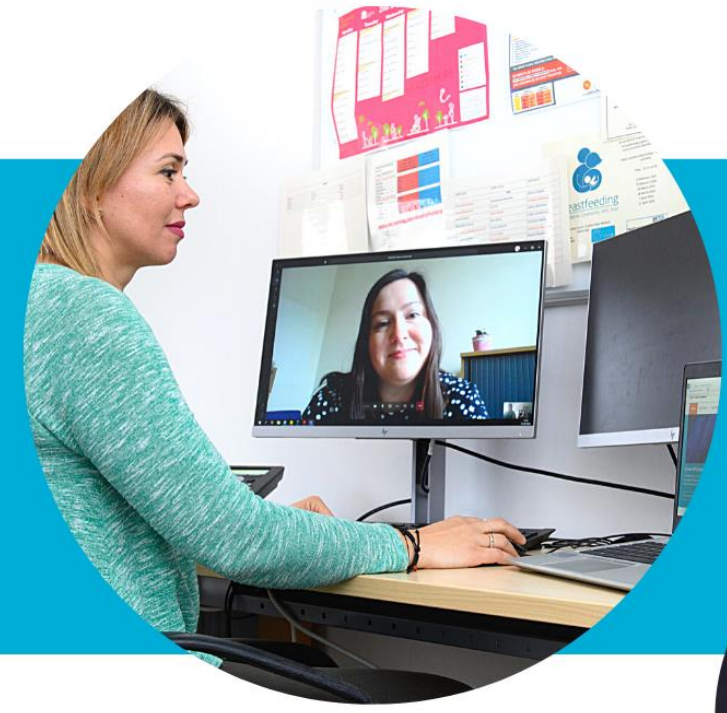
Hertfordshire Community
NHS Trust

ANNUAL REPORT

FOR 2020-21



Outstanding services
ealthier communities

About this Report

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

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

If you would like a copy of this document in LARGE PRINT, Braille or audio tape, or if English isn't your first language and you would like this information explained in your own language, please contact 01707 388000.

Se desideri una copia di questo documento in caratteri grandi, Braille o nastro audio, o se l'inglese non è la tua lingua madre e desideri che queste informazioni siano spiegate nella tua lingua, contatta lo 01707 388000.

Jeśli chcesz otrzymać kopię tego dokumentu dużą czcionką, pismem Braille'a lub taśmą audio lub jeśli angielski nie jest Twoim pierwszym językiem i chciałbyś, aby te informacje zostały wyjaśnione w Twoim języku, skontaktuj się z 01707 388000.

Bu belgenin BÜYÜK YAZDIR, Braille veya ses kasetinde bir kopyasını almak istiyorsanız veya İngilizce ilk diliniz değilse ve bu bilgilerin kendi dilinizde açıklanmasını istiyorsanız, lütfen 01707 388000.

Contents

Glossary of Abbreviations

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

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

SAIS	School Aged Immunisation Service
SDMP	Sustainable Development Management Plan
SEND	Special Educational Needs and Disabilities
SEQOHS	Safe Effective Quality Occupational Health Service
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SLiPs	Sharing Lessons in Practice
SPEC	Strategy Planning and Engagement Committee
STF	Sustanability Transformation Funding
STP	Sustainability and Transformation Partnership
TUPE	Transfer of Undertakings (Protection of Employment)
VCSE	Voluntary, Community and Social Enterprise
VSM	Very Senior Manager
WDES	NHS Workforce Disability Equality Standard
WRES	NHS Workforce Race Equality Standard

1 Foreword by the Chair

I am very pleased to present our Annual Report and Accounts for 2020/21. Throughout the past year, the ongoing pandemic has continued to place unprecedented pressures on the NHS and ourselves as a Trust. Along with our partner organisations, we have risen to these considerable challenges. The Trust Board and I are immensely proud of the way our staff have expertly demonstrated our shared values. Together they have shown countless examples of innovation, care and agility, while at the same time helping to restart our existing services, and launch new ones, in response to the COVID-19 pandemic.

In October 2020 I was delighted to accept an extension of my role initially as Interim and now as Chair until October 2022.

In the autumn of 2020, our former Chief Executive Officer, Clare Hawkins left the Trust after working here for nine and a half years. We benefitted hugely from her leadership and experience and wish her well in her future career projects. We also recently said farewell to Anne McPherson who retired from the board in March 2021. Anne was appointed as an adviser to the Trust Board on 1 April 2020, having previously served as a Non-Executive Director from 1 April 2010 to 31 March 2020. Other changes included our Director of Strategy, Sam Tappenden, who on 1 September accepted a secondment as Director of Development for East and North Hertfordshire Integrated Care Partnership but has retained his links with the Trust. Associate Director of Operations for Adults Community Services, Tafadzwa Mugwagwa was seconded to Camden & Islington NHS Foundation on 1 December for nine months. In January, Katy Healy, our Associate Director of Operations for Children and Young People's Services, was seconded to the role of Associate Director of Integrated Care Partnership Development in West Hertfordshire.

We welcomed Elliot Howard-Jones as the Trust's new interim Chief Executive Officer on 1 November. He formerly held the role of Director of Performance and Improvement in the NHS England East of England regional team. In October 2020 Sarah Brierley became joint Director of Strategy at East and North Hertfordshire NHS Trust (where she has held the role since 2019) and Hertfordshire Community Trust (HCT), helping to support the strategic development of the East and North Integrated Care Partnership (ICP). At the beginning of November, Mark Sanderson joined us as Deputy Medical Director and we also welcomed back Emma Whiteford as Associate Director of Operations.

Our healthcare services at HMP The Mount in Bovingdon were transferred to another healthcare provider on 30 September 2020.

Throughout 2020/21 we continued to respond to the ongoing COVID-19 pandemic. Systems put in place at the start of the pandemic were enhanced and refined throughout the year, including our emergency incident command arrangements. Interim financial and contractual arrangements put in place during the pandemic allowed us to focus on supporting our partners across the Hertfordshire and West Essex Integrated Care System (ICS), and the East of England region. Due to the impact of the pandemic on our services, lockdown and school closures, many of our staff were redeployed to support critical frontline services.

The delivery of our services was modified to help reduce physical contact. We quickly introduced digital solutions including virtual consultations, online and telephone support and advice for service users, and by adopting remote working and agile working practices within our corporate services. In addition, we enhanced our services working in partnership with

acute trusts, GPs, Primary Care Networks and care homes to support the pandemic response. This included initiatives such as Prevention of Admission, Discharge Home to Assess and expanding the scope and role of the East and North Referral hub, including remote monitoring of a virtual COVID-19 ward and Long COVID rehabiliation.

Notably the Trust took the lead, working in partnership to establish a COVID-19 drive-through testing and swabbing site for health and social care workers at our Trust headquarters. This was followed by the establishment of 17 mass vaccination centres across the Hertfordshire and West Essex ICS and the Bedfordshire, Luton and Milton Keynes ICS with over 280,000 vaccinations delivered to date. Throughout this extraordinary effort HCT has gained significant national, regional and local media coverage.

We were delighted to receive a generous share of funds from NHS Charities Together, as well as many donations from the local community which continue to be much appreciated by our staff. The charitable funds enabled specific investments, such as the purchase of iPads to facilitate close communication between patients and their families while recovering at our inpatient units.

Service recovery remains a key priority, focussing on patients with the most urgent need, as well those who have been waiting the longest time. We agreed winter and COVID-19 surge plans with our partners, supported by our Prevention of Admission and Discharge Home to Assess initiatives. At the same time measures were taken to ensure continued safe service delivery.

At the end of March 2021, the Trust Board approved our new organisational strategy. This outlines our four strategic objectives which will enable us to meet our vision of ‘Outstanding Services, Healthier Communities’. They are:

- Outstanding quality and performance
- Joined up local care
- Great place to work
- Best value through innovation

The NHS Long Term Plan is clear that collaboration and cooperation will be fundamental to the way the NHS operates going forward. Our strategy is fully aligned with this ambition. Where improvements can be made, we will work hand-in-hand with our partner organisations to achieve this. These partners include other NHS Trusts, GPs, Primary Care Networks, local government, charity and voluntary sector organisations, educational settings and patient representative groups.

Our Trust is an integral part of the health and care system in Hertfordshire and we play a central role in establishing and developing the Hertfordshire and West Essex ICS, as well as the four ICPs that we interact with. Over the past year we have started to work more collaboratively with our NHS system partners to ensure that we can provide the best outcomes and experience for patients, with a focus on reducing health inequalities and delivering the best value for the tax paying public.

Our annual flu campaign was a great success with our flu champions vaccinating 85% of staff, while uptake of the COVID-19 vaccine was 91%. Responses to the National Annual Staff survey reached 71% - a result that was well above the Community Trust national average of 58%. The findings have helped to inform HCT’s ‘Great Place to Work’ plan.

Despite the challenges that the COVID-19 pandemic has presented the Trust and wider NHS with, HCT has managed to make a small surplus of £0.284m for the 2020-21 financial year.

This was against a planned deficit of £0.800m for the year. The Trust has managed this improve performance on its plan due to additional savings being identified due to the uptake of new technology and travel savings as service provision has changed in light of the pandemic.

The Trust continues to perform well promoting Freedom to Speak Up. This allows staff to raise concerns about anything which they feel could affect patient or service user safety, or the wellbeing of staff. The overall percentage score for Freedom to Speak Up increased from 83% in 2019 to 83.9% in 2020 making it the highest scoring Trust in Hertfordshire.

As a Trust we also continue to show agility in service provision, using learning from the COVID-19 response and the Adapt, Adopt and Abandon approach to service recovery. This has been demonstrated in working models that embrace online, virtual and remote delivery options with high patient satisfaction.

HCT's overall Care Quality Commission (CQC) rating was confirmed as 'Good' following a CQC core service and well-led inspection of the Trust carried out during February/March 2020. To drive our ambition to become an outstanding organisation, the Trust has set up a 'Good to Outstanding' Steering Group to bring together and systematically embed our quality improvement framework.

We recognise and celebrate the fantastic achievements of our staff, as recognised throughout 2020/21 at a wide variety of regional and national awards. For example, Heidi Sandoz, HCT's Lead Tissue Viability Nurse was awarded the rare and highly sought-after Chief Nursing Officer Gold Award, and our Stevenage Integrated care Team won the Best COVID-19 Healthcare Heroes category from Stevenage Borough Council. 2020 also saw the opportunity to celebrate two big events. Firstly, the NHS's 72nd anniversary in July, when we were able to express our thanks to the local community for their support during the pandemic. Then in the first week of November, HCT marked its tenth anniversary as an NHS Trust provider of community services. We reflected and celebrated our achievements over the years while looking forward towards our future plans.

I would like to conclude my foreword with sincere thanks to all our partner organisations across both the Hertfordshire and West Essex and the Bedfordshire, Luton and Milton Keynes ICSs, as we continue to deliver solutions to help the reduce the impact of the pandemic.

However, my biggest thanks go to all our outstanding staff, whatever their role may be. Your care and dedication to the patients and communities we serve is truly exceptional and makes me proud to be Chair of such a dynamic organisation.

Dr Linda Sheridan
Chair
12 May 2021

2 Performance Report

Overview

The purpose of this section of the Report is to provide background information about Hertfordshire Community NHS Trust, its purpose, its vision, values and strategic objectives, the key risks related to the achievement of those objectives and how we have performed over the 2020/21 financial year.

2.1.1 About the Trust

2.1.1.1 The Trust's history

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

2.1.1.2 The Trust's principal activities

Hertfordshire Community NHS Trust is the principal provider of community-based healthcare services to the 1.2 million population of Hertfordshire. The Trust is rated as 'Good' by the Care Quality Commission. It had an income of £130.7m during 2020/21 (£128.6m in 2019/20) and employed around 2156 staff (approximately 2,025 in 2019/20).

Community health services are at the forefront of NHS care and support. Every day we deliver a wide range of high quality health services to people in their homes, in local clinics, in schools and in our community hospitals. We provided the healthcare services at HMP The Mount in Bovingdon until 30 September 2020 when it transferred to another provider.

We support people at every stage of their lives, from antenatal, health visiting and school nursing services for children and young people, to community nursing and therapy, dentistry, rehabilitation and palliative care. In 2020/21 we had over 1.05 million patient contacts (over 1.4 million in 2019/20) with the drop in contacts being attributed to the COVID-19 pandemic response and the temporary suspension of some of our services and also the transfer of the majority of Adult Services in west Hertfordshire to another provider in October 2019.

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

2.1.2 Our vision, values and strategic objectives

2.1.2.1 Our vision

Outstanding Services, Healthier Communities

Our patients, families, carers and communities are at the very heart of our vision. Our aspiration is to ensure our communities are as healthy as possible, and our services are outstanding and high quality.

2.1.2.2 Our values

Our vision is underpinned by our values which were developed following consultation and engagement with our staff and wider stakeholders.

Our three Trust values reflect how our people need to operate in our health and social care system to ensure we succeed.

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

2.1.2.3 Our strategic objectives

Our four strategic objectives reflect the most important priorities of our Trust and underpin our approach to everything that we do:

- **Outstanding quality and performance -** through our approach to Continuous Quality Improvement (CQI) and through involving patients, families, carers and our staff to provide the best possible care to patients within available resources

- **Joined up local care** - by working in partnership with others, we will improve the quality of what we do, provide a better experience for patients and better value for money; we will develop integrated clinical pathways to improve the care people receive in the community to support their health and wellbeing and reduce health inequalities

- **Great place to work** - we will make the Trust a great place to work by living our values and creating an inclusive, open and compassionate culture; we will motivate and retain our people through excellent leadership at all levels of the organisation, continuous professional development and support for health and wellbeing

- **Best value through innovation** - known for our innovations as an outstanding provider of clinical services; we will harness modern processes, systems, and technology to support continuous quality improvement, efficiency, and to ensure the best possible value for the public purse

2.1.3 Service portfolio

The following table lists the services provided by the Trust and the locations where they were provided as at 28 February 2021. This reflects the change to our service portfolio that took place in October 2020 following the transfer of the Prison Health Service at HMP The Mount to another provider:

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

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

The following additional services were set up and running as at 31 March 2021 in response to the COVID-19 pandemic: the longer term delivery of these will need to be agreed with Commissioners as part of the Q3/Q4 contracts for 2021/2022:

Adult Community Services	
COVID-19 rehabilitation / Long COVID clinics	Enhanced Prevention of Admission – including remote monitoring/ virtual ward
Children and Young People's Services (Herts Valleys)	
Children's Phlebotomy	

2.1.4 The performance of the Trust in 2020/21 – The Chief Executive's overview

As we reflect on the previous year, we have focused clearly as a Trust on three priorities. Firstly, we have worked with our partner organisations to respond effectively to the pandemic ensuring that patients could receive timely care during the height of the pandemic making sure our services could flex appropriately and work remotely as was required by the situation. Secondly, we aimed to maintain as many non-COVID services to patients as possible and reduce backlog effects of the initial COVID surge in Spring 2020. Thirdly, we established a mass vaccination programme across several counties to ensure that the public could receive their vaccination quickly and effectively and help the country return to normal.

Through the first half of 2020 our partnership work helped prevent our hospitals from being overwhelmed. We adapted our services, enabling patients to be safely discharged from hospital whilst still being monitored from home. Primary Care Networks (PCNs) were able to refer patients to us to prevent unnecessary admissions to hospital. Other measures included supporting our social care partners with Infection Prevention and Control (IPC) training to all care homes in East and North Hertfordshire. Our partnership work into "Long-COVID" continues to evolve with the potential to yield big dividends. The second half of the year saw the Trust's leadership, through multidisciplinary partnerships, successfully establish 17 mass

vaccination centres from Hertfordshire and West Essex to Milton Keynes and Bedfordshire, spanning two Integrated Care Systems (ICSs).

Interim contractual and financial arrangements were put in place to cover the period of the COVID-19 pandemic, which enabled service changes and enhancements to be designed and implemented in collaboration with partners.

On 30 September 2020 the Trust said farewell to 13 staff providing healthcare services at HMP The Mount in Bovingdon, as they were transferred to another service provider.

We work alongside our other partners in the health and care system in Hertfordshire. Our strategy sets out our aspiration to provide outstanding care for the people we serve, working in collaboration with system partners to provide the best outcomes and experiences for patients, whilst delivering the best value for the tax paying public.

Due to the pandemic much of the work to develop the Integrated Care System and Integrated Care Partnerships was delayed. However, the partnership working that has taken place as part of our collective response to the COVID-19 pandemic means we can look forward to even stronger links in these future relationships and arrangements.

As well as working closely with other organisations, we now have a number of workforce arrangements in place, designed to bridge organisational boundaries. These include secondments to senior leadership posts within the East and North Hertfordshire ICP, the West Hertfordshire ICP and the Herts and West Essex ICS, in addition to a director-level secondment into the Trust from East and North Hertfordshire NHS Trust. Senior leaders are also undertaking senior ICS roles, chairing ICP forums such as the ENH ICP Clinical and Professional Executive Group, and leading system transformation programmes such as the Children and Young People's Autism Spectrum Disorder (ASD) and Attention Deficit and Hyperactivity Disorder (ADHD) Transformation Programme.

We currently enjoy a CQC rating of "Good" but have the ambition to be an "Outstanding" organisation by proactively influencing system working - with a clear vision and rationale for community care, recognising the benefits and better outcomes realised for patients when they are treated in their own homes.

Our workforce is our most valuable asset and our focus continues to support them through a Flexible Working Policy with a wide range of working patterns enabling staff to balance their working lives with their out of work commitments. We train managers and staff in equality and diversity and are committed to implementing our equality and diversity objectives, which include further analysis of our equalities data to address any unconscious bias.

This year our BAME (Black, Asian and Minority Ethnic) Network continued its important work engaging not just with our BAME colleagues but all staff. I worked closely with our BAME Network Chair to introduce wider virtual meetings to which all BAME colleagues are invited. We discussed important topics such as our Black Lives Matter statement of support, COVID-19 risk assessments and vaccine hesitancy. Other projects included extending our Reciprocal Mentoring scheme (which links BAME colleagues with members of the Trust Executive Team), introducing a bespoke COVID-19 BAME Helpline with system partners and training some members of the network to support interview panels.

During 2020, we ran some focus groups for our colleagues identifying as Lesbian, Gay, Bisexual, Transgender + (LGBTQI+) and those living with a disability or long-term condition. These groups reviewed the 2020 Annual Staff Survey results and this will help us develop plans to ensure the Trust is a 'Great Place to Work' for all of our staff.

As indicated in our Chair's introduction, the Trust staff have responded enthusiastically to the

offer of flu and COVID-19 vaccinations. The feedback and response rate to the NHS staff survey was equally impressive and will help us continue to make the Trust a 'great place to work' and attract the best candidates for advertised vacancies. The Trust's reputation was also reflected in numerous, high-profile national health and social care awards. We were shortlisted for the RCNi Nurse Awards 2020 for our Commitment to Carers, this was great recognition for the work of the school nursing service in continuing to identify and support young carers in a school setting. In the 2020 the Health Service Journal awards we were delighted to be a finalist in the category of Primary Care Networks, GP or Community Provider of the Year. Other examples of our staff's successes include our initiative for Healthcare Assistants to deliver insulin, which resulted in us being a finalist in this year's Health Service Journal Values awards. Our School-Aged Immunisation Service's drive-through immunisation sessions were also nominated for the NHS Parliamentary Awards by two local MPs.

I would like to conclude this statement by joining Linda and add my sincere gratitude for the selfless way our staff have tackled the unprecedented challenges of the last twelve months with such care, empathy and professionalism.

I am inspired by the agility and dedication of my colleagues and also very proud to lead the Trust as the Chief Executive.

2.1.5 Performance summary

Due to the COVID-19 pandemic, there was an impact on national and local expectations of provider performance during 2020/21. As the Trust did not agree formal contracts with local NHS Commissioners in line with NHS restrictions and so does not have confirmed activity plans which are usually used for monitoring activity performance. Therefore, the focus for performance monitoring has been on underlying trends and comparison with the same month/period in 2019/20 (pre-pandemic).

The national expectations for recovering NHS performance were set out in a letter to Chief Executives on 31 July 2020. Based on the requirements in this letter, HCT's service recovery plans focused on:

- Recovering service activity to near-normal levels. As far as possible we sought to deliver 100% of the previous year's monthly activity (face-to-face or virtually) from September 2020 through the remainder of the year (and we aimed for 90% in August)
- Prioritising clinically urgent and vulnerable patients first, with next priority given to the longest waiting patients, specifically those breaching or at risk of breaching 52 weeks waiting by the end of March 2021
- Continuing to deliver enhanced services – especially enhanced support to care homes, prevention of admission, COVID rehabilitation and discharge home to assess and ensuring home visiting care was delivered for patients where this was required
- Ensuring that there was clear communication with patients whose planned care had been disrupted by COVID about how they would be looked after, and who to contact in the event that their clinical circumstances change

HCT has performed well against these national expectations (See Section 2.2.2 Operational Performance). The Board of Directors monitors and reviews performance at each bi-monthly Board meeting via the Performance and Activity Report which provides performance information including operational, quality and workforce performance. There is a separate Finance Report covering financial performance. Strategic risks are captured on the Board

Assurance Framework (BAF) and reviewed by the Board of Directors bi-monthly.

2.1.5.1 Care Quality Commission rating

The Care Quality Commission (CQC) confirmed HCT's overall rating as 'Good' following a core service and well-led inspection of the Trust during February/March 2020.

HCT is required to register with the CQC and its current registration status is 'registered without conditions'. The CQC has not taken enforcement action against HCT during 2020/21, and HCT has not participated in any special review or investigations by the CQC during that time.

2.1.5.2 NHS Oversight Framework

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

Where a provider is triggering a concern and a potential support need is identified, the NHS Improvement Regional team will consider why the trigger has arisen and whether a support need exists. During 2020/21 no concerns were raised by the NHS Improvement Regional Team and no support needs were identified.

2.1.6 Partnership and engagement

2.1.6.1 Response to COVID-19 pandemic

In March 2020 the entire focus of the country, the NHS and Hertfordshire Community NHS Trust changed to respond to the emerging COVID-19 pandemic. This year our partnership working focused on the rapid mobilisation or adapting of services that would provide the care that patients needed whilst supporting the hospitals to not be overwhelmed. Examples include:

- Establishing a 'Virtual Ward' in partnership with East and North Hertfordshire Trust (ENHT), to enable patients to be safely discharged from hospital with continued remote monitoring from home
- Working with Primary Care Networks (PCN) to ensure that our Prevention of Admission (POA) service was available and accessible to accept referrals to treat patients who might otherwise require hospital care
- Working with Herts Urgent Care (HUC) to continue to deliver the minor injuries services at Cheshunt Community Hospital, which has been vital in providing care for patients in a way that avoids emergency department visits and admissions
- Our work into 'Long-COVID' has seen us working with a variety of regional and national stakeholders including NHS England/Improvement (NHSE/I),Hertfordshire Partnership University Foundation NHS Trust (HPFT), ENHT, Princess Alexandra Hospital (PAH), CCG and primary care. We have also taken part in national webinars, media and linked with the Scottish government to advise them
- Working with partners across the East and North Hertfordshire Integrated Care Partnership (ENH ICP) including the Clinical Commissioning Group (CCG), ENHT and

the University of Hertfordshire to access research grants into ‘Long-COVID’. We have also jointly signed up with ENHT to the Humoral Immune Correlates of COVID-19 (HICC) study to ensure our participation in research benefits patients across our system. The Trust now provides a Long COVID service

- Supporting our social care partners by delivering infection prevention and control training to all care homes across East and North Hertfordshire at the start of the COVID-19 pandemic
- At the beginning of wave one of the COVID-19 pandemic, when emerging information was at its peak, we produced new COVID-19 related end of life guidelines that supported both our care and that of care homes. We supported and trained nursing staff to verify expected deaths and have produced COVID-19 related leaflets about what to do when someone dies

While we continued to work with partners to care for patients, the second half of the year also saw us taking the lead in the multidisciplinary partnerships required to establish 17 mass vaccination centres across both the Hertfordshire and West Essex (HWE) Integrated Care System (ICS) and the Bedfordshire Luton Milton Keynes (BLMK) ICS.

We are incredibly proud of the way that we have worked with our partners to respond to the COVID-19 pandemic. We are now looking at ways in which we can build on these new or strengthened partnerships and embed the services we have developed together to provide better outcomes and experiences for our patients.

2.1.6.2 Hertfordshire and West Essex Integrated Care System

Health and care organisations from across Hertfordshire and West Essex (HWE) have been granted new national Integrated Care System (ICS) status with effect from 1 February 2020. This is in recognition of the considerable legacy partnership working to improve the health and wellbeing of the population and extensive Trust work with a wide range of partners across the public, private, and voluntary sector.

ICS status is an important step for the Hertfordshire and West Essex Sustainability and Transformation Partnership (STP). The HWE ICS will have over-arching responsibility for ensuring that the population get the most from the £3.2bn combined health and care budget and that the skills of the area’s 56,000 health and social care workforce are used most effectively.

2.1.6.3 Partnership working within Hertfordshire and West Essex ICS

Much of the work to formally develop the ICS and ICPs was paused or delayed due to the COVID-19 pandemic. However, the partnership working that took place as part of the response means that we are now in a much stronger place to develop these relationships and arrangements going forward.

