and culture.

It was marked in the Trust through a series of activities led by the BAME Champions Group, to celebrate and recognise the contributions of our BAME colleagues and to reflect the diversity within our local communities.

Highlights included:
- Recognition events
- Speaker programme
- Culture book club
- Trust-wide communications activities</td><td>Disability History Month celebrates the lives and achievements of people living with a disability.

It was marked in the Trust through a series of activities led by the Disability Champions Group, raising awareness of what a disability is and recognising the contributions of our Disabled staff.

Highlights included:
- Virtual awareness sessions
- Dedicated ‘safe spaces’
- Trust-wide communications activities</td><td>LGBT+ History Month helps to educate people on LGBT+ history, as well as history of the gay and civil rights movements.

It was marked in the Trust through a series of activities developed and led by the LGBT+ Champions, designed to promote the Trust’s inclusive culture and educate staff on LGBT+ matters.

Highlights included:
- Staff Podcast & video
- Champions Group Blogs
- Culture book club
- Trust-wide communications activities</td></tr>
</table>

The Inclusivity Network and Champions Groups also helped develop the Trust’s EDI 2021 Calendar. The EDI Calendar marks and celebrates a number of events throughout the year, aiming to raise awareness and celebrate the diverse nature of our community, promoting respect and understanding between different groups.

The Trust has continued to promote leadership and career development opportunities with our champions groups, including the NHS Leadership Academy’s ‘Ready Now’ and ‘Stepping Up’ programmes for BAME staff.

Trust Inclusivity Conference

In December 2020, the Inclusivity Network hosted the Trust’s second Inclusivity Conference. Due to COVID-19, the conference was held virtually and split across three different sessions. In total, 110 colleagues joined, with the conference’s programme including:

- A guest speaker educating and exploring how staff can lead, shape and make inclusion an everyday reality.
- Interactive simulations - actors role playing patients, relatives and staff, translating real inclusion themed stories into powerful and memorable learning experiences.

- Allyship training - discovering what an Ally is and how staff can support patients, visitors and colleagues.

EDI Training & Reverse Mentoring

Due to COVID-19, face-to-face delivery of equality, diversity and inclusion training at the Trust's and Volunteer's Induction has been paused. Staff have been able to access alternative e-learning.

Unconscious Bias training was delivered for the Board, Governors and Senior Management Team (SMT) in September 2020, with further education opportunities embedded within awareness raising events/activities.

In October 2020, the Trust launched its first Reverse Mentoring cohort under the Culture Change programme, with 26 pairs of mentors/mentees created. This is a six-month programme and forms part of the Trust's positive action work, with the current cohort including members from our Champions Groups. The programme has been positively received, with greater knowledge and understanding of lived experiences helping to shift awareness and action that supports a diverse, open and inclusive culture.

Gender Pay Gap

The Trust reports the Gender Pay Gap of staff annually. The latest information can be found on the Trust's internet site (https://www.hampshirehospitals.nhs.uk).

Further information on the Gender Pay Gap can be found on the Government's website (https://gender-pay-gap.service.gov.uk).

Learning and Development

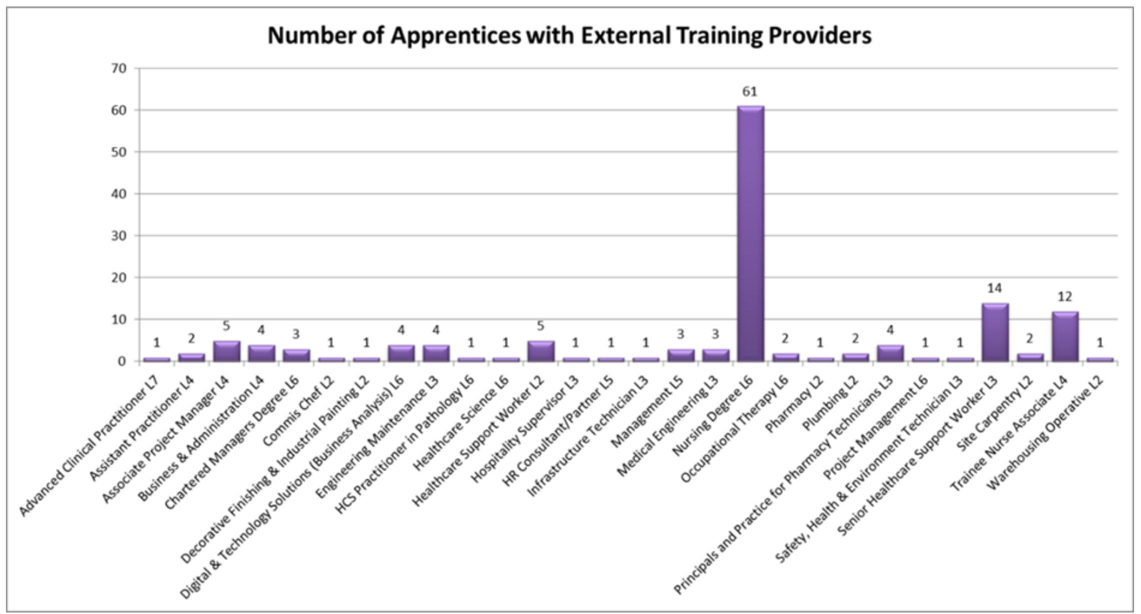
Developing our staff has remained a priority and our offering has continued to grow in scope, providing a range of development opportunities for our people.

The Trust's learning and development offering remains inclusive and accessible for all staff, including colleagues with protected characteristics. Where necessary, we apply reasonable adjustments to ensure learning and development is accessible and effective for all.

Apprenticeship Programmes

Once again, apprenticeships remained integral to developing our staff during 2020/21. At the end of 2020 a total of 285 staff were enrolled and engaged with apprenticeship training, either on the Trust's own in-house programmes, or on a wide variety of programmes commissioned by the Trust. This equates to approximately 4.5% of all Trust staff enrolled onto an apprenticeship training programme, easily exceeding the government public sector target of 2.3%.

Commissioned Apprenticeships as of 01/01/2021:



Our in-house apprenticeship provision continued to grow and innovate during the period. A Level 2 Customer Service Practitioner apprenticeship was added to our offering, providing a training route geared towards recruits new to NHS roles and particularly useful for departments such as Facilities/Estates. The Trust received funding from HEE to develop and deliver a tailored apprenticeship programme specifically for learners with additional needs (Learning Difficulties & Disabilities (LDD) and/or Autistic Spectrum Disorder (ASD)). This launched in July of 2020 with four graduates from our Project Choice internship programme and has since become the subject of a joint case study by HEE and Kings College looking at best practice and innovation for supporting individuals with additional needs in the workplace.

Notably, the Trust has continued its commitment to developing and training our own nursing and nurse associate staff by providing access to and encouraging existing Health Care Support Workers (HCSW) towards our apprenticeship programmes. Health Education England (HEE) announced incentive payments of £8,300 per nurse apprentice, per year, guaranteed for the next four years, thus providing significant financial support of this important training programme. The Trust currently has 61 nurse apprentices with plans to significantly increase this number in 2021/22.

The Trust also recruited existing staff into a newly developed Level 5 Operational/Departmental Manager apprenticeship programme. This bespoke apprenticeship is tailored to meet departmental management needs and offers some of the recruits the opportunity to rotate through various divisions and departments. Through this programme we aim to help create the Operational Trust leaders of tomorrow.

In late autumn 2019 the apprenticeship team successfully obtained Ofsted approval and by the summer of 2020 our first cohort of HCSW apprentices had completed their end point assessment (EPA), thus gaining their Level 3 diplomas and becoming the first graduates of our in-house

programmes. This marks the successful completion of the first cycle of training for the team who also achieved direct claims status, granting the Trust the ability to award City & Guilds qualifications. Many of our graduates achieved distinction grades for their EPA and several have gone on to apply to our nursing apprenticeships, showcasing the fact that we are, indeed, 'growing our own' nurses.

Several important widening participation initiatives were also launched during 2020/21:

- The government funded Kickstart scheme that will see unemployed young people recruited into a variety of administrative services throughout the Trust.
- A partnership with Eastleigh College to develop a traineeship programme aimed at upskilling and attracting a new pipeline of recruits towards our HCSW apprenticeship programmes.
- Project Choice, which entered its third year at the Trust with another cohort of LDD interns.

Core Mandatory Training

The Trust launched a bespoke learning management system – Green Brain in May 2019. Green Brain, 'by our staff, for our staff', has resulted in a significant and sustained uptake in learning compliance. The Trust continues to develop Green Brain as an enabler to the provision of innovative learning and development solutions for our people.

During 2021/21, the pandemic drove further innovation in our learning offering, with significantly less reliance on classroom-based training. Specifically, the Green Brain e-learning offering has expanded significantly. More than 400 new e-learning assets were added to Green Brain during 2020/21, either developed in-house or through externally sourced content including materials from other NHS providers. The Trust's internal media facilities were also significantly improved (including Green Screen/teleprompter and media devices) to enable the development of more engaging and dynamic learning content.

There were numerous examples of learning innovation during 2020/21. For example, our learning approach for Safeguarding Children Level 3 Technology enabled us to offer a blended learning approach via online tools and in-house created videos. Similarly, Trust Induction (day one) has been converted into online videos and assessments, that joiners can complete before starting with the Trust. Trust Induction for non-clinical staff is now entirely hosted online.

The Education team have also supported wider Trust need during the period, for example:

- Filming the annual Junior Doctors award ceremony which was hosted online due to COVID-19.
- Partnering with the University of Winchester to create a video link between training rooms so Faculties could stream clinical skills training to students in up to three rooms concurrently.

Over the last 12 months the Education team have worked collaboratively in a variety of joint ventures, e.g. open days, library partnership working; pertaining to the partnership working with the University of Winchester. Additionally, for the second year running, the Education Team has continued to support training for the Nursing Degree programme, with increased numbers of students being trained in the clinical training rooms in the Trust's Education Centre.

Resus Training

The Resus team were instrumental in supporting the Trust's COVID-19 response during 2021/21. From the onset of the pandemic the team provided education and upskilling to existing staff and new starters on a range of critical COVID-related topics. Training included:

- Non-Invasive Ventilation (NIV).
- Mask Fit Testing.
- Oxygen Therapy.
- Key Trainer sessions.

The Resus team also supported staff with the skills and capabilities needed for Basic Life Support (BLS) in their own clinical environments. This approach has helped to increase compliance for training as areas do not need to release staff from clinical duties. Investment in the BLS programme has led to the purchase of additional family packs, giving trainers better quality resources and ensuring an optimal training experience for staff, whether in the classroom, or signed-off in practice.

In addition, the Trust has recently introduced blended Immediate Life Support (ILS) learning (e-ILS). This is a half day course where some of the learning is completed electronically, optimising time away from the workplace. The Trust is now an accredited Resus Council (UK) course centre and hosted its first e-ILS courses last year. This has been of direct benefit to our junior medical staff who require this training for portfolio sign-off, as part of the Deanery requirements.

Further notable achievements for the Resus team in 2020/21 included:

- Recruitment and onboarding of an Education Resus Trainer, the first such role at the Trust
- Moving Paediatric Immediate Life Support (PILS) training in-house.
- Collaborative working with affiliated partners, such as the University of Winchester.
- Improvements to the existing simulation facilities, to enhance the overall learning experience for staff.
- Supporting two members of staff per year to complete the Generic Instructors Course (GIC), building further internal capability for clinical training.

Finally, during the summer of 2020 the NHS Healthcare Library team facilitated a successful move to the University of Winchester's Martial Rose Library. Throughout the pandemic the Library teams have continued to offer a seamless provision of inter-library loan books and hard copy/electric articles to users and other NHS and Public Health England libraries. The library has contributed to many COVID-19 related evidence-based literature searches, both local and national, as well as providing COVID-19 current awareness bulletins. The library has also provided a document supply service to the national Healthcare Safety Investigation Branch, supporting several cases.

Leadership and Management Development

Focus during 2021/21 has been on adapting the Trust Leadership and Management development offer to a virtual delivery model in response to COVID-19 restrictions. This has included the provision of additional resources on the Trust Intranet for managers and leaders.

Throughout this period, focus has been on aligning Leadership and Management development to Trust priorities, whilst also supporting individual team requests. For example, in response to more staff working from home as a result of COVID-19, blended learning was developed and made available to managers to support them in adjusting to this new way of working and managing staff.

Specific national COVID-19 related Leadership and Management development modules and resources have also been made available.

Training courses have been delivered via NHS Elect on a range of topics including Resilience and Online Facilitation. The Trust will continue to use courses from NHS Elect, along with Leadership Academy and other commissioned providers, throughout 2021/22.

The Trust offering will continue to evolve its Leadership and Management development offer into 2021/22, with a sustained focus on moving to a more flexible and virtual delivery model.

Recruitment

The Recruitment Team has also been integral to the Trust's response to the pandemic. Given the enhanced and sustained pressures on our workforce, there has been a requirement to bring in more substantive staff, as well as partnering with other public sector organisations to co-opt staff into the Trust predominately to help with non-clinical activities.

Our recruitment processes are inclusive and accessible for all candidates, including colleagues with protected characteristics. Where necessary, we apply reasonable adjustments to ensure recruitment is fair for all. As is standard in the NHS, we operate a 'blind' shortlisting process (i.e. where names of candidates are not disclosed to hiring managers) to ensure the utmost objectivity. The Trust is also signed-up as a Disability Confident Organisation, representing our commitment to offer disabled applicants an interview where they meet the criteria of a job vacancy.

Throughout the pandemic, targeted recruitment campaigns have been run to ensure a robust talent pipeline into key roles and teams. For example, bespoke campaigns have been delivered for:

- The Trust's Emergency Departments.
- Critical Care Nurses.
- HCSWs.

Strategically, the Trust's recruitment team have focussed on 4 main areas during 2020/21:

- Improving the recruitment experience for candidates and Mangers
- Shortening the time taken to recruit
- Increasing the number of International Nurses in our workforce
- Overhauling recruitment training with a specific focus on inclusive recruitment practices

Improving the candidate and manager experience

Candidate satisfaction is incredibly important to the Trust. Recruitment is the first point of contact for an individual wishing to join the Trust and a positive experience here enhances our employer brand, secures candidates for the future and helps to improve offer/acceptance rates.

During 2020/21 the Recruitment Team began systematically collecting and analysing data on the candidate experience of recruitment. This focussed on 6 key performance indicators (KPIs):

- How useful was the information given about the job?
- How would you rate the interview process?
- How well were you kept informed about your application?
- How would you rate the responsiveness and communication of our team?
- How was the accuracy of the paperwork?
- How was the overall experience?

The Trust has made significant improvement in all areas. Of note, substantial gains have been made in the areas of 'being kept informed' (improved from 3.87/5 to 4.65/5) and the 'overall experience' (improved from 3.93/5 to 4.52/5).

Shortening the time taken to recruit

The Trust aim to complete recruitment for all roles within 49 days from the date the advert goes live, to the date the starting letter is issued to the candidate. As of July 2020 (when recording started), the average time to recruit stood at 62.1 days. The Recruitment Team have driven significant improvement in the period since then, with time to recruit standing at 47.3 days as of the end of January 2021 (a reduction of more than 2 weeks per hire).

This improvement has been driven by changes within the Recruitment Team, including introduction of more robust KPIs (for example, time to shortlist, time to feedback, time to send offers, time to complete checks etc).

The Trust have also introduced a schedule of agreed 'check-ins' with candidates. These check-ins are designed to ensure that candidates are kept informed of what is happening throughout the recruitment process. This also enables the Recruitment Team to proactively follow-up on pre-hire activities, for example, pre-employment checks.

Increasing the number of international Nurses in our workforce

Our International Nurse recruitment programme remains of strategic importance to the Trust, given the continued national shortage of Registered Nurses. Whilst the programme did experience some disruption during the pandemic, the Trust continued to land and educate International Nurses, with 200 nurses recruited between September 2020 and January 2021. This was achieved through strong collaboration between our HR and Chief Nursing Office teams.

The Trust continues to invest significantly in the pastoral care for this group of staff, as we understand this is critical to early engagement with the organisation and achievement of longer-term retention. The launch of the International Nurse Ambassador role during 2020 is one tangible example: the role being a single point of contact and support for new colleagues joining the Trust.

Plans for 2021/22 remain ambitious, with a target to recruit approximately 20 International Nurses per month and to continue to both develop and build our supporting infrastructure (for example, introduction of an online Cultural Readiness package, working in collaboration with other NHS providers). The Trust will also trial a direct recruitment model for International Nurses in 2021/22, reducing our reliance on Recruitment Agencies and yielding cost savings. This will help with the sustainability of the programme longer term.

Recruitment Training

Finally, Recruitment Training has been a focus of the Trust during 2020/21.

The existing "New Manager Recruitment Training" has been overhauled to ensure new managers are clear of their roles and responsibilities through common elements such as shortlisting, writing adverts and interview techniques. The team has also supported managers to move our recruitment and selection processes online using Video Conference technologies, which were necessary due to COVID-19 restrictions.

The Trust have also introduced "Inclusive Recruitment Training" to support our broader efforts on EDI. This training supports managers in understanding and exploring:

- The 9 protected characteristics.
- The importance of a diverse workforce.
- Unconscious and conscious bias.
- How to write inclusive adverts.
- Inclusive Interviewing; focussing on strengths.
- Valuing others from different backgrounds.
- Our current workforce demographics and our aspirations for the future in terms of diversity and inclusion.

Employment Relations

Throughout 2021/22 the Trust has worked hard during the period to communicate with and engage staff on issues that will impact them. Internal communications has been a key lever here and the Trust has increased the frequency of information shared with staff through multiple channels, e.g. email bulletins to staff, information released on the staff social media pages, opportunities for connection with senior leaders etc. The Trust's Culture Change Programme (previously referenced) has also been a primary vehicle for staff engagement.

Where formal consultation has been required with staff, this has been conducted in partnership with Staffside and other Trade Union Stakeholders.

The Trust continues to maintain a catalogue of Employment Relations policies, aligned to ACAS requirements, that guide our Employment Relations work. Where necessary, we also partner with outside agencies and regional contacts, for example in the case of suspected fraud/ corruption, to ensure the appropriate management of Employment Relations cases.

As with other areas, COVID-19 was a key focus for Employment Relations during 2021/22; both in terms of building new guidance and policies for COVID-19, as well as supporting numerous internal changes to ways of working (for example, the move to homeworking for many staff and supporting redeployment processes.)

The Trust, in line with national guidance, took the decision to 'pause' all but the most urgent Employment Relations Casework in early 2020 following the onset of the pandemic. Casework management re-commenced during mid 2020 and remained in place throughout the balance of the period.

A number of improvements were made to the management of Employment Relations cases in the Trust during 2020/21. These improvements were designed to enhance the experience of all those subject to or involved in an Employment Relations Case within the Trust.

Notable improvements included:

- A review of existing Employment Relations practices and ways of working to ensure consistent management of cases, improved recording/reporting of cases, and ongoing upskilling in core areas of Employment Relations.
- A review of the 'big 5' Employment Relations policies to embed learnings from other Trusts and make these more accessible for staff, i.e. Management of Conduct Policy, Management of Capability Policy, Staff Investigation Policy, Grievance Policy, Bullying & Harassment Policy.

- Changes to the organisation of the Employment Relations Team. For example, Employment Relations Advisors now work on cases across all divisions rather than being aligned to a specific division. This enables a better allocation of workload and ensures that Advisors can be matched to support cases that are most appropriate to their level of skill and experience.
- Secondment of an existing team member into the role of Employment Relations Manager, to act a single point of leadership within the team.
- More strategic focus for HR Business Partners including case prevention and broader culture change as part of the national and local people plans.