As well as working closely with other organisations, we now have a number of workforce arrangements in place which are designed to bridge organisational boundaries. These include secondments to senior leadership posts within the East and North Hertfordshire ICP, the West Hertfordshire ICP and the Hertfordshire and West Essex ICS, in addition to a director-level secondment into HCT from ENHT. Senior leaders are also undertaking senior ICS roles chairing ICP forums such as the ENH ICP Clinical and Professional Executive Group, and leading system transformation programmes including the Children and Young People’s Autism Spectrum Disorder (ASD) and Attention Deficit and Hyperactivity Disorder (ADHD) Transformation Programme.

2.1.6.4 Integrated Care Partnerships

Since last year, the Trust and ENHT have been co-leading the development of an Integrated Care Partnership (ICP) for East and North Hertfordshire. We have recently agreed new joint working arrangements to help us further develop the ICP, ensuring that we deliver more effective, joined-up, and high-quality services for the people we serve. The Trust has proactively implemented new integrated care pathways, such as Prevention of Admission, and has set up innovative new services, for example our remote monitoring virtual ward.

Across Hertfordshire the Trust is also leading the health provider development of transformed children's services and leads a number of work streams in West Hertfordshire. Joint committees in common between ENH CCG, Herts Valleys (HV) CCG and West Essex (WE) CCG commenced at the end of January 2021 with the aim of reducing duplication across the CCGs, reducing the burden for Executive Directors across portfolios, and helping to ensure consistency in decision-making.

The focus in the ENH ICP has been on identifying and agreeing a small number of impactful priorities to drive system resilience and provide a clear focus for the partnership. This is in recognition of the difficult 2020/21 winter faced by the health and social care system with the second wave of COVID-19 on top of normal winter pressures and the need to recover services following the first COVID-19 wave.

2.1.6.5 Primary Care Networks

Primary Care Networks (PCNs) are groups of GP practices working closely together to meet the needs of their local populations. They are integral parts of the local system in which we operate, and we are building strategic partnerships with them.

Over the past year, the Trust's emphasis has been on partnership working with the thirteen PCNs and the mobilisation of the new Direct Enhanced Services (DES) GP contract with the fulfilment of the Additional Responsible Roles Scheme (ARRS) to deliver the ambitions of the NHS Long Term Plan. This has led to a number of PCNs utilising our new Community Pharmacy Service as well as commissioning the Trust to provide the Enhanced Health in Care Homes Service (EHCHS) in nine ENH PCNs and their nursing and residential care homes. We have also delivered the Roving COVID-19 vaccination programme for the housebound and Care Home residents on behalf of seven ENH PCNs (see details below). We continue to engage with PCNs regularly, to ensure that our services are aligned and organised to best meet the needs of the patients we collectively serve.

2.1.6.6 Engagement with stakeholders

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

COVID-19 pandemic response

Mass Vaccination Programme

Most significantly the Trust has taken the lead working in partnership to establish 17 mass vaccination centres across both the HWE ICS and the Bedfordshire Luton Milton Keynes (BLMK) ICS. We were able to build on existing relationships with partners, whilst developing new ones and have partnered with a wide variety of stakeholders including the county councils, district councils, voluntary organisations and the private sector. This extraordinary

effort has gained significant national, regional and local media coverage highlighting the flexibility of partnership working across organisations and sectors including the private sector.

Providing the vaccine to housebound people and care home residents

HCT was asked by seven primary care networks in East and North Hertfordshire to vaccinate housebound residents and people living in care homes on their behalf. By March 2021 we had provided a first dose of the vaccine to around 1,100 housebound residents and over 800 residents and staff in 37 care homes. We are now working with these patients and care homes to arrange their second doses. This has been a major undertaking, with our Referral Hub team initially calling over 2,500 identified housebound patients to clarify which of them still required a vaccine and then arranging for our Roving Vaccination team to visit them at home. The success of the roving vaccination initiative can be attributed to a great team effort on the part of the teams working out in the community.

Using Live Transcribe to help communication with our patients

Wearing a facemask can make communication with people more difficult, especially if the other person has hearing difficulties. In response to feedback from service users we have made the Live Transcribe app available on all HCT staff mobile phones. The app provides real-time speech to text transcriptions of conversations, making it easier to communicate with someone who would usually rely on lip reading to help their understanding. Clear face masks are also being used in some services to help communication with our patients.

Adult Services engagement

Despite the challenges presented by the COVID-19 pandemic, teams have completed a significant amount of service improvement and transformation work in order to improve core services for our patients. Within Adults Services examples include:

Frailty

The Trust has been leading work around frailty education across the ICS in conjunction with the Hertfordshire Care Providers Association (HCPA). We have developed frailty training outcomes and identified gaps in training across the system; the Trust has also been working with health liaison nurses at Hertfordshire County Council in the development of a frailty tool for patients with learning disabilities; working with the hospital at home team at Princess Alexandra Hospital to identify patients for early discharge from the hospital who can be safely managed at home and building partnership working with Speech and Language Therapy (SaLT) teams to provide a joined-up approach to the reduction in incidence of aspiration pneumonia and developing guidelines for risk feeding on behalf of the ICS.

Nutrition and Dietetics Service

Our Nutrition and Dietetics Service (NDS) contract was recently extended by commissioners who recognised our partnership arrangements in place to successfully deliver the service with West Hertfordshire Hospital Trust, Hertfordshire Independent Living Services, Luton and Dunstable NHS Foundation Trust and Age UK – Hertfordshire.

Children and Young People's Services engagement

Within Children and Young People's (CYP) Services examples include:

Drive-through HPV immunisation

During the pandemic HCT's School Age Immunisation Service realised that due to school closures, many school children were missing out on important immunisations. Two events were scheduled inviting parents of Year 8 children to bring their children to have their second Human Papillomavirus (HPV) jab, delivered at drive-through venues, including one held at Borehamwood in August 2020. This simple but effective model attracted great interest from local GPs, all the CCGs, Public Health England (PHE) and Hertfordshire County Council (HCC).

Special Care Dental Service

The Trust has been working with HCPA to deliver oral health training; working with partners in managed care networks (MCN) across East of England, recently initiating and chairing new Gerontology MCN Sub group; mentoring nurses in general dental practice who are starting to run nurse led clinics to promote oral health and supporting Hertfordshire County Council to deliver vaccines to patients with learning disabilities, using the opportunity to also carry out dental check-ups.

Child Health Information Services

We worked with educational establishments over both Hertfordshire & West Essex ICS and Bedford, Luton & Milton Keynes ICS to deliver Child Health Information Services.

Community School Age Immunisation Services

We worked with Vaccinations UK and Movianto to release NHS resources for COVID-19 mass vaccinations whilst maintaining a school-age immunisation programme.

Child and Adolescent Mental Health Services

We worked with Hertfordshire Partnership Foundation Trust (HPFT) and voluntary and charity sector organisations to deliver the Child and Adolescent Mental Health Services (CAMHS).

Positive behaviour, Autism, Learning disability, and Mental Health Service

We delivered the Positive behaviour, Autism, Learning disability, and Mental health Service (PALMS) in partnership with HPFT and voluntary community and social enterprise (VCSE).

Public Health Nursing

Hertfordshire Family Centre Services worked collegiately with VCSE providers of Family Support Services across the county.

Engaging with carers

Support for carers

The Trust-wide Carers Quality Priority aimed to increase the identification and support of carers, ensuring they are as involved as they want to be in a person's care. The Quality Priority also aimed to improve the way that the Trust identifies and supports staff who are carers.

Although it has not been possible to fully progress this during the pandemic, over 1,600 unpaid carers were identified by staff and have been signposted for support to Carers in Hertfordshire. Carers of recently discharged patients tell us that they are involved in care and

discharge planning and are aware of the support available to them.

HCT provides information to staff who are carers themselves via the staff bulletin.

HCT will continue to work with partners to support the implementation of a refreshed Herts Wide Carers Strategy in 2021 and will work with staff carers champions to understand how we can build on the progress of this two year quality priority going forward.

Young Carers

HCT was shortlisted for the RCNi Nurse Awards 2020 for our Commitment to Carers. This was great recognition for the work of the school nursing service in continuing to identify and support young carers in a school setting. Over the course of the next 12 months we will work alongside our partners to further develop how we identify and engage with young carers.

2.1.7 The Trust's strategy and developments

2.1.7.1 Strategy

The NHS Long Term Plan is clear that collaboration and cooperation are going to be fundamental to the way the NHS operates going forward. Unlike previous years, organisations are not going to work in silos. Our strategy, which was launched in October 2019, is fully aligned with this ambition and our aspiration is that where improvements can be made, we will work hand-in-hand with our partner organisations to deliver this. These partners will include NHS Trusts, GPs, Primary Care Networks, local government, charity and voluntary sector organisations and patient representative groups.

HCT is an integral part of the health and care system in Hertfordshire. Our strategy sets out our aspiration to provide outstanding care for the people we serve, working in collaboration with system partners to provide the best outcomes and experiences for patients, whilst delivering the best value for the tax paying public.

Everything that we achieve is only possible through the hard work and dedication of our staff and this has been exemplified over the past year in their response to the COVID-19 pandemic.

Our values of Innovative, Caring, and Agile illustrate how we will deliver our vision. Our four strategic objectives identify our key priority areas and enable the Trust to stay focused on the delivery of our priorities in everything that we do. Our strategic objectives, and what they mean for our patients, staff, and partners, are described in further detail below.

Our vision, values and strategic objectives

Our values

Innovative

We seek new ideas and adopt best practice to improve our services

Caring

We act with kindness and consideration for others

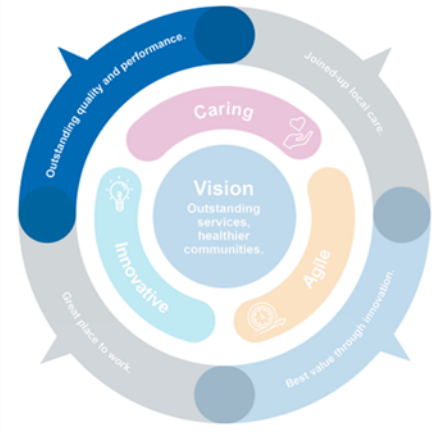
Agile

We deal with new situations quickly and successfully

Strategic objective 1: Outstanding quality and performance

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

Outstanding quality and performance



What does this mean for our patients?

- We will actively involve patients in the development of our services and the care that they receive
- More patients will achieve the outcomes that they set for themselves as a result of the care we provide
- More patients will receive the care they need in their own home or as close to home as possible

What does this mean for our staff?

- Our services will be committed to continuous improvement
- We will encourage and support our staff to make positive changes
- We will proactively seek staff feedback and listen to their ideas

What does this mean for our partners?

- We will work together with partners where that is the right thing to do for our patients and will collaborate to stimulate innovative, integrated delivery of care
- Where services are not being delivered in partnership, we will involve our partners in the development of our services to make sure they are the right thing for patients and for the system
- We will support our partners and the system to address health inequalities
- We will proactively push for improvements in our system

Strategic objective 2: Joined-up local care

By working in partnership with others, we can improve the quality of what we do, provide a better experience for patients and better value for money. We want to work with our partners in the health and care system and develop integrated clinical pathways to improve the care people can receive in the community to support their health and wellbeing and reduce health inequalities.

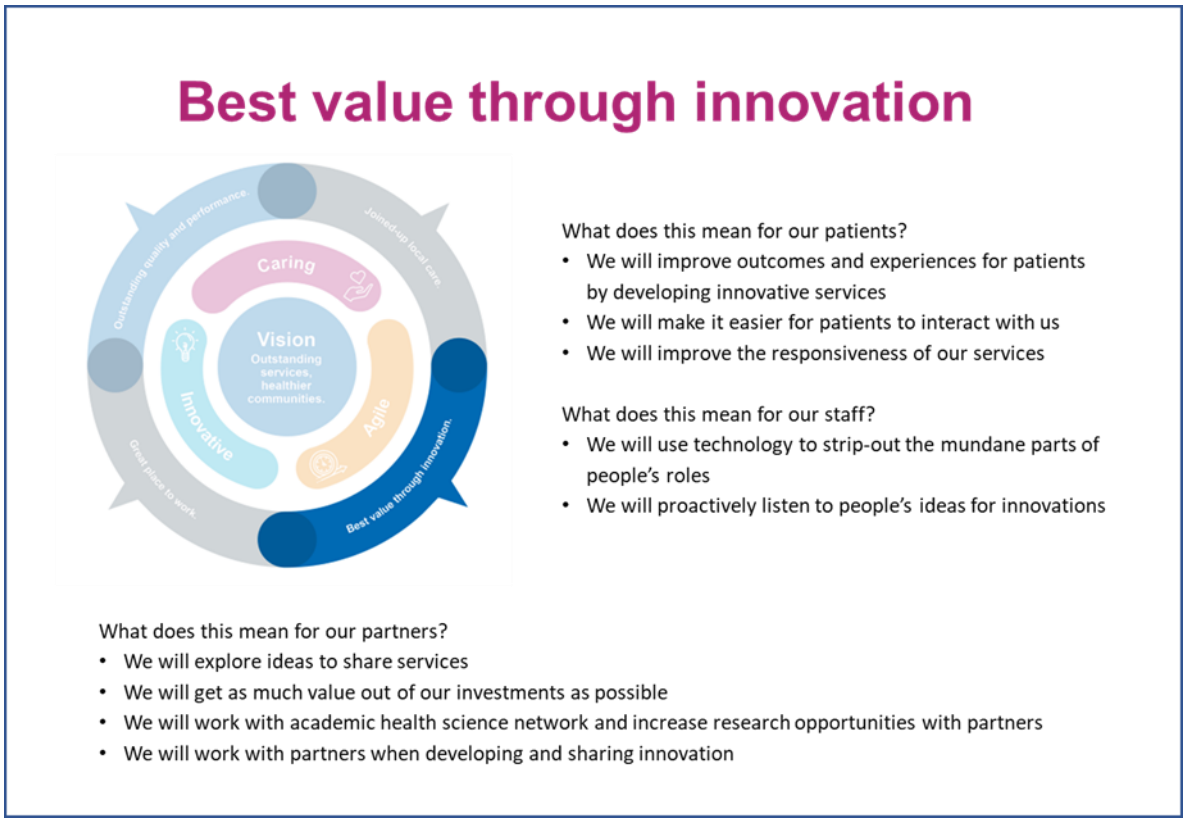
Strategic objective 3: great place to work

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

Strategic objective 4: best value through innovation

We will strive to be known for our innovations as an outstanding provider of clinical services.

Our people will harness modern processes, systems, and technology to support continuous quality improvement, efficiency, and to ensure the best possible value for the public purse with the resources we have.



Taken together, our four strategic objectives will deliver improvements for our patients, the wider local population, our staff and our partners.

Our organisational strategy is supported by several enabling strategies. They contain the detailed tasks and activities that we will take to achieve our corporate strategy and include specific targets and milestones for us to measure our progress by. Progress in reviewing and updating our enabling strategies has been delayed due to the COVID-19 pandemic however it is expected that these will be updated by the end of the calendar year. Our enabling strategies are:

- Clinical Strategy
- People Strategy
- Digital Strategy
- Patient Experience and Engagement Strategy
- Estates Strategy
- Partnership and Growth Strategy
- Finance Strategy

These are underpinned by:

- Risk Management Framework

- Quality Improvement Framework

The NHS Long Term Plan is clear that more needs to be done to address health inequalities within our population. There are a number of different reasons why people might experience inequalities and it is fundamental to our delivery of outstanding quality and performance that we ensure that services are equitable and accessible to all communities and all people. Our Clinical Strategy identifies how we will improve access and reduce health inequalities within Hertfordshire.

2.1.7.2 Strategic developments

In early 2020, during the first wave of the COVID-19 pandemic, our priority was to keep vulnerable people out of hospital, help those who had caught COVID-19 to recover and to maintain vital services for those who still needed their normal care. As the pandemic carried on through 2020 and into 2021, we have maintained this response. HCT has also been at the forefront of the national effort to vaccinate our population.

We have opened 17 mass vaccination sites, including one of the first sites in the country, and worked together with our colleagues in Primary Care to vaccinate care home residents and people who are not able to leave their own homes. Our staff across the organisation have gone above and beyond and we have only been able to provide the necessary care for patients, rapidly step up innovative remote care alternatives and lead the vaccination effort in our region due to their dedication and hard work.

The infographic below details some of the ways in which we have responded to the pandemic:

Service Recovery remains a key priority. The Trust is prioritising those with the most urgent need and those who have been waiting the longest time. The Trust is making progress in reducing waiting lists and the time people wait to be seen by our planned care services. We are very conscious of the impact of long waiting times on our patients and service users and have a clear ambition to improve our waiting time performance as quickly as possible, whilst taking measures to ensure safe service delivery.

The Trust agreed winter and COVID-19 surge plans as part of the ICS and ENH ICP surge and capacity plan, supporting the system response by preventing hospital admissions and supporting discharges, as well as ensuring that essential HCT services continued to be delivered safely.

During the year, the Trust successfully delivered a number of strategic priorities across Adult Services, Children and Young People's (CYP) Services and Corporate Services.

East and North Herts Referral Hub

During the year the scope and role of the East and North Herts Referral Hub has been expanded adding in services including GP and pharmacy support and services in support of the COVID-19 response such as booking of antibody tests, swabbing and vaccinations and remote monitoring in support of the virtual COVID-19 ward.

Adult Services

1. Support into care and nursing homes.

2. Prevention of Admission (POA) and Core Nursing service for patients in their own homes, including the extension of our POA service through the use of remote monitoring.
3. Implementation of electronic prescribing more widely across the Trust.
4. Delivery of an enhanced care home model, working with partners in the system and to ensure that appropriate support was provided for care homes through the period of the pandemic.
5. Increased bed capacity in Queen Victoria Memorial (QVM), Herts and Essex and Danesbury community hospitals.
6. Enhanced Discharge Home to Assess for more patients, including flexing our usual criteria to take patients needing additional clinical support via our Prevention of Admission (POA) service and/or those requiring home care support.
7. Delivery of additional wrap around therapy and POA support to non-COVID intermediate care beds commissioned via East and North Herts Clinical Commissioning Group (ENHCCG) and COVID nursing beds commissioned via Hertfordshire County Council/ ENHCCG.
8. Enhanced Neuro Services for urgent POA and increased support to our Early Supported Discharge pathway for Stroke and Neuro patients.
9. A new dedicated team and COVID-19 Rehabilitation pathway for post-COVID-19 patients went live in August 2020.

Children and Young People's Services

Some children's services were suspended during the early part of the pandemic due to staff redeployment and school closures, however alternative resources were put in place where possible to support children and young people including:

1. Online resources and confidential advice for children and young people including Health4Kids and Health4Teens websites, ChatHealth text messaging service for families from 0-5 years and development support videos for Speech and Language Therapy (SaLT).
2. Virtual and online Health Visiting for new births and vulnerable families, and school nursing advice in collaboration with the Herts Family Centre Service.
3. Enhanced Children and Young People's Community Nursing Service including expanded Children's Observation and Rapid Assessment Service (CORAS).
4. The School-Aged Immunisation Service supported the GP under 5 vaccination programme.
5. Positive behaviour, Autism, Learning disability and Mental health Service (PALMS) and STEP 2 service supported the mental health and emotional health and wellbeing across Hertfordshire.

Corporate developments

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

1. Development of our Business Intelligence reporting capability and data warehouse.
2. Temporary amendments to governance arrangements and Trust Standard Operating Procedures (SOPs) to facilitate an agile and timely response to pandemic pressures

including emergency and decision-making process, Central Alerting System (CAS) Alert and Risk Management processes.

3. Implementing business continuity plans to ensure prioritisation of highest need and continued safe service delivery.
4. Development of a new Risk Management Framework and refresh of the Board Assurance Framework and High Level Risk Register (HLRR) complemented by risk registers to facilitate the management of risks associated specifically with the Trust's pandemic response.
5. Development and launch of the new Target Operating Framework across the organisation, designed to capitalise on the opportunities arising from the initial pandemic response and subsequent service recovery.
6. Development and implementation of a new framework to support the delivery of ongoing Productivity Improvement and Efficiency Schemes (PIES). The new PIES Framework and pipeline is designed to support the development and delivery of a rolling programme of cross-cutting productivity improvements over a number of years to avoid 'salami-slicing' of individual service level budgets.
7. Continued roll-out of Robotic Process Automation within corporate teams.
8. Remote working including digital consultations, underpinned by mobile phone enabled smart applications and online training.
9. Estates improvement to support social distancing and safe working environment for staff and patients in response to the COVID-19 pandemic guidance including the setting up of the mass vaccination centres across Hertfordshire, West Essex, Bedfordshire, Luton and Milton Keynes.
10. Improvements to IT infrastructure including increased cyber security and virtual private network (VPN) capacity to support remote working, plus enhancements to the electronic clinical records system to support the vaccination programme including development and implementation of an initial vaccination booking system.

2.1.8 Key strategic risks and uncertainties

In March 2021, the Trust's Audit Committee approved HCT's Risk Management Framework which sets out how risks are managed within the Trust.

Risks to the achievement of the Trust's strategic objectives are identified by the Executive Team and entered on the Trust's Board Assurance Framework (BAF). The BAF is submitted for review and discussion by the Audit Committee and the Board of Directors. Strategic and high level risks and their implications are considered by each Board Committee and each BAF risk has a lead Committee identified which monitors and seeks assurance with regards to the management and mitigation of the risk.

2.1.8.1 Strategic risks

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

- The impact of the COVID-19 pandemic particularly in relation to i) people's long-term health and demand for services ii) the ability of the Trust to recover service delivery and deliver on the Trust's strategic priorities and iii) the required large scale delivery of the COVID-19 vaccination programme

- The ability of the Trust to sustainably expand the role and contribution of its integrated community services for the benefit of the communities it serves
- The implementation and embedding of digital and technological solutions to support transformation, improvement and efficiency
- The finances/ income of the Trust in relation to the changing commissioning and contracting landscape
- Workforce risks particularly in relation to i) the impacts of the COVID-19 pandemic on staff health and wellbeing, resilience and morale and ii) insufficient supply of workforce with the right skills and values to meet service needs
- Delivery and embedding of quality improvement and clinical outcome measurement to evidence effectiveness and enable improvement from 'Good' to 'Outstanding' service delivery

2.1.8.2 Service changes

Interim contractual and financial arrangements were put in place to cover the period of the COVID-19 pandemic. During this period, service changes and service enhancements have been designed and implemented in collaboration with partners, prioritising the pandemic response.

2.1.9 Going concern

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

The Board of Directors has carefully considered the principle of 'going concern' when approving the Trust's Annual Accounts. The Trust's financial position has remained strong despite the national COVID-19 pandemic. The organisation continues to work as part of the HWE ICS and continues to remain a statutory organisation, with a long term strategy and plan to ensure its future sustainability and positive service delivery model.

Given the above and an overall review of the Trust's future cashflows, its current liabilities and assets and as a non-trading entity in the public sector, there is full expectation that the services provided by the Trust will continue in the future. On that basis, the Board of Directors considers it is appropriate to prepare the 2020/21 Accounts on a going concern basis. The financial statements do not include the adjustments that would result if the Trust were unable to continue as a going concern.

Performance Analysis

2.1.10 Quality performance

Detailed information and analysis on the Trust's performance and objectives in relation to the quality and safety of our services will be contained in our Quality Account for 2020/21 which

is due to be published in June 2021. This will be available on the NHS website and the Trust's own website at https://www.hct.nhs.uk/about-us/our-publications/

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

- Excellent patient outcomes
- An outstanding patient and carer experience
- Improving patient safety through learning

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

2.1.10.1 Responses to internally identified areas for improvement

- The Trust's Care Quality Commission (CQC) Improvement Plan, Quality Assurance Framework, Risk Management Framework and Health and Wellbeing Strategy (plus related policies)
- Publication of an annual Quality Account
- Reports on all aspects of quality improvement and performance submitted to the Trust's Quality Committee and Trust Board (including incidents, serious incidents, learning from deaths and complaints)
- Identification and sharing learning from patient care incidents and complaints with staff through editions of 'Sharing Lessons in Practice'
- Identification and management of quality-related risks, with escalation to the High Level Risk Register for additional oversight and monitoring
- Monthly dip tests and quarterly Quality Wheel completion as part of the Quality Assurance Framework (internal peer reviews to recommence in April 2021)
- Review of the Trust's Well Led Framework
- The performance monitoring of service quality delivered as part of the monthly operational dashboard reviewed by the Trust's People, Performance and Finance Committee
- Internal audit programme informed by the Board Assurance Framework (BAF), risk register and Audit Committee
- Clinical audits informed by national and locally agreed professional standards
- Staff appraisal feedback, Continuing Professional Development, mandatory training and supervision
- Responses to staff concerns raised with the Freedom To Speak Up Guardian
- Responses to patient surveys and questionnaires, including the national 'Friends and Family' Test (FFT) and Always Events
- National NHS survey outcomes
- Patient Led Assessment of the Care Environment (PLACE) (NB PLACE assessments were not undertaken during 2020/21)

- Learning from the review of deaths – all deaths occurring in our community hospitals and some deaths of patients in the community are subject to case record review with oversight by the Learning from Deaths Panel
- Development of quality priorities in line with national and local strategies and which support local population health and wellbeing
- Development of an internal Accreditation Programme, to be implemented from April 2021

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

- Quality key performance indicators agreed in our contracts with commissioners (plus monitoring through regular meetings and quality assurance visits by the commissioners) (NB contracts with commissioners were suspended during 2020/21 due to changes in national funding arrangements in response to the COVID-19 pandemic although regular Quality Review Meetings continued)
- Findings from Care Quality Commission inspections reviews and regular engagement/relationship events
- National and/or local Commissioning for Quality and Innovation (CQUIN) schemes agreed with commissioners (NB national and local CQUINs were suspended during 2020/21)
- Benchmarking of key national targets by NHS Improvement and NHS Digital
- Joint local area Special Educational Needs (SEND) inspection carried out by Ofsted and the Care Quality Commission (Children's Services)
- Review of complaints, incidents and improvements with HCT's CQC Lead Inspector and Relationship Officer
- The Data Protection and Security Toolkit (DSPT) supports the management and reporting to the Information Commissioner's Office (ICO) office of baseline position
- Risk management through the National Reporting and Learning System (NRLS)
- Reporting to the Hertfordshire County Council Health Scrutiny Committee (NB HCC's Health Scrutiny Committee did not meet during 2020/21)
- NHS England national screening programme quality assurance visits
- Section 11 audit of Safeguarding Children services and an annual review to provide assurance of compliance with safeguarding adults best practice carried out by commissioners
- Commissioner-led quality assurance visits (NB commissioner quality assurance visits were suspended during 2020/21)

2.1.10.3 National initiatives, reports, guidance and legality

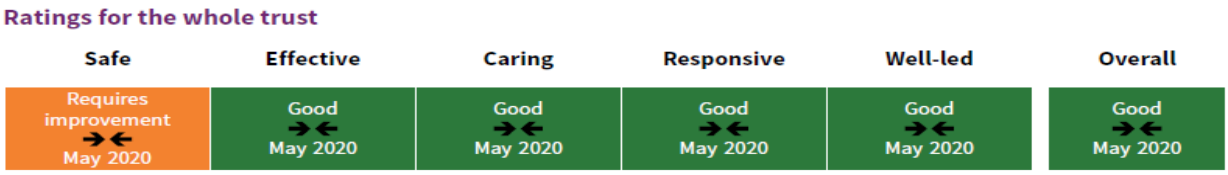
- External, national initiatives such as supporting patient flow, developing sepsis management and reducing health inequalities
- NHS Improvement workforce implementation plan engagement, enabling support for Nursing Associates registration, the First Contact Practitioners (Allied Health

Professionals (AHPs)) pilot and future planning for AHPs

- Care Quality Commission Fundamental Standards of Care
- NHS Elect initiatives including Never Events and collaboratives
- The NHS Outcomes Framework
- National Institute for Health and Care Excellence (NICE) guidance and quality standards
- Public Sector Equality Duty (PSED) and the national NHS Workforce Race Equality Standard (WRES) and NHS Workforce Disability Equality Standard (WDES)
- New legislation, regulations or court judgements
- National Fraud Initiative
- Coroner Inquest reports
- Specialist or themed reports reviewed, and local initiatives aligned including: Promoting professionalism, National Apprenticeship scheme, The NHS Long Term Plan, CQC Beyond Barriers, State of Care, Workforce Implementation Plan
- Local initiatives, including working with the University of Hertfordshire to support increased uptake of nursing students and the development of new programmes, including nursing associates

2.1.10.4 Care Quality Commission

HCT's overall CQC rating was confirmed as 'Good' following a CQC core service and well-led inspection of the Trust carried out during February/March 2020.



Ratings for community health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Community health services for adults	Requires improvement ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019
Community health services for children and young people	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016
Community health inpatient services	Requires improvement ➔➔ May 2020	Good ➔➔ May 2020	Good ➔➔ May 2020	Requires improvement ➔ May 2020	Requires improvement ➔➔ May 2020	Requires improvement ➔➔ May 2020
Community end of life care	Good ➔➔ Jan 2019	Requires improvement ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019	Good ➔➔ Jan 2019
Community dental services	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Outstanding ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016	Good ➔➔ Oct 2016

*Overall ratings for community health services are from combining ratings for services. Our decisions on overall ratings take into account the relative size of services. We use our professional judgement to reach fair and balanced ratings.

CQC Improvement Plan

Following the CQC's core service and well-led inspection of the Trust, undertaken at the beginning of 2020, we developed a Trust-wide Improvement Plan detailing 43 'Must Do', 'Should Do' and 'Additional' actions identified from the CQC's Inspection Summary Report and Evidence Appendix. We have completed 38 of these improvement actions and have gathered evidence of completion to ensure that these improvements continue. We have five actions in progress relating to improving medicines management and pharmacy support in community inpatient hospitals, reviewing and revising some of our key strategies and reviewing the care plans we use in our community inpatient units to ensure they are user-friendly and individualised.

During 2020/21 we have:

- Developed and approved a business case for electronic prescribing which will reduce medication errors and omissions. Electronic prescribing will be implemented in the first pilot ward in July 2021, followed by the rollout to the Trust's inpatient units, community and domiciliary services by May 2022.
- Made it easier for clinical staff to record their supervision sessions electronically on My Learning Zone, with 47% of clinical staff now having recorded their supervision electronically compared to 25% at the time of inspection. This has provided senior managers with greater assurance around clinical supervision
- Implemented call bell audits in our community inpatient hospitals to check they are answered quickly during day and night shifts, so protecting privacy and dignity for patients
- Revised the pain control sheets used in our community inpatient hospitals to make it easier to monitor patients' pain levels both before and after receiving analgesic medication to ensure that pain levels are well-controlled
- Arranged for staff in our community inpatient hospitals to easily access acute hospital laboratory test results so that patient treatment plans can be put in place more quickly

CQC monitoring activity

During the year the CQC has changed the way it monitors healthcare provider organisations, partly in response to the COVID-19 pandemic, and also as the CQC moves towards a more risk-based assessment approach to ensure patients continue to receive safe, effective healthcare from NHS and other provider organisations.

We have continued to liaise closely with our CQC Lead Inspector and Relationship Officer as these new monitoring methods have been rolled out, and we have participated in the following monitoring activities:

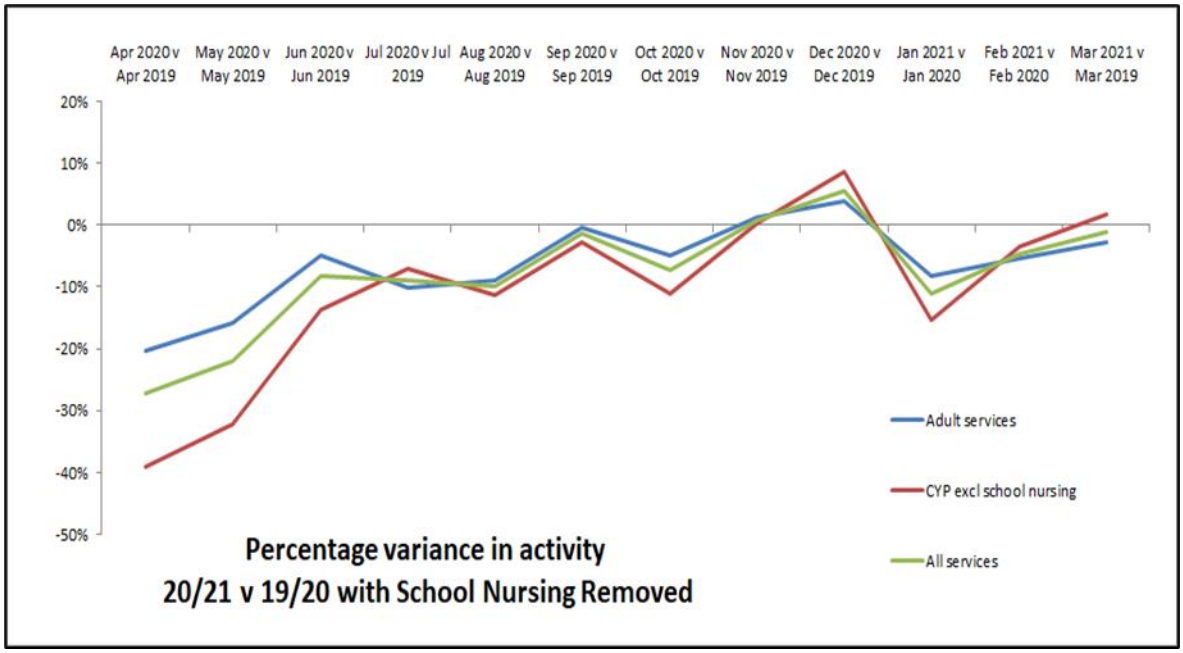
- Quarterly relationship meetings
- COVID-19 Emergency Support Framework Engagement and Support Call regarding the prison healthcare service at HMP The Mount (July 2020)
- Infection Prevention and Control Assessment Engagement call (August 2020)
- Transitional Monitoring Approach assessment call (January 2021)
- Vaccination Monitoring Activity call (March 2021)

2.1.11 Operational performance

2.1.11.1 Activity

Operational performance during 2020/21 has been significantly impacted by the COVID-19 pandemic. At the start of the pandemic in March 2020, in line with national guidance, we suspended many of our usual Adult and Children and Young People's Services, enhancing others to ensure patients with the highest level of need continued to receive the required care and support. As we came out of the first wave of COVID-19, service recovery became a key area of work, prioritising patients with the most urgent need and those who had been waiting the longest time.

Throughout Quarter 3 our service levels returned to near-normal levels of community health service delivery when compared to the previous year. In January and February 2021 activity dipped due to the COVID-19 peak at that point. However, we successfully limited the impact of the Quarter 4 COVID surge on our service delivery with a much smaller loss of service activity than in the first COVID-19 wave (see graph below). Our Children and Young People's Services, and particularly School Nursing, were negatively impacted by school closures which meant that our School Nursing team was unable to complete school health assessments for reception children as planned during early 2021. The graph below therefore shows activity variance without the inclusion of the School Nursing service.



The table below provides overall activity figures for our services, compared to previous years. There are two particularly significant drivers of the changing profile of activity shown:

- In October 2019, the provision of most adult community services within west Hertfordshire (Herts Valleys) transferred to a new provider. There was a half year effect from this transfer in 2019/20, with the full year effect in 2020/21.
- The impact of the COVID-19 pandemic in 2020/21, as explained above, resulted in a reduction in activity in some services to enable focus on delivery of the COVID-19 response. In addition, there was a shift from face-to-face contacts to non-face-to-face contacts via telephone or video to reduce infection risks.

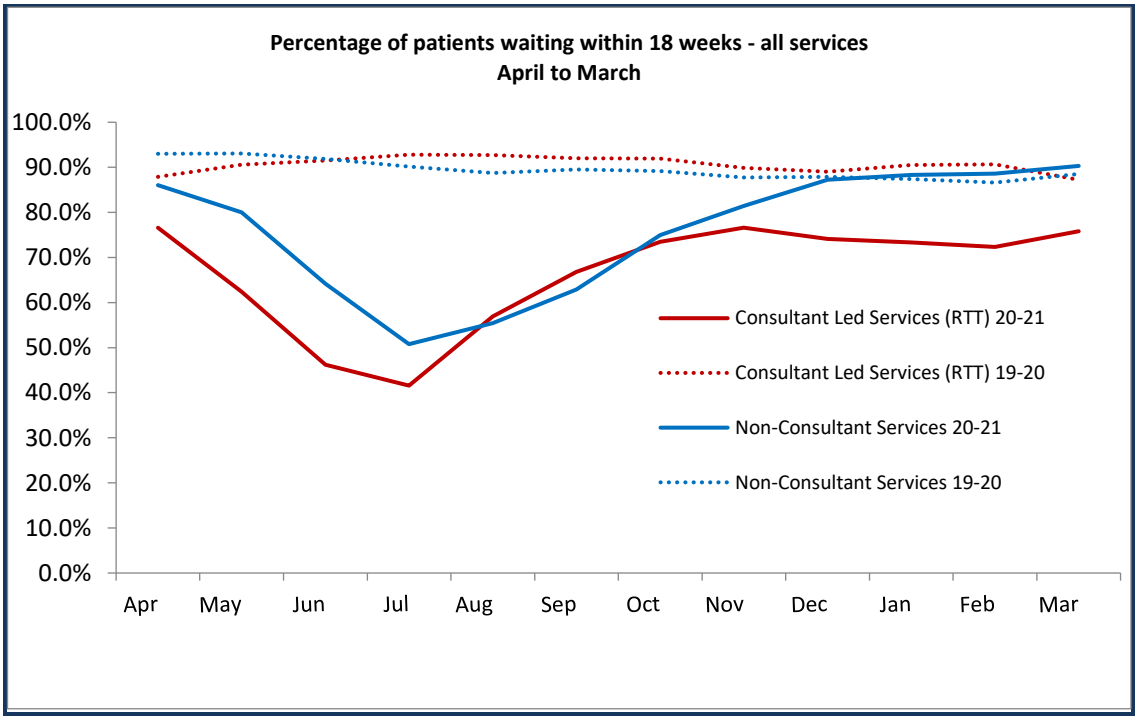
Patient Activity Figures	2017/18	2018/19	2019/20	2020/21	
Total face to face contacts	1,598,304	1,507,585	1,251,216	676,358	↓
Total non-face to face contacts	180,584	187,452	172,725	383,574	↑
Total contacts	1,778,888	1,695,037	1,423,941	1,059,932	↓
Total referrals received	391,724	368,317	336,239	246,310	↓
Occupied bed days	66,174	62,307	44,097	24,341	↓
Minor injuries attendances	10,839	11,718	12,206	8,314	↓
Total admissions	2,193	2,212	1,376	922	↓

2.1.11.2 National and regional performance targets

Waiting Times

As activity levels recovered, from July we also made progress in reducing waiting lists and the length of time people waited. We are very conscious of the impact of long waiting times on our patients and had a clear ambition to improve our waiting time performance as quickly as possible, whilst flexing resources to deliver essential services during the second COVID-19 surge. We have continued to communicate with patients and service users to give realistic timeframes for appointments, ensuring that they knew that we continued to deliver services and encouraging people to attend.

At the end of March 2021, the number of patients waiting within 18 weeks for non-Consultant led services with an 18-week target improved to 90%, which exceeded last year's performance by 2%. However, performance in Consultant-led Referral to Treatment (RTT) services remained below target (the target is 92% of open waits should be less than 18 weeks) with 76% recorded in March. As at the end of March 2021, there were 34 patients (none from Consultant led services) waiting over 52 weeks. As seen in the graph below, we have successfully minimised the impact of the Quarter 4 COVID-19 peak on waiting times' performance.



Key performance areas

Although Trust performance was clearly compromised by the pandemic in 2020/21, the Trust continued to perform strongly in many key performance areas including those shown below:

Key Performance Indicators	Targets/Thresholds	Performance 20/21
Minor Injuries Unit patients seen within 4 hours	95%	99.6%
Venous thromboembolism assessments	100%	100%

Patient waiting within 18 weeks: Consultant-led services	92%	76%
Patient waiting within 18 weeks: non-Consultant led services	92%	90%
Percentage of children in reception year who have received vision and audiology screening (subject to school participation)	90%	98.8%
Mixed sex accommodation breaches	0	0
Avoidable MRSA bacteraemia	0	0
C. difficile infections	2	0
School aged immunization coverage rates for flu	75%	75%

2.1.12 Financial performance

This section is a summary and overview only. Further details of the Trust's financial position for the financial year 2020/21 can be seen in the financial statements and notes to the accounts in the Annual Accounts section of this Report which begins on page 99.

2.1.12.1 Financial reporting

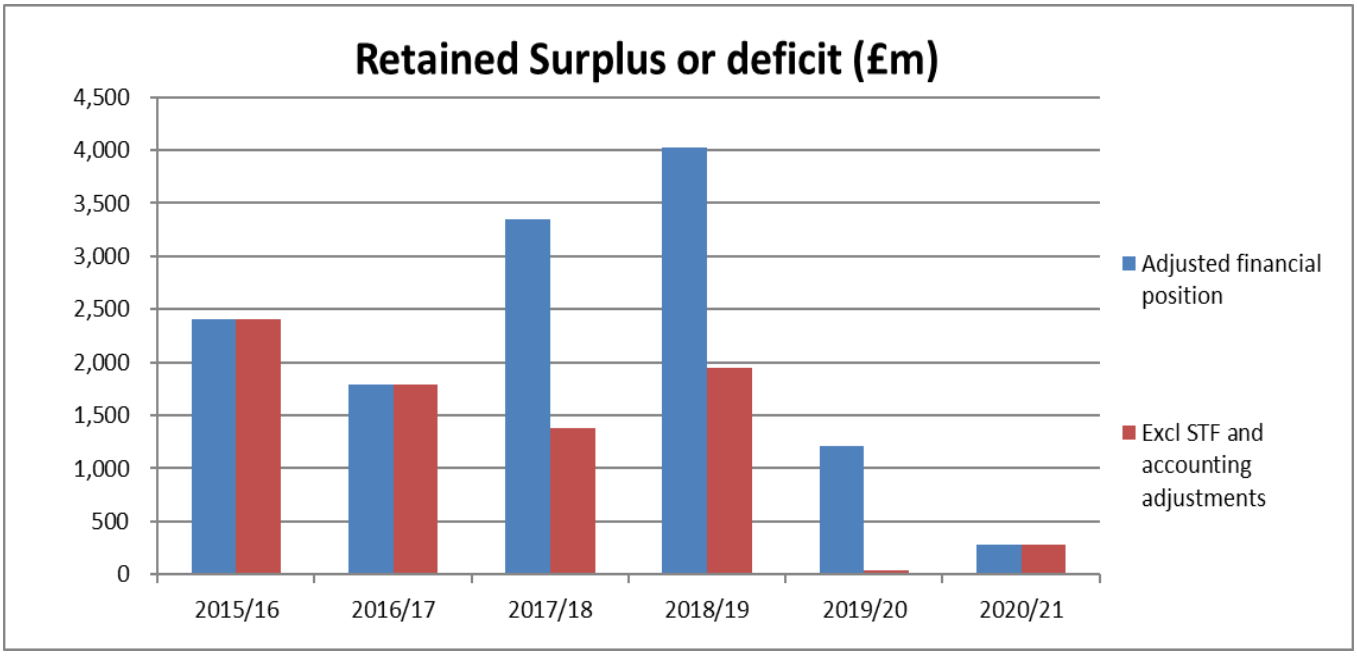
The Trust reports under the National Health Service Act 2006-chapter 41 schedule 15: Preparation of Annual Accounts.

2.1.12.2 Sources of finance

The Trust's funding comes from contracts with commissioners to provide health services. The Trust has operated with a majority of funding being on a block basis for its services, i.e. the Trust is paid a fixed sum of money to deliver a range of services with an indicative level of activity. During 2020/21, in response to the COVID-19 pandemic, the NHS introduced emergency funding arrangements for all Providers within the NHS in response based on historical expenditure and supplemented for identified additional costs associated with responding to the COVID-19 pandemic. This funding has formed the majority of the Trusts income during 2020/21 with only a small number of services receiving income via cost per case funding arrangements.

2.1.12.3 Summary of financial performance

The Trust is reporting an adjusted retained surplus for the current year of £0.284m for the 2020/21 financial year which was an improvement on a planned deficit of £0.800m. The improvement on the performance compared to plan is due to the achievement of additional savings and central funding received from NHS Improvement/England covering increased COVID-19 related costs and funding to mitigate against lost income from third parties not operating during the pandemic.



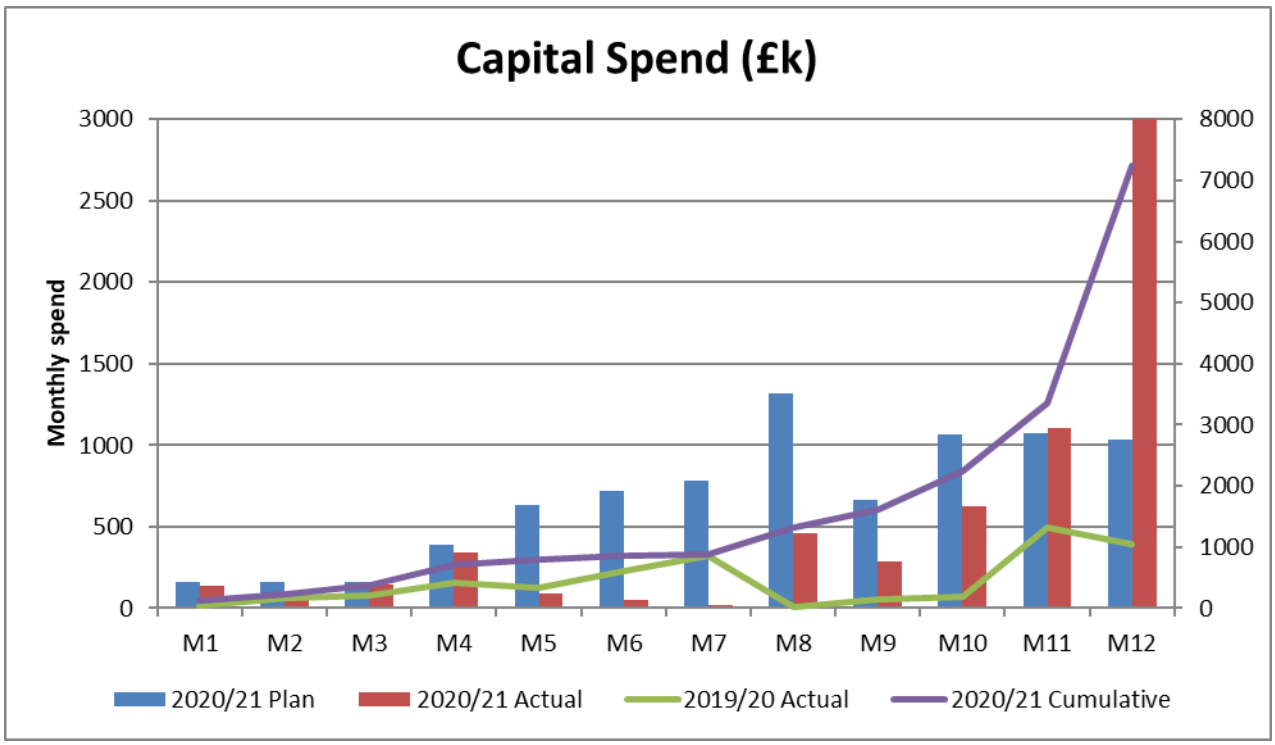
A comparison of planned and actual performance is shown in the table below:

Statement of Comprehensive Income	2019/20 Accounts £000s	2020/21 financial performance		
		Plan £000s	Actual £000s	Variance £000s
Gross Employee Benefits	(95,384)	(86,521)	(91,430)	(4,909)
Other Operating Costs	(31,441)	(27,923)	(38,621)	(10,698)
Revenue from Patient Care Activities	124,393	99,760	106,616	6,856
Other Operating Revenue	4,158	14,601	24,095	9,494
OPERATING SURPLUS/(DEFICIT)	1,725	(83)	660	743
Investment Revenue	135	4	4	0
Other Gains and (Losses)	0	10	10	0
Finance Costs (including interest on PFIs/Finance Leases/DH Financing/PDC Commitment Fee)	(38)	0	0	0
SURPLUS/(DEFICIT) FOR THE PERIOD	1,822	(69)	674	743
Dividends Payable on Public Dividend Capital (PDC)	(1,097)	(809)	(468)	341
Net gains/ (loss) on transfers by absorption	(22,461)	0	0	0
RETAINED SURPLUS/(DEFICIT) FOR THE PERIOD	(21,736)	(878)	206	1,084
Adjust (gains)/losses on transfers by absorption	22,461	0	0	0
Add back all I&E impairments/(reversals)	1,074	0	0	0
Remove capital donations/grants I&E impact	76	78	78	0
Retain impact of DEL I&E (impairments)/reversals	(174)	0	0	0
Remove impact of prior year PSF post accounts reallocation	(488)			0
Adjusted financial performance surplus/(deficit) including PSF as per accounts	1,213	(800)	284	1,084
Control total including PSF, FRF and MRET funding	1,174	0	0	0
Performance against control total including PSF, FRF and MRET funding	39	(800)	284	1,084

2.1.12.4 Capital investment

During the year, we invested £7.242m in capital schemes. To supplement the core funding

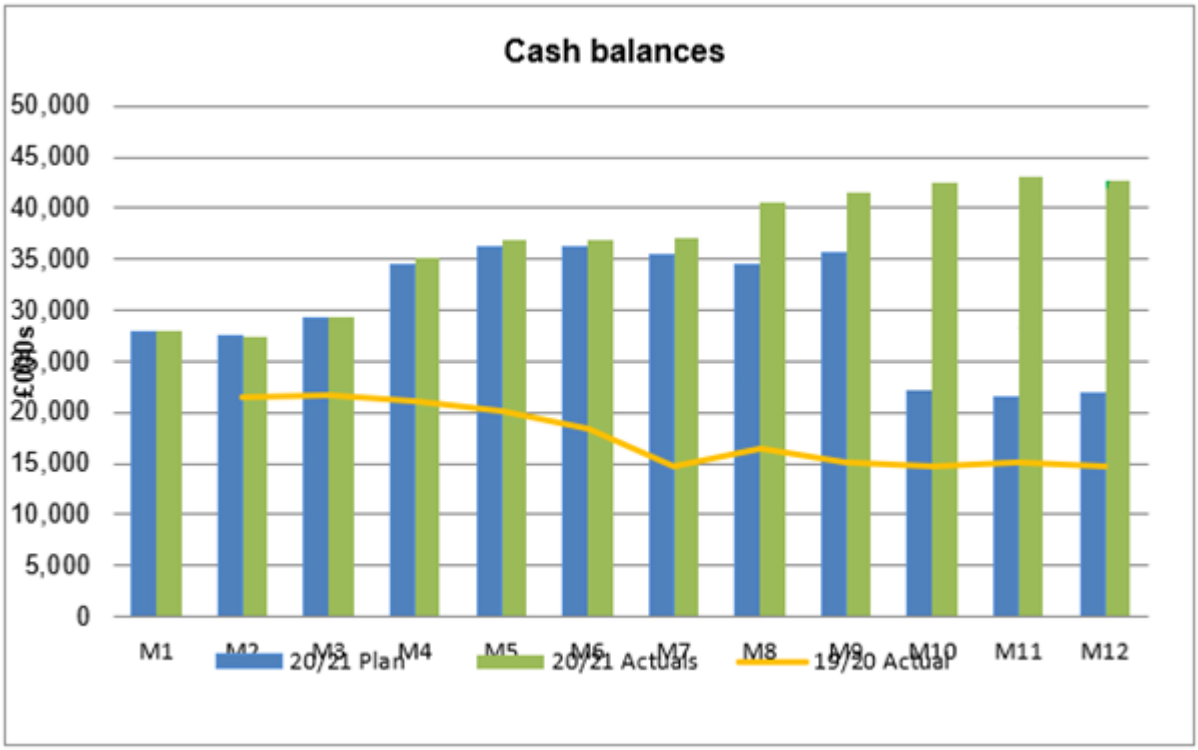
available the Trust applied for and was given approval to spend £2.457m of its cash reserves in 2020/21. This has enabled us to invest in various schemes to improve the facilities within the Trust, to enable it to improve its service quality and reach patients remotely during the COVID-19 pandemic. Each year the Trust is set a maximum limit on the level of capital it can spend (known as the Capital Resource Limit). The Trust underspent on the CRL by £0.02m which represents 0.29% of the overall limit. This is an improvement on the previous year's performance of 0.55% (£0.112m) underspend against CRL.