Trade Union Facility Time Publication Report 2020

Under the terms of the Trade Union (Facility Time Publication Requirements) Regulations, the Trust, in common with all NHS and other public organisations, is required to publish specified information on Trade Union officials employed by the Trust and the total amount and cost of their paid facility time (i.e. paid Trade Union duties and activities.

A return will be undertaken for quarter four for the period 01 January to 31 March 2021, and therefore the information for the period 1 April 2020 to 31 December 2020 is shown in the tables below.

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
62	53.44

Percentage of time spent on facility time:

Percentage of time	*Number of employees*
0%	31
1%-10%	31
11%-20%	0
21%-30%	0
31%-40%	0
41%-50%	0
51%-60%	0
61%-70%	0
71%-80%	0
81%-90%	0
91%-100%	0
100%	0

Percentage of pay bill spent on facility time:

Provide the total cost of facility time	£14,418.95
Provide the total pay bill	£339,963.20
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.004%

Paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union	

activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	31.88%

Throughout the pandemic our existing Trade Union governance has remained in place, and at times (particularly during peak surges), we have put additional measures in place to strengthen the flow of information to Trade Unions and to facilitate strong partnership working.

During 2021/22 we will partner with the Unions to re-negotiate the Trust Trade Union Recognition and Facilities Agreement.

Workforce Information

Workforce Breakdown

The table below shows the diversity of our workforce:

Age Band	Headcount	%
Under 16	0	0.00%
16 - 44	5,015	58.08%
45 - 54	1,948	22.56%
55 - 64	1,432	16.58%
65 and over	240	2.78%
Total	8,635	100.00%
Ethnic Group	**Headcount**	**%**
White	5,478	63.44%
Asian/Asian British	1,184	13.71%
Back/African/Caribbean/Black British	322	3.73%
Mixed/Multiple Ethnic Groups	113	1.31%
Other Ethnic Group	174	2.02%
Unspecified	1,364	15.80%
Total	8,635	100.00%
Gender	**Headcount**	**%**
Female	6,724	77.87%
Male	1,911	22.13%
Total	8,635	100.00%
Disabled	**Headcount**	**%**
No	3,648	42.25%
Not Declared	4,859	56.27%
Yes	128	1.48%
Total	8,635	100.00%
Executive and Non-Executive Directors	**Headcount**	**%**
Female	8	53.33%
Male	7	46.67%
Other Senior Managers	**Headcount**	**%**
Female	5	55.56%
Male	4	44.44%

An analysis of the number of contracted Whole Time Equivalent (WTE) staff is shown below as at 31 March 2021:

Category	WTE 2020-21	WTE 2019-20
Administration and Estates	1,604	1,524
Healthcare Assistants and Other Support Staff	1,714	1,552
Healthcare Scientist	132	132
Medical and Dental	935	862
Nursing, Midwifery and Health Visiting Staff	1,983	1,801
Scientific, Therapeutic and Technical Staff	423	405
Grand Total	**6,791**	**6,276**

Key workforce performance indicators for the month of March are shown below:

Indicator	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Sickness Absence	3.65%	3.34%	4.00%	5.19%	4.62%
Staff Appraisal (All Staff rolling 12 months)	66.72%	66.79%	72.22%	79.54%	75.10%
Staff Turnover Voluntary	12.77%	13.45%	11.38%	11.33%	9.11%

Staff Costs

The table below shows the staffing costs broken down by staffing groups:

Category	Total £m 2020-21	Total £m 2019/20
Medical and Dental	103.6	93.9
Administration and Estates	57.0	51.8
Healthcare Assistants and Other Support Staff	54.5	46.5
Nursing, Midwifery and Health Visiting Staff	112.5	94.4
Scientific, Therapeutic and Technical Staff	22.5	20.6
Healthcare Science Staff	7.3	7.3
Total	**357.4**	**314.5**
Capital	3.3	2.3
Apprentice Levy	1.3	1.2
Recoveries in respect of staff costs netted off expenditure	(0.7)	-0.8
Total	**361.3**	**317.1**

Consultancy Expenditure

The Trust's total spend on consultancy in 2020/21 was £452,776 (2019/20: £568,346). The Finance & Investment Committee review commissions monthly.

Off-payroll arrangements

The Trust had no off-payroll engagements in place during 2020/21 as the Trust policy is not to engage with individuals on this basis.

Exit payments

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
<£10,000			1	9	1	9		
£10,000 - £25,000			2	44	2	44		
£25,001 - £50,000			1	29	1	29		
£50,001 - £100,000					0	0		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
>£200,000					0	0		
Total	0	0	4	82	4	82	0	0

The table below show exit payments made in 2020/21. Staff that are eligible for redundancy payments are paid in accordance with Agenda for Change NHS Terms and Conditions.

Regulatory Ratings – NHS Oversight Framework

This section of the Annual Report has been simplified, recognising that it has been an exceptional year for the NHS. The section relating to Finance and Use of Resources has been removed.

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

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

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

Segmentation

NHSI has placed the Trust in segment 2 - Targeted support: support needs identified in Quality of care, Finance & use of resources and Operational performance.

This segmentation information is the trust's position as at 4th May 2021. Current segmentation information for NHS trusts and Foundation Trusts is published on the NHS Improvement website.

HHFT 2020/21		
Indicator	**Threshold**	**HHFT - 2020/21**
Key Operational Performance Metrics		
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	>92%	**61.6**
Reduction of Total RTT PTL size in year	<39724	**41814**
A&E Clinical Quality - Total Time in A&E under 4 hrs	>95%	**85.6**
Diagnostics waiting over 6 weeks (% of total)	<1%	**30.8**
Cancer 62 Day Waits for first treatment (from urgent GP referral)	>85%	**87.3**
Other Metrics		
Clostridium Difficile - meeting the Clostridium difficile objective	60	**51**
MRSA	0	**0**
Cancer 31 day wait for second or subsequent treatment - surgery	>94%	**98.6**
Cancer 31 day wait for second or subsequent treatment - drug treatments	>98%	**99.9**
Cancer 62 Day Waits for first treatment (from consultant led screening service referral)	>90%	**93.4**
Cancer 31 day wait from diagnosis to first treatment	>96%	**98.3**
Cancer 2 week (all cancers)	>93%	**90.5**
Cancer 2 week (breast symptoms)	>93%	**93.5**
28 day faster diagnosis	>75%	**84.0**

Referral to treatment waiting times

Across the entire year the Trust achieved an average monthly performance of 61.6% across the period. As with the entire NHS, routine planned care has been severely affected by the COVID 19 Pandemics as capacity has been reduced for infection control and patient safety purposes. Within this restricted capacity particularly during the early part of 2020/21 we focused our efforts on the highest clinical priority patients, including cancers as can be seen below. However, the Trust and its staff have worked hard to restore activity levels for operations and outpatients between the 2 COVID peaks experienced in 2020/21 and during March 2021, seeing activity levels of circa 90% of pre-covid levels. It is a key objective for the Trust to return and deliver increased activity levels within 2021/22 and to address the long waiting patients that have been generated from the pandemic.

Cancer waiting times

HHFT met all except one of the national cancer standards across the year overall for 2020/21. The one target that was not achieved was the 2 week wait for first appointment where the Trust achieved 90.5% versus the target of 93%. Despite this the Trust did achieve the newer overall faster diagnosis standard of been a challenging year in delivering cancer performance, with many Trusts across England struggling to meet the '62-Day (Urgent GP Referral To Treatment) Wait For First Treatment, All Cancers' target, including ourselves. Th reaching a diagnosis for these referrals for 81.4% of patients versus the target of 75%. Despite the dramatic impact of COVID 19 upon the Trust in 20/21 we have continued to prioritise cancer care ensuring that are patients have been seen, diagnosed and treated against the national standards.

Diagnostic Waits

HHFT did not achieve the national target patients waiting less than 6 weeks for diagnostic tests for the year. Across the entire year the Trust achieved an average monthly performance of 69.2% across the period versus the target of 99%. Again, performance was dramatically impacted by the COVID 19 pandemic as capacity was initially reduced in many services due to the greater infection control measures such as spacing and greater cleaning of facilities between patients affecting our productivity. During the year, the Trust and our staff have worked hard to restore capacity in most modalities to pre-COVID 19 levels and reducing volume of patents waiting for diagnostics from the peak position. The end of March position stood at 83.8% of patients waiting less than 6 weeks.

Emergency waiting times

Across the year we did not achieve the national waiting time target for seeing and treating 95% of patients arriving at the Emergency Department (ED) within 4 hours. The Trust achieved 85.6%.

Throughout the whole of 2020/21 the operations of the Emergency Department and the manner in which patient’s admissions to hospital beds have continued to affected by the COVID 19 pandemic as we have restructured these services to meet the appropriate infection control standards to ensure that are patients are cared for in a safe and effective manner. During the peak of the 2 COVID 19 outbreaks we saw a significant reduction in the number of people attending the ED department but by March the volumes had returned to the pre-COVID 19 levels.

We continue with our actions to improve performance internally, and to work with our partners to reduce demand and to improve the availability of community health and social care. This will allow us to ensure our patients are discharged more promptly and providing us with the capacity to deal with the pressures the department faces. This work saw significant results in 2020/21 with falls in length of stay within the Trust.

Clostridium Difficile infection

This target was achieved in 2020/21. The number of cases for the year was 51 versus a target of 60.

Sustainability Report

Sustainable development, understood as development that improves environmental, social and economic outcomes, must form a central part of all organisations' agenda. The NHS is no exception. The Trust recognises that by implementing principles of sustainable development, we contribute to the long-term health and prosperity of people and the rest of the natural world in our local region and beyond.

The climate change agenda is now firmly in the public spotlight, and the NHS has responded with action. The NHS Long Term Plan has set out clear Sustainability requirements and the 'Greener NHS' programme has been established to specifically help tackle the Climate Health Emergency.

The purpose of the Greener NHS programme is to advise and guide NHS bodies towards a Sustainable Healthcare System in order to meet UK legally binding 2050 Net Zero targets. In October 2020, Greener NHS launched "Delivering a Net Zero National Health Service" which outlines how the NHS will achieve a net zero position. The following targets have been set and the Trust will look to better these targets, where possible, within its own Green Plan:

- Net zero by 2040 for the emissions we control directly, with an ambition to reach an 80% reduction by 2028 to 2032.
- Net zero by 2045 for the emissions we can influence with an ambition to reach an 80% reduction by 2036 to 2039.

In Feb 2020, the Trust Board agreed to a range of measures to enable the Hospital to investigate how it might reach net zero by 2030 and this report highlights our progress.

Achieving Sustainable Healthcare at Hampshire Hospitals

The Trust is currently preparing its 'Green Plan' and The Carbon Trust were commissioned to produce the Net Zero element of this during 2020. New Green Plan guidance from the Greener NHS team is due in Spring 2021 and our own Green plan will be aligned with this once it has been published.

The Trust is also part of the Government Healthcare Improvement Programme Phase 2 (HIP2) which will fund a new Hospital, which will have a net zero requirement. The new Hospital will act as a lever in helping us achieve our net zero ambitions.

Governance

A Climate Change Taskforce Group has been set up to oversee our Green Plan, with representation from across the Trust. The group is led by Director of Strategy, Shirlene Oh and the principle person responsible for implementing the plan is Gillian Brown, the Trust's Sustainability Manager.

The Group will feed directly into the Trust Senior Management Team and will report three times per year on progress as well as updating the Board annually. In addition to this, the Trust has been selected to develop a business case for a new hospital that must meet net zero carbon standards.

NHS Requirements

The NHS Long Term Plan (LTP) includes mandatory Sustainability requirements that obligate Hampshire Hospitals to take action. The following update presents both the NHSEI Operational Planning Guidance for 2020-21 and the NHS LTP targets:

NHSEI Operational Planning Guidance for 2020-21				
Item	**Description / Documentation**		**NHSEI target date**	**Status**
1	Cut business mileages and NHS fleet air pollutant emissions by 20% by 2023/24.	consider signing up for a free Green Fleet Review	2020-21	Alternative being progressed
		Ensure all fleet vehicles purchased or leased by the organisation after 1 April 2020 support the transition to low and ultra-low emission (ULEV)	2020-21	In progress
		Ensure that any car leasing schemes restrict the availability of high-emission vehicles.	2020-21	Not started
		End business travel reimbursement for any domestic flights within England, Wales and Scotland.	2020-21	Not started
2	NHS organisations should move to purchasing 100% renewable electricity from their energy suppliers		Apr-21	Yes
3	Providers should replace lighting with LED alternatives during routine maintenance activities.		Ongoing	Ongoing
4	NHS organisations must ensure all new builds and refurbishment projects are delivered to net zero carbon standards.		From Apr 2020	Awaiting standard from NHSEI
5	Implement the Estates and Facilities Management Stretch programme		TBC	Awaiting info from NHSEI
6	Reduce the use of single use plastics in the NHS, beginning by signing up to and delivering the NHS Plastics Pledge		April 2021	Postponed nationally
7	Reduce the carbon impact of Metered Dose Inhalers	Decrease the percentage of inhaler prescriptions that are for Metered Dose Inhalers where clinically appropriate.	2020-21	Not started
		Reduce the overall carbon impact of all inhalers dispensed at pharmacy.	2020-21	Not started
		Encourage patients to return spent devices for green disposal in pharmacy medicines waste.	2020-21	Not started
8	Reduce the carbon footprint associated with anaesthetic gases	Reduce the proportion of desflurane to sevoflurane used in surgery to less than 20% by volume,	2020-21	Complete
		local systems and providers to assess the potential to reduce unnecessary emissions of nitrous oxide to atmosphere	2020-21	In progress

NHS LTP targets

- **Reducing carbon, waste and water**
  NHS LTP target: By 2025, we will reduce our carbon footprint by 51% against 2007 levels
  Key initiatives:
  A. Greening our estates and facilities
  B. Switching to greener asthma inhalers
  C. Reducing the carbon footprint from Anaesthetic gases

Progress:
The Trust applied to participate in a BEIS Modern Energy Partnership (MEP) programme, created to develop a methodology for all public sector estate in relation to energy reduction and the government's net zero carbon targets. RHCH was accepted into phase 1 and a concept design was presented to the Trust in Jan 2021. Progression will be dependent on external funding such as the Public Sector Decarbonisation Fund.

The Trust has also been successful in a further BEIS application to participate in an AI Energy Management sub metering programme at AWMH. This is a fully funded project that will use tele-metrics to drive energy improvements.

Excellent progress has been made by the Anaesthetics department to reduce the use of desflurane since April 2020. The NHS 2020-21 target of reducing the proportion of desflurane to sevoflurane used in surgery to less than 20% by volume was achieved a year early. Figures for this financial year are shown below as a 13%/87% which indicates we are well within target but cannot be taken as a true representation due to suspension of elective surgeries during the pandemic.

	19/20		20/21		NHS Target
	Litres	volume split	Litres	volume split	
Desflurane	71	18%	29	13%	**20%** **(<20% is best)**
Sevoflurane	318	82%	200	87%	**80%**

In addition:

- The Trust is looking to begin phase two of a LED lighting upgrade programme at our Winchester Hospital.
- We have purchased 100% Green electricity since 2017.
- We have actively engaged with Pharmacy department and Primary Care Sector (GreenGP) to discuss the impact of inhalers and how the Trust might reduce the associated carbon emissions.
- A working group has been set up to tackle Anaesthetic gas destruction and discussions with suppliers have also taken place with plans to further investigate.

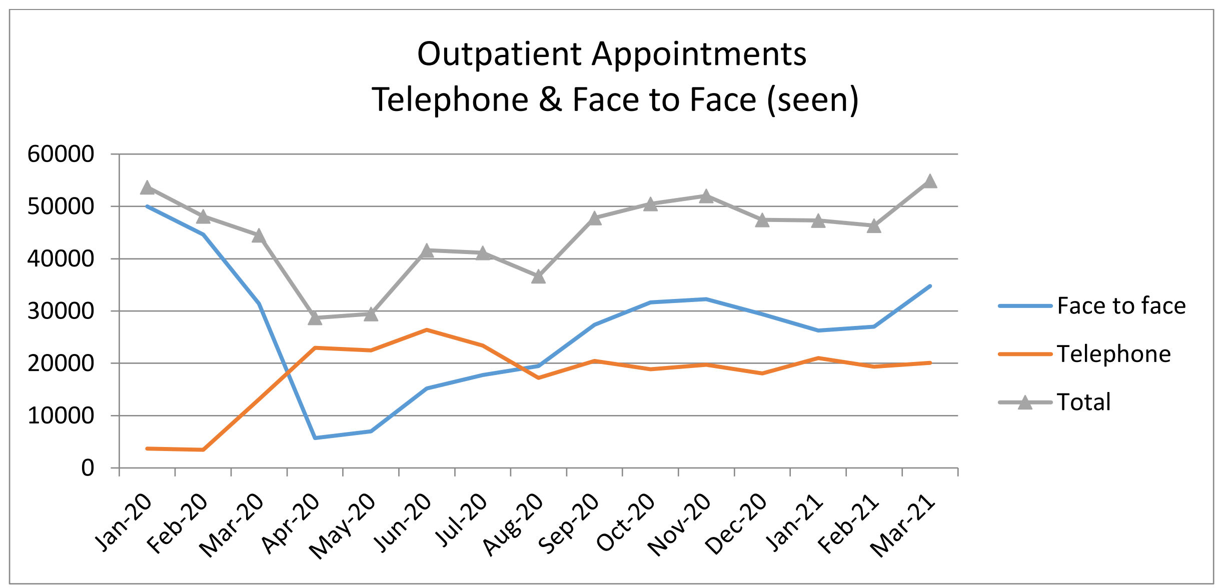
- **Improving Air Quality**
  NHS LTP target: By 2023/24, we will cut business mileages and fleet air pollutant emissions by 20%
  Key initiatives:
  A. Reducing NHS fleet emissions (including ambulances) and other specialist vehicles
  B. Reducing outpatient appointments by a third
  C. Working with local government to reduce emissions

Progress:
A new contract for fleet vehicles will include the provision of flexibility to move towards electrification gradually over the new few years. The Trust has carried out a feasibility study for electric vehicle charge points and has secured funding for phase 1 to install charge points for the public, staff and pool cars.

The Trust introduced a second Bike to Work scheme for staff and combined has seen 84 staff purchase bikes through the scheme this year. The Trust's fleet of 8 electric bikes for staff to "try before you buy" have proved extremely popular, with all bikes continuously fully booked. Staff may take the bikes for up to 4 weeks at a time to assess if this could be used as an alternative to the car for commuting. We have many positive comments from staff about the scheme and a number of staff have gone on to purchase their own electric bike after their trial. One staff member wrote on our electric bike Trustnet page:

"Absolutely loved it, was comfortable, incredibly easy to use, only had to charge the battery twice whilst I had it although I didn't use the electric assistance on it much at all. Would highly recommend one of these, especially as after work you can put the electric assistance on if it's been a hard day."

Our Transformation Team are working on the LTP target of a 30% reduction in Outpatient appointments. From the graph below, you can see a significant decline from March 2020 due to reduced hospital services and fewer general practices referrals due to COVID-19. The proportion of telephone consultations from our Outpatients Department was extremely high during much of 2020, a dramatic shift necessitated by the pandemic. Our Transformation Team are working with our clinicians to maximise the potential of non-face to face appointments to help address the considerable air quality benefits associated with a reduction in car journeys to and from the hospital.



- **Reducing single use plastics**
  NHS LTP target: We will deliver reductions in single use plastics throughout the NHS supply chain
  Key initiatives:
  A. Reducing single use plastics across NHS catering as well as clinical and supply chain domains
  B. Working to improve the disposal and recycling processes for plastics
  C. Developing innovation in plastics

Progress:

- The NHS Plastics pledge has been postponed and will hopefully restart in 2021.
- Warpit (furniture/admin reuse scheme) has saved the Trust £51,000 since May 2019.
- The Recomed recycling scheme, which allows the Trust to recycle plastic face masks and tubing from Theatre recovery areas was put on pause for most of 2020, but this scheme hopes to be up and running again during 2021.

Research and Development

In the past year the Trust has continued to host a doctoral research student on the subject of "identifying opportunities for carbon reduction". This concluded with a final set of participant observations and interviews with employees regarding sustainability of current waste and consumption practices with emphasis on everyday consumables and energy.

The findings combined with a literature review have been used to create a reference list for carbon reduction opportunities. The list includes examples of research, case studies and products on the market which could improve the Trust's environmental performance in the areas of energy and everyday consumables. The list will also be used to inform an action plan as part of the Trusts Net Zero strategy. A further objective is to use the findings to build a sustainability resource app by end of May 2021. That way the information can be easily accessed by employees in the Trust and we also hope to make it available to our peers in the NHS.

NHS Benchmarking - Sustainable Development Assessment Tool

The Sustainable Development Assessment Tool (SDAT) is a benchmarking tool created by the NHS Sustainable Development Unit (SDU), who have now disbanded and been absorbed by the Greener NHS Team. This benchmarking tool has also been closed and will be replaced with a new system in 2021.

Carbon Emissions

Waste

Waste		2016/17	2017/18	2018/19	2019/20	2020/21
Recycling	(tonnes)	416	411	373	683	5,034
	tCO_2e	8.74	8.94	8.12	14.58	107.50
Other recovery	(tonnes)	1,534	1,669	1,459	1,579	1,507
	tCO_2e	32.21	36.32	31.75	33.72	32.19
High Temp disposal	(tonnes)	0	0	0	0	0
	tCO_2e	0	0	0	0	0
Landfill	(tonnes)	115	0	0	0	0
	tCO_2e	35.65	0	0	0	0
Total Waste (tonnes)		2,065	2,080	1,832	2,261.89	6,541.64
% Recycled or Re-used		20%	20%	20%	43%	77%
Total Waste tCO_2e		76.60	45.26	39.86	48.30	139.69

Energy

Energy	2016/17	2017/18	2018/19	2019/20	2020/21
Electricity (kWh)	17,722,575	18,956,305	19,618,500	19,821,864	19,691,912
Gas (kWh)	37,457,071	36,374,518	36,300,025	35,051,033	34,846,697
Total kWh	55,179,646	55,330,823	55,918,525	54,872,897	54,538,609
Electricity (tCO2e)	7,963	7,287	6,027	6,263	4,590
Gas (tCO2e)	7,828	6,699	6,678	7,303	6,407
Total tCO2e	15,791	13,986	12,705	13,566	10,997
Total spend (£)	2,781,726	3,045,868	2,979,004	3,494,457	4,010,003

Note: Historical energy data has been cleansed and kWh and CO2 figures may differ to previous annual report submissions

Water

Unit	2016/17	2017/18	2018/19	2019/20	2020/21
m^3	203,713	202,636	208,171	249,474	208,536
tCO_2e	185	184	190	227	190
Spend (£)	£ 328,152	£ 291,263	£ 480,964	£ 337,722	£ 419,632

Travel

Most of our travel miles are estimates based on financial data and patient spells in hospital using the Sustainable Development Unit reporting and modelling methods. Due to Covid-19, we are only able to provide reliable figures for business travel this financial year.

Travel area	Mode	2016/17	2017/18	2018/19	2019/20	2020/21
Patient and visitor own travel	miles	29,641,507	30,246,526	30,071,066	30,405,719	
	tCO_2e	10,712	10,777	10,715	11,024	
Staff commute	miles	5,052,938	5,222,878	5,222,100	5,685,478	
	tCO_2e	1,826	1,861	1,860	2,034	
Business travel and fleet	miles	1,878,959	1,614,903	1,642,279	1,723,144	777,795*
	tCO_2e	679	574	427	616	277.92
Active & public transport	miles	235,645	218,183	259,884	258,422	
	tCO2e	25	22	27	17	

** Grey fleet only from expenses data*

Biodiversity

Our Trust has continued to participate in Green Gym throughout Covid-19 restrictions and with no external volunteering permitted on the hospital site, we took the opportunity to continue for staff wellbeing and promote activities within our green space that included physical activity offering mental respite.

Green Gym now has a small group of enthusiastic staff volunteers who enjoy devoting half an hour of their valuable lunchbreak to an activity which not only improves the hospital environment but gets them outdoors improving feelings of physical and mental wellbeing. Sessions are run over lunchtimes with activities that can be completed in 20 to 30 minutes during a much-needed break.

Activities have included, planting spring bulbs, plant propagation, litter picking, painting, and planting planters and most recently festive wreath making. Some comments from volunteers and staff illustrate the benefits of the Green Gym;

"I really enjoyed my lunch break in the green gym yesterday and definitely went back to work feeling refreshed",
"Thank you for arranging the excellent session today. It was great to be outside and doing something different this lunchtime."
"I had a glorious time!! The highlight of my day and exactly what I needed – thank you!!!"
"I had a great time making the wreath. Great fun."

Procurement

Our work with the Carbon Trust has allowed us to use 2020 as a data gathering opportunity amidst a difficult year for Wessex NHS Procurement Limited. As part of our Carbon Trust work, the Sustainability Team and Procurement Team held a series of workshops in 2020 to establish how best to collaborate with our supply chain on the subject of climate change mitigation specific to the products they supply to us.

The recently published "Delivering a Net Zero National Health Service" states that the NHS can reduce emission from its supply chain in three ways:

- more efficient use of supplies;
- low-carbon substitutions and product innovation
- ensuring our suppliers are decarbonising their own processes.

The Carbon Trust were able to identify our most carbon intensive contracts within our supply chain using an augmented version of the Environmentally Extended Input-Output (EEIO) Scope 3 factors. Using this data, we ran an engagement programme with our top suppliers through a series of online meetings to kickstart conversations that will address the above three areas.

The Procurement team have also included Sustainability within one of its five KPI's indicating the importance of Sustainability.

At present, our Procurement team considers environmental and social impacts of products and services on a case by case basis. Where a concern over a particularly high impact occurs, the Trust's Sustainability manager is consulted before final decision is made.

The suppliers' adherence to the legislation is checked during the quarterly review meetings or through a request for the management information data. All procurement contracts follow the standard NHS terms and conditions, including Modern Slavery Act 2015 and Public Services (Social Value) Act 2012. Individual monitoring of supplier's practices is not carried out.

The Trust aims to foster social and environmental value in the local community, e.g. when procuring food. Some of our meat is sourced from the local butchers based in Hook, Hampshire. The Trust are currently working closely with the supply chain to review the current distribution model with a view to reducing food miles, whilst providing local, small and medium sized enterprises with opportunities. In the future we aim to expand this agenda into procurement of non-clinical goods, where possible.

Flexible working

The Trust believes that flexible working can benefit both the Trust and its employees. The Trust has therefore developed flexible working arrangements to enable all employees to balance work responsibilities with other aspects of their life throughout their career including supporting the transition from work to retirement. The option includes, 'job sharing', 'flexi-time', 'home (tele) working', 'wind down', among others.

Intentions for 2021/22

The Trust will look to develop the following over the next year:

- Produce a Green Plan in line with national NHSEI guidance
- Enable any RED actions not started within the NHSI Operational Planning Guidance for 2020-21.
- Investigate funding routes for Net Zero initiatives identified by Carbon Trust and MEP
- Produce an Electric Vehicle infrastructure strategy and begin a programme of charge point installation
- Develop the business case with HR to employ a HHFT Ranger to support the HWB and Biodiversity agenda
- Create a new Biodiversity Action Group
- Create a new Sustainable Travel Group
- Improve access to recycling across the organisation
- Engage with the University of Surrey to offer internships placements around Sustainability that will support future decision making

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Hampshire Hospitals NHS Foundation Trust

The NHS Act 2006 (the "Act") states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer's Memorandum issued by NHS Improvement.

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

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements and apply suitable accountable policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual and the Department of Health Group Accounting Manual have been followed and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

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

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

Signed ……………………………………………………. Date: 11/06/2021
Alex Whitfield, Chief Executive

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

The system of internal control has been in place in Hampshire Hospitals NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Due to the COVID-19 pandemic there have been changes to the systems of internal control and governance processes. In line with national requirements and the declaration of a major incident, an incident control, command and co-ordination system was established with the trust operating under a gold command structure. This structure allowed executive oversight, decision making and a planned response to the pandemic. Silver command, operating below gold, operationally managed the trust sites liaising with community partners and clinical commissioning groups to ensure safe patient flow.

During the first wave of the COVID-19 pandemic significant operational pressures led to temporary adaptations to governance processes within the trust. This followed the national guidance provide by NHS I / E and included:

- The Board Quality and Performance Committee and Workforce and Organisational Development Committee were combined during April and May 2020
- Committee time was reduced with a focus on exception reporting
- Meetings took place virtually

After the first wave, governance processes were re-established and maintained during the second wave.

Capacity to handle risk

The Board of Directors has overall accountability for the foundation trust's risk management strategy and oversees that appropriate structures and robust systems of internal control and management are in place. The foundation trust operates a unified approach to clinical and non-clinical risks, which are recorded on a computerised risk management system.

As Chief Executive I have responsibility for maintaining a sound system of internal control and assurance that supports risk management across the foundation trust. I discharge these duties through the executive and management team, with clear designation of accountability to individuals to support me in this role. Responsibility for specific areas of risk is delegated to executive directors in line with functional roles, as well as formal designation of executive leads for specific roles. Within the clinical and corporate services, senior managers are responsible for ensuring they, and their staff, fulfil their responsibility for risk management by operating in accordance with trust systems, policies and procedures.

The trust's risk management processes underwent significant review during 2019/20 and this work continued during 2020/21. The redesign was undertaken by our risk and compliance manager supported by a governance expert from NHS Improvement to ensure the foundation trust was able to learn from good practice. The board assurance framework was reviewed for 2020/21 and aligns to the trust's strategic vision and objectives:

- Outstanding care for our patients
- Empowering people
- Living within our money
- Innovating for the future

It was adapted this year to include the strategic risks in relation to the COVID-19 pandemic. The board assurance framework clearly defines the risks to achieving the trust objectives. Each risk is owned by an executive director and is reviewed at the Board of Directors on a quarterly basis. This level of ownership ensures that it is used more effectively in the operational delivery of the foundation trust objectives.

The risk appetite, *'the amount and type of **ri**sk that an organisation is willing to take in order to meet their strategic objectives*', has been reviewed and the foundation trust continues to have a low appetite for risks that have a negative impact on patient safety. There is a greater appetite to take considered risks in terms of their impact on organisational issues. The foundation trust has the greatest appetite to pursue commercial gain, partnerships, clinical innovation, financial and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated. These risks will be taken within the constraints of the regulatory environment.

The risk management framework, which was reviewed in 2020/21, empowers and encourages all staff to identify, report, and manage operational risks. Staff are guided in articulating risk information through policy documentation and training. Staff are required to describe a risk in terms of cause and effect and identify appropriate controls and assurances. Where control or assurance gaps exist staff are required to identify actions to address these gaps and to assign appropriate timescales and ownership to individual actions. Finally, staff are required to attribute a current, and target risk score to allow the foundation trust to prioritise risks.

The Audit Committee has continued to review and gain assurance on the system throughout the year including completing an annual review of risk management processes. During 2020/21 the Executive

Risk Management Group has successfully become fully embedded providing operational oversight on the management of risk and the implementation of mitigation actions.

The Board of Directors itself is responsible for the Annual Governance Statement and for the co-ordination of the activities of all the committees of the Board of Directors. The terms of reference of the committees have been reviewed as per the annual requirement. The Board of Directors receives regular escalation reports from the chairs of the committees.

The risk and control framework

The purpose of the risk management framework is to create and embed a risk aware culture through the implementation of sound risk management processes.

- Clear lines of **individual accountability** for managing risk ensuring that patient safety, quality assurance, and quality improvement are central to the activities of the trust
- Adoption of a **framework** which enables future activity to take place in a consistent and controlled manner by reducing risk exposure, improving decision making, contributing to more efficient use and allocation of capital and resources, protecting and enhancing assets and reputation, developing and supporting people and the organisation's knowledge base, and optimising operational efficiency
- A **system of internal control** to enable the Board of Directors to effectively evaluate the risk management information

The risk management framework is published on the intranet which is available to all staff and bespoke training is available. It is based on a model which comprises of risk **identification**, risk **assessment**, risk **mitigation**, risk **monitoring** and risk **reporting** processes. This model guides staff to identify risks to achieving the trust's objectives, evaluate the likelihood of them occurring, together with the impact they would have and effective management of the risk.

A programme of work has been undertaken during 2020/21 to review and update the operational risk registers throughout the trust. The most significant risks, those scoring 15 or over are reviewed at the monthly Executive Risk Management Group. Each clinical division and corporate services present their most significant risks at this meeting on a regular basis to allow for a deeper scrutiny conversation to be held between divisional and corporate leadership teams and the executive team. Risk registers have been used to inform the prioritisation of the use of resources, particularly capital investment funds.

The Board of Directors has delegated key duties and functions to its committees. Risks are reviewed by the most appropriate board committee as captured within the risk management system:

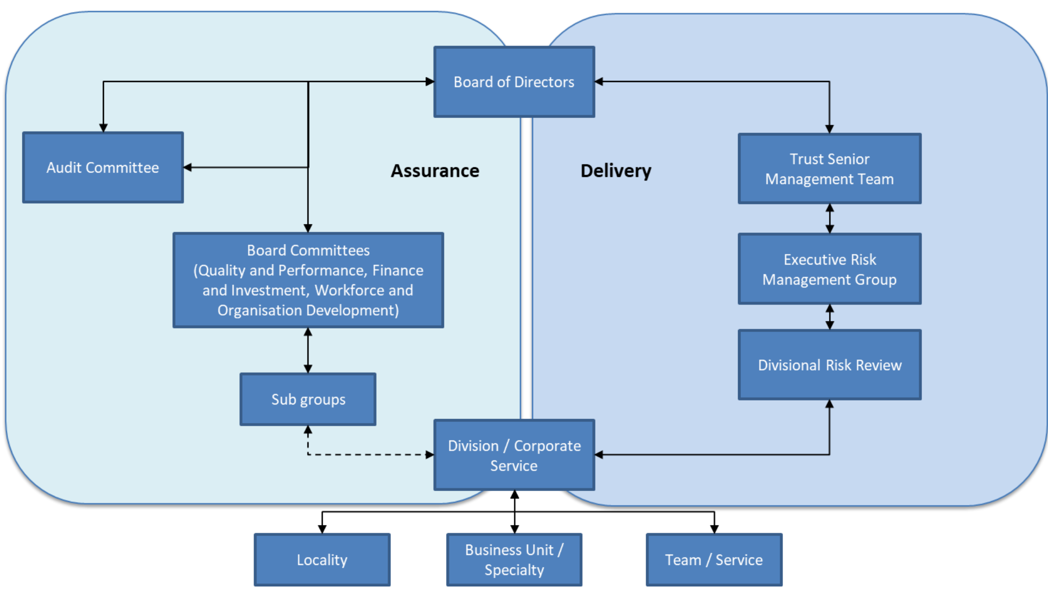
- Quality and Performance Committee
- Finance and Investment Committee
- Workforce and Organisational Development Committee

These committees, chaired by non-executive directors, review the highest scoring risks and those new to the register routinely at each meeting. Board agenda papers are also linked to risks on the Board Assurance Framework.

Operational risks are identified through many different sources:

- Operational activities – risks identified by our own staff
- Regulatory or compliance inspections – Care Quality Commission
- Internal and external reviews and quality visits
- Internal and external audits
- Feedback from patients, carers and other stakeholders – service consultation events
- Learning from events – incidents, complaints and litigation
- NHS central alert systems

Risks are reviewed through the divisional operational structures of monthly departmental performance reviews with escalation through either the assurance route through to divisional governance boards to board committees and the Audit Committee or the delivery route via the Executive Risk Management Group and the Senior Management Team, both routes reporting to the Board of Directors. It is the responsibility of the accountable manager / risk owner to escalate any risk which cannot be managed that has trust-wide implications or meets the requirement for escalation up through the risk structure management structure.



The Board of Directors own and manage a number of strategic risks, which are captured in the Board Assurance Framework. In 2020/21 the Board Assurance Framework has been reviewed in full, individual strategic risks have designated executive directors as owners, and control and assurance information is monitored by the relevant board committee. In response to the COVID-19 pandemic, the Board of Directors ensured proper consideration of COVID-19 related risks and those inherent to the provision of outstanding care to our patients. Consequently, at the beginning of 2020/21 strategic risks relating the COVID-19 pandemic were added to the Board Assurance Framework. The Board of Directors receives scheduled updates on the Board Assurance Framework along with review of individual strategic risks at committee level.

The principal risks, as described on the Board Assurance Framework under our strategic objectives at the end of the year are:

Outstanding care for our patients

If we do not manage our response to the COVID-19 pandemic effectively then we will fail to provide safe, effective care for COVID-19 patients

If we do not manage our response to the COVID-19 pandemic effectively then we will fail to provide safe, effective care for non-COVID-19 patients who need our care

During 2020/21 it was identified that nosocomial COVID-19 was a significant risk. Refer to the Quality Report for more detail.

If we fail to meet the requirements of our licence / constitutional standards then we will not be delivering safe and effective care to our patients

If we do not maintain and develop our major capital assets (estate, medical, non-medical equipment, digital and IT) due to financial constraints then there may be unacceptable clinical, regulatory and financial consequences

If we fail to transform and modernise services in line with national best practice there is a risk of poor patient outcomes

If we do not have effective corporate and clinical governance structures and accurate clinical information then we will be unable to reassure ourselves of the quality of our services

Empowered people

If we fail to prioritise staff wellbeing during the COVID-19 pandemic then this will result in the inability to provide safe care

If we fail to keep a continued focus on retention and recruitment then this will result in the inability to provide safe care

If we fail to develop the culture of the organisation to improve the engagement and welfare of the workforce then staff will not be empowered to deliver transformational care

If we fail to recruit and retain an adequate and skilled workforce then this will result in the inability to provide safe care and deliver constitutional standards

Living within our money

If our clinical and operational needs require greater expenditure then allowed in pre-set spending limits then the Trust will produce a deficit contrary to the national funding policy of break-even

If we do not hit our financial targets as a result of excessive demand for services and or an inability to deliver efficiency and productivity plans then there will be inadequate funds to support safe care and regulatory intervention in the Trust operation

Innovating for the future

If we do not use national and international best practice during the COVID-19 pandemic then we will not be providing the best care we can

If we do not progress key strategic programmes and restoration and recovery plans then we will not be in a strong position post pandemic

If we do not have strong and active engagement in local system reforms and partnership working then we may be unable to maintain organisational stability

If we do not accelerate and embed the adoption of technology in clinical and corporate areas then we will be unable to transform services

If we do not deliver the Modernising our Hospitals and Health Services Programme then we will not be sustainable to meet the health care needs of the local population (four drivers for change: meet population growth needs, clinical sustainability, financial sustainability, fit for purpose estates)

Key actions to mitigate these strategic risks over 2021/22 include:

- Delivering the recovery and restoration of services
- Initiating the patient experience strategy
- Delivering the mental health improvement actions
- Maintaining a focus on recruitment, retention and staff wellbeing
- Implementing in-year financial budgets consistent with the resources allocated to the foundation trust
- Progressing our culture change programme
- Engagement with and involvement in the development of the Hampshire and Isle of Wight Integrated Care System
- Continuing the journey toward modernising our hospitals and health services

The control frameworks for each strategic risk, assurances against controls, and actions to reduce gaps are detailed in each report made to the Board of Directors which are available on the trust's website.