2.1.12.5 Cash

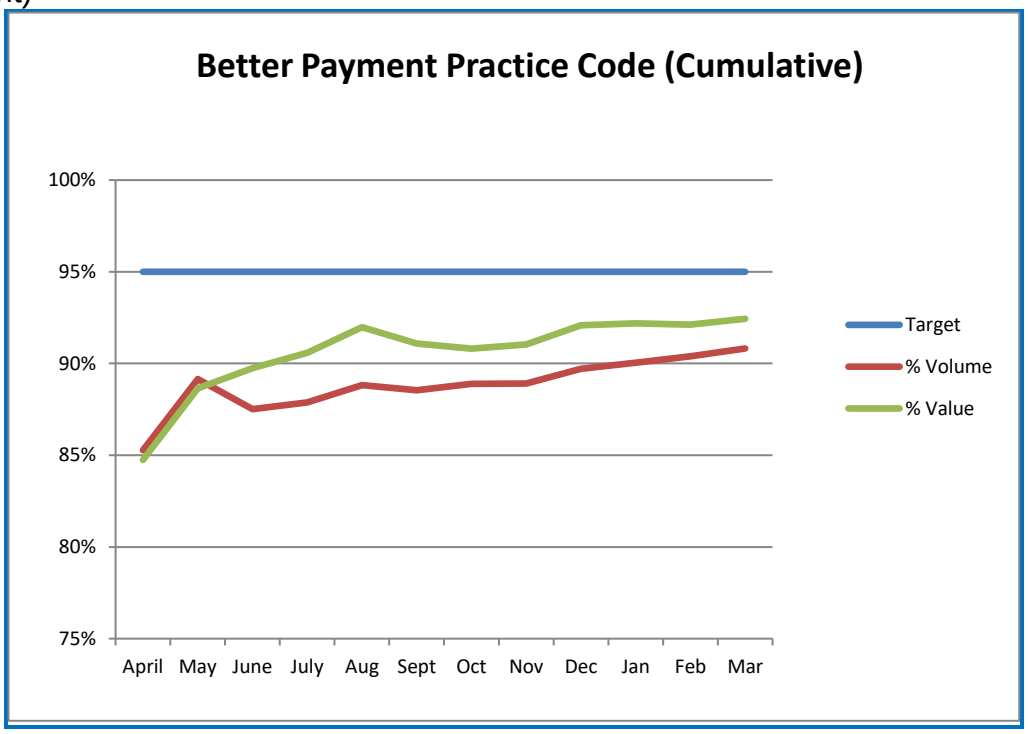
NHS Trusts are required to manage cash within their notified External Financing Limit (EFL). This limit is set by the Department of Health and Social Care and determines how much cash a Trust may spend beyond the income generated by its normal day to day operations. It is a breach of financial duty to overspend against the EFL. In 2020/21 the Trust underspent on its EFL. Contributing factors being the settlement of outstanding debts, early agreement of NHS balances with other NHS providers and deferral of income due to services not being provided during the COVID-19 pandemic which will be provided in 2020-21.

At the end of the financial year the Trust had a cash balance of £42.601m, which is an increase on the prior year balance £14.685m. This increase is primarily due to the recovery/settlement of debts brought forward from 2019/20 and a reduced level of outstanding debt balances at the end of March 2021 as a result of the current emergency financial arrangements operating within the NHS.



2.1.12.6 Better Payments Practice Code

The Trust is required to comply with the Better Practice Payment Code (BPPC). The Code requires organisations to pay 95 per cent of suppliers within 30 days of receiving a valid invoice. The cumulative position, illustrated below, shows that we under achieved the target by volume by 3.7 per cent which is similar to the previous years underachieved of 3.4 per cent) and under achieved the target by value by 3.0 per cent (2019/20 – under achieved by 1.9 per cent)



2.1.13 Sustainability

2.1.13.1 Background

Climate change is a major threat to humanity. Without a global consensus to reduce greenhouse gas emissions, the climate will change - leading to catastrophic, unimaginable consequences for societies across the world. In recognition of the risks to the United Kingdom and other countries, the UK became the first major economy to implement a legally binding net zero target in 2019.

The NHS embarked on a process to identify the most credible, ambitious date that the health service could reach net-zero emissions. This work comprised an international call for evidence, with nearly 600 submissions provided in support of further commitments on climate change; a robust analytical process described throughout this report; and the guidance of a newly formed NHS Net Zero Expert Panel.

Two clear and feasible targets emerged for the NHS net zero commitment, based on the scale of the challenge posed by climate change, current knowledge, and the interventions and assumptions that underpin this analysis:

- for the emissions we control directly (the NHS Carbon Footprint), net-zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032
- for the emissions we can influence (our NHS Carbon Footprint Plus), net-zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039

(Delivering a 'Net-Zero' National Health Service, NHSE)

Hertfordshire Community NHS Trust is dedicated to being a sustainable healthcare provider that demonstrates social value and acts responsibly to minimise our impact on the environment and reduce our carbon footprint in line with national targets and legislative framework.

The Trust will take a number of early steps to start the journey towards decarbonisation:

- Baseline Carbon Footprint Assessment – a carbon footprint is the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular individual, organisation, or community. We are currently undertaking a carbon footprint assessment in order to establish a baseline figure (CO2e) that will be used as a benchmark to measure progress towards decarbonisation
- Electric Vehicle Car Charging Points - a charging station, also called electric vehicle charging station, is a machine that supplies electric energy to charge plug-in electric vehicles. We are carrying out electrical surveys at our sites with the ambition to install EV charging points across our premises
- LED Lighting - LED lights use very little energy, claim to last a very long time and, unlike regular energy-saving bulbs, they are instantly bright when switched on. We are looking at the feasibility of installing LED lighting across the organisation
- Solar Panels - solar panels (also known as 'PV panels') are used to convert light from the sun, into electricity that can be used to power electrical loads. The Trust is currently assessing the suitability of building orientation and roof type for the potential installation of solar panels
- Air Source Heat Pumps - An air source heat pump is usually placed outdoors at the side or back of a property. It takes heat from the air and boosts it to a higher temperature using a heat pump. The pump needs electricity to run, but it should use

less electrical energy than the heat it produces. The Trust is exploring the opportunity for installing air sourced heat pumps across the organisation.

2.1.13.2 Policies

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

2.1.13.3 Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate sustainably. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms. HCT currently has strategic sustainability partnerships with:

- Herts Valleys CCG
- East and North Herts CCG
- East and North Hertfordshire NHS Trust
- Hertfordshire Partnership University Foundation Trust
- Hertfordshire County Council
- West Hertfordshire Hospitals NHS Trust
- Primary Care Networks
- Imtech Inviron Ltd
- Breathe Energy Ltd
- Veolia
- Stericycle UK (SRCL)
- Hertfordshire Independent Living Service (HILS)
- Institute of Healthcare Engineering and Estate Management (IHEEM)
- Health Estates and Facilities Management Association (HEFMA)

2.1.13.4 Performance

There has been a shift from face to face to a virtual delivery model in light of the COVID-19 pandemic and the Trust has seen a reduction in travel mileage claimed by staff as a result with an associated financial saving £732k against normal budgeted expenditure, with almost half this balance being expected to be sustained in future years. A further impact on estates requirement is expected due changes in the model of care delivery plus a mixed model of face to face and virtual working for our corporate teams.

Organisation

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

	2018/19	2020/21
Total Gross Internal Floor Space	34,009 m^2	22,173
Total Number Staff Employed	2,750	2156

The reduction in floor space is driven by transfer and sale of properties in the period between October 2019 and March 2021. This includes property in relation to the transfer of Herts Valleys Adult Community Services to Central London Community Healthcare NHS Trust, the transfer of Gossoms End Clinic to NHS Property Services and the sale of Grove Hill Clinic. The above figures also take account of the upcoming sale of Nascot Lawn.

Energy performance

Aggregated Electrical Energy Consumption

The table below depicts the savings for 2020-2021:

Aggregated Electrical Energy Consumption 2020-2021 Savings	
2019-2020	1,745,441
2020-2021	945,823
Variance kWh	-799,617
Variance %	-45.81%

HCT's top consuming sites are:

- Queen Victoria Memorial Hospital
- Danesbury Neurological Centre

Aggregated Gas Energy Consumption

The table below depicts the savings for 2020-2021:

Aggregated Gas Energy Consumption 2020-2021 Savings	
2019-2020	4,551,708
2020-2021	3,034,664
Variance kWh	-1,517,044
Variance %	-33.33%

HCT's top consuming sites are:

- Queen Victoria Memorial Hospital
- Danesbury Neurological Centre

Aggregated Water Consumption

In 2020/21 the Trust consumed 7451.46m3 of water, a reduction of 849.28m3 - which is 893kg of CO_2 saved assuming 100% RTS (Return to Sewer). The installation of automatic meter reading (AMR) along with detailed benchmarking analysis has helped to identify significant overconsumption at various meters, which has subsequently been resolved - delivering reductions and cost avoidance savings, as well as maintenance of installed water efficiency equipment.

	2019 - 2020	2020 - 2021	Variance
Water Consumption (m3)	8300.74m3	7451.46m3	-849.28m3
CO_2 saved	8,731 kg	7,838kg	-893kg

Non –Clinical Waste

As an organisation the Trust has a commitment to divert waste from landfill. In the year 2020/2021 the Trust diverted 100% of this waste stream from landfill, of which 43% was recycled. Below is a table detailing the total weight diverted in comparison to 2019/2020 and the CO_2 saved. The reduction of waste generated is the result of a reduction in the Trust's estate and service activity due to the COVID-19 pandemic.

	2019 - 2020	2020 - 2021	Variance
Domestic Waste Generated (kg)	123,586	116,227	-7,359
	2019 - 2020	2020 - 2021	Variance
CO_2 Saved (kg)	900.00	690.00	210.00

Clinical Waste

Clinical waste disposal has become an issue across the NHS due to the increase in waste being produced during the COVID-19 pandemic. Volumes of infectious waste generated in the NHS have risen from 220 tonnes per day pre-COVID-19 to 660 tonnes per day in the current climate. This unprecedented increase has resulted in disposal suppliers struggling to meet the demand in collecting and processing the waste.

Although the Trust has seen an increase in waste generated in the inpatient areas, the reduction in service operation across the wider organisation due to COVID-19 and the reduction of the inpatient portfolio have led to a reduction in clinical waste by 21 tonnes.

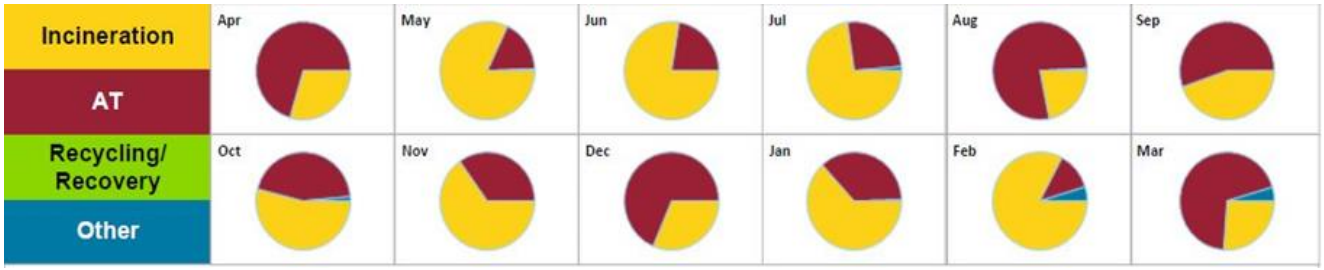
Collected Tonnes

Current Period: Apr 2020 to Mar 2021 Previous Period: Apr 2019 to Mar 2020

Waste Collected (Tonnes)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Apr 2019 - Mar 2020 Collected Tonnes	9.98	9.65	8.62	9.23	7.71	8.68	6.76	6.11	4.46	6.33	6.03	6.62	90.16
Apr 2020 - Mar 2021 Collected Tonnes	5.44	5.04	4.96	5.05	6.18	6.37	4.88	5.42	6.97	6.09	5.82	7.04	69.27

The tables below show our disposal metrics in terms of CO_2 and energy from waste (EfW) through incineration:

Minumum Disposal Mode Metrics	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Apr 2020 - Mar 2021 Transport Co2 Tonnes	0.47	0.40	0.48	0.47	0.36	0.41	0.26	0.50	0.38	0.50	0.37	0.83	5.44
Apr 2020 - Mar 2021 Disposal Co2 Tonnes Including 35% Reduction Through Incineration to Steam EfW	0.53	0.46	0.47	0.48	0.58	0.61	0.44	0.49	0.61	0.58	0.49	0.65	6.39
Apr 2019 - Mar 2020 Incin. Only Waste %	11.74 %	11.15 %	13.64 %	13.34 %	19.55 %	14.18 %	14.70 %	14.88 %	28.89 %	11.06 %	26.29 %	15.83 %	15.43 %
Apr 2020 - Mar 2021 Incin. Only Waste %	21.56 %	21.36 %	23.69 %	24.36 %	24.36 %	19.31 %	20.36 %	16.78 %	18.47 %	11.50 %	27.25 %	14.89 %	20.09 %
Incineration Tonnes	1.61	4.13	3.85	3.67	1.35	2.84	2.64	3.53	2.19	3.85	4.81	1.84	36.31
AT Tonnes	3.83	0.88	1.11	1.31	4.79	3.53	2.17	1.89	4.78	2.22	0.73	4.88	32.11
Recycling/Recovery Tonnes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.02
Other Tonnes	0.00	0.03	0.01	0.07	0.04	0.00	0.07	0.00	0.00	0.00	0.27	0.32	0.82



Social Value

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

Adaptation

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

- Heatwave Plan
- Cold Weather Plan

2.1.14 Equality, diversity and human rights

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

In addition, in line with our ‘great place to work’ strategic objective, we aspire to be a Trust

that celebrates difference and to create a culture of inclusion, valuing the unique contribution of all our staff. We were pleased to be the highest-scoring Community Trust on the theme of Equality, Diversion and Inclusion in the national NHS Staff Survey 2020.

2.2.5.1 Our achievements in 2020/21

Evaluating and Reporting on our Equality Performance

Workforce Race Equality Standard (WRES)

The national NHS Workforce Race Equality Standard (WRES) is designed to improve the representation and experience of Black Asian and Minority Ethnic (BAME) staff at all levels of the organisation. There are a total of nine indicators that make up the WRES, split across workforce data and national NHS Staff Survey results. Our data for the year showed an improvement against seven of these measures. These results were reviewed by the Trust Board and a plan was put in place to address areas of concern. We saw some significant further improvements in the 2020 NHS Staff Survey, including a substantial rise in the proportion of Black and Asian staff believing that the Trust provides equal opportunities for career progression, increasing from 73.5% in 2019 to an above-average 80.2% in 2020.

Workforce Disability Equality Standard (WDES)

The Workforce Disability Equality Standard (WDES) report is a set of ten metrics that enables NHS organisations to compare the experiences of disabled and non-disabled staff. The Trust's WDES report (produced in August 2020) showed a mixed picture, with a range of indicators requiring further action. This information was reviewed by the Trust Board and used to develop an action plan. Although the 2020/21 WDES report will not be produced until summer 2021, the 2020 Annual Staff Survey results showed improvements in six of the nine WDES staff survey related measures.

Gender Pay Gap Report

As an employer with over 250 staff we are required by law to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. However, this requirement was deferred during the pandemic and the 2020/21 report is not now due until the summer of 2021.

In March 2020, our Trust mean gender pay gap (the difference between men's and women's average hourly pay) was 11.1 per cent, an improvement of 1.1 per cent since the previous year and better than the national average of 16.2 per cent. Our median gender pay gap was 1.45 per cent, improved by 0.75 per cent since last year, comparing very well with the 17.3 per cent national average.

Meeting the Needs of our Patients and Service Users

Patient Engagement and Experience Strategy 2021-2024

During the year we developed our new Patient Engagement and Experience Strategy. This references how we intend to work with different equality groups in future, to enable discussion about our patients' diverse needs and demonstrate the improvements and changes we have made as a result of patient feedback.

Religious beliefs

Our Care Plans recognise the diverse needs of the patient/carer and include all aspects of an

individual's life where support might be required, for example, psychological, physical and spiritual or religious. Multidisciplinary team meetings are used to discuss a patient's preferences and ensure that everyone likely to care for that person has knowledge of the spiritual and/or religious issues important to them. Through our engagement with Herts Interfaith Group, Cultural Cards are now available on our wards. These aim to raise awareness of the diverse cultures and communities of the county to assist with service planning and delivery of personalised care.

Interpreting support for patients

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

Support for people with learning disabilities and autism

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

- We have created a learning disability and autism strategy group focusing on areas indicated within the national document, 'Learning Disability Improvement standards for NHS Trusts'. We identified Board leads and started a refresh of our learning disability improvement plan, led by our Clinical Director for Dentistry
- We are a key partner in the county-wide Purple Star strategy, which promotes equitable health care for people with learning disabilities by using the Purple Folder; appointing Learning Disability Champions; working with the Council's learning disability team and providing accessible information. We commenced work on a flagging system to identify individuals who need reasonable adjustments and we are an early adopter of this initiative which will become a national standard
- We are committed to ensuring all our staff have excellent training on meeting the needs of the learning disability and autistic communities and work directly with the HCC health liaison team to provide experiential training for staff
- We have developed a resource pack which includes information on how patients and staff can access specialist advice from HCC's Learning Disability Team. We commenced work on a staff resource area on the Trust's staff intranet which will contain access to easy read documents and social stories
- Easy-read Friends and Family Test comment cards are available for use by all the Trust's services to enable patients with learning disabilities to provide feedback about the care they have received
- We are working closely with partners to improve key pathways such as transitioning, bladder and bowel and therapies. We are committed to improving estates to promote patient experience for the learning disability and autistic community and are installing a sensory waiting area at the new special care dental clinic at Cheshunt hospital
- We are proud to have been awarded a purple star accreditation for our vaccination

Centre at Robertson house. The vaccination team has worked hard to ensure that we have all reasonable adjustments in place meaning individuals have the support they need. We were also involved with filming a video that was promoted nationally to encourage the learning disability community to have their vaccine

Rainbow Badges

In 2019, we signed up to the NHS Rainbow Badge scheme, which provides a visible confirmation that the Trust is a non-judgmental and inclusive place for the LGBTQI+ community (those identifying as lesbian, gay, bisexual, transgender or other gender/ sexual orientation), through staff wearing a rainbow badge.

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

Equality Analysis

The Trust continues to analyse the effect of any policy, service or function on staff or patients from the nine protected characteristics. Our equality analysis process allows us to establish whether there is a negative or positive effect or impact on a particular protected group and take action to remedy any adverse impact.

Meeting the Needs of our Staff

Staff Networks

During the year, we further embedded our BAME (Black, Asian and Minority Ethnic) Network, which provides an important route for engagement with our BAME colleagues. However, recognising the Black Lives Matter movement and the disproportionate impact of the COVID-19 virus on these groups, our Chief Executive and BAME Network Chair introduced wider virtual meetings to which all BAME colleagues are invited. These meetings have been used to discuss areas such as our Black Lives Matter statement of support, COVID-19 risk assessments and vaccine hesitancy.

Working with the BAME Network, we have further extended our Reciprocal Mentoring scheme (which links BAME colleagues with members of the Trust Executive Team), introduced a bespoke COVID-19 BAME Helpline with system partners and trained some members of the network to sit on interview panels. We also prioritised underrepresented groups on our two new talent development programmes – our *Talent 3-5* programme and our *Talent 6-7 Realising Your Potential* programme.

During 2020, we ran some focus groups for our colleagues identifying as LGBTQI+ and those living with a disability or long term condition. Responding to the preferences of these staff, we set up regular network meetings, using a ‘reference group’ style approach. These groups have reviewed the 2020 Annual Staff Survey results and are now supporting us with developing our plans to ensure the Trust is a ‘Great Place to Work’ for all of our staff.

Inclusion and Compassionate Leadership

Inclusion has been a main theme of our leadership development over the year.

A Trust Board development session was held in September 2020, with a specific focus on diversity and inclusion. Board members were challenged to think about their own learning on equalities through the Black Lives Matter movement and COVID-19 period, as well as looking

at Trust progress and priorities for action. This was followed up with a further Board development session on inclusion in November.

We held our first virtual Leadership Conference in October 2020, with the themes of inclusion, compassionate leadership and positive conversations. Excellent feedback was received on the event and this has been further built on with a series of shorter leadership development events over subsequent months.

Disability Confident Employer

The Trust has achieved Level 2 Disability Confident Employer status under the Disability Confident scheme. Under the scheme, applicants with a disability are guaranteed an interview subject to meeting the essential criteria for the job. In addition, the Trust is required to support our staff with a disability, including making reasonable adjustments for them in their jobs. We have numerous examples of making adjustments for staff, from providing them with specialist equipment or altering their hours to better meet their needs, through to redeploying them into different roles that make use of their skills which enables them to continue working for us. We had positive results on this in both the WDES report and the 2020 NHS Staff Survey.

Flexible working

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

Other Policy Development

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

- Our Domestic Abuse Policy was introduced in 2020 to provide guidance and support to staff impacted by domestic violence, which can in turn affect their mental and physical health.
- Our Employing Staff in the Reserve and Cadet Forces policy was introduced in December 2020 to ensure we are a supportive employer for this group of staff.
- Our Performance Management Policy has been fully reviewed to take account of our Just Culture principles.

We also reviewed our Sickness Absence Management, Disciplinary and Probation policies and updated them in line with best practice.

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

Performance report signed by the Chief Executive

Elliot Howard-Jones
Chief Executive
23 June 2021

3 Accountability Report

Corporate Governance Report

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

3.1.1 Director's Report

3.1.1.1 The Board of Directors 2020/21

The Trust Board of Directors, as at 31 March 2021, consists of the Chair (appointed in October 2020), three Non-Executive Directors (appointed through NHSE/I) and one vacant Non-Executive Director position and four voting Executive Directors including the Chief Executive. The Board of Directors is supported by a non-voting Non-Executive Director (associate), a Board Advisor (non-voting) and two non-voting Executive Directors.

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

In 2020/21, the Trust Board of Directors met formally on six occasions between May 2020 and March 2021. Due to the COVID-19 pandemic all Board meetings were held virtually and the public were invited to attend virtually. The Annual General Meeting to present the 2019/20 Annual Report and Accounts was held virtually on 22 July 2020, which was well attended.

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

Throughout 2020/21, the Board of Directors has continued to undertake a programme of collective and individual development. The Board of Directors regularly hears specific stories from, or about, individual patients or services at the start of its meetings in public. There was a reduced programme of Board development sessions this year due to the COVID-19 pandemic, although sessions were held in September and November. This allowed dedicated time to increase strategic understanding, develop specific areas of knowledge related to the Trust's services and the environment in which it operates, and facilitate strategic planning.