The COVID-19 pandemic placed unprecedented pressure on our hospitals and robust operational structures were implemented to ensure the appropriate management of the pandemic. This included the creation of COVID-19 and recovery and restoration risk registers which in addition to the standard review routes were reviewed regularly through the pandemic management command structures.

As we move into the new financial year our principal operational risk is the continued management of COVID-19 pandemic and recovery and restoration of services. The trust has a robust and agile operational structure to manage the pandemic and restoration of services in place.

With this in mind the foundation trust has reviewed its priorities for 2021/22 to ensure our limited resources are focused on the things which can make the most difference:

Outstanding care for our patients	**Empower our teams**
• Work to CQC outstanding including implementation of quality priorities • Work towards our constitutional targets set out in this year's plan • Deliver our COVID-19 safety and recovery plans	• Maximise your health and wellbeing • Provide opportunities for personal growth and professional development • Make our teams diverse and inclusive

Living within our money	Innovating for the future
• Achieve expenditure targets in 2021/22 budgets • Deliver the agreed capital plan • Deliver the first year of the 3-year recovery plan aligned with the integrated care system	• Deliver the Hampshire Together – Modernising our Hospitals and Health Services programme • Deliver our transformation programmes including our digital transformation programme and realise benefits • Embed a culture of quality improvement and innovation to Recover non-COVID-19 services, address health inequalities and deliver care closer to home

Modernising our hospital and health services (MoHHS)

The MoHHS Programme is a core component of the transformation of the Hampshire Health and Care System which is led by the Integrated Care Partnership System Transformation Programme Delivery Board. The programme has a robust governance structure in place and is overseen by the system steering group whose key function is to ensure successful delivery of the programme within the agreed timescales. The steering group reports to the Hampshire and Isle of Wight Integrated Care System.

A consistent approach to risk management is used across the programme to ensure outline principles of measuring, managing and reporting risk are maintained. It provides a framework for the management of risk through rigorous governance arrangements and regular review by the programme team.

Communications, involvement and public engagement are undertaken to ensure a robust process for Hampshire Together pre-engagement and subsequent public consultation. There is also a patient, staff, stakeholder advisory group which supports communication and engagement. The programme also seeks to put as much information as possible into the public domain.

Information governance

We have an established Information Governance Management Framework, which continually works to identify and reduce risks to information and increase data security. The chief executive officer has Board responsibility for information risk and is supported by the senior information risk officer (SIRO) and the Caldicott Guardian. The data protection officer co-ordinates and monitors progress against the Data Security and Protection Toolkit and the action plan. The data protection officer is a member of the IT department and is accountable to the chief finance officer as SIRO.

Annual surveys are used to identify risks to information systems and business continuity; this process links to our risk register. There was no change to the target risk exposure of the risk related to accelerating the adoption of technological transformation and the foundation trust is part of the NHS Global Digital Exemplar programme in partnership with University Hospital Southampton NHS Foundation Trust.

The COVID-19 pandemic has seen an acceleration in technological transformation with innovations such as video and telephone consultations with patients, the use of virtual meeting technology and developments with our electronic patient record systems.

Each year, Hampshire Hospitals NHS Foundation Trust must report our Data Protection compliance by completing the Data Security and Protection Toolkit hosted by NHS Digital. This report assesses the trust's annual performance against National Data Guardian's (NDG) data security standards which includes: Data Security and Protection, Confidentiality and Data Protection Assurance, Information Security Assurance, Clinical Information Assurance, Secondary Use Assurance and Corporate Information Assurance. Hampshire Hospitals NHS Foundation Trust completed all mandatory assertions of the Data Security and Protection Toolkit and achieved 'Standards Met' status for 2019/20. The foundation trust will submit a similar position for 2020/21 in line with the submission deadline of 30 June 2021.

There have been six concerns raised with the Information Commissioner's Office and Department of Health and Social Care during the year. Four cases involved patient data and two staff data. In three cases, the Information Commissioner's Office closed the case with no regulatory action. Three cases remain outstanding.

Patient and public involvement

The foundation trust patient experience and engagement strategy was co-produced with the involvement of people who use our services, their families and carers, our governors and staff and local partners and was launched in March 2020 for the year 2020/21. Our ambition is to make experience, engagement and inclusion an integral part of how we develop, deliver and improve services.

Whilst progress of the strategy has been limited during the COVID-19 pandemic, the Patient Partnership and Experience Steering Group (PPESG) has been established as a sub-group of the Quality and Performance Committee to provide the governance framework and oversight for the strategy. The group has reviewed the strategy and consider it remains current and relevant and is reviewing the priorities set out for year one for 2021/22.

During the COVID-19 pandemic our patient forums have continued to support us as critical friends and partners remaining active in virtual ways supported by technology. Forum members have stayed connected with key members of our staff to exchange information and discuss concerns and engage in quality improvement initiatives. The forums have also actively engaged in the Hampshire Together Programme.

Patient forums include:

- The Patient Voice Forum – whose members engage with us regarding issues of patient experience and support improvement and development opportunities
- Cancer Services Partnership Group – whose members support our cancer services and those patients, families and carers it supports
- The Youth Forum – young people using our paediatric services supporting service improvements for children and young people
- Maternity Services Liaison Committee – ensuring women and their partners have a voice in maternity service design
- Patient Experience Group – a sub-group of the Council of Governors with a focus on patient experience
- Trust readers group – whose members review patient information for the trust

We have an established network of community partners across health and social care and the voluntary and community sector that we are connected with and continue to develop relationships with including:

- Basingstoke older people's forum
- Basingstoke and Deane Borough Council
- Hampshire County Council
- Clinical Commissioning groups
- Healthwatch Hampshire
- Carer organisations / carer representatives
- Andover Mind Carer support and Dementia Advice Service
- Alzheimer's Society
- Local Implementation Groups – Learning Disability
- Opensight and Royal National Institute for the Blind
- Voluntary and Community Services e.g. Basingstoke Voluntary Action, One Community, Unity
- Royal Voluntary Organisation and British Red Cross
- Basingstoke Disability Forum
- Wessex Cancer Alliance
- Wessex voices

We have continued to gather people's views about the services we provide throughout COVID-19 with patients and their families and carers providing their feedback through surveys and through comments, concerns, complaints and compliments. We have also benefited from the insight work undertaken by Healthwatch England and Healthwatch Hampshire and National Voices.

National guidance allowed for a pause in complaints processes due to the COVID-19 pandemic. Following review, the foundation trust maintained its complaints processes.

Patient and public engagement has been a key part of the development of the Modernising our hospital and health services (MoHHS) programme. Over the course of June, July and August 2020, a total of 1,976 people or organisations take part in a round one of formal public engagement. 1,395 people attended over the course of 54 online events, which included public meetings, focus groups and targeted briefings for stakeholders and NHS staff. The findings from which were fed into the options development process.

The options development process itself involved more than 100 members of NHS staff, stakeholders and patients over the course of three large events that played a key role in shaping the options that will be considered during a period of public consultation due to take place in 2021. An options development group, formed of clinicians and several patient representatives, also played a key role in creating and finalising proposals for change that the public will be consulted on in 2021.

Alongside this process, further programmes of staff and public engagement took place in October and November 2020 and February and March 2021. Engagement during October and November 2020 focused on the options development process to date and involved five digital focus groups held for HHFT staff, alongside a series of five targeted public focus groups run by Healthwatch Hampshire (LGBTQ+, disabilities, young carers, digitally disenfranchised) and the Hampshire Together programme (minority ethnic).

The round of engagement held in February and March 2021, focused on preparation for consultation, with a public survey asking people how they would like to participate and be kept informed about the programme as part of the consultation process receiving more than 1,000 responses. The survey was supplemented by a series of 15 digital focus groups targeted at different groups of HHFT staff and sections of the community, including minority ethnic and disabled people. A public 'Get to Know Your NHS' session was also held as part of this process, which was attended by more than 150 people.

A wide-ranging and inclusive 12-week period of public consultation, involving more than 40 public events, a consultation questionnaire, as well as a series of focus groups and telephone interviews based on reaching respondents based on protected characteristics, will take place in 2021.

Policy management

The Policy Approval Group is chaired by an associate medical director and supported by the governance team. The policy approval process ensures that there is consistency of approach across the foundation trust and the process requires engagement from a wide range of staff. This involvement supports the successful implementation of the policies and raising awareness across the foundation trust to ensure the delivery of high-quality care. At the beginning of the COVID-19 pandemic all policies were reviewed with additional information added in relation to COVID-19 as required.

Workforce strategies and staffing systems

The foundation trust has well established systems and processes in place to provide assurance that staffing is safe, sustainable and effective. An established reporting structure ensures workforce, quality and financial indicators are aligned and integrated through the quality scorecard, financial reporting and workforce dashboards. Together these are presented monthly at Trust Senior Management Team meetings and Board of Directors meetings. The scorecards, and associated narrative are used to monitor performance, share and recognise success, focus on key improvement areas and escalate concerns. These processes have continued throughout the COVID-19 pandemic alongside additional measures introduced to the significant impact on our workforce. These measures include command and control COVID-19 strategic response meetings, operational workforce meetings and COVID-19 risk assessment adjudication panels.

Safe staffing reports which include ward level detail are received by the Board of Directors monthly and report measurements of care hours per patient day, fill rate and vacancy rate which are triangulated against patient care outcomes. The Board of Directors receive a workforce plan that is updated annually. Progress associated with retention, engagement and recruitment programmes, partnership work with Higher Education Institutions and education strategies are reported through the monthly safe staffing report, monthly workforce report and six-monthly education report.

The Workforce and Organisational Development Committee is an established committee of the Board of Directors which leads on the assurance of the workforce and organisational development needed to deliver a workforce with the capacity and capability to provide high quality, safe and effective patient care. The committee receive and escalate any risks associated with staffing that continue or increase when mitigations prove insufficient to the Board of Directors. There is a process for quality impact assessments particularly in relation to cost improvement plans and any service change where there is redesign or introduction of new roles. Services changes due to the COVID-19 pandemic were subject to quality impact assessments.

Evidence based tools for acuity and dependency, professional judgement and outcomes are used in safe staffing processes. There is an annual safe staffing review process led by the chief nurse designed to ensure establishments are safe and effective, recommendations to changes in the budgetary establishment require chief nurse approval and approval through the annual budget setting process. Reporting of this process is provided to the Board of Directors annually with an assessment of the nursing establishment and skill mix in accordance with national guidance. Day to day there are a number of operational initiatives to ensure dynamic staffing risk assessments are completed in line with our site operational practices with formal escalation processes in place to respond to the changing needs of our patients.

To maintain best practice, compliance and a consistent approach to workforce planning and effective deployment, the foundation trust utilises the guidelines and recommendations set out in the NHSI Developing Workforce Safeguards (2018). A workforce standards gap analysis has also been completed.

NHS pension scheme

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.

Care Quality Commission

The foundation trust is fully complaint with the registration requirements of the Care Quality Commission (CQC). Following the CQC inspection in January and February 2020, the trust was given an overall rating of 'good' with 'outstanding' for caring. There has been no enforcement action taken and the trust has not participated in any special reviews or investigations during 2020/21. The foundation trust routinely gains assurance on compliance with CQC requirements through a number of routes including scorecards, audits, service reviews and feedback from the CQC virtual Transitional Monitoring Approach engagement interviews.

Leaving the European Union

As required by the Department of Health and Social Care the foundation trust undertook business continuity risk assessments to ensure any gaps in controls are addressed in preparation for the exit of the EU. An EU Exit Working Group and EU Exit Response Group provided the forum for risk assessment and planning and response to occurrences respectively with oversight provided by the EU Exit Assurance Board. Tests of Business Continuity and Incident Management Plans against EU Exit risk assessment scenarios were undertaken and Risk Assessments and Business Continuity Arrangements reviewed against the preparedness areas as advised by the Department of Health and Social Care:

- supply of medicines and vaccines
- supply of medical devices and clinical consumables
- supply of non-clinical consumables, goods and services
- workforce
- reciprocal healthcare
- research and clinical trials
- data sharing, processing and access

Performance

This year, performance against the constitutional standards has been significantly impacted by COVID-19 and in particular the elective care standards 18-week referral to treatment and diagnostics. It was necessary to step down a significant proportion of elective care during the first and the second waves of the pandemic and national lock downs. Independent sector capacity was used to treat only the patients of the highest clinical priority including cancer patients. This has resulted in a large backlog of patients, a reduction in performance and an increase in the number of patients on a referral to treatment pathway waiting over 52 weeks. Specialty level recovery plans are being developed to meet business as usual demand and recover the backlog.

The foundation trust has continued to meet the cancer 62-day standard throughout 2020/21. The two-week rule target has not been met since the summer; however, the faster diagnosis standard has been consistently delivered. This standard is for patients to receive a diagnosis of cancer / not cancer within 28 days from referral.

Emergency Department performance has been challenged. New pathways to safely manage patients and requirement to create additional bed capacity during COVID-19 surges has impacted on delivery. Initiatives to improve performance have been introduced and include the urgent care improvement project and those focused on discharges. The national 'Think 111 First' programme has also been introduced allowing bookings direct into the Emergency Department.

The quality of performance information is regularly assessed, for example, the referral to treatment validation team validate the referral to treatment patient tracking list with specialty teams to assure accuracy of the list. There is also a programme of work to review diagnostics data quality to ensure compliance with national criteria.

Conflicts of interest

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

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.

During the COVID-19 pandemic, a comprehensive process of individual staff risk assessments was introduced for staff at higher risk of COVID-19 infection or possibly disproportionally affected by COVID-19. The assessments allow understanding of the specific risks staff members face and enable these risks to be mitigated as far as possible.

Climate change

The foundation trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. During 2020, the foundation trust engaged with the Carbon Trust to produce a net zero plan in accordance with the national guidance 'Delivering a net zero National Health Service'. A

new green plan and updated adaption plan are being developed and will align with NHS green plan guidance due to be published in 2021/22.

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

In common with all other parts of the NHS, the foundation trust has seen very significant changes to the way in which funds have been made available during 2020/21 for the provision of healthcare. There have also been changes within the year, and we have ensured a consistency between national funding policy and our internal budgetary practices. We have control processes in place to ensure the economic, efficient and effective use of resources:

- Expenditure budgets are usually prepared as part of annual business planning and are reviewed and challenged by the Senior Management Team and Board of Directors. However, in 2020/21, there have been two budget setting exercises to correspond with national funding policy
- Headcount and pay budgets are reviewed against national benchmarks and challenged through peer review and by the Senior Management Team meeting
- Recruitment (including replacement) of consultants requires a business case which is reviewed and approved by the Senior Management Team meeting
- Pay and non-pay expenditure is rigorously and regularly reviewed against budgets and forecasts. Significant variances are explored to understand the causes and address any underlying issues
- The trust Cost Improvement Plan is monitored monthly by the Senior Management Team meeting, supporting by the Continuous Improvement Board and the Finance and Investment Committee. During 2020/21, normal cost improvement plans have been heavily compromised by the demands of the pandemic
- Purchase orders are required for all non-pay expenditure
- All spending requires sign-off by increasingly senior management as the transaction value increases
- The restoration and recovery of elective activity has been closely monitored and any associated additional costs agreed through the foundation trust senior management
- Sums up to £50,000 require associate director approval; up to £250,000 require Executive Director approval; up to £500,000 require CEO approval and those above £500,000 require review and approval by the Board of Directors.

A programme of internal audit activities reviewed the underlying systems and controls and reached the overall conclusion that Reasonable Assurance can be given that there is a generally sound system of internal control on key financial and management processes.

Annual Quality Report

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. In February 2021 all trusts received notification within the annual publication of the NHS Foundation Trust Annual Reporting Manual that the annual report is no longer required to include a quality report and, if included, would not need to be subjected to external audit. The future national intention would be that from 2021/22 onwards the quality report will be replaced with focused reporting on quality priorities and performance in the annual report incorporated directly into the performance report. Further guidance will be provided in early 2022. The trust has prepared a Quality Account for 2020/21 with an intention to publish this by 30 June 2021 as per the national requirement.

Governance and leadership

The chief executive officer is responsible and accountable for the production of the annual reports. The chief nurse is responsible and accountable for the production of the quality account which sits as a subsection of the annual reports. The chief nurse sponsors the reporting framework to the Quality and Performance Committee which includes the standing governance reports:

- Governance report – monthly
- Quality scorecard – monthly

The governance report is also submitted to the Senior Management Team and Board of Directors meeting. The report incorporates trend analysis of key performance indicator measures / quality metrics which are based on our quality contract and quality priorities for:

- Patient safety
- Clinical effectiveness
- Patient experience

This level of oversight of the key performance indicator measures / quality metrics enables focus to be given to areas where we could do better and initiate an improvement plan. The quality scorecard is reviewed annually and refreshed to ensure that it reflects the priorities identified for the year.

Systems and processes

The associate director of governance has taken the lead in developing the Quality Report with engagement from the operational divisions and corporate services. The report has been developed through internal review of the data and documents, gathering comments from version reviews by the chief nurse.

Data quality, reporting and governance

Data from a variety of sources is used in the monthly reports to the Quality and Performance Committee and Board of Directors. The data and the methods of collection are subject to internal review and validation by members of the corporate governance team and others with specialist knowledge as required. The data once validated for accuracy is shared as part of performance and quality contract reporting to the Clinical Commissioning Groups and Specialist Commissioners. The utilisation of the most appropriate, skilled personnel in the process of data collection, analysis and reporting creates a consistent approach to data handling.

Well-led framework

Good quality governance is maintained through the structures, systems and processes the foundation trust has put in place to ensure it manages the work effectively, scrutinises performance, manages risks and deals with problems in line with NHS improvement's well-led framework.

Review of effectiveness of internal control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS

foundation trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Report published alongside 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, the Audit Committee and by the Quality and Performance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by other major sources of assurance such as:

- Internal audit reports
- External audit reports
- Clinical audit reports
- Patient surveys and feedback
- Staff incident reporting
- Staff survey
- External reviews / accreditations completed by advisory groups or other registered bodies
- Care Quality Commission inspections
- Executive and non-executive safety walkrounds
- Peer reviews
- Equality and diversity reports
- Divisional governance and performance reports

The foundation trust applies a robust process for maintaining and reviewing the effectiveness of the system of internal control. A number of key groups, committees and teams make a significant contribution to this process, including:

Board of Directors

The statutory body of the foundation trust is responsible for the strategic and operational management of the organisation and has overall accountability for the risk management frameworks, systems and activities, including the effectiveness of internal controls.

Board Committees

The terms of reference and responsibilities of all Board Committees are reviewed regularly to strengthen their roles in governance and focus their work on providing assurances to the Board on all risks to the organisation's ability to meet its key priorities.

Audit Committee

The Audit Committee provides an independent contribution to the Board's overall process for ensuring that an effective internal control system is maintained and provides a cornerstone of good governance. The Audit Committee monitors the assurance processes of all other Board Committees.

Internal Audit

Internal Audit provides an independent opinion to the Board and the Audit Committee, on the degree to which Hampshire Hospitals' risk management and control framework support the achievement of agreed objectives and priorities. A planned programme of audits is scoped for the coming year by the Executive Directors and signed off by the Audit Committee. A report is produced at the conclusion of each audit and, where scope for improvement is found, recommendations are made and action plans developed by the responsible manager. Reports are issued to the responsible Executive Director. In addition to the planned work, internal audit provides advice and assistance to Executive and Divisional Directors on other matters of concern such as performance, financial management and control, workforce and human resources and risk management.

The 2020/21 audit programme consisted of (level of assurance in brackets):

- Capital projects (reasonable assurance)
- Remote working (reasonable assurance)
- Financial management and sustainability (reasonable assurance)
- Health and Safety (reasonable assurance)
- Risk management (reasonable assurance)
- Data quality (reasonable assurance)
- Financial governance (advisory)
- Complaints (reasonable assurance) (draft)
- Global digital exemplar (reasonable assurance) (draft)

The internal auditors issued one 'partial' assurance opinion during 2020/21:

- Procurement

The Internal Audit programme for 2020/21 included a review of the procurement function provided by Wessex NHS Procurement Ltd (WPL). The Trust's Internal Auditors issued a partial assurance which was largely generated by a 'high' importance finding relating to the lack of reporting to the Trust, contrary to the agreed business case for the company's establishment. However, at the onset of the pandemic, the HHFT Trust Board had consciously requested the streamlining of reporting which did not have an immediate relevance to COVID, patient safety or statutory compliance and that included the quarterly reporting from WPL. Nevertheless, monthly WPL Board meetings continued to be held and a six-monthly report was made to Finance and Investment Committee in October 2020, setting out the position to date and the three-year roadmap for the company. Monthly WPL Board meetings have continued and both parties are working to establish what reports are needed and with what frequency. The internal audit noted three other 'medium' actions, which have been agreed and implementation dates agreed. Two of these 'medium' actions relate to the lack of evidence of approval of Competitive Procedure Waiver (CPW) documentation for purchases made, control over this process has been considerably strengthened by the introduction of an electronic document approval system by WPL and the Trust, which will ensure that all CPWs are signed by the relevant authorised signatory, in line with the Trust's Standing Financial Instructions.

All management actions were agreed by Board committees. Improvement plans are underway with no overdue actions.

Provider of internal audit services opinion

In accordance with Public Sector Internal Audit Standards, the provider of internal audit services to the foundation trust is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion contributes to this annual governance statement.

The internal audit opinion has been provided by RSM Risk Assurance Services LLP.

The head of internal audit opinion for Hampshire Hospitals NHS Foundation Trust is as follows:

'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.'

Conclusion

No significant internal control issues have been identified in this Annual Governance Statement.

There is a significant risk moving into 2021/22 in relation to the COVID-19 pandemic and recovery and restoration of services. The foundation trust believes that control measures have been put in place to manage this risk. Even with robust planning the presently unknown true level of impact on Hampshire Hospitals and the UK may directly affect the level and quality of service that we are able to deliver in 2021/22.

The Board confirms that it is satisfied that, to the best of its knowledge and using its own processes Hampshire Hospitals has effective arrangements for monitoring the quality of healthcare provided to our patients.

Signed…………………………

Chief Executive Alex Whitfield **Date: 11/06/2021**

Annex A

Membership of board committees and attendance of committee meetings of HHFT from 1 April 2020 to 31 March 2021

Audit Committee
Jane Tabor (Chairman)
Laks Khangura
Gary McRae
Steve Erskine in attendance by invitation
Alex Whitfield in attendance by invitation
Malcolm Ace in attendance by invitation

Remuneration Committee (*)
Jane Tabor (Chairman)
Paul Musson
Steve Erskine
Jane Tabor
Gary McRae
Ruth Williams
Simon Holmes
Laks Khangura
Jos Creese
Alex Whitfield in attendance by invitation

Nomination Committee (**)
Steve Erskine (Chairman)
Jane Tabor
Paul Musson
Ruth Williams
Simon Holmes
Gary McRae
Laks Khangura
Jos Creese
Alex Whitfield in attendance by invitation

Quality and Performance Committee
Ruth Williams (Joint-Chairman)
Simon Holmes (Joint-Chairman)
Paul Musson
Lara Alloway
Julie Maskery
Julie Dawes
Alex Whitfield
Malcolm Ace
Steve Erskine in attendance by invitation

Workforce and Organisational Development Committee
Paul Musson (Chairman)
Catherine Hope-MacLellan

Julie Dawes
Steve Erskine in attendance by invitation
Alex Whitfield in attendance by invitation

Finance and Investment Committee
Gary McRae (Chairman)
Laks Khangura
Ruth Williams
Alex Whitfield
Malcolm Ace
Lara Alloway
John Haynes
Steve Erskine in attendance by invitation
Jos Creese in attendance by invitation

* agrees the remuneration of Executive Directors
** agrees the appointment of Executive Directors

Directors' Meeting attendance for HHFT for the period 1 April 2020 to 31 March 2021

	Board	Audit	Finance	Quality	Workforce	Remuneration	Nomination
Number of meetings in total for the period	10	4	10	10	10	1	1
Steve Erskine	10					1	1
Alex Whitfield	10						
Lara Alloway	10		8	9			
Malcolm Ace	10	4	10	10			
Julie Dawes	9			9	8		
Julie Maskery	10			9			
Shirlene Oh (from 1st November 2020)	10						
Gary McRae	9	4	10			1	1
Paul Musson	9			9	10	1	1
Jane Tabor	9	4				1	1
Ruth Williams	10		10	10		1	1
Simon Holmes	10			10	10	1	1
Jos Creese	10				4	1	1
Laks Khangura	10	4	9			1	1

Annex B

Membership of Council of Governors and attendance at meetings for HHFT for the period 1 April 2020 - 31 March 2021

Governor name	Elected/appointed	Term of office	Public meeting attendance
Julie Miller	Elected – Public Governor, representing Rest of England & Wales	5 February 2020 – 8 January 2023	4/4
John Bird	Elected – Public Governor, representing Mid and East Hampshire	8 January 2017 – 7 January 2023	4/4
Anthony Bravo	Elected – public Governor, representing North Hampshire & West Berkshire	9 January 2021 – 8 January 2024	1/1
Keith Bunker	Elected – public Governor, representing North Hampshire & West Berkshire	8 January 2018 – 7 January 2021	4/4
Brian Collin	Elected – Public Governor, representing Mid & East Hampshire	9 January 2015 – 8 January 2024	4/4
Steph Clark	Elected – Staff Governor, representing other healthcare professionals	3 October 2018 – 8 January 2023	4/4
Jane Cunningham	Elected – Staff Governor, representing Medical and Dental	5 February 2020 – 8 January 2023	3/4
Joy Deadman	Elected – Public Governor, representing North Hampshire & West Berkshire	9 January 2012 – 8 January 2021	4/4
Jeremy Farmer	Elected – Staff Governor, Support Staff	9 November 2018 – 8 January 2021	4/4
Martin Lee	Elected – Staff Governor, Support Staff	9 January 2021 – 8 January 2024	1/1
Simon Jobson	Appointed – Stakeholder Governor representing, Winchester University	1 February 2019 – 31 January 2022	4/4
Ruth Gower- Smith	Elected – Public Governor, representing West & South Hampshire	8 January 2018 – 7 January 2024	2/4
Kathryn Brooks	Appointed – Stakeholder Governor representing younger people	1 June 2019 – 31 August 2020	1/1
Keziah Collett	Appointed – Stakeholder Governor representing younger people	9 January 2021 – 1 June 2022	1/1
Ann Jones	Elected – Public Governor, representing Mid & East Hampshire	9 January 2012 – 8 January 2021	3/4

Governor name	Elected/appointed	Term of office	Public meeting attendance
David Leeks	Appointed – Stakeholder Governor, representing disabled people	1 April 2013 – 31 March 2022	4/4
Gilda McIntosh	Elected – Public Governor, representing North Hampshire & West Berkshire	8 January 2017 – 7 January 2023	3/4
Gerald Merritt	Appointed – Stakeholder Governor, representing older people	19 September 2012 – 18 September 2021	3/4
Beauman Chong	Elected – Public Governor, representing Mid & East Hampshire	9 January 2020 – 8 January 2023	1/1
Helen Allen	Elected – Staff Governor, Nursing and Midwifery	14 December 2018 – 31 March 2024	3/4
Douglas Ralph	Elected – Public Governor, representing North Hampshire and West Berkshire **Nominated – Lead Governor (from 7th February 2020)**	8 January 2017 – 7 January 2023	4/4
Jennifer Ramsay	Elected – Public Governor, representing Mid & East Hampshire	9 January 2014 – 8 January 2021	4/4
Stephen Reid	Appointed – Stakeholder Governor representing Hampshire County Council	20 September 2013 – 04 May 2021	3/4
Dave Biddlecombe	Elected – Public Governor, representing West & South Hampshire	9 January 2020 – 8 January 2023	1/1
Soraya Taylor	Elected – Public Governor, representing West & South Hampshire	9 January 2020 – 8 January 2023	1/1
Daughne Taylor	Elected – Public Governor, representing North Hampshire & West Berkshire	8 January 2018 – 7 January 2021	4/4
Keith Wiggans	Elected – Public Governor, representing West & South Hampshire	8 January 2018 – 7 January 2021	4/4
Mark Wilks	Elected – Staff Governor, Administration, Clerical and Managerial Staff	7 February 2017 – 8 January 2021	3/4
Vicky Miles	Elected – Staff Governor, Administration, Clerical and Managerial Staff	9 January 2021 – 8 January 2024	1/1
Patrick Cornelius	Elected – Public Governor, representing Mid & East Hampshire	9 January 2021 – 8 January 2024	1/1

Governor name	Elected/appointed	Term of office	Public meeting attendance
Graham Sumner	Elected – Public Governor, representing Mid & East Hampshire	9 January 2021 – 8 January 2024	1/1
Abigail Compton-Burnett	Elected – Public Governor, representing North Hampshire & West Berkshire	9 January 2021 – 8 January 2024	1/1

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Foreword to the Accounts

The consolidated accounts of Hampshire Hospitals NHS Foundation Trust are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Hampshire Hospitals NHS Foundation Trust's Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25(4)(a) of the National Health Service Act 2006.

Alex Whitfield

Alex Whitfield
Chief Executive
15 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HAMPSHIRE HOSPITALS NHS FOUNDATION TRUST

Qualified Opinion

We have audited the financial statements of Hampshire Hospitals NHS Foundation Trust for the year ended 31 March 2021 which comprise the Trust and Group Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers' Equity, the Trust and Group Statement of Cash Flows and the related notes 1 to 26, 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 2020/21 HM Treasury's Financial Reporting Manual (the 2020/21 FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of Hampshire Hospitals NHS Foundation Trust and Group's affairs as at 31 March 2021 and of its income and expenditure and income for the year then ended; and
- have been prepared properly in accordance with the Department of Health and Social Care's Group Accounting Manual 2020/21 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

Basis for qualified opinion

Due to the restrictions on movement imposed as a result of the Coronavirus pandemic, we were unable to observe the counting of physical inventories at 31 March 2020. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31 March 2020, which are included in the balance sheet as prior year comparatives at £8.2 million, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

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 below. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01 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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation Trust's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accountable Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Foundation Trust's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £2.862 million held at 31 March 2020. We have concluded that where the other information refers to the Inventory balances or cost of sales, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Code of Audit Practice issued by the NAO

Basis for qualification on the Remuneration Report
The Remuneration Report set out on pages 50 to 55 of the Annual Report and Accounts 2020/21, does not disclose the Total Accrued Pension at Pension Age, Lump Sum at Pension Age or the Cash Equivalent Transfer Value at Pension Age for the Chief Nurse because the information was not provided by the NHS Pensions Agency as it was not requested by the Trust during the prescribed annual window for such requests to allow for full pensions benefit disclosures to be made, and that information cannot now be obtained retrospectively.

Qualified opinion on the Remuneration Report
Except for the reasons set out in the basis for qualification on the Remuneration Report, in our opinion the part of the Remuneration Report subject to audit has been prepared properly in accordance with requirements of the Foundation Trust Annual Reporting Manual 2020/21.

Opinion on the Staff Report
In our opinion the part of the Staff Report subject to audit has been prepared properly in accordance with requirements of the Foundation Trust Annual Reporting Manual 2020/21.

Opinion on Other Information
In our opinion, the Other Information 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

The Code of Audit Practice requires us to report to you if:

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- We refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;
- We are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;

- we have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2020/21 and is not misleading or inconsistent with other information forthcoming from the audit; or
- we have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2020/21 requires us to report to you if in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit; or
- otherwise misleading.

We have nothing to report in respect of these matters.

Responsibilities of Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Accounting Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

As explained in the Statement of the Accounting Officer's responsibilities, as the Accounting Officer of the Trust, the Accounting Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibility 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), as well as relevant employment laws of the United Kingdom. In addition, the Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.

We understood how Hampshire Hospitals NHS Foundation Trust is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, internal audit, those charged with governance, and the local counter fraud specialist, and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the Trust's board minutes and through the inspection of policies and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance and inappropriate capitalisation of revenue expenditure to be our fraud risks.

To address our fraud risk around the manipulation of reported financial performance, we:

- Reviewed and tested revenue and expenditure cut-off at the period end date
- Reviewed the Department of Health and Social Care Agreement of Balances data and investigate differences with counter-parties which we considered to be significant.
- Tested the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.
- Focussed our testing on manual year-end debtor and creditor accruals where we believed the risk of management override and/or inappropriate revenue recognition to be greater.
- Reviewed accounting estimates for evidence of management bias.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we:

- Performed test of journals designed to identify revenue expenditure being inappropriately transferred to capital.
- Tested Property, Plant and Equipment additions using lower testing thresholds to ensure they were appropriately supported by documentary evidence and that the expenditure incurred and capitalised was clearly capital in nature.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether the Foundation Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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 form a view on whether, in all significant respects, the Foundation Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under schedule 10(1)(d) of the National Health Service Act 2006 to be satisfied that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Under the Code of Audit Practice, we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our procedures on the Foundation Trust's value for money arrangements for the year ended 31 March 2021. We are satisfied that this work does not have a material effect on the financial statements. We will report the outcome of our work on the Foundation Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements Chapter 5 of Part 2 of the National Health Service Act 2006.and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

Use of our report

This report is made solely to the Council of Governors of Hampshire Hospitals NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

M Grindley
Ernst & Young LLP

Maria Grindley
for and on behalf of Ernst & Young LLP
Reading
15 June 2021

GROUP AND TRUST STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

		Group		Trust	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Operating income from patient care activities	2	442,918	405,584	442,918	405,584
Other operating income	3	90,696	48,256	91,329	49,020
Operating expenses	5	(523,068)	(458,193)	(524,096)	(459,321)
Operating surplus/(deficit) from continuing operations		**10,546**	**(4,353)**	**10,151**	**(4,717)**
Finance income	9	7	132	7	132
Finance expenses	9	(200)	(413)	(200)	(413)
PDC dividends payable		(4,807)	(5,107)	(4,807)	(5,107)
Net finance costs		**(5,000)**	**(5,388)**	**(5,000)**	**(5,388)**
Other gains / (losses)	9	21	-	21	-
Share of profit / (losses) of associates / joint arrangements		5	-	5	-
Surplus / (deficit) for the year from continuing operations		**5,572**	**(9,741)**	**5,177**	**(10,105)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(7,402)	(2,169)	(7,354)	(2,169)
Revaluations		1,409	2,646	1,422	2,586
Other reserve movements		(58)	18	-	-
Total comprehensive income / (expense) for the period		**(479)**	**(9,246)**	**(755)**	**(9,688)**
Surplus/ (deficit) for the period attributable to:					
Hampshire Hospitals NHS Foundation Trust		5,572	(9,741)	5,177	(10,105)
TOTAL		**5,572**	**(9,741)**	**5,177**	**(10,105)**
Total comprehensive income/ (expense) for the period attributable to:					
Hampshire Hospitals NHS Foundation Trust		(479)	(9,246)	(755)	(9,688)
TOTAL		**(479)**	**(9,246)**	**(755)**	**(9,688)**

The notes on pages 148 to 187 form part of these financial statements.

GROUP AND TRUST STATEMENTS OF FINANCIAL POSITION
As at 31 March 2021

		Group		Trust	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	10	4,470	2,334	4,440	2,298
Property, plant and equipment	11	213,943	201,780	203,893	191,330
Investments in associates and joint ventures	12	55	50	10,945	10,940
Receivables	14	970	970	970	970
Total non-current assets		**219,438**	**205,134**	**220,248**	**205,538**
Current assets					
Inventories	13	9,325	8,171	8,326	7,236
Receivables	14	21,205	26,326	20,759	26,051
Cash and cash equivalents	15	46,573	20,228	44,302	19,263
Total current assets		**77,103**	**54,725**	**73,387**	**52,550**
Current liabilities					
Trade and other payables	16	(52,916)	(39,508)	(53,092)	(40,467)
Borrowings	17	(2,087)	(10,095)	(2,087)	(10,095)
Other financial liabilities		(339)	(276)	-	-
Provisions	18	(221)	(223)	(221)	(223)
Other liabilities	16	(8,602)	(1,991)	(8,602)	(1,991)
Total current liabilities		**(64,165)**	**(52,093)**	**(64,002)**	**(52,776)**
Total assets less current liabilities		**232,376**	**207,766**	**229,633**	**205,312**
Non-current liabilities					
Borrowings	17	(5,732)	(20,243)	(5,732)	(20,243)
Provisions	18	(3,243)	(3,196)	(3,243)	(3,196)
Other liabilities	16	(6,846)	(7,156)	(6,846)	(7,156)
Total non-current liabilities		**(15,821)**	**(30,595)**	**(15,821)**	**(30,595)**
Total assets employed		**216,555**	**177,171**	**213,812**	**174,717**
Financed by					
Public dividend capital		174,457	134,594	174,457	134,594
Revaluation reserve		37,810	43,803	36,986	42,931
Other reserves		6,366	6,366	6,366	6,366
Income and expenditure reserve		(2,078)	(7,592)	(3,997)	(9,174)
Total taxpayers' equity		**216,555**	**177,171**	**213,812**	**174,717**

The notes on pages 147 to 186 form part of these accounts

Alex Whitfield

Chief Executive
15 June 2021

GROUP AND TRUST STATEMENTS OF CHANGES IN TAXPAYERS EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**134,594**	**43,803**	**6,366**	**(7,592)**	**177,171**
Surplus/(deficit) for the year	-	-	-	5,572	**5,572**
Impairments	-	(7,402)	-	-	**(7,402)**
Revaluations	-	1,409	-	-	**1,409**
Public dividend capital received	41,179	-	-	-	**41,179**
Public dividend capital repaid	(1,316)	-	-	-	**(1,316)**
Other reserve movements	-	-	-	(58)	**(58)**
Taxpayers' and others' equity at 31 March 2021	**174,457**	**37,810**	**6,366**	**(2,078)**	**216,555**

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**130,740**	**43,681**	**6,366**	**1,776**	**182,563**
Surplus/(deficit) for the year	-	-	-	(9,741)	**(9,741)**
Impairments	-	(2,169)	-	-	**(2,169)**
Revaluations	-	2,646	-	-	**2,646**
Transfer to retained earnings on disposal of assets	-	(355)	-	355	**-**
Public dividend capital received	3,854	-	-	-	**3,854**
Other reserve movements	-	-	-	18	**18**
Taxpayers' and others' equity at 31 March 2020	**134,594**	**43,803**	**6,366**	**(7,592)**	**177,171**

GROUP AND TRUST STATEMENTS OF CHANGES IN TAXPAYERS EQUITY (cont)

Statement of Changes in Equity for the year ended 31 March 2021

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**134,594**	**42,931**	**6,366**	**(9,174)**	**174,717**
Surplus/(deficit) for the year	-	-	-	5,177	**5,177**
Impairments		(7,354)			**(7,354)**
Revaluations	-	1,409	-	-	**1,409**
Public dividend capital received	39,863	-	-	-	**39,863**
Taxpayers' and others' equity at 31 March 2021	**174,457**	**36,986**	**6,366**	**(3,997)**	**213,812**

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

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	130,740	42,868	6,366	582	**180,556**
Taxpayers' and others' equity at 1 April 2019 - restated	**130,740**	**42,868**	**6,366**	**582**	**180,556**
Surplus/(deficit) for the year	-	-	-	(10,111)	**(10,111)**
Impairments	-	(2,168)	-	-	**(2,168)**
Revaluations	-	2,586	-	-	**2,586**
Transfer to retained earnings on disposal of assets	-	(355)	-	355	**-**
Public dividend capital received	3,854	-	-	-	**3,854**
Taxpayers' and others' equity at 31 March 2020	**134,594**	**42,931**	**6,366**	**(9,174)**	**174,717**

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. Other transfers between reserves: Where assets are depreciated that have been subject to an earlier upward revaluation and an amount is held within the revaluation reserve, a transfer is made to the income and expenditure reserve equivalent to the element of the depreciation charged on the revalued amount.