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

3.1.1.2 Changes to the Board of Directors in 2020/21

The following changes to the Board of Directors occurred in 2020/21:

Month	Changes
April 2020	• Richard Rolt appointed Non-Executive Director • Sarah Wren appointed Non-Executive Director • Anne McPherson appointed as Board Advisor
June 2020	• Luke Edwards non-voting, Non-Executive Director (Associate) term extended until 30 June 2021
September 2020	• Sam Tappenden, Director of Strategy took up a secondment as Director of Development for East and North Hertfordshire Integrated Care Partnership ICP from 1 September 2020 but retained links with the Trust
October 2020	• Clare Hawkins resigned as Chief Executive on 31 October 2020 • Linda Sheridan was extended in her role as Interim Chair until October 2022. • Sarah Brierley became the Director of Strategy on 1 October 2020, a joint role with East and North Hertfordshire NHS Trust
November 2020	• Elliot Howard Jones appointed Interim Chief Executive from 1 November 2020
March 2021	• Jeff Phillips Non-Executive Director term extended until March 2022 • Anne McPherson Board Advisor role ended

3.1.1.3 Board of Directors and committee meeting attendance 2020/21

In 2020/21, the Trust Board of Directors was supported by the following committees, with membership and attendance records for meetings in 2020/21 as indicated (number attended/total meetings held in year eligible to attend as a committee member).

Arrangements were put in place for emergency decision making in the early stages of the pandemic in line with national guidance. Some committees and supporting meetings were initially cancelled in order to focus on the management of the pandemic response. A full programme of committee meetings resumed shortly afterwards, using video conferencing.

Committee:	Trust Board of Directors	Audit Committee	People Performance & Finance Committee	Quality Committee	Strategy Planning & Engagement Committee	Remun-eration	Charitable Funds Trustees	Charitable Funds Committee
Chair and Non- Executive Directors								
Total no. of meetings held in Year:	**6**	**5**	**11**	**6**	**5**	**3**	**1**	**3**
Dr Linda Sheridan (*) Trust Chair	*(6) Chair*	*Non Member*	*(11) Member*	*(5) Member*	*(5) Chair*	*(3) Member*	*(1) Chair*	*(3) Chair*
Jeff Phillips (*) Non-Executive Director	*(6) Member*	*(4) Member*	*(11) (Chair)*	*Non Member*	*(5) Member*	*(3) Member*	*(1) Member*	*(3) Member*
Richard Rolt (*) Non-Executive Director	*(6) Member*	*(5) Chair*	*(10) (Member)*	*(4) Member*	*(0) Non Member*	*Non Member*	*(1) Member*	*Non Member*
Sarah Wren (*) Non-Executive Director	*(6) Member*	*(5) (Member)*	*Non Member*	*(5) Chair*	*(5) Member*	*Non Member*	*(1) Member*	*Non Member*
Luke Edwards Non-Executive Director (associate)	*(5/6) Non-Voting Member*	*Non Member*	*Non Member*	*Non Member*	*(2) Member*	*Non Member*	*Non Member*	*Non Member*
Anne McPherson non-voting	*(6) Member*	*Non Member*	*Non Member*	*(3) Non Member*	*Non Member*	*(3) Interim Chair*	*Non Member*	*Non Member*

Committee:	Trust Board of Directors	Audit Committee	People Performance & Finance Committee	Quality Committee	Strategy Planning & Engagement Committee	Remun-eration	Charitable Funds Trustees	Charitable Funds Committee
Executive Directors								
Total no. of meetings held in Year:	**6**	**5**	**11**	**6**	**5**	**3**	**1**	**3**
Clare Hawkins [1] (*) Chief Executive [1]	*(3/3) Member*	*Non Member*	*(2/6) Member*	*Non Member*	*(2/2) [1] Member*	*Non Member*	*(0) Member*	*Non Member*
Elliot Howard Jones [2] **(**8) Interim Chief Executive From 1 November 2020	*(3/3) Member*	*Non Member*	*(1/5) Member*	*Non Member*	*(2/3) [1] Member*	*Non Member*	*(1) Member*	*Non Member*
David Bacon (*) Director of Finance	*(6) Member*	*Non Member*	*(11) Member*	*Non Member*	*Non Member*	*Non Member*	*(1) Member*	*(3) Member*
Sarah Browne((*) Director of Nursing & Quality	*(6) Member*	*Non Member*	*(5) Member*	*(6) Member*	*Non Member*	*Non Member*	*(0) Member*	*(0) Member*
Marion Dunstone Chief Operating Officer	*(5) Non-Voting Member*	*Non Member*	*(8) Member*	*(5) Member*	*Non Member*	*Non Member*	*Non Member*	*Non Member*
Dr Elizabeth Kendrick (*) Medical Director	*(6) Member*	*Non Member*	*(0) Non Member*	*(5) Member*	*(4/5) Member*	*Non Member*	*(1) Member*	*Non Member*
Sam Tappenden [3] Director of Strategy	*(5) Member*	*Non Member*	*Non Member*	*Non Member*	*(5) Member*	*Non Member*	*Non Member*	*Non Member*
Sarah Brierley [4] Director of Strategy	*(4/4) Member*	*Non Member*	*Non Member*	*Non Member*	*(3/3) Member*	*Non Member*	*Non Member*	*Non Member*

Notes:
(*) = Voting Board member

(1) Clare Hawkins resigned as Chief Executive on 31 October 2020
(2) Elliot Howard-Jones was appointed Interim Chief Executive on 1 November 2020
(3) Sam Tappenden, Director of Strategy took up a secondment as Director of Development for East and North Hertfordshire Integrated Care Partnership (ICP) from 1 September 2020 but retained links with the Trust
(4) Sarah Brierley became the Director of Strategy on 1 October 2020, a joint role with East and North Hertfordshire NHS Trust

3.1.1.4 The Trust Board of Directors as at 31 March 2021

(= voting member)*

Dr Linda Sheridan (*)
Chair

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

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

Committee membership

- Chair – Trust Board
- Chair - Strategy, Planning and Engagement Committee
- Chair - Charitable Funds Committee
- Member – Quality Committee
- Member – People, Performance and Finance Committee
- Member – Remuneration Committee

Appointment history

- Appointed 1 June 2013 to 30 May 2017
- Reappointed in 2017 to 30 May 2019
- Extended in 2019 to 31 March 2020
- Appointed as Interim Chair from 19 October 2020
- Extended in 2020 until 31 October 2022

Jeff Phillips
Non-Executive Director (*)

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

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

Committee membership

- Chair – People Performance and Finance Committee
- Member - Audit Committee
- Member - Strategy Planning and Engagement Committee
- Member - Charitable Funds Committee
- Member - Remuneration Committee

Appointment history

- Appointed from 1 September 2011 to 13 May 2015
- Reappointed in 2015 to 13 September 2017
- Extended in 2017 to 13 September 2019
- Extended in 2019 to 31 March 2020
- Extended in 2020 to March 2021
- Extended in 2020 to 31 March 2022

Richard Rolt (*)
Non-Executive Director

Richard was appointed as a Non-Executive Director on 1 April 2020. He has a background in IT and commercial business management and was the ICT Services Director of the NHS Central Eastern Commissioning Support Unit in Welwyn Garden City. For the last five years, Richard has worked in executive roles at Viapath, a large pathology provider which was originally set up as a joint venture between Guy's and St Thomas' NHS Foundation Trust, King's College Hospital NHS Foundation Trust and Serco. Richard is Viapath's Chief Operating Officer and oversees an organisation that provides around 35 million diagnostic tests a year.

Committee membership

- Chair - Audit Committee
- Member - Quality Committee, Non-Executive Director for Freedom to Speak Up
- Member - People, Performance and Finance Committee

Appointment history

- Appointed from 1 April 2021 to 31 March 2023

Sarah Wren
Non-Executive Director (*)

Sarah was appointed as a Non-Executive Director in April 2020. She is the Chief Executive of Hertfordshire Independent Living Service (HILS). HILS is one of HCT's key partners and delivers services across the county to support many frail older people who also receive services from the Trust's teams. Sarah has led HILS to become the largest social enterprise provider of meals and independent living support in the UK. She is an associate member of the National Malnutrition Task Force which leads several initiatives to tackle malnutrition and dehydration. She was also the Chair of Healthwatch Hertfordshire from 2012 to 2014 and sits on a number of working groups on nutrition, frailty, and community leadership. She was awarded an MBE in 2012 for services to the community sector.

Committee membership

- Chair - Quality Committee
- Member - Audit Committee
- Member - Strategy, Planning and Engagement Committee

Appointment history

- Appointed from 1 April 2021 to 31 March 2023

Luke Edwards
Associate Non-Executive Director

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

Committee membership

- Member - Strategy Planning and Engagement Committee

Appointment history

- Appointed 25 June 2019 (unremunerated)
- Extended in 2020 until 30 June 2021 (unremunerated)

Anne McPherson MBE
Advisor to the Board

Anne was appointed as an Adviser to the Trust Board on 1 April 2020, having previously served as a Non-Executive Director from 1 October 2010 to 31 March 2020. She is a nurse and midwife with extensive board-level experience. Anne was Chief Nurse for the former health authorities in Hertfordshire and held several other Director of Nursing posts, including at an integrated NHS trust. Anne was Executive Officer for the Nurse Directors Association and Associate Consultant for the International Hospitals Group where she was involved in commissioning new hospitals overseas. She is also a Specialist Advisor for the Care Quality Commission.

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

Committee membership

- Interim Chair - Remuneration Committee

Appointment history

- Appointed 4 April 2020 - 30 June 2020
- Extended until 31 October 2020
- Extended until 31 March 2021

Elliot Howard- Jones
Chief Executive Officer (*)

Elliot joined the Trust as Interim Chief Executive in November 2020. He was previously Director of Performance and Improvement in the NHS England East of England regional team. In this role, he was Strategic Incident Director for the East of England and led the operational response and strategic planning for the COVID-19 pandemic across the region. He has also held senior positions in acute and mental health trusts, in commissioning and at the Department of Health.

David Bacon
Director of Finance (*)

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

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

David holds an MBA and has completed the Strategic Financial Leadership Programme at Cass Business School. Throughout his career he has been an active member of the Healthcare Financial Management Association (HFMA) both at branch and national level including chairing the National Accounting and Standards Committee, the annual pre-accounts planning conferences and the Finance Team of the Year Award judging panel. He was also involved in the development of the HFMA's Academy and has been an assessor and chief assessor for the Academy. In recognition of his commitment to the NHS and the HFMA David was awarded an Honorary Fellowship of the HFMA in 2020.

David's portfolio

- Financial management
- Performance management
- Contract management
- Business planning
- Digital and innovation
- Senior Information Risk Owner (SIRO)
- Estates
- Financial and corporate governance
- Business and commercial development

Sarah Browne
Director of Nursing and Quality (*)

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

Sarah brings a breadth and depth of experience to the Trust role.

She has extensive experience of integrated community and mental health services, nursing and clinical leadership and workforce transformation across complex systems. She has worked at local, regional and national levels.

Sarah's portfolio

- Executive Lead and advisor for nurses and allied health professionals on the Trust Board
- Board lead for safeguarding
- Quality and governance
- Clinical leadership
- Patient safety
- Patient experience
- Director of Infection Prevention and Control
- Executive director for Freedom To Speak Up
- Executive lead for mental health and learning disability (joint with Medical Director)
- Executive Lead for Vaccination Centres

Dr Elizabeth Kendrick (*)
Medical Director

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

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

Elizabeth's portfolio

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

Marion Dunstone
Chief Operating Officer
(Non-voting member)

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

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

Marion leads the operational delivery of adult and children's services across HCT and is the emergency planning lead for the organisation.

Marion's portfolio

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

Sarah Brierley
Joint Director of Strategy - post shared with East and North Hertfordshire NHS Trust
(Non-voting member)

Sarah qualified as an occupational psychologist and has worked in a number of NHS trusts including Royal Free London NHS Foundation Trust and Barts and the London NHS Trust (St Bartholomew's Hospital). Sarah joined East and North Hertfordshire NHS Trust in 2001 and has held a number of roles in the Trust, including Divisional Director and Director of Business Development and Partnerships. She became Director of Strategy in 2019. In October 2020, Sarah took on the role of Joint Director of Strategy for both East and North Hertfordshire NHS Trust and Hertfordshire Community NHS Trust. This joint role supports the strategic development of the East and North Hertfordshire Integrated Care Partnership (ICP). The ICP will enable the NHS and our system partners across East and North Hertfordshire to deliver more effective, joined-up and high-quality services for the people we serve.

Sarah's portfolio

- Strategy development
- Communications and engagement
- Partnership and business development
- Quality improvement

3.1.1.5 Previous Board Members

Clare Hawkins
Chief Executive (*)

Clare was appointed as Chief Executive in October 2018. She was previously Deputy Chief Executive and Chief Nurse.

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

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

Clare worked with the Hertfordshire and West Essex Sustainability and Transformation Partnership (STP) to develop the clinical strategy and led the establishment of the STP's Clinical Oversight Group. She co-led the East and North Hertfordshire Integrated Care Partnership.

Sam Tappenden
Director of Strategy
(Non-voting member)

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

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

3.1.1.6 The Board of Directors Register of Interests

The table shows the Board Members and their interests declared as at 31 March 2021 and interests declared by Board Members who were in post during 2020/21. The trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS guidance'

Name	Position	Interests Declared
Dr Linda Sheridan (*)	Chair	Team leader and peer reviewer for External Quality Assurance reviews of non-cancer screening services for the National Screening Programmes, Public Health England (Occasional role) Daughter employed in Operations Directorate, NHS Midlands and East Part-time Public Health Consultant with Cambridgeshire County Council supporting COVID-19
Jeff Phillips (*)	Non -Executive Director	School Governor, Manland School, Harpenden Lay Member HCC Schools Admissions Appeals Panel Member of Davenport House Patient Group, Harpenden Treasurer of the St. Albans and Harpenden Patient Group Director of Wyse Ltd Vice-Chair of the Harpenden Society
Richard Rolt (*)	Non -Executive Director	Chief Operating Officer for Viapath Viapath involved in COVID 19 testing in ENH
Sarah Wren (*)	Non -Executive Director	Chief Executive of Hertfordshire Independent Living Service (HILS) HILS is a subcontractor to HCT for carehome training in the HVCCG Dietetics contracts
Luke Edwards	Non-Executive Director (Associate)	Director of Fire and Resilience, Home Office - primary employment
Anne McPherson	Board Advisor	Specialist Adviser for the Care Quality Commission (CQC)
Elliot Howard Jones (*)	Chief Executive	None
David Bacon (*)	Director of Finance	Director and Owner of DB Interim Management Ltd a dormant Personal Services Company that previously provided consultancy and management services predominantly in the NHS Co-opted Governor at Laburnum Primary School, Sandy, Bedfordshire from 20 January 2021

Name	Position	Interests Declared
Dr Elizabeth Kendrick (*)	Medical Director	Salaried GP at Buntingford Medical Centre Husband works as a drug developer for GSK
Marion Dunstone	Chief Operating Officer	None
Sarah Browne (*)	Director of Nursing & Quality	None
Sarah Brierley	Joint Director of Strategy	Joint post with HCT and East and North Hertfordshire NHS Trust
Board Members in post during 2020/21		
Clare Hawkins (*)	Chief Executive	Honorary Visiting Senior Clinical Fellow, University of Hertfordshire Non-Executive Director for NHS X on the Joining Up Care Programme.
Sam Tappenden	Director of Strategy	Wife works for Hertfordshire Partnership Foundation Trust

Note: See Board of Directors changes during 2020/21 in section 3.1.1.2

3.1.1.7 Audit

The Trust has an Audit Committee which is chaired by a Non-Executive Director and has two other Non-Executive Directors as members, one of which is financially qualified. As at 31 March 2021, membership is:

Chair: Richard Rolt (Non-Executive Director)
Members: Jeff Phillips (Non-Executive Director)
Sarah Wren (Non-Executive Director) (*)

(*) Also Chairs the Quality Committee. Conversely, the Chair of the Audit Committee sits on the Trust's Quality Committee.

The Audit Committee met five times in 2020/21, with four standing meetings and an extraordinary meeting to review the Trust's Annual Accounts, Annual Report, Quality Account and other mandatory submissions.

In 2020/21, internal audit services were provided by RSM and the external auditors were Grant Thornton UK LLP. The cost of external audit for work undertaken in 2020/21 including additional fees in relation to the new VFM code was £60,500 plus VAT (2019/20 = £50,500 plus VAT). The external auditors have not undertaken any non-audit work which may have given rise to a conflict of interest or compromised the audit function. As far as the Directors are aware, there is no relevant audit information of which the NHS body's auditors are unaware. The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

3.1.1.8 Personal data-related incidents

During 2020/21, the Trust had no lapses of data security that warranted reporting to the Information Commissioner's Office

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

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

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

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

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

Signed:

Chief Executive

Elliot Howard-Jones

Date: 23 June 2021

3.1.3 The Governance Statement 2020/21

3.1.3.1 Scope of responsibility

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

3.1.3.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the 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 the Trust for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

3.1.3.3 Capacity to handle risk

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

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

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

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

The Trust uses an electronic risk management system. All staff undertake generic

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

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

3.1.3.4 The risk and control framework

In 2020/21, the Trust replaced its five-year risk management strategy with a Risk Management Framework which was reviewed and approved by Audit Committee in March 2021. Feedback from this year's Internal Audit review of the Trust's risk management arrangements informed the development of the Framework.

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

Risks to the achievement of the Trust's strategic objectives are identified by the Executive Team and entered on the Trust's Board Assurance Framework (BAF). The BAF is submitted for review and discussion by the Audit Committee and the Board of Directors. Risks and their implications are considered by each Board Committee and each BAF risk has a lead Committee identified which monitors and seeks assurance with regards to the management and mitigation of the risk. The BAF is assessed annually for 'fitness for purpose' by the Audit Committee.

Risks identified at Business Unit level are entered on Business Unit Risk Registers and risks scoring 15 or over are recorded on a 'High Level Risk Register' (HLRR). The HLRR is considered monthly by the Executive Team and at each Board meeting. Each High Level Risk has an identified lead Committee which is responsible for assurance in relation to the management of the risk. Risks on the HLRR that are considered by the Executive Team to have a strategic impact are escalated to the BAF.

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

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

As at 31 March 2021, there were 109 (134 including those awaiting closure) risks being actively managed across all operational and business units. The Trust's risk team works with risk owners to ensure they are being reviewed, managed, and updated appropriately.

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

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

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

Lessons learned from risks that materialise, plus sources such as complaints, claims, incidents and internal or external reports are shared throughout the organisation through a variety of communication channels including newsletters, bulletins, operational forums and video updates.

3.1.3.5 Workforce strategy

During 2020/21, we commenced work on a new People Strategy and revised our People Plan, setting out our activities to deliver our strategic objectives over the year.

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

- Integrated Care System plans and commissioner intentions, particularly in relation to extended services to support the management of the pandemic.
- Service models and plans developed by our multi-disciplinary teams, based on relevant metrics, guidance and evidence-based tools where applicable.
- National policy developments, including the National People Plan.

The Trust's annual People Plan, as part of the wider Operating Plan, is approved by the Executive Committee and signed off by the People, Performance and Finance Board Sub-Committee (PPFC). Delivery of the People Strategy and Plan is monitored throughout the year by the People and OD Steering Group, with a summary of progress reported to the PPFC. This provides assurance that staffing governance processes are safe and sustainable.

3.1.3.6 Strategic risks

The strategic risks on the BAF as at 31 March 2021 were:

Risk Identification	Summary Description	Overall Risk Score
BAF-01 **People, Performance and Finance**	**Impact of COVID-19 pandemic** There is a risk that as a result of the ongoing and lasting impact of the pandemic on Trust services that the ability of the organisation to recover is adversely affected. This could impact on the ability of services to recover their commissioned activities, waiting lists, and backlogs, the deliverability of the Trust's strategic objectives, its ability to deliver on the priorities of the NHS Long Term Plan, and the quality of care provided.	**12 (4x3)**
BAF-02 **Strategy, Planning and Engagement**	**Integrated community services** Failure of the Trust to enhance and sustainably expand the reputation, role and contribution of its integrated community services for the benefit of the population/communities that we serve.	**12 (4x3)**
BAF-03 **Strategy, Planning and Engagement**	**Digital strategy** There is a risk that the Trust is unable to effectively implement and embed digital and technological solutions to support effective transformation, improvement and efficiency.	**15 (5x3)**
BAF-04 **Strategy, Planning and Engagement**	**Population health and wellbeing** There is a risk that the long-term health of the people served by the Trust is adversely affected as a result of reduced service provision and longer waiting times for services. This could generate an increase in demand for services in future, and therefore impact on the ability of the organisation to deliver the Trust's corporate strategy.	**12** **(4x3)**
BAF-05 **Quality**	**Clinical outcomes** Insufficient consistent reporting of clinical measure intervention and outcomes may lead to difficulties in demonstrating evidence-based clinical interventions potentially leading to questions about the clinical effectiveness of the Trust's services.	**12** **(4x3)**
BAF-06 **People, Performance and Finance**	**Finance** The income that the Trust is able to secure via Block and Activity-dependent contracts / agreements may not be sufficient to cover the Trust's underlying expenditure run rate, potentially leading to pressure on the ability to achieve financial control totals and impact on the Trusts reputation	**8** **(2x4)**

BAF-07 **People, Performance and Finance**	**Workforce** There is a risk that the sustained heightened state of readiness, challenges of the recovery phase, redeployment, second surge and ongoing exposure to uncertainty and stressful situations will have an adverse effect on the health and wellbeing, resilience and morale of Trust leaders and workforce, leading to loss of engagement, higher absence and increased turnover, thus impacting on the ability of the Trust to deliver its services.	**15** **(5x3)**
BAF-08 **People, Performance and Finance**	**Workforce** There is a risk of an insufficient supply of workforce with the right skills and values to enable the Trust to meet current and future service needs, impacting on the ability to deliver our vision, objectives and the NHS Long Term Plan.	**16** **(4x4)**
BAF-09 **Quality**	**Standards and regulatory compliance** The inability to maintain present CQC rating and embed and deliver continuous quality improvement to enable movement from Good to Outstanding may result in potential: • Loss of confidence by key stakeholders including the local population, commissioners and partner organisations, • Impact on the Trust's reputation for delivering safe, effective, well-led care and reduction in staff morale.	**12** **(3x4)**
BAF-10 **Strategy, Planning and Engagement**	**Impact of COVID-19 pandemic on partnership working** There is a risk that as a result of the mobilisation of system, regional, and national structures to manage the COVID-19 pandemic, there is the potential for misunderstandings with difficulties in escalating issues and achieving co-ordinated delivery of coherent services in partnership. This could impact the speed of the Trust's response, the level of support provided to the Trust from regional NHSE/I, and ultimately the effectiveness and quality of care provided to the local population by the health and social care sector.	**12** **(4x3)**
BAF-11 **Strategy, Planning and Engagement**	**Reputation** There is a risk that, as a result of any of the other BAF risks being realised and unmitigated, the reputation of the Trust is adversely affected, potentially leading to a lack of investment, reduced credibility in the system and/or region, and a reduction in staff morale.	**9** **(3x3)**

BAF-12 **People, Performance and Finance**	**Mass Vaccination Programme** Risk of failure to meet regional target date and target numbers for delivery of the mass vaccination programme on behalf of Bedford, Luton and Milton Keynes (BLMK) and Herts and West Essex ICSs which could impact the Trust's organisational reputation and credibility. Contractual requirements, delivery timescales, workforce gaps, estate and IT infrastructure issues could impact the deliverability of the programme, create winter capacity pressures and adversely impact the effectiveness and quality of care provided to the local population.	**12** **(3x4)**

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

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

3.1.3.7 Quality governance

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

- Standing reports on serious incidents and complaints, including follow-up actions
- Clinical audit (national and local)
- CQC Improvement Plan
- Quality priorities for each year with action plans to achieve them
- Production and content of the Trust's Quality Account
- CQUINS (NB no targets were set for the financial year 2020/21 due to the COVID-19 pandemic)
- Clinical policies
- CQC registration compliance
- Infection Prevention and Control
- Safeguarding

- Safe staffing levels
- Learning from Deaths
- Freedom to Speak Up
- Response to external reports and initiatives
- Monitoring progress against relevant action plans
- Assessment and challenge of quality information

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

During 2020/21 the committees supporting the Quality Committee were:

Group	Associated Forums
Clinical Governance Sub Committee	Medicines Management Equality and Community Engagement Safeguarding Adults Safeguarding Children Infection Prevention and Control Medical Devices Learning from Deaths Serious Incident Panel Clinical Advisory Group (to support pandemic response)
Good to Outstanding Group	
Professional Clinical Leaders Group	Professional Forums: Nurses Allied Health Professionals Doctors and Dentists

In the latter part of the year, some of the supporting Groups were stepped down to enable staff to support the pandemic response

In addition to the Quality Committee Chair's Assurance Report, the Trust Board receives regular reports on complaints, incidents, safe staffing, infection prevention and control, Freedom to Speak Up and Learning from Deaths. Quality issues and risks also feature in the Chief Executive's report and the Director of Nursing and Quality or the Medical Director's reports which are submitted to each Board meeting.