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,

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the NHS Foundation Trust.

GROUP AND TRUST STATEMENTS OF CASH FLOWS
Year ended 31 March 2021

		Group		Trust	
		2020/21	**2019/20**	**2020/21**	**2019/20**
	Note	**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Operating surplus / (deficit)		10,546	(4,353)	10,151	(4,815)
Non-cash income and expense:					
Depreciation and amortisation	5	10,977	9,419	10,414	8,803
Net impairments	5	319	(329)	37	(26)
Income recognised in respect of capital donations	3.2	(6,075)	(3,554)	(6,075)	(3,554)
Amortisation of PFI deferred credit		(324)	(338)	(324)	(338)
(Increase) / decrease in receivables and other assets		5,240	5,461	6,173	6,430
(Increase) / decrease in inventories		(1,154)	(1,001)	(1,090)	(898)
Increase / (decrease) in payables and other liabilities		18,127	7,730	16,581	5,712
Increase / (decrease) in provisions		40	786	40	786
Net cash flows from / (used in) operating activities		**37,696**	**13,821**	**35,907**	**12,100**
Cash flows from investing activities					
Interest received		7	132	7	132
Purchase of intangible assets		(2,684)	-	(2,684)	-
Purchase of PPE and investment property		(24,779)	(15,480)	(24,293)	(14,363)
Sales of PPE and investment property		21	2,500	21	2,500
Receipt of cash donations to purchase assets		4,037	3,554	4,037	3,554
Net cash flows from / (used in) investing activities		**(23,398)**	**(9,294)**	**(22,912)**	**(8,177)**
Cash flows from financing activities					
Public dividend capital received		41,179	3,854	41,179	3,854
Public dividend capital repaid		(1,316)	-	(1,316)	-
Movement on loans from DHSC		(22,412)	10,088	(22,412)	10,088
Capital element of finance lease rental payments		(100)	(100)	(100)	(100)
Interest on loans		(185)	(316)	(185)	(310)
Other interest		(7)	-	(7)	-
Interest paid on finance lease liabilities		(10)	(12)	(10)	(12)
PDC dividend (paid) / refunded		(5,107)	(4,621)	(5,107)	(4,621)
Cash flows from (used in) other financing activities		5	96	2	110
Net cash flows from / (used in) financing activities		**12,047**	**8,989**	**12,044**	**9,009**
Increase / (decrease) in cash and cash equivalents		**26,345**	**13,516**	**25,039**	**12,932**
Cash and cash equivalents at 1 April - brought forward		**20,228**	**6,712**	**19,263**	**6,331**
Cash and cash equivalents at 31 March	15	**46,573**	**20,228**	**44,302**	**19,263**

NOTES TO THE ACCOUNTS

Statement of accounting policies

1. Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

1.1 Basis of preparation

Going concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".

The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Hampshire and Integrated Care System (ICS). The ICS has published its Strategic Delivery Plan and NHS Long Term Plan response for the five-year period 2020/21 - 2024/25. This plan includes the continued provision of services by the Trust. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust reported an improved position against its financial targets compared to the previous year. The Trust delivered a 2020/21 surplus of £5.6m or breakeven position after relevant adjustments were made, compared to a deficit of £9.7m or deficit of £13.5m after relevant adjustments in 2019/20. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year. Additional costs due to the pandemic were supported on an actual cost reimbursement basis for the first half the year and on an advance block payment basis for the second half of the year.

In April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I) announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue loans as at 31 March 2020 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow their repayment. The Trust received PDC of £20.5m to repay these loans which had accumulated from prior year deficits and thereby increased the total net assets by £20.5m as a result of the transactions, strengthening the value of the balance sheet and meaning the Trust is no longer at risk of having to generate surpluses and/or refinance the loans to make repayments at the appropriate contractual date.

For 2021/22 the current financial funding arrangements will remain in place for the first half of the year, with additional funding to support elective recovery post COVID.

For the second half of the year the Trust has assumed:

- There will be a continuation of block income payments from commissioners.
- A reduced incentive payment for the restoration of elective and outpatient activity.
- Funding levels will increase beyond those contained in the 2019 – 2024 plan, but that most financial improvement will have to be delivered by a combination of cost reductions and productivity gains.
- The additional expenditure related to COVID will be reduced, but that some of the additional resources will be incorporated into baseline costs as they will be necessary to provide a safe environment for patients and staff.

The Trust has produced its financial plans based on these assumptions which have been approved by the Trust Board. For the first half of the 2021/22 year the Trust has constructed a credible plan to deliver a

breakeven position and maintain a good cash position which has been agreed with member bodies of the wider Hampshire and Isle of Wight Integrated Care System. Assumptions include an initial full year savings/operational efficiency target of £16m and an increase in non-NHS income of £4m. These are higher targets than traditionally set by the Trust, but recognise the greater opportunity when compared with 2020/21 performance because of the additional costs required to provide care in the COVID environment.

Our going concern assessment is made up to 30 June 2022. This includes the first quarter of the 2022/23 financial year. NHS operating and financial guidance is not yet issued for that year, and so the Trust has based its assessment for the first quarter of 2022/23 on the same assumptions used to forecast for the second half of 2021/22.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to 30 June 2022. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period without any further need to borrow and still retain a cash balance of approximately £9m at the end of the forecast period. Interim support can be accessed if it were required, but there is currently no such identified requirement.

In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

1.2 Consolidation

Charity

Following Treasury's agreement to apply IAS 27 to NHS Charities from, 1 April 2013, the Trust has established that as it is the corporate trustee of the Hampshire Hospitals Charity, it effectively has the power to exercise control so as to obtain economic benefits. However, the transactions are immaterial (<1% of the net assets) in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in note 12.

Subsidiaries

Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

Where the subsidiary's accounting policies are not aligned with those of the Trust (including where they report under UK FRS102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains or losses are eliminated in full on consolidation.

The Group refers to the consolidation of Hampshire Hospitals NHS Foundation Trust and its' subsidiary company Hampshire Hospitals Contract Services Limited. Unless otherwise stated the notes to the accounts refer to the Group and not the Trust, as the Trust's balances are not materially different. The Group have taken advantage of the exemption under s408 of the Companies Act to omit the statement of comprehensive income for the Trust. The Trust's surplus for the period was £5.087m (2019/20 deficit £10.111m).

1.3 Income recognition

Revenue from NHS contracts

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

The Trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.

The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.
The FReM has mandated the exercise of the practical expedient offered in the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

<u>2020/21</u>

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners with top-up funding based on legitimate expenditure levels. For the second half of the year, block contract arrangements were changed to allocate expected rather than retrospective top-up payments for needs, and some allocations passed through the Hampshire and Isle of Wight Integrated Care System. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration. It is considered that all health care services have been fully funded in the year by the combination of block and top-up payments and no additional value has been accrued for incomplete spells at 31st March 2021.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to the patient population for which the commissioner had responsibility. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

Revenue from research contracts

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

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for 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.

1.4 Expenditure on employee benefits

Short-term Employee Benefits

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

Pension Costs

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 scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 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 their 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 for the year ending 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 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 judgement 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.

1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised when those goods and services are received and is accounted for applying the accruals convention. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment. Expenditure is measured at the fair value of the goods and services received.

1.6 Property, plant and equipment

Capitalisation

Property, plant and equipment is capitalised where:

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

Valuation
Property, plant and equipment is stated at fair value. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The costs arising from financing the construction of non-current assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate. Assets, including those held for their service potential, are carried at current value in existing use. For non-specialised assets current value in existing use is interpreted as market value for existing use.

Land and buildings are revalued using professional valuations in accordance with IAS 16. The group has adopted a policy of revaluations every five years, with a three-year interim revaluation. More frequent desk-top valuations will be performed, as required by market conditions, to ensure that the carrying value of assets is not materially different to their fair value.

Valuations are carried out by professionally qualified valuers, Cushman & Wakefield LLP in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A desktop revaluation exercise was undertaken at 31st March 2021 using the indexation tables published in March 2021 by RICS to reflect current market conditions.

Assets in the course of construction are held at cost and are valued by professional valuers when they are brought into use.

The 2020/21 valuation for operational specialised property and land was on a depreciated replacement cost basis. Operational equipment is valued at the lower of replacement cost or recoverable amount. Equipment surplus to requirements is valued at net recoverable amount. Where assets have a short life or low value, depreciated historic cost is taken as a proxy for fair value.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the assets recorded in note 11.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

Depreciation and Impairments
Freehold land and assets in the course of construction or development are not depreciated/amortised.

Items of property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Useful lives and residual values are reassessed each year.
The Trust depreciates residential and non-residential buildings using blended remaining asset lives at a whole asset level provided by the Trust's valuer as part of the annual asset revaluation exercise. The valuer actually uses separate asset lives for individual asset components to inform the valuation rather than a blended life for the whole asset. The Trust believes that the cost of fully componentising the fixed asset register to allow depreciation to be calculated by component outweighs the benefit, and is satisfied that any resulting difference in calculating depreciation using blended remaining asset lives, rather than asset lives by asset component, is not material to the financial statements as a whole.

Assets in the course of construction and residual interests in Off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use.
Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the group's professional valuers. Leaseholds are depreciated over the primary lease term. In the 2020/21 valuation the group's buildings were allocated lives of between 12 and 66 years. Additional work and refurbishments to existing buildings are allocated the same life as the building to which they relate.

Equipment and intangible assets are depreciated on current cost evenly over the estimated life of the asset as follows:

Plant and Machinery:	5 to 20 years;
Furniture and Fittings:	5 to 15 years;
Transport Equipment:	7 years; and
Information Technology:	5 to 10 years;

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 income.

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

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

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

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

Derecognition
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 is highly probable i.e:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

1.7 Intangible assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the group'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 group and where the cost of the asset can be measured reliably.

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. In addition software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset. In both cases the cost has to be at least £5,000.

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 fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating

income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Any amortisation charged is included within other operating expenses within the Statement of Comprehensive Income.

Intangible assets that are no longer in use are de-recognised and shown as a disposal in-year.

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. Intangible assets are depreciated evenly over the estimated useful economic life of the asset based on the current cost.

Intangible assets are depreciated on current cost evenly over the estimated life of the asset. An example of the estimated life of intangible assets as follows:

Software Licences	5 years

1.8 Donated assets

Donated assets are capitalised at their current value on receipt and this value is credited to the statement of comprehensive income. Donated assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are taken to the revaluation reserve.

On disposal of a donated asset, the profit or loss on disposal is calculated as the difference between the carrying amount and net sale proceeds, and credited or charged to the SoCI.

1.9 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the group. The underlying assets are recognised as Property, plant and equipment at their fair value.

For schemes where there is a unitary payment:

- An equivalent financial liability is recognised in accordance with IAS 17. It is applicable under IFRIC 12 to capitalise the assets.
- The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.
- The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

For schemes where there is no unitary payment:

- An equivalent financial liability is recognised on inception representing the future service potential of the asset. On the first external valuation of the asset, the liability is re-measured in order to reflect the actual future service potential made available to the group.
- Subsequently the liability is released evenly over the lifetime of the arrangement with a credit recognised in other operating income.

1.10 Inventories

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is measured using the weighted average cost method.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

1.11 Cash, bank and overdrafts

Cash and bank balances are recorded at the current values of these balances in the group's cash book. These balances exclude monies held in the group's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank

to do so. Interest earned on bank accounts is recorded as “financial income” in the period to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate. The group’s cash balance does not include any cash equivalents

1.12 Provisions

The group provides for legal or constructive obligations that are of uncertain timing or amount at the 31 March date on the basis of the best estimate of the expenditure required to settle the obligation assuming that it is probable there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. 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 which range from 1.9% to 2.1% in real terms, except for early retirement provisions and injury benefit provisions which both use HM Treasury’s pension discount rate of Minus 0.95% in real terms. Details of provisions can be found in note 18.

1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed 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.

1.14 Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the group pays an annual contribution to them, 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 group. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the group is disclosed at note 18. These are not provided for by the group as they would be matched by income due from the NHS Resolution.

1.16 Non-clinical risk pooling

The group participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the group pays an annual contribution to NHS Litigation Authority and in return receives assistance with the costs of claims arising. This is accounted for on a net basis. The annual membership contributions, and any ‘excesses’ payable in respect of particular claims are charged to operating expenses when the liability arises.

1.17 Value Added Tax (VAT)

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

1.18 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year.

In determining whether or not an activity is likely to be taxable a three-stage test may be employed:

- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care Act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax;
- Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS12.

1.19 Foreign exchange

The Group's functional currency and presentational currency is pounds sterling, and transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the statement of comprehensive income.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the group has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual

1.21 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the group, the asset is recorded as Property, Plant & Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.22 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 original NHS Trust.

A charge, reflecting the cost of capital utilised by the group, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the group. Relevant net assets are calculated as the value of net assets, less donated assets and average daily cash balances held with the Government Banking Service. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets. This information comes from the audited prior year accounts and pre-audit current year accounts.

HM Treasury has concluded, with the agreement of FRAB, that PDC is not a financial instrument within the scope of IAS 32, and as such should continue to be presented within 'taxpayers' equity' in the Statement of Financial Position.

1.23 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the group's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

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.

All other financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

De-recognition
All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the group has transferred substantially all of the risks and rewards of ownership.

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

Classification and Measurement
Financial assets are categorised as 'fair value through the statement of comprehensive income', loans and receivables or 'available-for-sale financial assets'.

Financial liabilities are classified as 'fair value through the statement of comprehensive income'' or as 'other financial liabilities'.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The group's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Financial liabilities
All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the 31 March, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value
For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from the most appropriate valuation method (e.g. quoted market prices/independent appraisals/discounted cash flow analysis/other) to that particular asset or liability.

Impairment of financial assets

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

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses.

The Trust analysed contract and other receivables, distinguishing between different classes of receivable. The expected credit loss % for each class of receivable were applied to the closing balances. The Trust did not recognise expected credit losses in relation to other NHS bodies

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.

1.24 Judgemental areas and estimation techniques

The valuation of property and the calculation of accruals, are subject to judgement or estimation techniques. There are no other areas where judgement is used to estimate material balances in these accounts.

The group relies on the judgements of appropriately qualified external professional advisors who provide the property valuations. At 31 March 2021, £169,580,497 of land and buildings are valued at fair value. It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 11.

The accruals balance of £21,125,000 is based on expenditure that has been incurred for invoices not yet received and other estimates of obligations to be met by the Trust. The largest element of uncertainty relates to staff leave accruals; there is underlying evidence to support these balances which reduce their risk of error in the estimation.

The Group estimates an annual leave accrual at the end of each year for holidays to be taken in the new financial year. The level of annual leave carried forward is estimated each year and the total accrual for 2019/20 was £1,034,445. The accrual for 2020/21 is £7,291,835 with the movement from 2019/20 to 2020/21 driven solely by the COVID pandemic. The Trust's response to the increased number of COVID patients in wave 2 and increased use of Critical Care since the middle of December, meant that both clinical and non-clinical staff were not able to take holiday as intended. The Trust has calculated this impact and estimated the total number of days being carried forward using Electronic Rostering data as well as manual returns from managers. Where the Trust has been unable to collect data from departments it has estimated their outstanding leave using samples from around the Trust.

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

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for all leases. The standard also requires the remeasurement of lease liabilities 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.However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

IFRS 17 Insurance Contracts Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not permitted.

1.26 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Management Team meeting, which makes strategic decisions.

1.27 Carbon Reduction Commitment

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. Where NHS foundation trusts are registered with the CRC scheme, they are required to surrender to the government an allowance for every tonne of CO2 they emit during the financial year. Therefore, registered NHS foundation trusts should recognise a liability (and related expense) in respect of this obligation as CO2 emissions are made.

1.28 Losses and Special Payments

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

not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.29 New Standards

No new accounting standards have been adopted in 2020/21.

2 Operating income from patient care activities (Group and Trust)

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

2.1 Income from patient care activities (by nature)	**2020/21**	**Restated 2019/20**
	£000	**£000**
Block contract / system envelope income*	301,264	284,549
High cost drugs income from commissioners (excluding pass-through costs)	36,319	35,738
Other NHS clinical income	79,228	58,037
Private patient income	3,876	7,414
Additional pension contribution central funding**	13,333	11,988
Other clinical income	8,898	7,858
Total income from activities	**442,918**	**405,584**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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.

2.2 Income from patient care activities by source (Group and Trust)

	2020/21	**2019/20**
Income from patient care activities received from:	**£000**	**£000**
NHS England	79,228	74,611
Clinical commissioning groups	357,089	317,714
Other NHS providers	333	337
NHS other	260	214
Non-NHS: private patients	3,876	7,414
Non-NHS: overseas patients (chargeable to patient)	76	354
Injury cost recovery scheme	172	571
Non NHS: other	1,884	4,369
Total income from activities	**442,918**	**405,584**

NHS injury cost recovery scheme income is subject to a provision for doubtful debts of 22.43% (2019/20 22.84%) to reflect the national NHS expected rate of collection.

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

	2020/21	**2019/20**
	£000	**£000**
Income recognised this year	76	354
Cash payments received in-year	56	-
Amounts written off in-year	15	-

3.1 Other operating income (Group)

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,031	-	**2,031**	1,194	-	**1,194**
Education and training	15,809	337	**16,146**	18,552	343	**18,895**
Provider sustainability fund (2019/20 only)	-	-	**-**	3,147	-	**3,147**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	5,018	-	**5,018**
Reimbursement and top up funding	43,684	-	**43,684**	-	-	**-**
Receipt of capital grants and donations	-	6,075	**6,075**	-	3,554	**3,554**
Charitable and other contributions to expenditure	-	9,009	**9,009**	-	524	**524**
Rental revenue from operating leases	-	39	**39**	-	425	**425**
Amortisation of PFI deferred income / credits	-	324	**324**	-	338	**338**
Other income	13,388	-	**13,388**	15,161	-	**15,161**
Total other operating income	**74,912**	**15,784**	**90,696**	**43,072**	**5,184**	**48,256**

3.2 Other operating income (Group and Trust)

	Group		Trust	
	2020/21	**2019/20**	**2020/21**	**2019/20**
Research and development	2,031	1,194	2,031	1,194
Education and training	16,146	18,895	16,146	18,895
Provider sustainability fund (2019/20 only)	-	3,147	-	3,147
Marginal rate emergency tariff funding (2019/20 only)	-	5,018	-	5,018
Reimbursement and top up funding	43,684	-	43,684	-
Receipt of capital grants and donations	6,075	3,554	6,075	3,554
Charitable and other contributions to expenditure	9,009	524	9,009	524
Rental revenue from operating leases	39	425	39	425
Amortisation of PFI deferred income / credits	324	338	324	338
Other income	13,388	15,161	14,021	15,925
Total other operating income	**90,696**	**48,256**	**91,329**	**49,020**

The income generated from non-healthcare services, provides an invaluable contribution and it used by the Trust to fund essential training, research and investment into healthcare service. Other income is primarily from staff and services recharged to other NHS providers.