3.1.3.8 Data security

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

Management and the Head of Information Governance.

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

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

3.1.3.9 NHS Provider Licence

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

In June 2020 the Board of Directors confirmed self-certification of compliance with NHS Provider Licence Condition 4. This included consideration of the principal risks to compliance and assurances regarding evidence, identification of risks and actions to mitigate these risks, as matched against the 20 prescribed statements which form the Licence Condition, particularly in relation to:

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

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

3.1.3.10 The Well-Led Framework

Progress following the CQC well-led inspection in February 2020 has been impacted by the COVID-19 pandemic. Work in this area will be reviewed and plans will be refreshed during 2021/22.

3.1.3.11 Registration with the Care Quality Commission

The Trust is required to register with the CQC and its current registration status is 'registered without conditions'. The CQC has not taken enforcement action against the Trust during 2020/21, and the Trust has not participated in any special review or investigations by the CQC during that time.

The Care Quality Commission (CQC) confirmed HCT's overall rating as 'Good' following a core service and well led inspection of the Trust during February/March 2020.

3.1.3.12 Managing conflicts of interest in the NHS

The Trust publishes an up-to-date register of interests for decision-making staff twice a year. The Board meeting in public receives a Board Governance update in July which includes the up-to-date Register of Interest. This is recorded in the publicly posted minutes and in the end of year Annual Report. The trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS guidance'

3.1.3.13 NHS pension scheme rules

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

3.1.3.14 Modern Slavery Act 2015 - Transparency in supply chains

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

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

3.1.3.15 Equality, diversity and human rights

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

3.1.3.16 Emergency preparedness, resilience and response

The Trust works closely with partner agencies and external organisations across the healthcare economy to ensure resilience during times of disruption, regardless of the cause. Robust plans are in place to maintain critical services when interruptions occur, for example severe weather, infrastructure failures or disruption to transport. These measures are planned and put in place to provide safe care to both our patients and our staff at all times. This approach has proved invaluable in supporting the organisation whilst dealing with the COVID-19 pandemic. The Trust is proud to have maintained our fully compliant status with NHS England core standards requirement for emergency planning, resilience and response.

Throughout 2020/21 the Trust has maintained the Command and Control arrangements in response to the COVID-19 pandemic, including arrangements for Strategic (Gold), Tactical (Silver), and Operational (Bronze) incident commands. These have operated in accordance with the national alert level. Board of Directors arrangements are in place to enable 'emergency' decisions to be made outside of scheduled Board meetings where required.

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

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

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

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

The Trust has continued to participate in the national reference costs collection process. The Trust's costs collection data was included in the latest national cost collection data set. The Trust actions to further strengthen and improve its costing arrangements during the year have been significantly impacted by the COVID-19 Pandemic. The Trust is still planning on implementing service line reporting, with the delayed planned now expecting to see implementation from second half of the 2021/22 financial year. The Trust is continuing to liaise, and work actively work with NHS E/I's Pricing and Costing Team to be one of the first community trusts within the NHS to be reporting on a patient level basis. The early implementation of this costing process (which the acute and mental health sectors have already implemented) will enable the Trust to actively engage with its other ICS partners, as well as better understand the costs of all its service provision.

3.1.3.18 Information Governance

Statement 2020/21

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

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

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

During 2020/21, the Trust had no lapses of data security that warranted reporting to

the InformAnnual Governanceation Commissioner's Office.

3.1.3.19 Annual Quality Account 2020/21

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

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

The Quality Account is developed through a robust process which commences early in Quarter 4 each year and involves input and oversight from the Executive Team and Trust Board of Directors. The draft Quality Account is shared with key stakeholders for comment, providing an external overview of its content and balance as well as agreement for the key quality priorities set out in the Account. The final version is signed off by the Executive Team and the Board of Directors.

3.1.3.20 Review of effectiveness

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

3.1.3.21 The Head of Internal Audit opinion for 2020/21

The Head of Internal Audit opinion for 2020/21 is that:

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

Seven reasonable assurance opinions were issued and two partial assurance opinions were issued in the areas of Data Quality and Workforce Planning.

Trust management have agreed actions to address the findings reported by Internal Audit during 2020/21 and the organisation had made progress in implementing the agreed actions. These are being monitored by management through the action tracking process in place. During the year progress has been reported to the Audit Committee, with the validation of the action status confirmed by internal audit on a

monthly basis.

3.1.3.22 Assurances as to the effectiveness of internal controls

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

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

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee, Quality Committee, People Performance and Finance Committee and the Executive Team.

The following have a role in maintaining and reviewing the effectiveness of the system of internal control, although in the very early days of the pandemic some meeting did not take place and an emergency decision-making process was implemented to provide assurance and oversight:

- The **Board of Directors** has been actively involved in developing and reviewing the Trust's risk management processes, including receiving and reviewing minutes and chair's observations from all committees which report to the Board of Directors. The Board also reviews the Board Assurance Framework, High Level Risk Register, Service Recovery and Performance reports and Quality reports

- The **Audit Committee** has been a directing force in relation to reviewing the framework of internal control particularly with regard to corporate risk, the Assurance Framework, the High Level Risk Register and counter fraud

- The **Quality Committee** is responsible for the governance and management of clinical risk, including ensuring compliance with regulatory standards and requirements, adoption of clinical policies and review of clinical aspects of performance, including incidents and complaints. The Committee also provided assurance to the Board of Directors in respect of patient safety, quality of services and patient experience and sought assurance as to the assessment of the quality impacts of cost improvement schemes

- The **People Performance and Finance Committee** scrutinised current financial performance and future financial plans; reviewed financial, workforce and business risks; monitored that decisions involving finance, resources and assets were properly made to promote good financial practice throughout the Trust and received assurances that an integrated and holistic approach was taken to the use of all the Trust's resources for the delivery of the Trust strategy

- The **Information Governance Group** - whilst this group has not met during the pandemic, issues have been escalated to the Director of Finance as the SIRO and to the Executive Team. The Head of Information Governance is responsible for the day to day governance and management of information associated risk and compliance through the Data Security and Protection Toolkit (DSPT)

- The **Executive Team** met weekly and operationally managed all areas of risk, including the risk and control framework. The Executive Team also populates and reviews the Board Assurance Framework and reviews the High Level Risk Register, as well as ensuring that key risks have been highlighted and monitored within their directorates and the necessary action has been taken to address them

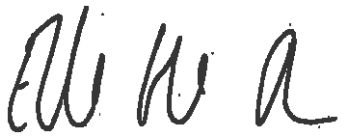
- **Internal Audit** has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee and endorsed by the Board of Directors. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management

- **Clinical audit** is overseen by the Trust's Clinical Governance Sub Committee, which reports to the Executive Team and gives assurance to the Quality Committee. The clinical audit programme is also reported to the Trust's Audit Committee. Lessons learned from clinical audits are fed back to services and lessons of general application are disseminated through the Trust's Sharing Lessons in Practice (SLiPs) notices

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

3.1.3.23 Conclusion

No significant control issues have been identified for 2020/21.



Elliot Howard-Jones
Chief Executive
23 June 2021

Remuneration and staff reports

3.1.4 Remuneration report

3.1.4.1 Remuneration and the Remuneration Committee

The Trust's Remuneration Committee, which met twice during 2020/21, makes decisions to recommend to the Board of Directors on the remuneration, terms and conditions of the Chief Executive and Executive Directors on Very Senior Manager (VSM) contracts. The Committee also reviews all severance payments as required by the NHS Improvement (NHSI) Accountability Framework, which applies to all employees at Executive Director level and below.

During 2020/21, membership of the Committee consisted of:

- Anne McPherson – Board Adviser and Chair of the Remuneration Committee
- Linda Sheridan – Trust Chair
- Jeff Phillips – Non-Executive Director

The following may also be in attendance:

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

During 2020/21, the main agenda items addressed by the committee were:

- Consideration of national guidance on the annual uplift for Non-Executive Directors
- Salary, terms and conditions for the new Chief Executive and salary review for Executive Directors
- Chief Executive and Non-Executive Director recruitment processes

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

Executive Directors are appointed on substantive, permanent contracts with remuneration overseen by NHS Improvement. Where there is a temporary vacancy, an interim Director may be appointed. In the event of termination by the Trust, any payment due is paid in accordance with the reason for termination and the contract of employment.

Two new Non-Executive Directors (NEDs), Sarah Wren and Richard Rolt, took up post on the 1 April 2020. In addition, recruitment commenced to fill a NED vacancy created by the promotion of Dr Linda Sheridan from Non-Executive Director to Trust Chair, following confirmation of her permanent appointment to the post. Recruitment also commenced to appoint a further Associate NED to replace the Board Adviser

and support succession planning.

The Trust also appointed a new Interim Chief Executive Officer, Elliot Howard-Jones, who commenced in November 2020.

3.1.4.2 Fair pay disclosure

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid Director in Hertfordshire Community NHS Trust in the financial year 2020/21 was £147,500 (2019/20 - £152,714). This was 4.88 times (2019/20 - 4.72 times) the median remuneration of the workforce, which was £30,615 (2019/20 - £32,300). In making this comparison the figures for 2019/20 have been recalculated in line with the GAM 2020/21 guidance, that when calculating the fair pay disclosure, the remuneration figures should be stated as annualised and as per full-time equivalent staff. The figures previously stated in the 2019/20 report were £153,987 and 6.64 times the median remuneration of the workforce.

In 2020/21, no employees (2019/20 - no) received remuneration in excess of the highest-paid Director. Remuneration ranged from £18,005 to £279,515 (2019/20 - £16,178 to £152,714). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.
(This Section was subject to audit and is referred to in the Auditor's Opinion).

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

The Trust made no payments in respect of exit packages or severance payments to Directors in 2020/21 and no payments were made to past Directors*. (This paragraph was subject to audit and is referred to in the Auditor's Opinion).*

3.1.4.3 Exit packages

No exit packages were agreed in 2020/21 (exit packages may, for example, relate to contractual redundancy packages).

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

3.1.4.4 Non-contractual exit payments

The Trust made no non-contractual exit payments in 2020/21. Non-contractual payments are those made without contractual or legal obligation, including those from judicial mediation.

3.1.4.5 Board of Directors Salaries and Pensions

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

3.1.4.5.1 Board of Directors Salaries and Allowances 2020/21

Salaries of individuals in post at year end

2020/21			(a)	(b)	(c)	(d)	(e)	(f)
Name	Title	Dates	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
			£000	£	£000	£000	£000	£000
Dr Linda Sheridan	Non-Executive Director * with effect from 17th March took over as Acting Chair	1/4/20 - 31/3/21	35 - 40	0	0	0	0	35 - 40
Richard Rolt	Non-Executive Director	1/4/20 - 31/3/21	10 - 15	0	0	0	0	10 - 15
Anne McPherson	Non-Executive Director	1/4/20 - 31/3/21	10 - 15	0	0	0	0	10 - 15
Jeff Phillips	Non-Executive Director	1/4/20 - 31/3/21	10 - 15	0	0	0	0	10 - 15
Luke Edwards	Associate Non-Executive Director	1/4/20 - 31/3/21	0 - 5	0	0	0	0	0 - 5
Mrs Sarah Wren	Non-Executive Director	1/4/20 - 31/3/21	10 - 15	0	0	0	0	10 - 15
Elliot Howard-Jones	Chief Executive Officer	1/11/20 - 31/3/21	60 - 65	0	0	0	50 - 52.5	110 - 115
David Bacon	Director of Finance, Systems and Estate	1/4/20 - 31/3/21	125 - 130	0	0	0	27.5 - 30.0	155 - 160
Marion Dunstone	Director of Operations	1/4/20 - 31/3/21	110 - 115	0	0	0	35.0 - 37.5	145 - 150
Sarah Browne	Director of Nursing and Quality	1/4/20 - 31/3/21	110 - 115	100	0	0	30.0 - 32.5	145 - 150
Elizabeth Kendrick	Medical Director	1/4/20 - 31/3/21	90 - 95	0	0	0	90.0 - 92.5	185 - 190
Sam Tappenden	HCT Director of Strategy to 30th Sept 2020 and ENH ICP Development Director from 1st Oct 2020	1/4/20 - 31/3/21	90 - 95	0	0	0	22.5 - 25.0	115 - 120

Salaries of individuals no longer in post at year end

2020/21			(a)	(b)	(c)	(d)	(e)	(f)
Name	Title	Dates	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
			£000	£00	£000	£000	£000	£000
Clare Hawkins	Chief Executive Officer	1/4/20 - 31/10/20	95 - 100	0	0	0	0.0 - 2.5	95 - 100

3.1.4.5.2 Board of Directors Salaries and Allowances 2019/20

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

Salaries of individuals no longer in post at year end

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

Pension Benefits 2020/21

Pension Benefits of individuals in post at year end

2020/21									
Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31st March 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31st March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1st April 2020	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2021	Employers contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£00
Elliot Howard-Jones	Chief Executive Officer (From 1st November 2020)	0 - 2.5	0.0 - 2.5	30 - 35	0 - 5	361	9	411	
David Bacon	Director of Finance, Systems and Estate	0.0 - 2.5	0.0 - 2.5	30 - 35	75 - 80	662	33	724	
Marion Dunstone	Director of Operations	2.5 - 5.0	0.0 - 2.5	40 - 45	95 - 100	794	40	862	
Sarah Browne	Director of Nursing and Quality	0.0 - 2.5	0.0 - 2.5	45 - 50	130 - 135	884	38	950	
Elizabeth Kendrick	Medical Director	5.0 - 7.5	0.0 - 2.5	30 - 35	70 - 75	456	59	538	
Sam Tappenden	HCT Director of Strategy to 30th Sept 2020 and ENH ICP Development Director from 1st Oct 2020	0.0 - 2.5	0.0 - 2.5	5 - 10	0 - 5	50	4	67	

Pension Benefits of individuals no longer in post at year end

2020/21									
Name	Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31st March 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31st March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1st April 2020	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31st March 2021	Employers contribution to stakeholder pension
		£000	£000	£000	£000	£000	£000	£000	£00
Clare Hawkins	Chief Executive Officer (Up to 31st October 2020)	0.0 - 2.5	0.0 - 2.5	25 - 30	85 - 90	837	0	680	

Pension Benefits 2019/20

Pension Benefits of individuals in post at year end

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

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

3.1.4.6 Cash Equivalent Transfer Values

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

3.1.4.7 Real increase in CETV

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

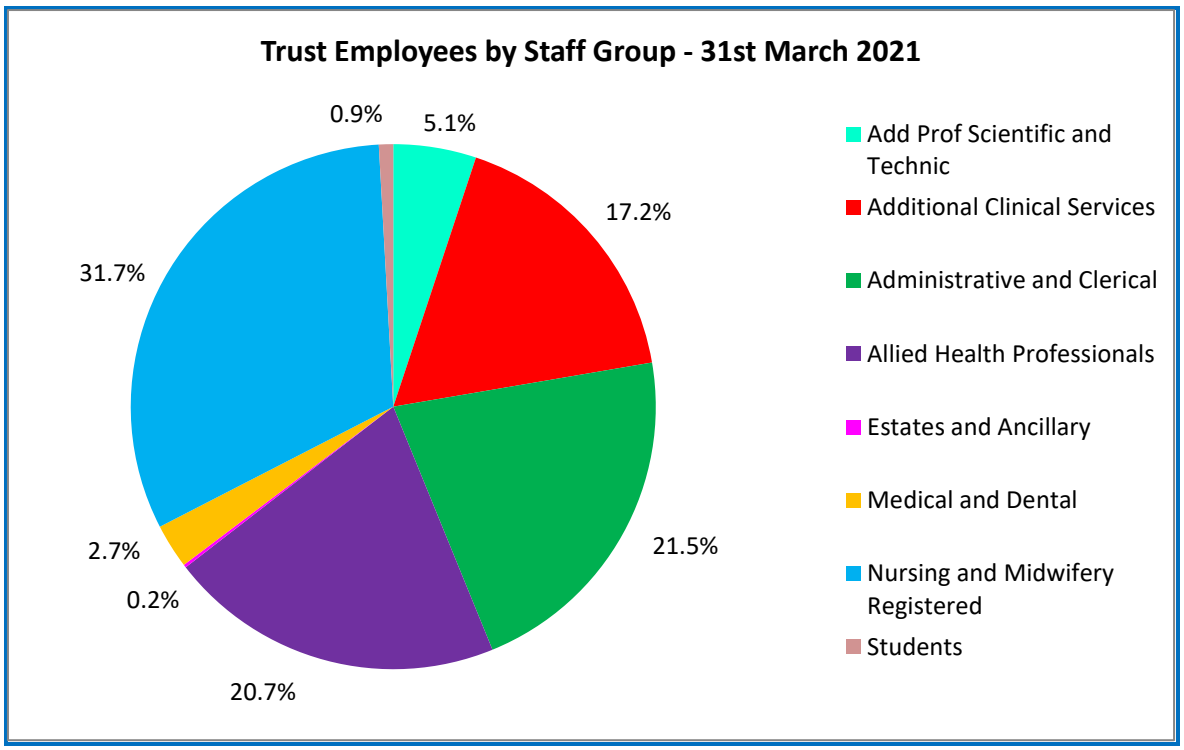
3.1.4.8 Pension liabilities

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

3.1.5 Staff Report

3.1.5.1 Staff groups

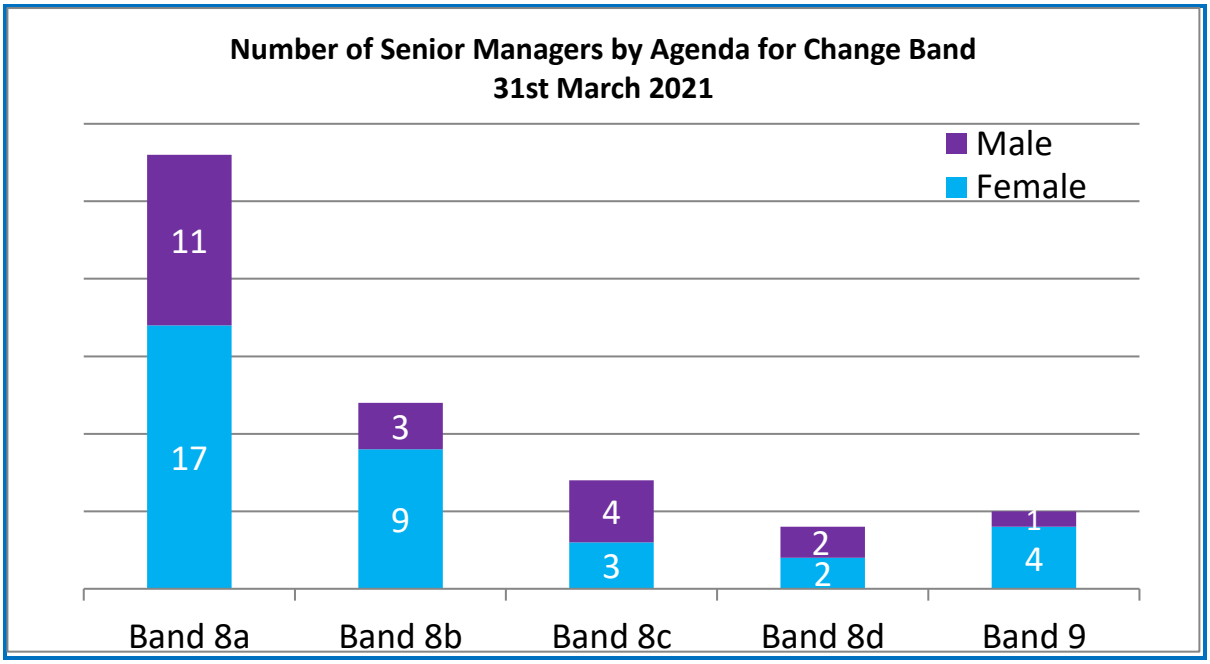
The breakdown of the Trust by staff group is shown below:



Staff Group by Headcount 20/21	Substantively Employed
Nursing and Midwifery Registered	683
Allied Health Professionals	446
Administrative and Clerical	464
Healthcare Assistants and other Clinical Support	371
Estates and Ancillary	4
Professional Scientific and Technical	110
Medical and Dental	59
Student Health Visitors	19
Total	**2156**

3.1.5.2 Senior managers

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



3.1.5.3 Staff by gender

Staff by Gender 31st March 2021	Male	Female	TOTAL
Directors	**3**	**3**	**6**
Senior Managers (Non-Clinical)	**21**	**35**	**56**
All other Staff	**132**	**1,962**	**2,094**
Total	**156 (7.2%)**	**2000 (92.8%)**	**2156**

3.1.5.4 The Trust Board of Directors and Executive Directors by Gender

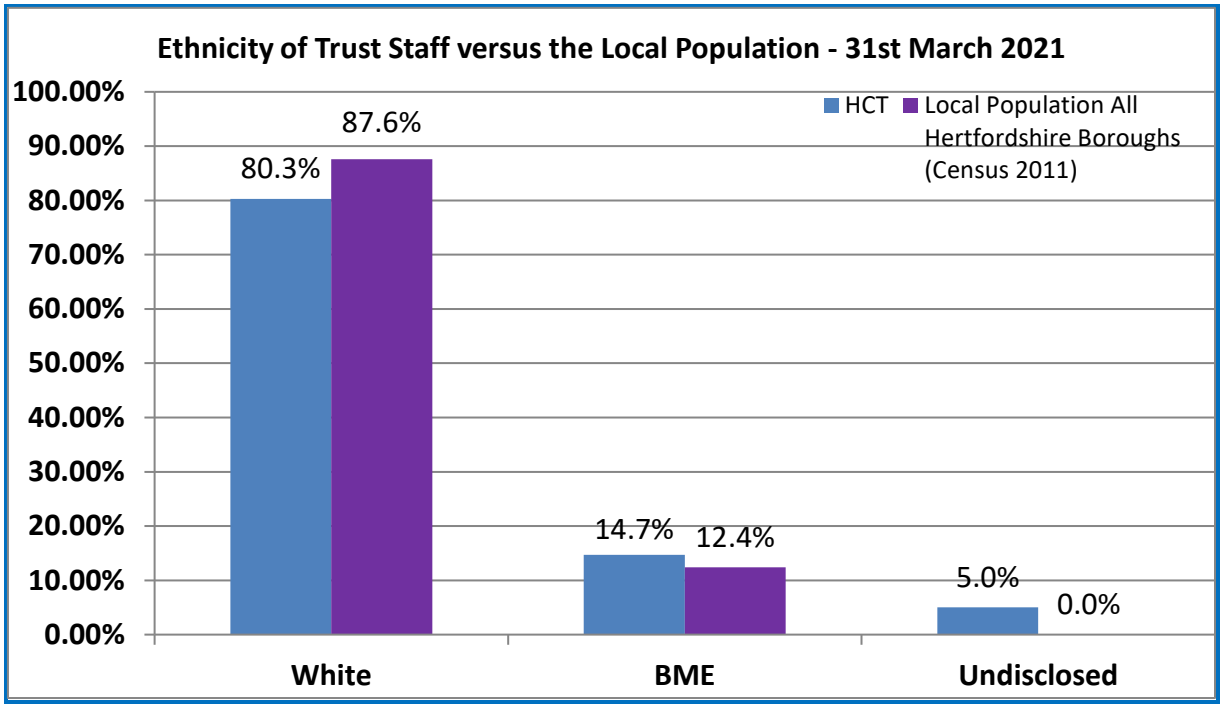
The mix of gender on the Board of Directors as at 31 March 2021 was as follows:

Trust Board and Executive Directors 31st March 2021	Male	Female	Total
Chair and Non-Executive Directors	3 50%	3 50%	**6**
Executive Directors	3 50%	3 50%	**6**
Combined	**6** **50%**	**6** **50%**	**12**

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

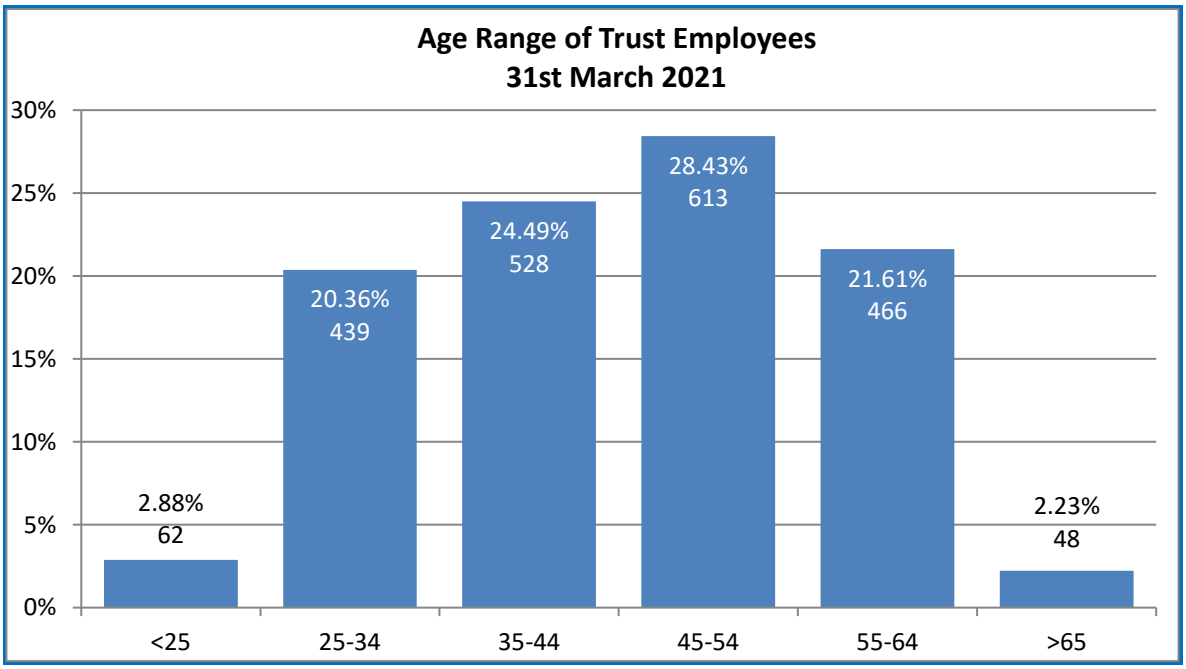
3.1.5.5 Staff by ethnic background

A breakdown of staff by ethnic background is provided below:



3.1.5.6 Staff by age band

The age breakdown of staff at 31 March 2021 was as follows:



3.1.5.7 Staffing cost analysis

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

Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	65,179	67,060
Social security costs	6,806	5,742
Apprenticeship levy	295	312
Employer's contributions to NHS pensions	11,564	12,542
Pension cost - other	-	26
Temporary staff (including agency)	7,677	10,002
Total gross staff costs	**91,521**	**95,685**
Recoveries in respect of seconded staff	-	-
Total staff costs	**91,521**	**95,685**
Of which		
Costs capitalised as part of assets	91	301

Average number of employees (WTE basis)

	Permanent Number	Other Number	2020/21 Total Number	2019/20 Total Number
Medical and dental	29	3	**32**	30
Ambulance staff	3	-	**3**	8
Administration and estates	400	34	**434**	417
Healthcare assistants and other support staff	325	106	**431**	413
Nursing, midwifery and health visiting staff	579	67	**646**	690
Scientific, therapeutic and technical staff	408	1	**409**	443
Other	13	-	**13**	14
Total average numbers	**1,757**	**211**	**1,968**	**2,015**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	-

3.1.5.8 Trade Union Facility Time (April 2020 to March 2021)

The following information is published in accordance with the Trade Union (TU) (Facility Time Publication Requirement) Regulations 2017.

14 of the Trust's employees (12.9 Full-time equivalent) were union officials during this period. 12 of these employees spent a small proportion of their working hours on facility time. The total cost of this facility time to the Trust was £16,332, representing 0.02% of the total pay bill. The time spent on union activities as a proportion of total paid facility hours was 0.01%

The Trust believes that we get good value for money for the small amount spent on union representatives and functions better as a result of their input.

3.1.5.9 Workforce vision

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

- Align and embed health and wellbeing culture consistent with our vision

values and strategic goals.

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

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

3.1.5.10 Staff engagement

The pandemic has meant new ways of engaging with and involving our staff. The new and rapidly changing environment meant that we needed to communicate on an almost daily basis, providing up to date guidance and responding to queries through our regular People Bulletins. A new People Team advice line and an email inbox were set up to respond to staff concerns. Technology for online meetings meant that we could engage directly with large groups of staff, so we set up fortnightly virtual Team Conversations for all managers and All-Staff Briefings open to everybody to attend. Teams set up their own virtual team meetings and social network groups to inform and support each other in the absence of normal face to face contact.

In addition to our Staff Council and Black, Asian and Minority Ethnic Network, which were set up in 2019, we set up two new Staff Networks in 2020 to work with colleagues living with a disability or long term condition and those identifying as LGBTQI+. These supplement our well-established Joint Negotiating Committee (JNC) and Medical Joint Local Negotiating Committee (JLNC), through which we engage regularly with union and professional association representatives on issues such as policy development, staff wellbeing and inclusion, as well as in relation to organisational change and individual case management.

3.1.5.11 Staff recognition

We recognise and celebrate the fantastic achievements of our staff through a range of mechanisms, including through nominations for a range of external awards such as the prestigious Health Service Journal (HSJ) awards. In the 2020 HSJ awards we were delighted to be a finalist in the category of Primary Care Networks, GP or Community Provider of the Year. Other examples of our staff's successes included:

- Our initiative for Healthcare Assistants to deliver insulin resulted in us being a finalist in this year's HSJ Values awards
- Our Stevenage Integrated Care Team won the Best COVID Healthcare Heroes category from Stevenage Borough Council
- Our School-Aged Immunisation service's drive-through immunisation sessions were nominated for the NHS Parliamentary Awards by two local MPs
- Heidi Sandoz, HCT's lead Tissue Viability Nurse, was awarded the rare and highly-sought after Chief Nursing Officer Gold Award

- Our East and North Hertfordshire Referral Hub featured in the NHS Providers Live showcase which took place in October 2020
- Justine Musiime, Senior Physiotherapist, featured in the 'We Are The NHS' national advertising campaign in November 2020, representing both the Trust and her Allied Health Professional colleagues.

Internally, we celebrated our staff successes through our newsletters, our weekly COVID-19 Superstars awards and though our annual Leading Lights Awards, which were presented at a virtual celebration event in October 2020. This included a special award to celebrate the International Year of the Nurse 2020.

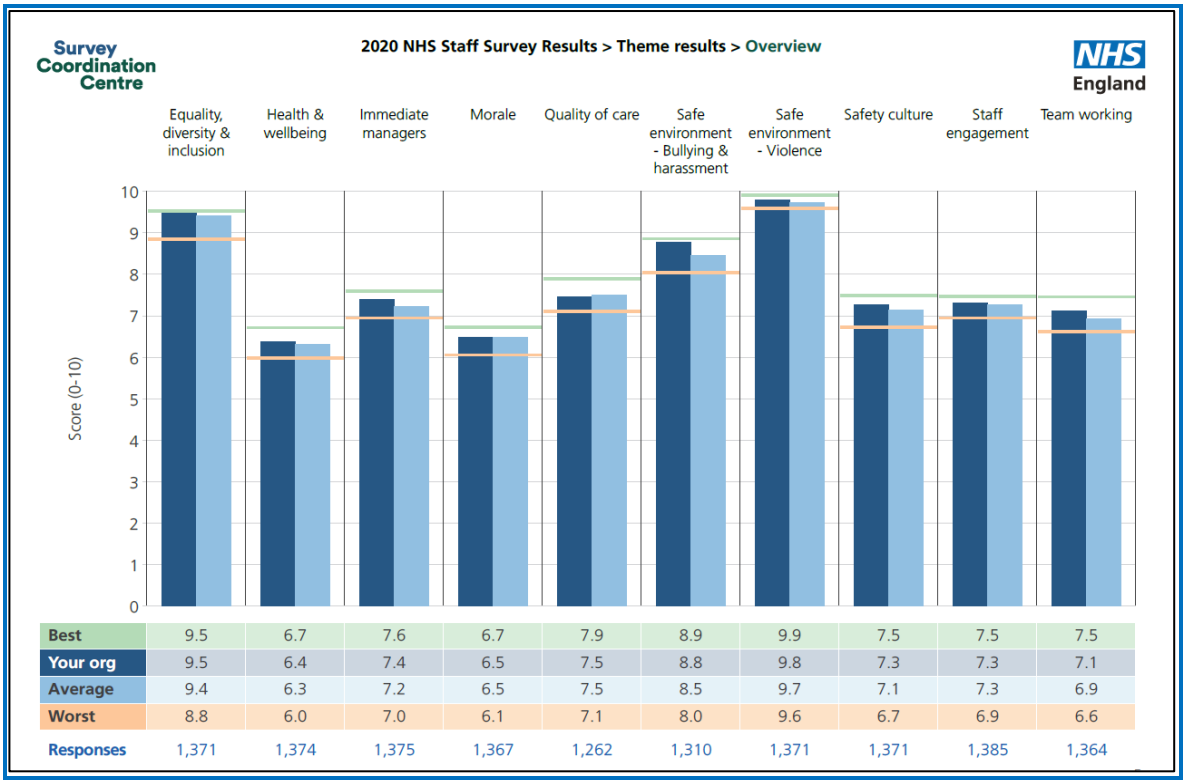
3.1.5.12 Staff Surveys

The Trust runs the national NHS Staff Survey as a full online census of all staff. The percentage response rate to the 2020 survey was 71%, showing a high level of staff engagement. This was well above the Community Trust average of 58%.

Having seen an overall picture of improvement in the 2019 survey (with 7 of the 10 themes statistically better and no areas of deterioration), there were further significant improvements this year. The scores in all 10 themes in the 2020 survey were higher, with statistical improvements in the five of these relating to staff engagement, health and wellbeing, immediate managers, morale and quality of care.

When compared to the 15 other Community Trusts, the Trust was:

- Better than average in seven themes: equality, diversity and inclusion, health and wellbeing, immediate managers, bullying and harassment, violence, safety culture and team working (with bullying and harassment being markedly better)
- At the average in the remaining three themes: morale, quality of care and staff engagement (no areas of deterioration).
- The highest scoring Community Trust for equality, diversity and inclusion.



We take the results of the staff survey seriously and are working with our Staff Council, Staff Networks and union representatives on our Joint Negotiation Committee and Medical Joint Local Negotiating Committee to develop a 'Great Place to Work' plan to continue this progress. Services are also putting in place local actions for any areas of improvement needed in their own teams.

Whilst we paused our regular quarterly pulse surveys during the year due to prioritising our COVID-19 response, we did run a range of other surveys to ensure our staff could give their views on issues as we went through the pandemic, including asking them about their experience of our handling of the first surge, which we used to inform our subsequent plans.

3.1.5.13 Leadership development

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

Over the last year, our main focus has been on supporting our leaders to meet the challenges of the pandemic, implementing a range of tools and interventions to support their wellbeing, resilience, and leadership knowledge. This included a range of tips and resource guides - practical tools, tips, videos, blogs and articles, supported by wellbeing calls to leaders to explore individual and team resilience and provide sign-posting where necessary. In addition to this new support, we continued providing action learning sets using virtual platforms and, as the year progressed, began to deliver virtual masterclasses on key leadership and management topics.

As we were unable to meet in person, we took our Annual Leaders Conference online, focussing on Inclusive and Compassionate Leadership. From this, we

recognised that we could do more to support our staff in their personal development and launched two new programmes 'HCT Talent 3-5' and 'HCT Talent 6-7 Recognising your Potential' which provides each participant with a one-to-one career development meeting with a Trust coach, as well as group modules.

Our relationships with our ICS partners continued as we shared best practice and new initiatives around compassionate leadership and local Leadership Academy programmes, such as Mary Seacole. We maintained communication with the NHS Graduate training scheme in readiness for recommencing placements and nominated senior leaders for the Accelerated Directors Development programme.

3.1.5.14 Staff development

Our focus this year has been to enable our staff to access learning and development on a much more flexible basis, moving away from the traditional face to face training model, with the pandemic accelerating our progress towards blended learning. We developed new resources including videos, narrated presentations and reading so that staff could learn at times convenient to them. This helped them keep up with their clinical training requirements and enabled us to maintain our mandatory training compliance despite the additional demands on staff.

Our Education Leads were sent into front-line services to support staff who had been redeployed to develop the skills to care for patients in our community hospitals and community services. They provided one-to-one skills development and training in small groups, as well as offering 'calm spaces' – confidential reflective spaces to enable staff to manage the stress of working in unfamiliar environments.

In the second half of the year, the focus switched to training staff recruited for the Mass Vaccination Centres across Hertfordshire, West Essex, Bedfordshire, Luton and Milton Keynes. Over 1,000 recruits have completed e-learning and practical sessions in vaccination skills. We also moved our induction programme for the Vaccination Centres online to deliver sessions for up to 200 people at a time.

Through the year, we have continued to use the Apprenticeship Levy to support staff development. Our first Occupational Therapy Apprentices started their programme at the University of Hertfordshire and we have continued to support clinical and non-clinical apprenticeship programmes for interested staff. We have also made the best use of CPD funding, supporting access to a range of clinical programmes.

3.1.5.15 Staff recruitment and retention

The Trust recognises the vital importance of being able to recruit sufficient numbers of high-quality staff to deliver safe and effective services to our patients and service users, along with retaining the experienced staff we already have working with us.

Over the last year, we have demonstrated the fantastic engagement and agility of our staff by redeploying at least a quarter of them to support the pandemic response, with the roles and working practices of almost the entire workforce changing to reflect the unprecedented circumstances. Staff responded amazingly, moving work on-line where possible and rapidly adjusting to the changing requirements, including working hard to manage the backlog of demand created by the first surge. They have also shown a huge willingness in supporting the roll-out of the COVID-19 Mass Vaccination Programme, with many volunteering to work in our vaccination centres.

Despite the challenging circumstances, our turnover and vacancy rates have

reduced during the pandemic and at the end of March 2021 were at 7.8% vacancies and 10.46% turnover, lower than at any time over the last five years.

With demand for temporary staff across the NHS at very high levels, accessing adequate numbers has been difficult, but we have continued to work closely with our temporary staffing provider, NHS Professionals, to ensure we make the best use of the limited supply. To support this, as well as the work/life balance of our staff, we have undertaken a self-rostering pilot in some of our inpatient units, with a view to rolling this out to other teams.

3.1.5.16 Equal opportunities in employment

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

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

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

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

Further information on our actions and achievements on diversity and inclusion are set out in the Equalities Performance section 2.2.5.1.

3.1.5.17 Disability

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

64 Trust staff have declared they have a disability equating to 2.97% of the workforce (a small increase compared to the 2.77% last year). Over the last year we recruited 12 new staff with a disability to work in our services.

3.1.5.18 Health and wellbeing and sickness absence

Supporting the health and wellbeing of our staff has been a high priority for the Trust though the pandemic. This has included: our People Team making individual

wellbeing calls to staff shielding, isolating or sick, new mechanisms to support team wellbeing, and access to quiet/wobble rooms on our busiest sites. We have introduced an improved Employee Assistance Programme to support the emotional wellbeing of our staff, providing staff counselling, along with legal and debt advice. We have also worked with local partners to introduce a Health and Wellbeing Hub, which offers an additional support line and includes higher-level emotional and trauma support. In addition, we have promoted the various national resources that have been introduced, including helplines and free access to apps.

We have supported the daily wellbeing of staff by providing access to hot drinks, food and snacks and have used charitable funds to provide hand and face cream to mitigate the effects of more frequent hand washing and wearing of PPE. We have also continued to provide access to our fast track physiotherapy service, primarily via on-line consultations.

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

The Trust's Health at Work Service is provided by East and North Hertfordshire NHS Trust, which is accredited under the SEQOHS (Safe Effective Quality Occupational Health Service) scheme. In 2020/21:

- 566 pre-placement assessments were undertaken
- 287 employees were referred to the Health at Work Service for advice
- 145 appointments were attended for occupational immunisations, including vaccines and blood tests for Hepatitis B, chickenpox, measles, mumps, rubella and tuberculosis (but excluding flu).

We also ran our annual flu campaign, with Health at Work and our flu champions vaccinating 85% of staff to protect them and vulnerable patients (higher than the 77% last year) and we vaccinated 91% of our staff against COVID-19.

Hertfordshire Community NHS Trust

Annual accounts for the year ended 31 March 2021

Contents: **Page**

Statement of directors' responsibilities in respect of the accounts

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

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

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

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

By order of the Board

Chief Executive Date: 23rd June 2021

Director of Finance, Systems & Estates Date: 23rd June 2021

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

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Hertfordshire Community NHS Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report 2020-2021, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement 2020/21 does not comply with the guidance issued by NHS Improvement, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement 2020/21 addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of

the financial statements. This included the evaluation of the risk of management override of controls and revenue and expenditure recognition. We determined that the principal risks were in relation to:

- unusual journal entries made during the year and accounts production stage
- the appropriateness of assumptions applied by management in determining significant accounting estimates, such as the valuation of property plant and equipment and the completeness and accuracy of provisions and accruals.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on testing unusual journal entries made during the year and accounts production stage for appropriateness and corroboration;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations and completeness and accuracy of accruals and payables.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS Improvement's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust set out on page 64, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Hertfordshire Community NHS Trust for the year ended 31 March 2021in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Dossett

Signature:

Paul Dossett, Key Audit Partner

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

London

Date: 23 June 2021

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

In our auditor's report issued on 23 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 23 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Hertfordshire Community Hospital NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

Paul Dossett

Paul Dossett, Key Audit Partner

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

London

20 September 2021

Hertfordshire Community NHS Trust

Annual accounts for the year ended 31 March 2021

Statement of Comprehensive Income

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	106,616	124,393
Other operating income	4	24,095	4,158
Operating expenses	6	(130,051)	(126,825)
Operating surplus/(deficit) from continuing operations		**660**	**1,726**
Finance income	12	4	135
Finance expenses	13	-	(38)
PDC dividends payable		(468)	(1,097)
Net finance costs		**(464)**	**(1,000)**
Other gains / (losses)	14	10	-
Gains / (losses) arising from transfers by absorption		-	(22,461)
Surplus / (deficit) for the year from continuing operations		**206**	**(21,735)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		**206**	**(21,735)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments		-	(1,005)
Revaluations		-	1,548
Total comprehensive income / (expense) for the period		**206**	**(21,193)**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		206	(21,735)
Remove net impairments not scoring to the Departmental expenditure limit		-	900
Remove (gains) / losses on transfers by absorption		-	22,461
Remove I&E impact of capital grants and donations		78	76
Remove 2018/19 post audit PSF reallocation (2019/20 only)		-	(488)
Adjusted financial performance surplus		**284**	**1,214**

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	15	417	595
Property, plant and equipment	16	43,799	40,324
Receivables	18	22	10
Total non-current assets		**44,238**	**40,929**
Current assets			
Receivables	18	5,417	11,398
Non-current assets for sale and assets in disposal groups	19	1,100	1,500
Cash and cash equivalents	20	42,601	14,685
Total current assets		**49,118**	**27,583**
Current liabilities			
Trade and other payables	21	(19,454)	(11,433)
Provisions	24	(2,628)	(44)
Other liabilities	22	(12,949)	(1,018)
Total current liabilities		**(35,031)**	**(12,495)**
Total assets less current liabilities		**58,325**	**56,017**
Non-current liabilities			
Provisions			
Total non-current liabilities	24	(2,999)	(1,102)
Total assets employed		**(2,999)**	**(1,102)**
		55,326	**54,915**
Financed by			
Public dividend capital		1,631	1,426
Revaluation reserve		9,624	9,797
Other reserves		4,946	4,946
Income and expenditure reserve		39,125	38,747
Total taxpayers' equity		**55,326**	**54,915**

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

Name Elliot Howard-Jones
Position Chief Executive

Date 22-June-2021

Statement of Changes in Equity for the year ended 31 March 2021

	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	**1,426**	**9,797**	**4,946**	**38,747**	**54,915**
Surplus/(deficit) for the year	-	-	-	206	**206**
Other transfers between reserves	-	(173)	-	173	**-**
Public dividend capital received	205	-	-	-	**205**
Taxpayers' and others' equity at 31 March 2021	**1,631**	**9,624**	**4,946**	**39,126**	**55,327**

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

	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	**1,387**	**18,477**	**4,946**	**51,259**	**76,069**
Prior period adjustment	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2019 - restated	**1,387**	**18,477**	**4,946**	**51,259**	**76,069**
Surplus/(deficit) for the year	-	-	-	(21,735)	**(21,735)**
Transfers by absorption: transfers between reserves	-	(8,752)	-	8,752	**-**
Other transfers between reserves	-	(471)	-	471	**-**
Impairments	-	(1,005)	-	-	**(1,005)**
Revaluations	-	1,548	-	-	**1,548**
Public dividend capital received	39	-	-	-	**39**
Taxpayers' and others' equity at 31 March 2020	**1,426**	**9,797**	**4,946**	**38,747**	**54,915**

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Financial assets reserve

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

Other reserves

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

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		660	1,726
Non-cash income and expense:			
Depreciation and amortisation	6	3,945	3,806
Net impairments		-	1,074
(Increase) / decrease in receivables and other assets		6,173	(4,024)
Increase / (decrease) in payables and other liabilities		18,315	(1,836)
Increase / (decrease) in provisions		4,481	(376)
Other movements in operating cash flows		(15)	(2)
Net cash flows from / (used in) operating activities		**33,559**	**369**
Cash flows from investing activities			
Interest received		4	135
Purchase of intangible assets		(33)	(377)
Purchase of PPE and investment property		(5,572)	(4,927)
Sales of PPE and investment property		425	123
Net cash flows from / (used in) investing activities		**(5,176)**	**(5,046)**
Cash flows from financing activities			
Public dividend capital received		205	39
Movement on loans from DHSC		-	(2,356)
Interest on loans		-	(18)
PDC dividend (paid) / refunded		(671)	(1,092)
Net cash flows from / (used in) financing activities		**(466)**	**(3,427)**
Increase / (decrease) in cash and cash equivalents		**27,916**	**(8,104)**
Cash and cash equivalents at 1 April - brought forward		**14,685**	**22,789**
Prior period adjustments			-
Cash and cash equivalents at 1 April - restated		**14,685**	**22,789**
Cash and cash equivalents transferred under absorption accounting		-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	20	**42,601**	**14,685**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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 the accounts.

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust's management has recognised the requirements under IAS 1 to assess the Trust financial and operational activities and whether any of these raise concerns for the Trust to be deemed as a going concern.

The Trust has considered the following key areas in reaching its conclusion:

Financial risk, including the consideration of future risks and the Trust's historical ability to meet these challenges. This has included the recognition that the current COVID-19 pandemic has seen emergency financial arrangements implemented within the NHS. A number of key intra NHS contracts have yet to be agreed or signed between the Trust or its commissioners for the 2021/22 financial year. Receipt of payments in advance continued for the current financial year 2020/21. Assurances have been provided by NHSE/I that sufficient funds will be made available to the Trust to ensure it is able to meet its liabilities during the pandemic.

Operational risk, this included assessment of risks arising from loss of key management and key staff without replacement, governance risk ratings, Care Quality standards and adaptation to fundamental changes in technology.

Other risks considered included assessment of serious non-compliance with regulatory or statutory requirements and any pending legal or regulatory proceedings against the trust.

Given the above, the Trust Management have assumed that sufficient income will be received during the 21/22 financial year and that either direct payments will continue or that contract agreements will be agreed quickly to ensure the Trust secures sufficient income to continue its operations. Management have also continued to review of the Trust's future cash flows, its current liabilities and assets and as a non-trading entity in the public sector to assure itself that there is full expectation that the services provided by the Trust will continue in the future.

The Trust management is satisfied that there is no operational risks or other risks that might cast significant doubt on going concern.

The Trust's management has assessed that the Trust is a going concern in accordance with the GAM 2020/21 issued by DHSC.

Note 1.3 NHS Charitable Funds Consolidation

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

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact.

For Hertfordshire Community NHS Trust the values of Charitable Funds are not material and are therefore not consolidated.

Note 1.4 Revenue from contracts with customers

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

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

Revenue from NHS contracts

The 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.

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

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.

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 their patient. 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.

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

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

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

Apprenticeship service income

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

Note 1.5.1 Other income

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

Mass COVID Vaccination Programme (MCVP)

We were appointed the lead provider of MCVP for Herts West Essex (HWE) and Beds Luton Milton Keynes (BKMK). Funding is directly on a reimbursement basis from NHS England inline with the accruals basis set out in Note 1.4 above

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The Trust leave year runs from 1st April to 31 March. The Trust has historically had a policy of not allowing any staff to carry forward untaken leave into the new financial year, however the Trust acknowledges that those staff on maternity leave or long-term sickness leave are entitled to annual leave that they will not have been able to take during the year and, therefore, a provision has historically been made to take into account of this.

Annual leave accrual

The UK Government has relaxed the Working Time Regulations 1998 ("WTR") on carrying over untaken annual leave due to the effects of COVID-19. Under the Amendment Regulations, workers will now be able to carry over untaken annual leave into the next two leave years where they have been unable to take it due to the COVID-19 pandemic. The balance of the accrued days has been accrued within the accounts and the cost recognised within the SOCI.

Pension costs

NHS Pension Scheme

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

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

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

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

Note 1.7 Expenditure on other goods and services

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

MCVP expenditure
This is recognised as set out in notes 1.6 and 1.7

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are ‘machinery of government changes’ and treated as continuing operations.

Note 1.9 Property, plant and equipment

Note 1.9.1 Recognition

Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
• items form part of the initial equipment and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost. Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Note 1.9.2 Subsequent Expenditure

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

Note 1.9.3 Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

The last full revaluation was undertaken at 31st March 2020 (by Boshier & Company). The Trust's valuer reported at the time their valuations were on the basis of “material valuation uncertainty” as a result of the COVID-19 pandemic and government actions taken to limit the effect of the disease.

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity.