3.3 Additional information on contract revenue (IFRS 15) recognised in the period (Group and Trust)

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,706	1,457

3.4 Income from activities arising from commissioner requested services

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

	2020/21	2019/20
	£000	£000
Income from services designated as commissioner requested services	436,317	392,325
Income from services not designated as commissioner requested services	6,601	13,259
Total	**442,918**	**405,584**

4. Segmental reporting

The group has determined the Senior Management Team meeting (formerly Executive Committee) to be the chief operating decision maker. The Senior Management Team meeting is a sub-committee of the Trust Board and is attended by the Executive Directors, the Clinical Divisional Directors and the Operational Directors. The Senior Management Team meeting has the power to make operational decisions and allocate resources. On occasions their decisions require Trust Board approval. Operating segments are based on the reports made to the Senior Management Team meeting. Segments are reported on by expenditure and income, but assets are not recorded by individual segments.

Year Ended 31 March 2021

	Surgery	Medicine	Family & Clinical Support Services	Other	Total
	£000	£000	£000	£000	£000
Clinical income	790	1,655	6,327	462,795	471,567
Private patient income	-	-	-	3,876	3,876
Other income	730	1,609	2,776	53,756	58,871
Total income	**1,520**	**3,264**	**9,103**	**520,427**	**534,314**
Pay costs	(95,611)	(104,300)	(85,367)	(73,602)	(358,880)
Drugs	(19,477)	(17,100)	(4,991)	(241)	(41,809)
Other non pay	(13,188)	(17,385)	(20,753)	(60,512)	(111,838)
Total expenditure	**(128,276)**	**(138,785)**	**(111,111)**	**(134,355)**	**(512,527)**
Depreciation	-	-	-	(10,940)	(10,940)
Interest received	-	-	-	7	7
Interest paid	-	-	-	(177)	(177)
Profit / (Loss) On Asset Disposals	-	-	-	20	20
PDC dividend	-	-	-	(4,806)	(4,806)
Net impairment reversal	-	-	-	(319)	(319)
Total Financing	**-**	**-**	**-**	**(16,215)**	**(16,215)**
Surplus/(deficit)	**(126,756)**	**(135,521)**	**(102,008)**	**369,857**	**5,572**

The amounts within 'other' above includes the Corporate Services activities which do not meet the definition of an operating segment under IFRS8. Any item of income or expenditure that was not directly attributable to one of the clinical divisions (Surgery, Medicine or F&CSS) has been allocated to 'Other'.

5 Operating expenses (Group and Trust)

	Group		Trust	
	2020/21	**2019/20**	**2020/21**	**2019/20**
	£000	**£000**	**£000**	**£000**
Purchase of healthcare from NHS and DHSC bodies	2,493	2,685	2,493	2,685
Purchase of healthcare from non-NHS and non-DHSC bodies	2,388	4,222	2,388	4,222
Staff and executive directors costs	354,030	310,820	354,186	310,801
Remuneration of non-executive directors	187	173	187	173
Supplies and services - clinical (excluding drugs costs)	40,368	33,783	40,290	33,665
Supplies and services - general	7,467	6,488	7,467	6,488
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	47,768	46,447	48,248	46,712
Inventories written down	150	124	150	124
Consultancy costs	453	568	455	566
Establishment	13,340	8,451	13,339	8,448
Premises	19,824	13,827	19,782	13,786
Transport (including patient travel)	1,468	1,476	1,468	1,476
Depreciation on property, plant and equipment	10,429	9,036	9,815	8,420
Amortisation on intangible assets	548	383	548	383
Net impairments	319	(329)	85	(26)
Movement in credit loss allowance: contract receivables / contract assets	198	(119)	198	(119)
Change in provisions discount rate(s)	36	(22)	36	(22)
Audit fees payable to the external auditor				
audit services- statutory audit	85	93	73	74
other auditor remuneration (external auditor only)	-	14	-	14
Internal audit costs	63	58	63	58
Clinical negligence	12,828	13,037	12,828	13,037
Legal fees	336	173	336	173
Insurance	235	189	235	189
Research and development	1,640	1,436	1,640	1,436
Education and training	3,206	3,313	3,206	3,313
Rentals under operating leases	2,294	926	2,294	926
Redundancy	48	-	48	-
Losses, ex gratia & special payments	-	124	-	124
Other	867	817	2,242	2,195
Total	**523,068**	**458,193**	**524,100**	**459,321**

6 Other auditor remuneration (Group and Trust)

For the year ended 31 March 2021 external audit fees payable to the external auditors (for the Group and the subsidiary company) totalled £102,000 (2019/20 - £92,000). Non-audit fees payable to the external auditor are analysed across the following headings:

	Group	
	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	14
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**-**	**14**

Limitation on auditor's liability for external audit work carried out for the financial years 2020/2021 is £2million.

7 Impairment of assets	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Net impairments charged to operating surplus / deficit resulting from:				
Unforeseen obsolescence	-	510	-	510
Changes in market price	319	(839)	85	(536)
Total net impairments charged to operating surplus / deficit	**319**	**(329)**	**85**	**(26)**
Impairments charged to the revaluation reserve	7,402	2,169	7,354	2,169
Total net impairments	**7,721**	**1,840**	**7,439**	**2,143**

The group's land and buildings were revalued using professional valuations in accordance with IAS 16. The impairments shown above arose as a result of the revaluation exercise.

8 Employee benefits

8.1 Total staff costs (Group and Trust)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	272,883	236,904	272,638	236,679
Social security costs	27,135	24,037	27,113	24,017
Apprenticeship levy	1,299	1,157	1,299	1,157
Employer's contributions to NHS pensions	44,135	39,681	44,135	39,681
Temporary staff (including agency)	16,581	16,113	16,581	16,113
Total gross staff costs	**362,033**	**317,892**	**361,766**	**317,647**
Recoveries in respect of seconded staff	(699)	(810)	(699)	(810)
Total staff costs	**361,334**	**317,082**	**361,067**	**316,837**
Of which				
Costs capitalised as part of assets	3,340	2,323	3,340	2,323

8.2 The monthly average number of persons employed

Average number of employees (WTE basis) (Group and Trust)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	Total	Total	Total	Total
	Number	Number	Number	Number
Medical and dental	**935**	862	**935**	862
Administration and estates	**1,604**	1,524	**1,604**	1,524
Healthcare assistants and other support staff	**1,714**	1,552	**1,707**	1,545
Nursing, midwifery and health visiting staff	**1,983**	1,802	**1,983**	1,802
Scientific, therapeutic and technical staff	**423**	405	**423**	405
Healthcare science staff	**132**	132	**132**	132
Total average numbers	**6,791**	**6,276**	**6,784**	**6,269**
Of which:				
Number of employees (WTE) engaged on capital projects	**58**	40	**58**	40

8.3 The number of early retirements due to ill health

During 2020/21 there were 3 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £143k (£115k in 2019/20).

9. Finance income and finance costs (Group and Trust)

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	7	132
Total finance income	**7**	**132**

9.1 Finance expenditure (Group)

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	178	310
Finance leases	10	12
Interest on late payment of commercial debt	7	-
Total interest expense	**195**	**322**
Unwinding of discount on provisions	5	91
Total finance costs	**200**	**413**

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

	2020/21	2019/20
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	7	-

9.3 Other gains / (losses) (Group)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	21	-
Total gains / (losses) on disposal of assets	**21**	**-**

10. Intangible assets (Group and Trust)

	Group		Trust	
	31 March	**31 March**	**31 March**	**31 March**
Software Licence	**2021**	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Gross cost brought forward	**7,287**	**7,287**	**7,229**	**7,229**
Amortisation in year	2,684	-	2,684	-
Gross cost at 31 March	**9,971**	**7,287**	**9,913**	**7,229**
Amortisation brought forward	**4,953**	**4,570**	**4,931**	**4,553**
Amortisation in year	548	383	542	378
Amortisation at 31 March	**5,501**	**4,953**	**5,473**	**4,931**
Net Book Value at 31 March	4,470	2,334	4,440	2,298
Net Book Value at 1 April	2,334	2,717	2,298	2,676

Intangible assets are depreciated on current cost evenly over the estimated life of the asset, which for Information Technology Software is 5 to 10 years.

11.1 Property, plant and equipment

11.1 Property, plant and equipment - 2020/21

Group	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 2020 - brought forward	**22,048**	**150,611**	**1,834**	**6,160**	**53,674**	**233**	**22,953**	**2,290**	**259,803**
Additions	-	4,625	-	10,180	10,801	-	3,199	99	**28,904**
Impairments	-	(13,942)	-	-	-	-	-	-	**(13,942)**
Reversals of impairments	-	1,245	-	-	-	-	-	-	**1,245**
Revaluations	-	1,204	-	-	-	-	-	-	**1,204**
Reclassifications	-	1,955	-	(2,083)	114	-	14	-	**-**
Valuation/gross cost at 31 March 2021	**22,048**	**145,698**	**1,834**	**14,257**	**64,589**	**233**	**26,166**	**2,389**	**277,214**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**41,995**	**233**	**14,325**	**1,470**	**58,023**
Provided during the year	-	5,135	46	-	3,247	-	1,886	115	**10,429**
Impairments	-	(4,930)	(46)	-	-	-	-	-	**(4,976)**
Revaluations	-	(205)	-	-	-	-	-	-	**(205)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**45,242**	**233**	**16,211**	**1,585**	**63,271**
Net book value at 31 March 2021	**22,048**	**145,698**	**1,834**	**14,257**	**19,347**	**-**	**9,955**	**804**	**213,943**
Net book value at 1 April 2020	**22,048**	**150,611**	**1,834**	**6,160**	**11,679**	**-**	**8,628**	**820**	**201,780**

11 Property, plant and equipment (continued)

11.2 Property, plant and equipment - 2019/20

Group	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 - as previously stated	**21,719**	**145,663**	**1,953**	**3,941**	**51,514**	**233**	**21,351**	**1,771**	**248,145**
Additions	-	5,930	-	4,751	2,160	-	1,602	519	**14,962**
Impairments	(51)	(4,668)	(119)	-	-	-	-	-	**(4,838)**
Reversals of impairments	124	474	-	-	-	-	-	-	**598**
Revaluations	256	680	-	-	-	-	-	-	**936**
Reclassifications	-	2,532	-	(2,532)	-	-	-	-	**-**
Valuation/gross cost at 31 March 2020	**22,048**	**150,611**	**1,834**	**6,160**	**53,674**	**233**	**22,953**	**2,290**	**259,803**
Accumulated depreciation at 1 April 2019 - as previously stated	**-**	**-**	**-**	**-**	**38,962**	**233**	**12,507**	**1,395**	**53,097**
Provided during the year	-	4,062	48	-	3,033	-	1,818	75	**9,036**
Impairments	-	(1,546)	(48)	-	-	-	-	-	**(1,594)**
Reversals of impairments	-	(806)	-	-	-	-	-	-	**(806)**
Revaluations	-	(1,710)	-	-	-	-	-	-	**(1,710)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**41,995**	**233**	**14,325**	**1,470**	**58,023**
Net book value at 31 March 2020	**22,048**	**150,611**	**1,834**	**6,160**	**11,679**	**-**	**8,628**	**820**	**201,780**
Net book value at 1 April 2019	**21,719**	**145,663**	**1,953**	**3,941**	**12,552**	**-**	**8,844**	**376**	**195,048**

11 Property, plant and equipment (continued)

11.3 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021										
Owned - purchased	22,048	129,664	1,521	12,456	15,181	-	9,910	681	-	**191,461**
Finance leased	-	348	-	-	-	-	-	-	-	**348**
On-SoFP PFI contracts and other service concession arrangements	-	8,387	-	-	-	-	-	-	-	**8,387**
Owned - donated/granted	-	7,299	313	1,801	4,166	-	45	123	-	**13,747**
NBV total at 31 March 2021	**22,048**	**145,698**	**1,834**	**14,257**	**19,347**	**-**	**9,955**	**804**	**-**	**213,943**

11.4 Property, plant and equipment financing - 2019/20

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020										
Owned - purchased	22,048	140,952	1,508	6,160	9,673	-	8,570	697	-	**189,608**
Finance leased	-	448	-	-	-	-	-	-	-	**448**
On-SoFP PFI contracts and other service concession arrangements	-	6,473	-	-	-	-	-	-	-	**6,473**
Owned - donated/granted	-	2,738	326	-	2,006	-	58	123	-	**5,251**
NBV total at 31 March 2020	**22,048**	**150,611**	**1,834**	**6,160**	**11,679**	**-**	**8,628**	**820**	**-**	**201,780**

11 Property, plant and equipment (continued)

11.5 Property, plant and equipment - 2020/21

Trust	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 2020 - brought forward	**22,048**	**142,478**	**1,834**	**5,018**	**49,966**	**233**	**22,884**	**2,192**	**246,653**
Additions	-	4,671	-	9,649	10,800	-	3,200	99	**28,419**
Impairments	-	(13,417)	-	-	-	-	-	-	**(13,417)**
Reversals of impairments	-	1,245	-	-	-	-	-	-	**1,245**
Revaluations	-	1,204	-	-	-	-	-	-	**1,204**
Reclassifications	-	597	-	(718)	114	-	7	-	**-**
Valuation/gross cost at 31 March 2021	**22,048**	**136,778**	**1,834**	**13,949**	**60,880**	**233**	**26,091**	**2,291**	**264,104**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**-**	**-**	**-**	**39,440**	**232**	**14,250**	**1,401**	**55,323**
Provided during the year	**-**	4,938	46	-	2,896	-	1,891	101	**9,872**
Impairments	**-**	(4,733)	(46)	-	-	-	-	-	**(4,779)**
Revaluations	**-**	(205)	-	-	-	-	-	-	**(205)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**42,336**	**232**	**16,141**	**1,502**	**60,211**
Net book value at 31 March 2021	**22,048**	**136,778**	**1,834**	**13,949**	**18,544**	**1**	**9,950**	**789**	**203,893**
Net book value at 1 April 2020	**22,048**	**142,478**	**1,834**	**5,018**	**10,526**	**1**	**8,634**	**791**	**191,330**

11 Property, plant and equipment (continued)

11.6 Property, plant and equipment - 2019/20

Trust	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	**21,719**	**137,742**	**1,953**	**3,941**	**47,806**	**233**	**21,282**	**1,673**	**236,349**
Additions	-	5,878	-	3,609	2,160	-	1,602	519	**13,768**
Impairments	(51)	(4,668)	(119)	-	-	-	-	-	**(4,838)**
Reversals of impairments	124	340	-	-	-	-	-	-	**464**
Revaluations	256	654	-	-	-	-	-	-	**910**
Reclassifications	-	2,532	-	(2,532)	-	-	-	-	**-**
Valuation/gross cost at 31 March 2020	**22,048**	**142,478**	**1,834**	**5,018**	**49,966**	**233**	**22,884**	**2,192**	**246,653**
Accumulated depreciation at 1 April 2019	**-**	**(18)**	**-**	**-**	**36,799**	**232**	**12,433**	**1,340**	**50,786**
Provided during the year	-	4,080	48	-	2,641	-	1,817	61	**8,647**
Impairments	-	(1,546)	(48)	-	-	-	-	-	**(1,594)**
Reversals of impairments	-	(806)	-	-	-	-	-	-	**(806)**
Revaluations	-	(1,710)	-	-	-	-	-	-	**(1,710)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**39,440**	**232**	**14,250**	**1,401**	**55,323**
Net book value at 31 March 2020	**22,048**	**142,478**	**1,834**	**5,018**	**10,526**	**1**	**8,634**	**791**	**191,330**
Net book value at 1 April 2019	**21,719**	**137,760**	**1,953**	**3,941**	**11,007**	**1**	**8,849**	**333**	**185,563**

11 Property, plant and equipment (continued)

11.7 Property, plant and equipment financing - 2020/21

Trust	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 2021									
Owned - purchased	22,048	120,744	1,521	12,148	14,378	1	9,905	666	**181,411**
Finance leased	-	348	-	-	-	-	-	-	**348**
On-SoFP PFI contracts and other service concession arrangements	-	8,387	-	-	-	-	-	-	**8,387**
Owned - donated / granted	-	7,299	313	1,801	4,166	-	45	123	**13,747**
NBV total at 31 March 2021	**22,048**	**136,778**	**1,834**	**13,949**	**18,544**	**1**	**9,950**	**789**	**203,893**

11.8 Property, plant and equipment financing - 2019/20

Trust	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	22,048	132,819	1,508	5,018	8,520	1	8,576	668	**179,158**
Finance leased	-	448	-	-	-	-	-	-	**448**
On-SoFP PFI contracts and other service concession arrangements	-	6,473	-	-	-	-	-	-	**6,473**
Owned - donated / granted	-	2,738	326	-	2,006		58	123	**5,251**
NBV total at 31 March 2020	**22,048**	**142,478**	**1,834**	**5,018**	**10,526**	**1**	**8,634**	**791**	**191,330**

12. Subsidiaries and Joint Ventures

12.1 Hampshire Hospitals Charity

At 31 March 2021 the Hampshire Hospitals Charity had assets of £4,449,000 (31st March 2020 - £5,118,000), liabilities of £632,000 (31st March 2020 - £269,000) and reserves of £3,817,000 (31st March 2020 - £4,849,000). For the year ended 31 March 2021 the Hampshire Hospitals Charity had income of £1,208,000 (2019/20 - £525,000), expenditure of £2,109,000 (2019/20 - £543,000) and net investment gains of £601,000 (2019/20 £28,000). The charity withdrew £250,000 in cash in 2020/21 from its longer term investment funds.

The Hampshire Hospitals NHS Foundation Trust is the sole beneficiary of the Hampshire Hospitals Charity. The Charity registration number is 1060133 and the registered address is The North Hampshire Hospital, Aldermaston Road, Basingstoke, Hampshire, RG24 9NA. Accounts for the charity can be obtained from http://www.charity-commission.gov.uk/.

The Charitable Fund Accounts have not been consolidated into these accounts as the transactions are considered immaterial in the context of the Trust.

12.2 Hampshire Hospitals Contract Services Limited

Hampshire Hospitals NHS Foundation Trust is the sole owner of Hampshire Hospitals Contract Services Limited. The Company was established to explore and take advantage of commercial opportunities in the operation of healthcare facilities, initially for the parent NHS organisation. The Company operated two facilities, both of which are run in accordance with NHS standards including all statutory compliance requirements.

	2021	2020
Shares at cost	£10,890,100	£10,890,100

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
Carrying value at 1 April - brought forward	-	-	10,890	10,890
Carrying value at 31 March	-	-	10,890	10,890

No goodwill arose in respect of the subsidiary as the reporting Trust established the company and received an interest in the company equal to the fair value of assets on its formation.

12.3 Investments in associates and joint ventures

Wessex NHS Procurement Limited

Hampshire Hospitals NHS Foundation Trust are in a 50:50 Joint Venture arrangement with University Hospital Southampton NHS Foundation Trust in Wessex NHS Procurement Limited. This Company was established to take advantage of commercial opportunities to procure goods and services from third party suppliers at cheaper prices, leveraging the combined purchasing power of the two Foundation Trusts.

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	50	-	50	-
Carrying value at 1 April - restated	50	-	50	-
Acquisitions in year	-	50		50
Share of profit / (loss)	5	-	5	-
Carrying value at 31 March	55	50	55	50

13. Inventories (Group and Trust)

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Drugs	4,081	4,121	3,082	3,186
Consumables	5,209	4,027	5,209	4,027
Energy	35	23	35	23
Total inventories	**9,325**	**8,171**	**8,326**	**7,236**

Inventories recognised in expenses for the year were £55,429k (2019/20: £45,780k). Write-down of inventories recognised as expenses for the year were £150k (2019/20: £124k).

14. Trade and other receivables (Group and Trust)

Those amounts meeting the definition of a financial asset are set out in note 26.