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

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

Note 1.9.4 Depreciation

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

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

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets are not depreciated in the quarter in which they are acquired, but are in quarter of any sale

Assets are not depreciated in the quarter in which they are acquired, but are in quarter of any sale

Note 1.9.5 Revaluation gains and losses

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

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

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

Note 1.9.6 Impairments

charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

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

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

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

Note 1.9.7 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable i.e.:

- management are committed to a plan to sell the asset
- an programme has begun to find a buyer and complete the sale
- the asset is being marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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

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

Note 1.9.8 Donated and grant funded assets

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

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

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Note 1.9.9 Useful lives of property, plant and equipment

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

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

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

Note 1.10 Intangible assets

Note 1.10.1 Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.
Internally generated assets are recognised if, and only if, all the following have been demonstrated:

• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use

• the Trust intends to complete the asset and sell or use it

• the Trust has the ability to sell or use the asset

• how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

• adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and

• the trust can measure reliably the expenses attributable to the asset during development.

Software

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

Note 1.10.2 Measurement

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

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

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

Amortisation

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

Note 1.10.3 Useful lives of intangible assets

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

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

Note 1.11 Inventories

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. These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

The balances of the inventories held are immaterial and consistent with previous years and as such are not included with the Statement of Financial Position.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Note 1.13.1 Recognition

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

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

Note 1.13.2 Classification and measurement

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

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

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

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

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing

income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

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

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

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

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

Impairment of financial assets

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

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

The Trust's accounting policy covering expected Non NHS credit losses and how they are determined are outlined in Note 1.25

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

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

Note 1.13.3 De-recognition

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

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

Note 1.14 Leases

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

Note 1.14.1 The Trust

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

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

Operating leases

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

Leases of land and buildings

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

Note 1.14.2 The Trust as lessor

Finance leases

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

Operating leases

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

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	-0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 25 but is not recognised in the Trust's accounts.

Audit negligence costs

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

Non-clinical risk pooling

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

Note 1.16 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 26 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.17 Public dividend capital

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

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

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

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

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

The Trust is not required to pay corporation tax as it is an NHS trust and has no trading company

Note 1.20 Losses and special payments

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

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

Note 1.21 Gifts

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

Note 1.22 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.23 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a l* interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard pr accounting model for lessees, recognising a right of use asset and obligation in the statement of financi most leases: some leases are exempt through application of practical expedients explained below. For in the statement of financial position the standard also requires the remeasurement of lease liabilities in circumstances after the commencement of the lease term. For lessors, the distinction between operatin leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition.

No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

The Trust has not reasonably estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions.

Note 1.24 Critical judgements in applying accounting policies

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

In the application of the NHS trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

Note 1.25 Sources of estimation uncertainty

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

The items in the Trust's Statement of Financial Position (SoFP) at 31 March 2021 for which material assumptions have been made are set out in the table that follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment - Values	The Trust needs to ensure the balances of Property, Plant and Equipment are accurately stated within the SoFP (at £43,799k). The Trust had its Building and Land assets valued as at 31st March 2020 by Boshier & Company. The Trust's valuer reported at the time their valuations were on the basis of "material valuation uncertainty" as a result of the COVID-19 pandemic and government actions taken to limit the effect of the disease. During the 2020/21 year we continued to monitor land and building valuations and have judged that despite extent of the economic impact of the pandemic, it is the Trust opinion that the valuations provided as at 31st March 2020 were appropriate and correct at that date given the property market has remained stable during the subsequent period. Since the last financial year, Boshier and Company have stopped providing valuations services of estates. In order to asses the movement on these asset values the Trust appointed The District Valuer to provide Building Cost Information Service (BCIS) indexation. The Trust management have used this information to assess the market movements since 31st March 2020 and found that the movements have been immaterial. Given that the risk will increase over the time and the expected end of the COVID-19 pandemic, the Trust will be having a full valuation of Land and Building assets for 31st March 2022 to gain an accurate assessment of the movement by the District Valuer.	If the asset values increase, the impact would either increase the surplus / (deficit) for the year from continuing operations within the SoCI or the Revaluation Reserve within the SoFP depending on previous impairments. A 5% upward change in value would increase the value by almost £1,619k Inverse to upward revaluations, any reduction (impairment) in value would decrease the surplus / (deficit) for the year from continuing operations within the SoCI or the Revaluation Reserve within the SoFP depending on previous impairments. A 5% decrease in value would reduce the value by almost (£1,619k)

The Trust has used, wherever possible, advice from specialist providers or information from counterparty organisations to support estimated values within the accounts. If these were not available then the Trust's own data and experience has been used to calculate estimated amounts. This should reduce the risk of material errors arising in 2021-22 and future years from the estimated values included in these accounts.

Note 2 Operating Segments

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

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2020/21 £000	2019/20 £000
Community services		
Block contract / system envelope income*	76,061	91,542
Income from other sources (e.g. local authorities)	25,226	28,900
All services		
Private patient income	18	49
Additional pension contribution central funding**	3,453	3,902
Other clinical income	1,858	-
Total income from activities	**106,616**	**124,393**

*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.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21 £000	2019/20 £000
NHS England	7,953	14,272
Clinical commissioning groups	71,673	81,845
Department of Health and Social Care	-	-
Other NHS providers	3,114	4,864
NHS other	27	-
Local authorities	22,617	22,451
Non-NHS: private patients	18	49
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	52	8
Non NHS: other	1,162	904
Total income from activities	**106,616**	**124,393**
Of which:		
Related to continuing operations	106,616	124,393
Related to discontinued operations	-	-

Note 4 Other operating income

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Education and training	1,035	-	**1,035**	1,358	-	**1,358**
Non-patient care services to other bodies	666	-	**666**	84	-	**84**
Financial recovery fund (2019/20 only)	-	-	**-**	-	-	**-**
Marginal rate emergency tariff funding (2019/20 only)	-	-	**-**	-	-	**-**
Reimbursement and top up funding	20,286	-	**20,286**	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	-	-	**-**	-	-	**-**
Receipt of capital grants and donations	-	-	**-**	-	-	**-**
Charitable and other contributions to expenditure	-	1,411	**1,411**	-	-	**-**
Other income	92	605	**697**	1,030	25	**1,054**
Total other operating income	**22,079**	**2,016**	**24,095**	**4,133**	**25**	**4,158**
Of which:						
Related to continuing operations			24,095			4,158
Related to discontinued operations			-			-

Charitable and other contributions to expenditure include this year receipt of equipment £16k and consumables (inventory) £1,395k donated from DHSC bodies.

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

	2020/21	2019/20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,577	169
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods		

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

Note 6 Operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	488	691
Purchase of healthcare from non-NHS and non-DHSC bodies	1,633	1,741
Staff and executive directors costs	91,430	95,360
Remuneration of non-executive directors	88	67
Supplies and services - clinical (excluding drugs costs)	5,547	5,029
Supplies and services - general	4,521	1,944
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	832	895
Consultancy costs	526	447
Establishment	9,204	4,520
Premises	5,477	6,714
Transport (including patient travel)	999	1,644
Depreciation on property, plant and equipment	3,734	3,595
Amortisation on intangible assets	211	211
Net impairments	-	1,074
Movement in credit loss allowance: all other receivables and investments	799	-
Change in provisions discount rate(s)	-	(174)
Audit fees payable to the external auditor		
audit services- statutory audit	73	53
other auditor remuneration (external auditor only)	-	-
Internal audit costs	45	63
Clinical negligence	277	171
Legal fees	95	-
Insurance	8	-
Research and development	-	1
Education and training	448	71
Rentals under operating leases	2,730	1,790
Redundancy	-	24
Car parking & security	392	-
Other	493	895
Total	**130,051**	**126,825**
Of which:		
Related to continuing operations	130,051	126,825
Related to discontinued operations	-	-

Note 7 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/2020.

Note 8 Impairment of assets

	2020/21 £000	2019/20 £000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	-	174
Changes in market price	-	900
Total net impairments charged to operating surplus / deficit	**-**	**1,074**
Impairments charged to the revaluation reserve	-	1,005
Total net impairments	**-**	**2,079**

Note 9 Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	65,179	67,060
Social security costs	6,806	5,742
Apprenticeship levy	295	312
Employer's contributions to NHS pensions	11,564	12,542
Pension cost - other	-	26
Temporary staff (including agency)	7,677	10,002
Total gross staff costs	**91,521**	**95,685**
Recoveries in respect of seconded staff	-	-
Total staff costs	**91,521**	**95,685**
Of which		
Costs capitalised as part of assets	91	301

Note 9.1 Retirements due to ill-health

During 2020/21 there were no early retirements from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is 0k (£3k in 2019/20).

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

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 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 recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

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

Note 11 Operating leases

Note 11.1 Hertfordshire Community NHS Trust as a lessee

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

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	2,631	1,691
Less sublease payments received	99	99
Total	**2,730**	**1,790**

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	3,074	1,804
- later than one year and not later than five years;	8,238	6,645
- later than five years.	4,162	3,032
Total	**15,474**	**11,481**
Future minimum sublease payments to be received	-	-

Note 12 Finance income

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	4	135
Total finance income	**4**	**135**

Note 13 Finance expenditure

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	18
Total interest expense	**-**	**18**
Unwinding of discount on provisions	-	20
Total finance costs	**-**	**38**

Note 14 Other gains / (losses)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	10	-
Total gains / (losses) on disposal of assets	**10**	**-**
Total other gains / (losses)	**10**	**-**

Note 15.1 Intangible assets - 2020/21

	Software licences	Development expenditure	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**2,201**	**180**	**2,381**
Additions	33	-	**33**
Adjustments*	(410)	-	**(410)**
Valuation / gross cost at 31 March 2021	**1,824**	**180**	**2,004**
Amortisation at 1 April 2020 - brought forward	**1,786**	**-**	**1,786**
Provided during the year	139	72	**211**
Adjustments*	(410)	-	**(410)**
Amortisation at 31 March 2021	**1,515**	**72**	**1,587**
Net book value at 31 March 2021	**309**	**108**	**417**
Net book value at 1 April 2020	**415**	**180**	**595**

Adjustments*

This adjustment is to correct the error on reported gross values and amortisation in the 2019-20 accounts as per table below. Assurance is gained in that the Net Book Values agreed to the Trial balance therefore no adjustment to the accounts is required except for disclosure purposes.

	2019-20 perTrial balance	per Accounts	Variance
	£000	£000	£000
Valuation/gross cost at 31 March 2020	1,977	2,381	404
Amortisation at 31 March 2020	-1,382	-1,786	-404
Net book value at 31 March 2020	595	595	

The Trust is in the process of implementing the Real Asset Management (RAM) system which is planned to be effective in the first quarter in 2021-22 financial year. To implement this project it is a requirement to first align the Fixed Asset register (FAR) to the General ledger (GL) at gross and net values. This work is currently underway and is progressing to update the FAR with gross values and accumulated depreciation. RAM has an interface to ledger therefore it is necessary for the two aligned.

Note 15.2 Intangible assets - 2019/20

	Software licences	Development expenditure	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**2,004**	**-**	**2,004**
Prior period adjustments	-	-	**-**
Valuation / gross cost at 1 April 2019 - restated	**2,004**	**-**	**2,004**
Transfers by absorption	-	-	**-**
Additions	197	180	**3**
Valuation / gross cost at 31 March 2020	**2,201**	**180**	**2,381**
Amortisation at 1 April 2019 - as previously stated	**1,575**	**-**	**1,575**
Prior period adjustments	-	-	**-**
Amortisation at 1 April 2019 - restated	**1,575**	**-**	**1,575**

Provided during the year	211	-	**211**
Amortisation at 31 March 2020	**1,786**	**-**	**1,786**
Net book value at 31 March 2020	**415**	**180**	**595**
Net book value at 1 April 2019	**429**	**-**	**429**

Note 16.1 Property, plant and equipment - 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 - brought forward	**9,906**	**34,642**	**-**	**-**	**1,736**	**22**	**16,740**	**251**	**63,297**
Additions	-	207	-	6,119	114	-	769	-	**7,209**
Reclassifications	-	(7,213)	**-**	**-**	**-**	**-**	**-**	7,213	**-**
Adjustments*	-	5,661	-	-	255	-	11	58	**5,985**
Valuation/gross cost at 31 March 2021	**9,906**	**33,297**	**-**	**6,119**	**2,105**	**22**	**17,520**	**7,522**	**76,491**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**10,957**	**-**	**-**	**686**	**22**	**11,079**	**229**	**22,972**
Provided during the year	-	1,426	-	-	202	-	2,103	3	**3,734**
Reclassifications*	-	(1,935)	-	-		-	-	1,935	**-**
Adjustments*	-	5,660	-	-	255	-	11	59	**5,985**
Accumulated depreciation at 31 March 2021	**-**	**16,108**	**-**	**-**	**1,143**	**22**	**13,193**	**2,226**	**32,691**
Net book value at 31 March 2021	**9,906**	**17,189**	**-**	**6,119**	**962**	**-**	**4,327**	**5,296**	**43,799**
Net book value at 1 April 2020	**9,906**	**23,685**	**-**	**-**	**1,050**	**-**	**5,661**	**22**	**40,324**

Adjustments*

This adjustment is to correct the error on reported gross values and accumulated depreciation in the 2019-20 accounts as per table below. Assurance is gained in that the Net Book Values agreed to the Trial balance therefore no adjustment to the accounts is required except for disclosure purposes.

	2019-20 perTrial balance £000	per Accounts £000	Variance £000
Valuation/gross cost at 31 March 2020	69,280	63,297	-5,983
Accumulated depreciation at 31 March 2020	-28,957	-22,974	5,983
Net book value at 31 March 2020	40,323	40,323	

The Trust is in the process of implementing the Real Asset Management (RAM) system which is planned to be effective in the first quarter in 2021-22 financial year. To implement this project it is a requirement to first align the Fixed Asset register (FAR) to the General ledger (GL) at gross and net values. This work is currently underway and is progressing to update the FAR with gross values and accumulated depreciation. RAM has an interface to ledger therefore it is necessary for the twoaligned.

Reclassifications*

Relates to reclassification of lease holder works wrongly recorded as Buildings instead of Furniture & fittings and will be depreciated over the lease life.

Note 16.2 Property, plant and equipment - 2019/20

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

Note 16.3 Property, plant and equipment financing - 2020/21

	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	9,906	20,934	-	6,119	962	-	4,327	14	**42,262**
Owned - donated/granted	-	1,533	-	-	-	-	-	4	**1,537**
NBV total at 31 March 2021	**9,906**	**22,467**	**-**	**6,119**	**962**	**-**	**4,327**	**18**	**43,799**

Note 16.4 Property, plant and equipment financing - 2019/20

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

Note 16.5 Revaluation of property, plant and equipment

The Trust undertakes a full revaluation of all its properties every five years; the last full revaluation was undertaken at 31st March 2020, carried out by the Trust's qualified chartered surveyor. In the intervening period an interim desk top valuation is carried out annually in consultation with the Trust's valuer, to ensure that the Trust's land and property is being held at current value in existing use.
Boshier and company stop providing valuations of estate after 31st March 2020 valuation. As such the Trust appointed The District Valuer (DVS) to support in the desktop valuation at 31st March 2021. Given the COVID-19 pandemic and time limitation they were not able to undertake full site assessment and as such have provided BICS indices and guidance on how to calculate valuation movements. For assurance purposes HCT has compared it's property valuations to other Regional organisations.

The Trust's management continued to review market movements and has regular dialogue with its valuers since the financial year end. Managements conclusions and around the market is the Trust opinion that the valuations provided as at 31st March 2021 are appropriate and correct at that date. Management concluded that the proposed adjustment is immaterial and will not be made to the financial statements for this reason.

The proposed impact on valuations of assets was assessed as immaterial by the Trust's management and as such not applied to the financial statements. More detail is provided in the Statement of Changes in Taxpayers' Equity and Note 15.1 Property, plant and equipment.

In 2020 the Trust valuer reported that their valuations were on the basis of “material valuation uncertainty” as a result of the COVID-19 pandemic and government actions taken to limit the effect of the disease. At the reporting date it was too soon to judge the extent of the economic impact of these measures at that time. It is the Trust opinion that the uncertainty has not been proven therefore this statement is removed.

Note 17 Inventories

Inventories recognised in expenses for the year were £1,395k (2019/20: £0k). Write-down of inventories recognised as expenses for the year were £0k (2019/20: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £1,395k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 18.1 Receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	4,378	11,143
Allowance for other impaired receivables	(1,049)	(250)
Prepayments (non-PFI)	1,469	238
PDC dividend receivable	361	158
VAT receivable	220	96
Other receivables	38	14
Total current receivables	**5,417**	**11,398**
Non-current		
Other receivables	22	10
Total non-current receivables	**22**	**10**
Of which receivable from NHS and DHSC group bodies:		
Current	3,536	9,359
Non-current	22	10

Note 18.2 Allowances for credit losses

	2020/21		2019/20	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - brought forward	**-**	**250**	**-**	**450**
New allowances arising	-	799	-	-
Utilisation of allowances (write offs)	-	-	-	(200)
Allowances as at 31 Mar 2021	**-**	**1,049**	**-**	**250**

Note 19 Non-current assets held for sale and assets in disposal groups

	2020/21	2019/20
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**1,500**	**-**
Assets classified as available for sale in the year	-	2,400
Assets sold in year	(400)	-
Impairment of assets held for sale	-	(900)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**1,100**	**1,500**

In 2020/21 this asset composed of:
- land and buildings
- Two assets were identified and approved for sale. These were correspondingly revalued under accounting standards, which led to an impaired values. One of the assets was sold in 2020/21.
- The sale of the remaining asset was delayed until 2021/22 when the Trust is looking to dispose of this and reinvest the funds into the Trust's assets base to improve the quality of its estate.

Note 20 Cash and cash equivalents movements

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

	2020/21	2019/20
	£000	£000
At 1 April	**14,685**	**22,789**
Prior period adjustments		-
At 1 April (restated)	**14,685**	**22,789**
Net change in year	27,916	(8,104)
At 31 March	**42,601**	**14,685**
Broken down into:		
Cash at commercial banks and in hand	1	1
Cash with the Government Banking Service	42,600	14,684
Total cash and cash equivalents as in SoFP	**42,601**	**14,685**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**42,601**	**14,685**

Note 20.1 Third party assets held by the Trust

Hertfordshire Communitty NHS Trust does not hold cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest.

	31 March 2021 £000	31 March 2020 £000
Note 21 Trade and other payables		
Current		
Trade payables	1,271	819
Capital payables	2,139	502
Accruals*	11,027	6,284
Annual leave accrual*	1,191	149
Social security costs	1,018	802
VAT payables	15	15
Other taxes payable	735	501
Other payables	2,058	2,361
Total current trade and other payables	**19,454**	**11,433**
Non-current		
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	2,701	3,549
Non-current	-	-

Note 22 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	12,949	1,018
Total other current liabilities	**12,949**	**1,018**
Non-current		
Total other non-current liabilities	**-**	**-**

Deferred income increased as a result of the COVID19 pandemic. This was due to a number of services being paused during the initial wave, as well as the Trust being unable to recruit to vacancies. The Trust expects to provide these services in the next financial year resulting in the utilisation of deferred income.

Note 23.1 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	-	-	-	-
Cash movements:				
Non-cash movements:				
Carrying value at 31 March 2021	-	-	-	-

Note 23.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	2,358	-	-	2,358
Cash movements:				
Financing cash flows - payments and receipts of principal	(2,356)	-	-	**(2,356)**
Financing cash flows - payments of interest	(18)	-	-	**(18)**
Non-cash movements:				
Application of effective interest rate	16	-	-	**16**
Carrying value at 31 March 2020	-	-	-	-

Note 24 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2020	**-**	**30**	**1,116**	**1,146**
Arising during the year	1,901	50	2,530	**4,481**
At 31 March 2021	**1,901**	**80**	**3,646**	**5,627**
Expected timing of cash flows:				
- not later than one year;	385	80	2,163	**2,628**
- later than one year and not later than five years;	1,901	-	6	**1,907**
- later than five years.	-	-	1,092	**1,092**
Total	**2,286**	**80**	**3,261**	**5,627**

Pensions: early departure costs

Early Departure costs relate to a constructive obligation with the NHS Pensions Agency to refund it the costs of pensions paid to staff who have retired due to ill-health in earlier years. The value of the obligation is has been assessed using past claims and numbers expected to take this option and the uncertainty relates to the length of time these pensions will be payable

Legal Claims:

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

Other:

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

Note 25 Clinical negligence liabilities

At 31 March 2021, £30k was included in provisions, bringing the total liability to £1,228k as recognised by NHS Resolution, in respect of clinical negligence liabilities of Hertfordshire Community NHS Trust (31 March 2020: £1,140k).

Note 26 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	-	-
Employment tribunal and other employee related litigation	-	-
Redundancy	-	(25)
Other	-	(54)
Gross value of contingent liabilities	**-**	**(79)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**-**	**(79)**
Net value of contingent assets	**-**	**-**

Note 27 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	2,555	-
Intangible assets	-	-
Total	**2,555**	**-**

Note 28 Financial instruments

Note 28.1 Financial risk management

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

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

Currency risk

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

Interest rate risk

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

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

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

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

Note 28.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	3,389	-	-	**3,389**
Cash and cash equivalents	42,601	-	-	**42,601**
Total at 31 March 2021	**45,990**	**-**	**-**	**45,990**

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

Note 28.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other payables excluding non financial liabilities	17,686	-	**17,686**
Total at 31 March 2021	**17,686**	**-**	**17,686**

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

Note 28.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	16,148	9,054
In more than one year but not more than five years	-	-
In more than five years	-	-
Total	**16,148**	**9,054**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 29 Losses and special payments

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Stores losses and damage to property	3	1	3	1
Total losses	**3**	**1**	**3**	**1**
Special payments				
Ex-gratia payments	1	1	-	-
Total special payments	**1**	**1**	**-**	**-**
Total losses and special payments	**4**	**2**	**3**	**1**
Compensation payments received		-		-

Note 30 Related parties

There have not been any related party transactions with individuals during 2020-21.

The Department of Health and Social Care is regarded as a related party. During the year Hertfordshire Community NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

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

Charity:

The Trust is linked to Hertfordshire Community NHS Trust Charitable Funds but this is not consolidated as they are not material.

Note 31 Better Payment Practice code

	2020/21	2020/21	2019/20	2019/20
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	9,896	46,705	12,533	54,805
Total non-NHS trade invoices paid within target	9,033	44,512	11,478	53,129
Percentage of non-NHS trade invoices paid within target	91.3%	95.3%	91.6%	96.9%
NHS Payables				
Total NHS trade invoices paid in the year	877	10,414	1,186	10,849
Total NHS trade invoices paid within target	751	8,289	1,042	9,586
Percentage of NHS trade invoices paid within target	85.6%	79.6%	87.9%	88.4%

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

Note 32 External financing limit

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

	2020/21	2019/20
	£000	**£000**
Cash flow financing	(26,447)	5,787
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	**(26,447)**	**5,787**
External financing limit (EFL)	(7,766)	6,463
Under / (over) spend against EFL	**18,681**	**676**

Note 33 Capital Resource Limit

	2020/21	2019/20
	£000	**£000**
Gross capital expenditure	7,242	5,406
Less: Disposals	(400)	(123)
Charge against Capital Resource Limit	**6,842**	**5,283**
Capital Resource Limit	6,842	5,395
Under / (over) spend against CRL	**-**	**112**

Note 34.1 Breakeven duty financial performance

	2020/21
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	284
Breakeven duty financial performance surplus / (deficit)	**284**

Note 34.2 Breakeven duty rolling assessment

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	2,419	2,512	3,350	4,030	1,876	284
Breakeven duty cumulative position	8,530	11,042	14,392	18,422	20,298	20,582
Operating income	146,266	148,281	142,405	145,746	128,550	130,665
Cumulative breakeven position as a percentage of operating income	5.8%	7.4%	10.1%	12.6%	15.8%	15.8%

Note 35 Staff costs

	Permanent	Other		
	£000	£000		
Salaries and wages	65,179	-		
Social security costs	6,806	-		
Apprenticeship levy	295	-		
Employer's contributions to NHS pension scheme	11,564	-		
Pension cost - other	-	-		
Temporary staff	-	7,677		
Total gross staff costs	**83,844**	**7,677**		
Recoveries in respect of seconded staff	-	-		
Total staff costs	**83,844**	**7,677**		
Of which				
Costs capitalised as part of assets	-	91	**91**	301

Average number of employees (WTE basis)

	Permanent	Other		
	Number	Number		
Medical and dental	29	3		
Ambulance staff	3	-		
Administration and estates	400	34		
Healthcare assistants and other support staff	325	106		
Nursing, midwifery and health visiting staff	579	67		
Scientific, therapeutic and technical staff	408	1		
Other	13	-		
Total average numbers	**1,757**	**211**		
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	

Reporting of compensation schemes - exit packages 2020/21

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

Reporting of compensation schemes - exit packages 2019/20

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

Exit packages: other (non-compulsory) departure payments

	2020/21		2019/20	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**-**	**-**	**-**	**-**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	**-**	**-**	**-**	**-**

Note 36 IFRS 16 Leases

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

The Trust has not reasonably estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions.

Hertfordshire Community NHS Trust
1a Howard Court
14 Tewin Road
Welwyn Garden City
Hertfordshire
AL7 1BW

Tel: 01707 388000
Email: hct.communications@nhs.net
Website: www.hct.nhs.uk

Innovative Caring Agile