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Contract receivables	12,982	18,034	12,982	18,121
Allowance for impaired contract receivables / asse	(1,290)	(1,092)	(1,290)	(1,092)
Prepayments (non-PFI)	6,714	4,247	6,701	4,244
PDC dividend receivable	119	-	119	-
VAT receivable	1,699	931	1,238	425
Other receivables	981	4,206	1,008	4,353
Total current receivables	**21,205**	**26,326**	**20,758**	**26,051**
Non-current				
Other receivables	970	970	970	970
Total non-current receivables	**970**	**970**	**970**	**970**
Of which receivable from NHS and DHSC group bodies:				
Current	7,570	15,074	7,570	15,074
Non-current	970	970	970	970

The book values of trade and other receivables are considered to be approximately equal to their fair value.

14. Trade and other receivables (Group and Trust) (cont)

Allowances for credit losses - 2020/21 (Group and Trust)

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 Apr 2020 - brought forward	**1,092**	**1,092**
New allowances arising	198	198
Allowances as at 31 Mar 2021	**1,290**	**1,290**

15. Cash and cash equivalents (Group and Trust)

	Group		Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
At 1 April	**20,228**	**6,712**	**19,263**	**6,331**
At 1 April (restated)	**20,228**	**6,712**	**19,263**	**6,331**
Net change in year	26,345	13,516	25,039	12,932
At 31 March	**46,573**	**20,228**	**44,302**	**19,263**
Broken down into:				
Cash at commercial banks and in hand	1,171	205	1,026	159
Cash with the Government Banking Service	45,402	20,023	43,276	19,104
Total cash and cash equivalents as in SoFP	**46,573**	**20,228**	**44,302**	**19,263**
Total cash and cash equivalents as in SoCF	**46,573**	**20,228**	**44,302**	**19,263**

16. Trade and other payables (Group and Trust)

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Trade payables	15,977	11,614	15,679	10,863
Capital payables	2,445	358	2,433	358
Accruals	21,749	16,312	22,242	18,097
Social security costs	3,958	3,423	3,955	3,420
Other taxes payable	3,519	2,928	3,516	2,926
PDC dividend payable	-	181	-	181
Other payables	5,268	4,692	5,267	4,622
Total current trade and other payables	**52,916**	**39,508**	**53,092**	**40,467**

The deferred income due in more than one year covers three non-current asset schemes and is being released over the lives of those assets. The deferred PFI credit relates to the Servite PFI contract which is further explained in note 20.

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	8,331	1,706	8,331	1,706
Deferred PFI credits / income	271	285	271	285
Total other current liabilities	**8,602**	**1,991**	**8,602**	**1,991**
Non-current				
Deferred income: contract liabilities	998	1,051	998	1,051
Deferred PFI credits / income	5,848	6,105	5,848	6,105
Total other non-current liabilities	**6,846**	**7,156**	**6,846**	**7,156**

17. Borrowings (Group and Trust)

17.1 Loans – payment of principal falling due

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Current				
Loans from DHSC	1,957	9,965	1,957	9,965
Other loans	30	30	30	30
Obligations under finance leases	100	100	100	100
Total current borrowings	**2,087**	**10,095**	**2,087**	**10,095**
Non-current				
Loans from DHSC	5,267	19,678	5,267	19,678
Other loans	216	216	216	216
Obligations under finance leases	249	349	249	349
Total non-current borrowings	**5,732**	**20,243**	**5,732**	**20,243**

17.2 Finance lease arrangements (Group and Trust)

17.2 Hampshire Hospitals NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Gross lease liabilities	**364**	**474**	**364**	**474**
of which liabilities are due:				
- not later than one year;	107	109	107	109
- later than one year and not later than five years;	257	365	257	365
Finance charges allocated to future periods	(15)	(25)	(15)	(25)
Net lease liabilities	**349**	**449**	**349**	**449**
of which payable:				
- not later than one year;	100	100	100	100
- later than one year and not later than five years;	249	349	249	349

The Group one remaining finance lease is for the provision of mammography equipment.

18. Provisions (Group and Trust)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**1,659**	**714**	**76**	**970**	**3,419**
Change in the discount rate	4	32	-	-	**36**
Arising during the year	167	91	9	-	**267**
Utilised during the year	(174)	(45)	-	-	**(219)**
Reversed unused	(44)	-	-	-	**(44)**
Unwinding of discount	(16)	21	-	-	**5**
At 31 March 2021	**1,596**	**813**	**85**	**970**	**3,464**
Expected timing of cash flows:					
- not later than one year;	175	46	-	-	**221**
- later than one year and not later than five years	712	189	-	-	**901**
- later than five years.	709	578	85	970	**2,342**
Total	**1,596**	**813**	**85**	**970**	**3,464**

Provisions which are not expected to become due for several years are shown at a reduced value to take account of inflation. The unwinding of discounts relates to the increase in the value of provisions as their settlement date gets nearer.

The provisions shown under the heading 'Pensions- early departure costs' relating to staff' have been calculated using figures provided by the NHS Pensions Agency. They assume certain life expectancies.

The provisions shown under the heading 'Legal claims' relate to public and employer liability claims and the Property Expenses Scheme. The provisions have been calculated using information provided by the NHS Resolution and are based on the best information available at the 31 March. In addition, the group has contingent liabilities of £52,000 in 2020/21 (2019/20 - £73,000) as disclosed in note 25.

Only the Group position has been disclosed above as there is no difference between the Trust and the Group position.

Clinical Negligence Liabilities
The group is part of a scheme operated by the NHS Resolution in relation to clinical negligence. The costs of this scheme are disclosed in operating expenses. The NHSLA handle any claims made against the group.

At 31 March 2021, £164.1 million was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Hampshire Hospitals NHS Foundation Trust (31 March 2020: £173.7 million).

19. Operating lease arrangements (Group and Trust)

The group has a number of operating leases including pathology managed contracts and photocopiers. Details of minimum lease payments can be found in note 19.2. In addition the group acts as a lessor in relation to the provision of two retail outlets and a health centre. Details of the lease income can be found in note 19.3.

19.1 Payments recognised as an expense

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	2,294	926
Total	**2,294**	**926**

19.2 Non-cancellable operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:-

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	2,294	365
- later than one year and not later than five years;	1,352	-
Total	**3,646**	**365**

19.3 Operating lease income

This note discloses income generated in operating lease agreements where Hampshire Hospitals NHS Foundation Trust is the lessor.

	2020/21	2019/20
	£000	£000
Operating lease revenue		
Minimum lease receipts	39	425
Total	**39**	**425**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	328	309
- later than one year and not later than five years;	1,521	1,435
- later than five years.	143	558
Total	**1,992**	**2,302**

Only the Group position has been disclosed above as there is no difference between the Trust and the Group position.

20. Private Finance Initiative schemes - service element of PFI schemes deemed to be on-SoFP

	Viridian Housing
Estimated capital value at start of contract	£6,750,000
Length of project	37 years
Remaining contractual period	22 years 7 months
Start date of contract	1 Nov 2006
Finish date of contract	31 Oct 2043

The group has one PFI scheme deemed to be on-SoFP:

Viridian Housing
The PFI contract relates to the provision of staff residences which was transferred to Servite Houses in November 2006 through a 37 year deal. Servite Houses was responsible for the re-development of the residences and the group has nomination rights. On 17th May 2010, Servite Houses changed its' name to Viridian Housing. The redeveloped residences will be maintained by Viridian Housing until they are transferred back to the NHS Foundation Trust after the 37 year scheme ends. The control and residual interest clauses mean the scheme is an On-SoFP scheme. Under the terms of the contract, the Trust has the right to rent the accommodation to Healthcare Key Workers and other tenants who are on its' allocation list for the provision of housing.

Depreciation will be charged to the income statement over the course of the asset life and the remaining deferred PFI credit of £6,119,000 will be released over the life of the contract on a straight line basis (£270,970 per year).

The Viridian Housing PFI contract includes certain guarantees which commit the group to meet or contribute towards the costs of unoccupied rooms. These represent a financial liability – a present obligation arising from commitments made in the contract.

a) Void rents – the group has a commitment to pay void rents where occupancy levels are between 80%-90%. As this has never occurred in the period from the signing of the contract to the current financial year, the Trust do not recognise a commitment at 31 March 2021 (31 March 2020 – nil).
b) Diva block – the group has a commitment to pay for all the rooms available in Diva block throughout the contract. Diva block is expected to be fully utilized and all costs are expensed as incurred.

Gross PFI liabilities for schemes deemed to be on-SoFP are as follows:-

There are no gross liabilities for schemes deemed to be on-SoFP as there is no service change within the Servite contract.

21. Related party transactions

Hampshire Hospitals NHS Foundation Trust is an independent public benefit corporation as authorised by NHS Improvement in their Terms of Authorisation.

The Department of Health is regarded as a related party as it exerts influence over the numbers of transactions and operating policies of the Group. During the year ended 31 March 2021, the group has a significant number of material transactions with other entities for which the Department is regarded as the parent Department.
During the year ended 31 March 2021, none of the Board Members, or members of the key management staff, or parties deemed to be related to them, has undertaken any material transactions with Hampshire Hospitals NHS Foundation Trust.

The following NHS and other government organisations had transactions or balances in excess of £250,000:

Year Ended 31 March 2021

	Trade & other receivables £'000	Trade & other payables £'000	Income £'000	Expenditure £'000
Health Education England	124	-	13,692	-
Department for Work and Pensions	1,860	-	-	-
HM Revenue & Customs - Other taxes and duties (Not PAYE)	-	7,477	-	28,434
HM Revenue & Customs - VAT	1,699	-	-	-
NHS Pension Scheme	-	4,359	-	44,135
Oxford Health NHS Foundation Trust	-	3	-	383
Royal Surrey County Hospital NHS Foundation Trust	12	246	67	473
Salisbury NHS Foundation Trust	149	31	244	293
Southern Health NHS Foundation Trust	446	105	2,127	1,347
South Central Ambulance Service NHS Foundation Trust	-	170	13	412
University Hospital Southampton NHS Foundation Trust	2,168	912	2,997	1,669
Solent NHS Trust	451	78	1,352	160
Care Quality Commission	-	-	-	284
NHS Berkshire West CCG	-	-	17,690	-
NHS Dorset CCG	-	-	562	-
NHS Fareham and Gosport CCG	-	-	684	-
NHS North East Hampshire and Farnham CCG	2	-	1,616	-
NHS North Hampshire CCG	386	64	143,496	-
NHS South Eastern Hampshire CCG	300	-	36,182	40
NHS Southampton CCG	-	-	1,350	-
NHS West Hampshire CCG	14	257	152,530	106
NHS Resolution (formerly NHS Litigation Authority)	60	-	-	12,828
NHS England - Core	2,271	1	109,579	55
Portsmouth Hospitals University NHS Trust	8	246	247	1,683

Year Ended 31 March 2020

	Trade & other receivables £'000	Trade & other payables £'000	Income £'000	Expenditure £'000
Health Education England	56	-	18,131	-
Public Health England	56	235	2	114
HM Revenue & Customs - Other taxes and duties (Not PAYE)	-	6,351	-	25,194
HM Revenue & Customs - VAT	931	-	-	-
NHS Pension Scheme	-	3,863	-	39,681
Frimley Health NHS Foundation Trust	17	78	101	373
Oxford Health NHS Foundation Trust	-	8	-	458
Royal Surrey County Hospital NHS Foundation Trust	17	136	94	257
Southern Health NHS Foundation Trust	445	181	2,126	990
South Central Ambulance Service NHS Foundation Trust	1	282	13	426
University Hospital Southampton NHS Foundation Trust	1,554	590	3,087	1,961
Solent NHS Trust	640	1	1,686	311
Care Quality Commission	-	-	-	268
NHS Berkshire West CCG	123	-	17,561	-
NHS Dorset CCG	97	-	486	-
NHS Fareham and Gosport CCG	5	82	656	-
NHS North East Hampshire and Farnham CCG	79	259	1,510	-
NHS North Hampshire CCG	985	-	135,187	39
NHS South Eastern Hampshire CCG	287	730	5,429	40
NHS Southampton CCG	4	-	1,261	-
NHS West Hampshire CCG	2,125	10	148,670	8
NHS Wiltshire CCG	4	-	2,887	-
NHS Resolution (formerly NHS Litigation Authority)	60	-	-	13,037
NHS England - Core	5,050	4,331	13,558	99
NHS England - South East Regional Office	-	-	4,540	-
NHS England - South West Regional Office	-	-	1,003	-
NHS England - Wessex Specialised Commissioning Hub	1,700	-	55,053	-
Portsmouth Hospitals NHS Trust	62	140	112	1,543
Winchester City Council	23	357	-	-

21. Related party transactions (continued)

NHS Providers is considered to be a related party because a member of the Trust's board is in a position to exert considerable influence over the other party. The transactions and balances with this party have not been disclosed as they are considered to be immaterial to both parties.

The Hampshire Medical Fund is considered a related party because Dr Alloway who is the Chief Medical Officer and member of the Trust Board is a Trustee of the Hampshire Medical Fund.

The Winchester Hospice Fundraising Charity is considered a related party because Dr Alloway who is the Chief Medical Officer and member of the Trust Board is a Trustee of the Winchester Hospice Fundraising Charity.

Wessex NHS Procurement Ltd is a joint venture between Hampshire Hospitals NHS Foundation Trust and University Hospitals Southampton NHS Foundation Trust and is considered a related party because Malcolm Ace who is the Chief Financial Officer and member of the Trust Board and Jane Tabor who is a Non Executive Director of the Trust Board are both Directors of Wessex NHS Procurement Ltd.

The group also receives revenue and capital payments from the Hampshire Hospitals Charity, of which it is a corporate trustee (for additional information see note 12).

The following transactions are considered to be material:

	Receivables		Payables	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
	£000	£000	£000	£000
Hampshire Medical Fund	-	29	-	-
Hampshire Hospitals Charity	-	9	-	-
Wessex NHS Procurement Ltd	-	-	-	-
Winchester Hospice Fundraising	428	-	-	-
	428	38	-	-

	Income		Expenditure	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
	£000	£000	£000	£000
Hampshire Medical Fund	950	197	8	4
Hampshire Hospitals Charity	2,228	799	-	-
Wessex NHS Procurement Ltd	304	-	3,015	-
Winchester Hospice Fundraising	897	-	-	-
	4,379	996	3,023	4

22. Events after the reporting date

There have been no events after the reporting date which require adjustment or disclosure within these financial statements.

23. Capital commitments (Group and Trust)

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Property, plant and equipment	5,264	-	5,264	-
Total	**5,264**	**-**	**5,264**	**-**

24. Losses and special payments

	2020/21		2019/20	
Group and trust	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	2	15	-	-
Total losses	**2**	**15**	**-**	**-**
Special payments				
Ex-gratia payments	33	69	82	38
Total special payments	**33**	**69**	**82**	**38**
Total losses and special payments	**35**	**84**	**82**	**38**

Amounts are reported on an accruals basis excluding provisions for future losses.

25. Contingent assets/(liabilities) (Group and Trust)

	Group		Trust	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	(52)	(73)	(52)	(73)
Gross value of contingent liabilities	**(52)**	**(73)**	**(52)**	**(73)**
Amounts recoverable against liabilities	-	-		
Net value of contingent liabilities	**(52)**	**(73)**	**(52)**	**(73)**

The group has a contingent liability for £52,000 (2020 - £73,025) in respect of employer and public liability incidents for which claims have been made against the group through the LTPS scheme. The figures were provided by NHS Resolution. Provisions relating to these cases are shown in note 18.

The amounts required by NHS Resolution are based on the best estimate of the probability of an outflow.

26. Financial Instruments

IAS 32, IFRS 9 and IFRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the group has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the group 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 the listed companies to which IAS 32, IFRS 9 and IFRS 7 mainly apply. The group 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 group in undertaking its activities.

Each of the following risks have been considered, but total comprehensive income for the year and total assets employed are not materially sensitive to variations in those factors, so a sensitivity analysis is not given.

Liquidity risk
The group's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups which are financed from resources voted annually by Parliament. The group is not currently, exposed to significant liquidity risks.

Market risk
All of the group's financial liabilities carry a nil or fixed rate of interest. The group is not, therefore, exposed to significant interest-rate risk.

The group has negligible foreign currency Income and Expenditure and is not, therefore, exposed to significant foreign currency risk.

Credit risk
The group's risk profile is low with the maximum being disclosed in receivables to customers. The majority of the group's income comes from legally binding contracts with other Government Departments and other NHS bodies. Therefore the group does not believe that it is exposed to significant credit risk.

As set out in note 15, £45,402,000 of the Group's £46,573,000 total cash deposits are held with the Government Banking Service (£20,023,000 of £20,228,000 at 31 March 2020). The remaining cash in both years was held with another UK based bank. The group is satisfied that there is no material exposure to credit risk in respect of cash deposits.

Fair value interest rate risk

The group has no exposure to a fair value interest rate risk.

26.1 Financial assets (Group and Trust)

	Group		Trust	
	2021	2020	2021	2020
	£000	£000	£000	£000
Investment in associates and joint ventures	-	-	10,940	10,940
Trade and other receiveables excluding non financial liabilities	12,880	22,118	11,939	22,352
Cash and cash equivalents at bank and in hand	46,573	20,228	44,302	19,263
Total	**59,453**	**42,346**	**67,181**	**52,555**

The following are not considered to be financial instruments under IFRS and therefore have been excluded from the above table:

- Prepayments amounting to £6,714,000 (2020 - £4,244,000)
- PDC receivable amounting to £119,000 (2020 - £nil)
- VAT receivable amounting to £1,699,000 (2020 - £425,000)

26.2 Financial liabilities (Group and Trust)

Financial Liabilities

	Group		Trust	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Loans from the Department of Health and Social Care	7,224	29,643	7,224	29,643
Obligations under finance leases	349	449	-	449
Other borrowings	246	246	-	246
Trade and other payables excluding non financial liabilities	42,511	32,976	42,693	33,940
Other financial liabilities	339	276	-	-
Provisions under contract	3,419	3,419	-	3,419
Total	**54,088**	**67,009**	**49,917**	**67,697**

The following are not considered to be financial instruments under IFRS and therefore have been excluded from the above table:

- Deferred Income amounting to £9,329,000 (2020 - £2,757,000)
- Other Tax and Social Security Creditors amounting to £7,477,000 (2020 - £6,351,000)
- Deferred PFI credits amounting to £6,119,000 (2020 - £6,390,000)
- PDC payable amounting to £nil (2020 - £181,000)

A maturity profile for Obligations under finance leases can be found in note 17, for Obligations under PFI contracts in note 20 and for Provisions in note 18.

26.3 Maturity of financial liabilities (Group and Trust)

	Group		Trust	
	31 March 2021	**31 March 2020 restated***	**31 March 2021**	**31 March 2020 restated***
	£000	**£000**	**£000**	**£000**
In one year or less	45,228	43,509	45,228	43,509
In more than one year but not more than five years	4,109	18,439	4,109	18,439
In more than five years	5,841	6,083	5,841	6,083
Total	**55,178**	**68,031**	**55,178**	**68,031**

26.4 Fair values

The book value of financial assets and liabilities are not considered to be materially different from the fair value.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HAMPSHIRE HOSPITALS NHS FOUNDATION TRUST

Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2021 issued on 15 June 2021 we reported that, in our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- gave a true and fair view of the financial position of Hampshire Hospitals NHS Foundation Trust as at 31 March 2021 and of its income and expenditure for the year then ended;
- gave a true and fair view of the financial position of the Group as at 31 March 2021 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the Department for Health and Social Care's Group Accounting Manual 2020/21 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

In our report dated 15 June 2021, we explained that we could not formally conclude the audit on that date until we had completed our procedures on the Foundation Trust's value for money arrangements for the year ended 31 March 2021. We have now completed our procedures and no matters have come to our attention that would have resulted in a different opinion on the financial statements or additional exception reporting on significant weaknesses in the Foundation Trust's value for money arrangements.

We certify that we have completed the audit of the accounts of Hampshire Hospitals NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

M Grindley
Ernst & Young LLP

Maria Grindley
For and on behalf of Ernst & Young LLP
Reading
30 June 2021